

**WASTE DEVELOPMENT FUND**  
**WDA/23/16**

**Recommendation**

That:

1. Members note the assurance provided by District Councils regarding the way they have spent the monies allocated to them from the Waste Development Fund on actions that achieve the shared objectives of the Joint Recycling and Waste Management Strategy.

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**WASTE DEVELOPMENT FUND****WDA/23/16****Report of the Chief Executive****1. Purpose of the Report**

- 1.1 In April 2014 the Authority distributed its Waste Development Fund of £28.9M to constituent District Councils. The Fund was distributed under the terms of a Memorandum of Understanding, signed by all parties, which established the basis for the distributed funds to be utilised. The Funds were to be used to support the delivery of the objectives of the Joint Recycling and Waste Management Strategy for Merseyside (JRWMS).
- 1.2 As a part of the Memorandum of Understanding the District Councils were required to write to the Authority setting out how they have utilised their share of the fund, so that a report on how the funds have been used in pursuit of the JRWMS can be provided for Members of the Authority. This report meets that requirement at the Authority.

**2. Background**

- 2.1 A report to Members on 31<sup>st</sup> January 2014, WDA/02/14 set out the consultation that had taken place with Constituent District Councils on Joint Working proposals. It was agreed that the Authority's Sinking Fund should be transferred into a Waste Development Fund.
- 2.2 Legal advice which was commissioned jointly by the Authority and the District Councils confirmed that the Authority has only limited powers, and that these are limited to waste and waste related activities. Should the Authority distribute any monies to District Councils it was obliged to put in place arrangements, agreed with the Districts, which would provide it with assurances that the funds had been utilised for these limited purposes and not for non-waste related activities.
- 2.3 The report set out proposals for distributing the Waste Development Fund among constituent District Councils, for them to utilise in pursuit of the objectives of the JRWMS as all parties recognised that the District Councils were best placed to achieve those shared objectives locally. This agreement to utilise the funds for the pursuit of the JRWMS shared

objectives was included in a Memorandum of Understanding (MoU) signed by each of the parties to the Waste Development Fund distribution.

- 2.4 The report confirmed that under the MoU, each year the District Councils would write to the Authority setting out what they had been able to do with the funds in pursuit of the shared objectives of the JRWMS. At the same time the Authority agreed that a report would be made in September confirming to the Authority how the distributed funds had been applied by the constituent District Councils.
- 2.5 Once again this year the Chief Executive has written to each constituent District Council's Chief Executive to seek an update on how the funds apportioned to them have been utilised; the Councils' responses are summarised in the section 4 of this report.
- 2.6 In April 2014 the Waste Development Fund of £28.9M held by the Authority was distributed in full to the constituent District Councils. Under the terms of the MoU this is the second report to the Authority on how those funds have been applied by the Councils in pursuit of the shared objectives of the JRWMS.

### **3. Waste Development Fund**

- 3.1 The Waste Development Fund was distributed to constituent District Councils as follows:

<b>District Council</b>	<b>Amount £</b>
Knowsley	3,209,864
Liverpool	9,288,542
St Helens	3,800,719
Sefton	5,937,299
Wirral	6,701,613
<b>Total</b>	<b>28,938,036</b>

3.2 The distribution of the fund to District Councils was on the same basis and in the same proportion that the funds had been collected from Districts over a number of earlier years.

3.3 Since the fund was distributed to the Councils it has been for the Councils to determine individually how they should utilise the monies locally in pursuit of the shared objectives of the JRWMS. The Councils' responsibilities are fulfilled under the terms of the MoU when they inform the Authority each year how they have allocated the funds.

#### **4. The Councils' utilisation of waste development funds**

4.1 The Councils have been asked to provide an update on how they have utilised the fund is distributed under the Waste Development Fund during 2015-16. Their responses to date are summarised as follows:

##### **Knowsley Council**

<b>Scheme</b>	<b>2015/16 £M</b>	<b>2016/17 £M</b>	<b>2017/18 £M</b>	<b>2018/19 £M</b>	<b>Total £M</b>
Waste Collection Vehicles Replacement	0.585	0.771	0.763	0.358	2.477
Waste Collection Vehicles Refitting	0.029	0	0	0	0.029
Waste Collection Route Optimisation	0.054	0	0	0	0.054
In cab technology licences	0.011	0.011	0.011	0.011	0.044
Publicity and communications	0.015	0.015	0	0	0.030
Replacement bins	0.021	0.023	0.023	0.023	0.090
Deferral of Green Waste Charges	0.386	0	0	0	0.386
<b>TOTAL</b>	<b>1.201</b>	<b>0.820</b>	<b>0.797</b>	<b>0.392</b>	<b>3.210</b>
<b>Balance</b>					<b>0</b>

4.2 The Council has reviewed the planned spending and has provided assurance that in its view the expenditure will contribute to meeting the shared objectives of the JRWMS.

