

Report to: **Audit and Best Value Scrutiny Committee**

Date: **29 November 2006**

Title: **Best Value Review of the Feasibility of a Joint Waste Partnership/ Organisation**

By: **Director of Law and Personnel**

Purpose: **To inform the committee of the progress being made with the best value review on the feasibility of a Joint Waste Authority**

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## **RECOMMENDATION**

**To receive the report and agree its findings and recommendations**

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### **1. Financial Implications**

1.1 There are no financial implications directly connected with this report. The committee should note that this review was supported with a grant of £30,000 from the Department for Environment, Food and Rural Affairs (Defra).

### **2. Background Information**

2.1 This review originated from the County Council's Best Value scrutiny review programme for 2005/2007. It was agreed that this review should be undertaken in partnership with the districts and boroughs, therefore, a joint project board was established on 21 October 2005.

2.2 The five Districts and Borough Councils of Eastbourne, Hastings, Rother, Lewes and Wealden have provided a scrutiny elected member to serve on the project board. Officers involved in waste management, in each of the local authorities, also attend board meetings. Cllr David Tutt was the chairman of the project board. Appendix one shows the full membership of the board.

2.3 The aim of review was to:

“test the hypothesis that a single Joint Waste Partnership/Organisation would bring benefits, taking into account cost effectiveness, quality, efficiency, environmental and social issues, to the people of East Sussex.”

### **3. The final report**

3.1 The work of the Joint Review Board is now complete. The Board met on six occasions and received evidence compiled by the two consultants, John Whiteoak of WA Associates Ltd and Terry Leahy of Added Capacity Consulting. The review was managed by Roger Howarth, Scrutiny & Best Value Co-ordinator and support was

provided by Sam White, Scrutiny Support Officer, East Sussex County Council.

3.2 In considering all the evidence and debate the Board formulated various options and agreed there were six options open to it. As a result of its findings, the Board tested and considered each of these options in turn.

3.3 Unanimous support was given by the Board to the option which suggested development of more formal arrangements to achieve closer and better working relationships. There was agreement that steps could be taken by all authorities to come to improved working arrangements. This option was, however, extended to include the exploration of the concept of a consortium. It was felt that the Joint Municipal Waste Management Strategy was a helpful foundation for moving forward.

3.4 The report is now submitted for agreement by the full committee and then to the Cabinet. The report also makes the request that Eastbourne Borough Council, Hastings Borough Council, Lewes District Council, Wealden District Council and Rother District Council also put the recommendations before their Executive bodies.

#### **4. Recommendation**

4.1 Members are asked to receive the report and agree its findings and recommendations.

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## Best Value Review of the Feasibility of a Single Joint Waste Organisation/Partnership November 2006

Report by the Joint Scrutiny Board:

<b>Cllr David</b>	<b>Tutt</b>	<b>East Sussex County Council, Chairman of the Joint Scrutiny Board</b>
<b>Cllr Godfrey</b>	<b>Daniel</b>	<b>East Sussex County Council</b>
<b>Cllr Ron</b>	<b>Dyason</b>	<b>East Sussex County Council</b>
<b>Cllr Terry</b>	<b>Fawthrop</b>	<b>Hastings Borough Council</b>
<b>Cllr Barry</b>	<b>Taylor</b>	<b>Eastbourne Borough Council</b>
<b>Cllr John</b>	<b>Webber</b>	<b>Lewes District Council</b>
<b>Cllr Matthew</b>	<b>Wilson</b>	<b>Rother District Council</b>
<b>Cllr Chantal</b>	<b>Wilson</b>	<b>Wealden District Council</b>

**A review in partnership with scrutiny members from:  
East Sussex County Council, Eastbourne Borough Council,  
Hastings Borough Council, Lewes District Council, Rother District Council  
and Wealden District Council**

## 1. Background

- 1.1 It was agreed on 21 October 2005, at a joint meeting of County, District and Borough Councils' scrutiny and executive representatives, that a review with the aim of testing the Feasibility of a Single Joint Waste Partnership/Organisation across East Sussex would be conducted in partnership with all East Sussex local authorities. This review originated from the County Council's Best Value scrutiny review programme for 2005/2007.
- 1.2 The three District Councils of Rother, Lewes and Wealden, and the two Borough Councils of Eastbourne and Hastings each provided a scrutiny elected member to serve on the Joint Scrutiny Board with three elected members from the County Council. Senior officers involved in waste management, in each of the local authorities, also attended and contributed to board meetings. Members of the Joint Scrutiny Board (the Board) and the officers are listed in appendix 1.
- 1.3 The review was managed by Roger Howarth, Scrutiny & Best Value Co-ordinator and support was given by Sam White, Scrutiny Support Officer, East Sussex County Council. The Board met on six occasions and received evidence compiled by the two consultants, John Whiteoak of WA Associates Ltd and Terry Leahy of Added Capacity Consulting.

