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From: Barbara Cooper, Corporate Director, Growth, Environment and Transport

To: Susan Carey, Cabinet Member for Environment

Decision No: 20/00120

Subject: Waste performance payments for Canterbury City Council & Thanet District Council

**Electoral Division: All in Canterbury and Thanet**

**Summary:** This report seeks approval to provide continued financial support for the kerbside collection systems, through Inter Authority Agreements which detail a performance-based payment scheme. Canterbury City Council (CCC) and Thanet District Council (TDC) have arranged renewed kerbside model of waste collection to sustain increased recycling and composting levels. Payments will be based upon waste disposal cost reduction, with savings shared equally between the County Council and both Authorities.

**Recommendation(s):** The Cabinet Member for Environment is asked to give approval on the proposed decision to approve KCC entering into an Inter Authority Agreement (IAA) with Canterbury City Council and Thanet District Council in full to make performance payments to increase levels of recycling and reduce disposal costs for KCC as shown at Appendix A..

## **1. Introduction**

- 1.1 There are existing agreements between KCC, Canterbury and Thanet through the East Kent Waste Partnership which end in January 2021. Within the agreements are the payments to support the delivery of a comprehensive kerbside collection service. These were fixed enabling payments, that did not recognise the actual performance or success of recycling levels achieved by the Waste Collection Authorities.
- 1.2 These proposed IAA agreements accord with the consistent policy approach agreed by the Cabinet Committee on the 31st May 2018, that new Waste Partnership Agreements with Collection Authorities should include financial rewards based upon performance and which offer incentives to improve. These agreements exist with Dover & Folkestone and Hythe District Councils and also with three of the West Kent Waste Partnerships.

## **2. Financial Implications**

- 2.1 Overall revenue costs total £6.5m for up to an 8-year contracted term for these two Districts, based on current levels of recycling performance. Increases or decreases to these payments will be paid in accordance with actual performance. There is no capital expenditure. This term is equal to the term of the kerbside collection arrangements, that has been awarded by both District Waste Collection Authorities.
- 2.2 The proposed 21/22 budget reflects the new payment mechanism for the full year effect. The policy is designed to share savings where savings are

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realised through higher levels of recycling and therefore reduce costs for the disposal of residual waste.

### **3. Policy Framework**

3.1 The proposed decision meets the objectives of

1. **Kent Joint Municipal Waste Management Strategy (KJMWMS) 2018/19 to 2020/21**, specifically noting the following outcomes:

- By 2020/21, the KRP will recycle and compost at least 50% of household waste tonnage
- By 2020/21, the KRP will ensure no more than 2% of Kent's municipal waste ends up at landfill.

2. **The Kent Waste Disposal Strategy 2017 – 2035**, regarding the following Priorities:

- Priority 1 The Environment: We will deliver services which mitigate impacts on or from the environment and climate change.
  - Objective B: Maximise reuse and recycling and eliminate waste to landfill in accordance with the Waste Hierarchy

### **4.0 The Report**

4.1 The existing East Kent Waste Partnership ends in January 2021. The proposed new agreements will replace the fixed enabling payments that were in place, originally negotiated in 2011. Revised payments will be lower than the current fixed payments which are reflected in the MTFP for 21/22. However, there is the opportunity for payments to increase should the Districts save KCC disposal costs through even higher levels of recycling.

4.2 Partnership agreements and shared savings have proved to be a very successful method to share the benefits and rewards of reducing residual waste. They are an active incentive and have driven higher levels of recycling and therefore positive environmental outcomes. They have already been implemented in West Kent at Gravesham, Tonbridge & Malling, and Tunbridge Wells Borough Council, with recycling increasing by up to 8%.

4.3 The current fixed enabling payments have not always proved to incentivise Collection Authorities to achieve the targeted levels of recycle. KCC has borne this commercial risk over the last 8 years. These new Inter Authority Agreements share the risk and reward equally between the County Council and District Authorities

4.4 Both Collection Authorities have made improvements to their kerbside recycling performance, with CCC achieving 45.7% from 43% and TDC increasing by 7.5% to now achieving 34.5% - the average achieved by all Kent Districts in 19/20 was 43.4%.

4.5 Final IAAs will be developed in conjunction with each Authority's legal representation.

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## **5.0 Options considered and dismissed**

5.1 The collection and disposal system has been reviewed extensively over the last three years with all East Kent Districts through a Project Board and Steering Group to determine the collection and disposal methods that would be commercial and environmentally advantageous to collection and disposal authorities. This has been a comprehensive process to determine the optimum collection services and has considered transfer contracts, final disposal contracts and disposal infrastructure.

## **6.0 Equalities Impact Assessment and Risk Assessment**

6.1 The Equality Impact Assessment undertaken concluded that no Protected Characteristics will be impacted upon either positively or negatively due to the contract delivering a non-customer facing service.

6.2 There are no implications for the council's property portfolio of the suggested action.

6.3 No personal data will be collected for this contract.

## **7. Conclusions**

7.1 This is a third set of partnership agreements that have been carefully developed considering the requirements of both Collection and Disposal Authorities. This agreement provides incentives to increase recycling further, with an appropriate share of rewards that are sustainable and appropriate.

## **6. Recommendation(s)**

**Recommendation(s):** The Cabinet Member for the Environment is asked to give approval on the proposed decision to approve KCC entering into an Inter Authority Agreement (IAA) with Canterbury City Council and Thanet District Council to make performance payments to increase levels of recycling and reduce disposal costs for KCC as shown at Appendix A.

## **7. Background Documents**

7.1 Equality Impact Assessment

Appendix A – Record of Decision

## **8. Contact details**

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