



# LOCAL PARTNERSHIPS

The public sector delivery specialists



## PARTNERSHIPS AND EFFICIENCIES REPORT FOR LONDON

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## Introduction

As a result of the 2011 Spending Review, local authorities are required to identify considerable budget savings over the next three to four years. Authorities are already developing strategies to deal with this and many have started to implement efficiencies and cuts in staff and services as a result of budgetary requirements. One of the challenges for local authorities is to continue to deliver good quality waste services, building on current levels of performance in areas such as recycling, whilst at the same time delivering financial savings.

A recent study by the Association for Public Services Excellence (APSE), State of the Market Survey 2012 – Local Authority Refuse Services, found in response to the question, 'What efficiencies are you currently working towards or proposing?' the main areas identified to deliver savings where:

- ▶ Changing working days (e.g. 4 day week), shift patterns (e.g. double shifting), ending task and finish and staff reductions
- ▶ Route optimisation
- ▶ Changes to collections (comingling, communal collections, alternative weekly collections, type of containers)
- ▶ Review of transport/type of fleet/increasing capacity of vehicles
- ▶ Introduction of income streams (trade waste, bulky waste, green waste, replacement bins, schools/charities)
- ▶ Removal of garden waste collection during the winter
- ▶ Review of bring banks

To help authorities to meet this challenge, the London Waste and Recycling Board (LWARB) launched an Efficiencies Programme offering strategic support to assist London waste authorities to deliver savings in existing waste services and in some cases deliver additional services to the public. During 2012 LWARB and Local Partnerships (LP) jointly launched a programme of One to One interviews with London authorities in order to: identify current authority initiatives to reduce their budgets; promote LWARB programmes offering further support; and, identify the potential of partnership initiatives to deliver savings.

This report details the findings of the review, undertaken with the considerable help of London local authority Officers. It highlights a number of good practice examples that, in accordance with LWARB's objectives, will lead to further efficiencies being delivered across London. The report identifies where partnership working has been successful, highlighting where authorities have addressed and overcome the challenges to working more closely together and also identifying the potential of partnership initiatives to deliver savings; examples are given in the main body of the report and in more detail in Appendix A. Examples are also provided where individual authorities have achieved more efficient ways of working and delivering their own services. The responses given have not been audited in any way and therefore the information presented in this report is based on the information that the authorities themselves kindly provided.

In addition LWARB together with LP launched a programme to provide specialist support for authorities to develop partnerships working to deliver major savings



in waste budgets. The key areas of support provided by LP under the Partnership programme include: facilitating meetings between waste authorities looking to, or establishing joint working; scoping projects including option appraisals; contractual, legal and procurement expertise; and, developing governance structures to promote partnership working. Jointly funded by LWARB and LP, the offer and delivery of any of the above support is available at no cost to all London authorities whether they are DSO, contracted, or a mixture of both.

The report describes the specialist support to develop partnership working which has been delivered in 2012/13 and provides details of the support offered for 2013/14.



## LWARB & LP Review – 2012/2013

### One to One meetings with London officers

Local Partnerships carried out a series of One to One meetings throughout 2012 aimed at delivering the following objectives:

- ▶ Identify current authority initiatives to reduce their waste related budget costs
- ▶ Promote LWARB programmes offering further support
- ▶ Identify the potential of partnership initiatives to deliver savings

A pro-forma was prepared and front loaded with as much information as possible using contract information held by LWARB. All 37 London authorities (includes WCA and Statutory Joint WDAs) responded to the request to participate in the programme and were subsequently interviewed. During the One to One meetings the pro-forma for each authority was updated with the information given by waste officers. The pro-forma was then sent to the authority for validation. It also identified areas where partnering opportunities could be explored and where support could be offered under the LWARB Efficiencies Programme e.g. waste reviews, the iESE framework and from the menu of support offered jointly with WRAP.

A section of the pro-forma asked for the views of Officers on partnership working, specifically the advantages and barriers (both real and perceived) to working with other authorities. This is discussed later in the report.

As a result of the findings from the One to One meetings, LWARB and LP pooled their resources to assist London authorities in exploring partnership working and service sharing opportunities to deliver efficiencies which may, potentially, help authorities across the UK in addressing the same challenges.

### Partnership Working

#### Overview

Authorities are keen to reduce waste service costs, but delivering efficiencies and a value for money service through working in partnership remains a challenging area.

The LGA recently released the “Services Shared: Costs Spared?” report which provides a detailed analysis of five high profile shared service arrangements and provides evidence of clear financial benefits and other additional advantages to joint working at this level. However, for many authorities the challenges to working together and in particular a real uncertainty in how to successfully address these challenges can hinder progress. Uncertainty as to how to address these challenges may explain, in part, why working in partnership to deliver waste services was not identified by Officers in the national APSE study as one of the core areas where savings could be delivered, despite mounting evidence to the contrary.

Within London, whilst accepting the delivery of shared treatment and disposal solutions across a number of authorities, evidence of progressive partnership working in relation to procuring equipment, services and collection focused activities is relatively limited with only a small proportion of the 37 authorities effectively working together to deliver waste and recycling services. Within the



One to One interviews there was clear recognition of the potential benefits of working in partnership; however a number of challenges were also identified. A summary of the responses to the two questions posed to Officers in the One to One interviews, focusing on their assumptions and experiences of working in partnership, is as follows:

### **What benefits, if any, do you see in working in partnership?**

- ▶ Economies of scale/ critical mass in procurement (collection and treatment)
- ▶ Reduced costs/ overheads related to shared infrastructure procurement and maintenance
- ▶ Reduced instances of duplication of effort, i.e. instead of going out to tender five times do it collectively once
- ▶ Potential for optimised operational productivity
- ▶ Better Savings (more substantial) potential to the Market, leading to overall better value for money
- ▶ Harmonisations of services and the introduction of cross cutting policies could result in the generation of major savings
- ▶ More effective use of internal resources as a result of joint procurement, avoiding duplication and maximising shared expertise available
- ▶ Joint communications/publicity likely to be more effective when done collectively (e.g. which materials to recycle)

### **What problems do you anticipate or have experienced in working in partnership?**

- ▶ Overcoming political barriers and lack of political buy-in; Members are keen to retain control of Borough services that impact/interact directly with residents. In addition differences in political priorities make it challenging
- ▶ Differences in operational methodologies
- ▶ Obtaining consensus, including working within contractual restraints and different cultures and procedures across partners
- ▶ Agreeing Governance arrangements and the potential loss of control over local services
- ▶ More complicated decision making and signoff requirements
- ▶ The challenge of all partners seeing the big picture and understanding issues accurately, coupled with differing local priorities/ expectations and needs to be met
- ▶ Resources to support the work of the Partnership, both financially and in terms of available Officer time and the challenge of prioritisation of delivering required legislative outcomes over policy aims
- ▶ Difficulties in being able to demonstrate the value of 'invest to save' potential of partnership working

The vast majority of responses were very positive to working with other authorities, and an increasing number who are exploring the opportunities available to them, are taking clear and positive steps to address the challenges they face.



A strongly held and genuine concern is that the integration of waste services will result in less direct control of services and the perceived loss of 'sovereignty'. Integral to this is the fear of potential local job losses arising from efficiency gains, as waste services are seen as an important source of local employment opportunities. However, a number of authorities are now considering the role of shared services to deliver efficiencies in securing and protecting jobs and indeed services in the medium to long term; this can be especially relevant for those authorities with DSO arrangements. Where sovereignty remains an issue, even where a number of authorities do not wish to integrate front line services, there are still potential benefits for authorities to work in partnership to deliver some specialist services to the public. A good example of such a service is the collection of small items of household hazardous waste for London authorities administered by the City of London. 31 of the 32 London Boroughs pay to be part of this service which has been operated by the City of London since 1997. With such a small, albeit important waste stream, coming together like this provides economies of scale in collection and treating hazardous waste from 31 boroughs, maximising efficiencies in the design and operation of collection routes and ensures a standardised service is in place across London.

