SURREY COUNTY COUNCIL

CABINET

DATE: 29 JUNE 2010

REPORT OF: CLLR LYNNE HACK, CABINET MEMBER FOR ENVIRONMENT

LEAD OFFICER: PHILIP TRUMBLE

SUBJECT: PUBLIC VALUE REVIEW OF WASTE MANAGEMENT AND MINIMISATION

KEY ISSUE/DECISION:

1. The Cabinet is asked to consider the report following the Public Value Review of Waste Management and Minimisation/Recycling and to approve the related action plan.

BUSINESS CASE:

Background to Public Value Reviews

2. On 14 July 2009 as part of its consideration of the paper Leading the Way: changing the way we do business, the Cabinet agreed to undertake a three-year programme of Public Value Reviews (PVRs) to look at all services/functions provided by the Council.

3. All PVRs share a primary objective, which reflects the Council's ambition to move from being a one star to a world-class authority, by delivering improved outcomes and value for money for the residents of Surrey. The outcomes are expected to be services that place the Council in the top 25% of local authorities for performance and the lowest 25% for unit costs.

4. Two specific outputs from each review are a zero based budget and ensuring robust quality assurance systems are in place. A Steering Board, chaired by the Deputy Leader, David Hodge, oversees delivery of the overall programme.

5. Each review follows a standard PVR methodology:
   - challenging why, how and by whom a function/service is provided;
   - comparing performance with others in the quest to be world class;
   - consulting widely including with residents and specifically vulnerable groups and communities and with staff;
   - collaborating with partners and/or contractors; and
   - testing the market to see if the function/service could be delivered more efficiently, effectively or economically.
THE REVIEW

Timetable and key players

6. The review began at the beginning of December 2009 and was completed in April 2010. It was sponsored by Trevor Pugh, Strategic Director for Environment & Infrastructure and led by Philip Trumble (Senior Manager Surrey Arts). The Cabinet Member is Lynne Hack. Members of the Environment & Economy Select Committee and Change and Efficiency Select Committee formed a Waste PVR Member Reference Group.

Context

The Waste Management and Minimisation Service and its Function

7. The Waste Management and Minimisation Service manages the minimisation, recycling and disposal of up to 600,000 tonnes of waste per year and is Surrey’s Waste Disposal Authority (WDA). This means it has a Statutory Duty for disposing of waste collected by Surrey’s Waste Collection Authorities (WCAs) and waste brought directly to 15 Community Recycling Centres by residents.

8. The Service manages a contract with Surrey Waste Management (a wholly owned subsidiary of SITA UK Ltd), which covers managing the disposal of all municipal solid waste in Surrey, including the management of refuse transfer stations and the 15 community recycling centres which are located throughout the County.

9. The Service is responsible for developing strategy, action plans, initiatives and infrastructure to minimise municipal waste arising and manage waste in accordance with the waste hierarchy. Its key function to reduce the amount of waste produced and increase recycling is a priority for Surrey County Council. The overarching strategy for the Management and Minimisation of Waste is laid out in the World Class Waste Solution that has been endorsed by Surrey County Council’s Cabinet.

10. The current service budget is £46.1 million p.a. with the largest proportion of this (£36.1 million p.a.) going towards the cost of a 25-year contract with Surrey Waste Management that is in mid-term.

11. The Waste Management and Minimisation Service currently maintain a core staffing of 18.96 FTE at a cost of approximately £930,000 per year.

12. The Waste Management and Minimisation Service provide household waste disposal services to all Surrey residents through the provision of Community Recycling Centres (CRCs). In addition, the service promotes waste awareness and education programmes to residents and schools, provides waste reduction and recycling advice to businesses and manages community programmes e.g. furniture re-use groups.

Joint working with Public Sector Partners

13. The service works closely with the Waste Collection Authorities (Borough and District Councils) with whom it has a Memorandum of Understanding for joint working. The Surrey Waste Partnership is a part of the Surrey Local
Government Association who has developed a Joint Municipal Waste Management Strategy (JMWMS) adopted in 2006 that aims to improve and strengthen the management of waste in Surrey over a 20-year period.

