

Decision Record – Cabinet Portfolio Holders

Cabinet Portfolio Holder taking decision

Councillor David Wright
Cabinet Portfolio Holder for Finance, Governance and IT

Date of Decision: (NOT BEFORE 24 JUNE 2011)

30 June 2011

Decision taken

AGREED

Following the Approval by the Portfolio Holder for Sustainable Committees for a capital virement of £910,000 in 2011/12 from the Waste Management block header to provide waste infrastructure support for district councils in 2011/12.

- (1) Approval for £335,000 of this be allocated to Nuneaton and Bedworth Borough Council as an interest free loan to be fully repaid on 1 April 2012.**

Reasons for Decisions

As an authority we have provided financial support, in the form of a capital grant, to those districts that have already introduced alternate weekly collections. These grants have been made because the resulting reductions in the cost of waste disposal to the authority mean the investment is financially beneficial to WCC. In principle therefore the payment of a grant to NBBC has a precedent. The decision to allocate funding for waste infrastructure has been undertaken in order to assist district councils in waste recycling. There is sufficient funding within the Municipal Waste Management Strategy capital allocation approved by members in the capital programme to cover both the grant and the proposed loan.

The decision to provide £335,000 from that as an interest free loan to Nuneaton and Bedworth Borough Council is to enable the Borough Council to roll out its proposed alternate weekly refuse collection service. It is important the Borough Council proceeds with this and it will benefit the County Council in realising its savings of between £200,000 and £350,000 per annum for future years and to achieve the WCC Waste Management Services overall financial savings target. The loan is legally binding and on the basis of a one off exception. It will cost approximately £20,000 to the County Council for both interest and principle. This is value for money to this authority in view of the savings in future years.

Background Information/ factors considered in arriving at these decisions - officer report below:

Background

- 1.0 In February 2011 Nuneaton and Bedworth Borough Council made the decision to introduce an enhanced recycling service by means of moving over to Alternate Weekly collections, collecting recyclables one week and domestic waste the next, starting October 2011.
- 1.2 All but North Warwickshire and Nuneaton and Bedworth Borough Councils Collection Authorities have moved over to this type of scheme. Warwick, Stratford and Rugby have all been heavily supported by capital funding through the County Council over the past few years. This has supported the purchase of capital equipment to roll out schemes of this nature and other innovative schemes. The basis for all of this support is based on supporting the overall Waste strategy targets, like increasing recycling levels, thus reducing disposal costs to the County Council.
- 1.3 Nuneaton and Bedworth BC has been allocated £575,000 non-repayable capital grant through our Municipal Waste Management Strategy capital fund, and funds have also been put aside for North Warwickshire Borough Council if they choose to implement a similar system in the next financial year.

Financial and Legal Implications

- 2.1 Nuneaton and Bedworth Borough Council now find themselves unable to secure all the capital funding needed to roll out their scheme during this financial year. They have a shortfall of up to £335,000, depending on their tender returns prices. They are unable to secure this funding as they have reached the ceiling of their Prudential borrowing limit.
- 2.2 If Nuneaton and Bedworth Borough Council do not proceed with the Alternate Weekly Collection Service, the County Council will not be able to realise savings of between £200,000 and £350,000 per annum for future years. This would prevent the achievement of the WCC Waste Management Services overall financial savings target. The loan will cost this authority in the region of £20,000 for both interest and principle. This loan is a one off exception to the rule, as it is clearly based on value for money for this authority. If NBBC do not go ahead with the new service in this financial year, we will not be able to achieve our overall saving within the Sustainable Communities Division, and alternative ways of addressing the shortfall would need to be found.
- 2.3 Nuneaton and Bedworth have asked if a loan of this size could be made to them on the understanding that it would be repaid in full on the first day of the financial year 2012/13. If this loan is agreed, then the obligation on Nuneaton and Bedworth Borough Council to repay the loan will be legally binding and unconditional, so that the Borough will be obliged to repay the loan whether or not it receives the grant money it is expecting from the Government.
- 2.4 The proposed saving will be achieved through enhanced recycling at the kerbside and the amount of waste being diverted away from landfill. These forecasted savings are based on the past performance of the three other

authorities that have already introduced a scheme of this nature within the County. The work also supports Warwickshire's own saving targets, so any support given to Nuneaton and Bedworth to roll out the scheme this year will benefit Warwickshire.

Report Author: Glenn Fleet
Head of Service: Louise Wall
Strategic Director: Paul Galland
Portfolio Holder: Councillor David Wright

Checklist

Urgent matter: yes/no*

NO

Confidential or Exempt (state category of exempt information)

NO

Is the decision contrary to the budget and policy framework

NO

List of Reports considered [please attach or forward a copy]

Report attached.

List of Background Papers [please include directorate contact names and numbers for access to background papers]

None

Any members and officers consulted or informed and any comments given.

Councillor John Whitehouse – I support the recommendation
Councillor Ray Sweet
Councillor Helen Walton

Legal – Ian Marriott, comment incorporated
Finance – Virginia Rennie – comments incorporated
District Council – Brent Davis - NBBC