

Cheltenham Borough Council
Cabinet – 11 December 2012
Joint waste committee

Accountable member	Councillor Roger Whyborn, cabinet member sustainability
Accountable officer	Jane Griffiths, Director commissioning
Ward(s) affected	All
Key Decision	Yes
Executive summary	<p>In November 2011 the cabinet considered the establishment of a joint waste committee and a number of resolutions were passed on the assumption that the business case could be finalised and the new committee implemented in 2012.</p> <p>At the time the number of councils prepared to join had not been confirmed and it was evident that an April 2012 date was not feasible.</p> <p>It was apparent that the business case then was at best marginal, and ways to reduce the business risk were sought, which eventually resulted in the plan described in this report, to pass through 97% of the budget straight to the service providers, the balance being managed by the joint scheme.</p> <p>During the course of the 2012 confirmation of membership has been received and the new financial model presumes a Gloucestershire Joint Waste Committee (GJWC) of four parties: Gloucestershire County Council, Cheltenham Borough Council, Cotswold District Council and Forest of Dean District Council (although this does not exclude others joining at a later date which would be the ambition). The other major change to the situation in 2011 is that the business case now assumes that the FODDC contract will run to its full term ie until 2018 and the savings accruing at this stage have been recalculated.</p> <p>Given these changes it is prudent for the council to reconfirm its commitment to the GJWC and the practicalities of moving to such an arrangement from April 2013 are set out in this report.</p> <p>The council will need to sign an inter authority agreement (IAA) and a draft of the document is available in the Members room or from One Legal. Setting up a joint committee is a significant governance issue for all participating councils and it is important that members fully understand the implications of delegating their powers to a GJWC. The IAA provides the legal framework and governance arrangements. The report also outlines some of the practical issues with regards to those decisions which will be</p>

retained by the council within this governance structure and also how the contract with Ubico will be monitored to ensure that service delivery continues to be effective.

Recommendations

That cabinet:

a) Approves the financial arrangements as set out in paragraph 3.1 of this report]

b) Subject to (a) above Cabinet reaffirms their decision on 15 November 2011 as follows:

- agree to establish the Gloucestershire Joint Waste Committee (GJWC) in accordance with Sections 101 and 102 of the Local Government Act 1972, and the Local Authorities (Arrangement for the Discharge of Functions)(England)(Amendment) Regulations 2001 made under Section 20 of the Local Government Act 2000;
- delegate to the Chief Executive in consultation with the Cabinet Member Sustainability, s151 Officer and the Borough Solicitor authority to finalise and complete the Inter Authority Agreement (including the Constitution), including but not limited to the delegation arrangement for enforcement, the year one Business Plan and other documentation and to take all necessary steps to create the GWJC by April 2013;
- agree that the existing Shadow Joint Waste Board and Programme Board arrangements will persist until the end of March 2013 to oversee this process.

Upon the establishment of the GJWC:

- delegate to the GJWC of this Council's functions in relation to the collection, management, disposal treatment, or recycling of waste and street cleansing described in detail in paragraph 4.1 of the 15th November 2011 Cabinet report but subject to the retained decisions as set out in paragraph 4.2 of the said report;
- appoint Gloucestershire County Council as Administering Authority
- appoint Cllr Roger Whyborn and Cllr Steve Jordan to the GJWC.

