Collaborative working in waste management for local authorities
Service review and options appraisal template

Disclosure;
The following template is provided by Staffordshire Waste Partnership (SWP) as an example of how to structure a service review and high level options appraisal for waste management services in local authorities, especially when collaboratively working together in partnership. This template is made available to local authorities for free as part of work with the Local Government Association (LGA).

As such, SWP and the LGA, are not liable for any work conducted within this template and accept no legal responsibility for any assessments conducted using this template.

Document template

INTRODUCTION
Aim

- Purpose of this review / considering options – for example, financial, performance related or political will?
- Note the key drivers for change
- What is the remit of this review? Limited to waste collection / disposal / processing? Also include other environmental services, such as street cleansing / grounds?
- Note any deadlines, timeframes under consideration for the review of the data, and reporting mechanisms.
- To whom is the review being reported?

Background

- Who is involved in this review? And how are you all linked?
- How did you get to this point? And why? E.g. outcome of a board meeting, or holistic savings being requested by Chief Executives?
- What decisions have already been made in this process so far?

SERVICE REVIEW
Current service overview

- Include;
  - Collection services
  - Processing contracts
  - Disposal contracts
- Per waste stream (incl. commercial waste, bulky and bring sites etc)
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- Note power of direction, contract end dates, and additional facilities in use (e.g. WTSs)
- Include waste tonnage transfer between facilities where more than one processing / disposal facility is operated in the given area

Current performance overview
- Recycling rates
- Residual tonnage
- Material yields

Current financial information
- Explanation of financial baseline;
  - Note any transfer of finances within a two tier system (recycling credits)
  - Include any on-costs / overheads / recharges / income generation
  - Note additional costs such as haulage, WTS hire etc
  - Offer benchmarking of costs where appropriate, such as disposal rate, gate fees etc
- See separate spreadsheet to input data

Key savings achieved to date
- In both collection and disposal
- Include dates of alterations, costs avoided and savings incurred (and to whom)
- Note any cost shunting in a two tier system
- Note any previous reviews / options appraisals and any previous attempts to achieve savings that were not carried out (include why the option was not taken forward)

Political standpoints
- Address any red lines of options not willing to be considered from a political standpoint – e.g. no appetite to charge for garden waste at present, or council stance on outsourcing.

OPTIONS APPRAISAL

The following is a list of potential options for consideration when undertaking an options appraisal to achieve holistic savings for the tax payer, improve efficiency and avoid cost shunting in a two tier system.

Stand alone opportunities;
- Joint procurement
- HWRC and bring bank rationalisation

Partnership opportunities;
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- Integrated collection and treatment
- Joint services e.g. clusters of WCAs
- Formal unitary powers
- Teckal companies
- Informal resource sharing opportunities / consultancy between councils

Collection service opportunities;

- Collection frequency
- Reduction of residual capacity
- Garden waste collection charging
- Bulky collection – charges, reuse rather than disposal options, third sector involvement etc

Processing / disposal contract opportunities;

- Review of governance and running of the contract, including insurance etc (seek DEFRA guidance on specifics)
- For Council owned facilities, explore commercial opportunities to generate income (e.g. selling of capacity externally)
- Devolution of the financial mechanism incentivising recycling in a two tier system

Transparency opportunities (for a two tier system);

- Annual reporting of service review information, including financial and tonnage information, contract reviews and continuous modelling.
- Ongoing benchmarking of costs, including staff

RECOMMENDATIONS

Recommendations of how to proceed depend on the options considered and the reasons for undertaking this review. Here are general recommendations;

- Seek additional support where available – WRAP, DEFRA, consultancy etc
- Obtain case studies for lessons learnt at nearest neighbour authorities
- Maintain ongoing transparency and honest conversations between all authorities involved with regular reporting into a central body
- Taking into account political standpoints, choose key options for detailed appraisal