Capacity to fully explore the options for partnership working can be a real challenge and requires significant prioritisation of resources for local authorities that are currently stretched in delivering their existing services. During the One to One interviews it was identified that some help may be needed to initiate and later implement the process to deliver joint working and efficiencies. A particular area of concern is for those local authorities who are using considerable resources to deliver major residual waste solutions as well as continuing to carry out their 'day job'. In addition, a need for 'specialist technical support' was identified to assist some partnerships in undertaking options appraisals and developing business plans to identify cost benefits, and also to evaluate the various procurement options available and potential governance structures to deliver a partnering approach. As a result, authorities have to prioritise their resources and the realisation of joint cooperation in other areas may be delayed unless additional support can be offered. LWARB and LP have developed and jointly funded a programme of support, that offers specialist technical and commercial support to assist authorities, at no cost to the authority, to develop their partnership options.

## Steps to partnership working

A brief outline of issues authorities should consider and the types of questions they should be asking themselves when contemplating partnership working includes:

- **Overall Aim and Objectives of the Partnership**

Is it clear what your authorities are trying to achieve through the partnership?  
Is it budgetary savings; improved performance; additional services; or a combination? Do all partners agree to the overall aim and objectives?

**It is important that a consensus is reached in terms of the ongoing direction of the partnership and all partners are clear as to what that shared mission is.**



- **Timescales for Delivery**

Is there a joint timeframe that you need to adhere to? Is it dictated by the circumstances of one or more of the partners, for example outsourced contract expiry date or deadline related to a specific procurement requirement? Is there any flexibility to this timeframe or is there a fixed end point by which you need to deliver?

**Make sure everyone is comfortable with the pace of change and joint timetable is agreed. Partner authorities may consider incremental changes to their procurement timetable to not only align procurements, but ensure that proper engagement and participation with stakeholders can take place.**

- **Commitment to Progress**

Is there commitment at the highest level for the joint working? Has sign off been achieved at Senior Officer/Member level by all Partners and a project management plan agreed? Has the level of Member awareness and understanding been evaluated to enable you to identify and deliver support and guidance where appropriate? Is there a scrutiny role?

**Obtaining political commitment is fundamental to establishing a successful partnership.**

- **Governance arrangements**

Has governance for the process been agreed? Is there a Memorandum of Understanding (MoU) or an Inter Authority Agreement (IAA) which all partners have signed up to?

**Successful Partnerships have adopted a mission statement (or MoU or IAA), with political commitment.**

- **Identification of Opportunities**

Has a business plan been developed to present to Senior Officers and Members? Is it well evidenced? Does it validate the case for partnership? Does it include an options appraisal? Is there a clear Action Plan for progress supported by a monitoring protocol? Have Partners declared any absolutes in terms of the service they require or identified any areas they are not prepared to deliver jointly?

**Identifying the 'no go' areas at the beginning of the process is critical and should maximise acceptable opportunities for all partners.**

- **Levels of resources available (financial and expertise)**

Are there adequate resources committed (financial and personnel) to deliver the joint working arrangement?

**To sustain the long term future of the Partnership, its ownership should remain with the authorities. Additional/external skills should be brought in to support the development of the Partnership rather than lead it.**

Are all Partners contributing to the resource?

**Sharing the costs to explore future savings can keep financial expenditure for individual authorities down to a minimum; however the potential**

**benefits do need to be identified during the early stages to gain confidence of partners that the costs are worth it.**

- **Communications and Stakeholder Engagement**

Is there a Communications Plan and agreed 'lines' for Officers and Members to ensure the same message is delivered at all times?

**Communications can both deliver or damage joint working if not handled appropriately. An open approach is required, so that each party is fully aware of the approach to communications and there are no surprises.**

## Examples of Partnership Working Across London

Across London there are four Joint Waste Disposal Authorities (East London Waste Authority, North London Waste Authority, West London Waste Authority and Western Riverside Waste Authority) providing treatment and disposal solutions for their constituent authorities. In addition a partnership of four unitary authorities, the South London Waste Partnership, has successfully developed joint treatment and disposal for its partner authorities.

Whilst progress in joint delivery of waste services outside of treatment and disposal has been slow there are a number of excellent examples across London where partnership working has resulted in significant financial savings and wider benefits.

Realising the benefits of sharing expertise and reducing senior staffing costs, Hammersmith and Fulham with Kensington and Chelsea are the first authorities in London to have a joint Head of Service covering both authorities and along with the City of Westminster they are committed to look at joint working across all services. That said however, currently they are not actively looking at joint working across their collection services.

Recognising the value of framework contracts in bringing value to all authorities involved, Hillingdon is currently leading on a framework contract for the six WLWA boroughs for graffiti and fly-posting removal. Being part of this framework has reduced stand alone procurement costs and recent re-tendering has reduced the cost of the service.

Addressing the challenges posed by staff resource capacity, the West London authorities have created a programme, administered by West London Waste Authority, which provides the constituent boroughs the opportunity to use officers from other boroughs as a resource to enable them to undertake engagement work that may not currently be possible within their own staff availability. Through this initiative West London authorities can buy in qualified and experienced staff, outside their normal working hours, from neighbouring authorities, to assist on engagement work with residents to achieve their objectives for waste prevention, reuse and recycling. This shared expertise programme gives boroughs the opportunity to access highly skilled staff who already have local knowledge and known abilities. It can also add value in that it helps staff development, as undertaking this work will give them varied opportunities to develop their skills and knowledge.



In addition to the joint working currently underway, a number of partnership projects have been supported in 2012/13 and a further group have been identified for support in 2013/14. This is discussed further, below.

## Supporting Partnerships in London

### Partnership projects 2012/13

A direct outcome from the One to One meetings was that LWARB and LP agreed to offer support to a number of London authorities in the last six months of 2012. These were:

#### *West & North London*

The London Borough of Brent sought support to help them establish potential partners for procuring waste services, and to provide a workshop for potential partners to establish a high level view of the synergies that already exist, or could in future. Identifying three other interested authorities – Barnet, Hounslow and Richmond LBCs – a high level data set was established prior to a facilitated workshop.

The workshop, facilitated by LP, established a better understanding of the key partnership building blocks, such as timeframes, resource requirements, leadership and governance, and alignment of services and policy aims. It helped in clarifying the 'red lines' in some of these areas, and in particular the procurement options, timeframes and service alignment, which led to an early understanding that the potential was more aligned to a 2+2 approach rather than a four way partnership.

This has partly been the case, with Hounslow and Richmond continuing to pursue joint options (see below), but ultimately the requirement for Brent to let a contract by April 2014 and the decision by Barnet to retain the services in house has not resulted in a partnering approach at this time. However, Brent, once the procurement is completed and the contract mobilised, will still be looking at options and opportunities to undertake joint working in other areas. The support provided by LWARB and LP helped to clarify the potential opportunities available to the authorities but also highlighted the challenges that would need to be addressed in the future, specifically the need to align procurement windows at the earliest opportunity and also the need for consensus and shared aims in relation to service delivery and policy.

#### *Hounslow and Richmond*

LB of Hounslow and Richmond has looked at the partnering potential for some time, and were keen to explore the options and gain experience and knowledge from the four borough project discussed above. When subsequently it became evident that a four way partnership would not materialise, they continued to work together and sought further support to assist them in refining the synergies that existed and that could potentially be developed in a joint procurement approach. The fact that contract renewal dates are about a year apart is not seen as an issue that cannot be overcome.

LWARB and LP support initially facilitated a meeting that gave the partners confidence that, given the right conditions, joint procurement was a feasible option, and that there are a number of procurement routes that could meet their needs. Subsequently LWARB and LP produced high level modelling options



for the authorities and supported a further workshop which has assisted the authorities in having a strong arrangement to continue with a joint approach.

### Direct Support Programme 2013/14

Direct support to authorities to deliver efficiencies through partnerships is crucial for local authorities and LWARB and LP will offer support over 2013/14 to waste authorities who are considering or who are working together in partnership.

The following is a general brief covering some of the areas where we are providing support.

A core area of support is aimed at stimulating greater activity in the area of joint working by identifying savings and efficiencies that could result at the earliest stage of project initiation and before going to a full options appraisal. In effect, if savings are identified as part of an outline business case in any waste service, local authority officers can use this information to inform Members and Senior Officers.

**The key building block to deliver joint working has to be a commitment from Members and Chief Executives to lead and 'champion' the process to its conclusion.**

This reflects the need for many authorities to identify any potential cost savings to secure political buy-in in order to advance joint working proposals.

