

MEMORANDUM OF UNDERSTANDING – THAMES GATEWAY AREA WASTE MANAGEMENT

1 SUMMARY

- 1.1 The purpose of this report is to gain Members' approval of the Memorandum of Understanding (Appendix A) that evidences the Council's support of the County Council's Outline Business Case (OBC) submission to DEFRA for PFI Credit purposes.

2 INTRODUCTION

- 2.1 As Members are aware, the Council has for a number of years been an active partner in the development of the Essex Joint Municipal Waste Management Strategy and the subsequent procurement project for the implementation of a new long-term waste management solution for Essex.
- 2.2 During this time, there has been a wide range of meetings, research, consultancy work and consultation direct with industry regarding the nature of future waste management services, with particular emphasis being placed on addressing the costs and methods of disposal.
- 2.3 Within the two tier local authority structure, Essex County Council has the responsibility as the Waste Disposal Authority (WDA) with each of the Districts/Borough Councils being the Waste Collection Authorities (WCAs) and, therefore, it is essential that the authorities work closely together in developing a new waste management infrastructure.
- 2.4 In order to facilitate this partnership working various groups and committees have been set up, primarily the county-wide Waste Management Advisory Board and, on a more local level, the Thames Gateway Waste Management Joint Committee.

3 MEMORANDUM OF UNDERSTANDING

- 3.1 To assist in the procurement of the new waste management technologies and facilities, Essex County Council and Southend Borough Council (as the Disposal Authorities) are submitting an Outline Business Case (OBC) to DEFRA to secure PFI Credits. This submission has been developed over a lengthy period of time and through liaising directly with representatives of DEFRA over what should be included in the OBC to satisfy the criteria for PFI credits.
- 3.2 An earlier submission was prepared some 12 – 18 months previously but due to changes in the eligibility criteria, has had to be amended and included within this initial submission was a Memorandum of Understanding that this Council and all other Essex Authorities have signed.
- 3.3 The purpose of the Memorandum of Understanding is to demonstrate the extent of support by all of the Essex WCAs to the submission of the Outline

Business Case for PFI credits which, in turn, shows the strength and ability of the partnership to deliver the Joint Municipal Waste Management Strategy for Essex.

- 3.4 The underlined sections of the Memorandum of Understanding, included as Appendix A to this report, show the changes that have been made to the previously endorsed Memorandum of Understanding but it should be emphasised that this document is still not a formal or legally binding contract. The changes that have been made are necessary in order to reflect the nature of the updated OBC and the developments that have taken place since the creation of the first Memorandum of Understanding.
- 3.5 At a later stage in the Essex procurement process, it will be necessary for all WCAs to discuss with the County Council the creation of legally binding Inter-Authority Agreements that will influence the nature of the new infrastructure that will be ultimately procured. Details of these potential agreements will be brought back to Members at the appropriate stage in the process.

4 RESOURCE IMPLICATIONS

- 4.1 There are no resource implications to the Council as the Memorandum of Understanding is not legally binding and, in fact, the Council will, as part of its own procurement process for new contracts, be carrying out the roles that are identified in the document.

5 LEGAL IMPLICATIONS

- 5.1 The Memorandum of Understanding is not a formally or legally binding contract.

6 RECOMMENDATION

- 6.1 It is proposed that the Executive Board **RESOLVES**

That the Memorandum of Understanding attached as Appendix A to this report be signed in support of the Outline Business Case being submitted to DEFRA for PFI Credits to assist the County with procurement of a new long-term waste management solution for Essex.

Jeremy Bourne

Head of Community Services

Background Papers:-

None

For further information please contact Jeremy Bourne on:-

Tel:- 01702 318163

E-Mail:- jeremy.bourne@rochford.gov.uk

If you would like this report in large print, braille or another language please contact 01702 546366.

Memorandum of Understanding - Thames Gateway

1. Purpose of this Memorandum of Understanding

1.1 The Essex Waste Partnership is made up of Essex County Council as a Waste Disposal Authority (WDA) together with the twelve Essex Waste Collection Authorities (WCAs) and Southend-on-Sea Borough Council as a Unitary Authority (both WDA and WCA function).