14. The review should be seen in the context of delivering the World Class Waste Solution proposed by the Waste Management & Minimisation Service that is part of the Environment & Infrastructure Directorate Plan for 2010-14. Specifically the Plan commits the Environment & Infrastructure Directorate to:

- Achieving recycling and landfill diversion targets that will make Surrey the best performing authority in England.
- Developing Community Recycling Centres to offer a World-Class service to the community.
- Delivering an infrastructure for recycling and residual waste in order to achieve best performing status as described above.
- Promoting behaviour change and public participation in waste reduction measures.
- Establishing Surrey County Council as a low carbon and low energy authority.
- Working with partners, particularly District and Borough Councils.

15. The Review considered 4 different options for the delivery of Waste Management and Minimisation in Surrey.

- Option A – Using the existing model of separate waste disposal and waste collection authorities to deliver desired outcomes.
- Option B – Tightening and formalising the links between waste disposal (Surrey County Council) and waste collection (Boroughs & Districts) and broadening areas of joint working and cross authority working.
- Option B+ - Creating a joint management service/organisation with a strategic board/committee with authorities that wish to opt in, but with an option for the remaining authorities to join at a later stage.
- Option C – Creating a single joint waste management service/organisation with a strategic board/committee, bringing together all Waste Collection Authority and Waste Disposal Authority functions.

16. Further discussion between Borough & District & SCC members and officers regarding future models of joint working for the delivery of waste services is ongoing through an ‘Improved Partnership Working’ project initiated by the Surrey Waste Partnership. This project aims to investigate transformational activities and closer partnership working, with a view to efficiency savings and improved performance. A final report is expected in November 2010.

RECOMMENDATIONS FROM THE REVIEW

Delivering savings

17. The PVR has identified potential savings of £505,000 per year (below) which Surrey County Council can make by the end of year four, of which £307,000 can be made by the County Council independently as the Waste Disposal Authority (WDA) assuming no significant changes in the current WDA/ Waste Collection Authority (WCA) arrangements. In addition the PVR has identified potential savings of up to £5 million (minimum) that would be spread across Borough & District Councils.
(WCAs) and Surrey County Council (WDA) as a result of developing formal joint working arrangements. (The savings and how they will be delivered are set out in the table below).

<table>
<thead>
<tr>
<th>Surrey County Council Cost Savings</th>
<th>2010/11 £000</th>
<th>2011/12 £000</th>
<th>2012/13 £000</th>
<th>2013/14 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint procurement with WCAs of technical advice</td>
<td>0</td>
<td>-6</td>
<td>-6</td>
<td>-6</td>
</tr>
<tr>
<td>Establishment of a bulking facility to provide a single collection point for clinical waste with a new collection contract from this facility. (Cost £5,000 in 2011/12 included)</td>
<td>0</td>
<td>-10</td>
<td>-15</td>
<td>-15</td>
</tr>
<tr>
<td>Procurement of a new supplier through Surrey Waste Management for the haulage and disposal of food waste.</td>
<td>-56</td>
<td>-56</td>
<td>-56</td>
<td>-56</td>
</tr>
<tr>
<td>Removal of funding for the Haslemere Saturday dustcart service following completion of improved facilities at Witley CRC.</td>
<td>-38</td>
<td>-38</td>
<td>-38</td>
<td>-38</td>
</tr>
<tr>
<td>Reduction by 1 FTE of staffing to administer the Van Permit Scheme.</td>
<td>0</td>
<td>-23</td>
<td>-23</td>
<td>-23</td>
</tr>
<tr>
<td>Phased reduction in the number of staff checking residency at Community Recycling Centres</td>
<td>-30</td>
<td>-90</td>
<td>-90</td>
<td>-90</td>
</tr>
<tr>
<td>Re-organisation of the Waste Management team structure. 1.96FTE reduction in staffing and part recovery of staff costs to resource partner projects, savings in back office function as a result of joint working.</td>
<td>-160</td>
<td>-160</td>
<td>-177</td>
<td>-267</td>
</tr>
<tr>
<td>Reduction in non-partnership waste minimisation project resources.</td>
<td>-10</td>
<td>-10</td>
<td>-10</td>
<td>-10</td>
</tr>
<tr>
<td>Sub Total</td>
<td>-294</td>
<td>-393</td>
<td>-415</td>
<td>-505</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Waste Collection Authorities (Boroughs &amp; Districts) Cost Savings under Joint Working Options B+ and C</th>
<th>2010/11 £000</th>
<th>2011/12 £000</th>
<th>2012/13 £000</th>
<th>2013/14 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creation of single client for waste achieving 20% reduction in back-office costs. A phased approach to this reduction is assumed to begin within 2012/13.</td>
<td>0</td>
<td>0</td>
<td>-188</td>
<td>-377</td>
</tr>
<tr>
<td>Joint Waste Authority savings (setup costs* of £4.5m over 7 years are anticipated, this equates to £643,000 per year from 2012/13 - 2018/19). From 2019/20 annual savings would therefore increase to over £6m.</td>
<td>0</td>
<td>0</td>
<td>643</td>
<td>-4,666</td>
</tr>
<tr>
<td>Sub Total</td>
<td>0</td>
<td>0</td>
<td>455</td>
<td>-5,043</td>
</tr>
<tr>
<td>TOTAL SAVINGS</td>
<td>-294</td>
<td>-393</td>
<td>40</td>
<td>-5,548</td>
</tr>
</tbody>
</table>