## 2. Terms of reference

- 2.1 The aim of the review was to:  
***“Test the hypothesis that a single Joint Waste Partnership/Organisation would bring benefits, taking into account cost effectiveness, quality, efficiency, environmental and social issues, to the people of East Sussex.”***

## 3. Sources of evidence

- 3.1 A separate list of sources of evidence is at appendix 2. It provides the background information on which the Board's report is based. The appendix papers for the County Council Members can be found in the Members' Room at County Hall, Lewes. A set of the same appendix papers has been distributed to each District and Borough Council.

#### 4. **Methodology and approach**

- 4.1 The meetings of 21 October 2005 and 9 December 2005 established the approach to the joint scrutiny review and confirmed membership, terms of reference and noted the funding for the project from DEFRA and the County Council.
- 4.2 The meeting of the 10 February 2006 was organised as a symposium with presentations from each of the six authorities giving their view of current issues and challenges. There followed a discussion in the light of those presentations on the implications of a single Joint Waste Partnership/Organisation, and agreement of the issues in East Sussex grouped under the following headings:
- (a) drivers/motivators/opportunities, and
  - (b) challenges/constraints.
- 4.3 At the meeting on the 7 April 2006 the Board received papers outlining relevant policy reviews which may affect the shape of any recommendations to the constituent authorities. These included:
- (i) The Government's consultation document on England's Waste Strategy issued on the 14 February 2006 with responses requested by the 9 May 2006.
  - (ii) The Lyons Review into local government's finance, form and functions and re-thinking the relationship between central and local government, flexibilities needed to enable local authorities to respond to local factors and how to engage and develop partnerships.  
  
The final report from Lyons with recommendations is scheduled for December 2006.
  - (iii) Consideration of progress by other local authorities addressing the establishment of a single organisation within the two tier system of local government. This evidence drew on the work of the Innovation Forum Joint Working in Wastes Management project.
- 4.4 During the review the Board sought evidence on the following aspects:
- the cost implications of a single Joint Waste Partnership/Organisation option;
  - the operational implications of a single Joint Waste Partnership/Organisation option;
  - the potential benefits and/or problems associated with a single Joint Waste Partnership/Organisation;

- the accountability, sustainability and legal implications of a single Joint Waste Partnership/Organisation;
- any other potential arrangements for partnership working.

The Board then developed the approach, using the evidence gained, to seek to answer the six questions shown below.

4.5 At the meeting on the 6 July 2006, the Board considered and clarified points relating to the evidence submitted around the following six questions:

- Q1. What national and local drivers, if any, for a Single Joint Waste Organisation (SJWO)?
- Q2. What good practice already exists in joint working in East Sussex?
- Q3. How are other authorities tackling working together? Will SJWOs be developed on any scale?
- Q4. What might be the benefits of a SJWO?
- Q5. What reasons are there for not having a SJWO?
- Q6. Is the status quo the best way forward now and in the future? Are there any changes needed?

4.6 The Board also received information packs summarising work since the 7 April 2006. These papers included:

- a summary of work undertaken up to the 7 April 2006 meeting;
- responses to the symposium issues identified at the 10 February 2006 meeting;
- a summary of potential benefits and efficiencies comparing the Joint Municipal Waste Management Strategy, a single waste organisation/partnership and improved joint arrangements;
- a summary of telephone interviews of officers undertaken during June 2006;
- a summary of a Department for Environment Food and Rural Affairs (Defra) / Local Authority Support Unit (LASU) report (June 2005) addressing the challenges of establishing Waste Partnership projects in two tier areas and describing barriers to forming partnerships, how barriers might be overcome, the benefits of partnering and some facilitating measures.

## **5. Findings**

- 5.1 The Board took into account that the speed of change in the current local government climate is a significant factor in progressing any desire for closer co-operation between local authorities. It also recognised that each local authority has different aspirations, particularly about waste management, which will affect how any proposals about future working are received.
- 5.2 The Board argued that those different aspirations need to be addressed and, that in any new form of working arrangement, those aspirations may not be met for all authorities.
- 5.3 The Board's findings and conclusions, which reflect the main information and evidence gathered, are identified under the following headings.