Acting as a 'critical friend' to assist local authorities as they develop a partnership approach will be another key area where LWARB and LP support will be offered through the Efficiencies Programme. In particular to make sure that all options have been addressed robustly and that good practice developed by other authorities across the country and from LPs considerable experience, has been identified and explored before making the case to Members.

Support is available from other programmes such as Defra's Waste Infrastructure Delivery Programme (WIDP) which is partially resourced by Local Partnership and Infrastructure UK (IUK) personnel offering support to in excess of 30 authorities. This proposed support offers the opportunity to identify any spare capacity in waste treatment facilities across the country and match that spare capacity with authorities seeking to find outlets for residual and other waste streams potentially offering significant savings for all the authorities involved.

### Partnership projects identified for support in 2013/14

The first full year of the programme has started off with support agreed for four South London Authorities; Croydon, Kingston-upon-Thames, Merton and Sutton (the South London Waste Partnership) to assist in the development of a joint business case for the purpose of obtaining sign off and commitment from Senior Officers and Members in 2013.

LWARB & LP will be working with the South London Waste Partnership, providing support to overcome some of the challenges that Partnerships face in moving forward. Clearly lessons have been learnt from earlier partnership working (and these are highlighted later in the report) and it is recognised that even where there is a clear willingness to further develop joint arrangements, there may not be the capacity or skills to take things forward in the timescales available. It again



highlights the value of the LWARB and LP programme to provide additional resource and capacity to authorities (such as the South London Waste Partnership) to ensure that the joint business case can be developed.

## Examples of other Efficiency Initiatives

It was clear from the One to One meetings that every London Authority is keen to reduce waste service costs, whilst at the same time try to provide further improvements in services to the public and local businesses. Excellent examples were identified across the Capital and although individual case studies are highlighted in Appendix A, a few examples of the areas addressed are identified here.

### Strategic reviews

- ▶ Strategic review of all aspects of the waste service, including staffing structures and costs, operational systems and service delivery, vehicle use and financing

The London Boroughs of Haringey and Tower Hamlets are just two of the authorities who looked at the challenge of reducing budgets by developing a strategic review of all its waste services. This delivered major savings of over a million pounds per annum through whole service changes including staffing structures, operational delivery of the service and vehicle leasing, all of which could be replicated in other authorities, particularly those who have gradually developed and changed many aspects of their waste services on a more piecemeal or ad hoc basis.

### Collection Service Reviews

- ▶ Collection service reviews to include collection systems, frequency, and route optimisation

A significant number of authorities have reviewed their collection services and realised considerable savings and avoided costs, focusing on optimisation of rounds, collection systems, vehicle use, staffing etc. These include the following examples:

- ▶ Barking & Dagenham have streamlined their collections, delivering improvements in levels of service and subsequent staff reductions have led to £2million per year revenue savings
- ▶ Barnet delivered £1.3 million savings in 2011 through reducing its fleet and operatives, and a further £450k in savings is projected in 2012/13
- ▶ Bromley achieved savings by moving from a weekly to a fortnightly refuse collection, combined with the introduction of weekly food waste collections
- ▶ The City of London, using the competitive dialogue process, made contract savings of £868,000 through changes to the service and the sale of its commercial waste contract
- ▶ Haringey also used competitive dialogue and an output-based contract allowed for complete review of service and lead to major savings being delivered of around £2 million per annum over the 14 year term of the contract

- ▶ Newham has focused on collection round reorganisation, a robust trade waste enforcement, less reliance on agency staff and adoption of a double-shift approach to the use of waste collection vehicles, all of which has resulted in avoided costs of £1 million
- ▶ Sutton, reconfiguring its waste and recycling collection system and moving to a double-shift arrangement incorporating Saturday into the working week, has contributed £500k to the £1 million savings target placed on the service
- ▶ Wandsworth achieved over £1m savings primarily through reducing the collection frequency for flats above shops and on one estate to weekly (from nightly and thrice weekly respectively), cessation of an under-used chargeable garden waste composting service, reducing the frequency of recycling sack deliveries from quarterly to annually and reducing the number of sacks scheduled to be delivered each year from 120 to 90 per household

### **Contract negotiation**

- ▶ Reviewing existing contracts including extensions, indexation, exemptions and additions

Delivering efficiencies through reviewing existing contracts has been realised by a number of London authorities, including:

- ▶ Changes to contract payments, to a month in advance secured £100,000 for Bexley
- ▶ Bromley successfully negotiated an extension to its current contract by three years, resulting in savings of £1 million per annum, plus a change in indexation payment was negotiated from RPI to CPI leading to a substantial annual saving. They targeted four core areas where savings could be made, while enhancing services, including extending the vehicle contract from 7 to 10 years, expanding its textile operation and setting up an enhanced payment for certain recyclables
- ▶ Redbridge also successfully agreed a contract extension for a further five years and achieved a reduction in contract price of nearly £100,000 per annum; this saving is also subject to the annual rate of uplift

In terms of Contract Extensions, in Lambeth service reviews plus early agreement on a 7 year contract extension has resulted in almost £6 million in savings over the life of the contract and Tower Hamlets has made similar savings through negotiation of the contract extension reducing its uplift costs down to 2.5% and no variation orders for additional collections.

Savings have also been made in relation to vehicle contracts. Changes to vehicle leasing have saved Barking and Dagenham £460,000 per annum, similarly Bexley have secured £150,000 by extending the life of their vehicles from 7 to 10 years.

Further details and specific examples of where efficiencies have been delivered are in Appendix A.



## Lessons learnt – partnership working

Despite the challenges to partnership working identified in this review (and they should be set against the potential savings and efficiencies that they can generate), Authorities across the country are moving forward and more partnering opportunities are being explored and a number of joint waste strategies are being delivered upon where progress can be measured. However, a number of key elements need to be addressed to enable joint working to occur successfully.

### Capacity

The development of a long-term, strategic approach to partnership is often hindered by a lack of officer capacity as the 'day job' has to be covered, particularly where further cuts in staffing and/or resources are required. **Sharing resources between partner authorities is essential as is committing resources to support the process.**

There is also additional support available through the LWARB Efficiencies Programme, delivered in partnership with the Waste Resources Action Programme (WRAP), Local Partnerships (LP) and Improvement and Efficiency South East (iESE). The Efficiencies Programme includes the following workstreams: Partnership Working / Service Sharing (discussed in this report), the Efficiency Review Fund, Joint Procurement, Good Practice Tools and the Waste Management Services Framework. We would like to encourage all Boroughs and JWDAs to take advantage of the support available. Further information is available from [lwarb.gov.uk](http://lwarb.gov.uk)

### Communications

Messages, whether internal or external, from Members or Officers, have the potential to drive a project forward or derail it. To avoid the latter there needs to be a consistent approach to communications and protocols agreed such that the messages are delivered consistently by all parties with every authority involved. Naturally there will be some differences in relation to internal reporting for some key areas, as the outcomes may have different impacts on each authority; but the default position should be that reports resulting in key decisions should be shared and common to all authorities. **An open approach is required, so that each party is fully aware of the approach to communications and there are no surprises.**

It is helpful to agree a set of 'lines to take' or protocols so that messages are the same from whatever angle they are given, and anyone questioned or giving information can be confident that they are promoting an agreed approach.

### Direction

Partnership priorities and focus do change over time, and it may be that the partnership has achieved its original purpose, for example strategic development, performance improvements, PFI and has reached a crossroads in terms of future direction. In some cases there may have been a lack of ambition for the partnership in terms of its vision, aims and objectives limiting its long term achievements. **What is important is that a consensus is reached in terms of the ongoing direction of the partnership and all partners are clear as to what that shared mission is.** A lack of unity in terms of long term direction can undermine a Partnership and lead to feelings of mistrust and frustration.



## Culture

Differing local ambition and concerns over loss of control by politicians sometimes results in fears of a perceived loss of sovereignty, and the partnership process can falter. Many partnerships had not openly discussed areas where the partners were not ready to go, particularly in terms of sovereignty risk. **Identifying the 'no go' areas at the beginning of the process can avoid wasting time and resources and essentially maximise acceptable opportunities for all partners.** These 'no go' areas can be re-visited from time to time during the process to test that they still apply as different options for change emerge. It is also critical for market confidence to be seen as having a strong commitment in terms of openness and trust between the parties and having these discussions should mean that there are no surprises further down the line and all partners are comfortable with the way the partnership is progressing.

