



East
Northamptonshire
Council

Policy and Resources Committee – 17 January 2011

The Northamptonshire Waste Partnership

Purpose of report

This report seeks Members views on continued membership of the Northamptonshire Waste Partnership (NWP) and whether to approve the annual financial contribution.

Attachment(s)

Appendix 1: Benefit Analysis Report (NWP Executive Officer)

Appendix 2: NWP Projected expenditure 2011/12 (NWP Executive Officer)

1.0 Background

- 1.1 At its September meeting the Policy and Resources Committee agreed to support the development of the NWP to enable the progress of the Northamptonshire Residual Waste Project. Since this decision the Government has withdrawn the financial support that the project was relying on (£138m PFI credits) and subsequently the project has been shelved.

The NWP is now seeking East Northamptonshire Council's continued commitment to the partnership and with this a financial contribution for the next financial year.

2.0 Where does the money go ?

- 2.1 In response to questions raised by Members who form the Shadow Board that governs the NWP, the NWP Executive Officer has prepared a Benefit Analysis Report which identifies the achievements of the partnership and attempts to quantify the financial benefits that have been realised. This report is attached at Appendix 1 for information. In summary the report indicates that the partnership has enabled Northamptonshire to realise over £27m in financial benefit, largely through accessing government funding. East Northamptonshire Council has directly benefited by obtaining £183,000 to support the implementation of the new waste recycling arrangements.

Councillors Glenn Harwood and Steven North represent the Council on the Shadow Board.

- 2.2 The Shadow Board will receive a recommendation at its meeting in January that contributions from the partner councils be reduced by 17% to reflect the pressures on local authority spending. This will reduce the commitment from £30,000 to £25,000 (utilising some of the NWP reserves).
- 2.3 The NWP has tabled a paper that sets out the proposed expenditure of the NWP in 2011/12, this is attached at Appendix 2. As with the considerations Members are giving to East Northamptonshire Council's budgets they may wish to consider the amounts retained in the NWP's reserves and the costs of supporting the partnership.

3.0 Important issues to consider

- 3.1 The waste agenda is changing significantly and rapidly with councils facing increasing challenges over the next few years in respect of both collection and disposal. Whilst East Northamptonshire Council, as a collection authority, has the opportunity to influence and determine what happens within East Northamptonshire in respect of

how waste is collected, it is still subject to direction of the disposal authority (Northamptonshire County Council) when it comes to what to do with the waste once it has been collected. The NWP provides an opportunity to be involved in dialogue with the disposal authority and fellow collection authorities.

3.2 The NWP is entering a key phase in its development in 2011 with the Memorandum of Understanding, the basis upon which the partnership operates, subject to review as is the contract for the Executive Officer post. Does East Northamptonshire Council wish to be involved in ensuring that the NWP is fit for purpose and provides what the district needs to take the waste agenda forward?

3.3 The NWP is a vehicle through which the Council is able to access valuable waste educational resources however the question remains as to whether this is the most cost effective way of providing these services. This is a particularly significant issue for the Council in a year where it will be looking to roll out the most significant changes to how waste is collected in East Northamptonshire for over 20 years.

4.0 Equality and Diversity Implications

4.1 There are no equality and diversity implications arising from the proposals.

5.0 Legal Implications

5.1 There are no legal implications arising from the proposals.

6.0 Financial Implications

6.1 The financial implications of this paper relate to the annual contribution the Council make to the NWP and this has been proposed as £25,000 for the year 2011/12. Withdrawing the financial commitment to the NWP would have implications for accessing and providing the level of waste education resource needed for the implementation of the new waste contract.

7.0 Risk Management

7.1 There are risks associated with withdrawing from the NWP as referred to in paragraph 6.1. Any reduction in waste education resource will impact on recycling performance.

