

From: Susan Carey, Cabinet Member for Environment  
Barbara Cooper, Corporate Director, Growth, Environment and Transport

To: **Environment and Transport Cabinet Committee – 15 September**

Decision No: 20/00088

Subject: Waste performance payments for Dover District Council & Folkestone and Hythe District Council

Classification: **Unrestricted**

**Past Pathway of Paper:**

**Future Pathway of Paper:** For Cabinet Member Decision

**Electoral Division:** Expenditure exceeds £1m across two Electoral Divisions

**Summary:** To provide continued financial support for the kerbside collection systems, through Inter Authority Agreements which detail a performance-based payment scheme. Dover District Council (DDC) and Folkestone & Hythe District Council (F&HDC) have commissioned a new 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 District Authorities.

**Recommendation(s):** The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for the Environment on the proposed decision to approve KCC entering into an Inter Authority Agreement (IAA) with DDC and F&HDC 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 through the East Kent Waste Partnership which end in January 2021 between KCC and Dover District Council and Folkestone and Hythe District Council. 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 District Waste Collection Authorities.
- 1.2 These proposed IAA agreements accord with the 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. This exists within the South Waste Kent Waste Partnership.

## 2. Financial Implications

- 2.1 Overall revenue costs total £9.6m for an 8-year contracted term for these two Districts, based on current levels of recycling performance. There is no capital expenditure. This term is equal to the term of the kerbside collection contract, that has been awarded by both District Waste Collection Authorities.
- 2.2 The new agreement represents a cost saving against existing budgets and these are already included within the 20/21 budget and the MTFP for the part-year effect. The proposed 21/22 budget reflects the new payment mechanism for the full year effect.

## 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 agreements will replace the fixed enabling payments that were in place, originally negotiated in 2009. Revised payments will be lower than the current fixed payments which are reflected in the MTFP for 2021/22, however, the opportunity to increase payments exists should Districts deliver improved levels of recycling, which in turn , saves KCC disposal costs.
- 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 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 10 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 good levels of improvements to their kerbside recycling performance over recent years with DDC achieving 47.1% and F&HDC achieving 44.2% - the average achieved by all Kent Districts was 43.4%.
- 4.5 For information, work with Canterbury City Council & Thanet District Council is continuing to secure similar arrangements, both have differing waste collection arrangements.

## **5.0 Options considered and dismissed**

- 5.1 Over three years, KCC has worked extensively with all East Kent Districts through a Project Board and Steering Group to determine the collection and disposal methods that would be commercially and environmentally advantageous to both 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 as a result of this contract award. This is 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.

## **7. Conclusions**

- 7.1 This is a second edition 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.

## **8. Recommendation(s)**

**Recommendation(s):** The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for the Environment on the proposed decision to approve KCC entering into an Inter Authority Agreement (IAA) with DDC and F&HDC to make performance payments to increase levels of recycling and reduce disposal costs for KCC as shown at Appendix A.

## **8. Background Documents**

- 8.1 Equality Impact Assessment

Appendix A – Proposed Decision Sheet

## 9. Contact details

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