<p>Financial implications</p>	<p>The budget for the JMU is estimated to be £460k annually and will cover the cost of staff TUPED from the districts and Gloucestershire County Council plus support services including finance, legal, procurement and marketing. The amount of recharge back to Cheltenham Borough Council, based on number of households, is £27.6k pa, which is in line with the current cost of the client officer paid for by the council who will be TUPED to the JMU.</p> <p>The balance of carry forward funding will be used to fund the costs of the JMU in the first three years and therefore, overall, there is no cost to the council of being a member of the committee.</p> <p>In years four and five the council may need to contribute to the marginal costs of approximately £11,000 which will be offset by any savings identified in the meantime.</p> <p>During the first three years the committee will be working on a number of business cases which will look at delivering savings for the constituent councils which can then be built into their relevant medium term financial strategies.</p> <p>The exact amount of money saved by introducing the above is difficult to quantify but the council has set a target of £100k pa for Cheltenham, which has been assumed in the council's budget strategy wef 2017/18.</p> <p>Contact officer: Mark Sheldon, Director of Resources mark.sheldon@cheltenham.gov.uk, 01242 264123</p>
<p>Legal implications</p>	<p>The relationship between the parties to the GJWC will be set out in an Inter Authority Agreement (IAA), which details the responsibilities, the scope, financial and staffing arrangements and the constitution of the GJWC. This agreement is available in the Member room and is currently being finalised prepared by legal representatives from each participant authority.</p> <p>The main change to the IAA from November 2011 is the deletion of the 5 year term. Given the financial arrangements it has been agreed that the IAA will be terminable upon giving 12 months notice. This notice will trigger a process whereby the partner authorities consider whether to continue with the GWJC or terminate the IAA. The consequences of termination will be assessed at the date of termination but will depend on whether or not the partner authorities decide to continue with the GWJC without the authority seeking to leave..</p> <p>Contact officer: Shirin Wotherspoon, shirin.wotherspoon@tewkesbury.gov.uk, 01684 27201</p>

HR implications (including learning and organisational development)	Contact officer: Amanda Attfield, Head of Human Resources (GOSS), amanda.attfield@cheltenham.gov.uk, 07920 284313
Key risks	
Corporate and community plan Implications	<p>The formation of the GWJC will facilitate the delivery of the council's strategic outcomes in relation to environmental management. The formation of the committee was included within the annual action plan for the council's corporate strategy.</p>
Environmental and climate change implications	<p>It is anticipated that the formation of a joint waste committee in Gloucestershire, will facilitate consideration of waste collection and disposal as a 'whole system' and lead to an acceleration of progress toward higher rates of recycling and significant reduction in the amount of domestic waste going to landfill across the county. This is to the benefit of all Borough residents and in line with the Councils declared sustainability aims in terms of protecting the environment and reducing impacts upon it.</p>

1. Background

- 1.1** Whilst the Gloucestershire authorities have a long history of working together on issues relating to the collection and disposal of the county's waste, including the formation of the Gloucestershire Waste Partnership and the development of the Joint Municipal Waste Management Strategy (JMWMS) for Gloucestershire in 2008, the formation of the GJWC has its origin in a study commissioned by the Gloucestershire Joint Improvement Board (JIB) in 2007. This study, on the business case for improved joint working in waste services between the six district councils and the County Council, demonstrated potential savings of between £1.75m-£2m for a whole-county joint collection and disposal service with integrated 'back-office' function. At this stage Stroud District Council (SDC) and Gloucester City Council (Glos City), both in relatively long-term waste collection contracts and Tewkesbury Borough Council (TBC) have decided not to join the GJWC but to keep a 'watching brief' on progress through the Gloucestershire Joint Waste Partnership with a view to potentially joining at a later date.
- 1.2** The vision for the joint work as set out in the original business case still holds, ie that the four Gloucestershire Authorities will be working together in partnership to deliver a more efficient waste service, by considering waste collection and disposal as a holistic, single system provided to the council tax payers of the County. This will be governed by a Joint Waste Committee that will have delegated powers to act in the area of waste disposal and collection. The Joint Waste Committee will comprise of elected representatives from each of the participating Districts and the County on a one council two vote basis. . This shared vision is underpinned by a set of values for saving money, good customer service and protection of the environment.
- 1.3** The benefits of a joint approach are an opportunity for a migration over time towards a harmonised single service design which will bring benefits to both Waste Disposal Authority, the County Council (WDA) and Waste Collection Authority District Councils (WCA) functions through larger contracts resulting in the following benefits:- Better market response and reduced prices; more consistent waste streams and simplified contract and service management; streamlined customer support and greater opportunities for automation and self service; and reduced costs of communication and consultation. The creation of a single service management team provides an opportunity to rationalise processes and deliver cost savings as well as providing a greater degree of overall resilience.
- 1.4** By working together we aim to provide a more consistent service across the county, allowing us to share best practice and resources, save money, increase marketing opportunities to bring about behaviour change, help to reduce environmental impact of waste management, and provide more stability to support greater investment in facilities in the future. By being able to plan across district council boundaries, we will make optimum use of depot and transfer stations infrastructure, including the most effective use of resources. It will also be able to negotiate better deals with service providers.
- 1.5** Ubico will continue to deliver the contracts for both Cotswold and Cheltenham council's and the Forest of Dean will consider whether Ubico can deliver their contract when it comes to the end of its term.

