

# An Introduction to Shared Waste Management Services

## Gloucestershire Member Seminar

16<sup>th</sup> June 2008

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# Key Drivers

- **Government policy**
  - Enhanced two-tier working
  - LATS and Landfill Tax
- **Customer's aspirations**
  - More recycling services
  - Higher levels of service
- **Efficiency**
  - Government is demanding better use of resources...
  - ...and pushing this through by reducing funding to local authorities

# Case Studies

# Cambridgeshire Waste Partnership

- Informal Waste Forum committee of local LGA
- Joint campaigns
- Significant extent of service harmonisation
- Semi-formalised waste supply agreement
- Joint officer and secondees
- Long history of joint projects
- Trust based on history as opposed to binding agreements

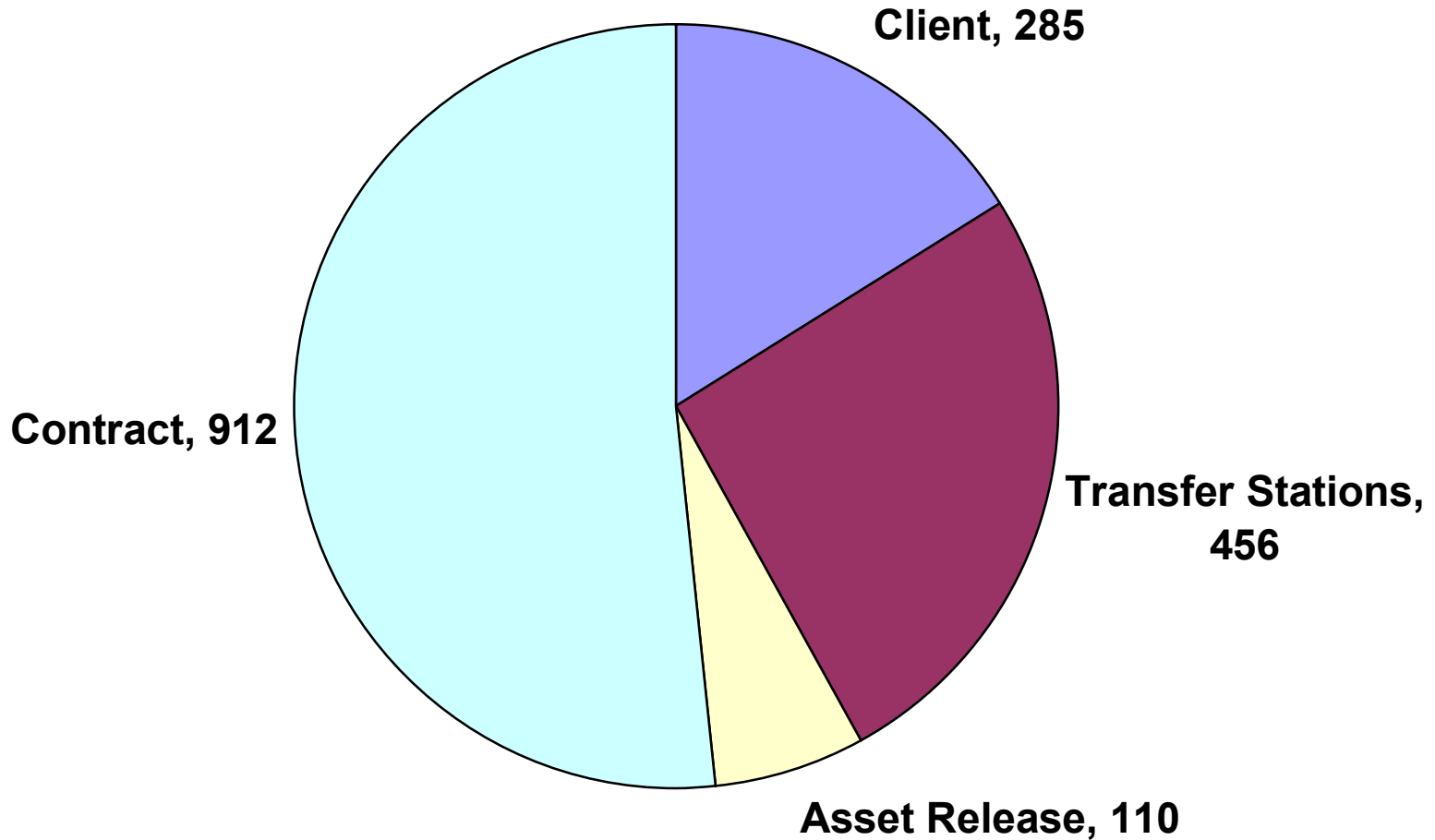
# Suffolk Waste Partnership

- Joint procurement of MRF infrastructure
  - Member's Executive Group
  - Director's Group
  - Project Team
  - Legally binding Consortium Agreement
  - Private sector DBFO contractor procured
  - Jointly funded supervising officer based at the MRF