## **6. The national and local drivers for moving towards a SJWO**

- 6.1 The Board identified the following:
- (i) That the role of local government is changing with increased focus on each local authority being the democratically elected body charged with a broader orchestrating, monitoring and effectiveness of community service role rather than direct provision. This approach is being developed through, among other things, partnerships, shared service provision and local area agreements around existing organisational structures.
  - (ii) Pressures on authorities within the two tier system to improve joint working where efficiency and effectiveness opportunities exist.
  - (iii) The two tier arrangements around Waste were originally established at a time when there was a clear distinction between collection and disposal responsibilities. The Waste stream has now evolved into a complex production process that requires greater integration and linked management through the activities of design, collection, handling, separation, recovery, marketing and disposal (in line with the principles of the Waste Hierarchy).
  - (iv) The need for collaboration on a sub-regional level is intensified with the introduction of the Landfill Allowance Trading Scheme (LATS) which is further increasing the marginal costs of disposal to landfill together with increasing Landfill Tax charges, more rigorous environmental regulation and steadily increasing, and sometimes competing, recycling and recovery targets placed on each authority.
  - (v) The profile and importance of collaboration in addressing commercial waste has been raised, as part of the review of the national waste strategy, the need to work with the private sector on

minimization and to provide competitive and effective local collection and recycling opportunities. The scale of commercial waste can also affect costs triggered through the LATS scheme with the high marginal costs of waste going to landfill.

- (vi) The Board felt strongly that there is a need for clear and consistent messages from all partners (including Government), with focus on local issues where needed. Members of the public have little concern for waste management structures but expect a good collection service, to have opportunities to recycle and a fair Council Tax. Public perceptions need to be understood and influenced especially with regard to waste minimization and awareness.
- (vii) Public expenditure and local government funding is under pressure and will be for the foreseeable future. The absorption of a proportion of these additional costs through improved efficiency and effectiveness must be achieved at a local level (Gershon Report). Government is likely to assume all opportunities for efficiency through collaboration are taken in order to mitigate the full impact on council taxpayers and service users.
- (viii) There is a national review of local government finance, form and functions (Lyons Review) due to report in December 2006. There are already indications that the report is likely to put emphasis on rethinking the relationship between central and local government and address flexibilities needed to respond to local factors and how to engage and develop partnerships.
- (ix) Department for Communities and Local Government (DCLG) papers argue for local vision programmes which demonstrate collaboration and shared services with calls for more joint working. Recent publications (Rethinking Service Delivery, Service Transformation Through Partnerships, Structures for Collaboration and Shared Services, and Structures for Service Delivery Partnerships) support this approach with practical guidance and examples.
- (x) There is a real challenge in providing capacity to manage policy and develop service change. Members and officers identified capacity as a significant potential impediment, particularly having regard to the age and experience profile of senior waste managers.
- (xi) Some Government funding streams are already focused on partnership bids, and particularly with more recent Private Finance Initiative (PFI) scheme approvals, there is increased likelihood of approval where partnership is a key feature. There are emerging pressures around PFI for bids to be underpinned with formal legal agreements between participating authorities.



- (xii) Comprehensive Performance Assessments (CPA) address the quality of corporate leadership, capacity and service delivery performance which increasingly requires partnership working.
- 6.2 The Board concluded that any decision on moving to a single Joint Waste Partnership/Organisation would require all partners to agree on which of these drivers, if any, matters to them as reasons for change.
- 6.3 There are many significant reasons and drivers for more collaborative working. These contrast with the results of a survey of the officers and members represented on the joint board, which show there is not a unified desire on the behalf of all the partners in waste in East Sussex to move forward to a single Joint Waste Organisation/Partnership.
- 6.4 The Board is, however, able to conclude from the views of waste officers and scrutiny members that the status quo in two-tier authorities in waste collection and disposal is probably only a short to medium term option. This, however, should not imply that no action is necessary now.