2. Reasons for recommendations

- 2.1** The original business case had made a number of assumptions about how the committee and management unit will work. Following further discussions it has been agreed that to enable a

smooth transition to the new arrangements, budgets will be passported so that it is only the additional costs to operate the new arrangements which will need to be found. It has been agreed that the balance available from the carry forward funding will be used for this purpose. This means that in the first three years there is no cost to the council of being a member of the committee and in years four and five the council will need to contribute to the marginal costs of approximately £11000 less any savings identified in the meantime. During the first three years the committee will be working on a number of business cases which will look at delivering savings for the constituent councils which can then be built into their relevant medium term financial strategies. This approach gives each council the opportunity to ascertain whether a joint committee will deliver the anticipated savings as identified in the original proposition. The IAA includes termination clauses permitting a partner authority to leave the GWJC upon giving 12 months notice. The GJWC and JMU will be tasked to establish a range of short, medium and longer term savings and to prioritise these accordingly. All such savings initiatives will be supported by properly prepared business cases. Some of the areas where joint savings could be found include:-

- Optimisation of waste depots, transfer stations and treatment facilities.
- Improved procurement arrangements, particularly with vehicles.
- Increased productivity when serving larger geographical areas.
- Reconfiguration of facilities reduces total miles travelled by collection vehicles and maximises operative working time.
- Harmonisation of single service design.
- Rationalisation of processes and services.

The exact amount of money saved by introducing the above is difficult to quantify but could easily be in the order of £100k pa for Cheltenham based on 3% savings on total collective budget spend, however this can not be guaranteed until detailed work and analysis has been undertaken by the JMU supported by the GJWC. It is accepted by all partners that if meaningful projected savings have not been identified by the end of year three then it is highly likely that the Gloucestershire Joint Waste Project will be in serious jeopardy.

Any costs or savings arising from partnership activity will be shared on a formula based on disposal versus collection costs and on household numbers. In effect this means that the county council will share approximately 56% costs/savings and the districts will share the other 44% based on household numbers. However any savings or costs which arise which are not partnership based ie arising from the way CBC may wish to commission services from Ubico will fall directly to the borough council.

- 2.2** Cheltenham already shares a strategic client officer with Cotswold District Council and therefore is used to its support and advice being provided by an officer not directly employed by Cheltenham Borough Council. We have already seen the benefit of such a shared post in identifying good practice, sharing ideas and costs. The establishment therefore of a joint management unit is a logical extension of this and will in addition provide resilience and access to a wider knowledge pool of experience and advice on waste and recycling matters.
- 2.3** The council will continue to retain the annual decision on budget setting as part of the business and planning process for the GJWC. Officers from the JMU will work with the constituent councils to understand the outcomes they wish to realise and any improvements which will assist with the delivery of these outcomes. A business plan will be devised based on such discussions, along with the input from the GJWC as to the strategic outcomes that they wish to achieve and the budget required to deliver this along with identified savings will be calculated. Once drafted there

will be an opportunity for the constituent councils to be consulted. In practice this means that the GJWC will need to provide the relevant information to the council for inclusion in the budget setting process and the council will make a specific recommendation as part of its budget setting process. The joint management unit will then monitor the contract within the budget that has been set and agreed by council and be empowered to make decisions which are within the overall budget framework.