# Somerset Waste Partnership

- 1992 Joint advisory committee formed (SWP)
- 1997 SWP MoU agreed
- 2000-02 Joint Waste Best Value Review
- 2002-07 Improvement Plan Implementation
- 2003-04 Joint MWMS
- 2002 on Joint research and service planning
- 2002-04 Joint procurement and roll out of kerbside
- 2004-06 Roll out of Sort It! service in 3 WCAs
- 2004-07 Development of formal governance and single shared service

# £1.7 million in savings per annum...



# First practical steps

- **Joint procurement of goods**
  - Warrington + 8 NW councils bin e-auction
  - Nottinghamshire 8 WCAs joint RCV procurement
  - SECE vehicle framework contract
- **Joint research**
  - Northamptonshire RouteSmart modelling
  - Warwickshire waste infrastructure research
  - Surrey kitchen waste trials

# Key ingredients

- Political involvement
- Building trust
  - Joint projects that deliver real benefits
  - Transparency and good communication
- Shared interests
- Appropriate financial mechanisms
- Long-term commitment

# Structure Options

# Structure Options

- Informal Partnership
- Memorandum of Understanding
- Partnership Board
- Joint Contract
- Inter-Authority Agreement
- Joint Committee
- Limited Company
- Joint Waste Authority

# JC vs. JWA: The Differences

## – Nature of entity

- JWA is free-standing and can enter into contracts, employ staff and own assets and liabilities
- JC must be administered by one (or more) partner authorities in terms of pay and rations etc.

## – Ease of dissolution

- JWA will be more difficult to dissolve – requiring agreement of the Secretary of State
- JC may still be difficult to leave – as significant joint commitments may have been made

# JC vs. JWA: The Similarities

- Delegation or divestment of functions
- Fundamentals of governance and democratic accountability
- Need for Constitution and Inter-authority Agreement or equivalent
- Financially dependant on partner authorities
- Need for bespoke cost-sharing agreement

# JC vs. JWA: Advantages and Disadvantages

## – Joint Committee

- Tried and tested structure
- Available now
- Easier to dissolve or leave
- Not a free-standing entity

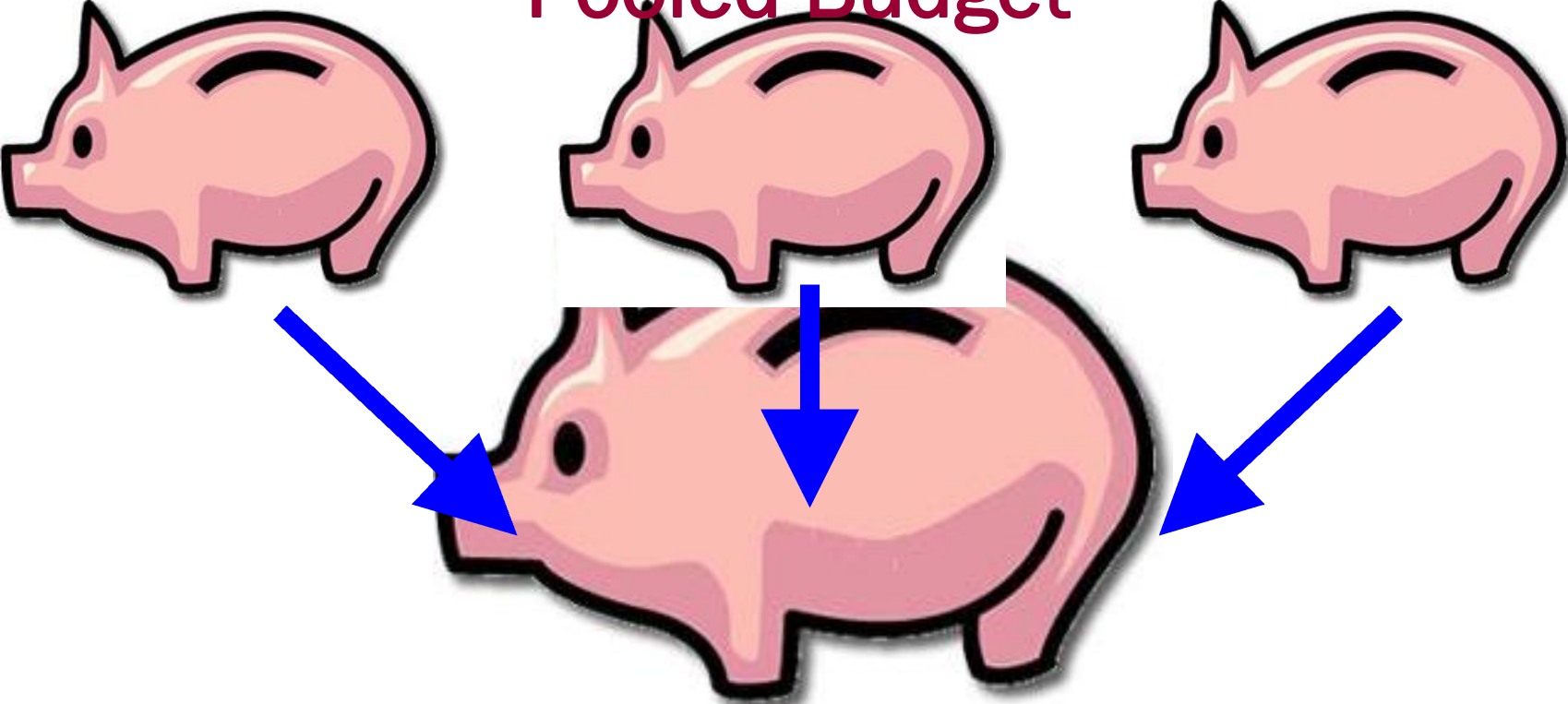
## – Joint Waste Authority

- Free-standing, but harder to dissolve/leave
- Unknown lead time
- Early adopters may be funded
- Likely to be more complicated than Govt realises!

