

Newry, Mourne and Down District Council Membership

Purpose of Report

The Council is asked to approve the supplementary proposal received from Newry, Mourne and Down District Council seeking a continued progressive approach to its membership contributions to enable it to honour its legacy obligations in respect of the former Newry and Mourne component of that Council.

Executive Summary

Under Local Government Reform, Newry, Mourne and Down District Council found itself in the unique position of being involved in two of the three Waste Management Groups in Northern Ireland, both arc21 and SWAMP2008.

The Joint Committee wished to encourage the new Council to join the reconstituted arc21 and an initial proposal from Newry, Mourne and Down District Council was accepted by the Joint Committee and Participant Councils. This arrangement came into effect on 1 April 2015 and applied to the first year of the new Council structures.

The initial proposal enabled the new Council to meet its obligations to both arc21, on behalf of the former Down District Council as well as deal with legacy waste management issues on behalf of the former Newry and Mourne District Council.

As the Newry and Mourne component of the new Council did not require any services from arc21 the initial membership contribution proposal, approved by the other Participant Councils, was that which was already anticipated for the former Down District Council – i.e. £103k in 2015/16.

A supplementary proposal has been received from Newry, Mourne and Down District Council seeking a continued progressive approach, over the next two years, to enable it to honour its legacy commitments to the former Newry and Mourne District Council during this transitional period.

The proposal, in principle, is based on being able to access the range of services offered by arc21 for the Newry and Mourne component, on a graduated basis during the transitional period, whilst, at the same time, enabling the Council to fulfil its legacy obligations.

In addition, the Council will continue to make the appropriate contribution on behalf of the former Down District Council component.

The Joint Committee accepts the business case to continue to allow Newry, Mourne and Down District Council the support sought during this transitional period and the additional contributions proposed during this period equate to the following:

- 2016/17 (One Third) £43,596
- 2017/18 (Two Thirds) £115,687
- 2018/19 (Full Contribution) £157,559

As the costs of operating the Joint Committee are apportioned on the basis of population, the additional contribution payable will be credited pro rata to each of the other Participant Councils thus reducing the contributions payable by them.

The Joint Committee has considered the supplementary proposal and is in favour of its acceptance by Participant Councils.

In accordance with the Terms of Agreement, Participant Councils are also required to approve the proposal and are now asked to make the necessary arrangements.

Background

Under the Local Government Reform process the former Down District Council and the former Newry and Mourne District Council became part of Newry, Mourne and Down District Council.

Uniquely, the former Down District Council was a member of the arc21 waste management group and the former Newry and Mourne District Council was a member of the SWaMP2008 waste management group.

In these unique circumstances, the new Shadow Council needed to decide how best to deliver its waste management strategy and it expressed an interest in becoming a member of the arc21 Joint Committee.

The view of the Joint Committee, at its meeting held on 23 October 2014, was that it would be amenable to Newry, Mourne and Down District Council being a Participant Council in the arc21 waste management group and that, given the unique circumstances and the transitional nature of the Local Government Reform process, it would be in favour of a progressive contribution mechanism which was commensurate with the services it required to access from arc21 over time in respect of the Newry and Mourne component.

The Council confirmed its commitment to meet the obligations to arc21 in respect of the former Down District Council but needed support to deal with legacy issues arising from the waste management commitments entered into by the former Newry and Mourne District Council.

The Council then proposed that its contribution be that which would enable it to comply with its statutory obligations to the former Down District Council as it did not require any immediate access to the services provided by arc21 for the former Newry and Mourne component. In addition, it was recognised that the Newry and Mourne component of the new Council would not drive any increase in costs for arc21.

Newry Mourne and Down District Council proposed that the arrangement be reviewed after an initial twelve months period.

Following the endorsement of the Joint Committee in October 2014, Participant Councils, over the subsequent three months, also approved the proposal.

Having reviewed its position in October 2015, Newry Mourne and Down District Council presented a supplementary proposal seeking the continued support to enable it to honour its legacy obligations on behalf of the former Newry and Mourne component, in particular waste contract commitments, whilst at the same time enabling access to the range of services available from arc21 on a graduated basis during this transitional period.

This supplementary proposal makes provision for an additional membership contribution for the Newry and Mourne component broadly in line with the completion of legacy arrangements over the next two years. It provides for a contribution increasing by one third each year so that, in effect, by year three the contribution payable by Newry, Mourne and Down District Council will be on the same basis as all other Participant Councils.

The Joint Committee, at its meetings held on 5 November 2015 and 7 April 2016, acknowledged the need to continue with the progressive approach to facilitate the transitional nature of Newry, Mourne and Down District Council.

In accordance with the Terms of Agreement, the approval of the proposal by the other Participant Councils is now required.

Report

Following the initial period agreed, Newry, Mourne and Down District Council has reviewed its position regarding the legacy arrangements of the former Newry and Mourne component and has submitted a supplementary proposal seeking a continued progressive approach by the Joint Committee and Participant Councils to enable it to honour its commitments and liabilities from the former Newry and Mourne District Council.

During this transitional period the Council will, on a graduated basis, require access to the range of services offered by arc21 in respect of the former Newry and Mourne component.

