



REPORT TO EXECUTIVE

PORTFOLIO AREA: ENVIRONMENT & HOUSING

Date of Meeting: 5th April 2012

Public

Key Decision: No

Recorded in Forward Plan:

Yes

Inside Policy Framework

Title: CUMBRIA STRATEGIC WASTE PARTNERSHIP'S ENHANCED
PARTNERSHIP WORKING PROJECT STAGE 2 UPDATE

Report of: The Director Local Environment

Report reference: LE01/12

Summary:

This report provides an update to Report ref LE13/11 and outlines the conclusion of the Stage 2 Final Report of the Cumbria Strategic Waste Partnership's Enhanced Partnership Working Project released on the 15th November 2011. This report summarises the elements that have been approved by elected members of the partnership to take forward, and outlines the current situation on the remaining elements of the report.

Recommendations:

- (i) That Members receive the stage two report of the Cumbria Strategic Waste Partnership's Enhanced Partnership Working Project;
- (ii) Members approve the development of the elements that have been identified as live projects.
- (iii) It is recommended that the Executive delegates authority to the Director of Governance in consultation with the Portfolio holder to enter into a partnership agreement as appropriate to further the approved project element 3.

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Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

1. BACKGROUND INFORMATION AND OPTIONS

- 1.1 The County Council, as all other authorities, are seeking savings and have indicated that the recycling reward is proposed to be reduced to the statutory minimum and meetings are being held with individual authorities to assess how this will be achieved. The enhanced Waste Partnership Project is seeking to find efficiencies and savings to off set any loss of income for Districts to facilitate this transition in payment arrangements.
- 1.2 The stage two report of the Cumbria Strategic Waste Partnership's Enhanced Partnership Working Project provides details of the ten project elements as identified in stage one. The stage two report is appended to this report at Appendix 1. On the 23rd November 2011 the Stage 2 report was discussed by delegated members at the Cumbria Strategic Waste Partnership's meeting. The following project elements were approved for further development.
- (i) Element 1 - Maximising the benefits of spare capacity at MBT facilities
 - (ii) Element 2 - Opportunities for trade waste
 - (iii) Element 3 – Maximising income from the sale of recyclables

- 1.2 Elements 1 and 2 - Maximising the benefits of spare capacity at MBT facilities, Opportunities for trade waste.

This element has been approved for stage three; concerns of how this project can be taken forward have been expressed by members not operating a trade waste service. Carlisle City Council no longer operates a trade waste service; its input into this element will be minimal.

- 1.3 Element 3 – Maximising income from the sale of recyclables

The stage 2 report identifies the potential to maximise the return on recyclable materials by pooling the overall volumes of recyclates and to test the market.

Kinetic consultancy services carried out the market testing and identified significant additional returns from pooling of materials. Additional income for Carlisle City Council is projected as £86,260 for 2012/13 and 2013/14, jumping to £203,958 in 2014/15, if an in-house collection service is opted for the collection of all recyclates.

Delegated members raised concerns regarding the validity of the prices used for potential income from this project; additional concerns surround the tonnage figures

quoted in the report. See Appendix 2 for estimated figures for Carlisle and Cumbria in total.

The payment methodology for these materials is currently unclear and it has been suggested that a form of top slicing may be applied to help contributing and non-contributing members that lose significantly when the recycling rewards are reduced.

Element 3 raises difficulties for the partnership as a number of the partners are in contractual arrangements, however it is proposed to be taken forward by the partnership with Cllr Ray Bloxham, Carlisle City Council as lead member representing the partnership and one authority will be the lead for the proposed framework agreement.

Elements 4, 5, 6, 7, 8, 9 and 10 may be developed at a later date. At the Cumbrian Strategic Waste Partnership meeting on 23rd November 2011 uncertainty existed regarding project elements 7 and 8. The main concern surrounded the scale of the savings quoted in the report, and the realisation that some members would not be able to participate due to contractual arrangements (note new contracts currently being let for 17 years).

