Sunderland City Council

THE CABINET

AGENDA

Meeting to be held in the Civic Centre (Committee Room No. 1) on Wednesday 5 December 2012 at 2.00 p.m.

Part I

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3.		**Apologies for Absence**	
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5.	🔑	**South Tyne and Wear Waste Management Partnership – Joint Municipal Waste Management Strategy** Report of the Deputy Chief Executive (copy herewith).	23

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Information contained in this agenda can be made available in other languages and formats on request.

6.		**Review of the Procurement Procedure Rules** Joint report of the Executive Director of Commercial and Corporate Services and Head of Law and Governance (copy herewith).	65
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Local Government (Access to Information) (Variation) Order 2006

The reports contained in Part II of the Agenda are not for publication as the Cabinet is considered likely to exclude the public during consideration thereof as they contain information relating to the financial or business affairs of any particular person (including the authority) (Paragraph 3 of Part 1, Schedule 12A of the Local Government Act 1972). The public interest in maintaining this exemption outweighs the public interest in disclosing the information.

Part II

8.		**Minutes of the Meeting of the Cabinet held on 7 November 2012 Part II** (Copy herewith).	93

🔑 **Denotes Key Decision.**

* **Denotes Regulation 10 Notice issues – item which is a key decision which is not included in the 28 Day Notice of Key Decisions.**

ELAINE WAUGH
Head of Law and Governance

Civic Centre
SUNDERLAND

27 November 2012.

Sunderland City Council

Item No 1

CABINET MEETING – 5 DECEMBER 2012

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

MINUTES, PART I

Author(s):

Head of Law and Governance

Purpose of Report:

Presents the minutes of the last meeting held on 7 November 2012 Part I.

Action Required:

To confirm the minutes as a correct record.

At a meeting of the CABINET held in the CIVIC CENTRE (COMMITTEE ROOM NO. 1) on Wednesday 7 November 2012 at 2.00pm.

Present:-

Councillor Trueman in the Chair

Councillors Gofton, Miller and P Smith

Part I

Minutes

The minutes of the meeting of the Cabinet held on 24 October 2012 Part I (copy circulated) were submitted.

(For copy report - see original minutes).

1. RESOLVED that the minutes of the last meeting be confirmed and signed as a correct record.

Receipt of Declarations of Interest

Councillor Gofton declared a Disclosable Pecuniary Interest in item 11 'Sunderland Voluntary Private Landlord Review Report' as she was an accredited private landlord. Councillor Gofton withdrew from the room during the consideration of the report.

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillors Blackburn, Kelly, Speding and P Watson.

Items Arising from Scrutiny Committees: -

Response from Scrutiny Committee – 11 October 2012 – Proposals for Budget Consultation 2013/14

The Head of Law and Governance submitted a report (copy ciculated) advising the Cabinet of the views of the Scrutiny Committee on the proposals for the budget consultation strategy and framework to inform the preparation of the Budget for 2013/2014.

(For copy report – see original minutes).

Cabinet Members having been advised that the Scrutiny Committee had endorsed the budget consultation strategy and framework, it was: -

2. RESOLVED that the comments of the Scrutiny Committee be noted.

Response for Scrutiny Committee – 11 October 2012 – Budget Planning Framework 2013/2014 and Medium Term Financial Strategy 2013/2014 – 2015/2016

The Head of Law and Governance submitted a report (copy circulated) advising the Cabinet of the comments of the Scrutiny Committee on a joint report of the Chief Executive and Executive Director of Commercial and Corporate Services which identified the key factors influencing the development of the Council's financial plans into the medium term and setting out the headlines and context for the Medium Term Financial Strategy for 2013/2014 to 2015/2016.

(For copy report – see original minutes).

Cabinet Members having been advised that the Scrutiny Committee had supported the proposed Budget Planning Framework, had endorsed the Medium Term Financial Strategy and recommended that both were submitted to Council for approval, it was: -

3. RESOLVED that the comments of the Scrutiny Committee be noted and it be recommended to Council to approve the Budget Planning Framework 2013/2014 and the Medium Term Financial Strategy 2013/2014 – 2015/16.

Response from Scrutiny Committee – 11 October 2012 – Capital Programme Second Review 2012/13 (including Treasury Management)

The Head of Law and Governance submitted a report (copy circulated) advising of the comments of the Scrutiny Committee on an extract from the report on the Capital Programme Second Review 2012/2013 (including Treasury Management) which detailed the new scheme which had been added to the Capital Programme.

(For copy report – see original minutes).

Cabinet members having been advised that the Scrutiny Committee supported the proposed additional scheme as set out in the extract to the report and recommended that the scheme was submitted to the Council for approval, it was: -

4. RESOLVED that the comments of the Scrutiny Committee be noted and it be recommended to Council to approve the inclusion of the additional scheme for 2012/2013 costing over £250,000.

Response from Scrutiny Committee – 11 October 2012 – Revenue Budget Second Review 2012/13

The Head of Law and Governance submitted a report (copy circulated) to advise of the comments of the Scrutiny Committee on an aspect of the report of the Revenue Budget Second Review 2012/2013, namely that the Council be requested to approve the transfer of funds.

(For copy report – see original minutes).

Cabinet Members having been advised that the Scrutiny Committee supported the transfer of funds to support the overall 2012/2013 position together with the transitional costs from the 2013/2014 budget setting process and recommended that it be submitted to the Council for approval, it was: -

5. RESOLVED that the comments of the Scrutiny Committee be noted and it be recommended to Council to approve the proposed transfer of funds.

Procurement of Contract Framework Arrangements for the Delivery of Construction Related Services

The Deputy Chief Executive submitted a report (copy circulated) seeking agreement to the procurement of new contract framework arrangements for the delivery of construction related services for internal and external clients.

(For copy report – see original minutes).

The Chairman highlighted that the Council's Building Services utilised a number of contract framework arrangements to provide skills and capacity when required. The current arrangements were due to expire in May 2013 and it would be necessary to put new arrangements in place. The Chairman directed Members to the detailed supply chain information as set out in the report and advised that the new Frameworks would be in place from 1 April 2013 to 31 May 2007.

Consideration having been given to the report, it was: -

6. RESOLVED that the Executive Director of Commercial and Corporate Services be authorised to procure five construction related Frameworks which would replace the existing arrangements due to expire on 31 May 2013.

Disposal of Land at the former Newcastle Road Baths site, Newcastle Road, Sunderland

The Deputy Chief Executive submitted a report (copy circulated) seeking approval for the disposal of land at the former Newcastle Road baths site.

(For copy report – see original minutes).

The Chairman reported that the Council owned the freehold of the land at the site of the former Newcastle Road Baths and the Cabinet had agreed in January 2011 to advertise the site in accordance with acceptable planning uses.

A two stage sealed tender exercise had been carried out and three financial bids were received. The offers were submitted on a 'greenfield basis' and the initial gross offer would be adjusted to reflect any abnormal development costs that were considered reasonable following the prospective purchasers site investigations and surveys. The Chairman also highlighted that if planning permission for the development was conditional upon the provision of affordable housing, then the initial gross offer may also be adjusted to reflect this cost once known.

The Cabinet were asked to approve the disposal of the Council's freehold interest for the initial gross offer, made by the preferred bidder, for proposed residential development.

Consideration having been given to the report, it was: -

7. RESOLVED that Council's freehold interest in 2.47 acres of land at the former Newcastle Road Baths site be disposed of to Esh Developments Limited, for residential development, and otherwise on terms to be agreed by the Deputy Chief Executive.

Disposal of Land and Premises at Unit 3 Rainton Bridge South, Houghton-le-Spring, Sunderland

The Deputy Chief Executive submitted a report (copy circulated) seeking the Cabinet's approval to delegate authority to agree terms for the disposal of the freehold interest in land and premises at Unit 3, Rainton Bridge South, Houghton-le-Spring.

(For copy report – see original minutes).

The Chairman advised that the Council held the freehold interest in the factory, Unit 3, Rainton Bridge South, along with an adjacent development site. Unit 3 and the development site were held on a lease which included an option for the Tenant to purchase the Council's freehold interest in the unit and the adjacent land.

Connor Solutions Limited, the current tenants, had given notice to exercise the option, and the Council was required to negotiate the open market value of the land and buildings. The Cabinet was recommended to agree the disposal of the unit and the land on a best consideration basis and on terms to be agreed by the Deputy Chief Executive in consultation with the Leader and Cabinet Secretary.

Upon consideration of the report, it was: -

8. RESOLVED that Deputy Chief Executive be delegated, in consultation with the Leader and Cabinet Secretary, to agree terms for the disposal of the freehold interest in land and premises at Unit 3 Rainton Bridge South, Houghton-le-Spring, Sunderland to Connor Solutions Limited.

Commissioning of Youth Activities and Activities for Younger Children from April 2013

The Executive Director of Children's Services submitted a report (copy circulated) seeking the Cabinet's agreement to the procurement of youth activities and activities for younger children from April 2013 for a period of two years.

(For copy report – see original minutes).

Councillor Smith reported that youth activities were currently commissioned largely through voluntary sector providers on a ward basis and there were a minimum of three sessions per week, per ward for 52 weeks of the year for young people aged 12 to 19 years old.

Commissioned contracts had been awarded for two years from April 2010 with an extension of a year being agreed with providers in February 2012 with the proviso that each provider put on an additional session for 8 to 12 year olds and holiday sessions where these were not already part of the offer. Councillor Smith informed the Cabinet Members that existing contracts had been measured on outputs such as contact and participation and the new contracts would continue to measure these factors but it was proposed that there would be more direct measuring of the outcomes and impacts for children and young people.

Officers had been working with elected Members, young people and other stakeholders to prepare specifications for the new contracts and were developing a set of outcomes for young people which could be measured through careful monitoring of the contracts.

Councillor Smith highlighted that this had been a significant piece of work for the new People Boards and the Area Committees had recently agreed recommendations for tailoring specifications to each locality. This had included decisions about what outcomes would be measured, flexibility about the use of sessions and the age range the sessions should cover.

The budget for 2013/2014 was £970,000 which would include all commissioned services for 11-19 year olds and city wide contracts relating to the inclusion agenda. The sum took into account reductions agreed in the Budget Planning Framework 2010-2014 but at this point did not factor in any further reductions which may be required or savings which could be achieved through procurement.

Cabinet Members having thanked the Portfolio Holder and officers for allowing the People Boards to have such a productive debate on the commissioning of youth activities, it was: -

9. RESOLVED that: -

(i) the process and consultation undertaken to shape and influence the commissioning of youth activities and activities for younger children be noted;

(ii) these services can be procured for a period of two years from April 2013; and

(iii) a further report on the outcomes of the process be received in March 2013.

Empty Homes Cluster Project and Amendments to the Council's Housing Financial Assistance Policy in relation to Empty Properties

The Executive Director of Health, Housing and Adult Services submitted a report (copy circulated) seeking approval for amendments to the Council's Housing Financial Assistance Policy April 2011 to March 2014 and to update the Cabinet with regard to the Council's Empty Property Projects.

(For copy report – see original minutes).

Councillor Miller stated that tackling empty homes had been a priority of the Council for a number of years and the Government had made funding available to councils to encourage the return to use of empty homes through refurbishment or acquisition and refurbishment schemes. Councils were also being rewarded for returning empty homes to use through the New Homes Bonus funding.

It was highlighted that in order for the Council to meet the eligibility criteria for Government funding, it would be necessary to amend the Council's Financial Assistance Policy. Councillor Miller reported that the proposed changes would allow the Council to have flexibility to offer the type of loan which was felt to be most appropriate for the property in question. Repayment loans, in appropriate cases, would allow the Council to recycle funds at a quicker pace than had been the previous case for empty property assistance. In some cases, grants would be offered to empty property owners in order to bring large numbers of empty homes back into use. All landlords accessing financial assistance would need to be accredited.

Councillor Miller advised that the benefit of this flexibility would be that the Council could access external funding, rehouse local people and families in refurbished empty homes that had been a wasted resource and also optimise further New Homes Bonus funding.

Cabinet Members having given consideration to the report, it was: -

10. RESOLVED that: -

    (i) the amendments to the Council's Housing Financial Assistance Policy (policies FAP 12 and FAP 15) as set out in the report be agreed;

    (ii) the empty property projects progress report be received and noted; and

    (iii) an Empty Homes Cluster Project funded £472,105.15 from Homes and Communities Agency of Empty Homes Funds and £472,105.15 from Council New Homes Bonus funding be approved.

European Regional Development Fund (ERDF) Project – Low Carbon Social Housing Pilot

The Executive Director of Commercial and Corporate Services and the Executive Director of Health, Housing and Adults Services submitted a joint report (copy circulated) asking the Cabinet to approve the delivery of the European Regional Development Fund (ERDF) project and to agree project management, partnership and procurement arrangements.

(For copy report – see original minutes).

Councillor Miller reported that the project had been developed in response to a call for ERDF projects which would "support the application and testing of innovative energy efficiency and renewable energy measures in social housing". The project had secured £1.13million ERDF funding, £0.5million from the Low Carbon Network Fund and £572,000 from Home Group to give total funding of £2.2million.

The project would deliver a low carbon social housing exemplar in Sunderland by focusing on trialling a range of energy saving technologies in houses which are regarded as hard to treat because of their design and physical condition. There would also be works done to properties where there was group living and the tenants of the properties should benefit from a considerable reduction in their fuel bills.

Councillor Miller explained that the project would develop the capacity and expertise of small and medium sized companies in the renewable energy and technology sector and its supply chain through a package of training and support. This would enable businesses to respond to the increased demand in the application of innovative domestic energy measures and would also create 23 new jobs.

The project was one of only two in the region which had been given ERDF approval and the Council would be working in partnership with The Home Group, as social housing provider, and the Northern Powergrid. The project would be closely managed in line with ERDF rules covering procurement, publicity and record keeping.

Home would carry out consultation with elected Members and the tenants in the five wards which would be benefiting from the work and the works were likely to commence in the Spring of 2013.

Having commended the report, the Cabinet: -

11. RESOLVED that: -

    (i) the Low Carbon Energy project proceeds as outlined in the report;

    (ii) the Council be applicant and accountable body for the project and act as a project manager;

    (iii) the Council enter into partnership and contract delivery arrangements with the project partners (the Registered Social Landlord and the Distribution Network Operator) and sub-contractors where appropriate;

    (iv) the Council procures a supplier or consortium of specialist training services for the targeted Small and Medium Enterprises (SMEs) currently estimated at between £250,000 and £300,000; and

    (v) the procurement of the appropriate services, including external project evaluation, energy audit and community cohesion work be agreed.

Sunderland Voluntary Private Landlord Accreditation Review Report

The Executive Director of Health, Housing and Adult Services submitted a report (copy circulated) seeking the Cabinet's approval with regard to the recommendations from the recent review of private landlord accreditation scheme and for necessary amendments to be made to the existing delegated decision arrangements.

(For copy report – see original minutes).

Councillor Miller highlighted that the role of the private rented sector in the provision of accommodation in the city continued to increase. Standards had been improved in this sector as a result of empowering accredited landlords to move to greater self regulation, which in turn had allowed the Council to focus its resources on regulating the poorer and non accredited landlords.

The new accreditation scheme would be based on both landlords and properties meeting set standards. Risk assessments would be carried out on landlords and properties and an inspection regime would be implemented based on this risk assessment. The current scheme would come to an end and landlords would have to reapply under the more stringent standards of the new scheme. The new scheme would also be delivered on an area basis and tailored to meet the needs of that area. This area based arrangement would require amendments to the existing delegated decision arrangements as lead officers would be delivering the scheme in each of the Council's five areas.

Councillor Miller advised that landlords had been involved in the revisions to the scheme and their input had been taken on board where appropriate. He also reported that the new scheme and the driving up of standards was delivered in the context of welfare reform and the effect this had on housing benefit, the Localism Act which allows councils to discharge their homelessness duty by an offer in the private rented sector and the growth of the private rented sector as a result of first time buyers having difficulty accessing the housing market.

The Chairman commented that the current scheme had been very successful and had recognised the large number of good private landlords in the city. He commended the new scheme and stated that this could only deliver further improvements in the private rented sector.

Cabinet Members having given consideration to the report, it was: -

12. RESOLVED that: -

(i) the recommendations of the recent review of the private landlord accreditation scheme seeking to update the scheme in keeping with legislative changes, making the scheme 'fit for purpose' and meeting relevant strategic aims and objectives, be agreed; and

(ii) amendments to the delegated decision framework to allow an efficient and consistent approach with regard to the enforcement of the accreditation scheme be agreed.

Tyne and Wear Care Alliance Training Provider Procurement

The Executive Director of Health, Housing and Adult Services submitted a report (copy circulated) seeking Cabinet's approval to establish a Standing List of training providers using a new Framework Agreement which would replace an existing Framework Agreement which was due to expire in November 2012.

(For copy report – see original minutes).

Councillor Miller reported that the Skills Funding Agency (SFA) had made available funding for the provision of training to the independent social care sector which was expected to exceed £1million over the next two years. The Framework Agreement would be awarded in separate 'lots' covering all types of training to be funded within the Skills Funding Agency contract. This contract would include Adult Apprenticeships in Health and Social Care at Level 2 and Level 3, Diplomas in Health and Social Care at all levels and short courses.

