



LOCAL PARTNERSHIPS



IDENTIFYING AND DELIVERING EFFICIENCIES IN WASTE

Case Study – The Lichfield & Tamworth Waste
Partnership (Shared services)

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LICHFIELD & TAMWORTH – THE CHALLENGE AND THE APPROACH

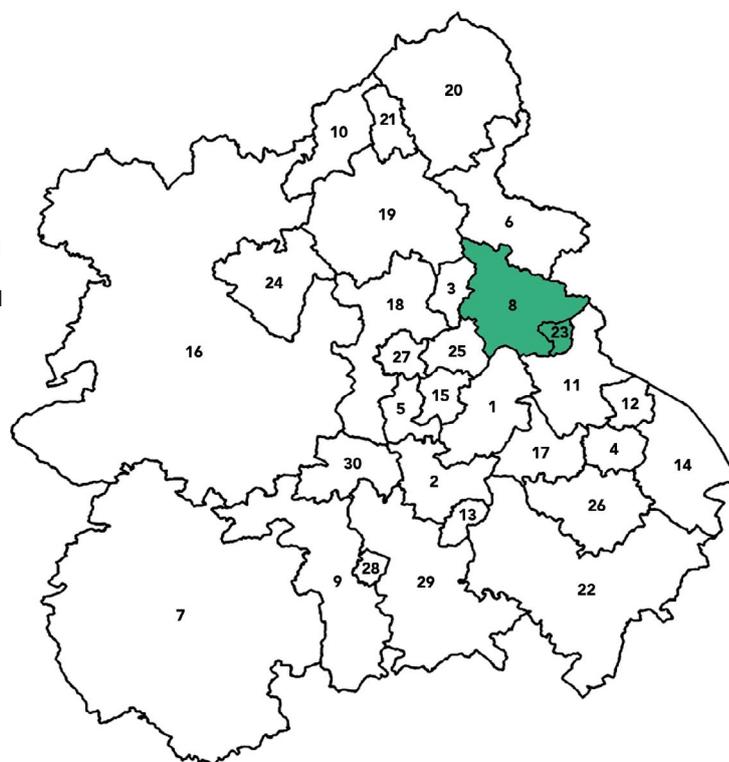
Background

An independent report¹, commissioned by the Staffordshire Leaders & Chief Executive's Group in 2008, made the recommendation to assess the feasibility of potential opportunities for improved effectiveness and shared efficiencies between clusters of authorities within the Staffordshire Waste Partnership (SWP). Whilst all authorities within the SWP initially looked at what was conceptually possible, Lichfield District Council and Tamworth Borough Council identified a number of immediate options for further consideration.

Lichfield and Tamworth are neighbouring authorities (number 8 and 23 on Figure 1), with Lichfield providing collection services for around 40,000 households and Tamworth around 30,000. At the time Tamworth was getting ready to re-tender its outsourced waste and recycling collection service, whilst Lichfield had a relatively good in-house service in place but were looking to make cost savings without compromising the quality of service. There had been some history of joint working between the authorities already, however there was clear commitment from both authorities to see how far their discussions in relation to the waste and recycling collection service could go.

Figure 1: Local Authorities in the West Midlands

- 1 Birmingham City Council
- 2 Bromsgrove District Council
- 3 Cannock Chase District Council
- 4 Coventry City Council
- 5 Dudley Metropolitan Borough Council
- 6 East Staffordshire Borough Council
- 7 Herefordshire Council
- 8 Lichfield District Council**
- 9 Malvern Hills District Council
- 10 Newcastle-under-Lyme Borough Council
- 11 North Warwickshire Borough Council
- 12 Nuneaton and Bedford Borough Council
- 13 Redditch Borough Council
- 14 Rugby Borough Council
- 15 Sandwell Metropolitan Borough Council
- 16 Shropshire Council
- 17 Solihull Metropolitan Borough Council
- 18 South Staffordshire Council
- 19 Stafford Borough Council
- 20 Staffordshire Moorlands District Council
- 21 Stoke-on-Trent City Council
- 22 Stafford-on-Avon District Council
- 23 Tamworth Borough Council**
- 24 Telford and Wrekin Council
- 25 Walsall Council
- 26 Warwick District Council
- 27 Wolverhampton City Council
- 28 Worcester City Council
- 29 Wychavon District Council
- 30 Wyre Forest District Council