## **7. The good practice that already exists in joint working in East Sussex**

- 7.1 It was concluded by the Board that relationships between District and Borough Councils and with the County Council were reasonably good and that there were numerous forums for exchanging information and developing solutions to common issues. Individuals seem to get on well at all levels. This was to some extent illustrated by the establishment of this joint study with the support of the Executive of each of the six authorities.
- 7.2 The following features of good waste practice in East Sussex were noted:
  - (i) The draft Joint Municipal Waste Management Strategy (JMWMS) provides a sound base for developing more integrated joint working. It attempts to find a balance between the policies of each local authority. The JMWMS accepts each authority will have different aspirations and varying methods of providing their services. The JMWMS accommodates these differences and provides the mechanism for drawing together an integrated strategy that all authorities will be able to sign up to.

This draft has been developed jointly by the six authorities and when adopted will have cross party support.
  - (ii) All councils are aiming for best practice in their operations.
  - (iii) There are already examples of developing working relationships between pairs of districts.
  - (iv) Working groups on waste already exist and can be a basis for further development. These include:
    - The Waste Forum Steering Group

The Local Government Association Committee on Waste - Portfolio Holders

Waste Consultative Group

East Sussex Recycling Consortium

- (v) The Joint Local Authority Association Public Service Agreement works well.
- (vi) There is good joint working in sharing information and working on public education and communication. (There was later discussion that this could be used as a pilot for joint working).

7.3 Having identified these aspects of good working, the Board concluded that, while there are good relationships and some good joint working when looked at in the context of the scrutiny review overall, there is a lack of overall coordination and no agreed focal driver and delivery mechanism. The draft Joint Municipal Waste Management Strategy, once developed through the consultation stage and subsequently agreed may well provide the basis for moving forward with further joint working.

## **8. How other authorities are tackling working together on waste management, and will Single Joint Waste Organisations be developed on any scale?**

8.1 There are a number of examples of moves towards single organisations/partnerships and collaboration. These developments appear to be a gathering in pace as most of the examples quoted have been relatively recent. Whilst these initiatives do not currently appear to be highly coordinated they are being monitored by Defra and its departments, and having regard to the policy drivers described in the earlier section this may soon become more policy driven.

### **(i) Shropshire (5 districts/boroughs)**

Following an initial joint symposium (Shropshire refer to is as their 'Big Bang' approach) the county and districts undertook a joint benchmarking study (report produced 2003) to examine the options for joint organisation and contract letting. This exercise identified potential savings of 10% - 15%. The outcome was to work towards letting a joint collection and disposal contract in 2007 although one Waste Collection Authority has yet to decide whether to join. The remaining member authorities have agreed a Constitution and Joint Management Committee for a Single Waste Partnership (SWP) and are progressing towards a joint PFI contract to be let in 2007. The SWP partner councils have delegated the power to let a contract for their Waste collection and Waste disposal activities to the SWP Joint Committee with equal representation and voting. The Joint Committee has appointed Shropshire County Council as "contracting authority". As contracting authority, Shropshire County Council will let the

integrated Waste Management Contract on behalf of the SWP. There are now at the Best and Final Offer (Bafo) stage of the process with two tenderers.

The Board found this a useful case study as it identified many of the issues already applicable to East Sussex. It was concerned about the achievability of the cost saving aspects because not only had they not been achieved and the conditions in Shropshire were and are different from those in East Sussex. The financial savings were, as yet, unproven.

**(ii) Norfolk (7 districts/boroughs)**

Norfolk undertook a thorough review in 2001. No progress resulted.

The report was extensive and outlines significant benefits from joint organisation, similar to those in Shropshire, but through a different methodology. However, this project was relatively early work and political difficulties in finding agreement resulted in no action. Recent conversations with consultants and officers involved in the study, and still working with the council, have indicated that they believe the proposals will eventually be revisited.

**(iii) Cheshire (6 districts/boroughs)**

The county has a PFI arrangement, and districts are working together to explore a single joint contract for waste collection and recycling. The work is being led by Chester City Council on behalf of all the districts and the county. There is also a lead person working on recycle sales for the whole county area. They recognised and agreed that they needed to work more closely and are developing an overarching Memorandum of Understanding as an initial approach which may lead them on to more formal arrangements. This Memorandum of Understanding will incorporate approaches which range from informal to legal, and identify a Member/officer delivery mechanism.

**(iv) West Sussex (7 districts/boroughs)**

The West Sussex councils jointly procured 25 year PFI contract, agreed in 2004 for Recycling and Waste Handling (Reclaim). This is on track to achieve overall recycling of 45% and has already improved recycling from 22% to 27% in the first eighteen months. A key aspect in this process was a Memorandum of Understanding which was incorporated into the contract documents to give more certainty to bidders. This contract is managed jointly between West Sussex and the district and borough councils.