* Setup costs include shared costs (£110,000) for new Waste Data Flow data collection system.

18. These savings take into account the probability of achievement and set up costs. The full savings (£5.5m per year across all Authorities) will not be achieved until new joint working arrangements are in place. The savings in 2010/11 are estimated to be £294,000.
A proposed zero based budget

19. The zero based budget for the Waste Management and Minimisation Service is set out below. This table illustrates the incremental changes on the 2009/10 budget of the savings identified, and excludes the impact of inflation, changes in waste volumes, etc.

### Revenue Budget Savings (Option C)

<table>
<thead>
<tr>
<th></th>
<th>09/10 Budget £’000</th>
<th>10/11 Budget £’000</th>
<th>11/12 Budget £’000</th>
<th>12/13 Budget £’000</th>
<th>13/14 Budget £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>County</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waste Management Team</td>
<td>923</td>
<td>848</td>
<td>848</td>
<td>831</td>
<td>741</td>
</tr>
<tr>
<td>Recycling Credits</td>
<td>8,100</td>
<td>8,100</td>
<td>8,100</td>
<td>8,100</td>
<td>8,100</td>
</tr>
<tr>
<td>Central Support Costs</td>
<td>1,300</td>
<td>1,300</td>
<td>1,294</td>
<td>1,294</td>
<td>1,294</td>
</tr>
<tr>
<td>Waste Contract</td>
<td>36,177</td>
<td>36,053</td>
<td>35,960</td>
<td>35,955</td>
<td>35,955</td>
</tr>
<tr>
<td>Waste Minimisation</td>
<td>300</td>
<td>290</td>
<td>290</td>
<td>290</td>
<td>290</td>
</tr>
<tr>
<td>Closed Landfill</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Income (Commercial Waste)</td>
<td>(900)</td>
<td>(900)</td>
<td>(900)</td>
<td>(900)</td>
<td>(900)</td>
</tr>
<tr>
<td>Additional Income from SW Partnership</td>
<td>0</td>
<td>(85)</td>
<td>(85)</td>
<td>(85)</td>
<td>(85)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>46,100</td>
<td>45,806</td>
<td>45,707</td>
<td>45,685</td>
<td>45,595</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>09/10 Budget £’000</th>
<th>10/11 Budget £’000</th>
<th>11/12 Budget £’000</th>
<th>12/13 Budget £’000</th>
<th>13/14 Budget £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Boroughs/Districts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waste Collection</td>
<td>28,457</td>
<td>28,457</td>
<td>28,457</td>
<td>28,457</td>
<td>28,457</td>
</tr>
<tr>
<td><strong>Set-up costs re. Joint Waste Authority</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Savings</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint Procurement of Vehicles/Equipment</td>
<td></td>
<td></td>
<td></td>
<td>(216)</td>
<td></td>
</tr>
<tr>
<td>Material marketing benefits</td>
<td></td>
<td></td>
<td></td>
<td>(537)</td>
<td></td>
</tr>
<tr>
<td>Depot sharing arrangements</td>
<td></td>
<td></td>
<td></td>
<td>(1,491)</td>
<td></td>
</tr>
<tr>
<td>Procurement/Communications cost savings</td>
<td></td>
<td></td>
<td></td>
<td>(289)</td>
<td></td>
</tr>
<tr>
<td>Single Contract savings</td>
<td></td>
<td></td>
<td></td>
<td>(2,485)</td>
<td></td>
</tr>
<tr>
<td>Single Client savings (back office)</td>
<td></td>
<td></td>
<td></td>
<td>(188)</td>
<td>(667)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>28,457</td>
<td>28,457</td>
<td>28,457</td>
<td>28,912</td>
<td>23,414</td>
</tr>
</tbody>
</table>

