

TO: JOINT WASTE DISPOSAL BOARD
18th March 2008

JOINT WASTE DISPOSAL BOARD – JOINT WASTE AUTHORITIES
(Report by the Project Director)

1. INTRODUCTION

- 1.1 The Local Government and Public Involvement in Health Act 2007 sets out powers to allow for the establishment of Joint Waste Authorities (JWA).
- 1.2 The creation of a JWA brings with it some facilities or freedoms which can help the re3 councils to work effectively and achieve service improvements and to share common burdens. This report describes the likely characteristics of a JWA for waste disposal with specific reference to, and discussion of, the potential benefits for the re3 councils.
- 1.3 As agreed by the Joint Waste Disposal Board on the 25 June 2008, the re3 Authorities made a non binding expression of interest in applying to establish a JWA during the summer of 2008. A final application, should one be made, must be submitted by the end of July 2009.
- 1.4 The re3 partnership is considered, by DEFRA and the other partnerships who have expressed an interest in creating a JWA, to be advanced and at the forefront in respect of joint working within local authority waste management.
- 1.5 While the re3 partners are only proposing a JWA for disposal, other authorities are intending to create JWA's based on collection, disposal and street cleansing.

2. RECOMMENDATIONS

- 2.1 **That Members request the development of a business case for the creation of a Joint Waste Authority (for disposal), a decision on the approval of which would be made at the next JWDB in June 2009.**
- 2.2 **That Members request the development of an implementation plan for the creation of a Joint Waste Authority (for disposal), a decision on the approval of which would be made at the next JWDB in June 2009.**
- 2.3 **That Members agree to receive a presentation on, and analysis of, the results of the public consultation exercise on a re3 Joint Waste Authority at the next JWDB Meeting in June 2009.**
- 2.4 **That Members agree to consider the completed, draft application to DEFRA for the creation of a re3 Joint Waste Authority for disposal at the next JWDB meeting in June 2009.**
- 2.5 **That Members indicate, subject to the approval of the documents described at 2.1, 2.2, 2.3 and 2.4 above, their preparedness to make a decision (at the next JWDB Meeting in June 2009) on whether the re3 partnership should apply to the appropriate Secretary of State to create a Joint Waste Authority for disposal.**

3. SUPPORTING INFORMATION

Background

- 3.1 Waste management is one of the most significant costs to the council budget and, largely through the collection element, has one of the highest service profiles. The pressure to provide a robust future for waste disposal, was the major driver to the establishment of re3 and the PFI bid.
- 3.2 Through the work leading to our joint PFI contract for waste management we have evidenced how partnerships can achieve results that may otherwise be beyond a single local authority. However, whilst we are acting as one, in legal terms we remain 3 waste organisations and have to act accordingly. In some aspects of our operation we are prohibited from acting as one even if there were very good reason to do so and all wanted to.
- 3.3 Becoming a JWA could help overcome this and provides other benefits. It provides the necessary legal framework within which authorities can formalise co-operation with each other to deliver the full range of improvements that become possible through joint working.
- 3.4 We have already taken the majority of any necessary steps towards establishing a JWA in the governance arrangements for our PFI contract. We have in place a joint board, an administrative structure, financial arrangements and a shared service.
- 3.5 Following the release of the final guidance we now understand that, none of the existing arrangements would require substantive changes.
- 3.6 Appendix 1 describes the detail contained within the Guidance.
- 3.7 Appendix 2 describes the information and documentation we would need to provide in support of any application.
- 3.8 In addition to the requirements described within Appendix 2, the re3 councils would need to gauge the opinion of 'relevant electors' and illustrate how they have taken that opinion on board.
- 3.9 Subsequent to the last meeting of the JWDB, and the resolutions that came from it, Officers have been successful in securing £50,000 of funding for a consultation exercise and procuring consultants to undertake the consultation on our behalf.
- 3.10 DEFRA have asked that the re3 councils develop and review a consultation model which can be utilised by other authorities in preparation for their own applications to form a JWA.
- 3.11 The reason for considering a JWA as having potential benefits for our partnership is that it requires a minimum of change and has some specific benefits to the re3 partners now and in developing the partnership to meet future, shared challenges.
- 3.12 In the first instance a JWA would, subject to mutual agreement, enable the re3 councils to consider:
 - Being able to pool indicator targets.

