



Joint Working Arrangements – Waste Collection

Report to Full Council July 2006

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1.0 Purpose of the Report

- 1.1 To inform Council of the developmental work being undertaken with respect to waste management service provision, in particular, to integrate refuse and recycling routes across Nottinghamshire, and to seek a waive of financial standing orders in order to commission an investigation into the potential merging of operations.

2.0 Background

- 2.1 As part of Local Authority Partnership Working, all of the Waste Collection Authorities (WCAs) in Nottinghamshire have introduced twin bin alternate week collections, whereby residual waste and the same recyclable wastes are collected for delivery to Nottinghamshire County Council's (NCC) newly appointed contractor's disposal sites.
- 2.2 As part of Newark and Sherwood's implementation of alternate week collections, a round restructure took place with the help of a logistics software support system provided by consultants. The system optimised the efficiency of the service in terms of routes, working hours and resource requirements.
- 2.3 The work undertaken by Newark and Sherwood has been highly regarded by all the other WCAs within the Partnership, many of which face significant changes to their delivery points under the new disposal contractual arrangements, which commenced on 1st June 2006.

- 2.4 Whilst the work undertaken by Newark and Sherwood was restricted to the district boundaries, the Authorities within the Partnership recognise that significant additional efficiency savings could be achieved by considering the integration of collection infrastructure across district boundaries. Because the Authorities now apply the same service standards and policies to the general public in terms of refuse and recycling collection services, there is the potential to deliver a completely integrated service, not withstanding the administrative, political and constitutional issues, which will need to be addressed.
- 2.5 In January 2006 the Nottinghamshire Chief Executive Group supported recommendations by the WCA's Waste Technical Officers Group to approach the East Midlands Centre of Excellence (EMCE) with an application to provide funding to undertake an investigation into the potential merging of refuse and recycling collection routes in a bid to make efficiency savings. In late April 2006, EMCE approved the application and awarded £195,000 to the project.

3.0 PROPOSALS

- 3.1 The application to EMCE is based on 3 phases, which form the basis of the Project Management Plan: -

Phase 1

The most basic study in terms of efficiency savings is to repeat the Newark and Sherwood study in each WCA district. For each WCA within the Partnership an investigation into the delivery points and refuse and recycling infrastructures will deliver a new set of collection rounds designed to maximise the efficiency for the single WCA. The study will be confined to the district boundaries of the individual WCA and therefore, no cross boundary collaboration will be necessary. It is expected, at the very least, that the efficiency savings suggested by the models produced will be implemented. For Gedling Borough Council, it was always recognised that a review of the current round structures would be needed after the twin bin roll out is completed this autumn.

Phase 2

Where more than one Authority within the Partnership wishes to explore the possibility of integrating their refuse/recycling collection fleets to maximise efficiencies still further, the software system can design new round structures for those Authorities to deliver this vision. There is already recognition amongst some WCAs that because of depot location and new delivery points, it would be more efficient to allow neighbouring Authorities to service some of their properties.

Phase 3

The ultimate plan is to deliver a completely integrated system across Nottinghamshire where all WCAs collaborate to produce the most cost effective way of delivering Waste Management Services to the public.

- 3.2 The measurable efficiency savings on each phase of the project will be reported back to all Councillors within each WCA with a view to developing a delivery plan for those who wish to proceed in taking forward the recommendations in phases 2 and 3.
- 3.3 Additionally, other waste collection services such as medical waste collections, commercial or trade waste services and servicing of recycling centres will also be investigated using the same principals and models.
- 3.4 Although it must be stressed that the project, at this stage, is a desktop exercise, resulting in a set of proposed efficiency gains, which are deliverable, there must be political support for this process to be able to deliver them. EMCE are tasked with providing support to local Authorities to deliver efficiencies in public services and they see this project as a pathfinder in determining value for money within the public waste sector. Phases 2 and 3 of this project are designed to maximise collection efficiencies but will require significant collaboration, not only in terms of operational management, but also in terms of the structures that sit behind these front line services.
- 3.5 In order to demonstrate that each participating Authority is committed to this process, each WCA is presenting a report to either their Cabinet or Council, to secure the support of the Authority in completing the investigation. Respective Councils can then make decisions regarding the delivery of phases 2 and 3, based upon the potential efficiency gains that are deliverable when the study is completed.

4.0 PROCUREMENT

- 4.1 A project board, made up from officers of the Waste Technical Officers Group has overall control of the project and is required to report regularly to EMCE on progress. The project is to be led by Newark and Sherwood District Council and Gedling Borough Council (in particular, Gedling will have financial control and will co-ordinate the project). Officers from these Authorities have investigated appropriate procurement routes to secure the expertise required to deliver the outcomes as quickly as possible. It is anticipated that the desktop exercise will be completed in January 2007 to enable Authorities to plan for implementation within the financial year 2007/08.
- 4.2 The anticipated costs of the project exceed the threshold for European Tendering Legislation, which would normally require the Partnership to conduct a tendering exercise through the official journal of the European Union, which would significantly delay the process (by approximately 3-4 months). However, solicitors from Gedling and the Procurement Manager at Newark and Sherwood have contacted the Office of Government Commerce with regard to the environment consultancy framework. The framework reduces time and costs associated with procurement by offering a pre-tendered fully EU Compliant call off facility to the public sector. By conducting a mini-tender within this framework, the appointment of technical expertise to assist in delivering the project can be made relatively simple and ensure that the project remains on schedule.
- 4.3 However, this option would still require a waiver of the Council's own Contract Standing Order requirements with regard to tendering procedures, which can only be done by the agreement of the Full Council meeting.

5.0 FINANCIAL ISSUES

- 5.1 The Bid for funding to the EMCE required a financial appraisal in order to secure the funding. This appraisal suggested that each Authority within the Partnership would save between £40,000 and £50,000 per annum. This appraisal was based on phase 1 assessment only.

- 5.2 With estimated savings in the region of £1.5 million for the partnership over 5 years EMCE awarded funding of £195,000. If the mini tender proposed results in the need for any additional funding, the WCAs have agreed to provide the difference but this is very unlikely. Sufficient funds have been provided for these project phases by EMCE.

6.0 **RECOMMENDATION**

That Contract standing orders be waived in order to enable the Head of Direct Services to procure consultancy and IT services through a partnership framework agreement to undertake a study of refuse collection rounds in the County.

7.0 **WARDS AFFECTED**

All Wards

8.0 **BACKGROUND PAPERS**

For detailed information contact the Head of Direct Services.