¹ Gifford FT (2008), Staffordshire and Stoke on Trent Integrated Waste Management and Collection Action Plan: Report of Gap and Strategic Review Findings. Staffordshire Waste Partnership (<http://modern.gov.staffordshire.gov.uk/documents/s2442/15160-R02-GFT-GAP%20and%20Strategic%20Review%20Findings.pdf>)

RESOURCES

Funding

Funding to the value of £50,000 was given to the developing partnership by Improvement and Efficiency West Midlands (IEWM), with 10 thousand to procure legal advice from Browne Jacobson in developing the joint arrangement and to provide additional HR resources. A number of legal questions arose in the early stages of development, including:

- ▶ would there be challenge if the joint delivery was seen as one authority taking over the others waste collection and therefore subject to tender rules?
- ▶ would the joint delivery be regarded as anti-competitive?
- ▶ how would the TUPE process work when transferring staff from the private sector provider to the local authority?
- ▶ what would the liabilities for each authority be?
- ▶ what would be the most appropriate legal structures and governance arrangements for the joint working?

The funding provided invaluable legal support to ensure that the partners were confident that the approach being adopted was appropriate and above all legal.

IEWM staff also participated on the project Steering Group and provided consultancy advice on key issues relating to Governance, Procurement and delivery of Project Milestones.

In addition £1.3 million was secured from CLG and LAA to fund replacement bins. The additional resources were invaluable and made the transition both in terms of joint delivery and new design of the service happen over a shorter timeframe.

Commitment of Staff

Political and Senior level staff were fully committed to the partnership and what it hoped to achieve and their unanimous support and willingness to deliver the changes required helped to drive the project forward. Although there were a number of political changes as the joint arrangements were being developed, the Portfolio holders stayed the same and this also helped to carry the project through.

Levels of trust between the two leading Directors were high and this was key to ensuring the project continued to develop at the pace required within the relatively short timescale.

Staff within the waste management teams of each authority worked hard throughout the process and they were required to support the development of the service in addition to carrying out their normal duties; all of which they did.

PROCESS

During the initial discussions the Waste Managers from each authority came together and redesigned the collection service across both authorities from the bottom up, ignoring all constitutional boundaries. It was a completely open minded approach focusing on ways to improve the service and the redesign was fully costed and developed into a proof of concept. Tamworth, although currently outsourcing its collection service, had no preferences and it soon became clear that coming together and adopting an in-house approach represented the best and most affordable way forward giving greater control over efficiencies.

A collection trial, across 2,000 households in Lichfield and evaluated by Tamworth, was run using wheeled bins instead of boxes for the collection of dry recyclables. The outcome of the trial was that the proposals for a new joint service would focus on the use of wheeled bins for dry recyclables, as a result of their ease of use and high levels of customer satisfaction and also the quantity of recyclable material collected.

At this stage the potential savings through the redesign as a single joint service for the two authorities were very clear and were conservatively estimated to be around £700,000 per year.

The proof of concept was taken to both Cabinets simultaneously in July 2009 and approval to progress the joint working was given. Reassurance was provided to the Members that the new arrangement would not result in a loss of autonomy on either side. The anticipated financial savings provided a very strong case.

GOVERNANCE

The partnership operates as a Joint Administrative Arrangement (as per Section 101 of the Local Government Act 1972). There are no contractual obligations between the authorities; in essence each authority has simply discharged its responsibility for collection to the other authority.

There is a clear constitution in place which governs the joint arrangements and is effectively a Terms of Reference of how the joint delivery operates. A Joint Committee is in place and is responsible for ratifying all decisions in relation to the budget and management of the arrangement. A dispute resolution process is set out in the terms of reference but this has not been utilised to date and is considered to be unlikely to be used...

A General Manager has been appointed (with Lichfield as the host authority for this position) to manage the operation of the service. Part of the collection service operates on a four day week (running longer days), across 57 urban and 8 rural rounds and is run from one depot. Customer services are provided by one team on behalf of both authorities, with an integrated link (BARTEC Waste Collector System) through to the front line collection teams. Lichfield host the customer service team and provide the vehicles for the collection service (which are jointly branded).

TIMETABLE

Initial discussions, exploring the possible opportunities were held in June 2008 and Cabinet level approval for the proof of concept was given in July 2009. The start date for the joint working was scheduled to be just 12 months later.

A Steering Group consisting of Senior Officers and Members from each authority met monthly, thereby ensuring they were fully engaged with the process.

