

RURAL, ECONOMIC AND ENVIRONMENTAL AFFAIRS COMMITTEE

26 MAY 2010

REPORT OF HEAD OF STREET SCENE & ENVIRONMENT

WASTE MANAGEMENT: PARTNERSHIP WORKING

1.0 PURPOSE OF REPORT

- 1.1 To inform the Committee of the potential for working in partnership with neighbourhood district councils on waste collection and other waste related areas.
- 1.2 To recommend that officers take this forward at an appropriate meeting of the Leicestershire Waste Partnership.

2.0 RECOMMENDATIONS

- 2.1 **The Leicestershire Waste Partnership be requested to investigate how and when partnership working can be introduced in the collection and disposal of municipal waste.**

3.0 KEY ISSUES

- 3.1 At the Extraordinary Efficiency Task Group's meeting in April it was considered that savings could be made by bringing Leicestershire Councils together to run a waste collection service. In order to formalise this partnership approach it was also agreed that a report be considered at this Committee and then be brought to the Leicestershire district officer group (known as SIG) and finally the Leicestershire Waste Partnership.
- 3.2 The table below shows the Leicestershire districts and if the collection service is either in-house or has been outsourced. It gives an indication of when partnership working as a single collection contract could potentially be introduced – 2017 appears to be a consistent date.
- 3.3 The procurement of a single authority wide contract is undertaken under OJEU procedures and is a complex process and can either be undertaken under a restricted, negotiated and competitive dialogue process. Timelines vary for each type of procurement process but normally take between 12 – 18 months. There is of course extensive consultation that would be necessary with the public if any change in collection system is proposed. Each district council has different types of collection systems – varying from sack systems to wheeled bins and recycling boxes. The frequency of collection is also different as is the charges for certain types of household and municipal waste. A realignment of collection systems to one that is county wide is therefore a long term aspiration and may not be practical for operational and political purposes. A county wide contract that however has a number of shared collection methods in neighbouring authorities but is still 'local' is probably achievable in the long term.

Authority	Collection Method
Blaby District Council	In-house collection service for refuse and recyclables
Charnwood Borough Council	Outsourced collection service – Serco, running to 2017
Harborough District Council	Outsourced collection service – Focsa – running to 2017
Hinckley & Bosworth Borough Council	In-house collection service for refuse and recyclables
Melton Borough Council	Outsourced collection service – Verdant – running to 2017
North West Leicestershire District Council	In-house collection service for refuse and recyclables
Oadby & Wigston Borough Council	In-house collection service for refuse and recyclables
Leicestershire County Council	Manages contracts for municipal waste collected by the waste collection authorities and also recycling household waste sites

Table 1: Leicestershire Districts and collection ‘contractor’

3.4 The section on Legal Implications/ Powers gives detail on the type of partnership model that could be potentially introduced for joint working.

3.5 In order to progress partnership working on joint collection systems, the Committee is requested to agree the recommendation shown in 2.1.

4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 The efficiency savings from partnership working would assist in mitigating the risk that the economic downturn will have on the Council’s ability to deliver services. The reduction of waste to landfill, reduced pollution, additional recycling all contributes to the Corporate Plan and the Leicestershire Sustainable Community Strategy.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 Waste Management is one of the largest budget heads within the Council, with a total expenditure of £2.6M and income of £0.8M. Any potential to reduce these costs by partnership working or other means should be explored.

5.2 The contract with Verdant has a number of clauses within that can lead to more partnership working between the Council and the contractor. There is the potential to consider jointly new and changing initiatives that could lead to potential savings.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 The legal arrangements for partnerships are quite complex. The information below is taken from recent Defra guidance on partnership options for local authorities:

6.2 Partnership options for local authorities

- (a) A range of partnership working options are available to local authorities, each with varying degrees of integration, and based on different models or forms. It is of course up to authorities themselves to decide what level and form of partnership working is appropriate for their circumstances and local needs, noting the benefits it can bring.
- (b) Options can be broadly divided into 'first stage' and 'advanced stage' partnerships. Authorities at the first stage often begin with informal joint working arrangements, based on smaller scale projects and co-operation. They may pool small levels of funding to pay for improvements to specific services or systems, but are unlikely to formally share governance/decision-making arrangements or administrative functions and resources.
- (c) Examples of first stage partnerships include informal joint working supported by a non legally-binding Memorandum of Understanding ('MoU') or where waste collection authorities in a particular area enter into contracts or Service Level Agreements ('SLs') with the relevant waste disposal authority.

