

# MEMORANDUM OF UNDERSTANDING

## JOINT WORKING ON WASTE MANAGEMENT EFFICIENCY SAVINGS



**CANNOCK CHASE DISTRICT COUNCIL**

**EAST STAFFORDSHIRE BOROUGH COUNCIL**

**LICHFIELD DISTRICT COUNCIL**

**NEWCASTLE UNDER LYME BOROUGH COUNCIL**

**STAFFORD BOROUGH COUNCIL**

**STAFFORDSHIRE COUNTY COUNCIL**

**STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL**

**STOKE ON TRENT CITY COUNCIL**

**SOUTH STAFFORDSHIRE DISTRICT COUNCIL**

**TAMWORTH BOROUGH COUNCIL**

## **1. Purpose of Memorandum of Understanding**

The purpose of this Memorandum of Understanding (the Memorandum) is to: -

1.1 Set out in simple, non-legalistic, terms the way that the Partners to the Memorandum will work together on waste management issues in order to maximise efficiency and value for money. The MOU signifies a commitment to change in order to deliver savings whilst delivering efficient standards that are fit for purpose in the light of the financial, legal, technical and operational factors applicable at the time from a financial envelope of circa £55m across all 10 authorities.

## **2. Partners to the Memorandum**

The Partners to the Memorandum (the Partners) are:

2.1. Cannock Chase District Council, East Staffordshire Borough Council, Lichfield District Council, Newcastle under Lyme Borough Council, Stafford Borough Council, Staffordshire County Council, Staffordshire Moorlands District Council, Stoke on Trent City Council, South Staffordshire District Council and Tamworth Borough Council

## **3. Status of the Memorandum & the Partnership**

3.1. The Memorandum is an operational document. It is not a formal or legally binding contract.

3.2. The Partners, individually and collectively, have (by signing the Memorandum) agreed to use all reasonable endeavours to comply with the terms and spirit of the Memorandum. They will not be obliged to undertake expenditure without that being agreed by them as individual partners except where they each agree to commit funding for a specific purpose.

3.3. The Memorandum represents a high level political commitment for the ten local authorities in Staffordshire to work together on a programme of change which is aimed at minimising the costs of waste collection and disposal whilst preserving service quality.

## **4. Key Principles**

4.1. The Partners, individually and collectively, have (by signing the Memorandum) agreed the following key principles:

- A. To work in collaboration to achieve financial savings, efficiency improvements, and economies of scale in waste collection, disposal and minimisation, as agreed in the refreshed Joint Municipal Waste Management Strategy for Staffordshire and Stoke on Trent, formally adopted by all partners in 2014.
- B. To consider the holistic approach of all actions and decisions to achieve the best outcome for the Staffordshire tax payer, therefore avoiding “cost shunting” between the partners.
- C. To pro-actively and objectively investigate the potential for shared arrangements (such as joint procurement, joint contracts, shared services and collection strategies i.e. 3 weekly residual collections).
- D. To ensure that only the partners who collaborate to implement change and achieve financial savings receive the proportionate benefits. For example, if three local authorities collaborate to create savings, it is the three councils that benefit in full from the savings; the other authorities do not receive any of the financial benefit.
- E. To fully consider the consequences of any changes to the other partners and to consult any plans with all partners in advance of any decisions being formally made.
- F. To objectively examine the operational and financial impact of any proposals before taking political decisions in regard to implementation.

## 5. Timetable

The Joint Waste Management Board (JWMB) and the Staffordshire Waste Officers Group (SWOG) have been tasked with conducting a full baseline assessment, identifying detailed options for potential change and expose prospective associated cost savings.

External support to conduct an options appraisal is required and will therefore incur a short term one off cost. Staffordshire Waste Partnership applied for funding of £20,000 from the Local Government Association to provide extra resource to assist the Partnership Manager with the work, whilst continuing with the everyday workload of projects. This application has been approved and partners need to agree how best to deploy as part of this options analysis. The business case will be drafted by SWOG, and addressed at the JWMB and Staffordshire CEO Group for approval. There will be external scrutiny of how these funds are used.

