

Response sent to Chief Executives

Dear Chief Executive,

Joint Recycling and Waste Management Strategy (JRWMS) – Joint Working Consultation

Thank you for your prompt response to the above consultation which has generated a small number of clarifications across the partnership. To ensure a common understanding I enclose the replies from all Districts and provide the following consolidated response to address the matters raised. I have also enclosed a copy of the report going to the MWDA meeting on the 31st of January for your information.

1. Sefton

- a. No issues raised

2. Wirral

- a. Minor amendments proposed to the MOU which it is proposed would be dealt with by delegation to the Chief Executive of MWDA who will be the entity entering the MOU.

3. St Helens

- a. MWDA would concur with the St Helens Council view that any future unallocated MWDA funds could be distributed to District Councils using the Waste Development Fund (WDF). This would be subject to the Authority determining that such future budget allocation into the WDF for subsequent distribution represented Value for Money, this principle is described in the revised MOU. In respect of the current General Fund the Treasurers Budget Report for 2014-15 addresses its proposed use which will principally be to deliver a 3 year average zero Levy for constituent Districts.
- b. In respect of clarification of the legislative framework within which any distribution occurs this will be a matter for District Councils to consider at the time they sign the revised MOU which would trigger the release of the Waste Development Fund once signed by all parties.
- c. In respect of the “future function of the Waste Development Fund” the intention is that all the 2014-15 Budget which to be clear is all the former Sinking Fund balances would be distributed and therefore the Waste Development Fund would no longer have funds subject to a further Authority budget decision as detailed above at (3.a.)

- d. The establishment and distribution of the £28.98m Waste Development Fund represents a significant investment by MWDA into JRWMS objectives and the Partnership, it **is not** a general return of levied funds through or outside of the Levy mechanism. MWDA therefore needs credible and appropriate reassurance that the Partnership will continue to work together individually and collectively to achieve those JRWMS objectives and warrant the investment. As the Partnership has no joint working arrangements other than those established in the original MOU it is an important part of that decision that the well-established joint operational and reporting arrangements are maintained and improved to justify such a significant investment. The current MOU needs refreshing because it makes reference to MWDA procurement, Sites and Planning and is therefore not fit for purpose. It will also serve, once signed by all Districts, to act as the means to trigger the release of the WDF thereby giving all signatories comfort that a shared commitment has been made on the same basis prior to release of the funds. Notwithstanding this collective approach, the proposal for an annual assurance statement to MWDA from individual Districts would further reinforce the accountability of individual Districts to MWDA and the rationale for the investment. The proposed MOU and inclusion of an annual letter of assurance are both included in the proposals being put forward to MWDA in the report to the 31st January meeting.

4. Knowsley

- a. For confirmation of legislative framework see (3.b.) above. The MWDA Levy will be set on the 31st of January 2014 as MWDA operates to earlier statutory deadlines than Districts, therefore the WDF will be the only mechanism available for distribution of the £28.9m in 2014-15.
- b. Para (1) MWDA officers have considered the resources required for MWDA to make its contribution to the JRWMS and determined that, with the efficiency measures that the Authority is currently taking, it will have sufficient resources without retention of any of the WDF. Consideration of the officer perspective will form part of the decision that MWDA Members will make on the 31st of January.
- c. Para (2) Halton will not receive funds from the WDF as a separate Waste Disposal Authority. Halton has not contributed to the fund and also has a separate (but aligned) Waste Strategy.
- d. Para (3) Distribution of the fund is intended to reflect the scale of the waste challenge faced by individual districts and be as equitable as possible. Therefore, the proposal is to distribute the fund on the same basis as it was collected, i.e. population.
- e. Para (4) This question is dealt with as detailed above at (3.a.) and (3.c.). As for the basis of the distribution of any future WDF budget, the Authority would have to reconsider the mechanism as part of the budget allocation process. Whilst it is not possible to determine that mechanism now as no such additional funds remain unallocated, VfM

will have to be achieved and the MOU would steer Members to once again consider the equity of any apportionment.

- f. Para (5) This question is addressed at (3.a.).
- g. Para (6) This question is dealt with as detailed above at (3.d.)
- h. In respect of the general point regarding Joint Working and Collaboration, I confirm that the non-legally binding MOU is considered to be the minimum requirement for a joint working commitment to justify the MWDA investment and, whilst the other forms of collaboration would offer advantages, I would concur with your view these options need to be considered more fully by all the parties due to their significant implications.

Yours sincerely,

Carl Beer
Chief Executive
Merseyside Recycling & Waste Authority