2. CONSULTATION

2.1 Consultation to Date.

A workshop session was held with Environment and Economy Overview and Scrutiny Panel on 19th January. The following comment was made by the Panel:-

The Environment and Economy Overview and Scrutiny Panel held a short workshop to consider the proposals of the Enhanced Partnership Working Project. The three options were outlined in a presentation and the Panel supported the City Council's involvement in the joint working initiatives but were extremely concerned with the County Council's proposals to reduce the Recycling Rewards to the statutory minimum and the impact it would have on the City Council's budget.

2.2 Consultation proposed.

No further consultation is proposed.

3. RECOMMENDATIONS

- (i) That Members receive the stage two report of the Cumbria Strategic Waste Partnership's Enhanced Partnership Working Project;
- (ii) Members approve the development of the elements that have been identified as live projects.
- (iii) It is recommended that the Executive delegates authority to the Director of Governance in consultation with the Portfolio holder to enter into a partnership agreement as appropriate to further the approved project element 3.

4. REASONS FOR RECOMMENDATIONS

To increase the opportunity to bridge the funding gap should the proposed reduction in payments for recycling be implemented by Cumbria County Council from the current rate of Recycling Reward to the statutory minimum payment.

5. IMPLICATIONS

- Staffing/Resources – Continued participation in the ‘Enhanced Partnership Working Project’ will require commitment in the form of Officer and Member time and energy.
- Financial - If any of these projects are approved by the Executive for further development, a business case to assess each proposal would need to be prepared to consider the financial, operational and contractual risks to the Council, including an assessment of the impact on current budget provisions especially with regard to the proposed payment methodology for element 3.
- Legal – Up to this point, it has been envisaged that the various parties involved with the project enter into an informal arrangement underpinned by a non-contractual memorandum of understanding. As the project has developed it has become apparent that there will be a pooling of resources and legal advice, therefore, a formal contract or partnership agreement will be needed. This will need to be drafted by the Council’s legal section and appropriate advice will be given as to the form when further details of the arrangement are provided. Accordingly, Executive is asked to delegate authority to the Director of Governance to enter into the appropriate agreement in consultation with the Portfolio Holder.
- Corporate – It is considered that the Council’s continued participation in the Enhanced Partnership Working Project will not have any direct corporate implications. However, any proposals resulting from the project may have corporate implications.
- Risk Management – it is considered that there would be a significant risk to the Council if we fail to engage with the ‘Enhanced Partnership Working Project’
- Environmental – It is considered to be an opportunity to improve the performance of recycling collections by engaging with the enhanced partnership working project.
- Crime and Disorder – None
- Impact on Customers – None

- Equality and Diversity – None

Impact assessments

Does the change have an impact on the following?

Equality Impact Screening	Impact Yes/No?	Is the impact positive or negative?
Does the policy/service impact on the following?		
Age	No	
Disability	No	
Race	No	
Gender/ Transgender	No	
Sexual Orientation	No	
Religion or belief	No	
Human Rights	No	
Health inequalities	No	
Rurality	No	

If you consider there is either no impact or no negative impact, please give reasons:

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If an equality Impact is necessary, please contact the P&P team.

APPENDIX 1

APPENDIX 2- Estimated tonnage figures for Carlisle and Cumbria in total

Card

Card	2012/13	2013/14	2014/15
Carlisle current income	£90,790	£90,790	£131,810
Carlisle possible income	£116,730	£116,730	£169,470
Difference	£25,940	£25,940	£37,660

Mixed Plastics

Carlisle Current Income	£83,520	£83,520	£101,250
Carlisle Possible Income	£143,840	£143,840	£174,375
Difference	£60,320	£60,320	£73,125

Summary of Totals for all the relevant districts

All Materials	2012/13	2013/14	2014/15
Total Potential income (including storage costs)	£1,537,696	£1,537,696	£2,101,100
Total Current income	£897,380	£897,380	£1,118,901
Total additional income	£640,316	£640,316	£982,199

Total potential income (without storage costs)	£1,655,684	£1,655,684	£2,260,261
Total Current income	£897,380	£897,380	£1,118,901
Total additional income	£758,303	£758,303	£1,141,360

Carlisle	2012/13	2013/14	2014/15
Tonnage Available	0	0	0
Current total income	£174,310	£174,310	£233,060
Possible total income	£260,570	£260,570	£437,018
Difference	£86,260	£86,260	£203,958