- 2.4** Service charges will be set as part of the business plan and the budget process. Where changes are proposed which are outside of this cycle then they will need to be ratified by the council as the proposed changes fall outside of the original policy framework. Officers from the JMU along with relevant GJWC members will liaise with cabinet and the council's s151 officer and any changes will be reported appropriately along with reasons as to why such changes were considered necessary.

It is recognised that minor changes to service delivery may be made, where they fall within existing policies and budgets. These are currently made by agreement between CBC and Ubico i.e. in 2012/13, often quite informally and as a result of issues raised by local ward members. This is detailed with examples in paras 4.3ff of the cabinet report of 15-Nov-2011. It is intended that this practice will continue without requiring prior permission of the JMWU or GJWC.

In order to facilitate the above and other matters specific to Cheltenham, an adequate proportion of the JMWU client officer's time will be ring-fenced for availability on Cheltenham specific matters. There will be a named Cheltenham JMWU client officer, with an appropriate level of delegated authority, and located within the Borough for specific periods of time. Whilst the client officer will have a good deal of delegated authority to expedite – and where appropriate troubleshoot - Cheltenham specific matters, it is expected he/she will consult and report back to the JMWU so as to share best practice principle across the range of GJWC authorities.

- 2.5** One of the main benefits of the GJWC will be the opportunity for the district councils and the county council to work together to provide a more consistent service within Gloucestershire, allowing us to share best practice and resources, save money, increase marketing opportunities and to bring about behaviour change. By doing so it will help to reduce environmental impact of waste management, and provide more stability to support greater investment in facilities in the future. By being able to plan across district council boundaries, we will make optimum use of depot and transfer station infrastructure, including the most effective use of resources. It will also be able to negotiate better deals with service providers. However any such policy changes will be a retained decision and require approval. In practice it is likely that major changes would be considered by the overview and scrutiny committee before a report was submitted to cabinet and officers from the JMU would provide professional advice to the council on the benefits, risks and opportunities of any such changes.
- 2.6** Whilst recognising that the GJWC will be providing advice/recommendations to partner authorities on their procurement options and may be carrying out procurement exercises on the partnership's behalf, the GJWC will not make decisions in respect of the contract entered into between the council and Ubico Limited in respect of the functions delegated to the GJWC. The JMU however will be undertaking the contract management of the contract with Ubico and providing advice and support to the council on its operation.
- 2.7** The council will still be responsible for media statements on all waste collection issues, and the JMU client will continue to build on effective working relationships with the communications team. The GJWC and JMU will be issuing promotional and marketing statements and other forms of

similar communication. However there will need to be close working arrangements with local communications teams who will need to liaise with the relevant cabinet lead when there are Cheltenham specific issues. Also given that the customer service interface for waste, recycling and street cleaning remains with the district council, the responsibility for disseminating local information to media and householders, and for putting it on our websites etc will remain with the Council so that the customer has the information they require.

However the GJWC and JMU will be issuing media statements and other forms of communication, particularly regarding HRC's, joint operations and strategy. Hence there will need to be close working arrangements with local communications teams who will need to liaise with the relevant cabinet lead when there are Cheltenham specific issues.

- 2.8 The council will still be responsible for enforcement action for illegal flytipping etc and the JMU will need to build effective working relationships with the public protection team. However it is envisaged that the current working arrangements between Ubico (who gather the initial evidence) and the public protection team who will take the necessary enforcement action will continue.
- 2.9 Staff who undertake functions undertaken by the JMU will transfer to Gloucestershire County Council as the administering authority. They will transfer under the TUPE regulations. Cheltenham currently do not have any directly employed officers within scope as we share an officer with Cotswold DC. The budget for this post however will be transferred to the JMU. Work is ongoing to analyse business processes and ensure that on day one there is a clear understanding of roles and responsibilities. Cheltenham are fairly well placed for these new arrangements because in setting up the new arrangements with Ubico roles and responsibilities were set with a view to the establishment of the JMU.
- 2.10 The council's involved in the GJWC will sign an inter authority agreement (IAA), a copy of which is available in the Members room.. This sets out the way in which the committee will operate, the powers delegated to the committee and the decisions which will be retained by the councils. It also sets out how liabilities and exit strategies will be dealt with should the need arise. This IAA is a legally binding document and provides assurance to the council as to the way in which the GJWC will discharge its responsibilities.

