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Agenda Supplement

East Kent (Joint Arrangements) Committee

**Wednesday
19 May 2010
at 10.00 am**

**The Guildhall
Westgate
Canterbury**

Membership of the East Kent (Joint Arrangements) Committee

Councillors

Leader, Canterbury City Council
Deputy Leader, Canterbury City Council
Leader, Dover District Council (Vice Chairman)
Deputy Leader, Dover District Council
Leader, Kent County Council
Deputy Leader, Kent County Council
Leader, Shepway District Council
Deputy Leader, Shepway District Council
Leader, Thanet District Council (Chairman)
Deputy Leader, Thanet District Council

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NOTES

- 1 The East Kent Joint Arrangements Committee has not authorised the recording of their meetings by members of the public or the media by any mechanical or electronic device or similar means. Recordings will not be permitted at any such meetings to which the press and public are admitted unless expressly authorised by the Committee.
- 2 The venue for the meeting is wheelchair accessible and has an induction loop to help people who are hearing impaired.
- 3 The information contained within this agenda is available in other formats, including Braille, large print, audio cassettes and other languages.
- 3 If you have any queries regarding items on this agenda, please contact Matthew Archer on 01227 862 175 or email matthew.archer@canterbury.gov.uk or write to the address below.

Canterbury City Council
Military Road
Canterbury
CT1 1YW

A G E N D A

	Page (s)
9 EAST KENT JOINT WASTE PROJECT	5 - 6
TO CONSIDER a report of the Director of Environmental Services (Thanet) on behalf of East Kent Waste Management Group	

TERMS OF REFERENCE of the EAST KENT (JOINT ARRANGEMENTS) COMMITTEE

1. To exercise the executive and non-executive functions of the parties in order to commission, co-ordinate, provide, procure and/or manage any shared services as are agreed from time to time by two or more of the Parties
2. To provide strategic direction to the officers advising the EKJAC
3. To exercise any of the functions or services that are determined to be a shared service in accordance with these arrangements
4. To develop work programmes and projects in relation to the functions which the parties are minded to be delegated to the EKJAC by the Parties
5. To regularly report to each of the Parties on its activities
6. To respond to reports and recommendations made by the East Kent Joint Scrutiny Committee
7. To monitor the operation of the EKJAC and of any shared service
8. To propose a budget for a shared service to the Parties and to monitor and manage any such budget once approved by them
9. To review these arrangements from time to time and make recommendations to the Parties for improvement and change and to propose (as appropriate) the creation of special purpose vehicles for the achievement of the Objectives, including companies, formal partnerships or consortia, the expansion of these arrangements to include other local authorities, the conclusion of contracts with other persons and the provision of services, supplies and works to other persons

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EAST KENT JOINT ARRANGEMENTS COMMITTEE

19th May 2010

East Kent Joint Waste Project

Proposed amendments to published report

The following details present final changes to the published report, the principles of which were agreed at the East Kent Forum by Chief Executives on 12th May 2010. The sections of major change have been highlighted in bold for clarity.

Recommendation 7 has been redrafted as follows:

7. **That provided the overall waste diversion increases in East Kent then KCC will share 50% of the savings with the East Kent districts. The allocation between the districts will be based on a simple formula pro-rata to their populations.**

This requires an adjustment in paragraph 2.11 to retain consistency within the report:

- 2.11 Appendix 1 also indicates a change to the treatment of the net disposal savings that has been discussed and agreed between Section 151 officers. This reflects a re-assessment of the collection savings which can be achieved compared with those presumed in the original model (which amounted to £1.5 million). The new proposal is that disposal savings arising from the new arrangements as set out in Appendix 1 are retained by KCC, **and any collection savings will be retained by the districts.** Any additional disposal savings, resulting from an aggregate increase in recycling performance (from that used in the final Alternate NOM model that delivers £2.96m average savings per annum from 2013 to 2020) will result in a payment per tonne to the Districts collectively. This will be shared across the four Districts in accordance with an agreed formula based on **the population of each district.** This represents a departure from the disaggregation principles set out in Appendix III of the original MOU that formed part of the EKJAC report in November. This change takes account of the concerns about the levels of collection savings likely to be achieved, and also the impact of the revised waste tonnage figures on the overall business case. The new method for allocating savings represents a significant simplification over the original method of calculation, which was potentially open to disagreement about base case and future costs. The new arrangements also associate benefits with the risks being faced by the partners, in that disposal risks lie with KCC and collection risks lie with the districts. However, the new system does provide for some incentive for KCC to support collection efficiencies and for districts to strive

to improve waste diversion.

In addition, paragraph 2.8 has been redrafted as follows to reflect a wish to fix enabling payment to an agreed sum for each district which is not dependant on future contract results:

2.8 The overall cost of the enabling payment has increased by £340k pa on current estimates which is primarily driven by the increased costs of collecting the waste (staffing levels for one-pass vehicles servicing food pods will be higher). However, this is more than offset by the ability for districts to retain current garden waste income streams. Details of the split of enabling payments from 2011 to 2019 are shown in Appendix 5, with the average figure from 2013 to 2019 being used for the above table. **It is proposed that the figures shown in the table under 2.7 for each district represent the enabling payments that will be made by KCC. These figures are fixed at the sums quoted and will not change over the period of the arrangements.**

And to ensure clarity on 6.3

6.3 The figures provided in the report for the enabling payments are based upon costs as they stand at present, **and it has been agreed that these will remain constant as set out in paragraph 2.8 above. There are some risks that the future figures could be different and would affect the overall cost to the districts.** However, the current projections are based on robust figures arising from the procurement process at present and these are the best guide to future costs that are currently available.