

Somerset Waste Board meeting

15 December 2017

AOB Report for decision

New Local Authority: Letter to Secretary of State for Communities and Local Government

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<p>Summary:</p>	<p>Two Local Authorities within the Somerset Waste Partnership – Taunton Deane Borough Council and West Somerset Council – propose to jointly form a new single Local Authority covering both areas.</p> <p>At the February 2017 meeting of the Somerset Waste Board the members authorised the Managing Director to respond to the consultation being undertaken at the time by letter. The decision was as follows: -</p> <p><i>The Board RESOLVED to:</i></p> <ol style="list-style-type: none"> <i>1. Agree that a consultation response drawn from sections 2, 3 and 4.1 is submitted by the Managing Director.</i> <p>Where the sections 2,3 and 4.1 of the report were as attached (Appendix A)</p> <p>SWP has now been asked by the two councils to write a similar letter to The Rt Hon Sajid Javid MP, Secretary of State for Communities and Local Government, reiterating the points made during the consultation process.</p> <p>The deadline for response is imminent, hence the presentation of this additional request for decision at short notice.</p> <p>n.b. This potential change to the Partnership is now also reflected in the 2018 – 2023 Business Plan, with review of the issues raised scheduled to commence in 2018.</p>
<p>Recommendations:</p>	<p>That the Somerset Waste Board authorises</p> <ol style="list-style-type: none"> 1. The Managing Director to write to the Secretary of State for Communities and Local Government 2. That the content is drawn from sections 2, 3 and 4.1 of the February report, extracted here as Appendix A.
<p>Appendices:</p>	<p>A - Extract from February 2017 Decision Report B - Text of submission from SWP to consultation</p>

Appendix A

2. Implications for Stakeholders

2.1. Because of the fully integrated service model already in place through SWP, householders would not see any change to their recycling and waste services as a result of the formation of a new council. At present costs for subscription and on demand services like green waste and bulky waste collections are fully aligned and, under the circumstances, are likely to remain aligned between TDBC and WSC in the period up to the change.

2.2. The Recycling and Waste Collection contract with Kier is held by the County Council on behalf of the partners. Kier is paid through the SWP budget which is managed by SCC on behalf of the partners under a service level agreement. It may be necessary to issue a short variation to the contract to revise the list of partners at the start of the contract document but there should be no material implications for the contract, the contractors or the day to day delivery of services.

3. Implications for SWP and its partner Councils

3.1. There are not expected to be any major financial implications for SWP, the new council or the other partners in recycling and waste services arising from the proposed change. The new Council will need to continue to fund services through a cost sharing mechanism in the Inter Authority Agreement, with most costs continuing to be apportioned according to the number of households with, in some cases, adjustments for sparsity. The partners will need to agree to revisions to the cost sharing mechanism to ensure there is no transfer of costs to the other partners.

Consultation has been undertaken as follows:-

- 18 Jan 2017 – Sedgemoor District Council Executive
- 19 Jan 2017 – West Somerset Council Scrutiny
- 1 Feb 2017 – South Somerset District Council Executive
- 7 Feb 2017 – Taunton Deane Borough Council Community Scrutiny
- 8 Feb 2017 – West Somerset Council Cabinet
- 9 Feb 2017 – Taunton Deane Borough Council Executive
- 20 Feb 2017 – Somerset County Council Cabinet Member Decision
- 22 Feb 2017 – Mendip District Council Portfolio Holder Decision

3.2. TDBC and WSC will need to consider how the prospective new council apportions costs between households. The “precept” payments made by partners to SWP (through SCC) are based on a number of formulas, some of which are adjusted for sparsity.

3.3. “Sparsity Weighting Factors” are applied to some formulas to reflect the higher average cost per property of collecting in rural areas. The Sparsity Weighting Factor for WSC is the highest in the County at 108.78% of the average cost. For Taunton Deane, with its larger urban areas, the factor is, fractionally behind Sedgemoor DC, second lowest at 93.59%.

3.4. The IAA envisages that the Sparsity Weighting Factors might be adjusted from time to time to reflect any variations in population density. This will be

considered part of the review of the IAA. Without prejudice to the outcome of the review, a likely option will be to calculate a single combined sparsity weighting factor for the new Council.

3.5. Provided the aggregate payments by the new Council are equivalent to those that would have been made by WSC and TDBC the other partners will not be disadvantaged.