### Potential annual savings across County & Borough/District Budgets from 2013/14:

(5,548)

20. The review’s recommendations will reduce unit costs of waste disposal and provide further opportunities for significant reductions in costs of waste disposal and collection through the development of a joint waste approach with Borough & District Councils (Waste Collection Authorities).
21. The following graph shows the changes to the budget over the four-year period assuming a joint approach to waste management as in Option C. The majority of savings would be made by Borough & District Councils. This graph illustrates the impact of the savings proposed in the PVR and excludes inflation, changes in waste volumes, etc.

![Impact of Joint Waste Authority on County, Borough & District Waste Revenue Costs](image)

**Improving performance**

22. The Waste Service is a good and improving service. Implementation of the recommendations arising from the review will ensure that the Council’s comparative performance in relation to the Management & Minimisation of Waste will further improve over the next four years in order to be world class and give top quartile performance under all national indicators.

23. The recommendations are designed to improve outcomes for residents by reducing costs and increasing efficiency and to provide continued improvement in performance against national indicators and other best performance indicators. The current national indicators used to measure Waste Authority performance are set out in the table below together with the direction of travel that will be positively influenced through the implementation of the recommendations in this review.
<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Target 09/10</th>
<th>Current Performance Apr-Sep 2009</th>
<th>Current Quartile Apr-Sep 2009</th>
<th>Direction of Travel</th>
<th>Target 10/11</th>
<th>Target 11/12</th>
<th>Target 12/13</th>
<th>Target 13/14</th>
<th>Target Quartile 13/14</th>
<th>Action Plan Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>BV84a Kg of household waste per head of population</td>
<td>503</td>
<td>243.80</td>
<td>1</td>
<td>↑</td>
<td>247.50</td>
<td>239.50</td>
<td>232.50</td>
<td>230.00</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>NI191 Kg of residual household waste per household</td>
<td>659</td>
<td>311.52</td>
<td>2</td>
<td>↑</td>
<td>255.00</td>
<td>218.00</td>
<td>195.00</td>
<td>168.00</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>NI192 % of household waste recycled, composted or reused</td>
<td>46</td>
<td>45.79</td>
<td>3</td>
<td>↑</td>
<td>55.00</td>
<td>60.00</td>
<td>64.00</td>
<td>70.00</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>NI193 % of municipal waste sent to landfill</td>
<td>35</td>
<td>38.08</td>
<td>1</td>
<td>↑</td>
<td>24.00</td>
<td>18.00</td>
<td>6.00</td>
<td>0.00</td>
<td>1</td>
<td>4</td>
</tr>
</tbody>
</table>

Quality assurance

24. Quality assurance system(s) associated with the Waste Service have been assessed for their adequacy. There is a statutory requirement for SCC as the Waste Disposal Authority to complete a regular Waste Data Flow return. (This is a complex set of data that is collated from both Waste Collection Authorities and Surrey Waste Management).

