

**JOINT OVERVIEW AND SCRUTINY TRANSITION BOARD
26 SEPTEMBER 2008**

WASTE SERVICES – TRANSITION TO THE NEW COUNCIL

Purpose of Report

1. To respond to questions and issues raised in the second interim report of the Waste Task Group.

Background

2. At their meeting on 29 August, 2008 the Joint Overview and Scrutiny Transition Board (JOSTB) considered an interim report by the Chairman of the Waste Task Group (Mr. Hill) and a statement from a Member of the Group (Mr. Seed)
3. The JOSTB resolved:-
 - (i) To accept the second interim report of the Task Group.
 - (ii) To ask the Task Group to continue to scrutinise the development of the transitional action plan in the areas of waste and recycling and to oversee the development of the transformational action plan in these service areas.
 - (iii) To receive the report of the Corporate Director of Transport, Environment and Leisure at the next meeting of the JOSTB and extend an invitation to the Members of the Task Group
4. The interim report raised a number of questions and issues which this report attempts to address.

What is the current focus of Officer Activity (Transition to Vesting Day)?

5. In response to a question from Mr. Seed to the Implementation Executive on 27 August the Leader confirmed that priority would be given to maintaining services to a good level and to secure a smooth transition.
6. Between now and vesting day the following tasks have been identified as priorities for action with the clear objective of ensuring that waste management services are provided on (and after) vesting day without interruption.
 - (i) Creation of a single management structure to cover the waste collection activities of North Wiltshire, Kennet and Salisbury Districts (in-house service) and West Wiltshire District (external contract).
 - (ii) Review of the current waste collection rounds (and associated support functions) to identify efficiencies in operation unfettered by current District Council boundaries.

- (iii) To undertake preparatory work towards harmonisation of terms and conditions of inherited staff and operatives to be agreed within six months of Vesting Day.
 - (iv) Commence the delivery of residual waste (predominantly from the Salisbury District Council area) to the Lakeside Waste to Energy plant.
 - (v) Conclude contract negotiations and have a sealed contract in place (subject to planning consent) for the provision of an MBT/Refuse Derived Fuel plant at Westbury to deal with residual waste (predominantly from West Wiltshire).
 - (vi) Continuing options appraisal work with Swindon Borough Council in preparation for the procurement of a joint authority residual waste disposal facility in the north of the County.
7. The Service Director of Amenity and Leisure (designate) is responsible for leading the work on items (i), (ii) and (iii). The Service Director of Operations (designate) is responsible for leading the work on items (iv), (v) and (vi). Both Service Directors have established appropriate project management and support arrangements, with the necessary capacity, to progress these transition activities with the clear objective of maintaining services to a good level and to secure a smooth transition.
8. The main risks associated with failure to achieve (i), (ii) and (iii) relate to the reputation of the new Council. The main risks associated with failure to achieve (iv), (v) and (vi) relate to financial consequences to the new Council of the imposition of Local Authority Trading Scheme (LATS) fines which could (at worse case) be several £tens of millions in the early years of the new Council.

Proposed Future Activity (Transformation post Vesting Day)

9. The new Council will inherit differences in the manner in which waste services are delivered across the County. All households receive a weekly collection of waste material but variations on the types of material collected, and the weeks in which it is collected, occur. This may be summarised as the '*fortnightly collection*' issue. There are, however, other differences such as the size and types of receptacles provided for recyclables and residual waste, the range of recyclables collected and the equipment used. There are also different collection practices such as the '*two finger*' weight issue.
10. The new Council also inherits differences in the way that waste services are delivered through a mix of public, private and voluntary sector provision covering education, collection, recycling and disposal services. Waste collection services are also intrinsically connected to amenity and street scene/public realm maintenance activities which are carried out by a different mix of public and private sector providers.
11. As a result of District and County Council collaboration through the Wiltshire Waste Partnership, early progress has already been made towards efficiency and service improvements. The next step is to bring these services together within the new Council (transition to the Wiltshire Council) and plan for a subsequent fundamental lean review of the services (transformation post Vesting Day) once the new Council is established.

12. In reviewing (i.e. transforming) the inherited waste collection services, the new Council will also need to have regard to these other services and contracts which are closely related (e.g. waste collection, recycling, waste disposal, street sweeping, litter collection, grass cutting, public realm maintenance, routine highway maintenance, etc.). This will be a major piece of work for the new Council and will require the input of corporate resources and support from outside the new Department of Transport, Environment and Leisure. These finite corporate resources (e.g. legal, HR, finance, etc.) will also be needed to support other transformation activities across the new Council (e.g. Adult Care, Children and Families, Back Office systems, Development Control, Passenger Transport, etc.).
13. The Service Director of Policy, Research and Communications (designate) will be responsible for managing the Council's Programme Office who are charged with establishing a corporate programme of transformational activity across the new Council to ensure that Corporate Resources are aligned with the capacity demands of the individual service reviews. The Service Director of Policy, Research and Communications (designate) is currently gathering together this cross-Council information in order to establish a transformational programme over the next three to four years for consideration by the Implementation Executive. It is anticipated that an agreed programme will be produced within the next couple of months and the priority and timing of the review of waste services will then be clear.
14. In the meantime, neither Service nor Corporate capacity exists to commence an early transformation review of Waste Services prior to Vesting Day with the priority being focussed on the transition activities identified in paragraph 6 of this report.

Finance

15. The supplementary submission of the One Council bid '*Next Steps*', submitted in 2007 articulated the affordability of the proposals and identified the main Services or Functions where future savings had been identified.
16. For Waste Services, savings of £2.950 million were identified across revised management structures, ways of working and contract revisions which were to be balanced by a redirection of savings from elsewhere of £2.950 million in order to improve recycling performance.
17. The procedures that are being adopted in the development of the first budget for the new Council requires identification of budget pressures, performance standards and efficiencies on a service by service basis. Currently, the Service Directors involved in Waste Management are preparing budget submissions for 2009-10 on a '*cash freeze*' based upon the 2008-09 financial year.
18. Until this work is complete it is not possible to identify the extent to which savings are able to be made in 2009-10 (towards the £2.950 million bid total for waste) or the compensatory investment that is able to be made in 2009-10 (towards the £2.950 million total identified in the bid). However, this will become clearer over the next two to three months as the budget process unfolds.
19. However, the bid envisaged that through the efficiencies of the One Council, savings would find expression in improved performance rather than cash reductions.
20. Based upon current estimates, a '*cash freeze*' for waste services in 2009-10 would require savings of approximately £2.2 million to be made from the combined budgets of the five Councils in 2008-09.

Recommendation

21. That the Joint Overview and Scrutiny Transition Board be asked to note:
- (i) The transition work that is underway prior to Vesting Day and
 - (ii) The timetable for Transformation Work (including Waste Services) will be considered by the Implementation Executive in the next couple of months.

GEORGE BATTEN

Corporate Director (designate)
Transport, Environment and Leisure