## Finance

Financial restrictions that can arise during the annual budgetary cycle can be addressed by establishing a pooled financial pot for the sole purpose of financing the joint procurement over its timeframe.

In the early stages, attempts to develop partnership working can feel constrained by a lack of sufficient financial resources, as exploring the potential savings that can be delivered through joint working requires some level of investment. If there is no funding available to cover the technical and financial expertise required then early financial commitment by all potential partners is needed. **Sharing the costs to explore future savings can keep financial expenditure for individual authorities down to a minimum, however the potential benefits do need to be identified during the early stages to gain confidence of partners that the costs are worth it.** It is worth noting that experiences elsewhere have shown that the actual set up and integration costs for merging services may be more modest than authorities perceive, particularly compared to individual procurement costs, and with a short payback period; this needs to be borne out in the business case which will require a resource to support its development.

Finance Officers need to be brought into the process at the earliest possible stage; gaining their input can be invaluable and can build up trust with Members and Senior Officers that the financial viability of the Partnership is being rigorously tested and continually developed.

## Skills

Whilst local authorities have access within their personnel to an excellent range of skills it is critical to ensure that the skills held are employed well and where there is a need for additional or more specialist skills to support a project that they are not ignored or under resourced. **However additional skills should ideally be brought in to support the development of the Partnership rather than lead or drive it forward; ownership internally is essential to sustain the long term future of the Partnership.** If the leadership and drive is mainly external, then once that is withdrawn the longevity of the Partnership could be in question. In addition, in the current tight fiscal environment it is essential that as much support is given in transferring and retaining knowledge within the partnership; resources used to help the partnership to progress should be effectively channelled to support the partnership developing from within.



In addition to the technical and specialist skills required, many partnerships who are used to managing their own political processes find it challenging to concede strategic leadership to another authority and external support is often required to go through this process. In this instance case studies and experience from other partnerships can be invaluable to provide confidence.

### Performance

There is a concern amongst some waste authorities at both Officer and Member level, that current and future performance may be capped or even reduced through a partnership approach. However, there is little evidence of this; **on the contrary sharing expertise and resources and implementation of good practice across the partnership generally leads to improvements in overall performance for all partners.** The Vale of White Horse and South Oxfordshire adopted a shared approach to their recycling services in 2009/10. The latest performance figures for 2011/12 place them top of the league for local authority recycling performance in first and second place. There has been a considerable increase in performance from 36.10% in 2008/09 to 68.7 per cent of waste recycled or composted in the Vale of White Horse in 2011/12. Similarly in South Oxfordshire there has been a significant increase from 44% in 2008/09 to 67.9% of waste recycled or composted in 2011/12. This places them as the highest recyclers in the Country.

### Political will

**Much of the progress made in partnerships has been made through a political commitment at the highest levels e.g. Leaders, Portfolio holders, to actively engage in investigating a partnership approach.** This has been the case with a number of authorities addressing residual treatment such as South Tyne & Wear and South Waste Devon. In the area of front line collections services there are examples such as East Kent authorities, East Sussex, and Lichfield & Tamworth, amongst others, but although increasing in number across the country, projects in London are only now starting to emerge. Whilst much has been done by authorities in terms of partnership working in London in areas other than the environment, for example in social services and education, and also in relation to provision of large waste infrastructure relating to treatment and disposal (in South London), the perception of waste services in relation to collection is one where the authority is seen as the sole provider. However, as the case studies and examples featured in this report demonstrate, progress, albeit it rather slow, has started to be made in the last twelve months.

### Timescales

Time is a critical factor, both in the management of information and decisions, and contract renewal dates (in relation to private sector contracts). Cabinet cycles and electoral cycle have to be taken into account in all agreed programme plans, as Members do change and this can mean that key champions for the partnership can be lost. **To ensure that the pace of change does not leave key stakeholders behind, partner authorities may embark on a considered incremental change to ensure that proper engagement and participation takes place.** Aligning or managing differing contract renewal dates is possible, but does need careful consideration to ensure that risks are shared throughout the process.



## Trust

Trust needs to be established between Officers and Members within individual authorities, and across the partner authorities, many of whom may never have engaged fully before for example Member workshops have been found to be a key essential to getting partnerships off the ground. **A successful approach adopted by local authorities is to have a shared mission statement (or MoU or IAA) – something that is adopted at the highest level between the partnering authorities and forms a commitment to progress.** It provides the partnership with some resilience to changes in sponsors that usually occur during the partnership's gestation, either at officer or member level, or both.



## Summary

Partnership working in waste is still not being fully explored by many London waste authorities, despite many of them recognising the positive affect that service sharing would have. This is due in part to the perceived challenges to joint working. A recent report by the LGA “Services Shared: Costs Spared?” (available at [local.gov.uk/web/guest/productivity](http://local.gov.uk/web/guest/productivity)) has stressed the importance of why partnership working needs to be seriously examined. It provides a detailed analysis of five high profile shared service arrangements which between them achieved savings of £30 million: Numerous benefits have been identified and the key findings are:

- ▶ The set up and integration costs for merging services are modest with less than a two year payback period for all the shared services analysed
- ▶ The shared services have all succeeded in providing the same or better levels of performance at less cost
- ▶ These initial benefits are typically delivered rapidly with strong top-down leadership
- ▶ Baseline financial and performance information is essential to make the case for change and track the benefits of shared services in terms of efficiencies and service improvements
- ▶ Expanding established shared services to provide services for other public sector partners in a locality is a useful way to generate income and ensure efficiencies through greater economies of scale

The LWARB and LP partnership support programme offers support in a large number of areas identified in this review and will help in developing and delivering various models identified by authorities, ranging from a fully integrated approach to one of individual partnerships between districts and their neighbouring authorities. Support is developed on a bespoke basis, matching what is offered under the menu of support to the specific requirements of the authorities.

As evidenced in the case studies and examples given in Appendix A Officers and Members have had to make some very difficult decisions due to the fiscal constraints on budgets and one of the core purposes of this document is to communicate in what areas they have delivered these savings, so that others may learn from their experiences and deliver further savings. It is also an opportunity to acknowledge their achievements as any change in service can result in adverse media coverage even where this has led to improved services. LWARB and LP support not only assists authorities in delivering targeting shared services on the frontline, but also looks at joint procurement across all areas in waste and in specific areas ranging from grounds maintenance contracts and utilising spare waste treatment capacity, to finding synergies in asset management across neighbouring London authorities.

Partnership is an area where considerable savings can be made, and there are many case studies available which can demonstrate this. For example the East Kent Joint Waste Project, where the authorities have made changes to deliver more than £30 million of savings over 10 years, has been developed as a case study, along with a number of others, and can be found on [localpartnerships.org.uk/publications](http://localpartnerships.org.uk/publications)



The challenge to work together to deliver more cost efficiency support is there, so if authorities are interested to know more about what support is available to help them work closer together please contact [john.enright@local.gov.uk](mailto:john.enright@local.gov.uk) or [antony.buchan@london.gov.uk](mailto:antony.buchan@london.gov.uk)



## Appendix A

### London Borough of Barking & Dagenham

#### Background

The Authority's waste, recycling, collection services, street cleansing and trade waste services are operated by its DSO. The East London Waste Authority (ELWA) contracted Shanks East London to deal with its waste and recycling treatment until 2027. The Authority has made substantial changes to its waste services over the last three years based on its adopted Waste Strategy.