8.0 Corporate Outcomes

8.1 The recommended decision would help deliver the following corporate outcomes:

- Good Quality of Life
- Good Value for Money
- Effective Partnership Working
- Good Reputation

10.0 Recommendation

10.1 The Committee is asked to indicate whether it wishes to continue as a Member of the Northamptonshire Waste Partnership and continue making a financial contribution.

| | |
|--|---|
| Legal | Power: Local Government Act 1972, Environmental Protection Act 1990 |
| | Other considerations: |
| Background Papers: | |
| Person Originating Report: Mike Deacon, Head of Environmental Services. | |
| Date: 16 December 2010 | |

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(Committee Report Normal Rev. 22)



BENEFIT ANALYSIS OF THE NORTHAMPTONSHIRE WASTE PARTNERSHIP

Version 1.2

NWP Executive Officer
October 2010

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NWP Vision

Our vision is to manage waste in a sustainable manner to meet the current and future needs of Northamptonshire communities

NWP History and Development

- 1996 Officer level Waste Focus Group formed
- 2001 Waste management Members' Forum formed
- 2002 Northamptonshire Joint Municipal Waste Management Strategy (NJMWMS) and Action Plan agreed
- 2005 NWP Shadow Board formed
- 2008 Memorandum of Understanding (MoU) adopted by all partners
- 2008 NJMWMS revised
- 2008 Service Level Agreement signed in relation Project Reduce
- 2009 Partnership input for the procurement of a residual waste treatment facility
- 2009 Work commenced on ten joint partnership initiatives

Key Drivers – legislative

- The EU Landfill Directive contains targets aimed at reducing the amount of biodegradable waste disposed of to landfill to 35% of that sent to landfill in 1995 by 2010
- The Directive also allocated to each Waste Disposal Authority (WDA) an allowance of biodegradable municipal waste it is permitted to dispose of to landfill in each year between 2005 and 2020. This is managed in the form of the Landfill Allowance Trading Scheme (LATS). The number of LATS allowances decrease year on year. If WDA's exceed their LATS allowances, they will be subject to fines currently set at £150 per tonne, plus a possible additional penalty.

- Landfill tax has seen a rapid rise over recent years and is now at £48 per tonne rising to £72 a tonne by 2013/14. Just over ten years ago it was £7 a tonne
- National Waste Strategy targets :-
 - Recycling rates to 50% by 2020
 - Residual household waste to 225kg per person by 2020. (This is equivalent to a fall of 50% per person from 450kg in 2000 to 225kg in 2020)
- Northamptonshire Joint Waste Strategy sets out targets for county wide recycling and composting of :-
 - 44% of household waste by 2009/10
 - 48% of household waste by 2012/13
 - 52% of household waste by 2015/16
 - 56% of household waste by 2019/20.

Currently achieving 45.4% (09/10)

- The Strategy also sets out a reduction in the amount of residual household waste produced to :-
 - 295 kg in 2009/10
 - 275 kg in 2012/13
 - 255 kg in 2015/16
 - 230 kg in 2019/20.

Currently achieving 269kg per person

Partnership Contributions

Contributions commenced on a formal basis in 2005/06 with payments from each partner of £17,000. It became apparent it was necessary to increase the contributions as the partnership developed and widened its collaborative working.

All partners then secured NWP funding within their base budget and contributions were increased over the following years to £35,000 from 2008 to 2010 and were revised to £30,000 in 2010/11.

Over a six year period each partner has contributed £168,000 making a collective payment of £1.344million

External Funding

Being part of a strong partnership has helped bids for additional funding to be successful by the partnership.

The NWP has been instrumental in securing a significant level of external funding for waste management projects and also coordinating and implementing several joint working initiatives across the county. This has provided impressive value for money for the partners' contributions.

| External funding achieved totalling £5.83 million | |
|---|-------------------------|
| Description | Funding Achieved |
| Improvements to recycling schemes(DEFRA) | £5million |
| Schools' Waste Education Team (DEFRA) | £500k |
| Development of the NJWMS (DEFRA) | £115k |
| Award to two partners of the NWP to facilitate their joint procurement of waste services | £ 99k |
| Improving waste collection efficiencies (route optimisation) (East Midlands Centre of Excellence) | £120K |
| TOTAL | £5.83million |

Every £1 invested by the partners, has resulted in an additional £4.34p of external funding available to spend – in other words, an increase of 434% on the initial investment by the partners.