A further contract for materials recovery is being progressed. Originally a PFI initiative, again through partnership working, is now being developed outside of the PFI scheme as the funding application was not successful. This will again be underpinned by a Memorandum of Understanding (MoU).

West Sussex councils recognised the need to become more efficient and coordinated. They are currently working on a project that looks to reduce duplication of services while maintaining local delivery and responsiveness in the area of waste education and awareness.

These developments are all underpinned by a series of county wide Waste Information days where Members (both executive and non-executive) and officers (from different disciplines where the process may impact) were able to learn and be kept informed about the issues and opportunities from officers and experts, and thus make more informed decisions.

The Board was interested in the West Sussex approach which aimed to keep people informed. It felt that 'waste awareness and education' is a good example where there is opportunity for joint working across East Sussex and where lessons can be learnt.

**(v) Somerset (5 districts)**

Somerset Waste Partnership has a vision to create a "virtual authority" to discharge Waste Management functions for the five district councils and the county council. The partners are committed to pursuing the formation of an independent legal entity that is able to enter into contracts with service suppliers and employ an integrated client unit to manage all waste collection and disposal services in the county area. The business case research indicates potential savings in excess of 10% on current costs. A final decision on the legal form of any joint organisation will not be decided until the summer of 2006 at the earliest.

**(vi) Hampshire (11 districts/boroughs – 2 unitaries)**

Project Integra is nationally recognised as a joint approach to delivering integrated waste management solutions. Although often perceived as a single organisation this is not the case. However, many of the aspects of a joint organisation do exist. A recent scrutiny review identified a number of issues that need to be addressed which they are working through. One of the key issues is in deciding whether they are a multi-million pound business or delivering services to and for the public. The scrutiny committee also recommended a redefinition of the Management Board, a wider vision for the project, and consideration of changes to the roles of Hampshire County Council and the Executive Officer.

There is co-operation between clusters of district councils, for instance New Forest District Council and Test Valley Borough Council have combined their in-house direct service collection operation under a commercial agreement and a joint "Executive" committee.

The Board was aware of this project and found it significant that it had not moved to a formal partnership. Hampshire established a scrutiny review which had regard to the depth and complexity of the subject matter. It recognised that setting up any joint organisation or joint working

arrangement is only the beginning of a long process that requires regular review.

**(vii) Lancashire (12 districts/boroughs)**

Lancashire councils have worked together towards a cost sharing arrangement (Cost Sharing Conditions) whereby Lancashire County Council has incentives for districts and boroughs to increase recycling levels. This focuses on districts and boroughs introducing three-stream segregated waste collection services, with the requirement that all materials are taken to the County's PFI facilities. The scheme replaces the payment of recycling credits, with a system for covering any loss of income incurred by districts and boroughs once PFI facilities are on line.

The Board noted that this case study shows that there are alternative ways of looking at and dealing with recycling credit issues which is a key issue for East Sussex.

**(viii) Suffolk (8 districts/boroughs)**

Six collection authorities developed a "Consortium Agreement" in 2003 which places challenging performance, quality and financial obligations on all consortium members. They have jointly procured a materials recovery facility for their collective recyclables. They have also reached agreement on the use of open book accounting as part of their partnership development.

The Board was interested in this work as the districts and boroughs had worked to deliver the project with county council input, but not direct involvement.

**(ix) Essex (14 districts/boroughs)**

Essex Waste Partnership involving county and 14 districts is working towards a combined PFI contract. They have reached the stage of a draft constitution. This work is essentially along the lines of that in Shropshire, although a much bigger project.

- 8.2 The advisers to the Board were asked to express a view on whether Single Joint Waste Organisations will be developed on any scale. Based on the evidence to date, and an understanding that the processes and methods are still developing, their response was a firm "yes".
- 8.3 Overall, the Board felt that they had gained an understanding of how some authorities are tackling joint working, but they also acknowledged that the timescale of this review did not allow the outcomes of each case study to be identified. At this point in time, it is too early for most of the local authorities involved to evaluate successes and failures.
- 8.4 The Board concluded that, in any recommendation to the Councils' respective Executives, there needed to be emphasis given to the importance of local issues and the individual authority's aspirations.