Note: Melton Borough Council and the other Leicestershire authorities signed a Memorandum of Understanding in 2004

6.3 Advanced partnerships for local authorities

- (a) Authorities at an advanced stage of partnership working have usually chosen to pursue a high level of integration, covering a wide scope – often including the merging of various waste functions (collection, street cleansing, disposal contract management and back office functions) at an operational as well as strategic level. They may have pooled significant levels of funding and be looking to formally share governance arrangements through the establishment of new decision-making structures and groups, as well as administrative functions and personnel.
- (b) Advanced partnership working can take several different forms. It includes joint contracting, for example where waste authorities in a particular area may decide to jointly let contracts for certain services. Additionally, authorities may choose to collaborate administratively, which means they can share or pass functions between them using local government law powers.
- (c) In a Joint Committee members from participating authorities come together to take certain delegated decisions. In some cases authorities agree to appoint one authority as a "lead authority", to act as agent for each of the others. In doing so they delegate their functions to that lead authority, to exercise them across the combined area.
- (d) A joint Committee is not a separate legal entity so whilst it can take decisions, within the powers delegated to it by the partner authorities, and can make recommendations, it can't enter into arrangements with third parties, enter a contract in its own name, or own land or employ staff. It is therefore the partner authorities which implement the decisions that a Joint Committee takes. Where a 'lead authority' has been designated it may undertake certain functions and enter into contracts on their behalf, supported by an Inter-Authority Agreement.
- (e) Another advanced partnership working option that is now available is the establishment of a Joint Waste Authority. A JWA will be a statutory body which will take on and discharge all of the powers and responsibilities of its partner

authorities relating to one or more of their waste functions. Authorities themselves decide which functions they wish to transfer to a JWA, and submit a proposal to the Secretary of State.

- (f) When established, a JWA will be a legal entity, able to enter into contracts in its own right and to employ staff. Established by Order, a JWA can only be dissolved in limited circumstances, giving structural stability that should appeal to the waste management industry and potential investors.
- (g) Practical support and advice for local authorities seeking to develop and implement advanced partnership working can be found on the Waste Improvement Network (WIN) or WIN's Partnership Forum.

7.0 COMMUNITY SAFETY

7.1 There are no direct implications on Community safety issues as a result of this report.

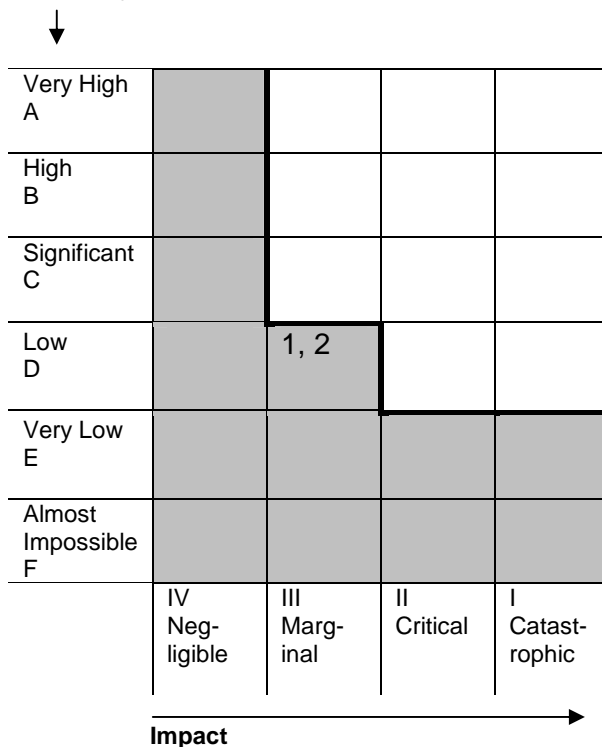
8.0 EQUALITIES

8.1 There are no direct implications on Equality issues as a result of this report.

9.0 RISKS

9.1 The main risks associated with this report is the length of the timescales involved in setting up partnerships as there are different contract periods with private contractors with a number of in-house teams carrying out waste collection.

Probability



Risk No.	Description
1	Partnership working cannot be achieved in the long term
2	Partnership work does not deliver any cost savings

10.0 CLIMATE CHANGE

10.1 Waste Management has a measurable impact upon the climate with emissions from the transportation involved as well as from various methods of waste disposal i.e. from landfill to waste incineration.

11.0 **CONSULTATION**

11.1 No consultation has been carried in the production of this report.

12.0 **WARDS AFFECTED**

12.1 All Wards would be affected by the contents of this report

Contact Officer: Paul Evans
Date: 15 May 2010

Appendices : none

Background Papers: Leicestershire Waste Partnership SEA Scoping Report; Municipal Waste Management Strategy
Defra – Environmental Protection – Recycling and Waste – Information for Local Authorities

Reference : X : Committees\REEA\2010-11\260510