3.6. Confirmation of the decision to create a new Council will trigger a review of the Inter Authority Agreement. The process for this is set out in clause 20 of the IAA. This will result in the dissolution and immediate replacement of the current Partnership and Board to coincide with the creation of the new Council should it go ahead. It is envisaged that the new IAA would be agreed by all existing partners including WSC and TDBC prior to the new Council coming into existence and signed immediately after. The IAA (other than the constitution which forms one appendix to the IAA) has not been substantially reviewed since 2007 and so would benefit from a refresh. It is not envisaged that the review would require any external legal advice and so most of the impact would be on SWP staff time and internal legal support.

3.7. It is assumed that the new Council will be entitled to two representatives on the Somerset waste Board reducing the Board membership from 12 to 10 unless partners wish to review representation as part of the review of the IAA and Constitution.

3.8. There are no HR implications. SWP staff are employed by SCC, the Administering Authority, on behalf of partners. Contractor staff would be unaffected.

4. Conclusions

4.1. Noting that we have not yet undertaken a detailed review of the IAA, there do not appear to be any particular concerns, risks or wide implications for stakeholders or partners arising from the proposal. Services to customers would be unaffected and although a revision to the IAA would be required it would, after 10 years, benefit from a refresh.

Appendix B

Dear

At the Somerset Waste Board meeting on 24 February 2017, Members considered the impact of the proposal for a new Council from the point of view of stakeholders, budget and governance.

Please accept the following as formal comments from the Somerset Waste Board and I hope they are helpful in your consideration of the proposal.

Implications for Stakeholders should a new Council be formed

Because of the fully integrated service model already in place through SWP, householders would not see any change to their recycling and waste services as a result of the formation of a new council. At present costs for subscription and on demand services like green waste and bulky waste collections are fully aligned and, under the circumstances, are likely to remain aligned between TDBC and WSC in the period up to the change.

The Recycling and Waste Collection contract with Kier is held by the County Council on behalf of the partners. Kier is paid through the SWP budget which is managed by SCC on behalf of the partners under a service level agreement. It may be necessary to issue a short variation to the contract to revise the list of partners at the start of the contract document but there should be no material implications for the contract, the contractors or the day to day delivery of services.

Implications for SWP and its partner Councils

There are not expected to be any major financial implications for SWP, the new council or the other partners in recycling and waste services arising from the proposed change. The new Council will need to continue to fund services through a cost sharing mechanism in the Inter Authority Agreement (IAA), with most costs continuing to be apportioned according to the number of households with, in some cases, adjustments for sparsity. The partners will need to agree to revisions to the cost sharing mechanism to ensure there is no transfer of costs to the other partners.

TDBC and WSC will need to consider how the prospective new council apportions costs between households. The “precept” payments made by partners to SWP (through SCC) are based on a number of formulas, some of which are adjusted for sparsity.

“Sparsity Weighting Factors” are applied to some formulas to reflect the higher average cost per property of collecting in rural areas. The Sparsity Weighting Factor for WSC is the highest in the County at 108.78% of the average cost. For Taunton Deane, with its larger urban areas, the factor is, fractionally behind Sedgemoor DC, second lowest at 93.59%.

The IAA envisages that the Sparsity Weighting Factors might be adjusted from time to time to reflect any variations in population density. This will be considered part of the review of the IAA. Without prejudice to the outcome of the review, a likely option would be to calculate a single combined sparsity weighting factor for the new Council.

The SWB did ask TDBC and WSC to note that, unless otherwise agreed by all parties, that the other partners would expect not to bear any additional costs through revision of formulas in the Cost Sharing Mechanism. However, provided the aggregate payments by the new Council are equivalent to those that would have been made by WSC and TDBC the other partners will not be disadvantaged.

Confirmation of the decision to create a new Council will trigger a review of the Inter Authority Agreement (IAA). The process for this is set out in clause 20 of the IAA. This will result in the dissolution and immediate replacement of the current Partnership and Board to coincide with the creation of the new Council should it go ahead. It is envisaged that the new IAA would be agreed by all existing partners including WSC and TDBC prior to the new Council coming into existence and signed immediately after. The IAA (other than the constitution which forms one appendix to the IAA) has not been substantially reviewed since 2007 and so would benefit from a refresh. It is not envisaged that the review would require any external legal advice and so most of the impact would be on SWP staff time and internal legal support.

It is assumed that the new Council will be entitled to two representatives on the Somerset Waste Board reducing the Board membership from 12 to 10 unless all partners wish to review representation as part of the review of the IAA and Constitution.

There are no HR implications. SWP staff are employed by SCC, the Administering Authority, on behalf of partners. Contractor staff would be unaffected.

Conclusions

Noting that we have not yet undertaken a detailed review of the IAA, there do not appear to be any particular concerns, risks or wide implications for stakeholders or partners arising from the proposal. I hope this is helpful.

Yours sincerely

Steve Read
Managing Director