It is recognised that in order to identify potential savings, current costs and service standards need to be accurately and consistently detailed. The Partners agree to co-operate fully in the preparation of a comprehensive assessment of current base line cost and the savings made (compared to 2007) to date.

The baseline assessment will be presented at October's JWMB meeting and available to CEO thereafter. The headline 'options for savings' would be available to Staffordshire CEO Group during January 2016 and more detailed options available in Spring 2016 taking into account key factors such as existing contract end dates. These options would be formally considered by the JWMB.

Using data collected as part of this initial study, the partnership should set out an overall savings target and time scale which is both achievable and challenging.

## 6. Detailed Scoping of Options to create savings

In order to achieve the required savings, it is deemed that long term service alterations are necessary to produce the efficiency improvements to lower costs. The background work will lead to the creation of a short list of options for consideration by all partners.

The following are examples of the type of options for consideration (but not limited to the following):

Informal collaborations (already undertaken to some extent);

- Joint contracts, such as processing / treatment facilities, transfer stations etc.
- Joint procurement.
- Joint venture with private / third sector organisations.
- Joint HWRC and disposal contracts between WDA and UA.

Formal collaborations;

- Joint mandatory collection services, e.g. Tamworth and Lichfield joint waste service.
- Joint non-mandatory collection services, e.g. bulky waste, and trade waste.
- Joint waste authority (unitary waste powers, e.g. Dorset and Somerset WPs).

When focusing on the collection service methodology alterations that could yield savings, it is important to note that the implementation of such changes can be collaborative, either formally with the creation of a joint service or an informally agreed common policy with optional joint contracts.

Example options to be considered could include, but are not limited to, the following;

- Reduction in size of residual waste bins (already implemented in part in some areas) offset with increased frequency / capacity for other waste streams.
- Reduction in residual waste collection frequencies (3 or 4 weekly), offset with increased frequency / capacity for other waste streams.
- Remove food from organic waste collection (disposal savings).
- Separate food waste collections (likely to be combined with a reduction of residual waste frequency or capacity).
- Increase / improve commercial waste collection services.
- Standardise colour /size of bins across Staffordshire and procure single contract for their supply.

It should be noted that for any of these example options, collaboration can across either all local authorities, or in clusters geographically or operationally.

The options analysis would set out clearly the costs, benefits and public/ service / political implications of each option.

**Partners agree to share in trust and confidence all financial, operational and policy details that are necessary to achieve the objectives set out in Section 1 of this MOU.**

## 7. Exceptions

Previous attempts at increased collaboration on waste collection and disposal across Staffordshire have not been taken forward. In part, this appears to be because there was insufficient recognition of the policy positions / formal decisions of individual local authorities which prevented a larger scale collaborative approach to be taken.

Whilst there is no desire to limit the options that may be examined as part of this work, it is prudent to set out as part of this MOU any currently fixed waste policy positions of individual local authorities. The rationale for doing so is in order that there is full awareness of these at the outset rather than discovering their existence after large amounts of detailed work has been completed.

The specific exemptions confirmed by Council are:

Council	Exception
Cannock Chase Council	Would not consider any option which introduces new charges for domestic waste collection.
South Staffordshire District Council	Would not consider any option which introduces new charges for domestic waste collection.
East Staffordshire Borough Council	Would not consider any outsourcing solution for waste collection.
Stafford Borough Council	Commissioning and procurement of a new long-term contract, with effect from February 2018, will dictate the pace and limit the opportunity for joint change'.

## 8. Signatures

The local authorities below are committing to change on a collaborative basis.

<b>Local Authority</b>	<b>Leader</b>	<b>Chief Executive</b>
Cannock Chase District Council		
East Staffordshire Borough Council		
Lichfield District Council		
Newcastle u Lyme Borough Council		
Stafford Borough Council,		
Staffordshire County Council		
Staffordshire Moorlands District Council		
Stoke on Trent City Council		
South Staffordshire District Council		
Tamworth Borough Council		

**FINAL VERSION**  
**3 November 2015**

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