

Taunton Deane Borough Council

Executive – 9 February 2017

Somerset Waste Partnership Draft Business Plan 2017-2022

Report of the Assistant Director Operational Delivery – Chris Hall and Somerset Waste Partnership’s (SWP) Managing Director - Steve Read

(This matter is the responsibility of Executive Councillor Patrick Berry)

1 Executive Summary / Purpose of the report

The report seeks approval for the Somerset Waste Partnership’s Draft Business Plan for 2017-2022 attached.

Whilst the business plan has a 5 year horizon Members are only requested to approve the plan for the financial year 2017/18.

The cost increase when compared with 2016/17 is £102,028. The budget for 2017/18 was set with a contract increase in mind and as a result there is no negative impact on the Councils MTFP as a result of this change.

2. Recommendations

The Executive is recommended to:-

- i) Review and approve the Somerset Waste Partnership’s Budget for 2017-2018; and
- ii) Note the content of the Business Plan 2017 - 2022.

3. Risk Assessment

Risk Matrix

| Description | Likelihood | Impact | Overall |
|---|--------------|--------------|-------------|
| Household growth increases the cost of the contract | Possible (3) | Major (4) | Medium (12) |
| <i>Household numbers are increasing and impacting the contract costs, Recycle More will limit cost increases.</i> | Unlikely (2) | Major (4) | Medium (8) |
| Inflation and operating costs continue to rise making the service unaffordable | Possible (3) | Moderate (3) | Medium (9) |

| | | | |
|---|-----------------|--------------|------------|
| <i>Costs are increasing and the new service model will assist in making savings and limiting cost increases in the short to medium term</i> | Possible (3) | Minor (2) | Low (6) |
|---|-----------------|--------------|------------|

4. Background and Full details of the report

- 4.1 The Somerset Waste Partnership has managed waste and recycling services on behalf of all local authorities in Somerset since October 2007. The partnership is governed through a Joint Committee known as the Somerset Waste Board. The SWB Constitution requires the single client team to prepare a Draft Business Plan with an accompanying Action Plan on an annual basis. The Board then approves a draft for consultation with the partners, so that each partner authority has the opportunity to comment on the plan. The Board considered the draft plan on 16th December 2016 and comments are requested by mid-February so that the Board can adopt the Plan and Budget.
- 4.2 The Board can, by a majority vote, amend the Business Plan in order to accommodate any unforeseen circumstances and to assist the Board to achieve the Aims and Objectives. Any partner council can request such an amendment at any time.
- 4.3 The Board is almost exclusively funded from contributions from partners and, apart from one-off funding bids, has no automatic block grant from Central Government or any reserves. It is therefore dependent on agreement between partners on the level of funding provided by each of them in line with the cost sharing formula. Business Planning and Budget setting are therefore part of the same process.

5 Purpose of the Business Plan

- 5.1 The Draft Business Plan and associated Action Plan, attached as appendix 1, are the means by which the partnership describes its business, evaluates changes to the operating environment, identifies strategic risks and sets out its priorities. The plan has a five year horizon with particular focus on the next 12 months. It is the primary means to seek approval for and to secure the necessary resources to implement its proposals from the partner authorities.
- 5.2 The plan also sets out the draft Annual Budget for the Waste Partnership for 2017/18, which for TDBC represents an increase of £102,028, 2.99%.

6 Responsibility for the Business Plan

- 6.1 The Board has delegated authority for decision making across all services and therefore must make proposals to the partners on how savings can be made, taking into account any requirements to make savings and proposals on how this can be achieved. Under the terms of the Inter Authority Agreement, the Board cannot make a decision that has an adverse financial implication on any partner without the consent of that partner. The Board cannot refuse to accept savings targets handed down – but

it does have discretion on how those savings can be implemented, provided all partners sign up through approval of the draft plan.

7 Consultation

- 7.1 Individual partners were previously asked to give an indication of any savings targets so that options to achieve these and associated risks could be assessed by the SWP in consultation with the Strategic Management Group. All partners have a need to control costs in this area and a number of initiatives have been underway to evaluate the opportunities and impacts of future cost management choices.
- 7.2 Specifically trials were undertaken in Taunton Deane which have, and will continue, to inform the nature of the service going forward for the entire partnership. These trials made temporary alterations to the material types that were collect at the kerbside and the frequency of collections.
- 7.3 Recycle More was approved by TDBC on 30th November 2016 the budget presented in the appended business case for 2017/18 contains no savings or costs associated with this new operating model during the roll out phase.

8 Key Actions for 2017–22

- 8.1 SWP's key aims and priorities are identified within the Draft Business Plan. Of these Members are reminded of the large scale projects underway which produce significant changes to service delivery:
- Alternative refuse treatment
 - Recycle More, new service model
- 8.2 The Draft Plan has been brought together against the background of the continuing difficult economic situation but with a continuing desire from partners to deliver the following key priority areas:
1. Waste minimisation, high diversion and high capture
 2. Improved services for customers;
 3. Contract monitoring and review;
 4. Alternatives to landfill and optimising material processing;
 5. Investigating Recycling Centre options;
 6. Investigating collection service options;
 7. Organisational efficiency.

