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**Report to:**

Scrutiny Board 3 – 5<sup>th</sup> March 2008  
Cabinet – 11<sup>th</sup> March 2008  
Council – 18<sup>th</sup> March 2008

**Report of:**

Director of City Services and Director of Finance, and Legal Services

**Title:**

Approval for the extension of the Coventry and Solihull Joint Waste Disposal Contract

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**1 Purpose of the Report**

- 1.1 To seek approval to extend the Joint Waste Disposal Contract held with Coventry and Solihull Waste Disposal Company Limited (CSWDC).

**2 Recommendations**

- 2.1 Cabinet is recommended to advise Council to extend the Joint Waste Disposal Contract with CSWDC for a period of three years commencing 1<sup>st</sup> April 2008.
- 2.2 Council are recommended to extend the Joint Waste Disposal Contract with CSWDC for a period of three years commencing 1<sup>st</sup> April 2008.

**3 Information/Background**

- 3.1 Coventry City Council has responsibilities as both Waste Collection and Waste Disposal Authority.
- 3.2 To assist in delivering the Council's waste disposal responsibilities, Coventry part owns the Local Authority Waste Disposal Company (LAWDC). CSWDC manages the Energy from Waste (EfW) facility, located at London Road.
- 3.3 The current contract between Coventry, Solihull and CSWDC has been in place since the 1<sup>st</sup> April 1993 and was for a period of 15 years. This contract is administered on Coventry's behalf by Solihull and legal advice obtained by Solihull advises that this contract must, at some point be tendered in accordance with European Union (EU) Procurement Rules. The procedures prescribed within EU Procurement Rules take time, and therefore it will be necessary to extend this contract for a period of up to three years in the interim. In addition,

advice obtained from Coventry's Finance and Legal Services has suggested that other procurement options are available and both authorities will consider these options during this extension period.

3.4 This report seeks to provide sufficient time for the technical procurement discussions to take place, thus ensuring that the most appropriate and cost effective procurement route is selected.

3.5 The joint contract for authorities consists of the following elements:

- The treatment of municipal waste by energy from waste incineration from both Coventry and Solihull's collections
- The operation of Coventry's civic amenity site
- The operation of Webster's land reclamation site (Now closed)

3.6 Given that this is a joint contract, approval to extend is required from both Coventry and Solihull Council's. Solihull's Council agreed to this extension at it's meeting on the 4<sup>th</sup> December 2007.

#### **4 Other specific implications**

4.1

|   | <b>Implications<br/>(See below)</b> | <b>No<br/>Implications</b> |
|---|-------------------------------------|----------------------------|
| Neighbourhood Management                  |                                     | ✗                          |
| Best Value                                | ✗                                   |                            |
| Children and Young People                 |                                     | ✗                          |
| Climate Change & Sustainable Development  | ✗                                   |                            |
| Comparable Benchmark Data                 |                                     | ✗                          |
| Corporate Parenting                       |                                     | ✗                          |
| Coventry Community Plan                   |                                     | ✗                          |
| Crime and Disorder                        |                                     | ✗                          |
| Equal Opportunities                       |                                     | ✗                          |
| Finance                                   | ✗                                   |                            |
| Health and Safety                         |                                     | ✗                          |
| Human Resources                           |                                     | ✗                          |
| Human Rights Act                          |                                     | ✗                          |
| Impact on Partner Organisations           | ✗                                   |                            |
| Information and Communications Technology |                                     | ✗                          |
| Legal Implications                        | ✗                                   |                            |
| Property Implications                     | ✗                                   |                            |

|   | <b>Implications<br/>(See below)</b> | <b>No<br/>Implications</b> |
|---|-------------------------------------|----------------------------|
| Race Equality Scheme                    |                                     | ✗                          |
| Risk Management                         |                                     | ✗                          |
| Trade Union Consultation                |                                     | ✗                          |
| Voluntary Sector – The Coventry Compact |                                     | ✗                          |

#### **4.2 Best Value**

4.2.1 The gate fee paid by both Coventry and Solihull is very competitive and is currently the lowest offered by CSWDC.

#### **4.3 Finance**

4.3.1 The annual value of Coventry City Council's contribution to the joint waste disposal account with Solihull is approximately £7.1million. This includes the value paid annually to CSWDC for the disposal of municipal waste.

#### **4.4 Impact on Partner Organisations**

4.5.1 Solihull's Council agreed to this contract extension at it's meeting on the 4<sup>th</sup> December 2007. Following approval from Coventry's Council, Solihull, as the "client" authority will formally extend the contract with CSWDC by letter before the end of this financial year.

#### **4.5 Legal Implications**

4.6.1 Coventry's legal services have been involved with and have recommended this extension.

#### **4.6 Property Implications**

4.6.1 Coventry City Council is the owner of the land from which CSWDC operate, and continuation of the joint waste disposal contract will ensure a continued use and rental income from the land.

#### **4.7 Sustainable Development / Climate Change**

4.7.1 The treatment of Coventry's municipal waste by incineration rather than disposal to landfill has a positive effect on emissions. In addition the plant operated by CSWDC is a considerable net exporter of electricity from a non fossil fuel to the national grid.

### **5 Monitoring**

5.1 There are extensive governance arrangements already established for the performance of CSWDC and the joint waste disposal contract, these include:

- Monthly contract monitoring meetings where contract performance is considered
- Quarterly shareholder panel meetings
- Joint waste forum meetings when required

|   | Yes                              | No |
|---|----------------------------------|----|
| <b>Key Decision</b>   |                                  | ✓  |
| <b>Scrutiny Consideration<br/>(if yes, which Scrutiny<br/>meeting and date)</b> | ✓<br>5 <sup>th</sup> March 2008  |    |
| <b>Council Consideration<br/>(if yes, date of Council<br/>meeting)</b>          | ✓<br>18 <sup>th</sup> March 2008 |    |

List of background papers

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Papers open to Public Inspection

**Description of paper**

**Location**

None