#### Current status

- ▶ Reductions have been made to the numbers in its collection team from 139 staff to 55 staff (resulting in a reduction of one member out of each team); as a result of measures including the introduction of wheeled bins, which will reduce the amount of manual handling, and changes in operation in terms of double shifting refuse in the day and recycling in the day. These changes have generated savings of £2 million approximately per year revenue
- ▶ A change has been made to the way waste and recycling is collected; under the new collection system, refuse collection takes place in the morning and with recycling collection later in the day. This has also delivered an improvement in levels of service
- ▶ The Authority has also changed to leasing vehicles, leading to cost savings of £460k per annum

#### Lessons Learnt

- ▶ Having delivered efficiencies in its municipal services, the authority now wants to extend this further and has decided to explore its trade waste collections to potentially expand its customer base and is looking at options to deliver the most cost effective way to expand its service
- ▶ Maintain standards and maximise staff resources through authorising waste and cleansing supervisors to investigate and take enforcement action for waste presentation offences
- ▶ Avoid high staff costs through developing a bank of staff to cover absence and thereby eliminating use of agency staff and improving reliability



## London Borough of Barnet

### Background

The Authority's household and trade refuse, street cleansing, and combined green waste and food waste services are delivered by its DSO and its dry recycling kerbside collections and HWRC are contracted to May Gurney until October 2013. The North London Waste Authority is currently contracting for its waste treatment under a 25 – 35 year contract.

### Current status

- ▶ 'One Barnet' is the name for the major change projects running across the council. It aims to make sure that the council can continue to provide high quality and efficient services over the next 10 to 15 years. The One Barnet programme is working to reduce costs, while retaining the quality of services, which in many cases means changing the way in which that service is delivered. The One Barnet programme seeks the best solution for the needs and requirements of the users of each service
- ▶ Using consultancy support from Agilysis and Impower the Authority has looked at the various service options. The Authority has agreed to change from kerbside sort to comingled recycling, introduce separate collections of food waste, and move to fortnightly collections of garden waste. These changes will increase diversion while reducing costs to the Authority. The Authority has also agreed to bring all the services in house following the expiry of the current Recycling Services Contract
- ▶ In 2011, £1.3 million savings were delivered through the revision of its collection rounds spreading its mixed organics collections over six days rather than five, Monday to Saturday, thus reducing its fleet and operatives, and £450k in savings is projected this year as a result of the removal of one refuse round, and reducing night working unless there is a special case

### Lessons Learnt

- ▶ It is vital to consider proposed changes to household waste services from a behaviour change perspective. This ensures that as an authority you have a good understanding of the local acceptability of certain changes, any likely barriers that may need to be overcome, and the potential benefits to the Authority and service users
- ▶ It is important to ensure that sufficient budget is allocated to communications work when making changes to services



## London Borough of Bexley

### Background

The Authority's waste, recycling, trade waste collections are contracted to SERCO until 2020. Its waste disposal is contracted to Cory Environment until 2032.

### Current status

- ▶ Bexley has delivered significant efficiencies through its procurement process. With the award to Serco, it has secured 100k savings per annum through paying for services a month in advance. If the contractor defaults then this will be taken from the following payment
- ▶ £150k per year savings are being made by extending the life of the vehicles provided by Serco from 7 to 10 years
- ▶ The authority is making further income, above an agreed base price, in its paper contract

### Lessons Learnt

- ▶ In the Authority's experience it makes sense to keep recyclables out of their collection contract and retain the material as an income generating asset.
- 

## London Borough of Bromley

### Background

The Authority's waste, recycling, trade waste collections and waste disposal are contracted to Veolia until 2019 and its street cleansing contracted to Kier until 2017.

### Current status

- ▶ Savings delivered have focussed on moving from a weekly to a fortnightly refuse collection, combined with the introduction of weekly food waste collections
- ▶ Bromley negotiated an extension to the current contract by three years, resulting in savings of £1 million per annum
- ▶ Four core areas have been targeted, where savings could be made whilst enhancing services. These were: extending the vehicle contract from 7 to 10 years; the expansions of its textile recycling operation an enhanced payment for certain recyclables. Negotiated a change from an indexation payment based on RPI to CPI, resulting in a substantial annual saving

### Lessons Learnt

- ▶ The changes to services such as the introduction of food waste collections, has increased the recycling rate to 52%; one of the highest in the Capital
- ▶ The service change also led to a fall in overall waste tonnages
- ▶ The diversion of this tonnage from landfill has also assisted in the achievement of government targets



## London Borough of Camden

### Background

The Authority's waste, recycling and food waste collection, street cleansing and trade waste services are contracted to Veolia until 2017. The North London Waste Authority is currently contracting for its waste treatment under a 25 year contract.

### Current status

- ▶ The Authority was able to deliver savings of £1 million per annum in its operating costs through extending its integrated waste contract
- ▶ The Authority has introduced a new IT recording system (linking together two systems: Contender and Echo) to improve its response times to waste and recycling missed collections and ensure vehicle optimisation. This has led to improved services to businesses and residents and potentially will result in efficiency savings when negotiations begin with Veolia on its fleet replacement this summer

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## City of London

### Background

The Authority's waste, recycling and trade waste collections are contracted to Enterprise Managed Services until 2019, and its waste disposal is contracted to Cory Environment until 2025.

### Current status

- ▶ The new contract achieved major savings against local risk budget of £868,000 pa (£434,000 in 2011/12). In part this has been made possible by a reduction in vehicles and labour employed compared with the current contract and the sale of its commercial waste business. Further, smaller, savings have been made as a result of the transfer from the Highways maintenance contract of Cleaning of Non-illuminated Street Furniture, the possible termination of licences for specialist computer systems in favour of using those provided by the contractor and other efficiencies that have become evident as the contract is embedded
- ▶ The contractor has also agreed to hold their tendered prices without adjustment for inflation until April 2014. They will also absorb additional costs that may arise out of general changes to law or regulations (i.e. those that are not specific to this contract or to the contractor)
- ▶ These savings were achieved in part due to the process of competitive dialogue

### Lessons Learnt

- ▶ Competitive Dialogue (although relatively time consuming) was a very useful tool in gaining the efficiencies and innovation demonstrated above



## London Borough of Croydon

### Background

The Authority's waste, recycling, trade waste and street cleansing services are contracted to Veolia until 2018. It is seeking a 25 year contract for its waste treatment and disposal as part of the South London Waste Partnership.

### Current status

- ▶ Split compaction vehicle introduced in 2008 and completely reengineered its operation so it could bring in food waste collections and mixed plastics which meant it was able to introduce new services for residents and reduce costs. This has delivered 600k per annum as reconfiguration of services means it can utilise vehicles that can do both recycling and waste

### Lessons learnt

- ▶ An excellent communication programme is essential in delivering changes to existing public services. One example was the effectiveness in rolling out road shows across the borough to secure responses from residents on the proposed changes to collection services

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## London Borough of Ealing

### Background

The Authority's waste, recycling, food and trade waste collections and street cleansing are contracted to Enterprise until 2027. The West London Waste Authority (WLWA) is currently contracting for its waste treatment under a 25 year contract.

### Current status

- ▶ £4 million saving moving from a free to chargeable fortnightly garden waste collection service



## East London Waste Authority

### Background

East London Waste Authority has contracted Shanks East London to deal with its waste and recycling treatment until 2027.

### Current status

- ▶ Long-term contract is in place, but the ELWA continues to seek greater efficiencies. Most recently, as part of the annual insurance benchmarking exercise, they were able to agree a reduction in their insurance charges, as the contractor was able to secure efficiencies by bundling this across all their PFI contracts to reduce their premium
  - ▶ ELWA also took advantage of the option of a 3 year insurance policy for the same premium as a 2 year policy
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## London Borough of Enfield

### Background

The Authority's waste, recycling, street cleansing, trade and food waste collections are delivered by its DSO. The North London Waste Authority currently contracting for its waste treatment under a 25 year contract.

### Current status

- ▶ Activating a commercial waste initiative to have RCV's collecting commercial waste which will be equipped with on-boarding weighing within a defined area. This will establish the costs of the various types of collection, 1100's to sacks, and provide a real analysis of the true costs of collection. This may lead to an expansion of service and increased revenue for the Authority
- ▶ The Authority is also reviewing the potential to deliver further operational efficiencies through implementation of a whole service IT solution that provides mobile working functionality, enables channel shift and improves management information, whilst delivering a better customer experience



## London Borough of Greenwich

### Background

The Authority's waste, recycling, trade waste collection services are operated by its DSO and its waste disposal is contracted to Veolia until 2027.