The Framework Agreement would ensure the best use of resources was achieved and efficiencies generated through the aggregation of services which if procured separately would lead to substantial increased costs. The use of the Framework Agreement has had a significant, positive impact on the amounts of individuals achieving vocational skills qualifications in the social care sector.

The Cabinet having been informed the contract term would be for three years with an option to extend for up to a further 12 months, it was: -

13. RESOLVED that: -

(i) the development of a new Framework Agreement be agreed; and

(ii) the expenditure of SFA funding in excess of £1 million over the next two years be agreed.

Local Government (Access to Information) (Variation) Order 2006

At the instance of the Chairman it was: -

14. RESOLVED that in accordance with the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during consideration of the remaining business as it was considered to involve a likely disclosure of information relating to the financial or business affairs of any particular person (including the authority) (Paragraph 3 of Part 1, Schedule 12A of the Local Government Act 1972). The public interest in maintaining this exemption outweighs the public interest in disclosing the information.

(Signed) H. TRUEMAN,
Chairman.

Note:-

The above minutes comprise only those relating to items during which the meeting was open to the public.

Additional minutes in respect of other items are included in Part II.

Sunderland City Council

Item No 4

CABINET MEETING – 5 DECEMBER 2012

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:
Amended procedure for the disposal of surplus land and property

Author(s):
Report of the Deputy Chief Executive

Purpose of Report:

This report recommends improvements to the Council's Strategy for Surplus Assets

Description of Decision:
Cabinet is recommended to amend the Strategy for Surplus Assets to:

(a) enable the disposal at a nominal price of small areas of miscellaneous land if the holding and maintenance liability is equal to or exceeds the value of the land

(b) declare where appropriate Council freehold reversionary interests surplus to requirements and available for disposal.

Is the decision consistent with the Budget/Policy Framework? *Yes/

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

To reduce the Council's maintenance and management liability and enhance the local environment in respect of small areas of miscellaneous land and provide a more efficient and streamlined approach to the disposal of Council land and buildings.

Alternative options to be considered and recommended to be rejected:
The alternative option is to not accept the policy changes. This option would not result in reduced management costs or subsequent savings to the Council.

This option has been considered and is not recommended.

Impacts analysed;

Equality N/A Privacy N/A Sustainability Y Crime and Disorder N/A

Is this a "Key Decision" as defined in the Constitution? Yes **Is it included in the 28 day Notice of Decisions? Yes**	**Scrutiny Committee**

CABINET **5 DECEMBER 2012**

AMENDED PROCEDURE FOR THE DISPOSAL OF SURPLUS LAND AND PROPERTY

REPORT OF THE DEPUTY CHIEF EXECUTIVE

1. Purpose of the Report

This report recommends improvements to the Council's Strategy for Surplus Assets.

2. Description of Decision (Recommendations)

Cabinet is recommended to amend the Strategy for Surplus Assets to:

(a) enable the disposal at a nominal price of small areas of miscellaneous land if the holding and maintenance liability is equal to or exceeds the value of the land.

(b) declare where appropriate Council freehold reversionary interests surplus to requirements and available for disposal.

3. Background

The Strategy for Surplus Assets encompasses the Disposal Procedure for Surplus Land and Property and was adopted by Cabinet on the 2nd December 2009 and amended by Cabinet on the 7th September 2011. Its operation continues to be reviewed to improve the speed and efficiency of the disposals process without compromising its integrity.

The amendments agreed by Cabinet increased the levels of delegation (in terms of property value) to the Deputy Chief Executive and Executive Director of Commercial and Corporate Services in respect of acquisitions and disposals of property.

Members will be aware that the Council has an extensive property portfolio including office accommodation, operational properties from which Council services are delivered, and a commercial property portfolio which provides revenue income to the Council. The property portfolio is kept under continuous review and in the last year 17 office buildings have been vacated. The Council`s approach to delivering efficiencies from property has saved over £2.1m on running costs in the last 2 years. In addition, despite the economic climate it is anticipated that some £3.9million will have been realised from disposals in the 18 months preceding the close of this current financial year. The rationalisation of the operational portfolio, which is part of the Councils drive towards maximising efficiencies, will continue still further, and more properties will be vacated and subsequently advertised for disposal. The recent amendments to the Strategy are therefore working well for large scale disposals.

However the Council also holds a large number of small miscellaneous land and property assets which are not required for strategic or operational purposes, and which are also surplus to requirements.

These areas of land can offer very little in terms of amenity value to the local area and are of a low priority in terms of maintenance. Experience also shows that they can at times also be the focus of anti social behaviour and littering. As a consequence their management costs and liabilities can be a financial burden which could equal or exceed their market value.

The Council also holds a number of sites which are not required for operational or strategic purposes but where long leasehold interests have been granted to enable development. The disposal of these sites could be appropriate subject to a number of conditions being met. These conditions are referred to in paragraph 5 below.

Therefore, as part of the Council's approach to maximising efficiencies and reducing its property costs it is considered appropriate to amend the Strategy for Surplus Assets so as to streamline the approach to the release of assets of this nature.

4. Current Position

Requests are regularly received from owners of properties adjacent to small miscellaneous areas of land to acquire them for inclusion within the curtilage of their property. Upon acquisition they become responsible for all future maintenance and upkeep.

If there are no objections in principle, terms for the sale of the land are issued at market value together with the payment of the Council's legal and surveyors fees.

The total cost of acquiring the land may however be prohibitive and if the transaction does not proceed the land and its associated costs will remain the responsibility of the Council.

It is therefore reasonable to consider factors such as future maintenance liability when assessing any price for the land which could result in a disposal at a nominal consideration. This should assist the disposal process and make it more attractive to potential purchasers.

Similarly with regard to the freehold reversionary interests, regular requests are received from the leaseholders to purchase the freehold interest. The reasons for this are often to secure business finance or redevelopment of the site.

5. Proposal

It is therefore proposed that the procedure be amended so that small areas of miscellaneous land and property can be disposed of at a nominal price providing the maintenance liability and holding costs are equal to or exceed the value of the land.

It is also proposed that the Strategy for Surplus Assets is amended so that land owned by the Council but subject to long leaseholds be declared surplus in circumstances where;

- The acquisition of the Councils freehold interest would enable the tenant to refinance the property for business purposes.
- The freehold interest is required to enable redevelopment of the property that would be acceptable to the Council.
- The Council no longer need to retain an element of legal control afforded by its freehold interest over and above it statutory powers such as planning.
- The decision to sell the freehold meets the criteria already set out in the Councils Strategy for Surplus Assets.

The disposal of Council interests of this nature would see the Council obtain a capital receipt and could also assist with the development of local business.

The proposed amendments to the Strategy for Surplus Assets will not negate the requirement for any approval by Cabinet for any disposals of property where the value of the property disposal exceeds the level of delegation to the Deputy Chief Executive and Executive Director of Commercial and Corporate Services.

6. Reasons for the Decision

To reduce the Council's maintenance and management liability and enhance the local environment in respect of small areas of miscellaneous land and provide a more efficient and streamlined approach to the disposal of surplus land and buildings

7. Alternative Options

The alternative option is to not accept the policy changes. This option would not result in reduced management costs or subsequent savings to the Council.

This option has been considered and is not recommended.

8. Impact Analysis

8(a) Equalities –N/A

8(b) Privacy Impact Assessment (PIA) – N/A

8(c) Sustainability

Sustainability Impact Appraisal

Sunderland Strategy Objectives cross check with decisions outcomes:

• Prosperous City

The sale of freehold interests which are subject to long leaseholds will enable funding to be obtained on failing buildings enabling refurbishment or redevelopment of these buildings.

• Healthy City / Safe City

In circumstances where otherwise it would be financially prohibitive to include miscellaneous land within the curtilage of adjoining property which in turn improves the local amenity, this policy enables these improvement to happen.

• Learning City
No impact

• Attractive and Inclusive City

The amendments will improve the local amenity and management of land in circumstances where otherwise it would be financially prohibitive to include miscellaneous land within the curtilage of adjoining property.

Significant environmental impacts:

- Meets environmental legislation
  See above

- Limits environmental hazards
  See above

- Limits local environmental impact
  See above

- Reduces material consumption
  No impact

- Reduces risks from weather and climate change
  No impact

- Reduces waste creation and disposal
  See above

- Improves sustainable transport communications
  No impact

8(d) Reduction of Crime and Disorder – Community Cohesion / Social Inclusion –

The amendments will reduce the likelihood of antisocial behaviour where otherwise it would be financially prohibitive to include miscellaneous land within the curtilage of adjoining property.

9. Other Relevant Considerations / Consultations

The Head of Financial Resources and the Head of Law and Governance both on behalf of the Executive Director of Commercial and Corporate Services have been consulted and their comments are contained in this report.

The Strategy for Surplus Assets details the requirements for best consideration to be obtained for the disposal of the land in accordance with Section 123 of the Local Government Act 1972 which is the statutory provision enabling local authorities to dispose of land. Circular 06/03 (The Local Government Act 1972: General Disposal Consent 2003) provides a general consent removing the requirement to seek specific approval from the Secretary of State for a wide range of disposals at less than best consideration to a maximum undervalue of £2,000,000. It is unlikely that any disposals under the Strategy for Surplus Assets would exceed an undervalue of £2,000,000 however if they did, approval would need to be sought from the Secretary of State to the disposal.

Any sale at an undervalue would also constitute state aid for the purpose of Article 107 of the Treaty of the Functioning of the European Union and enquiries would need to be made with the individual/company to confirm whether the aid could be given under one of the exemptions permitted by the European Commission legislation

10. Background Papers

Strategy for Surplus Assets

Sunderland City Council

Item No. 5

CABINET MEETING – 5 DECEMBER 2012

EXECUTIVE SUMMARY SHEET - PART 1

Title of Report:
Joint Municipal Waste Management Strategy Review 2012

Author(s):

Deputy Chief Executive

Purpose of Report:

To adopt an updated Joint Municipal Waste Management Strategy

Description of Decision:
Cabinet is recommended to agree the adoption of an updated Joint Municipal Waste Management Strategy, to guide future decisions in the management of municipal waste.

Is the decision consistent with the Budget/Policy Framework ***Yes/~~No~~**

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

To ensure a fit for purpose Joint Municipal Waste Management Strategy guides development of waste management solutions.

Alternative options to be considered and recommended to be rejected:
Three alternative options have been considered:

- Continue with the existing strategy which is out dated.
- Do a full strategy review which is not required and would be too expensive
- Not to have a strategy which would result in a lack of guidance on decisions to ensure medium and long term objectives are met.

Impacts analysed;

Equality N/A **Privacy N/A** **Sustainability Y** **Crime and Disorder N/A**

Is this a "Key Decision" as defined in the Constitution? Yes **Is it included in the 28 day Notice of Decisions? Yes**	**Scrutiny Committee**

CABINET REPORT **5TH DECEMBER 2012**

REPORT OF DEPUTY CHIEF EXECUTIVE

SOUTH TYNE AND WEAR WASTE MANAGEMENT PARTNERSHIP – JOINT MUNICIPAL WASTE MANAGEMENT STRATEGY

1 PURPOSE OF THE REPORT

1.1 To adopt an updated Joint Municipal Waste Management Strategy

2. DESCRIPTION OF DECISION

2.1 Cabinet is recommended to agree the adoption of an updated Joint Municipal Waste Management Strategy, to guide future decisions in the management of municipal waste.

3. BACKGROUND

3.1 Gateshead, South Tyneside and Sunderland Councils formed the South Tyne and Wear Waste Management Partnership in 2006.

3.2 The authorities developed a Joint Municipal Waste Management Strategy which, after extensive councillor, public and stakeholder consultation, was adopted in 2007 for the 20 year period 2007 – 2027.

3.3 The strategy sets the following waste management objectives:

- Reduce the amount of waste that is generated
- Re-use waste
- Recycle and/or compost waste as far as this is practicable within economic and environmental constraints
- Recover energy from the remaining waste and finally dispose of residual waste safely

3.4 The strategy contains a commitment to review it at least every five years. Officers from all partner authorities have worked to review the strategy and the proposed update is attached as appendix 1.

3.5 Objectives and policies have been updated to take account of national changes, most notably the government's Waste Review 2011. These are relatively minor changes, and do not change the overall direction of the strategy.

3.6 The main change has been to the Baseline Review, which contains details of services and performance. The changes reflect the major service developments and improvement in recycling rates over the last five years.

4. REASON FOR DECISION

4.1 To ensure a fit for purpose Joint Municipal Waste Management Strategy guides development of waste management solutions

5. ALTERNATIVE OPTIONS

5.1 Alternative options examined but not recommended are:

5.2 Continue to use the existing strategy and not make any revisions. It is considered this option would result in use of an out-of-date strategy, particularly in the Baseline Review, as the developments and achievements over the last five years would not be taken account of.

5.3 Carry out a full rewrite of the strategy. This would involve a substantial amount of resource, and officers consider that the objectives and policies in the strategy adopted in 2007 are still relevant with only minor revisions required.

5.4 No longer have a joint municipal waste management strategy. Although there is no statutory requirement to have a municipal waste management strategy, such a strategy guides decisions to ensure medium and long term objectives are met.

6. RELEVANT CONSIDERATIONS/CONSULTATIONS

6.1 In reviewing the strategy, officers have taken account of the outcomes of feedback received by authorities in the last five years. This includes information from consultations, queries, complaints, compliments and meetings.

Cabinet Members have been consulted on the revisions to the strategy.

a) **Financial (and Value for Money) Implications –**
The Executive Director Commercial and Corporate Services has been consulted. There are no direct financial implications arising from the report. Any service changes to further the objectives of the revised strategy would be subject to usual Council budget setting processes. Working in partnership for waste management brings economies of scale.

b) **Human Resources Implications** – There are no human resources implications.

c) **Procurement and Risk Management**
The Head of Audit Risk and Procurement has been consulted.
Having an out-of-date Strategy or no Strategy risks not achieving medium to long term objectives.

d) **Environmental and Sustainability Implications** –
There are no direct implications. The strategy follows the waste hierarchy, which seeks to manage waste in the most sustainable manner possible.

e) **Human Rights Implications** – None

f) **Area and Ward Implications** – The strategy affects all areas and wards

g) **Legal implications** – None

h) **Equality and Diversity Implications** – There are none identified at this stage but an equality and diversity implications review will precede any relevant future service change.

i) **Crime and Disorder Implications** – None

8. BACKGROUND PAPERS

8.1 Report to Cabinet – Joint Municipal Waste Management Strategy 10 October 2007
http://www.sunderland.gov.uk/committees/cmis5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/5502/Committee/1066/Default.aspx

APPENDIX 1

CABINET MEETING 5 DECEMBER 2012

REPORT OF DEPUTY CHIEF EXECUTIVE

SOUTH TYNE AND WEAR WASTE MANAGEMENT PARTNERSHIP – JOINT MUNICIPAL WASTE MANAGEMENT STRATEGY REVIEW 2012

Joint Municipal Waste Management Strategy
Review 2012

The Joint Municipal Waste Management Strategy (JMWMS) was adopted in 2007 as a 20 year strategy. The JMWMS contains a commitment to review the headline strategy at least every five years.

This document is the outcome of the strategy review and has taken account of changes and developments from 2007 – 2012, including:

- European, national and regional policy and legislation
- General waste industry changes
- Public feedback received by the partner authorities
- Changes in services made by partner authorities
- Current performance and future targets
- Financial context and authorities' medium term financial strategies

The structure of the review is:

- Section 1 – Context Page 2
- Section 2 – Baseline Review summary – current position and performance of partner authority waste services Page 3
- Section 3 – Achievements against JMWMS policies over the last five years Page 3
- Section 4 – Future JMWMS objectives Page 4
- Section 5 – Future JMWMS policies Page 6

Appendices are as follows:

- Appendix 1 – Baseline Review detail Page 9
- Appendix 2 – Detailed achievements against JMWMS policies Page 20
- Appendix 3 – Future actions against JMWMS policies Page 28

Section 1 – Context

The waste management services and performance of those services have changed dramatically in the last five years. The Baseline Review summary in section 2 reflects these changes, with the detail provided in appendix 1.

The changes are also evidenced through the achievements against each policy over the last five years in section 3.

The government's Waste Review 2011 has influenced future actions where there is a defined role for local authorities. Some provisions in Waste Review 2011 do not result in specific actions for local authorities but are worthy of note. These include:

- Confirmation of EU recycling targets of 50% by 2020, whilst recognising that different local authorities have different circumstances and a blanket 50% target for authorities is not appropriate
- Considering how existing Producer Responsibility Schemes can be simplified, and looking at the case for introducing further Producer Responsibility Schemes
- Working with business across the supply chain to recycle more packaging
- Developing waste regulation, including more enforcement of the waste carrier regime and raising awareness amongst businesses of their responsibilities
- Consulting on restricting landfilling of certain materials, including wood, textiles and biodegradable waste

The revised EU Waste Framework Directive entered into force in 2008 and has the waste hierarchy at its heart. The directive was transposed into national law by The Waste (England and Wales) Regulations 2011.

Authorities use consultation and other feedback from the public to inform development of waste related services. Consultations over the last five years show that the public is broadly supportive of following the principles of the waste hierarchy and in particular increasing recycling.

The above context and achievements to date have been used to update the wording of the objectives and policies, which are provided in sections 4 and 5.

