

# APPENDIX J

## WAVERLEY BOROUGH COUNCIL

EXECUTIVE 1 SEPTEMBER 2009

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**Title:**

**GARDEN WASTE PROJECT – SURREY WASTE PARTNERSHIP**

**[Portfolio Holder: Cllr John Sandy]**

**[Wards Affected: All]**

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**Summary and purpose:**

On behalf of the Surrey Waste Partnership, Waverley and Guildford officers submitted a bid to IESE for financial support to explore joint working on the 'back-office' activity related to garden waste collection. This bid was successful and the Executive is being asked to support the principle of undertaking the project. At this stage there are no direct financial implications for the Council.

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**How this report relates to the Council's Corporate Priorities:**

The collection of garden waste is a significant component of the Council's recycling service, which ultimately provides a source of soil conditioner or compost and as such, contributes to our environmental objectives. The specific benefit of this project however is to explore whether the 'back-office' element of the service could be provided in partnership with other Surrey authorities with the intention of improving efficiency and quality. This would meet the Council's objectives for improving value for money.

**Equality and Diversity Implications:**

There are no direct implications, but the redesign of any part of the service will need to ensure that customer needs are looked at from a variety of viewpoints.

**Resource/Value for Money implications:**

The driver for this project is to explore whether we can develop a business model that provides an efficient and effective 'back-office' service for all Surrey authorities [or as many are interested].

**Legal Implications:**

The project will need to commission legal advice on the legal ramifications of the various possible business models. The garden waste service itself is a discretionary service and so we do have some flexibility in how we address the issue.

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## **Background**

1. Improvement and Efficiency South East [IESE] was recently awarded additional funding by the Government for Efficiency and transformation purposes. This funding totalled £2,288,000 and was made up of £1,738,000 of capital and £550,000 of revenue. Bids were invited from public sector organisations. The Surrey Waste Partnership was 'encouraged' by the SLGA to make project bids – in recognition of the importance of waste management services and the successful joint working that had taken place in the past.
2. In the event we had a tight 'window' of just over a week to get a couple of bids together. The bids were drawn up by officers – using existing project ideas that had had some preliminary exposure to the Surrey Waste Partnership. Only one of the bids was successful and this related to exploring the opportunity for a shared 'back-office' service for the garden waste services in Surrey. There is no intention at this stage to examine the collection services themselves, because each authority has its own distinctive service with differing policies on matters such as pricing, containers and contractors versus in-house collection crews.
3. The project bid is attached as Annexe 1. In summary the project will examine the possibility of establishing a shared service entity, which would be responsible for:
  - Receiving potential customer enquiries centrally
  - Receiving and processing payments – whether by direct debit [preferred], card or cheque
  - Receiving service complaints
  - Transmitting orders for collection service to collection agency [contractor or dso]
  - Arranging despatch of containers / bags / sacks etc
  - Forwarding income to participating authorities
  - Preparation of management reports
  - Advising on and/or arranging service promotions and advertising
  - Possibly also involvement in other composting initiatives e.g. centralised sale of bulk discount composters/green cones/wormeries etc
  - Providing expert assistance and advice on composting.
  - Examining further joint ownership with other key partners i.e. hospital trusts, private industry
4. In cash terms this is not a significant activity for each authority, but a key objective in the project is to help authorities develop their partnership working on a discrete function. From this it is hoped to gain experience, confidence and mutual trust to allow partnership working on more substantial services. Whilst it is not intended to merge the collection services themselves at this stage, the creation of the shared back-office service will provide invaluable

monitoring of administrative and financial information about each collection service. This in turn can lead to improved operational efficiency.

5. The bid has been put together by Waverley and Guildford officers with the recognition – subject to Council endorsement – that we should jointly be leading the project on behalf of the Surrey Waste Partnership and acting as the catalyst. For our part, officers are currently holding the Waverley Garden Waste Co-ordinator post vacant [following the recent departure of the postholder] and covering the service requirements on a temporary basis from within the wider team. In practice, approximately 50% of the postholders time is dedicated to the garden waste service, the remaining 50% is required to support the Waste/Recycling Team's general customer service response. Whilst we have held the post vacant for more than 8 weeks, we will be making a temporary appointment to cover:
  - a) the pre-Christmas and Christmas pressures
  - b) the early spring garden waste subscription requests.

This will give us the flexibility in responding to the outcome of the project.

6. The bid proposes that we should also be laying the foundations for innovative services to encourage composting. This should be possible with the potential economies of scale that follow working across the whole County.

### **Conclusion**

7. This project provides a funded opportunity for the Council to work closely with Guildford BC in developing a 'joint working' model for the benefit of the wider Waste Partnership.