Recycling and diversion from landfill

- Recycling tonnages have increased by over 30% in the last five years
 - 2005/06 = 85,519 tonnes
 - 2009/10 = 111,824 tonnes

From 2005/06 to 2009/10 over £18million has been paid to district and borough councils in the form of recycling credits.

Residual waste to landfill has decreased by 23% over the last five years

- 2005/06 = 211,555 tonnes
- 2009/10 = 162,868 tonnes

**Savings achieved by diversion from landfill over the last 5 years
= £2.1million (landfill tax and gate fee only)**

If the same amount of waste was being landfilled today as in 2005/06, this would cost an extra £3million a year, in addition to existing costs, on an increasing scale (landfill tax and gate fee only and at 09/10 figures). This is due to a much higher landfill tax now as that charged in 2005

Achievements

- Northamptonshire Joint Municipal Waste Management Strategy (NJMWMS) and revision was agreed which produced a joint approach to managing the county's municipal waste from 07/08 to 20/21
- MoU adopted by all partners in April 2008. Sets out the principles upon which the partnership is founded and reinforces the commitment by the NWP to the delivery of the Strategy.

- Joint working on the NCC Household Waste Recycling Centre contract secured 2010. The Outline Business Case was developed in partnership with the NWP partners and the Project Board consisted of county and district Members and Officers. Considerable consultation followed including dedicated Member briefing sessions.
- Detailed study that highlights efficiency savings with regard to waste collection (RouteSmart)
 - Investigated avenues to facilitate new collection structures
 - Implemented new optimised routes
 - Makes best practical use of the various vehicle fleets and resources in each partner authority
 - Future-proofing of local authority data on waste collection rounds
 - Substantial efficiencies in staffing resources in maintaining the data and subsequent changes
 - Standardised data record of all county wide collections
 - Opportunity for regional performance data to be recorded and ongoing use of a local authority corporate address database
- Established coordinated county wide activities with regard to waste minimisation and education initiatives
 - Improved waste education / awareness arising through joint campaigns
 - More effective use of facilities
 - Funding of two full time officers based at NCC
 - Schools Waste Education Officer
 - Schools Waste Education Bus Coordinator
- Secured external funding (see above)
- Training - extensive member and officer training to provide a grounding in waste issues to include :-
 - Training on new waste technologies and infrastructure delivery
 - Fact finding visits to key sites
 - Waste strategy seminars
 - Officer best practise seminars
 - Ongoing awareness training
- Recycling Performance – collectively as a partnership, we have achieved the following recycling performance
 - 04/05 - 28.9%
 - 05/06 - 34.3%
 - 06/07 - 39.4%
 - 07/08 - 42.4%
 - 08/09 - 46.1%
 - 09/10 - 45.4%

- Efficiency gains through joint procurement
 - Northampton Borough Council & Daventry District Council PES project
 - Compost bins
 - Doorstepping campaign
 - Web site
 - Software for optimising routes
 - Legal costs
 - Composition analysis
- Consistent coordinated approach to enforcement across the county

Joint partnership contribution to NCC initiatives

- Procurement and delivery of new Household Waste Recycling Centres
- Long term residual waste treatment
- In addition, the NWP participated in the WRAP partnership scheme for the provision of compost bins to the public and free publicity resulting in the sale of over 10,500 compost bins in a two year period. Efficiency savings based over a 10 year period (based on the criteria and calculations outlined under the heading “Subsidy of Home Composting bins” detailed further in this report) are below. NB the financial return on each bin is higher as there was no financial subsidy provided by the partners :-

| | |
|---|-----------------------|
| Estimated financial benefit | |
| ○ Over 10 year period (@ £100 per bin x 10,511) = | £ 1.05 million |