- Better sharing the mechanisms for meeting our individual and collective obligations in respect of LATS.
- Simplified reporting procedures for statutory indicators.
- An easy to effect and equitable sharing of financial, performance and environmental benefits arising from the Lakeside Energy from Waste facility.
- Opportunities to generate service efficiencies from reviewing current management arrangements and/or improvements to joint working across the whole waste agenda.
- Reviewing and updating the current arrangements in terms of management and governance (something identified as a need by both officers themselves and auditors)..

3.13 Subsequent to the creation of a JWA for waste disposal, the re3 councils would be able to investigate further, via the JWA, the potential of the following opportunities:

- Shared management of waste collection contracts, pooling and potential rationalisation of 'client' resources and co-location of staff.
- Shared procurement of refuse related products e.g. containers, vehicles etc;
- Letting shared contracts for existing services such as clinical waste and bulky waste and also for any potential new services such as glass collections and food waste collections (as such services became necessary);
- Rescheduling of refuse collection rounds to arrange waste collection resources on the basis of greatest efficiency rather than being constrained by a Borough boundary, and/or;
- Letting a shared refuse and recycling collection contract, sharing depot space and realising efficiencies.

3.14 In discussion with DEFRA, officers have managed to ascertain that additional functions (collection and/or street cleansing) could be added, subject to approval by the Secretary of State and the agreement of all parties within the existing JWA. In this way, the re3 councils would be able to further develop joint working, should they wish to do so at some future date.

3.15 It has also been confirmed that a JWA can be dissolved. Parties entering into a JWA should not do so with the intention of dissolving it but it may be reassuring to the re3 councils to know that it is not an irreversible step. Dissolution may be sought by either the parties within it, or by the Secretary of State.

Next Steps

3.16 Appendix 3 describes the steps required to take us from our current position to making an application to form a JWA at the end of July 2009.

3.17 We already operate according to Joint Working Agreement, which governs decision making and finance. While there is an opportunity to amend the Joint Working Agreement to address any weaknesses we may identify, it would probably need only minor

amendments. As such the most significant pieces of work, still outstanding, are a business case and an implementation plan.

- 3.18 DEFRA are intending to provide a template business case, and we already have a good idea what will need to be included within it (see Appendix 2).
- 3.19 An implementation plan is intended to describe the structure of a JWA and the links into the 'parent' authorities.

Financial

- 3.20 DEFRA have funded the re3 partnership to conduct a consultation exercise and develop a model for use by the other partnerships who intend to create a JWA.
- 3.21 The creation of a JWA would need to be formally approved by WRG and their financial backers. We have been advised by WRG, that they envisage no obstacles to approval but that they would incur up to £20,000 in Legal costs which they would, via the contract expect the councils to cover.
- 3.22 Until a final business case and implementation plans are completed the exact financial benefits of creating a JWA are difficult to quantify.
- 3.23 Because the proposal relates to the management of our shared PFI contract, the timescales against which potential savings might be modelled are far longer than those which might commonly be used in, for example, assessing a normal, seven-year waste collection or street cleansing contract. As an example, a JWA for disposal would help the authorities address the challenge over equitable reporting of tonnage sent to Lakeside EfW. On an annual basis this would save no more than £40,000 per annum (in potential haulage costs). Modelling that saving over the remaining years of the PFI contract, however, makes a more compelling case.

BACKGROUND PAPERS

Report to Joint Waste Disposal Board 18th June 2008

Progress Report to Joint Waste Disposal Board 30th September 2008 (specifically paragraphs 3.21 to 3.25)

Report to Joint Waste Disposal Board 17th December 2008

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