

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

To: Matthew Balfour, Cabinet Member of Planning, Highways, Transport and Waste

Decision No: N/A

Subject: Waste Collection Partnerships – a proposed Approach to performance payments

Key decision: N/A

Future Pathway of Paper: not applicable

Electoral Division: All in West Kent area

Summary:

KCC as statutory Waste Disposal Authority (WDA) works closely with District / Borough Councils, the statutory Waste Collection Authorities (WCAs), in order to maximise recycling through kerbside collections.

Where higher levels of recycling levels are achieved; KCC's disposal costs are reduced. More comprehensive kerbside collections are more expensive for WCA's to operate but do offer WDAs cost saving, therefore it is common that Partnerships are formed to mutually benefit both Authorities.

This report sets out KCC's proposed funding arrangements for recognising, rewarding and incentivising improved recycling performance. The performance payments are legally binding through the development of Inter Authority Agreements (IAAs).

Dartford Borough Council, Tonbridge & Malling Borough Council and Tunbridge Wells Borough Council are together tendering for renewed kerbside waste collection services in 2019 with the aim of optimising kerbside recycling.

Recommendation(s)

The Cabinet Committee is asked to comment on the proposed approach to funding arrangements to incentivise improved recycling performance.

1. Introduction

1.1 This report proposes an approach to form a funding Agreement between Kent County Council (KCC) and individual Authorities within West Kent Waste Partnership Group (WKWPG) to incentivise improved recycling performance.

1.2 The consequence of increased levels of recycling and composting by the Borough waste collection authority reduces the final disposal costs borne by KCC.

- 1.3 The funding Agreement incentivises both parties to increase and maximise levels of kerbside recycling across all waste streams and as a result savings achieved by the KCC as the WDA are shared with the WCA.

2. Financial Implications

- 2.1 Payments to incentivise WCA's will be recycling performance-based payments where there is a cost saving made against disposal cost – they will therefore be funded through savings realised.
- 2.2 These payments will be calculated on the actual reduction of residual waste (waste that is not recycled) against the agreed baseline.
- 2.3 The baseline tonnage will be adjusted annually by the overall increase of waste collected in WCA's – this takes into account housing growth or general increases in household waste.
- 2.4 There may be capital investment required which will be recouped through the operational savings.

3. Policy Framework

- 3.1 This proposed Agreement accords with the supporting outcome within the Strategic Outcome Plan;

Kent's physical and natural environment is protected, enhanced and enjoyed by residents and visitors

- 3.2 Kent Joint Municipal Waste Management Strategy, has three key policy statements that support the Waste Regulations – these apply directly to this proposed procurement;
- Policy 8 - The Kent Resource Partnership will achieve a minimum level of 40% recycling and composting of house household waste by 2012 and will seek to exceed this target.
 - Policy 11 - The KRP will strive to make waste and recycling services accessible and easy to use for all householders, across all housing types and sectors of the community.
 - Policy 19 - Where it is cost-effective, Kent will exceed its statutory targets for diversion of biodegradable municipal waste from landfill in order to preserve landfill void space in the County.

4. The Report

- 4.1 Dartford Borough Council, Tonbridge & Malling Borough Council and Tunbridge Wells Borough Council are together tendering for renewed kerbside waste collection services in 2019 with the aim of optimising kerbside recycling.

- 4.2 Individual WCA's within the WKWPG have defined their collection specifications to maximise recycling alongside collection models that replicate their existing collection specifications
- 4.3 The proposed approach to incentivising performance and thereby reducing costs to the WDA is based upon *actual* recycling performance attained by the WKWPG. The basis of the reward is to share equally the WDA cost savings which are derived from improving the existing kerbside collection service. The recycling performance payments are made to reward increased levels of waste disposal cost reduction – this places the accountability on the WKWPG as the collection authority and rewards both KCC and individual WCA's within the WKWPG equally.
- 4.4 This also reflects the most recent agreement between KCC & Gravesham Borough Council endorsed by the Environment and Transport Cabinet Committee in August 2016.
- 4.5 Furthermore both WDA & WCA's have identified opportunities for operational efficiency that could also be reflected in the Agreement.
- 4.6 It should be noted that this proposed approach is different to that in place for existing agreements in East & West Kent. These have been based upon modelled and forecast performance and have resulted in KCC paying fixed prices irrespective of actual performance achieved. The agreements have been entirely at KCCs risk and have not driven performance improvement. Therefore it is proposed that the Agreement outlined in this report form the basis of future agreements.

5. Legal implications

- 5.1 KCC Waste Management is the statutory waste disposal authority for Kent and has a duty to dispose of municipal waste.

6. Conclusions

- 6.1 Members are asked to consider the approach of entering an agreement which jointly shares the economic benefits of improved recycling performance.
- 6.2 This Agreement reflects the other Inter Authority Agreement with Gravesham Borough Council but is a departure from other existing Agreements where the financial payment has not rewarded improved performance.

7. Recommendation(s):

The Cabinet Committee is asked to comment on the proposed approach to funding arrangements to incentivise improved recycling performance.

8. Contact details

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