### Current status

- ▶ In 2008, a double shifting service was brought in. This is based on 12 vehicles, with driver plus two, offering a service of recycling in the morning, then residual in the afternoon which incorporates any missed collections (projected annual savings £1 million)
- ▶ The Authority delivers further operational efficiencies by having a standardised fleet of RCV's able to collect every container in the Borough. This incorporated a new IT database with mobile unit in every vehicle to record all collections, including missed collections to ensure that all waste and recyclables are collected on the same day
- ▶ Currently looking at a price differential based on a reduced, potential free for recycling for the Authority's trade waste portfolio

### Lessons Learnt

- ▶ A mature relationship is in place with the unions, to ensure that a good service is provided to residents and businesses. This meant that the changes in operations were rolled out with the minimum disruption to the public

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## London Borough of Hackney

### Background

The Authority's waste and trade waste collection, and street cleansing service is carried out by its DSO and its recycling and food waste collection service is contracted to May Gurney but will be taking over by its DSO in 2013. The North London Waste Authority (NLWA) is currently contracting for its waste treatment under a 25 year contract.

### Current status

- ▶ A trial has been undertaken for commingled collection and the Cabinet agreed to change to a fully commingled service from March 2013, integrating all waste services within a single in-house solution which will lead to significant savings
- ▶ Efficiency savings of £500k pa secured through the extension of the recycling collection contract for two years until 2013
- ▶ Bonus payment has now been removed across the Waste Services DSO operation. This was undertaken to regularise the position on salaries and address potential challenge regarding bonus payments
- ▶ Agency commission charges across services have been reduced by implementation of a fixed margin rather than a % element on total wages per operative



## London Borough of Haringey

### Background

The Authority's waste, street cleansing, trade and recycling collection services are contracted to Veolia until 2025, with an extension option of 7 years. The North London Waste Authority (NLWA) is currently contracting for its waste treatment under a 25 year contract.

### Current status

- ▶ The service has been fundamentally altered with residual collection being a fortnightly service, but with recycling and food collections remaining on a weekly basis
- ▶ Major efficiencies in budgets have been delivered and the strategic basis for this was through a 'Commissioning Strategy' carried out prior to procurement. This rigorously examined all procurement options across its public realm and all procurement options ranging from a restrictive procurement to the use of competitive dialogue (CD). From this the Authority developed an output based specification and used this as the basis for soft market testing. CD process was adopted

### Lessons Learnt

- ▶ The contract as a whole has resulted in a saving of £2 million per annum over the term of the contract, above the original Authority target of £1.2 million per annum
- ▶ The success of the Authority's procurement approach was based on securing members sign up to the 'Commissioning Strategy'; using CD to deliver the best value for money solutions for its output based contract and the development of the 'payment mechanism' which very quickly established the areas where the contractor was comfortable with risk (it was felt that the higher the default cost put forward by a bidder, the less likely it was to occur)
- ▶ The move to fortnightly collections is projected to add up to 9% to the recycling rate in the first full year of operation, saving around £300k per annum in collection costs (as part of the total savings quoted above) and an estimated further £600k in avoided disposal costs. By 2015 the contract is expected to deliver a 14% increase in the recycling rate



## London Borough of Harrow

### Background

The Authority's waste, recycling, trade waste collection services and street cleansing are operated in-house. Waste disposal services are provided by the West London Waste Authority (WLWA), which is currently procuring for its waste treatment under a 25 year contract.

### Current status

- ▶ Harrow has a four-year framework agreement for its recyclable materials, with those on the framework called to submit prices each year. Current provider is Viridor. Providers are responsible for collection of materials from the council's HWRC, reprocessing and securing markets for the materials. A new Framework was recently tendered in which the council has established a profit share arrangement covering the sale of the materials
- ▶ The above was tendered using an e-auction methodology
- ▶ Harrow is also a member of the London-wide consortium for the provision of textile recycling services, which has recently been tendered

### Lessons Learnt

- ▶ Harrow believes that establishing a framework for the processing of its recycled materials promotes price competition and is financially beneficial to the council
- ▶ The e-auction proved to be a very effective, interactive method for awarding the contract and ensured that Harrow maximised its financial benefit from the tender
- ▶ Similarly, the council expects the London-wide consortium tender to result in a significant increase in the value of the textiles being processed in the borough

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## London Borough of Hammersmith & Fulham

### Background

Trade waste and street cleansing services are contracted to SERCO until 2015. Western Riverside Waste Authority (WRWA) contracted Cory Environmental to deal with its waste and recycling treatment until 2032.

### Current status

- ▶ Joint service reviews for the waste, street cleansing and enforcement area will be completed during 2012/13, it is hoped these reviews will lead to recommendations for how the services can be made more efficient/enhanced etc.
- ▶ The key budget savings up to now have been in staffing, with the department – Environment, Leisure and Resident Services – now employing a bi-borough Executive Director, Directors and Heads of Services



## London Borough of Havering

### Background

The Authority's waste, recycling and trade collection services are delivered by Biffa and its street cleansing operations are operated by its DSO. The East London Waste Authority (ELWA) contracted Shanks to deal with its waste and recycling treatment until 2027.

### Current status

- ▶ The Authority has greatly reduced its waste tonnage through very proactive enforcement and education
  - ▶ It has delivered savings through contract extension negotiations with Biffa which involved rescheduling waste and recycling collection rounds to adopt a zonal approach (as property numbers had increased previously much of this expansion was 'bolt-on'). Biffa also proposed changes to their fleet and the location of their depot which were acceptable to the Authority and contributed to the savings
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## London Borough of Hillingdon

### Background

The Authority's waste, recycling, trade waste collections and street cleansing are operated through an in house service as it is cost effective, allows for greater control and provides flexibility in any service change. Hillingdon is one of the six constituent boroughs in the West London Waste Authority (WLWA); the waste disposal authority is currently contracting for its residual waste treatment under a 25 year contract.

### Current status

- ▶ Hillingdon is currently leading on a framework contract for the six WLWA boroughs for graffiti and fly-posting removal. The authorities can take advantage of this and reduce stand alone procurement costs. Recent re-tendering has reduced the cost of the service
- ▶ They are also re-tendering the contract to receive mixed dry recyclables collected through the kerbside service. The Council was successful in sourcing funding from the DCLG to construct a bulking facility. This will open up the materials collected to a wider number of MRF operators. New contractual arrangements resulting from this will potentially save the authority £0.5 million per annum and increase the range of recyclables collected through the service

### Lessons Learnt

- ▶ Individual boroughs can provide help to others by creating framework contracts that others can use
- ▶ Awareness of market prices is key to ensuring recycling services operate for the best price



## London Borough of Hounslow

### Background

The collection of waste and recycling, including clinical and bulky waste is contracted to SITA until 2015. Trade waste services are carried out by SITA on our behalf. WLWA are currently in the process of procuring a waste treatment option for the future. Street cleansing services are separate and were awarded to Vinci-Ringway in January 2013, for 25 years.

### Current status

- ▶ A new contract providing a new food waste and plastics service has been introduced
- ▶ The new integrated contract brought together, estates, waste monitoring and client services
- ▶ Prior to this a number of various service providers were in place, but the new integrated approach has improved customer engagement and reduced contract administration costs

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## Royal Borough of Kensington & Chelsea

### Background

The Authority's waste, recycling, trade waste collections and street cleansing service is contracted to SITA until 2021. Western Riverside Waste Authority (WRWA) has contracted Cory Environmental to deal with its waste and recycling treatment until 2032.

### Current status

- ▶ Three service reviews are proposed for the Authority in partnership with the LB of Hammersmith & Fulham. A trade waste review is underway and due to be completed by September, a markets review is due to be completed by October, and a review of waste management and street scene enforcement has just commenced and is due for completion by April 2013
- ▶ The key budget savings to this point in time have been in relation to staffing, with the Environment, Leisure and Resident Services department now employing a bi-borough Executive Director and Director, and bi-borough Heads of Service

## London Borough of Islington

### Background

The Authority's waste, street cleansing, recycling collection and trade waste services are contracted to Enterprise until 2013, and these services will then be provided by its DSO. The North London Waste Authority is currently contracting for its waste treatment under a 25 year contract.

### Current status

- ▶ Through the NLWA procurement, in 2016 an introduction menu pricing system will be in place where income from the sale of recycled materials collected will lead to differential price schemes, taking into account of the annual levy

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## London Borough of Lambeth

### Background

The Authority's waste, recycling, trade waste collections and street cleansing are contracted to Veolia until 2021. Western Riverside Waste Authority (WRWA) has contracted Cory Environmental to deal with its waste and recycling treatment until 2032.