9 Finance / Resource implications

- 9.1 The Waste Partnership is largely funded from contributions from partners and has no block grant from Central Government or any reserves. It is therefore dependent on agreement between the partners on the level of funding provided by each of them in line with the cost sharing formula. Business Planning and Budget setting are part of the same process.
- 9.2 The Annual Budget, once finally approved, will become the new measure for the financial performance of the Waste Partnership for 2017/18. SWP will continue to

share the costs among partners in the approved format.

9.3 The Annual Audit letter has been received and there are no actions outstanding and the conclusions are entirely positive.

9.4 The cost increase from 2016/17 is £102,028 or 2.99%. This is made up of an increase in the collection contract costs and an increase in household numbers receiving the service.

9.5 The budget for 2017/18 was set with a contract increase in mind and as a result there is no negative impact on the Councils MTFP as a result of this change.

10 Legal Comments

10.1 The waste collection contract is one of the Authority's largest contracts. The Waste Partnership fulfils the Authority's statutory responsibilities in regard to waste collection.

11 Links to Corporate Aims / Priorities

11.1 SWP is one of the Authority's key partnerships and takes client and operational responsibilities for the delivery of our recycling and waste priorities.

12 Environmental Implications

12.1 The role of SWP has a direct impact on the environment and all actions within the plan are considered against their environmental benefits.

13 Asset Management Implications

13.1 There are no implications as a result of the report.

14 Equalities Impact

14.1 Equalities and other Impact assessments have been made in respect of all savings proposals, even where these do not have an immediate public impact. Individual partners will consider the Draft Plan during January and early February 2017.

15 Risk Management

15.1 The SWP risk register is reviewed annually and taken to the Somerset Waste Board for approval. The updated risk register is attached at Appendix 2.

16 Partnership Implications

16.1 The Somerset Waste Partnership is one of the Council's key partnerships. The Partnership undertakes the client and operational responsibilities for the delivery of our waste collection obligations and our recycling and waste reduction priorities.

17 Scrutiny comments to be provided verbally following the Scrutiny meeting of 7th February.

Democratic Path:

- **Scrutiny - Yes**
- **Executive – Yes**
- **Full Council – No**

Reporting Frequency: Annually

Contact Officer

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Background papers

Somerset Waste Board Constitution and Inter-Authority Agreement
<http://www1.somerset.gov.uk/council/boards.asp?boardnum=32>

Risk Scoring Matrix

| | | | | | | | |
|-------------------|---|----------------|---------------|-------------|-------------|----------------|----------------|
| Likelihood | 5 | Almost Certain | Low (5) | Medium (10) | High (15) | Very High (20) | Very High (25) |
| | 4 | Likely | Low (4) | Medium (8) | Medium (12) | High (16) | Very High (20) |
| | 3 | Possible | Low (3) | Low (6) | Medium (9) | Medium (12) | High (15) |
| | 2 | Unlikely | Low (2) | Low (4) | Low (6) | Medium (8) | Medium (10) |
| | 1 | Rare | Low (1) | Low (2) | Low (3) | Low (4) | Low (5) |
| | | | 1 | 2 | 3 | 4 | 5 |
| | | | Negligible | Minor | Moderate | Major | Catastrophic |
| | | | Impact | | | | |

| Likelihood of risk occurring | Indicator | Description (chance of occurrence) |
|-------------------------------------|---|---|
| 1. Very Unlikely | May occur in exceptional circumstances | < 10% |
| 2. Slight | Is unlikely to, but could occur at some time | 10 – 25% |
| 3. Feasible | Fairly likely to occur at same time | 25 – 50% |
| 4. Likely | Likely to occur within the next 1-2 years, or occurs occasionally | 50 – 75% |
| 5. Very Likely | Regular occurrence (daily / weekly / monthly) | > 75% |



SWP Business Plan 2017 – 2022

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| Appendix A | SWP Risk Register |

| Change History | |
|-----------------------|--------------------|
| 10 Nov 2016 | Initial Draft |
| 29 Nov 2016 | SR Revision marks |
| 06 Dec 2016 | Draft for Approval |

1. About Somerset Waste Partnership

Somerset Waste Partnership (SWP) was established in 2007 to manage waste services on behalf of Mendip, Sedgemoor, South Somerset and West Somerset District Councils, Taunton Deane Borough Council and Somerset County Council. This made it the first county wide waste partnership in the country.

SWP has delegated authority to deliver household waste and recycling services throughout Somerset, including management of kerbside collections, recycling sites and disposal sites. These duties are in turn contracted to Kier (collection services) and Viridor Plc (recycling sites, landfill sites and recycling or disposal of food waste, garden waste and residual waste).

SWP is accountable to the Somerset Waste Board (SWB), which consists of two members from each of the partner authorities.

