

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 27 MARCH 2012

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**Title:**

**SURREY WASTE PARTNERSHIP - FUTURE FUNDING AND  
WASTE ACTION PLAN FOR WAVERLEY 2011-14**

**[Portfolio Holder: Cllr Bryn Morgan]**

**[Wards Affected: All]**

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**Summary and purpose:**

To provide an update to the Executive via Community Overview and Scrutiny Committee on the funding arrangements agreed by the Surrey Waste Partnership (SWP) in December 2011, and to ask the Executive to approve the 2012 Waste Action Plan for Waverley, taking in consideration any observations from the Committee, in order to enable business cases to be developed for SWP 'New Initiatives' funding.

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

This report relates to the Council's Environment priority by setting out a detailed action plan as to how residual waste can be reduced and further improvements to the recycling rate can be achieved.

It also relates to the Council's Value For Money priority, as the recommendations of the Improved Joint Working Project are set to realise significant savings for all partners over the coming years if implemented; the first stage of this being the redistribution of savings from WDA to WCA as set out within this report.

**Equality and Diversity Implications:**

There are no equality and diversity implications.

**Climate Change Implications:**

The over-arching aims of the 'Plan for Waste Management' are to increase recycling and reduce residual waste, and to improve joint working across the partners. These aspirations will all have a favourable impact on Climate Change.

**Resource/Value for Money Implications:**

The funding formula, as agreed, will make additional funding available to the Waste Collection Authorities across the County in recognition of improved performance.

## **Legal Implications:**

There are no legal implications.

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## **Background**

### **A Plan for Waste Management**

1. In the latter half of 2010, SWP revised its Joint Municipal Waste Management Strategy, which is now called 'A Plan for Waste Management'. The new Strategy sets out a series of Policies which are to be delivered by supporting Actions. Each authority, including this Council, is responsible for producing its own Action Plan, revised on an annual basis, and contributing to the delivery of a number of high level targets, including the achievement of an aspirational 70% recycling rate by 2013/14, and best practice waste management in Surrey, to the benefit of the taxpayer.

### **Improved Joint Working Project**

2. In parallel with delivering these high level targets, SWP has addressed the issue of reducing the cost base of waste management in Surrey, in the first instance by agreeing an 'Improved Joint Working Project' through the Partnership. This Project was awarded a portion of pooled Partnership funding, which allowed specialist consultants, AEA, to be commissioned in 2010 to undertake work with the Partnership to identify opportunities for improved joint working. AEA made a number of recommendations in relation to these opportunities, which were expressed over the short term (next two years), medium term (following five years) and long term (beyond seven years).
3. In terms of potential savings, some £2m was identified as possible in the first two years, approximately £17m in the following five years, and more than £40m in the years beyond then. A continuation of the status quo (the 'do nothing' option), it was concluded, would result in the Partnership failing to achieve the identified savings of some £60m in total.

### **Partnership Funding Formula**

4. Having identified the potential savings to be had from improved joint working SWP has been working on a funding formula to ensure that the savings (many of which will be enjoyed by the Waste Disposal Authority through avoided cost of landfill) can be shared more equitably across the Partnership, in recognition of the work and investment undertaken by the WCAs.
5. This formula, along with associated governance arrangements, has now been agreed by the Partnership.
6. The main components of the funding are redistributed avoided disposal costs and redirected costs currently incurred by Surrey CC in funding waste food collections. The current payment of recycling credits, estimated to rise to

£11m per annum by 2013/14, will be maintained. All the new funding, estimated to grow to £1.7m each year, is proposed to be pooled into a Distribution Fund, and it is being proposed that this Distribution Fund feeds a “New Initiatives Fund” and a “Rewards Fund”.

7. Proposed to attract 50% of the pooled funding in the first instance, the “New Initiatives Fund” will pay towards implementing the initiatives with the highest scoring business cases contained in districts’ individual Waste Action Plans. This should ensure that the money goes to where it will make the greatest difference in increasing recycling and in reducing waste. It is anticipated that payments into the fund will start to be collected in the next financial year and that the first applications for funding will be made in 2012.
8. Collecting the other 50% of the available funding in the first instance, it is proposed that the “Rewards Fund” is used to reward the highest achievers in terms of recycling performance. The distribution will commence in 2013 from this Fund using funding redirected and expenditure avoided in 2012/13. It is proposed that a 52% recycling rate (or higher) in 2012/13 will attract a payment from this Fund; with this threshold rising to 58% in 2013/14.

#### **Developing an Action Plan for Waverley**

9. As mentioned previously, as a member of the SWP and a signatory to the Surrey Joint Municipal Waste Management Strategy, this Council is required to develop and implement an annual ‘Action Plan’ setting out how it intends to contribute towards the achievement of the targets and aspirations set out in the “Plan for waste Management” and the “Improved Joint Working Project”.
10. This Action Plan will also form the basis of any funding bids that this Council may wish to submit to the partnership in order to secure an element of the aforementioned ‘New Initiatives Funding’.
11. The draft Action Plan for Waverley is to be found at Annexe 1. This sets out many of the planned changes already agreed by the Council and due to take effect from April 2012, as well as a range of other longer-term aspirations, some of which will involve working with partners to deliver incremental performance improvements and financial savings.

#### **Observations from the Community Overview and Scrutiny Committee**

12. The Community Overview and Scrutiny Committee considered this report and the Draft Action Plan at its meeting on 12 March 2012. The Committee commended the Plan and did not identify any observations they required passing to the Executive.

#### **Recommendation**

It is recommended that the 2012 Waste Action Plan for Waverley be approved.

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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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