An intense period of activity followed which included:

Detailed modelling of what the new rounds would look like and how they would be phased in; consideration and development of the most appropriate governance arrangements to oversee the joint service; legal considerations in TUPE transfer of staff and a whole raft of personnel management issues; and,

Development and delivery of communicate strategies to inform residents across both authorities of all the changes to the service.

The joint service successfully went live on 5th July 2010.



EFFICIENCIES

Changing to alternate week collection across the partnership and optimising the route across the two districts has brought a number of immediate savings. A longer working day has been adopted for certain aspects of the service with some collection crews working a four day week, and these factors have had a direct effect on fuel usage, number of vehicles required, and staff costs.

A change in the way the organics collection is resourced has also had an impact on the number of rounds required at different times of the year, which again has had a direct positive effect on collection costs.

In addition, a more efficient (and easier to use) service has resulted in a significant reduction in missed bin calls and therefore reduced the need for collection vehicles to make additional round visits. The BARTEC system has made an immediate response possible and this has had a positive effect on customer satisfaction. The ease of use of the new service has led to a reduction in residual waste presented at the kerbside which has had a positive effect on disposal costs.

Although £700,000 in efficiency savings were predicted in the first year (equating to 15%), the slightly higher figure of £750,000 was experienced across both authorities. Costs per household were reduced from £56 to approximately £44 per annum.

As redundancy costs have now been met and the service has been tweaked as it has been delivered, the annual savings have now risen to just over £1 million. It is anticipated that the savings will continue to rise as there are a number of vehicles in use which are not the most appropriate and once these are replaced the efficiency of the fleet will increase which will bring additional savings.

IMPROVEMENTS IN OVERALL PERFORMANCE

In terms of recycling rates, Lichfield was at 50% before the roll out of the new joint service, and the current recycling rate has increased to 60%. Tamworth has seen an increase from just over 40% to just over 50%. Therefore improvements in recycling performance have been significant for two authorities which were already performing well. In addition for Tamworth there has been a reduction of 50kg per household for residual waste during the first year of the service and this continues to drop.

Customer satisfaction levels are now very high in both authorities with Lichfield recording 92% satisfied or very satisfied with the service, and Tamworth recording 90%.

There has been a significant reduction in the carbon footprint for waste collection, as a result of more efficient route modelling and reduced fuel costs. There has also been reduced congestion with less collection vehicles on the road at any one time.

The success of the partnership working has been nationally recognised and in 2011 the partnership was named Local Authority Team of the Year at the MRW National Recycling Awards. In addition, the partnership was a finalist for awards with the LGC and LARAC.



LESSONS LEARNT (MARCH 2012)

Key factors leading to success

The most important factor for the successful delivery of the partnership was unanimous support from the top down, both in terms of Senior Officers and also Members. All were fully committed and onboard once the project had received the go ahead and this never wavered. This made it easier to deliver in the short timescales involved, helped to secure trust amongst the partners.

The direction of travel was clear and was set out in the proof of concept; the end result was always the focus and maintaining this clear view was essential to keep the project on track.

The resources required to deliver a project like this should not be underestimated, particularly in relation to communications and engagement. Additional resources were secured which did make it easier to deliver in the timescales but there was an acceptance that once the business case stacked up both authorities felt that an initial resource investment was worth the level of savings anticipated.

The need for effective communication, both internally and externally was very apparent and the recommendation is to seek additional support to do this if possible as this can be a significant area of activity.



NEXT STEPS

The partnership remains open to continually explore opportunities to build upon and potentially extend the partnership working in order to realise greater efficiencies. However any changes made will need to be done without compromising the quality of service achieved.

For more information please contact:

Ruth Plant – Director of Operational Services, Lichfield District Council
01543 687540, ruth.plant@lichfielddc.gov.uk
www.lichfielddc.gov.uk

Andrew Barratt – Deputy Director for Assets and the Environment,
Tamworth Borough Council
01827 709453, andrew-barratt@tamworth.gov.uk
www.tamworth.gov.uk

For more information on the Local Partnerships programme of support to waste partnerships, please contact:

John Enright – Local Partnerships Waste Programme Lead for Joint Working
john.enright@local.gov.uk



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Local Partnerships, Local Government House, Smith Square, London SW1P 3HZ
020 7187 7379 | LPenquiries@local.gov.uk | [@LP_localgov](https://twitter.com/LP_localgov) | localpartnerships.org.uk