Section 2 – Baseline Review

The full Baseline Review is provided in **appendix 1** with key themes outlined below.

Overall levels of municipal waste have fallen across the partnership area over the last five years, standing at 312,741 tonnes in 2011/12 from a total of 362,092 tonnes in 2006/07.

Waste collection services have continued to improve, in particular the development of kerbside recycling services and bring sites.

This service development has contributed to a rise in recycling levels, which stand at 36.6% of municipal waste in 2011/12.

In addition to recycling levels rising, more material has been diverted from landfill with 61.6% of municipal waste going to landfill in 2011/12. The remaining 1.8% of municipal waste was used for energy recovery.

Section 3 – Achievements over the last five years

Appendix 2 provides details of achievements and progress against the JMWMS policies over the last five years. A summary is provided here.

Waste management services have been enhanced over the last five years, with the notable introduction of the blue bin kerbside recycling service. This enables a greater range of materials to be recycled at the kerbside. Alongside this there have been developments in communal recycling and bring sites, and services to allow Waste Electrical and Electronic Equipment (WEEE) to be recovered.

Authorities reached financial close on the Residual Waste Treatment Contract. When service commences in 2014, residual waste will diverted from landfill and sent to an Energy from Waste (EfW) plant to generate electricity. The contract will save money compared with continuing to send waste to landfill and also reduce the impact of waste disposal on the environment.

Planning and procurement policies and activities play an important role in waste management, and several developments have taken place over the last five years.

Authorities have developed reuse activities, particularly with the voluntary sector. This includes furniture recycling and bike refurbishment. Other activities have also taken place with the voluntary sector, for example doorstep canvassing to promote recycling services.

A series of communications campaigns have promoted services and encouraged behavioural change. These included communications alongside the introduction of the blue bin scheme, love food hate waste, and the Defra-funded recycling incentives scheme.

Authorities have worked with a host of regional and national organisations to gain access to information and funding, and lobby for changes. These include Waste Resources Action Programme (WRAP), Waste Action Forum (WAF), Waste Aware North East (WANE), North East Recycling Forum (NERF), National Associate of Waste Disposal Officers (NAWDO), Chartered Institution of Wastes Management (CIWM) and Local Authority Recycling Advisory Committee (LARAC).

Section 4 – Future JMWMS objectives

Taking account of the context and achievements outlined, the JMWMS objectives have been updated to be the following:

1. The Partnership has set the following objectives for prioritising waste management:

- Reduce the amount of waste that is generated;
- Reuse waste;
- Recycle and / or compost waste as far as this is practicable within economic and environmental constraints; and
- Recover energy from the remaining waste and finally dispose of residual waste safely.

2. In making decisions about how waste is managed, the objectives of the Partnership will be to:

- Reduce as far as practicable the amount of waste that is generated;
- Consider the most appropriate and sustainable methods and technologies for dealing with waste;
- Deliver waste services that offer value for money;
- Manage waste at the nearest possible waste management facility to reduce the carbon footprint of waste transport;
- Manage and dispose of waste generated within the 'Partnership area' where this is feasible;
- Maximise recycling opportunities to turn one person's waste into another's resources;
- Maximise opportunities to create jobs in the waste sector;
- Ensure all is done to provide waste management services and facilities in the most user and environmentally friendly manner;
- Make services accessible to all people who live in, work in or visit the area, reducing their need to travel to dispose of waste;
- Manage waste in a way that takes account of the potential needs of future generations, avoiding, where practicable environmental damage and without endangering human health, taking into account climate change in its decisions; and
- Take account of life cycle impacts when dealing with waste and procuring goods and services.

3. The following objectives are those set out by the Partnership that are linked to waste reduction:

- To educate the public and other stakeholders on waste reduction matters raising awareness and responsibilities.
- To work with others in the Region to urge the Government to introduce measures, and will also work with industry, to reduce packaging.
- To 'lead by example' in the introduction of best practice in minimising waste from their own operations, including Council contracts and purchasing practices.
- To minimise waste generation both in the construction phase of new developments, whether domestic, commercial or industrial, and throughout the lifetime of the properties.

4. The Partnership has set the following objectives with respect to recycling and composting for the Strategy:

- To achieve the targets set out in this Strategy for recycling and / or composting and, in the longer term, to exceed the statutory targets set by Government where this is practicable.
- Ensure that viable recycling facilities are available to all residents, including those living in flats and in rural areas.
- To ensure that all new developments include facilities for recycling and composting of waste wherever practicable.
- To increase awareness of waste management issues at home, at school, at work and to our visitors to encourage behavioural changes that maximise participation in recycling schemes.
- Work with industry and organisations such as WRAP to find and develop markets for recyclables and recycled products.
- Assist in building capacity in the voluntary sector to promote/support reuse and recycling of materials.

5. The Partnership has set the following objectives regarding the disposal/treatment of waste:

- To meet national waste recovery targets or to exceed these in the longer term where this is practicable.
- Reduce the amount of biodegradable municipal waste landfilled and lessen the reliance on landfill.

6. The Partnership has set the following objectives regarding the provision of services and monitoring and review of the Strategy:

- To work together to source funding for making the necessary changes and to share in the costs and benefits of delivering the Strategy.
- To prepare and deliver communication strategies to promote reduction, reuse and recycling within the community and to ensure that education and information relating to waste and environmental services is available for all.
- To ensure that accurate, regular ongoing monitoring is carried out so that future performance (such as reductions in the amount of waste generated) can be measured and reported.
- To keep the policies included in this Strategy under review and update action plans as necessary (reviewing them at least every year) and revise the headline Strategy before 2018. New versions will be posted on the councils' websites.

Section 5 – Future JMWMS policies

Taking account of the context and achievements outlined, the JMWMS policies have been updated and will be the following:

General principles
Policy 1: The Partnership will follow the waste hierarchy set by the Government and firstly promote measures that reduce waste, then reuse waste, followed by recycling and composting and then finally recovery of value, including energy, from the waste prior to disposal.
Policy 2: In making decisions about how waste is managed, the Partnership will aim to: • Deliver waste services that offer value for money for the residents of South Tyne and Wear; • Employ the most appropriate and sustainable methods and technologies for dealing with waste taking account of the overall objectives and aims detailed in this Strategy; • Minimise the amount of waste that is landfilled, taking into account the cost of the alternatives; • Provide waste management services and facilities in the most user friendly and environmentally sound manner through appropriate design of services and use of the Planning system. This will include a requirement for minimising environmental impacts, such as visual intrusion; • Make waste management services readily accessible to all people who live, work and/or visit the South Tyne and Wear area. This includes reducing the need for people to travel to reuse/recycle/dispose of waste and includes ensuring that facilities are available for dealing with hazardous wastes (arising directly from household or from the treatment of MSW); • Consider resource use and take account of lifecycle impacts when procuring all goods and services rather than treating waste management as a separate issue; • Manage waste in a way that not only avoids environmental damage and danger to human health, but which also takes account of the potential needs of future generations and, in particular, climate change; • Maximise the recycling opportunities to convert one person's waste into another's resources; • Use the opportunities presented by new waste management arrangements to create jobs in the waste sector and, in particular, to promote and support the involvement of social enterprises in the provision of waste management services; and • Be self sufficient by managing and disposing of waste generated in South Tyne and Wear within the 'Partnership area' where this is feasible and in line with other policies.
Waste Reduction
Policy 3: The Partnership will introduce measures to increase the level of education and understanding of waste reduction matters with all members of the general public and other stakeholders.
Policy 4: The Partnership acknowledges the impact of packaging on the overall amount of waste that is generated and will work with regional partners, industry and Government to reduce the amount of packaging produced.
Policy 5: The councils within the Partnership will introduce waste minimisation and reuse schemes in their own operations to lead by example and highlight best practice to the wider community. Where practicable, this will include waste reduction, reuse and recycling measures in contracts for council services. The councils will also endeavour to ensure that their contractors follow the same principles

Policy 6: The Partnership will use planning and permitting procedures to influence the level of waste generation throughout the whole life of new developments and redevelopments - from construction right through their operational lifetimes. This will be done irrespective of the nature of the developments, whether they are housing, commercial or industrial developments.
Recycling and Composting
Policy 7: The Partnership will aim to achieve the following recycling / composting targets for household waste: • 45% by 2015 • 50% by 2020 In the longer term, the Partnership will look to exceed the national targets set by Government, where this is practicable
Policy 8: Viable recycling facilities will be made available to all residents, including those in flats and rural locations. Recycling facilities will be designed to be easy for residents to use. Any new developments will be required to include recycling and composting facilities wherever practicable. The three councils will aim to fully harmonise arrangements for collection of recyclable materials.
Policy 9: The Partnership will seek to create a change in behaviour in the community by promoting increased public awareness of waste management issues. Awareness raising campaigns will be targeted at people at home, at school, at work and to our visitors with the aim of maximising participation in recycling schemes.
Policy 10: The Partnership will work with industry and organisations such as WRAP to encourage recycling of commercial and industrial waste and to find and develop markets for recyclable materials and recycled products. In addition, the Partnership will assist in building capacity in the voluntary sector to promote reuse and recycling of materials.
Policy 11: In addition to introducing waste minimisation and reuse principles into their own operations, the councils within the Partnership will aim to purchase recycled products wherever feasible in order to stimulate the markets for recovered materials as well as leading by example and highlighting best practice to the wider community.
Residual Treatment
Policy 12: In line with the Waste Hierarchy, the Partnership will aim to maximise reuse, recycling and composting before the residual waste is treated. The Partnership will aspire to meet the Waste Strategy 2007 targets for reducing waste that is not reused, recycled or composted: • Maximum of 225kg per person by 2020 It will also aim to meet and where possible exceed the following national targets for recovery of municipal waste: • 67% by 2015 • 75% by 2020 Where practicable these will be exceeded in the longer term. The Partnership will aim to minimise the landfill of biodegradable waste, within economic constraints, in order to reduce methane emissions. The Partnership will also aim to recover energy, as well as materials, from waste before final disposal and will require the capture and utilisation of landfill gas from that waste which is landfilled.
Self-Sufficiency
Policy 13: The Partnership will provide support, through Planning policy for example, to the development of new recycling, composting and residual treatment capacity within South Tyne and Wear where this does not conflict with other policies or Planning requirements.

Financing and Communications
Policy 14: The Partnership will work together in sourcing funding for and delivering the necessary changes to services. The costs and benefits of delivering this Strategy will be shared between the Partnership authorities.
Policy 15: The Partnership acknowledges that education and communication are key components of the Strategy. The Partnership will prepare a Strategy to promote waste awareness and, in particular, the three R's to the whole of the community.
Monitoring and Review
Policy 16: Future performance monitoring is important to assess the effects of the Strategy. The Partnership will ensure that accurate, regular ongoing monitoring is carried out and that remedial steps are taken if it appears that targets are not likely to be met.
Policy 17: The Partnership will keep the policies included in this Strategy under review. Action Plans will be reviewed at least annually with a full Strategy review in 5 years. If required as a result of, for example, changes in legislation or local circumstances, the Strategy will be revised more frequently. Any changes to the Strategy will be subject to due democratic processes and further public consultation will be undertaken in the event of proposed significant changes to the Strategy. New versions will be posted on the Councils' websites.
Policy 18: The Partnership will monitor the development and adoption of LDFs and Local Plans and will have continuing dialogue with the Planning Authorities to ensure that the Strategy and emerging LDFs and Local Plans are mutually informed and support the development of appropriate facilities to enable the Strategy aims to be delivered. The aim will also be for Planning documents to support the policy of waste minimisation in new developments.

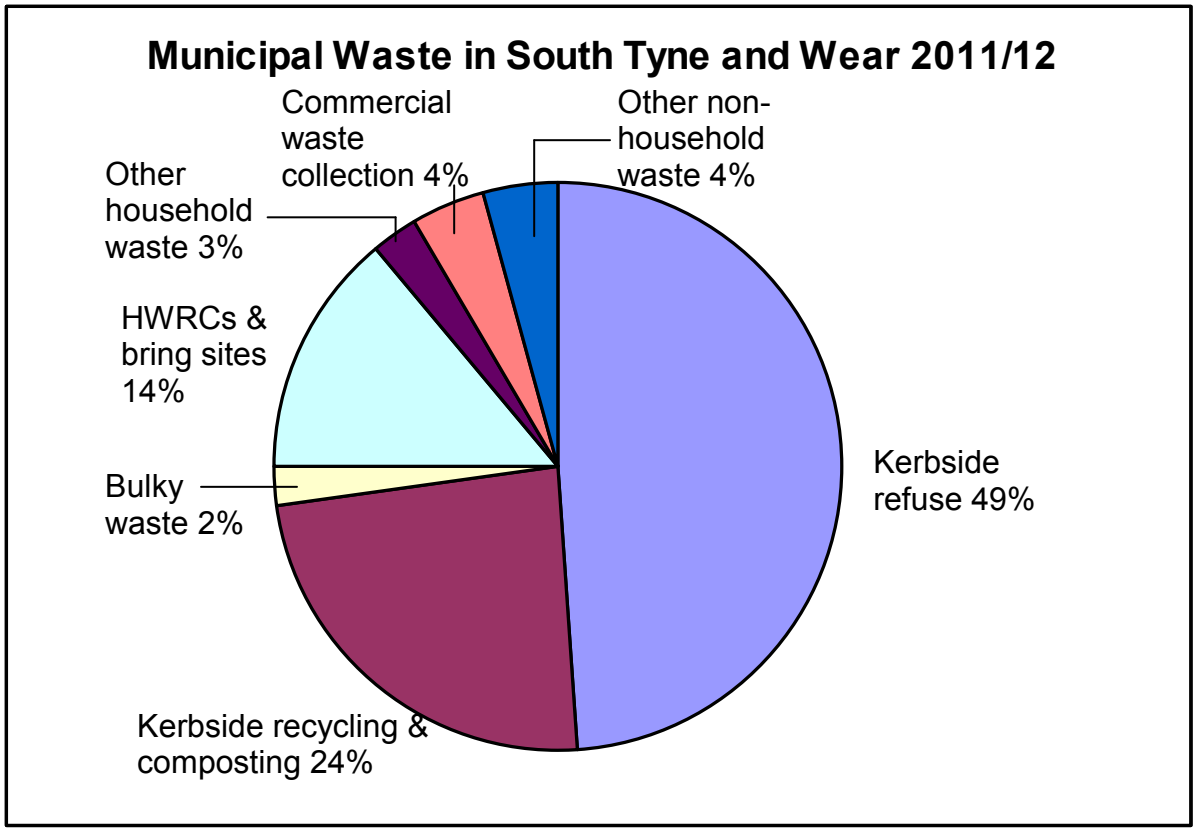
Appendix 1 – Baseline Review

This section provides a summary of the current arrangements for waste management for the financial year 2011/12, in support of the rest of the strategy.

The South Tyne and Wear Waste Management Partnership produces some 312,741 tonnes of municipal waste each year, of which 274,941 tonnes is household waste. Levels of household waste equate to around 958 kg per household. Table two shows how each authority within the Partnership contributes to this total.

Figure 1 shows the proportions of non-household waste that made up municipal waste in South Tyne and Wear in 2011/12. Over half of the municipal waste is composed of regular household collections and 12% of the municipal waste arises from non-household sources.

Figure 1 – Municipal waste in South Tyne and Wear (2011/12)



The remainder of the Baseline Review is structured as follows:

- Waste Arisings
- Waste Management
- Performance Against Targets
- Future Waste Predictions
- Summary and Conclusions

Waste Arisings

In 2011/12 approximately 312,741 tonnes of municipal waste was collected in South Tyne and Wear. 88% of this was household waste, and the remainder is classified as non-household municipal waste, comprising:

- Trade waste collections
- Rubble, tyres and soil, collected through Household Waste Recycling Centres (HWRCS) and
- Other non-household waste, which includes fly-tipping, tyres, etc

Table 2 – municipal waste in South Tyne and Wear 2011/12

	Gateshead	**South Tyneside**	**Sunderland**
Population[1]	191,700	153,700	283,500
Households[2]	92,330	69,820	124,850
Household Waste (t)	84,361	63,603	126,977
Non Household Waste (t)	9,841	14,318	13,641
Municipal Waste (t)	94,202	77,921	140,618
Household waste per household (kg)	914	910	1,017
Household waste per head (kg)	440	414	448

[1]Population figures are sourced from Office for National Statistics mid-2010 population estimates
[2]Household numbers are sourced from Waste Data Flow

Table 3 – municipal waste in South Tyne and Wear 2006/07 – 2010/11

		Gateshead	**South Tyneside**	**Sunderland**
2006/07	Household Waste (t)	99,845	72,044	143,485
	Non Household Waste (t)	10,959	19,659	16,100
	Municipal Waste (t)	110,804	91,703	159,585
2007/08	Household Waste (t)	98,039	71,855	139,163
	Non Household Waste (t)	12,427	16,696	16,505
	Municipal Waste (t)	110,466	88,551	155,668
2008/09	Household Waste (t)	91,418	71,245	136,355
	Non Household Waste (t)	13,611	14,864	12,866
	Municipal Waste (t)	105,029	86,109	149,221
2009/10	Household Waste (t)	87,094	67,252	133,233
	Non Household Waste (t)	14,562	13,479	11,661
	Municipal Waste (t)	101,656	80,731	144,894
2010/11	Household Waste (t)	85,388	66,586	127,855
	Non Household Waste (t)	12,950	10,158	15,012
	Municipal Waste (t)	98,338	76,744	142,867

Waste management

Waste reduction and reuse are at the top of the waste hierarchy and these are promoted across the Partnership area in a number of ways. Appendix 2, which outlines progress against each of the policies over the last five years, contains details of a number of waste reduction and reuse activities introduced in the last five years.