### Current status

- ▶ Lambeth has achieved a significant level of savings against waste collection and disposal in the last 12 months. The main saving was achieved through early agreement on a seven year contract extension with Veolia which will deliver almost £6m of savings over the life of the contract
- ▶ Over £300,000 per year has been saved through ending the free ad-hoc garden waste collection service and replacing it with a subscription-based scheme
- ▶ £30,000 per year has been saved from disposal costs through ending separate collections of offensive hygiene waste and ensuring that GPs take responsibility for sharps collections. Maximising income opportunities from textiles is expected to generate an additional £50,000 per year

### Lessons Learnt

- ▶ For the green waste collection service, take-up exceeded expectations and customers now receive an improved, scheduled service



## London Borough of Lewisham

### Background

The Authority's waste, recycling, trade and street cleansing services are provided by its DSO. In 2011 it signed a new three-year contract to process its collected mixed recyclables with a possible 2 year extension.

### Current status

- ▶ The Authority has saved approx. £600k on previous gate fee costs through its new recyclables processing contract and has increased the materials collected on the recycling service. The authority has also saved on disposal costs of approx. £84k through additional tonnage collected on the recycling rounds
- ▶ Fleet has been replaced by those with a greater given payload, which may lead to a reduction of vehicles on the road or visits to disposal points, which in turn should lead to further savings
- ▶ The Authority is the lead on London's textile consortium to procure a textile framework agreement for up 11 London authorities to utilise from for the period 2013 – 17. Through combined purchasing power, the more authorities that call off from the framework, more income will be generated through the newly awarded Single provider Framework Agreement
- ▶ Working with WRAP to increase throughput and possibly expand services at the Reuse and Recycle Centre

### Lessons Learnt

- ▶ Good planning from the start and setting up a working group with regular meetings ensures that there are clear aims and objectives and everyone knows what the outcome will be
- ▶ It is recommended to draw up a timetable and allow for unforeseen eventualities, such as differing committee timescales, allowing input from officers in different departments across participating authorities and ensuring successful stakeholder management
- ▶ To be part of a collaborative approach has advantages such as shared resources therefore offering efficiency savings, having a tighter specification with the input from all participating authorities procurement experiences, input from independent bodies provides wider industry knowledge and the combined purchasing power has the benefit from more a more competitive response from the market. It may be of benefit to local authorities to adopt a more collaborative approach to procurement for disposal contracts, which would give greater buying power and leverage and therefore more control and influence over situations should, further down the line, contracts face difficulties



## London Borough of Merton

### Background

The Authority's waste, recycling, trade waste collection and street cleansing services are operated by its DSO. Merton is currently seeking a 25 year contract for its waste treatment and disposal as part of the South London Waste Partnership.

### Current status

- ▶ The Authority has carried out a service review of collection and found that moving to six day collections, with staff working 36 hours over four day shift patterns provided major savings in costs. The new way of working was implemented in October 2012
- ▶ The key savings are in relation to vehicles, rather than a reduction in staff. The estimated saving is £540k per annum, with an estimated waste collection budget to be in the region of £3.5million per annum, representing a saving of approximately 15% over this period

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## London Borough of Newham

### Background

The Authority's waste and recycling collection, street cleansing and trade waste services are operated by its DSO. The East London Waste Authority (ELWA) has contracted Shanks East London to deal with its waste and recycling treatment until 2027 under a PFI arrangement.

### Current status

- ▶ Newham has delivered efficiencies by reorganising collection rounds, introducing policies on side waste and number of bins, and enacting a robust enforcement policy on trade waste collections. This has resulted in a reduction of 17 crews to 15 on the refuse rounds
- ▶ The borough has also adopted a double-shifting approach to the use of its waste collection fleet, in order to deliver separate recycling collection services without the need for further vehicle purchases, equating to approximately £1 million in avoided costs. A review of its fleet procurement has resulted in a further saving of 700k per annum
- ▶ Newham has restricted third parties from delivering household waste on its account, and worked with the partner East London boroughs to enact tighter controls on access to the Reuse and Recycling Centres. This has reduced waste by up to 1000 tonnes per month

### Lessons Learnt

- ▶ Added benefit, in that its services are provided by a core staff of 300 DSO staff delivering improved productivity across the board, which has reduced reliance on agency staff
- ▶ Frequent and detailed monitoring of weighbridge data, whilst time consuming, is essential for effective tracking of service performance, and is a key tool for identifying possible leakages of non-household waste into the system. Tighter controls on access to waste transfer sites and HWRCs can also yield significant benefits



## North London Waste Authority

### Background

Two design, build, finance and operate contracts are being procured (integrated waste services including recycling, organics, HWRC's, residual waste treatment and fuel production and a separate fuel use contract). Financial close on the contracts is expected in early 13/14.

### Current status

- ▶ NLWA are supporting a number of Love Food Hate Waste road shows, in partnership with the seven constituent boroughs. Food waste experts will be on hand at the north London road shows, to offer advice on portion control, sell-by dates and storage, smart shopping and to give shoppers some tops tips and rescue recipes on making the most of their leftover food, whilst also saving money. NLWA currently has a substantial budget for recycling/waste minimisation communications in its draft budget for 2012 which will facilitate a move towards joint communications

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## London Borough of Redbridge

### Background

The Authority's waste, recycling and trade waste collection services are contracted to Enterprise PLC until 2019 and its street cleansing service are delivered by its DSO. The East London Waste Authority (ELWA) contracted Shanks to deal with its waste and recycling treatment until 2027.

### Current status

- ▶ In 2010, it was agreed that the refuse and collection contract be extended for a further 5 years from August 2014 to 31st July 2019, due to a reduction in the Contract price of nearly £100,000 per annum. This saving is also subject to the annual rate of uplift
- ▶ In July 2011, following a successful trial, all kerbside properties in the Authority were issued with an additional blue recycling box for paper and mixed card. Communal recycling facilities in flats were also relabelled to indicate that cardboard could now be recycled. The funding for the purchase and delivery of the boxes (approximately £240,000) was paid for by Shanks East London, following a successful business case being presented by the borough projecting an increase in captured material. A further £104,000 of external funding was secured for publicising the scheme, and improving flats recycling in the borough. This meant that the addition of a new recycling service was paid for without additional cost to householders

### Lessons Learnt

- ▶ Since the rollout of blue boxes was completed there has been a 40.47% increase in paper and card collected at the kerbside compared to the corresponding period in the previous year. The level of mixed recycling has also increased by 16.9%

## London Borough of Richmond-upon-Thames

### Background

Waste and recycling collections are contracted to Veolia Environmental Services (VES) until October 2014 on a 'labour only' basis, i.e. the fleet vehicles are owned and maintained by Richmond and supplied to VES. Richmond's Waste Disposal Authority is the West London Waste Authority (WLWA) which is currently contracting for waste treatment on their behalf under a 25 year contract.

### Current status

- ▶ Between 2007 and 2012, Richmond estimates it has achieved efficiencies within the waste and recycling collection contract and related infrastructure of over £1m pa, while increasing the recycling rate from 31.7% to 44.5%. This has been achieved through the introduction of zoned collections, partial commingling of dry recycling, introduction of new materials in collections and use of single body and side tipping pod RCVs to allow co-collection of food waste and dry recycling
- ▶ RCVs replaced stillages to collect commingled glass, cans, foil, aerosols and rigid plastic packaging in a black box leading to a reduction of three crews by eliminating the need to sort onto stillage. Black box crew productivity improved by introducing wheeled 'slave' bins to collect from multiple vehicles before returning to RCV. Additional benefits including increased transfer station productivity due to reduced tipping time of RCVs compared to stillage vehicles, more bulking capacity at site and reduced replacement container requests, outweighing the loss of income from fully segregated material streams
- ▶ In 2010/11, consolidating all auxiliary domestic collections (flats, bring and schools) onto kerbside rounds and therefore eliminating specialist vehicles and spares generated savings of approx £250k pa whilst increasing service capacity. Increased fleet capacity and simplified on site containerisation from seven to two dry recycling bins enabled cardboard and plastic collection at 50% additional flats. Further rounds optimisation since the introduction of twin-stream dry recycling has led to a reduction of a further three rounds and the number of spare fleet vehicles.