1.2. The purpose of this Memorandum of Understanding is to:-

a. Demonstrate the Councils recognise the need to take a wider view on waste management than that of an individual WCA or of the WDA on its own;

b. Show the Councils understand that the co-ordination of action in accordance with an agreed strategy will be more effective than individual action by a single authority;

c. Re-iterate and reinforce the principles of joint working contained in the Area Joint Committee Constitutions and Business Plans;

d. E-evidence the support given by the three non unitary WCAs within the Thames Gateway Waste Management Joint Committee¹ to the submission of an Outline Business Case to Defra by the Partnership to secure PFI credits to assist the procurement of advanced waste disposal technology and the provision of a supporting infrastructure of Transfer Stations. The procurement of these facilities is an essential component to the delivery by the Partnership of the Joint Municipal Waste Management Strategy for Essex and the Municipal Waste Management Strategy for the Borough of Southend on Sea.

2. Status of the Memorandum of Understanding

2.1. This Memorandum of Understanding is intended to be an operational document that will evolve as the procurement of treatment technology progresses. Unlike the formally approved Joint Committee Constitutions and Annual Business Plans it is not of itself, a formal or legally binding contract. It is however recognised that by signing this Memorandum of Understanding each Partner demonstrates its intention to fully explore the creation of formal legally binding Inter

¹ Basildon District Council, Castle Point Borough Council, Rochford District Council

[Authority Agreements to support the delivery of an integrated waste management system.](#)

- 2.2. Through a resolution of the Joint Committee, each partner authority has agreed to use all reasonable endeavours to comply with the [content and](#) spirit of this Memorandum of Understanding.

3. Principles of Partnership Working

- 3.1. The Partnership through resolutions of the Joint Committees has adopted the procurement approach and Reference Case as set out in the Outline Business Case.

- 3.2. In order to support the delivery of an integrated waste management system (of which the PFI disposal procurement is an essential component), each partner authority hereby agrees to:-

- a. Work with the Partnership on the detailed design and delivery of an integrated waste management solution [initially by engaging in, and supporting, a systems design modelling exercise;](#)
- b. To deliver all agreed residual waste and agreed recyclables to transfer / processing facilities;
- c. As a minimum to [make a contribution to](#) reach and maintain the levels of [county-wide](#) recycling and composting performance committed to in the Local Area Agreements [\(39.5% household waste recycling in 2008/09\)](#) and to ensure that budgets are made available to maintain this level of performance;
- d. Prior to implementing any significant changes to their collection methodology or systems to discuss the potential impact on the development and implementation of the Joint Municipal Waste Management Strategy for Essex and the Municipal Waste Management Strategy for the Borough of Southend on Sea;
- e. To work with the Partnership to develop waste acceptance criteria (such as the type, quantity, quality and composition of waste delivered) that will form part of the PFI contract.

- 3.3 The Partnership accepts that the “do nothing” option is not a viable solution and in designing and delivering the optimal long term integrated waste management collection and disposal systems, financial benefits will accrue to the Partnership.

- 3.4 The Partnership is committed to ensuring these financial benefits are allocated equitably amongst the partners. In order to do this, the Partnership will develop and agree an inter-authority allocation formula that seeks to address additional costs and benefits of recycling beyond individual authorities’ statutory recycling targets (including targets financed through the Local Area Agreements) and shares efficiencies and savings amongst

the partner authorities, e.g. the market value of recyclable materials.

Signed on behalf of the supporting Waste Collection Authorities

.....	For Basildon District Council	/	/ 2007	Date
.....	For Castle Point Borough Council	/	/ 2007	Date
.....	For Rochford District Council	/	/ 2007	Date

Signed on behalf of the PFI Applicants

.....	For Essex County Council	/	/ 2007	Date
.....	For Southend Borough Council	/	/ 2007	Date