2008/2010 WORK PLAN

Development of the NWP

Activity

- Explore governance structures for joint working in two tier areas with a view to developing the partnership
- Consider options and evaluate advantages and disadvantages

Key Deliverables

- Move the partnership from its current semi-formalised status to one where decision making in identified areas is delegated to the NWP.
- Project to include :-
 - Scoping exercise with external consultant / legal and Steering Group
 - Preparing summary of key joint working issues and identify priorities
 - Presentation and workshop to NWP Shadow Board

- Facilitation of partnership working on key waste matters based on the principle of joint decision making. Opportunities for developing significant efficiencies by increased partnership working, ie procurement, sharing of specialist skills

Budget

£25,000

Efficiencies

- Procurement of legal costs
- Potential savings as partnership develops and explores opportunities for more collaborative working
- Co-ownership and partnership working to deliver the highest efficiencies

Subsidy of Home Composting Bins and accessories

Activity

Offer a subsidy of £6.50p on the purchase of new compost bins (subsidy £7 from April 2010)

Key Deliverables

- Promote and encourage use of home composting by offering a subsidy when a compost bin has been purchased.
- Raise awareness and benefits of composting together with the wider waste minimisation and recycling message
- Opportunity to increase take up of purchasing affordable bins to all, particularly in current economic climate
- Promotional opportunity by Master Composters, see above.

Efficiencies

This initiative would have proved problematic for partners to deliver individually due to the resources required to deliver it.

- Subsidy commenced October 2009
- Total sales to September 2010
 - Compost bins = 1099
 - Kitchen composter = 120
 - Wormeries = 16
- Total subsidy from NWP (including promotional costs) to Sept 2010 = £11,145
- Estimated financial benefit over 10 years (see below for analysis of benefit)

| | |
|---|---|
| ○ Over a 10 year period (@ £85 per bin x 1099) | Estimated financial benefit = £ 94,415 |
|---|---|

WIN (Waste Information Network) published a report on the cost benefit analysis of local authority home composting support programmes in July 2010. The report explores the costs of home composting campaigns in relation to the cost savings to local authorities with less municipal waste needing to be collected, treated or disposed of. The diversion estimates take into account the findings of WRAP's latest set of estimates for home composting diversion including from garden waste collections both at kerbside and at HWRC's.

Estimates of the net savings associated with home composting need to take account of the 'time value' of funding by local authorities today, set against the future savings resulting from waste diverted into home composting. Net Present Values have been calculated in the report to compare the value of an authority's pound invested in home composting today against the value of the same pound in the future (taking into account inflation and likely returns if the money had been invested).

Avoided costs include costs for disposal, windrow / IVC and avoided cost of collection.

The report details potential cost savings to a local authority on three scenarios and the one closest to the NWP subsidy involves the local authority paying for promotional costs and a partial subsidy of £8. (The NWP current project includes promotional costs and a subsidy of £7).

As it is unlikely that every bin will remain in full use for the duration of the lifetime of a bin (generally based on 15 years), the figures above take into account the impact of an increasing drop-out rate as householders cease to compost, which results in a reduction in the NPV calculated.

The report indicates that investment in home composting is highly cost-effective, with relatively modest local authority investment, resulting in significant savings at landfill, treatment facilities and waste haulage.

Master Composters' Scheme

Activity

Implementation of a county wide Master Composters' Scheme to encourage the involvement of volunteer groups to promote and support home composting within partner areas by providing talks, demonstrations and giving advice to householders

Key Deliverables

- Produce Master Composter Manual for Policies and Procedures
- County wide campaign to promote scheme which would recruit volunteers to:-
 - Raise awareness and benefits of composting as well as the wider waste minimisation and recycling message
 - Encourage more people to compost at home
 - Support those already composting to ensure continued success

- Target of an initial 70 Master Composters county wide with each volunteer aiming to recruit 20 new home composters per year, equates to 1,400 additional households composting

Budget

£20,000 plus an additional £10,000 from NCC = £30,000

Efficiencies

This initiative would have proved problematic for partners to deliver individually due to the resources required to deliver it.