The following parts of this section give further details of the collection services provided by each of the authorities, and how the waste collected is disposed of.

Table 4 summarises the quantities of waste collected through different types of collections across the three authorities and from the HWRCs.

Table 4 – breakdown of waste collected by stream and authority in 2011/12

	Gateshead	**South Tyneside**	**Sunderland**
Kerbside refuse	45,848	34,078	72,991
Kerbside dry recyclables	14,455	10,690	20,378
Kerbside garden waste	9,027	7,297	12,436
Bring sites	976	552	471
Bulky waste	1,738	549	5,279
HWRC residual	4,634	3,969	7,057
HWRC recycling	2,930	3,673	3,148
HWRC composting	1,194	1,242	1,430
Other household waste	3,559	1,553	3,787
Total household	**84,361**	**63,603**	**126,977**
Commercial waste collection	1,999	8,095	2,922
HWRC inerts	3,681	3,014	5,019
Other non-household waste	4,161	3,209	5,700
Total non-household	**9,841**	**14,318**	**13,641**
Total municipal	**94,202**	**77,921**	**140,618**

Refuse Collection Services

Table 5 summarises the arrangements that each authority makes for the collection of refuse.

Table 5 – household refuse collection arrangements in 2011/12

	Gateshead	South Tyneside	Sunderland
Container	240l wheeled bin	240l wheeled bin	240l wheeled bin
Frequency	Fortnightly	Weekly	Weekly
Further information	No side waste	No side waste	Side waste accepted
Contractor	In house	In house	In house
Contract end date	Not applicable	Not applicable	Not applicable
Households	92,330	69,920	124,850
Tonnes (2011/12)	45,848	34,078	72,991

Kerbside Dry Recyclables Collection Services

Table 6 summarises the arrangements in place for collecting recyclables at the kerbside. All the authorities have the same arrangements and provide a fortnightly collection service.

Table 6 – kerbside recyclables collection arrangements in 2011/12

		Gateshead	South Tyneside	Sunderland
Household	Type	Partly co-mingled	Partly co-mingled	Partly co-mingled
	Materials	Paper in inner caddy Other materials in main bin – cardboard, glass, tin, can, aerosols, plastic bottles	Paper in inner caddy Other materials in main bin – cardboard, glass, tin, can, aerosols, plastic bottles	Paper in inner caddy Other materials in main bin – cardboard, glass, tin, can, aerosols, plastic bottles
	Container	240l wheeled bin with 40l inner caddy	240l wheeled bin with 40l inner caddy	240l wheeled bin with 40l inner caddy
	Further information	Cardboard accepted as side waste	No side waste	No side waste
High rise / communal	Type	Partly co-mingled	Partly co-mingled	Partly co-mingled
	Materials	Paper segregated, other comingled materials as for blue bin service	Paper segregated, with comingled glass, cans and plastic bottles	Paper segregated, other comingled materials as for blue bin service
	Container	240l bins for mixed and separate 240l bins for paper	Igloo bring banks	240l bins for mixed and paper banks for paper
Frequency		Fortnightly	Fortnightly	Fortnightly
Contractor		In house	In house	In house
Contract end		Not applicable	Not applicable	Not applicable
Households		92,330	69,820	123,350
Tonnes		14,455	10,690	20,378

Garden Waste Collection Services

Table 7 summarises the arrangements for the collection of garden waste at the kerbside.

Table 7 – kerbside garden waste collection arrangements in 2011/12

	Gateshead	**South Tyneside**	**Sunderland**
Materials	Garden	Garden	Garden
Container	240l wheeled bin	240l wheeled bin	240l wheeled bin
Charge?	No	No	No
Frequency	Fortnightly, from March to November	Fortnightly, from March to November	Fortnightly, from March to November
Further information	No side waste	No side waste	No side waste
Contractor	In house	In house	In house
Contract end	Not applicable	Not applicable	Not applicable
Households	61,274	54,000	85,000
Tonnes	9,027	7,297	12,436

Collection of Recyclables through Bring Sites

Table 8 summarises the arrangements for collection of recyclables through bring banks and on street recycling.

Table 8 – bring sites in 2011/12

Material	**Detail**	**Gateshead**	**South Tyneside**	**Sunderland**
Paper	Number of sites	36	38	32
	Contractor	Palm	Palm	Palm
	End Date	October 2016	October 2016	October 2016
Comingled glass, cardboard, cans, plastic bottles and waxed cartons	Number of sites	37	38	46
	Contractor	Palm	Palm	Palm
	End Date	October 2016	October 2016	October 2016
Other		Authorities provide a few other banks at the bring sites for materials including batteries, books, media, CDs, small WEEE, textiles and shoes		
Total number of bring sites		37	32	28
Bring site tonnage 2011/12		976	552	471
On-street recycling	Number of sites	47	3	6
	Materials collected	Cans, paper and plastic bottles	Glass, cans and paper	Cans, paper and plastic bottles

Other Household Collections

Authorities also provide collections of bulky waste and clinical waste from households. Table 9 sets out quantities of waste collected through these and other household waste related routes in 2011/12.

Table 9 – other household-related collections 2011/12

		Gateshead	South Tyneside	Sunderland
Bulky waste	Collections	9,765	6,700	54,877
	Charge?	Yes	Yes	No
	Tonnes	1,738	549	5,279
Medical waste collection	Tonnes	20	6	20
Litter and street sweepings	Tonnes	1,975	799	1,705
Fly tipping	Tonnes	517	1,100	5,470

Trade Waste Collections

All three authorities offer a trade waste collection service, with information set out in table 10.

Table 10 – trade waste collection services 2011/12

	Gateshead	South Tyneside	Sunderland
Tonnes	1,999	8,095	2,922
Types of container available	240l 360l 1,100l	240l 360l 770l 1,100l	Blue bags 240l 360l 770l 1,100l

Household Waste Recycling Centres (HWRCs)

South Tyne and Wear operate four HWRCs, which are open to residents to deposit domestic recyclables and waste. The Campground, Wrekenton HWRC is used by both Gateshead and Sunderland residents.

Materials accepted at all HWRCs include domestic waste, garden waste, cardboard, rubble, mixed plastics, wood, scrap metal, gypsum, waste oil, Liquefied Petroleum Gas (LPG) containers, tyres, lead acid automotive batteries, and Waste Electrical and Electronic Equipment (WEEE) (large domestic appliances such as cookers and washing machines, and small domestic appliances including irons, kettles, computers, TVs/monitors, fridges freezers, and fluorescent tubes/bulbs)

Table 11 contains key statistics on the HWRCs.

Table 11 – details of Household Waste and Recycling Centres 2011/12

	Cowen Road, Blaydon	Campground, Wrekenton	Middlefields, South Tyneside	Beach Street, Sunderland
Tonnes	7,346	8,466	9,900	14,929
Recycling rate	64.9%	65.5%	70%	58.52%

Treatment and disposal

Table 12 shows the delivery point and destination of different materials collected through kerbside collection services.

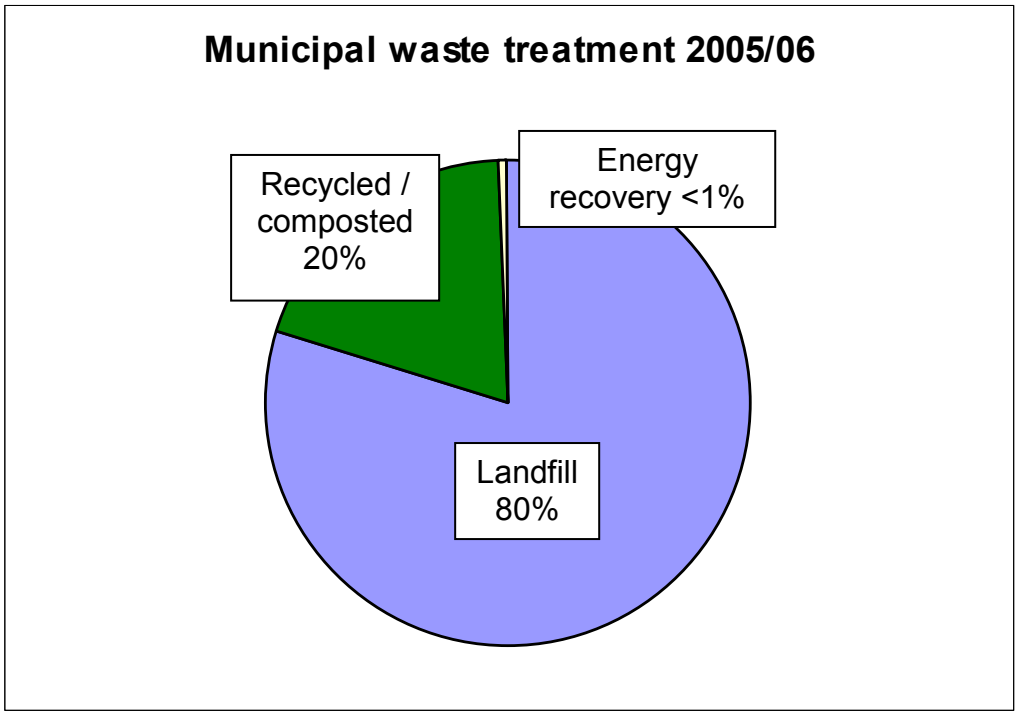
Table 12 – treatment and disposal arrangements in 2011/12

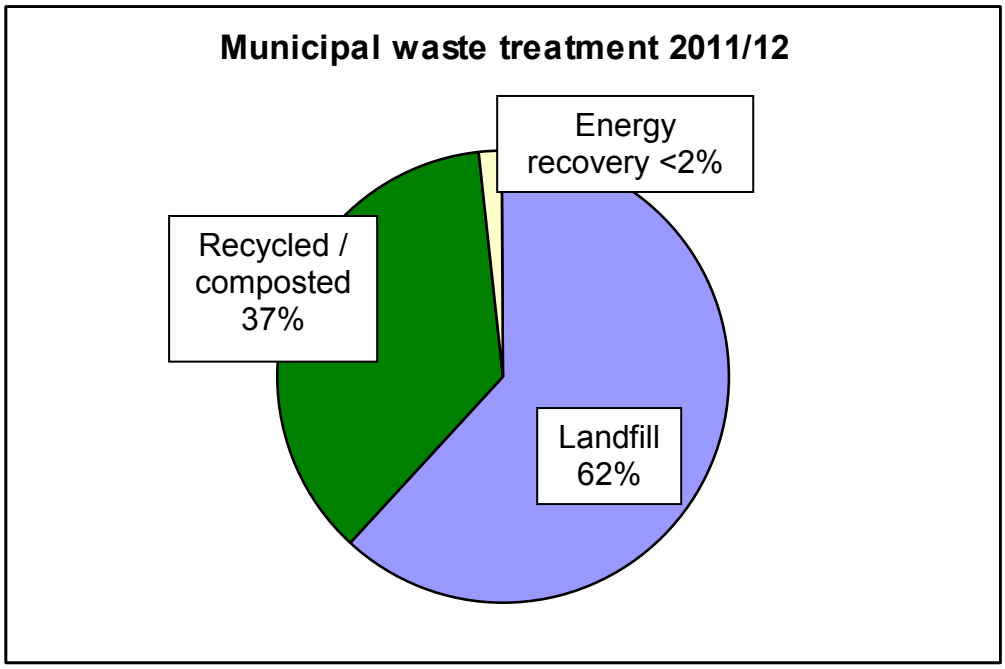
		Gateshead	**South Tyneside**	**Sunderland**
Residual waste	Contractor	SITA UK Ltd	SITA UK Ltd	Alex Smiles Ltd
	Destination	Pathhead landfill site, Blaydon, direct or via Campground Waste Transfer Station	Pathhead landfill site, Blaydon, via Middlefields Waste Transfer Station	Cowpen Bewley landfill site, Stockton-on-Tees, via Alex Smiles or Impetus Waste Transfer Station
	Contract end date	31/03/2014	31/03/2013, option to extend for up to 3 years	31/03/2013, option to extend for up to 3 years
Dry recyclables	Contractor	HW Martin Waste Ltd	HW Martin Waste Ltd	Saica Natur – Connorco
	Destination	Washington; for sorting and onward transportation for reprocessing	Washington; for sorting and onward transportation for reprocessing	Hendon and Washington; for sorting and onward transportation for reprocessing
	Contract end date	31/03/2013, option to extend for up to 3 years	31/03/2013, option to extend for up to 3 years	31/03/2013, option to extend for up to 3 years
Garden waste	Contractor	SITA UK Ltd	SITA UK Ltd	JBT Waste Services Ltd
	Destination	Northumberland farms via North Tyneside Waste Transfer Station or Direct to Gateshead farms	Northumberland farms via North Tyneside Waste Transfer Station	Bedlington and other parts of Northumberland via Birtley
	Contract end date	31/03/2013, option to extend for up to 3 years	31/03/2013, option to extend for up to 3 years	31/03/2013, option to extend for up to 3 years

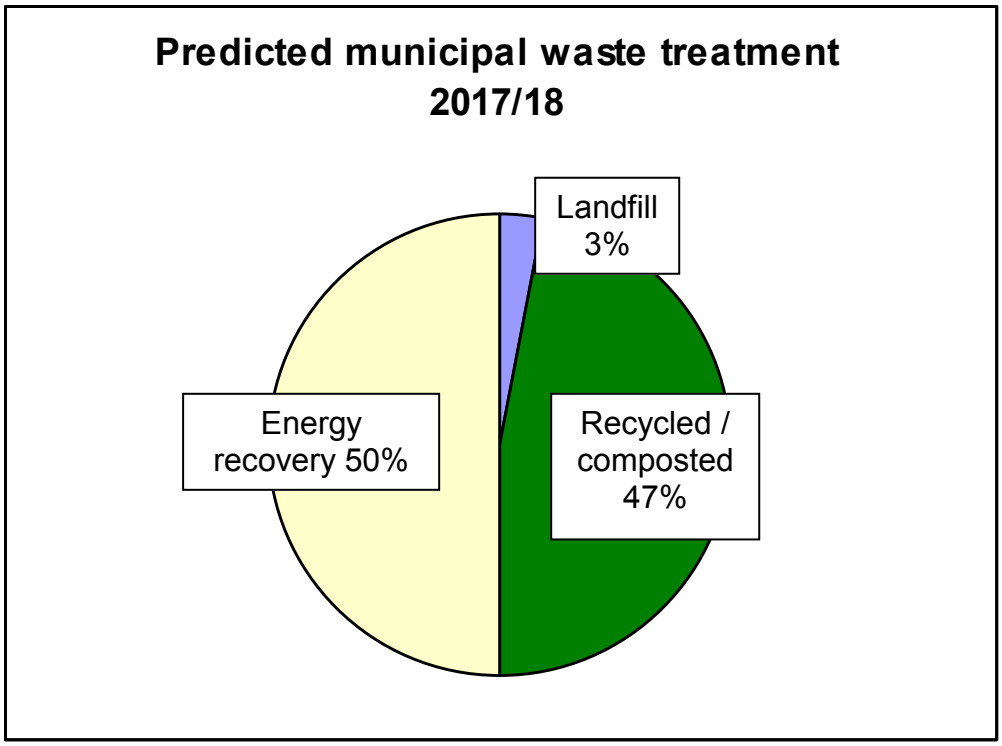
From 1 April 2014, all residual waste will be treated through the Residual Waste Treatment Contract. Refuse collection vehicles will deposit waste at a Waste Transfer Station in each authority area, where it will be bulked up and transported to Teesside where its treatment will generate electricity at the Energy from Waste facility.

Figure 13 provides a summary of waste management methods in South Tyne and Wear, including future predictions.

Figure 13 – Waste management in 2005/06 and 2011/12, and predictions for 2017/18







Performance of waste management services and systems

Figure 14 shows a comparison of the authorities' performance, in terms of tonnes of household waste collected per head, against that in neighbouring authorities.