25. Improving Quality Assurance

a. An external audit by the Environment Agency in 2007/08 indicated that the Waste Service had reasonable processes and systems in place to ensure both consistent and accurate municipal waste data. Following a recent internal audit of NI 192 (Household Waste Recycled and Composted) areas for improvement were identified and the review recommends that the Agreed Management Action Plan is delivered to ensure that i) formal agreement(s) are established with partners around the collection of data to include the identification of individual(s)/ posts accountability and formal sign off by identified senior managers and ii) individual accountability for data quality is detailed in service job profiles.

b. The review also recommends that in the interest of continuity and clarity, the service produce further documentation to show the flow of data and individual management accountabilities in relation to all quality assurance procedures.

c. In relation to Waste Data Flow, it is recommended that the Council invest with Borough & District partners in a new IT system to handle Waste Data Flow data at a shared cost of £110,000. Such a new system would streamline/ speed up the collection and treatment of data, help to ensure better data integrity and facilitate more regular cross
checking/ auditing as well as freeing up staff time both within SCC and Borough & Districts.

d. In order to ensure that the Waste Service and the Environment and Infrastructure Directorate have a clear view of quality assurance issues related to customers, it is recommended that customer feedback provided via Surrey Waste Management be incorporated into the SCC customer compliments, comments and complaints database.

e. The review further recommends that the Waste Service should ensure scheme(s) are in place for the independent testing of Community Recycling Centre weighbridges given that weight plays such a significant part in determining costs e.g. landfill tax and performance indicators. Costs (approx. £800 for each of the nine weighbridges) should be negotiated to fall within Surrey Waste Management contract costs.

26. Ensuring quality and best value from Waste Contract(s)

a. The Waste Management Service has in place robust mechanisms to monitor the quality of delivery by Surrey Waste Management and assess its performance against criteria laid down in the contract. A Performance Analyst post within the management structure is dedicated to focus on quality issues and financial penalties are applied systematically where the contractor fails to meet performance criteria. The process of collecting data will be improved through the recommended introduction of a new data management system.

b. Closer working with Procurement on the management of contracts will seek to ensure that best value is obtained. The procurement of legal, technical and financial advice related to contracts will be kept under review to ensure that costs are balanced against risk and represent best value.

IMPLEMENTING THE RECOMMENDATIONS FROM THE REVIEW

27. The Action Plan attached to this report at Annex 1 sets out the following recommendations to deliver the savings, improve performance and quality assurance. These will in turn improve outcomes for Surrey residents and contribute to the Council’s aim of being a world-class authority.

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Give priority to transformational project(s) with partners that are aimed</td>
<td>Under a Memorandum of Understanding with partners a wide range of partner</td>
</tr>
<tr>
<td>to move towards a single 'joined up' waste management approach for Surrey by</td>
<td>projects have been developed but few transformational projects. The current</td>
</tr>
<tr>
<td>2013/14</td>
<td>challenging economic situation requires a 'transformational' approach to the</td>
</tr>
<tr>
<td></td>
<td>management of waste in Surrey that would bring significant savings to Boroughs,</td>
</tr>
<tr>
<td></td>
<td>Districts and Surrey County Council as well as improving performance.</td>
</tr>
<tr>
<td>2. Further embed joint working with WCAs (Borough and District Councils)</td>
<td>The establishment of a single joined up approach to waste in Surrey will take</td>
</tr>
<tr>
<td>through the provision of SCC staff resources and share in the delivery of</td>
<td>time to implement. Work to further embed joined up working will produce savings</td>
</tr>
<tr>
<td>Surrey Waste Partnership projects aimed at improving performance and</td>
<td>and improve performance in the short to medium term.</td>
</tr>
</tbody>
</table>

Item 10
3. Take action to ensure that the operations conducted through SITA/ Surrey Waste Management on SCC’s behalf and other services related to the management of the SITA/ SWM contract provide the best value for money.

The largest cost to SCC is tied up in a 25-year contract with SITA/ Surrey Waste Management – an arrangement that is also subject to a PFI grant. The major elements of delivery by SWM are difficult to change however some elements are additional and controllable e.g. a range of costs related to the maintenance of the contract. It is important to ensure that all these elements are continuing requirements and that they represent good value for money.

