

AGENDA MANAGEMENT SHEET

Name of Committee Portfolio Holder Decision –Portfolio Holder Sustainable Communities and Portfolio Holder Finance Governance and IT

Date of Committee Not before 24 June 2011

Report Title Capital Loan Support for Introducing an Alternate Weekly Waste Collection Service for Nuneaton and Bedworth Borough Council

Summary This report seeks the approval of Warwickshire County Councils Portfolio Holder for Sustainable Communities to approve 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. Dependant on that it requests the Portfolio Holder Finance, Governance and IT to loan Nuneaton Bedworth Borough Council up to £335,000, interest free, during 2011/12. This funding will enable the authority to roll out their proposed Alternate Weekly Refuse Collection service. Repayment of the loan to be at the beginning of the 2012/13 financial year.

For further information please contact Glenn Fleet
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Would the recommended decision be contrary to the Budget and Policy Framework? Yes/No

Background Papers None.

CONSULTATION ALREADY UNDERTAKEN:- *Details to be specified*

Other Committees

- Local Member(s)
(With brief comments, if appropriate)
- Other Elected Members Councillor Whitehouse - I support this recommendation.
Councillor R Sweet,
Councillor H Walton
- Cabinet Member
(Reports to The Cabinet, to be cleared with appropriate Cabinet Member)
- Chief Executive
- Legal Ian Marriott comments incorporated.
- Finance Virginia Rennie
- Other Chief Officers
- District Councils Brent Davis – Nuneaton and Bedworth Borough Council (NBBC)
- Health Authority
- Police
- Other Bodies/Individuals

FINAL DECISION **YES** (If 'No' complete Suggested Next Steps)

SUGGESTED NEXT STEPS :

Details to be specified

- Further consideration by this Committee
- To Council
- To Cabinet
- To an O & S Committee
- To an Area Committee
- Further Consultation

Capital Loan Support for Introducing an Alternate Weekly Waste Collection Service for Nuneaton and Bedworth Borough Council

Recommendations

Portfolio Holder Sustainable Communities

Approval 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.

Portfolio Holder Finance Governance and IT

Subject to agreement to the virement above 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.

1. Background

- 1.1 In February 2011 Nuneaton and Bedworth Borough Council (NBBC) 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. All other Collection Authorities who have moved over to this type of scheme (Warwick, Stratford and Rugby), have been supported by the County Council in purchasing capital equipment, as schemes of this nature increase recycling levels, thus reducing disposal costs.
- 1.2 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.
- 1.3 NBBC 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. In 2011/12, we are planning to grant NBBC £575,000 towards the infrastructure needed for their fortnightly collections. This is in line with the grants provided previously to the other boroughs/districts and there is funding provisionally available to North Warwickshire if they introduce alternate weekly collections in the future.
- 1.4 NBBC 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.

- 1.5 It is considered that the additional £335,000 is over and above the level of support we could pass on to them as a grant. It was for this reason the possibility of providing NBBC with temporary funding in the form of a loan to be repaid next year has been brought forward.
- 1.6 In financial terms if the loan is approved it also forms capital spending in 2011/12. Therefore, the total allocation to be found from 2011/12 resources is £910,000 (£575,000 plus £335,000) albeit that £335,000 will be repaid next year. There is sufficient funding in the capital programme already approved to allow this to happen within the Municipal Waste Management Strategy capital allocation previously agreed by members.

2. Financial and Legal Implications

- 2.1 If Nuneaton and Bedworth Borough Council do not proceed with the Alternate Weekly Collection Service, the County Council would 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 Service's overall financial savings target.
- 2.2 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.
- 2.3 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 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 Holders Councillor Alan Cockburn, Councillor David Wright