Figure 14 – comparison of household waste collected per head (2011/12)

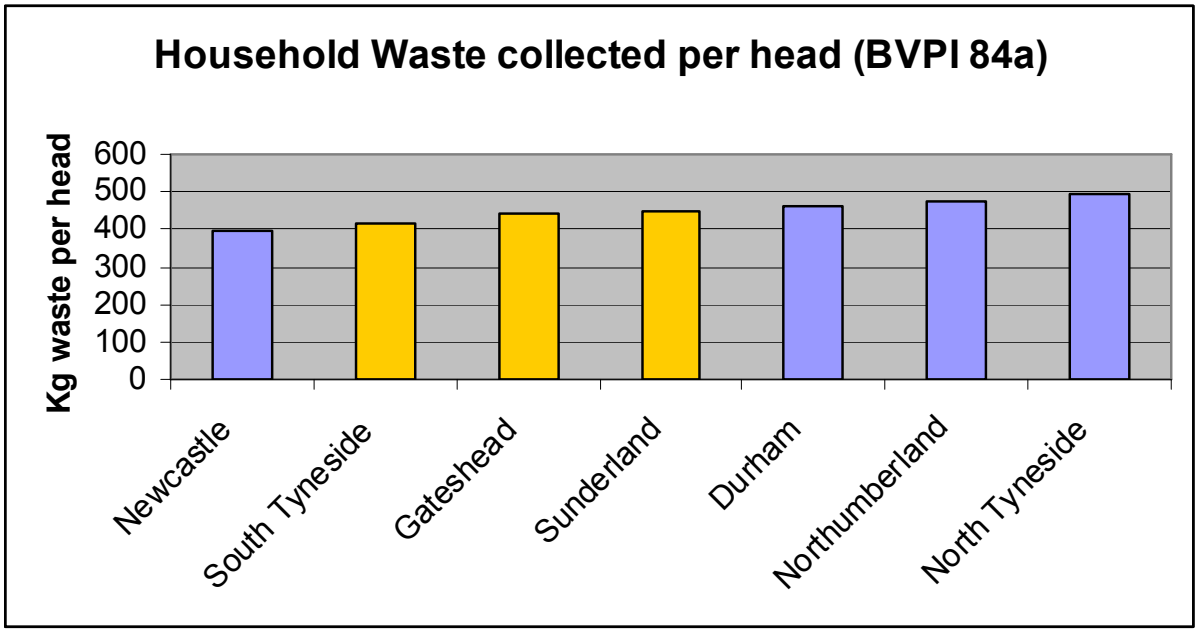


Figure 15 compares the performance of the authorities in recycling and composting against that in neighbouring authorities

Figure 15 – comparison of recycling and composting (2011/12)

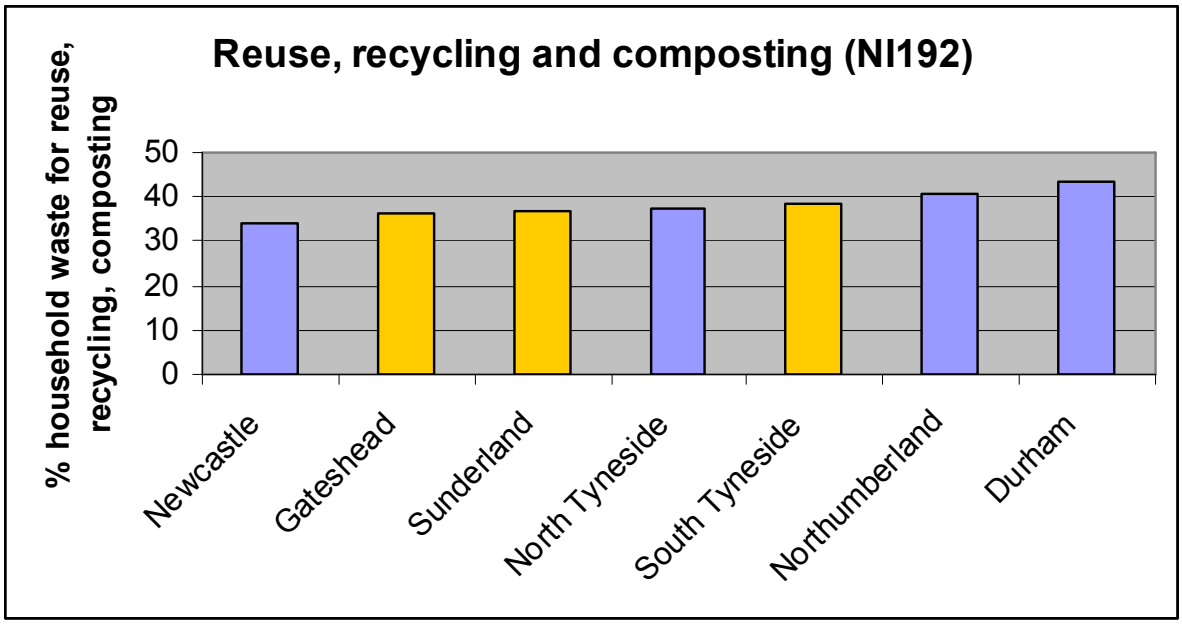
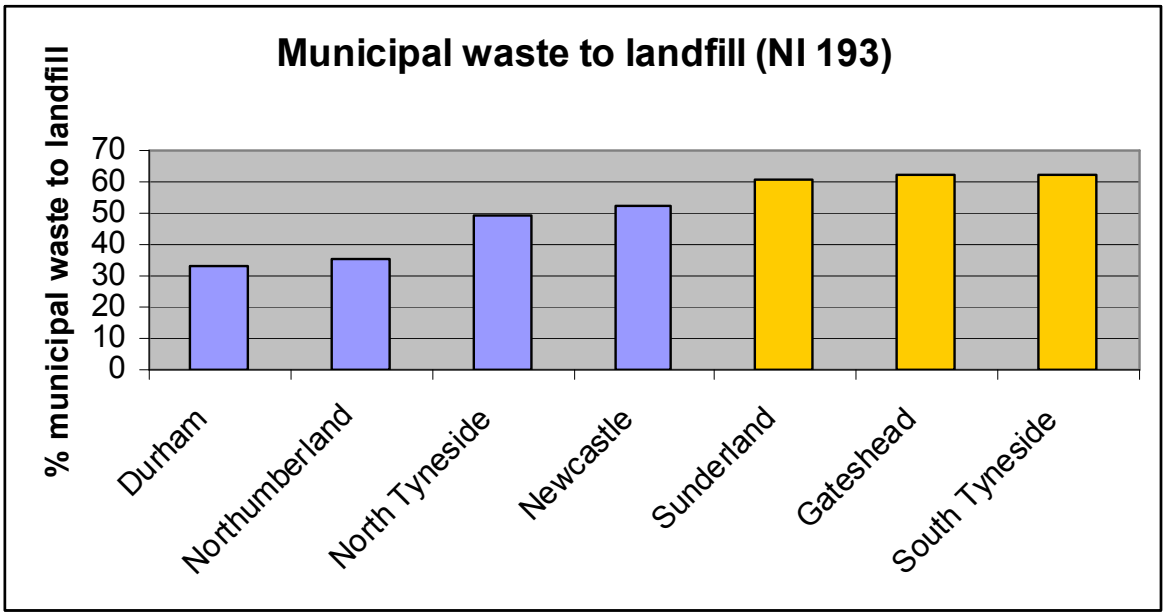


Figure 16 shows a comparison of waste going to landfill, against that in neighbouring authorities.

Figure 16 – comparison of municipal waste to landfill (2011/12)

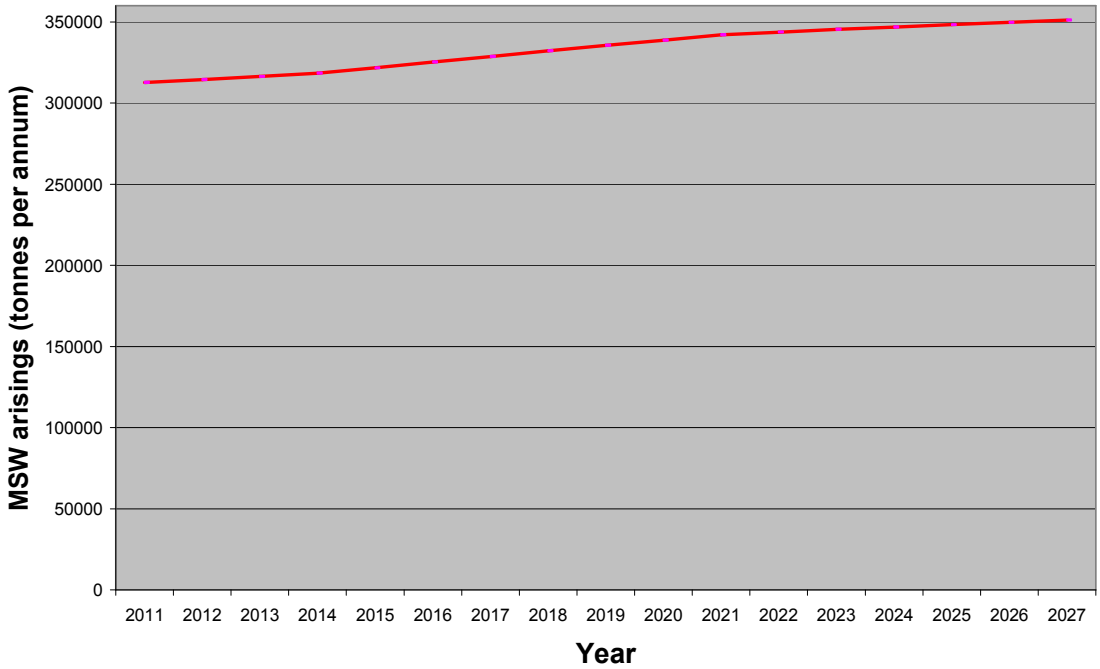


Future Waste Predictions

The municipal waste strategy must take account of the likely changes in waste production and new requirements for managing waste in different ways.

As part of the procurement process for the Residual Waste Treatment Contract, a model was developed to predict waste arisings up to 2038/39. Applying the model to the 2011/12 waste arisings gives the following future predictions.

Figure 17 – waste arisings predictions



Summary and conclusions

In 2011/12 South Tyne and Wear authorities managed 312,741 tonnes of municipal waste of which 88% was household waste.

36.6% municipal waste is currently recycled or composted with the remaining material being sent to landfill or to incineration (less than 2% of the waste is used for energy recovery).

All three authorities have similar household waste collection arrangements, with each providing:

- A refuse collection service
- A kerbside dry recyclable collection service
- A kerbside green waste collection service

The amount of waste collected per head does not vary significantly within South Tyne and Wear and is lower than most neighbouring authorities. Municipal waste sent to landfill is again similar within South Tyne and Wear but higher than all neighbouring authorities.

Appendix 2 – JMWMS progress since 2007

Policy	Progress since 2007
General principles	
Policy 1: The Partnership will follow the waste hierarchy set by the Government and firstly promote measures that reduce waste, then reuse waste, followed by recycling and composting and then finally recovery of value, including energy, from the waste prior to disposal.	• Reduction in overall waste arisings • Enhancement of kerbside recycling by introduction of blue bin scheme in 2010 to replace black box scheme • Bring sites enhancement (including bring sites, high rise, on street) • Reached financial close on PFI Residual Waste Treatment Contract (RWTC) which includes a Combined Heat and Power (CHP) enabled Energy from Waste (EfW) plant • Introduction of Alternate Weekly Collection in Gateshead • Effective WEEE recovery contracts put in place
Policy 2: In making decisions about how waste is managed, the Partnership will aim to:	
• Deliver waste services that offer value for money for the residents of South Tyne and Wear;	• Cost comparisons between partner authorities undertaken • Residual Waste Treatment Contract (RWTC) saves £270m over lifetime of contract compared with 'do nothing' scenario'
• Employ the most appropriate and sustainable methods and technologies for dealing with waste taking account of the overall objectives and aims detailed in this Strategy;	• Residual Waste Treatment Contract (RWTC) entered into • Enhancement of kerbside and HWRC recycling and ongoing development of garden waste composting arrangements
• Minimise the amount of waste that is landfilled, taking into account the cost of the alternatives;	• Residual Waste Treatment Contract (RWTC) entered into • Enhancement of kerbside and HWRC recycling and ongoing development of garden waste composting arrangements

Policy	Progress since 2007
• Provide waste management services and facilities in the most user friendly and environmentally sound manner through appropriate design of services and use of the Planning system. This will include a requirement for minimising environmental impacts, such as visual intrusion;	• Design of Waste Transfer Stations to maximise economic and environmental benefits • New buildings constructed as part of Residual Waste Treatment Contract (RWTC) required to achieve a BREEAM rating of "Very good" with Visitor & Education Centre to achieve an "Excellent" rating • Visual impact of Waste Transfer Station developments minimised in design process • Gateshead have designed a new HWRC at Campground to improve user experience and maximise recycling performance • Sunderland have redesigned their existing HWRC at Beach Street. • Route optimisation used to design collection routes in most efficient manner
• Make waste management services readily accessible to all people who live, work and/or visit the South Tyne and Wear area. This includes reducing the need for people to travel to reuse/recycle/dispose of waste and includes ensuring that facilities are available for dealing with hazardous wastes (arising directly from household or from the treatment of MSW);	• Bring sites enhancement (including bring sites, high rise and on street) • Increase in number of materials that can be received at HWRCs for reuse or recycling • Introduction of blue bin recycling service • Introduction of WEEE contract
• Consider resource use and take account of lifecycle impacts when procuring all goods and services rather than treating waste management as a separate issue;	• Adoption of category management approach to procurement • Gateway reviews for procurement exercises take resource use into account • National Sustainable Public Procurement Training undertaken and put into practice • Member of Regional Sustainable Procurement Network • Information from policy and training used when developing contract specification and evaluation criteria for individual procurement exercises

Policy	Progress since 2007
• Manage waste in a way that not only avoids environmental damage and danger to human health, but which also takes account of the potential needs of future generations and, in particular, climate change;	• WRATE analysis used in RWTC procurement process to evaluate environmental impact of different treatment options • Global Warming Potential of treating residual waste by EfW substantially lower than landfilling • Reduction in amount of material landfilled • Effective contract management • Use of split bodied vehicles for dry recycling collections to reduce need for further reprocessing and reduce number of collection vehicles required • National landfill gas information network established by Gateshead Council through National Association of Waste Disposal Officers (NAWDO) • Landfill gas management of closed landfill sites
• Maximise the recycling opportunities to convert one person's waste into another's resources;	• Developed and sustained links with voluntary sector e.g. furniture recycling, bike refurbishment and recycling • Membership of WARP-it office items recycling scheme • Shop at South Tyneside recycling village • Continued to develop charity banks at bring recycling sites
• Use the opportunities presented by new waste management arrangements to create jobs in the waste sector and, in particular, to promote and support the involvement of social enterprises in the provision of waste management services; and	• Links with voluntary sector e.g. furniture recycling, bike refurbishment and recycling • Targeted Recruitment & Training provisions in RWTC • Plans to use a social enterprise to operate Visitor & Education Centre • Voluntary sector involvement in door to door canvassing to promote recycling services

Policy	Progress since 2007
• Be self sufficient by managing and disposing of waste generated in South Tyne and Wear within the 'Partnership area' where this is feasible and in line with other policies.	• Dry recyclables sorted in partnership area under current contracts • Some green waste composted in partnership area • Residual Waste Treatment Contract (RWTC) includes development of a Waste Transfer Station in each authority area • Government Waste Review 2011 advocates cross-boundary working and no requirement for individual authorities to be self-sufficient

Waste Reduction	
Policy 3: The Partnership will introduce measures to increase the level of education and understanding of waste reduction matters with all members of the general public and other stakeholders.	• Communications campaign alongside introduction of blue bin recycling service and ongoing service communications • Visitor & Education Centre to be constructed as part of RWTC • Love food, hate waste campaign • Various projects with schools • Waste Aware North East (WANE) incentive scheme to improve recycling of glass jars and aerosol cans • Visits to waste management facilities • Participation in Waste Action Forum (WAF) / North East Recycling Forum (NERF)
Policy 4: The Partnership acknowledges the impact of packaging on the overall amount of waste that is generated and will work with regional partners, industry and Government to reduce the amount of packaging produced.	• Lobbying at various events including NERF, WAF, Chartered Institution of Wastes Management (CIWM) and National Association of Waste Disposal Officers (NAWDO) • Work with businesses and charities within partnership area to help them to reduce amount of packaging produced
Policy 5: The councils within the Partnership will introduce waste minimisation and reuse schemes in their own operations to lead by example and highlight best practice to the wider community. Where practicable, this will include waste reduction, reuse and recycling measures in contracts for council services. The councils will also endeavour to ensure that their contractors follow the same principles	• Requirements in RWTC for recycling/reuse of construction waste and use of recycled/recovered materials in Waste Transfer Station and Key Facility (EfW plant) construction • RWTC contains requirements for recycling • Office recycling introduced in partner authorities • Partner authorities are members of WARP-it scheme • Sunderland have introduced Internal Waste Plan • IT equipment reused, or disposed of in accordance with legislation if not reusable • IT equipment collected through Waste Electrical and Electronic Equipment (WEEE) contract reused where possible • Established additional resources at HWRCs to improve recovery of WEEE materials