## Liverpool City Council

Scheme	2014/15 £M	2015/16 £M	Total £M
Capital expenditure on the waste reception centre behind Newton Road	0.271	0	0.271
Pop up waste centre – edge Lane – Christmas & New Year	0.069	0	0.069
Capital spend on new bins since the roll out of Managed Weekly Collections	0.187	0	0.187
Costs of the rollout of MWC – leaflets / Marketing etc	0	0.374	0.374
Costs of running recycling service since MWC – Blue recycling	2.355	2.355	4.565
Costs of running recycling service since MWC – Green recycling	1.911	1.911	3.822
Consultant and staff costs to develop MWC service routing etc	0	0	0
<b>Total</b>	<b>4.793</b>	<b>4.640</b>	<b>9.288</b>
Balance			0

4.1 The Council has reviewed the actual and planned spending and has provided assurance that in its view the expenditure will contribute to meeting the shared objectives of the JRWMS.

## Sefton Council

Scheme	2014/15 £M	2015/16 £M	2016/17 £M	2017-18 £M	Total £M
Plastic and Cardboard recycling and collection service	2.354	0	0		2.354
Comingled recycling, Food waste collections and Garden Waste collections	0	0.282	2.000 <i>(approximate)</i>		2.282
Scheme to be advised – to improve performance				1.000 <i>(approximate)</i>	1.000
<b>Total</b>	<b>2.354</b>	<b>0.282</b>	<b>2.000</b>	<b>1.000</b>	<b>5.636</b>
<b>Balance</b>					<b>0.301</b>

- 4.2 The Council has made plans to utilise the funds on waste related services in future years. There is scope to extend the expenditure as under the plans shared to date a balance of Development Fund monies remains un-programmed.
- 4.3 The Council has reviewed the actual and planned spending and has provided assurance that in its view the expenditure will contribute to meeting the shared objectives of the JRWMS.

## St Helens Council

<b>Scheme</b>	<b>2015/16 £M</b>	<b>2016/17 £M</b>	<b>2017/18 £M</b>	<b>2018/19 £M</b>	<b>Total £M</b>
Trollibocs Recycling scheme trial	0.041	0	0	0	0.041
Recycling Vehicles and modifications	0	1.000	0	0	1.000
Marketing and promotion of service	0	0	0.050	0	0.050
Expand textiles collection	0	0	0.020	0	0.020
Support the recycling rewards scheme	0	0	0.030	0	0.030
Invest to improve value of commodities; separation of plastic and cans	0	0	0.050	0	0.050
Bulky Recycling	0	0	0.050	0	0.050
<b>Total</b>	<b>0.041</b>	<b>1.000</b>	<b>0.150</b>	<b>0</b>	<b>1.191</b>
<b>Balance</b>					<b>2.610</b>

4.4 The Council has reviewed the actual and planned spending and has provided assurance that in its view the expenditure will contribute to meeting the shared objectives of the JRWMS.

## Wirral Council

<b>Scheme</b>	<b>2014/15 £M</b>	<b>2015/16 £M</b>	<b>2016/17 £M</b>	<b>Total £M</b>
Tackling alleyway dumping, deployment of alleyway dumping investigation team	0.200	0.200	0	0.400
Removal of charge for replacement of (grey) recycling wheeled bins (140, 240 & 360 litre)	0	0.090	0.090	0.180
Reduction of charge for replacement (green) residual wheeled bins	0	0.040	0.040	0.080
Bin repair service	0	0.022	0.022	0.044
Promotion campaign to increase capture rates for recycling on the co-mingled scheme	0	0.150	0.150	0.300
Appoint four	0	0.085	0.085	0.170



Neighbourhood Recycling Officers				
Programme of community clean up and environmental events	0	0.040	0	0.040
Appoint WRAP for external validation of Waste Management Options Appraisal exercise	0	0	0.020	0.020
<b>Total</b>	<b>0.200</b>	<b>0.627</b>	<b>0.407</b>	<b>1.234</b>
<b>Balance</b>				<b>5.467</b>

4.5 The Council has made plans to utilise the funds on waste related services in future years. There is scope to extend the expenditure as under the plans shared to date a significant balance of Development Fund monies remains un-programmed.