4. Invest in waste infrastructure in order to improve performance, reduce costs and meet performance targets.

The Waste Service has proposed a World Class Waste Solution that includes 0% landfill and 70% recycling targets. In order to achieve these targets it is necessary to improve the infrastructure of Community Waste Recycling Centres and provide new treatment facilities for food waste in Surrey.

5. Invest with partners in projects that aim to improve performance and Surrey’s profile in relation to the best performing Waste Authorities.

The best performing Waste Authorities have composting initiatives in place. The establishment of a Master Composter Scheme in partnership with WCAs will not only improve Surrey’s profile against the best performers but also provide a focus for communities in developing a responsible approach to waste at the local level. A shared approach to green waste will help to improve Surrey’s performance and generate some additional income.

6. Continue to invest to save on activities that will lead to significant identified savings and contribute to achieving top quartile performance.

Food waste is a big factor in terms of weight and therefore removing it from waste going to landfill will significantly reduce landfill tax. The continued incentivisation of food waste collection is therefore desirable in order to meet cost and performance targets.

7. Maximise SCC/ Waste Service performance and cost/ efficiency through a changed management/staff structure that complements other changes within SCC’s Environment & Infrastructure Directorate.

A ‘blank sheet’ approach to the Waste Service management structure has identified that some consolidation can be made with regard to the management of waste minimisation as well as other changes in roles & responsibilities resulting in a reduction of 1.96FTE. In addition, the transfer of the climate change team to be managed under the same team structure strengthens the links between waste & climate change as well as consolidating the management arrangements with Environment & Infrastructure which were identified by the Directorate’s ‘One Team’ Review.

8. Recover operational costs from partner projects where appropriate.

To date, the Waste Service has provided significant staff resources to work on a wide range of partner projects. It has been estimated that 2/3 of waste minimisation staff time is spent working on such projects. The partnership project to develop joint working will require ongoing significant staff input and therefore it is recommended that the Council seeks to part recover the cost of supplying 2 Strategy and Policy Projects Service staff to
this project through an arrangement with the Surrey Waste Partnership.

9. Discontinue funding for inefficient and costly service provision that does not contribute to the achievement of top quartile performance/ bottom quartile cost targets.

It is recommended that funding for the Haslemere Saturday Dustcart service be discontinued when the new improved CRC at Witley opens as the cost per ton of handling waste is 5 x the cost of handling waste at a Community Recycling Centre. In addition, the security of the site cannot be easily controlled and it is used by unauthorised traders to deposit waste. The service also provides limited opportunity for re-cycling.

10. Ensure robust quality control mechanisms are in place and that the quality of data integrity is high.

The integrity of data is critical as it not only informs performance data but also is used as the basis for determining the level of costs to the Council through Landfill Tax. Recommendations to provide a new IT system for gathering Waste Data Flow data are made in order to help staff deal effectively with a large amount of complex data and to save staff time in all Waste Authorities.

11. Ensure that SCC ‘in-house’ services are joined up in order to maximise efficiency

By working more closely together, it is anticipated that Procurement, EPM and the Waste Service can make further savings including on the SCC ‘in house’ waste contract. In addition there is an ongoing need to ensure that the contract with SITA/ SWM is well managed with Procurement and that full advantage is taken of all procurement opportunities with external partners.

28. The action plan will be delivered and managed as part of the Service Plan for Environment and Infrastructure (Waste). The Head of Waste Management/ Minimisation (Ian Boast) will be accountable for leading and coordinating the implementation of the PVR recommendations. The Environment & Infrastructure Directorate Leadership Team will monitor the delivery of all savings and efficiencies as well as performance improvements through their regular business meetings.

29. In line with all Public Value Reviews, there will be quarterly progress reports to the Public Value Review Steering Board and at the Leader chaired accountability meetings.

30. The Environment and Economy Select Committee will also monitor delivery of the recommendations.

Consultation

31. The Review involved consultation with a range of stakeholders and others including:

   Borough & District Council Members (Through the Surrey Waste Partnership Members Group)
   Chairs of Surrey Waste Partnership Working Groups
   Surrey Waste Partnership Project Management
   Surrey Strategic Partnership Thematic Board Chair
   WDA (SCC staff)
WCA (Borough & District staff)
Other UK Waste Authorities including Dorset & Somerset.