For further information about Somerset Waste Partnership and the Somerset Waste Board please visit www.somersetwaste.gov.uk

2. Key Stakeholders

- Residents of Somerset
- Members and officers of partner authorities
- Kier MG CIC
- Viridor Plc

3. The SWP Vision

We will:

- Drive material up the waste hierarchy and, where sustainable markets exist, into the circular economy*.
- Avoid landfill and encourage high participation in waste avoidance, reuse, recycling and food waste collection schemes.
- Engage with local people, support economic wellbeing and use efficient, sustainable and affordable solutions at every stage of the process.
- Encourage and facilitate innovation, joined up strategy, policy and operations across the county

*A circular economy is one where resources once used are not disposed of, but become feedstock materials or energy for making new products, thus reducing reliance on raw materials and waste disposal. A “closed loop process” is a variation of this where recovered materials are recycled into the same product. The benefits of a circular economy include reduced energy consumption, resource security and lower environmental impacts. A circular economy works most effectively where there are clear incentives for all persons on the loop (manufacturers, retailers, consumers, local authorities, reprocessors) to move the material around the loop.

4. Key Issues and Challenges

4.1 Service Development

This Business Plan will take forward the decisions made by the Somerset Waste Board and agreed by the partner authorities in the period December 2016 to February 2017. These decisions have the potential to result in significant changes both to the kerbside collection services and the residual waste disposal processes.

4.2 External Pressures

The period of constraint on the public purse continues and SWP will need to contribute to ongoing savings, while striving to maintain the scope and quality of frontline services.

4.3 National Policy Drivers

Withdrawal from the EU

The waste legislative framework may change following withdrawal from the EU. The UK government has not indicated future intentions in this area however there are no changes expected in the short term. There is now particular uncertainty about how the “Circular Economy” proposals for revisions to the EU waste Framework Directive will apply to the UK both in terms of the final detail of the ambitious recycling targets and the extent to which the UK will adopt / be affected them.

Department of Communities and Local Government (DCLG) and non-household waste charging

DCLG have (Autumn 2016) criticised some Local Authorities who are proposing to implement charges at Recycling Centres for disposal of DiY waste. This highlights a difference in interpretation between DCLG and many local authorities, including SWP, who consider that such waste is currently classified as “industrial” waste and thereby chargeable. This has not been tested in law. Should the DCLG interpretation prevail, the cost of reverting to a “free to user” service would equate to around £600k pa in Somerset. This exceeds the running costs of the eleven recycling sites that currently operate five days per week.

Community Recycling Sites

In 2015 DCLG brought in an Order to prevent local authorities from designating some sites (known in Somerset as “Community Recycling Sites (CRSs)”) as provided under discretionary “wellbeing” powers within the Local Government Act 2003. This removed the option to introduce charges for entry to sites (even where this option was promoted by the community as an alternative to closure). The effect of this is that the charging at Dulverton and Crewkerne CRSs will not be permitted after April 1st 2020 and so SWB will need to consider how to deal with the funding gap opened up. It is proposed to do this as part of the Core Services Contract Review which will look at the way the whole Recycling Centre network is provided.

Producer Responsibility

The waste Services Industry body, the Environmental Services Association (ESA), who represent major contractors, has ramped up pressure for a national debate on the role of producers of packaging and retailers of packaged goods in covering costs of recycling. The circular economy proposals call for producers to cover the “entire” costs net of

income from sale of material and provided services are “optimised” (ie value for money). If this was taken up in the UK it would take some pressure off local authorities. SWP will continue to lobby for changes along those lines.

Department for Environment, Food and Rural Affairs (Defra) - Consistency in Collection Methodology

Defra’s main interest, aside from improving the England recycling rate, continues to be promoting consistency in household recycling collections. WRAP published a paper in September 2016 in which Somerset is case studied. The proposed move to the “Recycle More” scheme would, by adding pots tubs and trays, further align Somerset to the list of materials WRAP and Defra advocate all local authorities collect.

4.4 Primary Contract Review

This business plan has a five year horizon. The Collection and Treatment contracts come to an end (unless extended) in 2021 and 2022 respectively. This means that it is within the horizon of this Business Plan to give consideration to future arrangements for the end to end delivery of waste services in Somerset.

In order to ensure an effective future service is in place a full review of options should commence in the financial year 2017 - 18.

It is considered a high risk that the collection contract costs may increase following re-procurement should the current contract go to term without extension.

5. Key Aims and Priorities for 2017/18

For the period of this business plan we will have three priority areas but recognise that significant projects are subject to a further decision making process.

