

Productivity Programme Update

Purpose of report

This report updates the Board on the progress being made in the Productivity Programme, and reports on Economic Growth Advisors, Waste Innovation Programme and Monetising Waste Programme.

Recommendations

1. To update the Board on the Economic Growth Advisors programme.
2. Update the Board on the Monetising Waste research, and for the Board to approve the programme of work arising, specifically to a 'soft market testing' exercise with councils on a contract renegotiation service (paras 13 and 14 below).
3. Update the Board on the progress of the Waste Innovation programme.

Action

Officers to take action as directed.

Contact officer: Craig Egglestone
Position: Productivity Programme
Phone no: 0207 664 3038
E-mail: Craig.egglestone@local.gov.uk

Productivity Programme Update

Background

1. The Board have previously approved the Productivity Programme to develop and operate a range of programmes to improve productivity and efficiency in councils. This report provides an update on selected areas of the programme.

Local Economic Growth Advisers

2. The 'Economic Growth Adviser' (EGA) programme is designed to promote, facilitate and enhance the role of local authorities in delivering economic growth. It is an offer of direct bespoke advice and support to local authorities to deliver economic growth in their local area.
3. A panel of 25 Economic Growth Advisers has been recruited comprising private sector organisations and local authority officer peers, all with expertise and experience in a broad range of economic growth initiatives. The Advisors will work with a number of councils helping them to deliver a specific project, bring local partners together, or assist with the development of a strategic approach.
4. This programme is primarily aimed at individual authorities. However, it will also take into consideration existing or planned activities from clusters of councils and sub-regional areas, particularly through the LEP, and the newly announced "LEP deals".
5. The LGA will provide funding to successful bids for up to 14 days of Local Economic Growth advisor support over a five month period from Oct 2013 – Feb 2014.
6. 75 applications were received from 90 councils (15 applications were joint bids from 2 or more local authorities). The number of bids is considerably higher than originally anticipated, showing that the programme has 'hit the needs' of our member councils. Current funding enables us to assist 20-25 authorities. We are currently assessing the bids against the criteria of the programme.
7. Councils will be informed if they will be part of the programme by the end of September 2013.

Monetising Waste Research and Potential Programme of Work

8. Local authorities currently spend around £7bn on waste collection and disposal each year. It is the fourth largest area of local government spend and has increasingly been considered as a resource by the private sector as raw materials prices increased steadily over the last decade. Major retailers are now taking control of their own waste streams

Item 7

and there is a move for certain materials, such as textiles, to generate an income stream for business and some local authorities.

9. Local Authorities currently pay for both the collection and disposal of their waste. The LGA's *Wealth from Waste Review* published earlier this year showed that whilst councils had increased their income from recyclates by 22% between 2009/10 and 2012/13, they actually only collect around 28% of the true value of those recyclates. Even for authorities with an income stream from these materials, contracts often do not reflect the current value of the resources, because of the time the contract was entered into.
10. In February 2013 the LGA commissioned a scoping study to look at the potential for councils to receive an income/improve income for their recyclable waste. Enquiries were made to all the two tier waste disposal authorities (WDA) in England regarding their contract arrangements with the waste collection authorities.
11. Research showed that some councils received as much as £55 per tonne for their recyclates, whilst others paid as much as £73 per tonne to have them taken away. The average UK gate fee for councils was £9 per tonne paid to take recyclates away – this compares with an average income in 2011 paid by MRFs (Materials Recovery Facility) to councils of £26 per tonne.
12. Clearly there is a wide disparity in the costs and income that councils are achieving.
13. The proposal to the sector is that the Productivity Team look to fund a contract renegotiation expert with a number of councils, and share in the savings achieved. This would be a different model than in the past: generally the LGA has worked by grant aiding individual councils, with all the financial benefits being retained by the local authority. However, the potential gains from a renegotiated waste recyclates contract are very considerable; our analysis shows that working with 25 councils delivering around 25,000 tonnes of recyclates per annum could achieve savings of over £10m to those councils. This is a conservative estimate.
14. As this would be a new approach to seeking productivity improvements with our member councils, officers would like to “market test” the approach before launching a formal programme by way of a prospectus, and inviting councils to apply. The intention would be to report back to the next Board meeting with the results of the soft market testing, at which point Members could take a view as to how they wish to proceed.
15. The current Productivity Team budget does not include an allowance to run such a programme on a traditional grant funded basis.

Waste Innovation Programme

16. The Waste Innovation Programme is a pilot set up to investigate the impact of the use of Food Waste Disposers (FWDs) in kitchen sinks, enabling households to dispose of food waste without the need for it to be collected. Food Waste equates to around a fifth of many councils landfill costs, so by removing food waste from the waste stream there is potential to make large savings.

Item 7

17. In September 2012 the LGA reached an agreement with Shropshire County Council and Severn & Trent Water to install FWDs in all 200 properties at Riverside Meadows, a new build site in Shrewsbury and to subsequently monitor the waste water stream.
18. Following this the LGA looked to extend the scheme and in February 2013 the LGA reached an agreement with Cotswold District Council and Albion Water to install 150 FWDs in properties at sites in Rissington, a mixture of pre-built and new build properties.
19. Albion Water's approach offers a contrasting relationship to that with Severn & Trent. Albion Water have actively encouraged the instillation of FWDs, and want to explore how they may benefit their business model; traditionally the big water companies in England have built large pieces of infrastructure in order to provide drinking water and deal with sewage. Albion work directly with developers to come up with local, smaller scale solutions that might be more easily described as "greener" solutions.
20. At the Rissington site, for example, there is a small waste water treatment plant that currently deals with the existing homes and will be upgraded to deal with the new development. Albion will also manage the grounds maintenance in the development, which will help to monitor surface water flows and opens up the possibility of using green waste in anaerobic digestion for biogas generation.
21. To date 70 properties on the Shropshire site have been fitted with FWDs, and this will increase to 200 by April 2014 with the completion of the next block of properties on the site. At the Rissington site 78 properties will be fitted with FWDs by the end of the Autumn and a further 72 fitted by March 2014, meaning the programme will have 350 properties fitted with FWDs by April 2014.
22. Monitoring commenced at the Shropshire site in April 2013 and chiefly consists of monthly CCTV surveys and wastewater sampling in the sewers. To date there have been no identifiable negative impact on the sewer system; the sampling regime is set to run until March 2014 in order to capture any long-term effects. Monitoring at the Rissington site is due to commence in September 2013 with assistance from Albion Water.
23. Residents of properties fitted with FWDs have also been contacted to find out if they are finding FWDs usable. The first round of qualitative surveys, were carried out in August 2013 at the Shropshire sites and initial responses indicate high satisfaction levels with 90% of respondents saying they were very convenient to use.