## **9. The potential benefits of a Single Joint Waste Organisation**

9.1 The Board considered the following points which were recognised as potential benefits from the establishment of a formal Single Joint Waste Organisation:

- (i) A shared vision, strategy, and operational delivery.
- (ii) Greater clarity of roles in developing policy and operational delivery.
- (iii) Reduced risk of national intervention in the management of the service having regard to the challenges that the separation of collection and disposal responsibilities within the two tier system bring.
- (iv) Opportunities for efficiencies, economies of scale and capacity.
- (v) A stronger market presence in procurement and recycle marketing.
- (vi) Improved service integration.
- (vii) Greater consistency of service and waste awareness messages.
- (viii) Sharing of risk.
- (ix) Sharing of performance targets.
- (x) Increased external funding opportunities.
- (xi) Avoiding competition between authorities for recycles.
- (xii) Opportunities to develop policy on contract sizes, large or small, to preserve competitive market circumstances.
- (xiii) Contracts not being decided by geographic boundaries.
- (xvi) A joint organisation would have these benefits increased if it included Brighton and Hove City Council although this is not a fundamental necessity.

9.2 In considering these points, and generally appreciating that they may all be relevant, the Board also felt that they would not necessarily all be relevant for East Sussex. However, these points did help the Board to conclude that East Sussex would benefit from a more co-ordinated approach to waste management that could be developed through improved joint working.

## **10. The reasons for not having a Single Joint Waste Organisation**

10.1 The Board acknowledged the existence of the following issues :

- (i) A lack of political will, management resource and commitment. There is a view that the structure, constitution and balance of influence has to be constructed in an acceptable way and achieving that would be extremely difficult.
- (ii) Waste collection is regarded as a very local service and local community links are paramount and must be retained.
- (iii) The challenge of achieving trust, openness and mutual confidence. To achieve 'buy in' from all potential partners would be a significant challenge.
- (iv) The different councils have different aspirations and different waste strategies, for example in the balance between recycling and the minimisation of waste.
- (v) Concern about losing control and where a Single Joint Waste Organisation might lead the participating authorities. Also, concerns about maintaining competition and influence over the private sector contribution.
- (vi) The lack of solid evidence of potential savings.
- (vii) Politically this is a very local and visible service.
- (viii) There is a need for greater understanding and receptiveness to local issues.
- (ix) There are concerns about parochialism and the need to go beyond county boundaries. Some districts and boroughs have significant shared boundaries with districts and boroughs in other counties.

10.2 The Board was quite clear in saying that it did not see all of these points as reasons for not having a Single Joint Waste Organisation. It saw them more as areas that need addressing if any change is to be sustainable. Views cited by both Members and Officers, that loss of local influence and local control are real concerns which are perceived as barriers to a commitment to a single Joint Waste Partnership/Organisation.

## **11. What changes are needed with the status quo arrangements?**

11.1 On the basis that councils would continue with their current autonomy and independence, the following areas were recognised as requiring collaboration and improved joint working.

- (i) Recycling credits and the way they are calculated needs to be reviewed to get the best overall outcome. Recycling credits are regarded as crucial to the viability of recycling initiatives and the need to look at costs across the waste hierarchy with all authorities being less parochial and more aware of the overall picture.
- (ii) The Landfill Allowance Trading Scheme introduced in 2005 is a new and additional challenge with the associated potential cost impact. There is an acknowledged need to better understand what support and collaboration the county needs to minimise the impact. The Waste Disposal Authority and Waste Collection Authorities need to establish a better joint approach.
- (iii) There is the need for more openness on budgets and financial circumstances between authorities.
- (iv) Management capacity/resource is fully committed with existing challenges and workloads. The ability to respond to, and manage major policy shifts, as well as work towards better sharing of skills and available resources, may not be there.
- (v) There would be significant advantages in compiling better joint targets.
- (vi) Although contracts have been let there is the need to manage them in a more complementary way. This means trying to avoid current contracts preventing the development of sensible joint approaches. There should be joint working to find ways of overcoming contract barriers.
- (vii) To address conflicting statutory requirements, for example, working towards siting facilities in the best way and achieving a better balance of provision across the area.
- (viii) This means trying to avoid current contracts preventing the development of sensible joint approaches. There should be joint working to find ways of overcoming contract barriers.

11.2 Overall, the Board agreed that while some of the issues raised by the respondents are being addressed there is a real need, if change is to come about, for the issues to be tackled collectively.