The supplementary proposal makes provision for an additional contribution for the Newry and Mourne component equal to one third in 2016/17, two thirds in 2017/18 leading up to its full contribution in year three, 2018/19. In effect, the support requested by Newry, Mourne and Down District Council is for a two year transitional period as, in year three, the contribution payable towards the operating costs of arc21 will be on the same basis as all other Participant Councils, i.e. the population of the entire district.

As indicated earlier the proposal by Newry, Mourne and Down District Council reflects the graduated approach of accessing the services provided by arc21 as the legacy contractual arrangements expire.

By way of services required by the Newry and Mourne component, there will be a need to access some of the arc21 waste contracts when their current contracts come to an end.

The activities involving the management and monitoring of contracts by arc21 staff reflect the value of those contracts. The higher the value, the greater the concentration of activity involved. It is not anticipated that the two highest value contracts, Landfill and Organics, will be required by the Newry and Mourne component in the immediate future, due to legacy contracts.

In terms of the MRF service, a new contract is in place from April 2016 and includes provision for the whole of the Newry, Mourne and Down area but the Council will be undertaking a level of monitoring of the service specifically for the Newry and Mourne area.

From April 2016, the Newry and Mourne area will be fully incorporated into 3 of the 4 Bring Bank Collection service contracts. The Paper waste stream of the Bring Bank Collection service contracts will not be incorporated due to the Council having their own legacy contract in place.

In order to meet the incremental needs of the Newry and Mourne component to access the range of services provided by arc21 the Council has proposed that, in addition to the contribution payable on behalf of the former Down District Council, it would pay contributions equivalent to one third of the population of the former Newry and Mourne area for the 2016/17 year, followed by two thirds in 2017/18 and then, in year three 2018/19, the full contribution, as shown below.

YEAR	Down	Newry & Mourne	Total
2015/16	£103,836	Nil	£103,836
2016/17	£103,714	£43,596	£147,310
2017/18	£142,237	£115,687	£257,924
2018/19	£133,347	£157,559	£290,906

As can be seen below, the additional contribution payable for the Newry and Mourne component would be applied directly in reducing the amounts payable by the other Participant Councils. The reductions for each of the other Participant Councils are :

YEAR	2016/17	2017/18	2018/19	Total
Antrim and Newtownabbey	£6,708	£17,800	£24,242	£48,750
Ards and North Down	£7,565	£20,076	£27,342	£54,983
Belfast	£16,137	£42,820	£58,321	£117,128
Lisburn & Castlereagh	£6,641	£17,622	£24,000	£48,263
Mid and East Antrim	£6,545	£17,369	£23,654	£47,568
	£43,596	£115,687	£157,559	£361,842

In terms of the wider interests of the Joint Committee and Participant Councils, there are a number of important benefits that will derive from the inclusion of the Newry and Mourne component of Newry, Mourne and Down District Council and include:

Contribution Apportionment – As shown above, a greater spreading of the costs of operating the Joint Committee to the benefit of the other Participant Councils.

Political Influence - A much larger Joint Committee provides a stronger base from which to lobby Central Government and also provides greater potential to influence Waste Strategy and Policy.

The Joint Committee now represents the majority of the Councils in Northern Ireland (6 out of 11), the majority of the population of Northern Ireland and the majority of the waste arisings in the Province.

The additional population of the Newry and Mourne area, and the associated additional waste arisings, consolidates the position of the Joint Committee in a Northern Ireland context.

In terms of the debate around the future delivery of Local Government waste management services, a larger Joint Committee would have a greater part to play.

Greater Purchasing Power - The inclusion of additional waste arisings increases the potential for achieving economies of scale.

Residual Waste Treatment Project Minimum Guaranteed Tonnage – The principle of achieving greater economies of scale as outlined above are equally applicable in relation to the project.

Collaboration by Councils in waste management - The Joint Committee has been in existence since 2003 and the collaborative approach adopted by Participant Councils has been stated independently to be a successful strategy, providing the opportunity for a number of Councils to act together in a common cause to get the benefits of economies of scale and therefore enable the Participant Councils to achieve greater value for money for the ratepayer.

The Department approach to waste management - The waste management approach currently being pursued by Central Government is founded on the principle of encouraging Councils to collaborate.

By way of compliance by Participant Councils with the Departmental waste strategy, the statutory Waste Management Plans, required by each Council, have been developed at the arc21 region level, rather than individual Council level, using the expertise available within arc21 to support Councils in what is, arguably, a more efficient manner.

Governance Steps

In accordance with the Terms of Agreement, both the Joint Committee and the Participant Councils are required to approve the arrangement.

The Joint Committee has considered the proposal and expressed support for a continued progressive approach to the membership of Newry, Mourne and Down District Council to enable it to honour its legacy commitments and would ask Participant Councils to approve the proposal.

It should be noted that, as the proposal has been made by Newry, Mourne and Down District Council, then that Council will not be required to approve its own proposal but should note that the matter is now being referred to the other Participant Councils for consideration.

Recommendation

The Council is asked to approve the supplementary proposal from Newry, Mourne and Down District Council in order to facilitate that Council in meeting its commitments and liabilities arising from the former Newry and Mourne component, during a transitional period commencing in April 2016, as set out in this report.