4.6 The Council has reviewed the actual and planned spending and has provided assurance that in its view the expenditure will contribute to meeting the shared objectives of the JRWMS.

### Letters of assurance

4.7 Under the terms of the MoU the Councils are required to write a letter of assurance to the Authority each year and setting out how the Council has or intends to utilise their allocation from the Development Fund in pursuit of the shared objectives of the JRWMS. In September each year, Members will continue to receive a report on the performance of the Development Fund until it has been fully utilised.

### Performance Update

4.8 The Waste Development Fund was set up to contribute towards the delivery of the Joint Recycling and Waste Management Strategy which was approved by the Authority and each of the Merseyside Councils in 2011.

4.9 JRWMS has a number of shared aims to support the overall vision of the strategy which states: 'The Merseyside and Halton Waste Partnership will

work together to deliver the Strategy and provide a sustainable waste and resource management service that is cost effective, delivers value for money and is affordable whilst also optimising environmental benefits.’

4.10 The JRWMS established specific targets, and these are reflected in the MoU. Of particular note is the household recycling target of 50% recycling by 2020.

4.11 Overall, the household recycling performance dipped during 2015/16 with Merseyside as a whole seeing a fall in recycling from 42% in the previous year to 41.2%. The specific performance of each partner using the latest available figures from WasteDataFlow (NI192) is as follows:

	2013/14	2014/15	2015/16
	% Recycled	% Recycled	% Recycled
Merseyside	39.7	42.0	41.2
Liverpool	26.7	29.6	29.2
Wirral	37.4	36.0	36.4
Sefton	37.6	41.1	39.5
St Helens	36.8	40.6	39.0
Knowsley	33.1	36.7	35.9

4.12 It is also worth noting that despite the drop in recycling performance, the amount of waste sent to landfill has seen a significant reduction from 46.1% in 2014/15 to 40.7% in 2015/16, and has been achieved in the main through the Authority’s interim contracts to divert waste from landfill. This compares with the strategy target of 10% by 2020 which Merseyside should achieve through the mobilisation of the Resource Recovery Contract.

4.13 Whilst all partners are working towards existing targets in the JRWMS, the strategy will be reviewed following the outcome of the Strategic Review and it is likely that new, more challenging targets will be set.

## **5. Risk Implications**

5.1 The Authority commissioned joint legal advice with the Councils to ensure it could find an appropriate mechanism to re-distribute the Waste Development Fund to the Councils. That mechanism is the Memorandum of Understanding (MoU) in which all parties agree that the funds will be

utilised by the District Councils in pursuit of the objectives of the shared JRWMS.

- 5.2 The letters of assurance from each District Council setting out how much they have spent, or plan to spend and confirmation that this is or will contribute to achieving the shared objectives of the JRWMS mitigates the risk that the monies would be applied to purposes other than that which they were allocated for, and which would be beyond the powers of this Authority. The report to Members on this process provides Members with assurance that there are appropriate checks and balances in place to ensure that the monies are spent in accordance with the shared objectives of the JRWMS.
- 5.3 The requirement for letters of assurance to be sent to the Authority each year and reported to Members satisfies the Authority's obligation to ensure that the monies are spent according to the shared objectives of the JRWMS.
- 5.4 In the event that a Council, or Councils were unable to commit the funds to these shared objectives there would need to be consideration of how the funds should then be returned to the Authority.

## **6. HR Implications**

- 6.1 There are no HR implications associated with this report

## **7. Environmental Implications**

- 7.1 By committing funding to the development of their local waste collection services the individual councils are committing to the achievement of shared objectives under the JRWMS.

## **8. Financial Implications**

- 8.1 The financial implications are included in the body of the report. A sum of £28.9M was redistributed to constituent District Councils under the terms of a MoU which committed them to spending the monies in pursuit of the shared objectives of the JRWMS. In the event that the Councils do not spend the monies on schemes aimed at achieving those shared objectives, or do not plan to, then the Authority will have to work with the Councils to return such unspent monies to the Authority.

## **9. Legal Implications**

- 9.1 If a Council, or Councils are unable to meet the terms of the MoU the Authority will have to work with the Council to seek the return of monies which were redistributed, as the distribution was only possible under those terms as set out in the shared legal advice taken before the Waste Development Fund was distributed.

## **10. Conclusion**

- 10.1 This report meets one of the Authority's obligations under the terms of the MoU with District Councils regarding the distribution of the Waste Development Fund, by reporting to Members on the assurances provided by each Council that the funds have been used to support the shared objectives of the JRWMS.

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The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.