Policy 6: The Partnership will use planning and permitting procedures to influence the level of waste generation throughout the whole life of new developments and redevelopments - from construction right through their operational lifetimes. This will be done irrespective of the nature of the developments, whether they are housing, commercial or industrial developments.	• Planning guidance in Gateshead • Waste Services review planning applications • Site waste management plans as part of planning applications
Recycling and Composting	
Policy 7: The Partnership will aim to achieve the following recycling / composting targets for household waste: • 30% by 2010 • 45% by 2015 • 50% by 2020 In the longer term, the Partnership will look to exceed the statutory targets set by Government, where this is practicable	• Exceeded 2010 recycling / composting target of 30% through introduction of measures outlined against other policies
Policy 8: Viable recycling facilities will be made available to all residents, including those in flats and rural locations. Recycling facilities will be designed to be easy for residents to use. Any new developments will be required to include recycling and composting facilities wherever practicable. The three councils will aim to move towards harmonised arrangements for collection of recyclable materials.	• Dry recyclable collection arrangements harmonised • Harmonised communal recycling facilities introduced • Development and harmonisation of non-kerbside recycling arrangements (HWRCs, bring recycling sites, on-street)
Policy 9: The Partnership will seek to create a change in behaviour in the community by promoting increased public awareness of waste management issues. Awareness raising campaigns will be targeted at people at home, at school, at work and to our visitors with the aim of maximising participation in recycling schemes.	• Love Food Hate Waste campaign • Press releases and articles on an ongoing and regular basis • Participated in Defra-funded incentives scheme trial to encourage recycling of aerosols and glass jars • Harmonised promotion of blue bin kerbside recycling service
Policy 10: The Partnership will work with industry and organisations such as WRAP to encourage recycling of commercial and industrial waste and to find and develop markets for recyclable materials and recycled products. In addition, the Partnership will assist in building capacity in the voluntary sector to promote reuse and recycling of materials.	• Work with Waste Aware North East (WANE) and Northeast Recycling Forum (NERF) • Developed links with charities • South Tyneside offer facilities for businesses to dispose of waste

Policy 11: In addition to introducing waste minimisation and reuse principles into their own operations, the councils within the Partnership will aim to purchase recycled products wherever feasible in order to stimulate the markets for recovered materials as well as leading by example and highlighting best practice to the wider community.	• Wheeled bins and caddies purchased by authorities contain recycled materials • Compost from SITA sold in South Tyneside shop • Residual Waste Treatment Contract (RWTC)contains provision for use of recovered and recycled materials in construction of Key Facility and Waste Transfer Stations
Residual Treatment	
Policy 12: In line with the Waste Hierarchy, the Partnership will aim to maximise reuse, recycling and composting before the residual waste is treated. The Partnership will aspire to meet the Waste Strategy 2007 targets for reducing waste that is not reused, recycled or composted: • Maximum of 225kg per person by 2020 It will also aim to meet the following targets for recovery of municipal waste: • 35% by 2010 • 67% by 2015 • 75% by 2020 Where practicable these will be exceeded in the longer term. The Partnership will aim to minimise the landfill of biodegradable waste, within economic constraints, in order to reduce methane emissions. It will aim to meet its LATS allowances and only landfill biodegradable municipal waste (BMW) up to the amount that each council is allocated. The Partnership councils will work together in achieving this goal. The Partnership will also aim to recover energy, as well as materials, from waste before final disposal and will require the capture and utilisation of landfill gas from that waste which is landfilled.	• Residual Waste Treatment Contract (RWTC) entered into • Blue bin kerbside recycling service introduced • Consideration of food waste collections • Reduction in residual waste arisings • Existing landfills have gas management in place • Self-sufficient in LATS allocations as a partnership area • Waste Review 2011 announced LATS to be abolished from end of 2012/13 • Across the partnership area, the household waste per person not reused, recycled or composted was 274kg in 2011/12 • Across the partnership area, 38.4% of municipal waste was recovered in 2011/12
Self-Sufficiency	
Policy 13: The Partnership will provide support, through Planning policy for example, to the development of new recycling, composting and residual treatment capacity within South Tyne and Wear where this does not conflict with other policies or Planning requirements.	• Investment of private sector in recycling, composting and residual waste treatment in the partnership area • The government's Waste Review 2011 highlighted that there is no requirement for each area to be self sufficient

Financing and Communications	
Policy 14: The Partnership will work together in sourcing funding to ensure the necessary changes to services are made. The costs and benefits of delivering this Strategy will be shared between the Partnership authorities.	• Waste Infrastructure Credits allocated by central government for RWTC • Partner authorities received support for introduction of blue bin service and worked jointly on the introduction • WEEE site trials; different options tried in each authority • Sharing best practice to inform development of Campground HWRC by Gateshead and Beach Street HWRC by Sunderland • Joint working on green waste, dry recycling and landfill contracts • Formal and informal ways of sharing knowledge between partner authorities • Participated in Defra-funded incentives scheme trial to encourage recycling of aerosols and glass jars
Policy 15: The Partnership acknowledges that education and communication are key components of the Strategy. The Partnership will prepare a Strategy to promote waste awareness and, in particular, the three R's to the whole of the community.	• Partner authorities received WRAP funding to support communication activities for introduction of blue bin scheme • Participated in Defra-funded incentives scheme trial to encourage recycling of aerosols and glass jars
Monitoring and Review	
Policy 16: Future performance monitoring is important to assess the effects of the Strategy. The Partnership will ensure that accurate, regular ongoing monitoring is carried out and that remedial steps are taken if it appears that targets are not likely to be met.	• Authorities monitor performance and compliance of their services in detail • Authorities share information on current performance, future targets and service development
Policy 17: The Partnership will keep the policies included in this Strategy under review. Action Plans will be reviewed at least annually with a full Strategy review in 5 years. If required as a result of, for example, changes in legislation or local circumstances, the Strategy will be revised more frequently. Any changes to the Strategy will be subject to due democratic processes and further public consultation will be undertaken in the event of proposed significant changes to the Strategy. New versions will be posted on the Councils' websites.	• Action plans not reviewed • Aim for strategy to be refreshed by October 2012 (5 years)

Policy 18: The Partnership will monitor the development and adoption of LDFs and will have continuing dialogue with the Planning Authorities to ensure that the Strategy and emerging LDFs are mutually informed and support the development of appropriate facilities to enable the Strategy aims to be delivered. The aim will also be for Planning documents to support the policy of waste minimisation in new developments.	• Major proposals and those generating significant volumes of waste must incorporate appropriate level of waste sorting, recovery and recycling facilities • Site Waste Management Plan required for major development applications • Waste sites allocated within planning documents • Neighbourhood planning approach adopted • Waste information submitted to support North East Waste Planning Group

Appendix 3 – future JMWMS actions

Policy	Future actions to 2017
General principles	
Policy 1: The Partnership will follow the waste hierarchy set by the Government and firstly promote measures that reduce waste, then reuse waste, followed by recycling and composting and then finally recovery of value, including energy, from the waste prior to disposal.	• Investigate viability of separate food waste collections • Increase range of materials that can be recycled in blue bin • Continue to improve recycling at HWRCs • Residual Waste Treatment Contract (RWTC) service commencement 1 April 2014 • Continue to monitor viability of using Combined Heat and Power (CHP) in Energy from Waste (EfW) plant
Policy 2: In making decisions about how waste is managed, the Partnership will aim to:	
• Deliver waste services that offer value for money for the residents of South Tyne and Wear;	• Investigate joint working opportunities • Undertake joint procurements where value is added
• Employ the most appropriate and sustainable methods and technologies for dealing with waste taking account of the overall objectives and aims detailed in this Strategy;	• Market engagement and dialogue for all waste processing services • Residual Waste Treatment Contract (RWTC) service commencement 1 April 2014
• Minimise the amount of waste that is landfilled, taking into account the cost of the alternatives;	• Residual Waste Treatment Contract (RWTC) service commencement 1 April 2014
• Provide waste management services and facilities in the most user friendly and environmentally sound manner through appropriate design of services and use of the Planning system. This will include a requirement for minimising environmental impacts, such as visual intrusion;	• Consider adopting new Recycling and Waste Services commitment when released • Construct new Waste Transfer Stations as part of Residual Waste Treatment Contract
• Make waste management services readily accessible to all people who live, work and/or visit the South Tyne and Wear area. This includes reducing the need for people to travel to reuse/recycle/dispose of waste and includes ensuring that facilities are available for dealing with hazardous wastes (arising directly from household or from the treatment of MSW);	• Continue effective communication of available services • Increase range of materials that can be recycled in blue bins • Ensure waste management services are planned into new developments

Policy	Future actions to 2017
• Consider resource use and take account of lifecycle impacts when procuring all goods and services rather than treating waste management as a separate issue; • Manage waste in a way that not only avoids environmental damage and danger to human health, but which also takes account of the potential needs of future generations and, in particular, climate change;	• Working with North East authorities, achieve the Defra Flexible Framework for Sustainable Procurement • Authorities to adopt Sustainable Procurement Policy • Consider use of Defra carbon metric tool, when released • Consider adoption of Materials Recovery Facility (MRF) Code of Practice, when released • Effective contract management
• Maximise the recycling opportunities to convert one person's waste into another's resources;	• Continue to develop links through umbrella organisations to support voluntary and community sector
• Use the opportunities presented by new waste management arrangements to create jobs in the waste sector and, in particular, to promote and support the involvement of social enterprises in the provision of waste management services; and	• Deliver Targeted Recruitment & Training provisions in RWTC • Consider opportunities for social enterprises in future ancillary contracts. • Encourage involvement of third sector in waste management
• Be self sufficient by managing and disposing of waste generated in South Tyne and Wear within the 'Partnership area' where this is feasible and in line with other policies.	• 'Self sufficiency' a factor in future ancillary contracts • Examine collaboration with other local authorities outside partnership area for future contracts.
Waste Reduction	
Policy 3: The Partnership will introduce measures to increase the level of education and understanding of waste reduction matters with all members of the general public and other stakeholders.	• Visitor & Education Centre to open 1 April 2014 • Consider Waste Review 2011 Waste Prevention Programme when released and incorporate into activities where possible
Policy 4: The Partnership acknowledges the impact of packaging on the overall amount of waste that is generated and will work with regional partners, industry and Government to reduce the amount of packaging produced.	• Maintain a watching brief on government measures introduced following Waste Review 2011 and play an active role where appropriate
Policy 5: The councils within the Partnership will introduce waste minimisation and reuse schemes in their own operations to lead by example and highlight best practice to the wider community. Where practicable, this will include waste reduction, reuse and recycling measures in contracts for council services. The councils will also endeavour to ensure that their contractors follow the same principles	• Waste from Council services will be managed through Residual Waste Treatment Contract (RWTC) from 1 April 2014, reducing waste to landfill • Highlight waste minimisation activities as part of communications strategy, such as for food waste

Policy	Future actions to 2017
Policy 6: The Partnership will use planning and permitting procedures to influence the level of waste generation throughout the whole life of new developments and redevelopments - from construction right through their operational lifetimes. This will be done irrespective of the nature of the developments, whether they are housing, commercial or industrial developments.	• Use of planning guidance for future developments • Seek to inform and influence planned developments
Recycling and Composting	
Policy 7: The Partnership will aim to achieve the following recycling / composting targets for household waste: • 45% by 2015 • 50% by 2020 In the longer term, the Partnership will look to exceed the national targets set by Government, where this is practicable	• Work towards 45% and 50% targets, through actions outlined in other policies
Policy 8: Viable recycling facilities will be made available to all residents, including those in flats and rural locations. Recycling facilities will be designed to be easy for residents to use. Any new developments will be required to include recycling and composting facilities wherever practicable. The three councils will aim to fully harmonise arrangements for collection of recyclable materials.	• Increase range of materials that can be recycled • Provide input into new developments to ensure via recycling facilities are made available • Consider national developments regarding community composting promoted in Waste Review 2011 • Maintain watching brief on 'recycling on the go' infrastructure work by WRAP in Waste Review 2011
Policy 9: The Partnership will seek to create a change in behaviour in the community by promoting increased public awareness of waste management issues. Awareness raising campaigns will be targeted at people at home, at school, at work and to our visitors with the aim of maximising participation in recycling schemes.	• Visitor & Education Centre will open on 1 April 2014 and will include outward-facing activities

Policy	Future actions to 2017
Policy 10: The Partnership will work with industry and organisations such as WRAP to encourage recycling of commercial and industrial waste and to find and develop markets for recyclable materials and recycled products. In addition, the Partnership will assist in building capacity in the voluntary sector to promote reuse and recycling of materials.	• Maintain watching brief on developments re business recycling especially those announced in Waste Review 2011. Adopt these where considered viable. • Consider Business Waste and Recycling Collection Commitment when published • Continue to develop links through umbrella organisations to support voluntary and community sector
Policy 11: In addition to introducing waste minimisation and reuse principles into their own operations, the councils within the Partnership will aim to purchase recycled products wherever feasible in order to stimulate the markets for recovered materials as well as leading by example and highlighting best practice to the wider community.	• Strengthen principles of sustainable procurement • Showcase and promote good procurement examples
Residual Treatment	
Policy 12: In line with the Waste Hierarchy, the Partnership will aim to maximise reuse, recycling and composting before the residual waste is treated. The Partnership will aspire to meet the Waste Strategy 2007 targets for reducing waste that is not reused, recycled or composted: • Maximum of 225kg per person by 2020 It will also aim to meet and where possible exceed the following national targets for recovery of municipal waste: • 67% by 2015 • 75% by 2020 Where practicable these will be exceeded in the longer term. The Partnership will aim to minimise the landfill of biodegradable waste, within economic constraints, in order to reduce methane emissions. The Partnership will also aim to recover energy, as well as materials, from waste before final disposal and will require the capture and utilisation of landfill gas from that waste which is landfilled.	• Residual Waste Treatment Contract (RWTC) service commencement 1 April 2014 • Continue measures to promote reduction, reuse and recycling of materials by residents • Continue to manage landfill gas from closed landfill sites
Self-Sufficiency	
Policy 13: The Partnership will provide support, through Planning policy for example, to the development of new recycling, composting and residual treatment capacity within South Tyne and Wear where this does not conflict with other policies or Planning requirements.	• Future contracts for reprocessing and management of municipal waste will be procured

Policy	Future actions to 2017
Financing and Communications	
Policy 14: The Partnership will work together in sourcing funding for and delivering the necessary changes to services. The costs and benefits of delivering this Strategy will be shared between the Partnership authorities.	• Investigation of joint working opportunities • Mutual support between authorities • Consider joint high level communication plan • Jointly investigate funding opportunities • Continue to inform development of authorities' medium term financial plans
Policy 15: The Partnership acknowledges that education and communication are key components of the Strategy. The Partnership will prepare a Strategy to promote waste awareness and, in particular, the three R's to the whole of the community.	• Consider use of rewards schemes as part of joined communications strategy • Consider viability of informing public of destination of all of their waste and recycling
Monitoring and Review	
Policy 16: Future performance monitoring is important to assess the effects of the Strategy. The Partnership will ensure that accurate, regular ongoing monitoring is carried out and that remedial steps are taken if it appears that targets are not likely to be met.	• Jointly develop further useful performance measures • Continue to use Waste Data Flow to compare performance • Consider WRAP performance benchmarks (trailed in Waste Review 2011), when these are published • Effective management of contracts
Policy 17: The Partnership will keep the policies included in this Strategy under review. Action Plans will be reviewed at least annually with a full Strategy review in 5 years. If required as a result of, for example, changes in legislation or local circumstances, the Strategy will be revised more frequently. Any changes to the Strategy will be subject to due democratic processes and further public consultation will be undertaken in the event of proposed significant changes to the Strategy. New versions will be posted on the Councils' websites.	• Manage a high level action plan for the next 5 years with annual reviews

Policy	Future actions to 2017
Policy 18: The Partnership will monitor the development and adoption of LDFs and Local Plans and will have continuing dialogue with the Planning Authorities to ensure that the Strategy and emerging LDFs and Local Plans are mutually informed and support the development of appropriate facilities to enable the Strategy aims to be delivered. The aim will also be for Planning documents to support the policy of waste minimisation in new developments.	• Development of neighbourhood planning • North East Waste Planning Group to continue work on regional waste planning issues

Sunderland City Council

Item No 6

CABINET MEETING – 5th December 2012

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:
Review of the Procurement Procedure Rules

Author(s):
Joint report of the Executive Director of Commercial and Corporate Services and Head of Law and Governance

Purpose of Report:
To recommend Council to make amendments to the Procurement Procedure Rules, which are part of the Constitution, as set out in the report.

Description of Decision:
To recommend Council make amendments to the Procurement Procedure Rules, which are part of the Constitution.

Is the decision consistent with the Budget/Policy Framework? Yes

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:
The changes proposed are considered appropriate in order to provide more responsive procurements that maximise the local economic impact whilst securing the desired outcomes and value for money.

Alternative options to be considered and recommended to be rejected:
One alternative is to not to update the PPR's but this is not recommended as it will not achieve the objectives referred to in paragraph 5 of the report.

Another alternative is to implement some but not all of the changes proposed. Again, this is not recommended.

Impacts analysed;

Equality None **Privacy** None **Sustainability** None **Crime and Disorder** None

Is this a "Key Decision" as defined in the Constitution? No **Is it included in the 28 day Notice of Decisions? No**	**Scrutiny Committee**

CABINET **5 DECEMBER 2012**

REVIEW OF THE PROCUREMENT PROCEDURE RULES

Joint Report of the Executive Director of Commercial and Corporate Services and Head of Law and Governance

1 Purpose of the Report

1.1 To seek agreement to recommend to Council changes to the Procurement Procedure Rules, to provide more responsive procurements that maximise the local economic impact whilst securing the desired outcomes and value for money.

2 Description of Decision

2.1 To recommend Council to make amendments to the Procurement Procedure Rules, which are part of the Constitution, as set out in the report.