### Lessons learnt

- ▶ It is much easier to maximise the efficiency of single compartment vehicles compared to multi compartment vehicles due to the difficulties utilising capacity in each of the compartments equally
- ▶ Moving as many collections as possible to the same generic process, co-collecting materials and using multi compartment vehicles (with or without compaction) can lead to higher crew productivity, particularly where all the materials are tipped at the same local site and where higher load densities can be achieved
- ▶ Retaining ownership of the recycling materials collected and using short term material sales contracts with merchant facilities/ capacity to sell dry recycling materials, allowed Richmond to maximise income from material by accessing the best market prices and take advantage of improved sorting technology as it became available



## London Borough of Southwark

### Background

The Authority's waste, recycling and disposal are contracted to Veolia until 2032 and its street cleansing is operated by its DSO. The Authority's 25 year PFI contract with Veolia Environmental Services includes the provision of waste collection and disposal services in addition to the build of a new Integrated Waste Management Facility for the borough. In October 2010, the Authority piloted an organics and mixed recycling collection service for 10,000 properties in the borough. This included weekly dry recycling and food waste, and a fortnightly residual collection service.

### Current status

- ▶ The authority pays a monthly Unitary Charge to the contractor for the services it receives under the contract, which includes a cost per tonne for waste disposed. It is estimated that over 800 tonnes of additional recyclable waste was diverted from landfill in the first 6 months of the pilot scheme, saving over £75,000 in landfill costs for the authority
- ▶ Food and garden waste is now collected weekly, with dry recycling and refuse collected separately on alternate weeks. This change now means that households now have four waste collections each fortnight instead of the five collections they previously received. 240 Litre wheeled bins for dry recyclables have replaced the boxes that were previously provided for dry recyclables. In addition, internal caddies and compostable bags are provided for organic waste. Properties are supplied with either 23 Litre external bins or an additional wheeled bin (where space permits) for organics waste
- ▶ The Council saw savings of £120k in 2011/12 as a result of the service changes, and is forecasting savings of £140k in 2012/13 and £115k in 2013/14 from the further roll out

### Lessons Learnt

- ▶ The changes made have resulted in positive resident feedback, improved recycling performance and cost savings for the authority led to an expansion of the organics service to 48,000 kerbside properties in the borough in October 2011



## London Borough of Sutton

### Background

The Authority's waste, recycling, trade waste collections and street cleansing services are operated by its DSO. It is currently seeking 25 year contract for its waste treatment and disposal as part of South London Waste Partnership.

### Current status

- ▶ The Authority reconfigured its waste and recycling collection system and moved to a double-shifting arrangements incorporating Saturday into the working week. This change to collection times contributed £500k to the £1 million savings target placed on the service
- ▶ As part of this project Sutton improved its performance by incorporating tools like Webaspx to further improve its collection service and is currently investing in IT improved communications so that its call centre would have direct contact with the collection crews to check, confirm and act upon any missed collections

### Lessons Learnt

- ▶ The importance of engaging with residents in making a major change to universal services is paramount
- ▶ Remain focused after the changes have happened, there is the temptation to think that the job is done on the day of implementation
- ▶ Prepare members and senior officers that there will be a period of reduced service delivery while the changes are being implemented; manage these expectations through regular updates during the bedding in period



## London Borough of Tower Hamlets

### Background

The Authority's waste, recycling and trade waste collections, its street cleansing and waste disposal services are contracted to Veolia until 2017. The Authority stated that it intended to deliver a 20% reduction in its annual budget and to deliver this by working with its contractors to reduce costs across all its public realm services.

### Current status

- ▶ £6 million in savings was delivered through a range of initiatives including efficiencies in street sweeping services, combination of food and green waste collections, commercial waste collection enforcement and alterations to service delivery (move to fee paid sacks) and changes to waste disposal facilities
- ▶ It has diverted the majority of its waste from landfill and is negotiating the use of spare capacity at SELCHP, Southwark, Shanks East London and London Waste. As part of this, savings are delivered in the reduction of transfer and river transport costs (delivering a saving of over £14 per tonne) and the leasing of its waste transfer facility wharf to Cory
- ▶ The Authority has reduced its uplift costs down to 2.5% and no variation orders for additional collections as part of its negotiation of the contract extension. This approach was extended across all other public realm contracts and has resulted in additional savings of over £¾ million per annum

### Lessons Learnt

- ▶ A monthly 'performance board' is now in place with Veolia to agree any changes in service with the objective to reduce service costs and continue to operate within budget
- ▶ Additional efficiencies are being planned, including the introduction of a single IT package that will be used by both Veolia and Council officers and a consolidation of depot facilities. These are being discussed and developed with contractors, rather than in isolation from key experts in delivering local services

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## London Borough of Waltham Forest

### Background

The Authority's waste, trade and recycling collection services are contracted to Kier until 2019. Its street cleansing services are contracted to Kier until 2013. The North London Waste Authority is currently contracting for its waste treatment under a 25 year contract.

### Current status

- ▶ In awarding its current contract it moved from a segregated system to comingled collection using split-level vehicles and the introduction of wheeled bins. This resulted in a reduction of collection rounds and operatives, achieving a saving of 2 million per annum



## London Borough of Wandsworth

### Background

The Authority's refuse and recycling collection services are contracted to SERCO until 2020. Continental Landscapes Ltd has been awarded the street cleansing contract until 2020, commencing April 2013. Western Riverside Waste Authority (WRWA) contracted Cory Environmental to deal with its waste and recycling treatment until 2032.

### Current status

The contract with Serco enabled a negative budget variation, or annual saving, of £937k at 2012/13 prices, equivalent to a reduction of £7.38 on Band D Council Tax. Much of this saving can be attributed to:

- ▶ Replacing nightly refuse collections for households in town centres and along main roads with weekly collections and replacing thrice weekly collections on one estate to weekly
- ▶ Cessation of an under-used, on-request and chargeable garden waste service
- ▶ Switching from delivering 1 roll of 30 orange recycling sacks 4 times annually to 3 rolls once annually

### Lessons Learnt

- ▶ Changes to recycling sack distribution arrangements also produced significant savings in the numbers having to be procured without adverse impact on recycling rates, as many being distributed previously were not being used for their intended purpose
- ▶ Changing from a 6 to a 5 day working week led to increased satisfaction rates by reducing noise of collections in high residential areas on Saturday morning
- ▶ The introduction of split back collection vehicles to collect refuse & recycling at the same time helped to coordinate the main street cleansing operation to follow behind waste collection, thus leading to improved street cleanliness as well as reducing vehicle miles and related carbon impacts



## West London Waste Authority

### Background

The West London Waste Authority is a statutory waste disposal authority working in partnership with the London Boroughs of Brent, Ealing, Harrow, Hillingdon, Hounslow, and Richmond to deliver efficient waste and recycling services which meet the requirements of the waste hierarchy. By agreement with the boroughs the WLWA are the lead for waste prevention in West London and have a team dedicated to encouraging residents to reduce and re-use as well as recycle.

### Current status

- ▶ The seven West London local authorities have created a programme, administered by WLWA that provides them the opportunity to use officers from other boroughs as a resource to enable them to undertake engagement work that may not currently be possible within their own staff availability. Through this initiative West London authorities can buy in qualified and experienced staff, outside their normal working hours, from neighbouring authorities, to assist on engagement work with residents to achieve their objectives for waste prevention, reuse and recycling
- ▶ This shared expertise programme gives boroughs the opportunity to use highly skilled staff who already have local knowledge and known abilities. It also helps staff development as undertaking this work will give them varied opportunities to develop their skills and knowledge
- ▶ WLWA uses this programme to enable attendance at various summer fairs where waste prevention messages are given to residents alongside information about borough waste and recycling services. As lead for waste prevention WLWA has a small team to cover all six boroughs and would not be able to attend as many events without the support of these staff

### Lessons Learnt

- ▶ Working with staff from other boroughs will improve professional relationships and encourage the sharing of good practice
- ▶ Increasing knowledge of the services in other boroughs could also provide an opportunity for joint working and recognition of opportunities



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