5.1 Refuse Treatment

Assumes approval of proposals (subject to separate Somerset Waste Board and Partner Authority decisions).

| Task | Description | Outcome/Target (completion by March 2018 unless otherwise stated) | Lead officer | Resource - Implementation Budget | Resource - People (internal) | Comment/ Risk |
|-------------------------|---|--|--------------|----------------------------------|---------------------------------|---------------------------------|
| Refuse Treatment | Complete negotiation, plan and implement changes resulting from decisions taken regarding future processing of residual waste. Includes contract formalisation and oversight of development of Waste Transfer Stations. | New long term treatment process for Somerset's household residual waste. Timeline specified in separate SWB paper. | David Oaten | Outlined in separate SWB paper. | Outlined in separate SWB paper. | Outlined in separate SWB paper. |

5.2 Recycle More

Assumes approval of proposals (subject to separate Somerset Waste Board and Partner Authority decisions).

| Task | Description | Outcome/Target (completion by March 2018 unless otherwise stated) | Lead officer | Resource - Implementation Budget | Resource - People (internal) | Comment/ Risk |
|---------------------|---|--|-----------------|--|------------------------------------|---------------------------------|
| Recycle More | Planning and implementation of changes resulting from decisions taken regarding the future model of kerbside collection services. <ul style="list-style-type: none"> • Detailed Planning • Procurement – containers, vehicles and infrastructure • Communication • Collection containers • Depot infrastructure • Reprocessing arrangements | Commence implementation of any changes agreed in late summer/autumn 2017. Roll out schedule specified in separate SWB paper. | Bruce Carpenter | Outlined in separate SWB paper. | Outlined in separate SWB paper. | Outlined in separate SWB paper. |

5.3 Other Projects, Task and Activities

These are projects which will be required to maintain the services provided by Somerset Waste Partnership

| Task | Description | Outcome/Target (completion by March 2018 unless otherwise stated) | Lead officer | Resource - Implementatio n Budget | Resource - People (internal) | Comment/ Risk |
|----------------------------|---|--|--------------|---|------------------------------------|--|
| SWP Capacity Review | The last significant review of SWP structure and resources took place in 2012. Following confirmation of direction of travel with the New Service model and the NWTF, or any alternative strategies, SWP staff resources will need to be aligned with the challenging key objectives over the period of change, whatever form / duration they take. In view of the partners' financial situation, the partners will require reassurance that the SWP establishment is fit for its purpose and priorities. | Resource plan in place to deliver major projects. | Steve Read | Staff time only | TBC | SWP team to be fully engaged in process. |

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|---|---|---|--------------|-----------------|--|--|
| Cash Free Recycling Sites – Roll Out | Following the successful cashless pilots at Chard & Taunton Recycling Centres it is proposed to roll this out to all 16 Recycling Centres/Community Recycling Sites in the county. This is proposed in order to increase site security and reduce the possibility of break ins. | All Recycling Centres and Community Recycling Sites operating a cash free environment by end of year. | David Oaten | £2.5k | Liaison with site operator; project management; prepare publicity and website updates. | |
| Core Service Contract Review | With the current Core Services Contract due to expire at the end of March 2022 it is considered timely to formally review the worth of the ‘up to 9 year extension’ available under the current contract and what arrangements would need to be in place subsequent to that date. | Documented review of core services, with proposals for future arrangements presented to SWB by March 2018 | David Oaten | Staff time only | Review current services, including benchmarking and analysis of potential cost/benefits and savings | |
| Collection Service Contract Review | With the current Collection Services Contract due to expire October 2021 it is considered timely to formally review the worth of the ‘up to 7 year extension’ available under the current contract and what arrangements would need to be in place | Review collection service contract and consider options for future arrangements | Colin Mercer | Staff time only | Investigate options for delivery of future service arrangements, considering benefits and potential of maintaining | |

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|---|--|--|-------------|---|---|--|
| | subsequent to that date. | | | | current arrangements against other options | |
| Recycling Centre Essential Maintenance Works | Despite the current challenging financial situation faced by SWP Partner authorities, a number of the Recycling Centre network sites are in need of essential maintenance in order to prolong the sites useful life. One site requiring urgent attention is at Frome, where the skip bays are degrading to a degree that they are becoming untenable. Without such maintenance the site may become unusable. | Sites serviced to acceptable level by end of March 2018 | David Oaten | Costs to be covered by planned maintenance budget. | Survey sites; identify required actions; arrange contractor; monitor and inspect works. | Risk of sites becoming unusable if no action taken. |
| Recycling Centre Van & Trailer Permit Review | Following the successful roll out of the van and trailer permit scheme in October 2016, a formal 6 month review to determine whether there should be any minor amendments to the current process. | Review of current arrangements and proposed revisions to June 2017 SWB meeting | David Oaten | £10k to cover ongoing permit requests and publicity for any changes to current scheme (from disposal budget | Review feedback from residents, site staff, customer service teams etc; prepare report for SWB; publicise | Commitment given to review at September SWB meeting. |

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| | | | | savings) | changes as required | |
|---|--|---|---------------------------|-----------------|---|--|
| Provision of COTC Management - Securing Additional Third Party Sites | The SWP has a number of Certificate of Technical Competence holders to ensure its capability in managing the network of waste facilities under its current contracts. In order to extend the value of the COTCs, SWP have managed, on behalf of Somerset Highways, a number of third party sites for the past 6 years and have recently secured a further 6 year contract. With a growing reputation of providing a good level of service in this area it is proposed to try and secure additional third party sites in order to derive a larger income to the Partnership. SWP have recently secured two additional sites that we now manage on behalf of the Environment Agency. | Agreements raised for inspection of two additional sites by end of March 2018 | David Oaten | Staff time only | Liaison with site “owners”; preparation of agreements; commence inspections as required | Potential revenue generation for partners. |
| Collection Service – Depot Review | Review current depot provision with a view to optimise operations in the west of the county. | Plan for future depot structures completed by | Bruce Carpenter/ Colin | Staff time only | Consider future service requirements; model | |