3 Background

3.1 The Council spends significant amounts on the procurement of goods, services and works. Whilst the Council has a strong track record of successful procurement, delivering value for money and securing savings, the context within which this activity takes place is changing due to:

- the difficult economic position, and the impact that the Council's procurement activity can have in this regard
- the increased consideration and use of Alternative Service Delivery Models and commercial models
- increased regulation/complexity and higher levels of challenge

3.2 Given the future and changing procurement requirements, a Procurement Review was recently undertaken.

3.3 The overall conclusion of the review was that the arrangements in place are, in the main, good and there is a high degree of satisfaction from local suppliers. However, more can be done in relation to supporting local business win work, market development, improving awareness and knowledge of commissioners, and speeding up the process.

4. Proposals

4.1 A number of improvements were identified and in order to facilitate some of these it is proposed that the Procurement Procedure Rules be updated, as follows.

a) At present the threshold for a formal tender exercise to be undertaken, as opposed to seeking quotes, is £75,000 or over regardless of the nature / complexity of the procurement or the ability of SME's / VCS organisations to bid. Directorates are not required to work with the Council's Corporate Procurement team for procurements under this £75,000 threshold. In order to ensure greater involvement of procurement professionals and provide flexibility as to the most appropriate procurement method to adopt it is proposed that all procurements over £5,000 be routed through Corporate Procurement who will determine the most appropriate procurement process up to the EU Threshold of £173,934. The use of Buy Sunderland First (the Council's e-quotation system) is also mandated for any quote processes.

b) A requirement for Chief Officers to ensure that the relevant Portfolio Holder(s) are consulted as appropriate prior to advertising and are provided with progress reports at appropriate intervals throughout the procurement process has been included.

c) Specifically in relation to procurement that relate to the Port, given its unique nature, the new Rules allow significant flexibility to allow the most appropriate procurement process to be adopted for those contracts under the EU Threshold.

4.2 A copy of the proposed PPRs, as amended in accordance with the proposals outlined in this report, is appended for members' consideration. The changes to Rules and any additions/clarifications are highlighted. The Rules have been also been re-drafted to make them easier to understand.

4.3 In order to address other findings from the review an updated Corporate Procurement Strategy shall be presented to Cabinet for consideration in due course.

5 Reasons for the Decision

5.1 The changes proposed are considered appropriate in order to provide more responsive procurements that maximise the local economic impact whilst securing the desired outcomes and value for money.

6. Alternative Options

6.1 One alternative is to not to update the PPR's but this is not recommended as it will not achieve the objectives referred to in paragraph 5 above.

6.2 Another alternative is to implement some but not all of the changes proposed. Again, this is not recommended.

7. Impact Analysis

7.1 The proposals do not have any direct impact on equalities, sustainability, privacy or reduction of crime and disorder – community cohesion / social inclusion issues. Members and Officers will still be required to have regard to these matters when undertaking any procurement activity.

8. Background Papers

8.1 No background papers were relied upon in the preparation of this report.

Section 7 - Procurement Procedure Rules

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Section 1 – Introduction and Scope

1.1 These Rules apply to all purchasing, licensing, contracting, commercial partnering and the establishment of frameworks in respect of the provision of works, goods or services from third parties by the City Council.

1.2 All procurement shall comply with:

a) all applicable statutory provisions;
b) the applicable European procurement rules (the EC Treaty (including the general Treaty principles of equal treatment, non-discrimination and transparency) and the Public Contract Regulations 2006 (as amended));
c) the Council's Constitution including the Codes of Conduct and Scheme of Delegation;
d) any Council Procurement Codes of Practice.

1.3 Where a new legal entity is to be created by the Council which meets any of the criteria set out below then the Constitution of that new entity must include a scheme of Procurement Procedure Rules as approved by the Executive Director of Commercial and Corporate Services.

Rule 1.3 shall apply to the following entities:

(a) Where the new legal entity is financed wholly or mainly by the Council; or
(b) Where more than half of the Board of Directors or members of the new entity are appointed by the Council.

1.4 Chief Officers and managers are responsible for ensuring that employees comply with these rules and that appropriate contractual provisions are in place for compliance by agency workers, interims, consultants and agents.

1.5 The use of any exceptions to these Rules (see para 4.) must be agreed in writing with the Executive Director of Commercial and Corporate Services.

2. Interpretation and Definitions

2.1 "Third party" for the purposes of these Rules includes any economic operator, public sector body, a works contractor, a supplier, a services provider, a consultant, a firm, a company, a partnership or an individual.

2.2 "OJEU" means the Official Journal of the European Union.

2.3 "Port Contract" means a contract or framework agreement for the procurement of works, services or goods for the Port of Sunderland. In relation to a Port Contract, all references in these Rules to Cabinet shall be interpreted as meaning the Port Board.

3. Exemptions

3.1 The following are exempt from these Rules:

a) employment contracts (but not agency / interim / self employed workers);
b) contracts relating solely to disposal or acquisition of an interest in land or property;
c) contracts for specialist legal advice or representation or medical advice, or other expert advice in the context of actual or potential litigation or otherwise which the Head of Law and Governance considers it necessary to obtain.

4 Exceptions

4.1 Where a Chief Officer considers an exception to the requirements of paragraphs 11-19 should apply he must first discuss this with Corporate Procurement prior to seeking advance written approval of the Executive Director of Commercial and Corporate Services, and, as appropriate, authorisation from Cabinet.

4.2 Subject to paragraph 4.1 above, a Delegated Decision Form is to be completed by the relevant Chief Officer including the rationale for the application of the exception and a copy provided to Corporate Procurement where a central record will be maintained.

4.3 Subject to Paragraphs 4.1 and 4.2, paragraphs 11 to 19 of these Rules do not need to be applied to the following categories of procurement, provided that where the procurement is equal to or exceeds £250,000, the prior approval of Cabinet is obtained.

a) Where the goods / asset are being sold through an auction.

b) Procurement when, for technical or artistic reasons, or for reasons connected with the protection of exclusive rights, the contract can only be awarded to a particular third party.

c) Execution of mandatory works by statutory undertakers.

d) Execution of works or services in which the personal skill or knowledge of the person(s) carrying out the works or services is of primary importance.

e) Personal social services contracts for the provision of residential and / or nursing care and packages which form an alternative to residential care.

f) Call-offs via a framework agreement previously awarded by the Council or under which the Council has a right to participate which offers value for money and provided the Council follows the framework's call-off procedures.

g) Contracting via a contract awarded by a third party under which the Council has a right to participate and offers value for money, and provided the Council follows the terms and conditions of the contract.

h) Urgency, when (but only if it is strictly necessary) the time required to fully comply with these Rules would be prejudicial to the Council's interests or its ability to discharge its statutory duties. In these cases, consideration should still be given to those parts of the Rules that could still be followed particularly the need for competition. Where the value of the procurement is equal to or over £250,000 a report shall be submitted to the next Cabinet with an explanation of the circumstances giving rise to the need for the exception and detailing the procurement process actually followed. The requirements of the Public Contracts Regulations 2006 must still be followed.

i) The award of any Port Contract which is below the relevant EU Threshold as contained in the Utilities Contracts Regulations 2006 and provided that consideration is given to those parts of these Rules that can be reasonably followed for the particular procurement.

j) Procurement of works, goods or services below the applicable EU threshold to meet the requirements of principal contracts that have been awarded in-house as a result of a competitive tendering process. Where the principal contract has not been awarded via competition then this exception shall not apply. Further, this exception is restricted to those elements of these Rules that cannot reasonably be followed.

5. Responsibilities

5.1 Executive Director of Commercial and Corporate Services

5.1.1 Corporate Procurement, on behalf of the Executive Director of Commercial and Corporate Services, will:

a) agree the procurement process for all procurements valued £5,000 and over;
b) Chair procurement evaluation panels;
c) organise and manage corporate contracts (including framework agreements and standing lists for supplies or services);
d) keep complete records for procurements of £5,000 or over, where such procurements are led by Corporate Procurement;
e) maintain a corporate contract management framework;
f) support procurements led by directorates, where appropriate.

5.2 Chief Officers

5.2.1 Chief Officers are responsible for:

a) ensuring that the relevant Portfolio Holder(s) are consulted as appropriate prior to advertising and are provided with progress reports at appropriate intervals;
b) ensuring that an appropriate level of engagement with Members and service users is undertaken relating to procurements within their areas of responsibility;
c) engaging with Corporate Procurement at the earliest opportunity, including the options appraisal stage of any proposals that may lead to a procurement £5,000 and over. This does not include call-offs from existing contracts;
d) ensuring, where Council contracts exist (including framework agreements and standing lists), or a commitment has been given for the Council to participate in a consortium contract, those arrangements are adhered to, except in exceptional circumstances, which shall be documented and approved in advance by the Executive Director of Commercial and Corporate Services;
e) complying with the corporate contract management framework;
f) prior to advertising or awarding (as appropriate) any contract:
   (i) producing a clear written specification of the Council's requirement (outcome based where appropriate) and evaluation criteria; and
   (ii) ensuring sufficient budget provision is available.
g) procuring goods, works and services under £5,000, where not covered by an existing Council contract, in accordance with these Rules;
h) ordering goods and calling-off services in accordance with the conditions of existing contracts;
i) keeping complete records for procurements where they are the lead.

6. Collaborative or joint procurement arrangements

6.1 Where the Council acts as the lead or host authority in any collaborative or joint procurement arrangement these Rules will apply, unless otherwise agreed by the Executive Director of Commercial and Corporate Services.

6.2 Subject to Paragraphs 9 and 10, where a Chief Officer wishes to participate in a proposed collaborative or joint procurement arrangement to be undertaken by a third party, the prior written agreement of the Executive Director of Commercial and Corporate Services shall be obtained. The procurement process followed should be broadly comparable to that set out in these Rules.

Section 2 - Thresholds

7.1 Procurements below £5,000

7.1.1 A Chief Officer may procure works, supplies or services (that are not already covered by an existing Council contract or a contract in which the Council has committed to participate) up to a value of less than £5,000 provided that he can objectively demonstrate value for money, has considered obtaining quotes and the use of local suppliers.

7.2 Procurements between £5,000 and such level as equates to the applicable EU Threshold for goods and services (which is currently £173,934).

(For the avoidance of doubt, Rule 7.2 applies to all contracts for goods, services and works)

7.2.1 All proposals for a procurement at or above £5,000 (excluding routine call-offs from existing frameworks) must be notified to Corporate Procurement at the earliest opportunity. Corporate Procurement shall then determine, in consultation with the Chief Officer, the most appropriate procurement strategy.

7.2.2 Quotes

Where a quotation process is deemed by Corporate Procurement to be appropriate, at least three written relevant quotations shall be obtained and considered from suitable third parties. In addition, where available, any in-house provider must also be asked to provide a quotation. Where a corporate electronic quotation system is provided this is to be used.

Where it is not reasonably practicable to obtain three quotations the Executive Director of Commercial and Corporate Services and the relevant Chief Officer may agree to reduce the number of quotations required to be obtained provided the reasons for this are documented before the purchase is made or the contract is let.

7.2.3 Tenders

Where a tender process is deemed by Corporate Procurement to be appropriate, the contact shall be awarded after following one of the procurement procedures below:

a) the Open Procedure
b) the Restricted Procedure
c) a Call-Off pursuant to an existing Framework Agreement let by the Council or other Third party (where the Council has the right to participate)
d) the Competitive Dialogue Procedure
e) the Negotiated Procedure

A tender process must be followed for works contracts over the EU Threshold for goods and services.

7.3 Contracts with a value equivalent or exceeding the relevant EU Thresholds

7.3.1 These procurements must be undertaken in accordance with one of the procedures set out in the Public Contracts Regulations 2006 (as amended). These thresholds are subject to variation by legislation from time to time. The current thresholds are:

Works:	£4,348,350
Supplies:	£173,934
Services:	£173,934

7.3.2 In the case of Port Contracts, the relevant EU Thresholds are contained in the Utilities Contracts Regulations 2006 (as amended) and the current thresholds are:

Works:	£4,348,350
Supplies	£347,868
Services	£347,868

Port Contracts above these EU thresholds shall be awarded in accordance with one of the procedures set out in the Utilities Contracts Regulations 2006 (as amended).

8. Estimating Contract Values/Aggregation

8.1 Where there is a reference to the value of any contract, framework agreement or transaction, it shall mean its total estimated value net of VAT over the entire term of the contract or framework (as the case may be), including all options, permitted extensions and variations. Where a contract does not include a total price the estimated value will be the amount of the consideration payable each month multiplied by 48 (i.e. 4 years).

8.2 Corporate Procurement and Chief Officers shall have regard to the optimum packaging of works, supplies or services, particularly works, supplies or services of a similar nature, which are likely to be carried out in connection with a particular project in order to achieve the best value for money, including social value. A proposed contract must not be divided into separate lower value contracts simply to avoid the full application of these Rules. This does not affect the determination of the number and size of lots within a Framework Agreement.

Section 3 – Approvals

9. **General Procurements**

9.1 The Executive Director of Commercial and Corporate Services (through Corporate Procurement) must agree the procurement process for all procurements with a value equal to or over £5,000.

9.2 In all cases the relevant Chief Officer must consider the level of engagement needed with Members, and service users. Where the aggregate value of the intended procurement (other than consultancy services) is estimated to be equal to or over £250,000 Cabinet approval is required prior to advertising, except in urgent cases where approval is required before award.

The above requirements do not apply to those corporate contracts that are in place to underpin the day to day workings of the Council (e.g. utility supplies, stationery supply) provided that the prior agreement of the Executive Director of Commercial and Corporate Services has been obtained before relying on this provision.

10 Consultancy Services

10.1 Where the aggregated value of the intended procurement is estimated to be under £100,000 the prior written approval of the Chief Executive or Deputy Chief Executive is required before advertising. Where the cost is estimated to be equal to or exceed £100,000 the prior approval of Cabinet is required before advertising, except in urgent cases where approval is required before award. In the case of external consultants Corporate Procurement and the Chief Officers must also comply with the additional requirements set out in the Appendix to these Rules.

Section 4 – Procurement Process

11. Advertising Contracting Opportunities

11.1 Where the value of the proposed contract is on or above the applicable EU threshold a Contract Notice must first be published in the OJEU in the form prescribed.

11.2 For tender opportunities Corporate Procurement, in consultation with the relevant Chief Officer, shall consider the most appropriate and cost effective form of publicity for the particular opportunity including considering the use of local media / newspapers / trade journals / online channels.

11.3 All procurement opportunities (regardless of value) should be considered as to whether their advertising would be beneficial in order to encourage competition.

12. Tender Procedures

12.1 Open Procedure

12.1.1 The Open Procedure means a tender procedure leading to the award of a contract / framework agreement whereby all interested parties may tender.

12.1.2 Tender documentation shall be sent to all who apply prior to the tender closing date.

12.2 Restricted Procedure

12.2.1 The Restricted Procedure means a tender procedure leading to the award of a contract whereby only parties pre-selected by the Council may submit tenders for the contract.

12.2.2 A Pre-qualification Questionnaire ("PQQ") must be provided to all third parties requesting to participate, which shall be used to determine the third party's eligibility, financial standing and technical capacity.

12.2.3 For tenders over the EU threshold, Officers should select not less than five companies or individuals to be invited to tender. If fewer than five companies or individuals return questionnaires or are not eligible to be invited to tender, the procurement may only proceed with the prior written agreement of the Executive Director of Commercial and Corporate Services.

12.2.4 For tenders under the EU threshold that relate to Design and Build works contracts, only three companies or individuals need to be invited to tender.

12.3 Standing Lists

12.3.1 Any Standing Lists will be maintained by the Executive Director of Commercial and Corporate Services.

12.4 Framework Agreements let by the Council

12.4.1 Where required, the Executive Director of Commercial and Corporate Services will maintain Framework Agreements with a range of third parties for works, goods or services.

12.4.2 Any Framework Agreement shall be awarded in accordance with these Rules. For the avoidance of doubt, the procurement of a Framework Agreement for consultancy services shall also comply with the requirements set out in Section 5 of these Rules (Additional Requirements on the Use of Consultants).

12.4.3 Any call-off contract awarded pursuant to a Framework Agreement shall be undertaken in accordance with the procedures set out in the relevant Framework Agreement.

12.5 Competitive Dialogue Procedure

12.5.1 Competitive Dialogue Procedure means a procedure in which any third party may make a request to participate, and whereby the Council conducts a dialogue with the third party admitted to that procedure with the aim of developing one or more suitable alternative solutions capable of meeting its requirements and on the basis of which the third parties chosen by the Council are invited to tender.

12.5.2 The Competitive Dialogue Procedure may only be used in the award of contracts which are, in the opinion of the Executive Director of Commercial and Corporate Services, complex contracts and where there is a need for the Council to discuss all aspects of the proposed contract with candidates. Such dialogue is not permitted under open and restricted procedures.

12.6 Negotiated Procedure

12.6.1 Negotiated Procedure means a procedure leading to the award of a contract whereby the contracting authority negotiates the terms of the contract with one or more third parties selected by it.

12.6.2 This procedure may only be used in very exceptional circumstances and with the prior agreement of the Executive Director of Commercial and Corporate Services.

