

10TH JULY 2013

REPORT OF HEAD OF REGULATORY SERVICES

LEICESTERSHIRE WASTE PARTNERSHIP – PROGRESS ON STRATEGIC JOINT WORKING

1.0 PURPOSE OF REPORT

1.1 To update Members on the outcome of the recently completed stage one County-wide review of strategic waste joint working opportunities and potential benefits in relation to the waste management services all the Districts and Boroughs in Leicestershire provide.

2.0 RECOMMENDATIONS

2.1 **Members support the proposed progression to the second stage of the IESE route map towards Waste Management Strategic Joint Working in Leicestershire**

2.2 **Members endorse the establishment of a Programme board (see table on 3.5 - key point 6 & Recommendation 3) to oversee and drive the 'Route map' forward.**

3.0 KEY ISSUES

3.1 At a meeting of the Rural Economic Environmental Affairs Committee on 6th March 2013 Members received and endorsed a report on 'Strategic Joint Working (Waste Management)', which sought support for an initiative that would follow a methodology designed by an external organisation - 'Improvement and Efficiency South East' (IESE) to assist with determining and taking forward municipal waste partnerships and developing strategic joint working opportunities.

3.2 The IESE methodology for identifying and enabling strategic joint working amongst the Leicestershire Waste Collection Authorities (including Melton Borough Council) uses a previously proven 'Route Map' approach which is undertaken in stages. Each stage when undertaken and completed gives a good indication at that point as to as to the usefulness / likely benefit, of progressing onto the next stage. The process can end at any stage if progressing to the next is not considered to be worthwhile or of any further benefit.

3.3 For members information, whilst not prescriptive, typically the stages for the agreed route map process involve the following:

- Stage 1- This stage focuses on gathering relevant background information on partner local authorities and other partnerships, and identifies options for further joint working. Desk based research and interviews are used to consider things such as current service delivery, performance, financial position and appetite for further joint working. This allows the relevant options to be identified and reduced to a more manageable number.
- Stage 2- The remaining options are further analysed and an outline business case is produced for each remaining option in order to better understand the magnitude of the savings possible.
- Stage 3- Should the Partnership consider that there is sufficient potential to continue with the project, a dedicated team is set up to consider the detail. As well as waste expertise, other disciplines will be called upon (e.g. the support of finance officers and legal support).

- Stage 4- A full business case is developed for the preferred option(s) to allow a final decision to be made.
- Stage 5- Implementation of the preferred option if agreed.

3.4 Stage 1 of the Route Map process is now complete and the outcomes will be presented to the Leicestershire Environment Board (LEB) on July 24th with a recommendation that the Board supports progressing the route map to stage two. This report is in essence seeking this Committee's determination to assist our LEB Member representative in regards to MBC supporting or declining to support progress to Stage 2.