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|------------------------|---|---|-------------|----------------------------|--|--|
| | | March 2018 | Mercer | | optimised locations and infrastructure (cost, resilience and operation efficiency); Document findings | |
| SWP IT Strategy | <p>To develop and commence implementation of a programme of improving SWP use of IT to support improvements in efficiency and service control. To include improving oversight of quality of contractor planning and output data; increasing “self-service” opportunities; rationalising duplication and other inefficiencies.</p> <p>This will include implementation of a new SWP Customer Service System; a redesign and restructure of the SWP website; improvements to household property data; enhancements to</p> | <p>Document produced and presented to SWB; Procurement of new systems progressed</p> | Mark Blaker | £20k implementation budget | <p>Identify business processes and best practice; investigate current IT market; case study other local authorities; document proposed solutions; present to to SWB; commence procurement.</p> | <p>Improve efficiency and effectiveness of client group; ensure client group prepared to changes anticipated over next five years.</p> |

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|-----------------------------------|--|--|---------------------|--|---|--|
| | <p>data processing capabilities.</p> <p>Resource: £20k</p> | | | | | |
| Asset Audit Risk Reduction | <p>To assess ownership of assets in the collection contract and where appropriate look for SWP to secure ownership of assets currently sitting with the contractor. Also to look at where appropriate securing these assets beyond contract term to ensure greater surety and control of risk going forward.</p> <p>Resource: Staff time only</p> | <p>Ensure we have a fully documented register of service assets by October 2017; ensure procedures developed to maintain register</p> | <p>Colin Mercer</p> | <p>Staff time only</p> | <p>Work with Kier to identify assets, asset location, state of assets, assumed value of assets.</p> | |
| SWP Offices | <p>Somerset County Council's lease for Monmouth House expires in March 2018.</p> <p>At this point SWP will need to have either extended current arrangements, relocated to County Hall or have found alternative accommodation.</p> <p>It will be necessary to confirm future accommodation arrangements.</p> | <p>To have a plan for accommodation beyond March 2018, including budget for relocation if necessary and agreed by SWB by September 2017.</p> | <p>Helen Oaten</p> | <p>Budget Implications to be presented to SWB separately</p> | <p>To identify options, compare costs and benefits, present to SWB in December as part of Business Planning process</p> | |

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|--|---|--|---------------|------|--|---------------------|
| Continuing Waste Minimisation Initiatives | To include Food Waste Champions, Compost Champions and other ongoing community engagement activities designed to encourage waste reduction. | To continue community engagement through Food Waste and Compost Champions and other community initiatives. | David Mansell | £3k | Liaison with current groups; recruiting volunteers; arranging training and events; administrating and providing support. | Ongoing projects |
| Publicity and Communication | Promotion of service changes (including Christmas and Easter changes), print and distribution of key service literature, maintenance of SWP website and support for waste minimisation promotions. Note: this does not include the considerable additional communications programme required to support the “Recycle More” scheme. | All commitments met throughout the year using the most effective and cost effective means available | Mark Blaker | £29k | Press releases; print adverts; website content; leaflets; etc | Ongoing commitments |

Financial Pressures

In all considerations Somerset Waste Partnership will recognise the current and ongoing financial pressures facing partner authorities. Cost effectiveness and identifying opportunities to reduce overall costs must be at the heart of all decisions taken.

7. SWP Budget 2017 - 22

The tables on the following pages show the projected five year budget for Somerset Waste Partnership if the current service model does not change in future years, effectively a “do-nothing” scenario with estimated inflationary indices based on contractual agreements. As noted above, SWP recognises the financial pressures facing partners.

7.1 Revenue Not Included

Control of income from residents for waste related services is retained by the collection authorities and is therefore not shown in this paper. The most significant portion of this is annual Garden Waste subscriptions, which will generate income for the district council of around £53.50 for each wheeled bin subscription in 2017/18. This is a significant offset of the cost of providing the service. Other income streams are Bulky Waste collection fees and sale of Garden Waste sacks.