## **12. Conclusions**

- 12.1 Local government and the waste industry generally are experiencing a period of rapid change driven by European Union and United Kingdom legislation, government direction and public desire for a more sustainable approach.
- 12.2 In East Sussex as a county, and as individual districts and boroughs, there are unique characteristics that are very important to the people who live, work and holiday there. These characteristics need to be, and can be, reflected and enhanced in any approach to joint working.
- 12.3 In looking at the local issues, the Board felt that there could be benefits to the public in terms of improved and more coordinated service delivery, clearer unified messages from the authorities involved, reduced environmental impact and a change in public perception to improve waste minimisation and recycling rates.
- 12.4 The Board also expressed concern that some of the benefits identified will improve efficiency and effectiveness 'behind the scenes' but would not be seen by the public. Concern was also expressed that change needs to be thought through properly, and delivered with strong leadership and appropriate resources. However, this should not be confused with the fear of change which will inevitably be an issue if the recommendations for change are proposed, accepted and progressed.
- 12.5 In considering all evidence and debate the Board formulated various options and agreed that there were six options open to it as a result of its findings. These were:
- (a) To carry on as we are.
  - (b) To create a Single Joint Waste Organisation with a single lead authority.
  - (c) To create a consortium of all authorities.
  - (d) To construct more formal arrangements to achieve closer and better working relationships.
  - (e) To revisit the topic in a certain period of time.
  - (f) To devolve waste disposal to each district and borough.
- 12.6 The Board tested and considered each of these options in turn. It concluded that there is a clear case for closer joint working and policy formulation by the six authorities with the draft Joint Municipal Waste Management Strategy being a helpful foundation for moving forward.
- 12.7 These factors, together with the recognised cost and service performance pressures on each council meant that options (a) and (e) were not feasible courses of action and were rejected.

- 12.8 Option (f) was then discounted on the basis of the clear need for joint working and strategic leadership across the County area.
- 12.9 The Board, however, did give unanimous support to option (d) - to construct more formal arrangements to achieve closer and better working relationships. There was agreement that steps could be taken by all authorities to come to improved working arrangements. This option was, however, extended to include the exploration of the concept of a consortium.
- 12.10 On the basis of the evidence considered, the Board agreed that there is still a lot of work to be done on being 100% certain of the financial and operational benefits of a Single Joint Waste Organisation. Evidence from other authorities, further down the line of partnership activity, does not yet show benefits in a fully quantifiable form.
- 12.11 The information gathered during this review about local relationships and working arrangements at a political and officer level suggests the six authorities are not prepared to recommend option (b) in the shape of a Single Joint Waste Organisation and that they would prefer to take forward a more incremental approach.
- 12.12 The Board did not feel prepared to recommend a full Single Joint Waste Organisation/Partnership which would have the responsibility for both shaping policy and operational delivery. It agreed that consideration should be given to the establishment of a consortium of all 6 Councils (East Sussex County Council and each of the 5 Boroughs and Districts), but to address the management of operational delivery.
- 12.13 The Board also recognised that the involvement of Brighton & Hove City Council in any move towards a consortium would bring greater advantages. Brighton & Hove, as a unitary authority, is both a waste collection and disposal authority that has existing disposal agreements with East Sussex.
- 12.14 A way in which it is possible that such a body could operate would be for each council to have an equal seat on the consortium. All existing contracts would be managed by the new body and run until their planned conclusion. The consortium could establish new contracts for joint services to be phased in as and when the existing contracts expire. The economies of scale that can be achieved by this wider contracting scope should ultimately deliver financial benefits to all. In addition to this cross boundary issues should be managed far more easily.
- 12.15 A consortium should be a customer focused, results orientated organisation to the separate specification of the arms length clients in East Sussex. The Board, however, would not wish to be prescriptive about how a consortium could be structured or functions – this is the prerogative of the respective Executives in all six authorities. However, the working

suggestion set out above is offered as a starting point. Appendix 3 provides some further thoughts on the concept of a consortium but is by no means the definitive approach.

12.17 The significant finding from this review is that any move towards closer co-operation and working arrangements in waste across East Sussex will require all partners to want such an arrangement; to be able to manage their different aspirations and then; strive for it to be achieved.

12.18 The Board is keen to point out that good partnership and collaborative working already exists across the six local authorities. This is a firm foundation on which to build further. All six local authorities are therefore recommended to receive this scrutiny report as a first step in examining the current arrangements for collection and disposal of waste in East Sussex and to implement its recommendations.