Financial and value for money implications

32. The financial implications associated with the PVR are shown in detail in paragraphs 18-22.

Equalities implications

33. An Equalities Impact Assessment has been completed. It is judged that the recommendations of the PVR will have no particular impact on race, gender, belief or sexual orientation. However, there may be some positive impact on age and disability as a result of improved joint working between Authorities. Some potential for negative impact as a result of the recommendation to discontinue funding for a service has been identified and one of the actions arising is that a full EIA should be carried out as part of any decommissioning process. In addition, as a result of this EIA it is recommended that the Waste Service:

- Put in place arrangements for ongoing focussed consultation with disability/age related community groups.
- Check that policies are consistent within the Surrey Waste Partnership and Surrey Waste Management
- Carry out a full EIA to determine the impact of withdrawing funding for the Haslemere Saturday dustcart service.

Risk management implications

Financial

34. Risks associated with the delivery of the Environment & Infrastructure/ Waste Service Plans are recorded in the Directorate Risk Register. These include:

- Risk of not obtaining planning permission for the new Eco Park development and possible reduction or loss of PFI credits
- Risk of challenges to planning applications leading to delays or failure to develop the Waste Solution
- Failure of District & Boroughs to implement food waste collections
- Risk of environmental issues at closed landfill sites.

Monitoring these risks and mitigating actions is considered monthly at Directorate Leadership Team meetings.

35. The particular risks associated with the savings identified by this PVR are:

- Failure to reach agreement with Borough & District partners on a new ‘joined up’ model for waste management in Surrey.
- Failure to reach agreement with partners over the use of pooled funding and the sharing of costs in relation to partner projects.
- Negative impact on the reduction of illicit trade waste and residency schemes as a result of reduced staffing or failure to reach a satisfactory arrangement with neighbouring authorities over residency issues.
• Capacity of the Waste Service and Procurement to negotiate new contracts at less cost

36. The actions that will be taken to mitigate these risks are focused on improving joined up working with partners and ensuring that Surrey County Council takes a strategic lead in seeking to transform the management of waste.

Non-financial

37. The actions arising from this review aim to minimise the risk of not achieving Waste Minimisation and Recycling targets. The PVR has identified some efficiencies which may impact on service users, e.g. the removal of funding for the Haslemere Saturday dustcart service may have an impact on the Council’s reputation with those service users affected. Mitigating actions will be to set this service reduction in the light of overall reduced costs and to ensure that good alternative facilities are provided at CRC site(s).

Implications for the Council's priorities or Community Strategy/Local Area Agreement targets

38. The outcomes of the review are aligned to the County Council’s five strategic themes in its Corporate Strategy as set out in the table below:

<table>
<thead>
<tr>
<th>Strategic Theme</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Core responsibility</strong></td>
<td>There will be a strong focus on improving performance and efficiency in relation to the collection and disposal of waste for the benefit of Surrey residents. Management functions/ organisation within the Waste Management Service will be consolidated to include the Climate Change Team and this will enable a more joined up approach.</td>
</tr>
<tr>
<td><strong>Personal responsibility</strong></td>
<td>Residents will be encouraged to take greater responsibility for the reduction, reuse and recycling of waste through a joint communications strategy and co-ordinated education initiatives.</td>
</tr>
<tr>
<td><strong>Deciding and delivering locally</strong></td>
<td>Local schemes including a Master Composter Scheme will enable residents to contribute to waste reduction at a local level. More residents will also be able to decide on participation in green waste schemes to help reduce the amount of waste going to landfill.</td>
</tr>
<tr>
<td><strong>Prevention</strong></td>
<td>To help ensure the reduction of landfill to 0% financial incentives will continue to be given to WCA partners as part of an invest to save scheme. To further reduce waste and increase recycling to 70% partner waste minimisation projects will be further enhanced through closer joint working.</td>
</tr>
<tr>
<td><strong>Working together</strong></td>
<td>Priority will be given to ‘transformational projects’ with Districts and Borough (WCA) partners that are aimed to move towards a single joined up approach to the management of waste in Surrey by 2013/14 and improvements in both cost/efficiency and performance.</td>
</tr>
</tbody>
</table>