3.6 The table below provides members with a brief summary of a number of the key outcomes from the Stage 1 process:

Findings	<p>Costs</p> <p>The ability of local authorities to respond to increasing financial pressures in future is unclear; but reductions in grant funding, volatility in the recycle market and housing growth are all major concerns expressed by the majority of collection authorities in Leicestershire.</p> <p>Stage 1 Evidence suggests that Leicestershire has relatively low total net costs for waste collection and disposal in comparison to other areas nationally. Despite these low costs within Leicestershire, more integrated joint working in other areas shows that:</p> <p>Joint working can lead to the delivery of significantly cheaper services.</p> <p>Joint working allows a whole system approach whereby the costs of waste collection and disposal can be viewed as total costs</p>
Savings	<p>Based on the experience of other partnerships, it is possible to summarise some of the key areas where partnerships may be able to generate savings (in no particular order):</p> <p>More attractive to the market and therefore better value contract(s)</p> <p>More efficient round design through cross-border working, with potential for a reduced resource requirement</p> <p>Reduced numbers of back-office and management staff</p> <p>Potential for increased recycle value (through bulk selling)</p> <p>Reduced procurement costs for containers, vehicles etc (economies of scale)</p> <p>Reduced procurement process costs through avoidance of repetition</p> <p>Increased ability to deliver joint communications where services are standardised</p> <p>Additional stability where cost sharing is employed, resulting in increased recycling that benefits both tiers</p>
Customer Satisfaction Levels	<p>Satisfaction levels are reportedly high across Leicestershire, but it is often unclear what it is that residents appreciate about services, as the high satisfaction levels could reflect a combination of factors, such as, collection frequency, service reliability, container type, and range of recyclable material collected.</p> <p>This means it is not possible to verify the view given in some of the interviews that residents are satisfied with services as a result of the type of container(s) used, which is seen by some as a barrier to joint working as they would be disinclined to make changes.</p> <p>It is suggested that customer satisfaction is retained as a key consideration throughout this process to ensure positive change.</p>
Progression to Stage 2	<p>This report finds that there is sufficient evidence to support progression to Stage 2 of the Programme, where a more in-depth analysis will take place. Given the extent of the service area and associated spending levels, and informed by the successes of other partnerships, there is clearly potential for savings that needs to be explored further.</p> <p>Recommendation 1</p> <p>Continue to Stage 2 of the Strategic Joint Working Programme to explore options in more detail and to estimate the magnitude of savings possible, For those authorities that have shown the most interest in this Programme,</p>

	<p>there is a need to progress quickly. Extensive modelling of possible options is not only expensive, but will cause unacceptable delays. Instead, it is proposed to initially model only a limited number of 'reference scenarios' that will allow the Partnership to better understand the magnitude of savings that may be possible, and allow partner authorities to make an informed choice about further involvement in the Programme.</p> <p>Recommendation 2 Subject to agreement to the first recommendation, develop and deliver Stage 2, utilising a small number of 'reference scenarios' to estimate savings potential.</p> <p>Key Point 6 Should the Programme continue, it will need to progress at pace to avoid missing a window of opportunity where all authorities can fully engage with the Programme. For this reason, it is suggested that as a precursor to Stage 3 (where a Programme Team would normally be established) the Partnership seeks to establish a Programme Board which will provide a strategic overview of the project and to give it sufficient authority to progress quickly.</p> <p>Recommendation 3 Subject to agreement to proceed to Stage 2, Partnership to establish a Programme Board to provide oversight to the project and to drive it forward.</p>
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4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 This report covers the completion of the IESE route map stage 1 process and considers progression to stage 2. As such neither stages have any direct policy or corporate implications.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 There are no financial implications resulting directly from this report. If however it is determined to progress to stage 2 and further agreed that a programme board be established, it would be expected that MBC would have representation on such a programme board and therefore attendance and support for that board would have a degree of resource implication albeit minimal.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 There are no direct legal or legal powers implications as a result of this report.

7.0 COMMUNITY SAFETY

7.1 There are no direct community safety implications as a result of this report.

8.0 EQUALITIES

8.1 There are no direct equality implications as a result of this report.

9.0 RISKS

9.1 The key risk arising from this report is considered to relate to the 'missed opportunity' should Melton not proceed to the next stage and those subsequent:

Probability
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Very High A				
High B				
Significant C				
Low D				
Very Low E			1	
Almost Impossible F				
	IV Neg- ligible	III Marg- inal	II Critical	I Catast- rophic

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Impact

Risk No.	Description
1	Members do not support moving onto stage 2 and an opportunity to benefit from strategic joint working is lost

10.0 CLIMATE CHANGE

10.1 There are no direct climate change implications as a result of this report.

11.0 CONSULTATION

11.1 This report details the 'Route Map' process which is carried out in stages. Each stage is likely to be referred back to constituent authorities for their approval and agreement to progress onto the next stage. This level of scrutiny and careful consideration although not direct or public consultation, will provide for a great deal of member/officer consultation and debate in regards to the issues and details that are expected to emerge during such a process.

12.0 WARDS AFFECTED

12.1 This report is concerned with domestic waste management services which are provided to all residents throughout the authority and as such may have an impact upon all the Boroughs' wards.

Contact Officer: Raman Selvon
Date: 28 June 2013

Appendices: No

Background Papers: Report to REEA 06/03/2013