7.2 Full Draft Budget Summary 2017/18

Summary Draft Annual Budgets 2017/2018

Rounded £000s Total SCC MDC SDC SSDC TDBC WSC

| Expenditure | | £000s | £000s | £000s | £000s | £000s | £000s |
|----------------------------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|
| Salaries & On-Costs | 962 | 477 | 111 | 109 | 153 | 106 | 6 |
| Other Head Office Costs | 230 | 105 | 25 | 27 | 38 | 26 | 9 |
| Support Services | 125 | 54 | 14 | 15 | 22 | 15 | 5 |
| | | | | | | | |
| Disposal - Landfill | 10949 | 10949 | | | | | |
| Disposal - HWRCs | 9522 | 9522 | | | | | |
| Disposal - Food waste | 1447 | 1447 | | | | | |
| Disposal - Hazardous waste | 227 | 227 | | | | | |
| Composting | 1680 | 1680 | | | | | |
| | | | | | | | |
| Kerbside Recycling | 8868 | | 1841 | 1824 | 2715 | 1780 | 708 |
| Green Waste Collections | 2374 | | 464 | 588 | 662 | 557 | 103 |
| Household Refuse | 6001 | | 1238 | 1222 | 1816 | 1240 | 485 |
| Clinical Waste | 116 | | 24 | 25 | 35 | 24 | 8 |
| Bulky Waste Collection | 81 | | 18 | 15 | 22 | 18 | 8 |
| Container Maintenance & Delivery | 220 | | 47 | 42 | 70 | 49 | 12 |
| Container Supply | 432 | | 92 | 89 | 140 | 93 | 18 |
| | | | | | | | |
| Pension Costs | 69 | | 2 | 2 | 62 | 2 | 1 |
| | | | | | | | |
| Depot Costs | 186 | | 38 | 40 | 56 | 39 | 13 |
| | | | | | | | |
| Village Halls | 6 | | | 6 | | | |
| | | | | | | | |
| Transfer Station Avoided Costs | 310 | 310 | | | | | |
| | | | | | | | |
| Recycling Credits | 2430 | 2430 | | | | | |
| | | | | | | | |
| Capital Financing Costs | 231 | | 52 | 41 | 78 | 39 | 21 |
| | | | | | | | |
| Total Direct Expenditure | 46466 | 27201 | 3966 | 4045 | 5869 | 3988 | 1397 |
| | | | | | | | |
| Income | | | | | | | |
| Sort It Plus Discounts | -80 | | -16 | -17 | -24 | -17 | -6 |
| Transfer Station Avoided Costs | -310 | | -63 | -67 | -93 | -65 | -22 |
| May Gurney Secondment Saving | -44 | -20 | -5 | -5 | -7 | -5 | -2 |
| Recycling Credits | -2402 | | -501 | -488 | -743 | -487 | -183 |
| | | | | | | | |
| Total Income | -2836 | -20 | -585 | -577 | -867 | -574 | -213 |
| | | | | | | | |
| Total Net Expenditure | 43630 | 27181 | 3381 | 3468 | 5002 | 3414 | 1184 |

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Summary Draft Annual Budgets

Rounded £000s 2017/18 2018/19 2019/20 2020/21 2021/22

| Expenditure | £000s | £000s | £000s | £000s | £000s |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Salaries & On-Costs | 962 | 972 | 982 | 992 | 1002 |
| Other Head Office Costs | 230 | 210 | 210 | 210 | 210 |
| Support Services | 125 | 125 | 125 | 125 | 125 |
| | | | | | |
| Disposal - Landfill | 10949 | 11559 | 12105 | 12675 | 13271 |
| Disposal - HWRCs | 9522 | 9911 | 10308 | 10728 | 11164 |
| Disposal - Food waste | 1447 | 1501 | 1569 | 1641 | 1716 |
| Disposal - Hazardous waste | 227 | 240 | 255 | 271 | 288 |
| Composting | 1680 | 1813 | 1956 | 2110 | 2277 |
| | | | | | |
| Kerbside Recycling | 8868 | 9119 | 9378 | 9644 | 9917 |
| Green Waste Collections | 2374 | 2441 | 2511 | 2582 | 2655 |
| Household Refuse | 6001 | 6171 | 6346 | 6525 | 6710 |
| Clinical Waste | 116 | 119 | 123 | 126 | 130 |
| Bulky Waste Collection | 81 | 83 | 84 | 86 | 88 |
| Container Maintenance & Delivery | 220 | 226 | 233 | 240 | 246 |
| Container Supply | 432 | 445 | 457 | 470 | 483 |
| | | | | | |
| Pension Costs | 69 | 70 | 70 | 71 | 72 |
| | | | | | |
| Depot Costs | 186 | 186 | 186 | 186 | 186 |
| | | | | | |
| Village Halls | 6 | 6 | 6 | 6 | 6 |
| | | | | | |
| Transfer Station Avoided Costs | 310 | 315 | 320 | 324 | 329 |
| | | | | | |
| Recycling Credits | 2430 | 2503 | 2578 | 2655 | 2735 |
| | | | | | |
| Capital Financing Costs | 231 | 231 | 231 | 231 | 231 |
| | | | | | |
| Total Direct Expenditure | 46466 | 48246 | 50033 | 51898 | 53841 |
| | | | | | |
| Income | | | | | |
| Sort It Plus Discounts | -80 | -80 | -80 | -80 | -80 |
| Transfer Station Avoided Costs | -310 | -315 | -320 | -324 | -329 |
| May Gurney Secondment Saving | -44 | -44 | -44 | -44 | -44 |
| Recycling Credits | -2402 | -2474 | -2548 | -2625 | -2704 |
| | | | | | |
| Total Income | -2836 | -2913 | -2992 | -3073 | -3157 |
| | | | | | |
| Total Net Expenditure | 43630 | 45333 | 47041 | 48825 | 50685 |