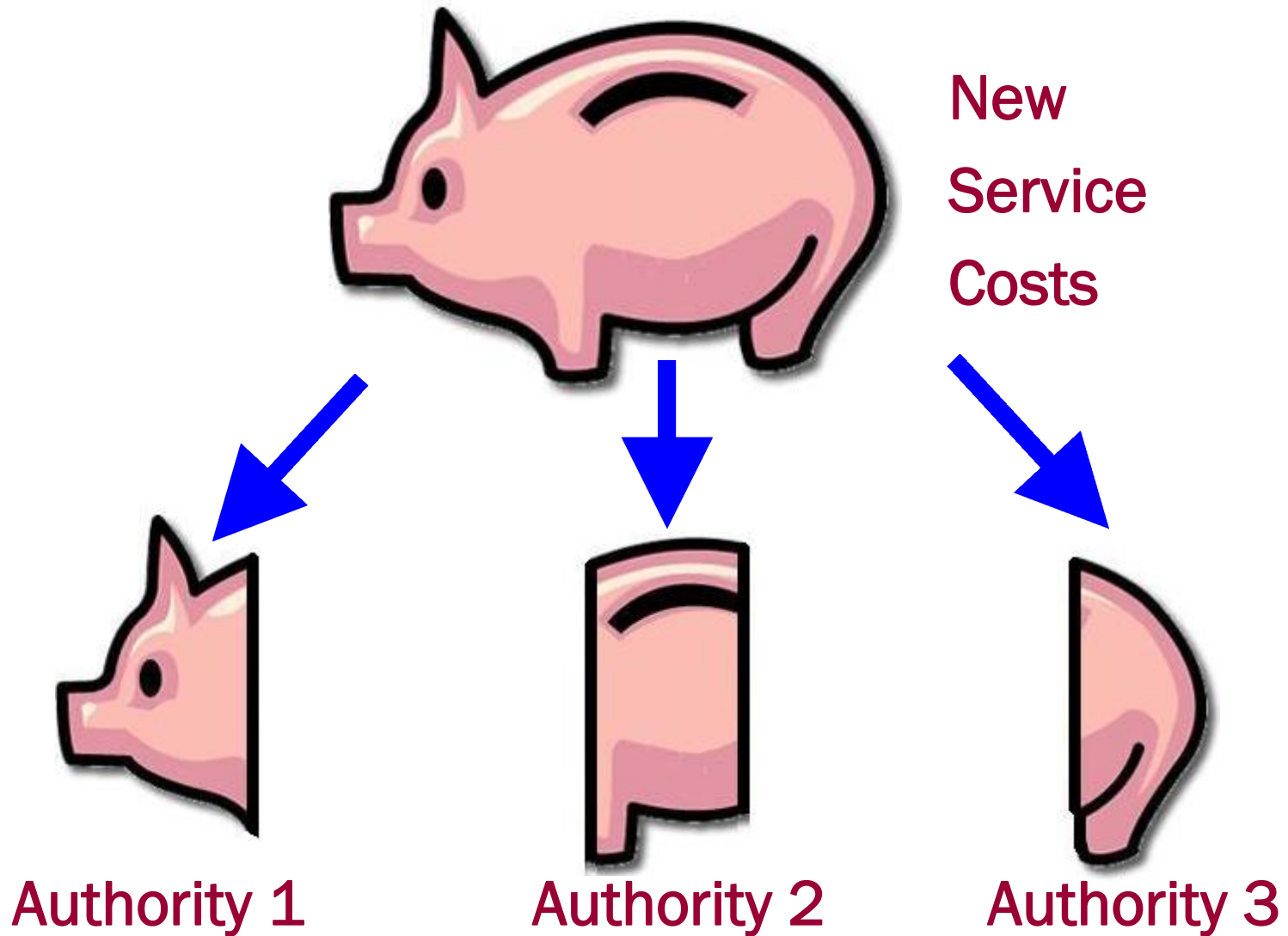
# Cost Sharing

# Budget Pooling

Historic Budgets  
Pooled Budget



# Cost Sharing



# Advantages of “Cost Sharing”

- Historic costs base not carried forward
- Transparent formula – can be seen to be fair
- Savings are shared automatically
- No incentive for ‘cost loading’ during transition

# Key Cost Sharing Objectives

- **Fairness**
- **Avoidance of cross-subsidy**
- **Transparency**
- **A deal that everyone will sign up to**