### **13. Recommendation**

13.1 The following recommendations are made to the East Sussex County Council. With regard to the District and Borough Councils the Board requests Eastbourne Borough Council, Hastings Borough Council, Lewes District Council, Wealden District Council and Rother District Council to put the recommendations before their Executive bodies.

**That all the local authorities in East Sussex should;**

- (1) continue to work towards closer and better working relationships, potentially including Brighton and Hove, and for that purpose create appropriate formal agreements, and;**
- (2) explore the creation of a consortium of all authorities.**

Councillor David Tutt  
Joint Scrutiny Board Chairman  
September 2006

## Appendix 1

### Joint Scrutiny Board:

Cllr David	Tutt	East Sussex County Council, Chairman of the Joint Scrutiny Board
Cllr Godfrey	Daniel	East Sussex County Council
Cllr Ron	Dyason	East Sussex County Council
Cllr Terry	Fawthrop*	Hastings Borough Council
Cllr Barry	Taylor	Eastbourne Borough Council
Cllr John	Webber	Lewes District Council
Cllr Matthew	Wilson	Rother District Council
Cllr Chantal	Wilson	Wealden District Council

\* Cllr Terry Fawthrop succeeded Cllr Trevor Webb as Hasting Borough Council Board member in June 2006.

### Officers

Andy	Bryce	Head of Waste and Recycling, Lewes District Council
Alan	Dodge	Contract Services Officer, Rother District Council
Mike	Fleming	Director of Environmental Services, Wealden District Council
Lindsay	Frost	Director of Planning & Environmental Services, Lewes District Council
Dave	Glover	Special Projects Manager, Wealden District Council
Richard	Homewood	Executive Director for Waste Issues, Hastings Borough Council
Roger	Howarth	Scrutiny & Best Value Co-ordinator, East Sussex County Council
Duncan	Jordan	Deputy Director Transport & Environment, East Sussex County Council
Paul	Marsden	Cleansing Contract Manager, Eastbourne Borough Council
Richard	Partridge	Assistant Director, Law and Performance Management, East Sussex County Council
Mike	Pashler	Head of Waste and Commercial Services, Wealden District Council
Martyn	Perry	Waste Services Manager, East Sussex County Council
Mark	Probyn	Assistant Director Amenities and Contract Management, Eastbourne Borough Council
Trevor	Watson	Assistant Head of Waste and Recycling Services, Lewes District Council
Sam	White	Scrutiny Support Officer, East Sussex County Council

## Appendix 2

### Sources of evidence

1. Presentations from each of the six East Sussex local authorities presented to the Waste Symposium on 10 February 2006
2. A summarised response to the issues identified at the Waste Symposium on 10 February 2006.
3. Summary of potential benefits and efficiencies.
4. Telephone interviews and responses from waste officers

Each of the supporting waste management officers was interviewed by telephone during June 2006. The responses were non-attributable to individuals and were circulated to the 6 July 2006 meeting of the Joint Scrutiny Board.

5. Shropshire Waste Partnership – 2003 Benchmarking Study and key points from the 2004 Joint Committee Agreement
6. Norfolk Waste Management – 2001 Report
7. Joint working in Waste Management – Innovation Forum report – June 2006
8. Defra/Lasu – Findings from Waste Partnership Projects – June 2005
9. Guidance for Waste Authorities in Two-Tier Areas on Application of Duty to have a Joint Municipal Waste Management Strategy – Defra – 2004
10. More Competition, Less Waste – Public procurement and competition in the municipal waste management sector – Office of Fair Trading - May 2006

## **Appendix 3**

### **Further thoughts on the concept of a consortium**

In order to ensure that each authority can meet the aspirations of their local residents, individual authorities would retain decision making powers in terms of the level of service required and the charges for these would be levied in accordance with these requirements.

The consortium could be:

- (i) delivering services to the six clients (or seven if including Brighton and Hove) through one service provider (the consortium);
- (ii) giving objective advice to each client on the opportunities for rationalisation or service variation;
- (iii) making operations the responsibility of a separate management organisation;
- (iv) giving opportunities to present better and more standard processes;
- (v) providing increased operational scale;
- (vi) providing more effective use of existing systems and processes;
- (vii) providing greater focus on customer service.
- (viii) operating to clear ground rules and principles on which all councils would be served on behalf of Council Tax payers.

End.