



# Report to the Joint Overview and Scrutiny Committee

Meeting Date – 26 February 2024

Key Decision – No

Public/Private – Public

Portfolio – Councillor Denise Rollo – Cumberland  
Councillor Dyan Jones - Westmorland and Furness

Directorate – Place, Sustainable Growth & Transport – Cumberland Council  
Thriving Places - Westmorland & Furness Council

Lead Officer - Chloe Tringham - Assistant Director for Climate and Waste - Cumberland Council

(Waste Inter-Authority Agreement Project Manager acting as the Authority Representative as defined in the Waste Project Agreement)

**Title – Overview of Hosted Waste Disposal Contract and Service and Waste Inter Authority Agreement**

## 1. Executive Summary

This report provides an overview and update on the hosted Waste Disposal Contract/ Service in the Place, Sustainable Growth & Transport directorate (Climate and Waste) within Cumberland Council. This report specifically highlighting the following areas.

- Governance
- Information Sharing
- Waste Inter-Authority Review
- WIAA Budget
- National Policy

## 2. Recommendations:

It is recommended that the information contained within the report regarding the hosted Waste Disposal Contract and Service is reviewed and the update is noted by the Joint Overview and Scrutiny Committee.

## 3. Background

Following Local Government Reorganisation (LGR), Cumberland and Westmorland & Furness Councils have entered into a Waste Inter Authority Agreement for the Cumbria wide management of waste disposal services and ancillary contracts. The agreement was entered into by both parties on 31<sup>st</sup> March 2023.

It was not financially or contractually viable to separate the Waste Disposal contract between the two new Councils post vesting day so it was mutually decided, and formally reported on 5 October 2022, that Cumberland Council would host the Contract on behalf of itself and Westmorland and Furness Council. There is an Inter-Authority Agreement (IAA) in place to manage this hosted arrangement.

Cumberland Council carries out duties on behalf of itself and Westmorland and Furness Council for the following :

- the Project Agreement (Contract);
- the Kendal Fell Contract;
- the Closed Landfill Site Contract; and
- the administration of the Waste Inter-Authority Agreement

## 4. Governance – currently the governance arrangements in place for the overseeing of the WIAA are as per below, and will remain in place until the expiry of the Waste Disposal Contract, or such other date as agreed in accordance with the Waste Inter Authority Agreement:

1. Joint Executive Committee (JEC);
2. Joint Officers Group (JOB);
3. Joint Waste Project Board (Waste specific);
4. Joint Waste Officers Group (Waste specific) – currently meeting pending review\*

Membership of the Waste Specific groups (Groups 1. and 2. above) are outlined in the Terms of Reference and in summary consists of Directors and Assistant Directors with responsibility for waste, and other key representation such as the Statutory Officers.

The role of the groups includes :

- Consider the performance of joint contracts:
  - PPP Contract for the treatment and disposal of residual waste and the management of Household Waste Recycling Centres
  - Kendal Fell transfer station contract
  - Enitial contract for the monitoring and maintenance of closed landfill sites
- Consider the effectiveness of management of the contracts outlined above
- Agree the operational management budget for the waste project
- Recommend items for consideration by the Joint Executive Committee
- Consider the management of the Waste Project budget

- Review and manage the risks associated with the projects

There is a provision in the WIAA for “**Matters referred to Joint Executive Committee**” as per Governance (1.) above –

*(12.3) On a monthly basis the Project Manager (on behalf of the Host Council) shall be responsible for taking decisions as to the appropriateness of any adjustments or deductions to be applied pursuant to either the Project Agreement, Closed Landfill Site Contract or Kendal Fell Contract, save that where any adjustment or deduction is in excess of five hundred thousand pounds (£500,000), or is in aggregate over five hundred thousand pounds (£500,000) when combined with all other adjustments or deductions in respect of the same matter or a reasonably related matter under the same Contract Document and such other adjustments or deductions are or could be the subject of a dispute under such Contract Document, the Project Manager must seek the prior approval of the Joint Executive Committee in relation to such adjustment or deduction.*

A recent example of a matter referred to the JEC, properly following the requirements and route identified in the WIAA, was Hard Plastics.

The decision to finalise and enter into the Hard Plastics settlement agreement was properly taken by the Joint Executive Committee in accordance with the WIAA. The item also was presented and discussed at the Joint Officers Group meeting in advance of JEC.

## 5. Host Service

The host service consists of the former Cumbria County Council Waste Disposal team continuing to undertake the role on a Cumbria contract footprint on behalf of Cumberland Council and Westmorland & Furness Council. In summary the team covers waste data – ensuring that the contractor is paid the right amount on time (following comprehensive validation checks); waste contract compliance – quality control checking; waste reduction – working on reducing the amount of waste coming through the contract in the first place (this includes a focus on carbon emission reduction too).

The Waste Service (host service) has just recently welcomed a new Waste Operational Manager, Barry Elder, heading up the team following the previous postholder leaving.

## 6. Information sharing

The Joint Waste Officers Group meetings mainly include data, performance and financial information sharing. The meetings also include an element on the National Policy update (see No. 10).