13. Invitation to Tender

13.1 The Invitation to Tender (or Participate in Dialogue or Negotiate) shall include details of the Council's requirements for the particular contract including but not limited to:

a) a description of the works, supplies or services (this should be outcome bases where appropriate);
b) the rules and instructions for submitting of tenders including the tender return date and time;
c) a specification containing the Council's requirements;
d) a statement as to whether any variants to the specification are permissible;
e) the Council's terms and conditions applicable to the contract;
f) the tender evaluation criteria including applicable weightings;
g) pricing schedule and instructions for completion;
h) a statement as to whether in the Council's view TUPE may apply;
i) instructions for the completion and content of any method statement;
j) the period which the Council requires that the tender offer shall remain open;
k) a statement that the Council does not bind itself to accept the lowest or any tender;
l) the Council's requirements in respect of any bond, parent company guarantee or liquated damages;
m) the Council's requirements in respect of insurance and indemnity.

14. Submission of Tenders

14.1 Tenders shall comply with and be submitted in accordance with the rules and instructions set out in the invitation to tender.

14.2 Tenders will normally be submitted through a secure electronic system whereby they are not 'opened' until the deadline has passed for receipt of tenders.

14.3 Where tenders are not submitted electronically, tender documents must be submitted in a plain sealed envelope which shall bear the word "tender" followed by the subject to which it relates and addressed to the 'Civic Centre Main Reception', but shall not bear any name or mark indicating the sender. Such envelopes shall be held securely until the appointed time for their opening.

15. Opening of Tenders

15.1 Tenders for a particular contract shall be opened at one time and only in the presence of a Member of the Council and an officer not party to the procurement and designated by the Executive Director of Commercial and Corporate Services. The Executive Director of Commercial and Corporate Services shall keep a Register of Tenders opened. The Register of Tenders shall include the names, addresses, value and the date and time of opening.

15.2 The Member and officer in whose presence tenders are opened shall initial the Register, and where the tender is a hard copy, any summary page of the tender.

15.3 Unless submitted electronically, controlled copies shall be taken of every priced page of the tender and securely held by the Executive Director of Commercial and Corporate Services.

16. Amending Tenders, Bids or Quotations and Tender Errors

16.1 Where a tenderer identifies an error in their tender after submission but before the closing date for receipt of tenders, they may submit a correction in accordance with the rules applicable to the submission of tenders generally.

16.2 Genuine arithmetical error(s) may be amended with the consent of the tenderer.

16.3 Correction of any other tender error(s) shall be made at the discretion of the Executive Director of Commercial and Corporate Services.

17. Evaluation of Pre-Qualification Questionnaires, Tenders or Quotations

17.1 Evaluation criteria (including any and all sub-criteria) shall be determined in advance of the procurement and set out in descending order of importance in the Invitation to Tender documentation.

17.2 The evaluation criteria, including the weighting between quality and cost, for all procurements where the tender process applies shall be agreed with the Executive Director of Commercial and Corporate Services (through Corporate Procurement).

18. Negotiations

18.1 In open and restricted procedures, all negotiations with candidates or bidders on fundamental aspects of contracts or variations, which are likely to distort competition (in particular on prices), are not permitted.

18.2 Negotiations following receipt of tenders or quotations may only take place with the approval of the Head of Law and Governance.

19. Acceptance of Quotations and Tenders

19.1 A Chief Officer may accept a tender or quotation on the basis of the offer, which he considers, is the most economically advantageous to the Council or offers the lowest price, as determined in accordance with the evaluation criteria as set out in the invitation to tender or quote.

19.2 Where a Chief Officer wishes to accept a tender on the basis of the most economically advantageous offer where the tender is not also the lowest price, he shall do so only after obtaining the written agreement of the Executive Director of Commercial and Corporate Services and the reasons shall be documented. For clarity, this provision does not apply to the acceptance of quotations.

20. Standstill Period

20.1 In respect of a contract which exceeds the EU threshold, as soon as possible after the decision has been made to award a contract, Corporate Procurement shall give notice to any third party which submitted an offer or applied to tender, of the decision to award, in line with the Public Contracts Regulations.

20.2 A period of at least 10 days should elapse between the date of despatch of the notice referred to in rule 20.1 and the date on which the Council proposes to enter into the contract during which time an unsuccessful third party may raise challenges to the intended award.

21. Award Notice

21.1 In respect of a contract which exceeds the relevant EU threshold an Award Notice shall be published by Corporate Procurement no later than 48 days after the date of award of the contract.

22. Contract Terms and Conditions

22.1 All contracts and orders shall be in writing or in an approved electronic format, and every contract, which equals or exceeds £75,000 in value or amount, shall be in writing in a form to be approved by the Head of Law and Governance and executed in accordance with Article 14 of the Council's Constitution. The following areas must be adequately covered within the terms and conditions:

- The Contract Period (including any extensions)
- The Contract Price
- The Council's requirements (i.e. specification and performance requirements)
- Termination

Express provision dealing with the following areas must also be included in the terms and conditions, where appropriate:

- Insurance and Liability
- Bribery and Corruption
- Prohibition against Assignment / Novation (without agreement of the Council)
- Liquidated Damages and Guarantees
- Safeguarding Authority Registration
- Dispute Resolution
- TUPE
- Contract Variations
- Data Protection
- Freedom of Information
- Law and jurisdiction
- Audit access rights

23. Nominated Contractors and Sub-Contractors

23.1 In exceptional circumstances where there is a case for nominating sub-contractors to main contractors the provisions of these Rules shall apply in relation to the selection of the nominated sub-contractor.

24. Authorised Payments and certificates for variations incurring extras

24.1 All contract variations shall be consistent with the scope and terms of the existing contract and proportionate in value to the total value of the contract when originally awarded.

24.2 Any variation or series of variations incurring extras shall be authorised prior to the work being undertaken, as follows:

a) where the net cumulative value of variations does not exceed £50,000 or 20% of the value of the contract, whichever is the lower, by the Chief Officer provided payment can be contained within the relevant budget provision, if not, written authorisation must be provided by the Executive Director of Commercial and Corporate Services;

b) where the net cumulative value of variations is between £50,000 and does not equal or exceed £250,000 or at least 20% of the value of the contract, whichever is the lower, by the Chief Officer having obtained prior written agreement of the Executive Director of Commercial and Corporate Services, provided payment can be contained within the relevant budget provision. If not, prior authorisation must be obtained from Cabinet.

c) where the net cumulative value of variations is equal to or exceeds £250,000 Cabinet approval must be sought regardless of whether this can be contained within the budget for the contract.

d) where the net cumulative value of variations in respect of a contract is estimated to equal or exceed 50% of the original contract value the Chief Officer may only authorise the variation or series of variations after consultation with the Head of Law and Governance as to application of the Public Contract Regulations.

24.3 Once duly authorised, approved variations must be ordered in writing and payments made in accordance with the terms of the contract.

24.4 The Chief Officer shall issue separate certificates, showing all extras less deductions presented to the Council for payment, stating the amounts of extras ordered to date and the amount certified for payment.

24.5 Where the Council has entered into a standard form contract in a form prepared on behalf of a professional organisation, which has been approved by the Head of Law and Governance, this Rule shall not prevent the discharge of the Council's obligations in connection with the granting of variations incurring extras or compensation events which arise or become due under the terms of the contract provided that records are kept in a form acceptable to the Executive Director of Commercial and Corporate Services.

25. Contract Extensions

25.1 A contract may be extended before the expiry date where the extension is in accordance with its original terms, can be shown to offer value for money and with the approval of the applicable Chief Officer and the Executive Director of Commercial and Corporate Services.

25.2 Where the contract terms do not provide expressly for an extension:

a) contracts subject to the EU Regulations may be extended only in limited circumstances and on the written approval of the applicable Chief Officer and the Head of Law and Governance.

b) contracts not subject to the EU Regulations may only be extended by formal written variation where the extension to a contract can be shown to offer value for money and is reasonable in all the relevant circumstances on the written approval of the applicable Chief Officer and Executive Director of Commercial and Corporate Services.

In addition, where the contract does not include an express right of extension, any proposed extension will also constitute a contract variation for the purpose of Paragraph 24 above and therefore the provisions of that Paragraph will also need to be followed.

25.3 After the expiry of the term of a contract it may not be extended or varied.

26 Assignment and Novation

26.1 The relevant Chief Officer, in consultation with the Executive Director of Commercial and Corporate Services, shall have authority to determine whether permission to assign or novate a contract is given on behalf of the Council.

27. Termination

27.1 Where a Chief Officer wishes to terminate a contract early he may do so only after consulting with the Executive Director of Commercial and Corporate Services as to the financial and legal impact of the termination.

Section 5 – Additional Requirements on the use of Consultants

Where consultancy services can be provided in-house their use should be considered first, and discussed with the relevant service area, before seeking external consultants.

28 Application

28.1 These additional requirements govern the selection, appointment and use of consultants in all Directorates of the Council.

28.2 The term "consultants" is intended to extend to all persons, firms or organisations who market their services as a consultancy service for whatever purpose, whether management, technical (including engineering, surveying and architectural services), financial, I.T., marketing, personnel etc., and are generally understood to come within the term "consultants". This does not include staff employed via job agencies or other organisations that carry out day-to-day work on the Council's behalf.

28.3 For the avoidance of doubt these guidelines will not apply to the engagement of individual professional witnesses or representatives.

28.4 These Rules are intended to supplement the main requirements of the Procurement Procedure Rules, not replace them.

Identification of Need

29.1 The objectives of the work and what the recommendations arising from the work are to achieve or change need to be clearly identified in a Project Brief.

29.2 Any proposals to use external consultants shall be approved, in writing, in advance by the Chief Executive or Deputy Chief Executive.

29.3 A budget for the exercise must be identified.

29.4 Where the cost of the procurement is estimated to exceed £100,000, Cabinet approval to the use of external consultants must be sought prior to advertising.

29.5 Any report to Cabinet must include the justification for using consultants and shall assess and document the benefits of employing consultants in the light of probable costs.

Preparation

30.1 A project brief shall be prepared by the Chief Officer in all cases.

30.2 Standard terms should be used to ensure comparability of consultants' submissions.

30.3 Terms of reference should include a number of standard features to ensure that the consultants have sufficient information to make informed and feasible proposals.

These should include:

a) the objectives of the project;
b) what resources the Council will provide, e.g. staff, data;
c) how the results are to be reported and presented;

d) the time scale;
e) how the project is to be monitored;
f) an outline of the suggested approach;
g) the basis upon which tenders are sought (fixed fee inclusive of expenses is to be preferred over daily rate);
h) a requirement for consultants to outline relevant experience and personnel to be used;
i) provision for any bonuses or deductions.

Invitation to Tender

31.1 External consultants should normally be selected on the basis of competitive tender unless satisfactory reasons to the contrary exist – refer to the exceptions set out in Section 1 of these Rules.

31.2 Chief Officers shall have regard to the likelihood of multistage consultancy and shall, wherever possible, consider all stages of work when assessing the overall value of the consultancy exercise, and for obtaining quotes or tenders. Tenders/quotations should identify all potential stages of the work.

31.3 In selecting suitable consultants from whom to invite quotations regard shall be had to firms who have worked for the Council previously and to any assessment of their past performance.

31.4 All tenderers and those submitting quotations shall be asked to provide the names of at least two customers for reference purposes, at least one of whom shall be a recent customer.

31.5 In the following circumstances, the requirement to seek written quotations or tenders may be dispensed with:

a) the value of the project is less than £5,000 (although regard must still be had to achieving value for money).
b) the firm it is proposed to use has developed a detailed knowledge of the particular project through past work with the Council.
c) the skills of a particular individual are demonstrably required.

The above exemptions are in addition to those set out in Section 1 of these Rules.

31.6 The reasons for not seeking written quotations or tenders shall be documented.

Monitoring Progress

32.1 The relevant Chief Officer is to nominate a named officer to be responsible for monitoring progress of the consultant.

Sunderland City Council

Item No 7

CABINET MEETING – 5 DECEMBER 2012

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:
FRAMEWORK AGREEMENT FOR THE SUPPLY, FITMENT AND MAINTENANCE OF FIXED MECHANICAL EQUIPMENT AND PREFABRICATED RAMPS

Author(s):
Executive Director of Health, Housing and Adult Services

Purpose of Report:
The purpose of the report is to:

i Seek Cabinet's approval for the procurement of a framework to supply stair lifts, hoists, automatic toilets, prefabricated ramps and vertical lifts to support independent living via the Home Improvement Agency.

Description of Decision:
Cabinet is recommended to approve the procurement of a framework for the supply of:

a) Straight flight stair lifts
b) Curved flight stair lifts
c) Ceiling tracking hoists
d) Automatic toilets
e) Prefabricated ramps
f) Vertical through floor lifts

Is the decision consistent with the Budget/Policy Framework ***Yes**

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:
In accordance with the Constitution, Cabinet approval is required to the principle of letting a contract exceeding £250,000 in value.

Alternative options to be considered and recommended to be rejected:
No alternative options are offered for consideration

Impacts analysed:

Equality Yes **Privacy** N/A **Sustainability** Yes **Crime and Disorder** N/A

Is this a "Key Decision" as defined in the Constitution? **Yes** **Is it included in the Forward Plan?** **Yes**	**Scrutiny Committee:**

CABINET REPORT **5 DECEMBER 2012**

REPORT OF EXECUTIVE DIRECTOR OF HEALTH, HOUSING AND ADULT SERVICES

FRAMEWORK AGREEMENT FOR THE SUPPLY, FITMENT AND MAINTENANCE OF FIXED MECHANICAL EQUIPMENT AND PREFABRICATED RAMPS

1.0 Purpose of the Report

1.1 To approve the procurement of a framework for the supply, fitment and maintenance of Fixed Mechanical Equipment and pre-fabricated ramps.

2.0 Description of the Decision

2.1 Cabinet is invited to approve the procurement of as framework for the supply, fitment and maintenance of:

a) Straight flight stair lifts
b) Curved flight stair lifts
c) Automatic toilets
d) Prefabricated Ramps
e) Vertical through floor lifts
f) Ceiling tracking hoists

2.2 This framework will allow the Home Improvement Agency (HIA) to source the services when a resident has applied, and been approved for, a Disabled Facilities Grant payment or where alternative funding has been sourced for adaptation purposes

2.3 These services support residents to live independently in their own homes for as long as possible

3.0 Introduction/Background

3.1 Strategic Priority 4.2 – Healthy City,

To create a city where everyone can be supported to make healthy life and lifestyle choices – a city that provides excellent health and social care services for all who need them. Everyone in Sunderland will have the opportunity to live long, healthy, happy and independent lives.'

Within this Strategic Priority there are a number of key objectives, including:

i) 'Sunderland will be a place where everyone, regardless of the vulnerabilities they experience through age and/or disability, is supported to live independently in accommodation of their choice, including their own home.
ii) By 2025, 100% of people with long term conditions in Sunderland will be supported to live at home for as long as they wish and feel able.

3.2 The HIA supports these objectives by supplying a number of services, many of them funded in part by grants, to aid independent living.

3.3 There are currently 2 frameworks in place:
   i) Supply and fitment of vertical lifts and ceiling tracking hoist
   ii) Supply and fitment of straight and curved flight stair lifts

3.4 These expire on 31st October 2012 and 28th February 2013 respectively and will require new frameworks from these dates.

3.5 The existing two frameworks will be extended until 30th April 2013 so that all requirements can be included under one framework.

4.0 Procedure

4.1 The existing two frameworks will be extended until 30th April 2013 so that all requirements can be included under one framework.

4.2 A new tender process will be undertaken for all of the requirements previously serviced by the 2 current frameworks and extended to include automatic toilets and prefabricated ramps.

4.3 The successful contractor(s) will supply the stair lifts, vertical lifts, automatic toilets, ramps and hoists in accordance with the Council's requirements.

4.4 A schedule of procurement costs along with a method statement covering the supply, fitment and maintenance processes will provide the basis on which the supply will be evaluated.

5.0 Reasons for the Decision

5.1 In accordance with the Constitution, Cabinet approval is required to the principle of letting a contract exceeding £250,000 in value.

5.2 The value of the contract is estimated to be in the region of £2,600,000 over a period of 48 months (36 month framework with the option to extend for a further 12 month period).

5.3 It should be noted that the costs for these services will be met by the budget that is set for Disabled Facilities Grants and in some cases adaptations that are funded from alternative sources e.g. private payers will cover the cost of works.

6.0 Alternative Options

6.1 The current frameworks do include the option for an extension of up to 12 months. It has been decided not to utilise these options and to go back out to market to explore whether better value for money can be achieved.

7.0 Relevant Considerations/Consultations

7.1 The views of the Commercial and Corporate Services and Corporate Procurement have been incorporated in this report.

Financial - The annual cost of this agreement is estimated to be in the region of £650,000. This will be met from the Disabled Facilities Grant annual budget which currently stands at £2,050,708 (this includes voluntary contributions from Housing Associations).

Legal Implications - The Council has a duty to meet the assessed need of a disabled residents, this obligation is met by awarding Disabled Facilities Grants which are used to fund the works for qualifying clients.

Equality – The impact on equality was analysed using an equality risk matrix and this has determined that this is a high risk area.

Sustainability – A sustainability assessment has been carried out and it has shown that this falls below the significance threshold; therefore this is a less significant area.

Procurement - The Head of Corporate Procurement has been consulted in respect of the procurement procedure.

8.0 Background Papers

8.1 No background papers were relied upon in the preparation of this report.