3. Alternative options considered

- 3.1 Given that the numbers of councils involved in the GJWC has decreased from the original business case, consideration was given as to whether this business case still applied, and whether it would be more appropriate to just concentrate on savings accruing from the establishment of Ubico. Partnership activity could continue through the Joint Waste Partnership but vision of aligning waste disposal and collection methods would be more complicated and take longer to achieve.

4. Consultation and feedback

- 4.1 A copy of the report has been circulated to members of the waste and recycling cabinet member working group. The chair and vice chair of the O&S committee have been advised about the report and asked to consider how the committee might be involved through the implementation stage. Members seminars were held last year and a further member seminar has been held when members had the opportunity to ask questions.

5. Performance management –monitoring and review

- 5.1 The GJWC will have its own governance arrangements (which are being administered by the county council) but will report back to constituent councils on the performance against its annual business plan which will have been approved by CBC.
- 5.2 The council's scrutiny arrangements will apply to decisions of the GWJC. and the head of the JMU will be required to attend meetings of the council's scrutiny committee should it so wish.
- 5.3 Each council will have representation on the GJWC and it is proposed in the first instance that CBC will be represented by the leader and the cabinet member sustainability. As members of the GJWC it is envisaged that they would report back to the council on the work of the GJWC.
- 5.4 In addition there will be a strategic officer group comprising commissioners from each of the councils who will meet with the head of the JMU to discuss performance issues.
- 5.5 The establishment of the GJWC and JMU is being run as a project with governance arrangements in place to ensure that the implementation is progressed to meet the 1 April 2013 deadline.

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Appendices	1. Risk Assessment 2.
Background information	1.

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	If the JWC is unable to agree to savings which can be used to fund the ongoing operational costs of the JMU and JWC then there may be additional costs for the council after five years	Jane Griffiths	November 2012	2	3	6	R	All partners are agreed that the JWC must be able to identify savings of a magnitude which will make the partnership viable in the longer term	April 2014	Jane Griffiths	Commissioning
2											
<p>Explanatory notes</p> <p>Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)</p> <p>Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)</p> <p>Control - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											



Guidance

Types of risks could include the following:

- Potential reputation risks from the decision in terms of bad publicity, impact on the community or on partners;
- Financial risks associated with the decision;
- Political risks that the decision might not have cross-party support;
- Environmental risks associated with the decision;
- Potential adverse equality impacts from the decision;
- Capacity risks in terms of the ability of the organisation to ensure the effective delivery of the decision
- Legal risks arising from the decision

Remember to highlight risks which may impact on the strategy and actions which are being followed to deliver the objectives, so that members can identify the need to review objectives, options and decisions on a timely basis should these risks arise.

Risk ref

If the risk is already recorded, note either the corporate risk register or TEN reference

Risk Description

Please use “If xx happens then xx will be the consequence” (cause and effect). For example “If the council’s business continuity planning does not deliver effective responses to the predicted flu pandemic then council services will be significantly impacted.”

Risk owner

Please identify the lead officer who has identified the risk and will be responsible for it.

Risk score

Impact on a scale from 1 to 5 multiplied by likelihood on a scale from 1 to 6. Please see risk [scorecard](#) for more information on how to score a risk

Control

Either: Reduce / Accept / Transfer to 3rd party / Close

Action

There are usually things the council can do to reduce either the likelihood or impact of the risk. Controls may already be in place, such as budget monitoring or new controls or actions may also be needed.

Responsible officer

Please identify the lead officer who will be responsible for the action to control the risk.

For further guidance, please refer to the [risk management policy](#)

Transferred to risk register

Please ensure that the risk is transferred to a live risk register. This could be a team, divisional or corporate risk register depending on the nature of the risk and what level of objective it is impacting on