

Case Study: Waste Contract Insourcing

Background

On 11th June 2022, South Ribble Council insourced their waste contract following a seven-year period of delivery by FCC following a decision by the council.

This decision was made by the council in light of three key considerations:

- a. Responding quickly to changes in national policy for waste and recycling without the imposition of contract terms
- b. Improving terms and conditions for employees
- c. Managing reputational risk which ultimately falls upon the council irrespective of how the service is sourced

Benefits for workers

A total of 44 staff TUPE'd across to the Council. These staff now receive South Ribble Council terms on the Shared Service pay scales, resulting in better rates of pay. They are all eligible for a more beneficial pension through the Local Government Pension Scheme which provides a 16.5% contribution compared to a 3-8 % contribution for most staff under FCC terms.

On South Ribble terms and conditions, all staff are treated equally with many now receiving improved sick pay and additional annual leave. Further there is also a commitment from the Council to expand new and improved terms and conditions to the entire South Ribble workforce, including Waste Services, by the end of 2023.

This approach protects jobs and provides greater stability for workers under the new contract in line with the principles of Community Wealth Building.

Benefits for the local economy

From an economic perspective the contract represented one of the highest value council contracts. Being delivered under FCC, a subsidiary of a European holding company, profits from this high value spend immediately left the local economy. Bringing the contract in-house ensures wealth is retained within the borough with a greater amount directed toward staff, residents and the local area as opposed to flowing outwards as profits to external shareholders. It also presents opportunities to extend waste services for other products such as commercial waste, offering the potential to create more jobs, increase revenue and support better local services.

Benefits for residents

As a local anchor organisation the council holds a genuine stake in outcomes for the area and is better placed to responsibly steward the delivery of waste services. The council can now more readily incorporate and adapt to local needs without undertaking complex contract negotiations. As well as day to day performance and efficiency, it also allows the council to apply new approaches to recycling under future government policy changes.

The insourcing of waste services will secure real benefits through better governance, better service integration, more sustainable operations, and ultimately higher quality service provision for end users.