Assumptions

1% annual pay award for all years

1.39% housing growth in 2017/18, then 1% annually for years 2018/19 - 2021/22

Collection contract inflation 1.18% in 2017/18, then 2% annually for years 2018/19 - 2021/22

Disposal contract inflation between 1% & 6.3% (for different contract areas), annually in all years (2017/18 - 2021/22)

Tonnage growth 1.5% annually for all years (2017/18 - 2021/22)

| Somerset Waste Partnership - Risk Register 2017 to 2018 (draft) | | | | | | | | | | | | | | |
|---|----------------|---|--|-----------|-------|-------|---|-----------------|-------|-------|--|--------|-------|-----|
| Primary Risks | | | | | | | | | | | | | | |
| Ref | Area | Risk | Effect | Raw Score | | | Mitigation planned | Mitigated Score | | | Future Actions | Target | | |
| | | | | Impact | Prob. | score | | Impact | Prob. | score | | Impact | Prob. | Aim |
| R1 | Financial | Pressure to reduce budgets places existing services under financial pressure. | Services may have to change or service providers have to save money by adjusting the service offered. | Med | Hi | | Work with contractors to either reduce costs or change service offer to be more affordable. | Lo | Hi | | Under guidance from the SWB , agree with contractors delivery of savings. | Lo | Hi | |
| R2 | Financial | Waste growth per household leads to increased volumes of waste requiring collection and/or treatment/disposal | Budget pressure created by increasing waste volumes. | Med | Hi | | Implement cost effective treatment and disposal methods. Continued public engagement and interventions to encourage diversion. | Lo | Hi | | Meet with suppliers to discuss how to deliver efficiencies. Consider potential for waste to increase during implementation of new service model. | Lo | Hi | |
| R3 | Political | DCLG continues challenge innovation in funding Recycling Centres | Potential to reduce services provided or lead to increased costs. | Med | Hi | | Continue to base policy on performance, popularity, effectiveness and affordability. Work with members from all tiers of local government to seek flexibility to ensure continuity of services. | Med | Med | | Keep members, and particularly Board Members, informed especially following changes to administration or portfolio holders. | Med | Med | |
| R4 | Political | Political priorities can and will change over time. | Political priorities change. SWP directed to change strategic and operational priorities. | Med | Med | | Ensure members are aware of the social, environmental and financial impacts of SWPs services. Keep up to date with latest thinking to ensure opportunities to innovate are not | Med | Med | | Keep members informed especially following changes to administration or portfolio holders. | Med | Med | |
| R5 | Organisational | Part time Head of Service | Part time Head of Service is not ideal, especially at a time of major service review. | Med | Med | | Ensure workload is planned to deliver the highest priorities and staff are empowered to work effectively and efficiently. | Med | Med | | Delegate effectively to Senior Management Team. | Lo | Lo | |
| R6 | Operational | Ability of contractors to deliver is reduced or compromised | As pressure is placed on contractors to deliver more with less service may suffer resulting in increased complaints. | Med | Hi | | Ensure SWP carries out sufficient monitoring to keep the contractor focused on meeting contractual standards. | Med | Med | | Regular meetings with contractors to keep service levels under review and to joint plan developments. | Med | Lo | |
| R7 | Operational | IT Systems - obsolescence and compatability | Inefficiencies due to inadequate IT systems | Lo | Hi | | Work with ICT units to improve compatability. Encourage contractors to invest in appropriate infrastructure. | Lo | Med | | Keep systems under review. | Lo | Lo | |