### **Recommendation**

It is recommended that:

1. the Executive support the principle of the project and endorse the involvement of officers in its management; and
2. Officers report back on progress and the emerging business models

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### **Background Papers**

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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Bid Document

Project Name:	Garden and green waste project
Strategic Justification:	
<p><b>A major waste stream – especially in spring and summer months is related to garden waste. All Surrey authorities dissuade residents from putting this into the normal residual waste stream all have some form of ‘paid for’ supplementary collection service. The range of collection service includes additional wheelie bins, large woven bags or pre-paid rolls of clear plastic sacks.</b></p> <p>The Surrey Waste Partnership is moving to implement practical joint projects. However discussion can be hampered by practical and organisational barriers. This project would be framed around an attempt to use a self-contained and [largely] self-funded discretionary service and use it as a test bed to encourage and develop wider joint working.</p> <p>Because of existing contractual and investment arrangements amongst the Surrey Councils for the collection service, the aim of this project will be to concentrate on the back-office task of ‘purchasing’ the service. The collection service itself will continue to be delivered by existing systems. The project will examine the possibility of establishing a shared service entity which would be responsible for:</p> <ul style="list-style-type: none"> <li>• Receiving potential customer enquiries centrally</li> <li>• Receiving and processing payments – whether by direct debit [preferred], card or cheque</li> <li>• Receiving service complaints</li> <li>• Transmitting orders for collection service to collection agency [contractor or dso]</li> <li>• Arranging despatch of containers / bags / sacks etc</li> <li>• Forwarding income to participating authorities</li> <li>• Preparation of management reports</li> <li>• Advising on and/or arranging service promotions and advertising</li> <li>• Possibly also involvement in other composting initiatives e.g. centralised sale of bulk discount composters/green cones/wormeries etc</li> <li>• Providing expert assistance and advice on composting.</li> <li>• Examining further joint ownership with other key partners i.e. hospital trusts, private industry</li> </ul> <p>The project has the possibility to deliver clear cashable savings through the rationalisation of the numerous systems already in place throughout the County. Exact projected savings are being examined (via Mietool) and ROI details will be refined in due course.</p> <p>The project will also lead to improved service through the set-up of a dedicated central system, thus reducing County wide differences/duplication and enhancing customer experience.</p> <p>Shared learning will be a key feature of the project with the potential to (a) create a route map through which other interested clusters/counties might travel to create a similar service and (b) extend any existing service beyond the County (as a back office service, geography is not an issue) to seek further economies of scale</p>	

The Project will contribute to the more effective delivery of NI 192 [% waste recycling and composting] which is one of the key indicators that has been selected for the Surrey Local Area Agreement [LAA].

**Project Deliverables:**

Using Waverley and Guildford as the catalyst to set up a joint venture with interested authorities in Surrey – the ambition of the project will be to have a signed memorandum of understanding/service level agreement in place amongst 4 or more authorities by project closure.

Procuring technical advice to develop a business model that could be replicated in other areas.

Setting up the 'core' service for south-west Surrey – but which could be extended to any part of the County (and beyond) because it is a back office service and geography not an issue.

Becomes a vehicle to promote and develop composting and recycling, and  
Becomes a true shared service to develop trust and experience amongst Surrey authorities.

The service should demonstrate:

- Economies of scale and be more efficient than current system of authorities having their own internal resources.
- More agile approach to promotion and income generation
- Bulk buy discounts possible for containers and composters

This to be tested by business modelling

Timescales – commencement of the project would be dependent on gaining individual authority agreement and the overall endorsement of the SLGA waste partnership. So estimate commencement of project in Jan/Feb 2010.

List of Authorities to Benefit:	Current Performance Status of Impacted Authorities:	Expected Performance Status of Impacted Authorities after completion of project:
All authorities in Surrey would potentially benefit from this project.	TBC	TBC
Could this project be extended to benefit other public sector organisations?		
Because quite a specific service only really applicable to other waste collection authorities.		
Could this project be extended to benefit other authorities in the region?		
Yes		

**Evidence and Assumptions / Additional Info:**

Evidence and assumptions will form part of business modelling exercise.

Waverley and Guildford are committed [currently only officer advice and subject to official Council confirmation!] to being the core for instituting and developing the new service, discussions are currently underway with several other Surrey authorities to join.

**Delivery confidence / key risks:**

Shared working arrangement with 2 to 4 authorities = Risk is low and delivery confidence high

Shared working arrangement with 4 to 8 authorities = Risk is medium and delivery confidence medium

Shared working arrangement with 8 + authorities = Risk is high and delivery confidence is low.

Match funding is possible at the project formulation stage through the contribution of officer time and the provision of complementary internal business advice. There is also the possibility of funding through the Surrey Waste Partnership joint funding pot.

The implementation stage will be largely dependent on officer time and the revenue budgets of participating authorities.

The focus so far has been on the waste collection authorities [i.e. boroughs and districts]. However the project is also likely to complement impending new investment from SITA acting as the principal contractor for Surrey CC [the waste disposal authority]. SITA are submitting a planning application for a major new composting facility [IVC] at Runfold near Farnham. This will be able to treat up to 120,000 tonnes of green waste that currently is shipped out of area. So the two projects combined are likely to have the dual benefits of improved recycling and reduced carbon [transport] impacts.

Total Project Cost:	£60,000 for technical support and appropriate business modelling
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