2010 – estimated sign up 25 Master Composters in year 1

Subject to each recruiting 20 new home composters a year = 500 in year 1

Assuming bins purchased utilising subsidy scheme, estimated financial savings as calculated above to be delivered over a ten year period

| | |
|--|--|
| <ul style="list-style-type: none"> ○ Over a 10 year period (@ £85 per bin x 500) | Estimated financial benefit = £ 42,500 |
|--|--|

The figures will increase year on year as the number of Master Composters increase and their associated recruitment of new home composters.

Procure and set up a 'Recycle for Northamptonshire' web site

Activity

- Establish a 'Recycle for Northamptonshire' Web site to provide a method of partnership communication to raise awareness and understanding of waste prevention, minimisation etc and to encourage people to recycle more within the county
- The format will follow a nationally recognised model (WRAP) and will be consistent with other 'Recycle for' web pages

Key Deliverables

- Provide a central location for all partners to promote the established hierarchy of waste management options
- Recycle for Northamptonshire will have the benefit of being a single site to promote for the whole partnership when promoting waste education and awareness across the county (links to all partner authorities will be included) together with raising awareness of the NWP
- Promote efforts to reduce, re-use and recycle waste in a variety of waste minimisation promotional activities

- Ensure content management control is retained by the partnership to reduce ongoing costs

Budget

£7,000

Efficiencies

- Partnership procurement will be able to achieve more competitive rates than individual partners could have obtained alone.
- There are streamlined procurement documents which will deliver a site with a format that will follow local and national models and will be consistent across the NWP.
- Project could not have been implemented by partners individually due to scale of collective resources required to deliver it.
- Simultaneously the partnership procured a new website for Slim Your Bin at School which delivered efficiencies in procurement and resources in the region of £12,000

Door stepping campaign to raise recycling

Activity

Implement a Door Stepping Campaign county wide to increase kerbside recycling participation by 5% and reduce contamination.

Key Deliverables

- Raise participation of dry recyclates at kerbside across the county by 5%
- Reduce contamination of recyclates at kerbside
- Provide general waste minimisation information to the public
- Carry out a customer satisfaction survey as part of the doorstepping campaign

Efficiencies

- Joint procurement for principal element of the project, namely the doorstepping campaign of over 40,000 households countywide
- Combined resources from all partners jointly supporting throughout the initiative to deliver key stages of the project
- Project could not have been implemented by partners individually due to scale of collective resources required
- Estimated savings of £80K for the partnership

Budget

£55,000 plus an additional £5,000 from NCC = £60,000

| |
|--|
| RouteSmart (route optimisation software) |
|--|

Activity

- RouteSmart software advanced training
- Evaluate scenarios at ISDS stage of Project Reduce

Key Deliverables

- Advanced software training is required to ensure appropriate officers within each authority have the relevant skills to develop the software and continue to identify efficiency opportunities.
- Evaluation of estimated 2 bidders at ISDS stage of Project Reduce to assess impact and possible efficiencies on assumption district and boroughs not restricted to collect from within own boundaries

Budget

£6,800

Efficiencies

- Project achievable as a result of funding (£120k) allocated to the NWP to procure the software and implement county wide
- Combined training for all GIS officers as opposed to individual training on an ad hoc basis. Estimated savings @ £4,000 (£600 per day plus travel x 6 authorities
- The software will be used to assist bidders for the procurement of a residual waste treatment facility to propose more energy efficient bids in terms of waste collection authorities.
- The software will be used to evaluate the impact of the additional mileage as a result of the residual waste treatment facility and bids will be assessed accordingly to encourage bidders to adjust their solutions.
- Once the solutions are set, the software will be used to re-model collection arrangements to reflect the new sites and maximise the benefits

