



## **Report to Cabinet**

**Report On: Nottinghamshire Waste Partnership Agreement**

**Author: Head of Direct Services**

**Date: 4 December 2008**

### **1. Purpose of the Report**

- (i) That members of the Cabinet approve the completion of the Nottingham Waste Partnership Agreement, which is intended to promote excellence in front line service delivery and cost effectiveness.
- (ii) That a member of the Cabinet be appointed to the Waste Partnership Board to represent the Borough Council.

### **2. Background**

- 2.1** For several years, Nottinghamshire County Council and the seven District Councils have been seeking to conclude an agreement regarding the collection of waste to support the disposal arrangements which are the subject of a private finance initiative agreement between Nottinghamshire County Council and Veolia Environmental Services. Negotiations around the detailed operational arrangements have been protracted and to move this forward an alternative approach has now been resolved by all the parties involved.
- 2.2** The proposed Waste Partnership Agreement is attached at Appendix 1 and this report highlights some of the key elements within it.
- 2.3** The agreement will be considered by all the Cabinets throughout Nottinghamshire with a view to receiving authority to proceed by the end of December 2008. At the October meeting of the Nottinghamshire Chief Executives Group, entry into the agreement was recommend and this is also supported by the Nottinghamshire Waste Officers Board.

- 2.4** Nottinghamshire County Council secured funding through a private finance initiative in order to enter into arrangements with an organisation to construct and operate facilities for the separation of recycling materials and to construct an energy recovery facility for other domestic waste. By entering into this agreement the County Council have secured waste disposal arrangements for the next 25 years.
- 2.5** This arrangement also requires the Partner, Veolia Environmental Services, to sell on the recycling materials and a fixed element of this income is paid to Nottinghamshire County Council. The proposed Waste Partnership enables the Districts to receive a proportion of this income as a reward for their performance in promoting recycling and collecting these materials.

### **3. Proposal**

- 3.1** Rather than focus on complex operational issues, the proposed agreement seeks to establish a governance mechanism for resolving any operational problems which may occur in the future and a forum for monitoring the ongoing collection and disposal of waste activities. To that end, a Board of Executive County and District Members is also proposed which will meet initially on a quarterly basis. The proposed agreement establishes this Board.
- 3.2** It should be noted that although this Board will attempt to reach agreement by consensus it will not have any delegated executive powers and all key decisions would still need to be agreed by each individual Cabinet.
- 3.3** The agreement requires Nottinghamshire County Council and the Districts to do their best to meet the detailed operational arrangements set out in the appendix and annexes to the agreement, however, there is comfort for all parties in clause 4 (i) in that, although all parties commit to the detailed operational arrangements, no one is formally liable to action if those commitments are unachievable. As indicated earlier, all such problems as may arise will be referred to the Board for resolution.

### **4. Financial Implications**

- 4.1** If the agreement is signed, performance credit payments will be made to the Districts under the financial arrangements set out in Annex B of the agreement. The payment of credits is dependent upon the amount of dry recyclate materials the Districts collect and deliver to the new materials recycling facility (MRF) currently scheduled to open in January 2009.

- 4.2 The distribution of these payments will be finalised by agreement with District Partners. The Nottinghamshire Finance Group and Waste Officers Group will agree on the sharing mechanism.
- 4.3 While the amounts may vary, it is anticipated that the credit payments will equate to approximately £14,000 in the final quarter of 2008/09, rising to around £55,000 in 2009/10. Credit payments will continue to be paid in subsequent years and the value of these will be reviewed each year by the Waste Partnership Board.

## **5. Recommendations**

That the Cabinet: -

- (i) Approve entry into the Nottinghamshire Waste Partnership Agreement and duly authorise the Mayor to sign and seal the agreement.
- (ii) Appoint the Portfolio Holder, Direct Services and Property to represent the Council on the Waste Partnership Board.

## **6. Background Papers**

N/A

## **7. Equalities Impact Assessment**

N/A