A suite of quantitative and qualitative performance measures are also reported to the Joint Executive Committee via the Joint Officer Group on the WIAA. Hosted Service performance – with the purpose of the report providing members of the Joint Executive Committee with an update on the performance of long-term hosted services. The following is an example of some of the performance measures:

| Dashboard Area/ Tab                  | Q1     | Q2     |
|--------------------------------------|--------|--------|
| Tonnage of contracted waste received | 48,090 | 47,411 |
| <b>Cumberland</b>                    |        |        |
| Rate of recycling and composting     | 58.14% | 59.30% |

|  |        |        |
|--|--------|--------|
| Number of complaints received            | 9      | 9      |
| Number of compliments received           | 0      | 4      |
| Number of performance deductions applied | 58.6   | 16.7   |
| <b>Westmorland &amp; Furness</b>         |        |        |
| Rate of recycling and composting         | 66.81% | 66.90% |
| Number of complaints received            | 15     | 17     |
| Number of compliments received           | 2      | 2      |
| Number of performance deductions applied | 49.9   | 14.6   |

## 7. Internal Audit

An internal audit (F2301 – Waste Inter-Authority Agreement) was undertaken with the final report available from 25 September 2023. From the areas examined and tested as part of the audit review, the controls operating within WIAA provide **reasonable assurance**.

There were 10 recommendations with 6 of these recommendations continuing and being actioned. As an example a couple of the recommendations are as follows :

*Recommendation 4: Performance and Improvement Plan to be presented at the first JWPB meeting. Completed but ongoing.*

*Recommendation 1: Terms of Reference for the Joint Waste Project Board (JWPB) and the Joint Waste Officer Group (JWOG) to be developed. These have been produced with the JWOG terms of reference agreed at the meeting in October 2023. The JWPB are subject to the review of governance which is taking place at the end of February 2024.*

## 8. WIAA Review

At the time of writing this report the WIAA is going through a scheduled review. Under Clause 37.2 of the WIAA requires : The Joint Executive Committee shall review this Agreement six (6) months following the Commencement Date and then annually thereafter, to monitor and reflect on the operation of the Project and the performance of the obligations set out in this Agreement.

The scope of the review mainly focusses on Governance arrangements including the current terms of reference, assets and property, financial procedures including cost sharing components and associated audit actions (see above Internal Audit). A small group of officers from both Cumberland and Westmorland & Furness are working jointly on the review.

## 9. Annual Budget

With regards to the annual budget the WIAA requires :

*based on the preceding Contract Year's actual spend and the Performance and Improvement Plan prepared pursuant to Clause 11 (Performance and Improvement Plan), it reasonably requires to achieve its objectives in relation to the Project and to secure the funding requirement for the Host Council to fulfil its obligations under this Agreement on behalf of the Councils. The agreed overall amounts applicable to the Annual Budgets as apply at the Commencement Date until the first operation of this Clause following the Commencement Date, are contained at Schedule 2 (Initial Budgets).*

*The draft Annual Budgets shall contain draft estimates of revenue income and expenditure of the Project for or in relation to the discharge of the agreed functions. The estimates shall include details as to how the expenditure is to be financed including a breakdown of the contributions required from each Council.*

The draft Annual Budgets are currently being worked through across the Councils and will be subject to approval by the Joint Executive Committee.

## 10. National Policy changes

The number of changes coming through impacting on the Waste industry are significant and require close monitoring - such as Simpler Recycling, separate food waste collections, Emissions Trading Scheme to name a few. The changes are a key part of the information sharing arrangements at the Joint Waste Officers Group. The host service provides a "horizon scanning" function which allows these proposed changes to be fully considered by both Councils.

**Proposals** – Not applicable, the report is for information.

**Alternative options considered** – Not applicable, the report is for information.

**Conclusion and reasons for recommendations** – Not applicable, the report is for information.

**Implications** – Not applicable, the report is for information.

**Contribution to the Cumberland Plan Priorities** – in delivering excellent public services we want to be a high performing council. Our services have a direct and indirect impact on our residents' health and wellbeing. We want our residents to benefit from excellent, efficient, and enterprising public services. We will deliver what they need, when they need it with a focus on collaboration, dialogue and delivering strategic impact at a local level.

**Contribution to the Westmorland and Furness Council Plan Priorities** – the service contributes to the Westmorland and Furness Council Plan Westmorland and Furness - for the economy and culture -Sustainable, inclusive economic growth is essential to deliver high quality jobs.

**Relevant Risks** – Not applicable, the report is for information.

**Consultation / Engagement** – Not applicable

**Legal** – Administration of the hosting arrangements will be subject to the conditions set out in the Waste Inter-Authority Agreement. Oversight and governance will be provided by the Joint Officer Board (JOB) and Joint Executive Committee at their scheduled meetings as appropriate.

**Finance** – Recharging between the two authorities will be subject to the conditions set out in the Waste Inter-Authority Agreement, including the Annual Budget review.

**Information Governance** – Not applicable, the report is for information.

**Impact Assessments** – Not applicable, the report is for information.

**Contact details:**

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**Background** papers: Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- Waste Inter-Authority Agreement – 31 March 2023
- Internal Audit Report