Additional benefits

As a result of the NWP route optimisation project, the partnership has been featured in :-

- Case Studies completed by:-
 - the East Midlands Centre of Excellence (EMCE)
 - the Ordnance Survey
 - the LGA
- Detailed in presentations to:-
 - the LGA
 - the Association for Geographical Information
 - East Midlands Improvement and Efficiency Partnership

- Currently being considered for a case study for the Waste Information Network (WIN) a website developed to support local authorities in meeting efficiency targets in waste management
- Case Study currently being written to be included as part of a pan-European research project focusing on local and regional initiatives for promoting energy efficiency.

Waste modelling

Activity

To develop a detailed model that identifies recycling and composting performance across county. This will involve reviewing the performance levels within each district and borough council.

Key Deliverables

Produce a detailed model that will allow the partnership to monitor recycling performance in detail within each district and borough. This will take the form of an Excel spreadsheet.

Budget

£5,000

Efficiencies

Project ongoing

Shared Back Office project

Activity

Investigate and undertake feasibility study for joint working opportunities to provide shared back office waste management services

Key Deliverables

- Produce a high level feasibility study to identify possible benefits, including efficiency savings of the three Councils working together to provide joint back office waste management services.
- Democratic representation will still be maintained by individual partners

Budget

£20,000

Efficiencies

Project ongoing

Headline financial achievements to date

| Description | Estimated financial benefit |
|---|-----------------------------|
| External funding achieved totalling £5.83 million | £ 5.83 million |
| Recycling credits paid over last 5 years | £ 18 million |
| Home Composting Scheme (WRAP) over last 5 years | £ 525k |
| Savings achieved by diversion from landfill over last 5 years | £ 2.1 million |
| Door stepping campaign | £80K |
| RouteSmart (Route Optimisation) for two years (2008 to 2010) <ul style="list-style-type: none"> • Reduction in number of rounds / vehicles • Efficiencies on licence fees | £555K |
| Joint procurement of Recycle for Northamptonshire website and Slim Your Bin at School website | £12,000 |
| | £27.1 million |

There will be a continuation of significant efficiencies and savings year on year as a result of partnership working and this report will be updated on a regular basis.



2011/2012 Projected expenditure - Northamptonshire Waste Partnership

| | Projected Spend - full year | Projected Spend - to end 3rd quarter |
|--|-----------------------------|--------------------------------------|
| Executive Officer, admin support, IT - salary costs, superannuation, subsistence, NI, car allowance, travel, etc. Administration support salary, IT hardware | 80,000 | 60,000 |
| EO Office facilities, telephony, printing, personnel, IT, payroll, accounts, recovery, insurance, HR | 8,000 | 6,000 |
| Schools' Waste Education Project (funds 2 full time posts including qualified teacher and Education Bus Co-ordinator) | 63,000 | 63,000 |
| Partnership software (RouteSmart and ESRI for route optimisation) | 6,000 | 6,000 |
| Room hire, equipment, catering, for workshops, meetings and training | 3,000 | 2,500 |
| Conferences, professional subscriptions, publications, printing, stationery | 2,000 | 1,500 |
| Work Plan Slippage | 45,000 | 45,000 |
| Work Plan Projects 2011 in development | 28,000 | 28,000 |
| | | |
| Total projected spend | 235,000 | 212,000 |
| | | |
| NWP CONTRIBUTIONS:- | | |
| Assuming :- | | |
| 1. No draw down on reserves | | |
| 2. No additional spend other than above | | |
| Full year spend equates to £29,500 per authority Spend to end of 3rd quarter equates to £26,500 per authority | | |
| | | |
| Balance remaining in reserves, subject to full spend on projected 2010/2011 outturn £126,000 | | |