39. The recommendations will support delivery of one of the 10 priorities in the Surrey Strategic Partnership Plan: (Priority G) ‘Helping people in Surrey to achieve more sustainable lifestyles’. Specifically this includes reducing the amount of residential waste including food waste going to landfill and reducing dry goods such as packaging and plastic bottles as well as managing green waste more effectively. The recommendations also support the delivery of the
Local Area Agreement target to increase the percentage of household waste recycled, composted or re-used. (NI 192)

Climate change/ carbon emissions implications

40. The County Council attaches great importance to being environmentally aware and wishes to show leadership in cutting carbon emissions and tackling climate change.

41. This report makes a number of positive recommendations in relation to climate change/ carbon emissions including:

- Changes to the current waste management structure to incorporate the Climate Change Team, thus ensuring effective and efficient management of waste/ climate change.
- Improvements to joint working between waste partners including the alignment of education programmes within the context of the ‘Sustainable Schools’ project.
- Endorsing a policy of investment in infrastructure under the Council’s proposed World Class Waste Solution to include the capacity to produce energy from waste with new technologies.

Legal implications/legislative requirements

42. A move from an informal Memorandum of Understanding with Waste Collection Authority partners to formal agreement(s) and/or the establishment of a new entity to manage waste in Surrey would require a new legal framework. A change in the arrangements for managing waste disposal/collection including the establishment of a Joint Waste Authority would require approval from the Secretary of State who under the ‘Local Government and Public Involvement in Health Act 2007’ has powers to create Joint Waste Authorities (JWAs) where a group of one or more authorities request this.

Section 151 Officer Commentary

43. The Section 151 Officer confirms that all material financial and business issues and risks have been considered in this report.

RECOMMENDATIONS:

It is recommended that the Cabinet:

(1) Agrees the recommendations set out in the attached action plan (Annex 1).

(2) Agrees that implementation of the action plan should start immediately, led by Ian Boast, Head of Waste Management & Minimisation.

(3) Agrees that progress will be reported quarterly to the PVR Steering Board chaired by Deputy Leader, David Hodge, the Environment & Economy Select Committee and the Leader chaired accountability meetings with the Cabinet Member.
**REASONS FOR RECOMMENDATIONS:**

To move the Public Value Review of Waste Management & Minimisation into the implementation phase so that improved outcomes and value for money are delivered for the residents of Surrey. This supports the Council’s ambition to be a world-class authority.

**WHAT HAPPENS NEXT:**

Following approval by Cabinet, the implementation and delivery of the PVR Action Plan will be led by Ian Boast, Head of Waste Management & Minimisation.

Delivery against performance and savings/efficiency targets will be tracked within the Waste Service by Colin Blunden, Finance and Statistics Manager and the Head of Waste Management and Minimisation will provide regular updates to the Environment and Infrastructure Directorate Leadership Team.

Reports on the progress of implementing the action plan will be provided to the PVR Steering Board on a quarterly basis.

The Waste Management & Minimisation Service will meet at regular intervals with Procurement and EPM in order to ensure a joined up approach to waste related contracts and property related developments etc.

**Lead/Contact Officer:**

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**Consulted:**

Trevor Pugh – Strategic Director for Environment & Infrastructure and PVR Sponsor
Waste PVR Member Reference Group
Environment and Economy Select Committee
Head of Environment & Infrastructure – Roger Hargreaves
Head of Waste Management & Minimisation – Ian Boast
Council Leadership Team
Public Value Review Steering Board
Boroughs & Districts (Surrey Waste Partnership Members and Officers)
SCC staff

**Sources/background papers:**

Leader’s report to Cabinet, Cabinet 29 June 2009
Leading the Way: changing the way we do business, Cabinet 14 July 2009
Public Value Reviews methodology, July 2009