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|-----|---------------|---|--|-----|-----|--|--|-----|-----|--|---|-----|-----|--|
| R8 | Operational | Driver shortages | Impact on service delivery if not all rounds deployed. Quality of delivery suffers where inexperienced drivers employed in service delivery. | Hi | Med | | Work with contractors to ensure they have policies in place for driver training and retention. | Med | Med | | Seek opportunities to improve role of drivers. Work with local colleges to promote driving as a career option. | Med | Med | |
| R9 | Environmental | Weather related | Service disruption caused by weather. Risk of extended localised disruption caused by flooding. | Med | Med | | Follow procedures to ensure least disruption to services. | Med | Med | | Review and update procedures in light of experience. | Med | Med | |
| R10 | Commercial | Capacity of contractors to develop/improve services/ make new proposals | As service providers broaden their scope resources can be stretched and other areas may be prioritised; performance and commitment to service development may suffer | Med | Med | | Work with service suppliers to ensure changes are managed with appropriate resources and services and delivered to expected level. | Med | Lo | | Ensure that expectations are made clear and embedded in contractor meetings | Lo | Lo | |
| R11 | Financial | National Spending Review - uncertainty over where potential cuts to DCLG budget will fall | Strategic plans based on a short horizon, resulting in short term decisions where longer term planning would be better. | Med | Med | | Plan service maintenance and development with long horizon in mind but consider alternatives. Flag risks as appropriate to MD, SMG or Board | Lo | Lo | | Where relevant maintain log of service changes that could be reviewed in future subject to affordability. | Lo | Lo | |
| R12 | Political | New service model review results in differing collection service models across Somerset. | Inability to implement county wide service model, resulting in implementation delays and suboptimal financial savings | Hi | Med | | Ensure decisions are based on sound business case information, highlighting risks as appropriate, by ensuring SMG, SWP and partner authorities are clearly informed of the full facts. | Med | Med | | Seek alternative implementation timescales through the planning process to allow further discussion and debate. | Med | Lo | |
| R13 | Operational | SWP resource capacity insufficient to deliver major changes and maintain service levels | Degradation of current service support, resulting in increased complaints. Sub standard planning and implementation of any significant changes. | Hi | Med | | Ensure Business Case for major changes includes full outline of resource requirements to deliver the changes so budget is available for support.. | Lo | Med | | Ongoing review of SWP client team structure and priorities. | Lo | Lo | |
| R14 | Operational | Future service model may have unforeseen impacts | Unforeseen issues arise when introducing a new service model to 240,000 households in Somerset resulting in costs or complaints. | Med | Med | | Full risk and impact assessments of NSM proposals to ensure key risks are identified and mitigation put in place. | Med | Lo | | Constant review of arising risks through roll out of any service changes | Lo | Lo | |
| R15 | Operational | Site infrastructure ages and degrades | Infrastructure at fixed site, particularly recycling sites, degrades to the point where it is hazardous to site staff or members of the public. | Med | Med | | Ensure ongoing programme of site inspection, identification of issues and prioritisation of maintenance and repair based on assessed potential impact. | Lo | Med | | Review Health and Safety inspection procedures to ensure risks identified and highlighted efficiently | Lo | Lo | |

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|-----|-------------|---|--|-----|------|--|--|-----|-----|----|--|-----|-----|--|
| R16 | Operational | Collection infrastructure degrades to point of unreliability | Aging collection fleet reaching the end of its expected service life becomes prone to mechanical issues, resulting in failure to collect waste from households and transport it to disposal/bulking points. Aging balers/bulking facilities result in failure to offload materials causing bottleneck at bulking facilities. | Med | High | | Ensure ongoing programme of monitoring service issues resulting from mechanical failures. Proceed with vehicle procurement programme, regardless of outcome of New Service Model decisions. | Med | Med | | Procure replacement collection fleet. Ensure contractor meeting requirements to provide fit for purpose infrastructure. | Lo | Lo | |
| R17 | Operational | Contractors fail to deliver service to expected service standards | Unspecified issues result in failure to deliver services to contractual standards resulting in increased complaints and increased cost of processing and managing complaints. | Med | Med | | Ensure contractors are addressing issues of repeat failure (failure demand) and that supervisory arrangements are as required by the contract. | Lo | Med | | Progress with plans to fit trackers to collection vehicles. | Lo | Lo | |
| R18 | Operational | Contractor lacks capacity (skill/experience/resource) to deliver service change effectively | Contractor skill base inadequate to plan and implement complex service change resulting in problems with service in the aftermath of implementation. | Med | High | | Ensure contractors are briefed on requirements well in advance. Ensure contractor planning is scrutinised by suitably skilled SWP staff. | Lo | Med | | Review contractor's skill base at regular operational meetings and agree actions to ensure it remains adequate in all areas. | Lo | Lo | |
| R19 | Operational | Focus on service development detracts from day to day service delivery focus. | Monitoring and management of contractors reduces to point where service delivery fails resulting in increased complaints. | Med | Med | | Ensure full resource allocation plan in place for whole of SWP, optimising staff time in all areas and identifying and mitigating pressure points well in advance. Short term recruitment of adequate staff to cover requirements. | Lo | Lo | | Ongoing monitoring of requirements. Ensure staff are skilled to cover certain aspects of other roles as necessary. | Lo | Lo | |
| R20 | Social | Increase in care in the community for people with clinical needs results in significant and sudden increase in demand for household clinical waste collections. | Pressure on current service model; Contractor requests review of contracted price resulting in increased costs. | Low | High | | Review structure and role of clinical waste service. Seek cost effective alternatives. | Lo | Med | | Build relationships with Health and Social Care teams to predict and plan for future demand. | Lo | Lo | |
| R21 | Hinkley C | Congestion from construction traffic may impact on collections | Alter times of collections or result in missed collections | Hi | Hi | | Engagement with contractor and highways to assess risk and plan times and routes to avoid identified problems | Hi | Med | Hi | Continue to engage with appropriate bodies and respond quickly to any new or changed circumstances | Med | Med | |

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|-----|-----------|---|---|----|----|--|---|-----|-----|-----|---|-----|-----|--|
| R22 | Hinkley C | Increased demand from short term population growth during construction phases | Demand increases cost to SWP for providing the service | Hi | Hi | | Engagement with appropriate bodies to identify level of growth and areas impacted | Med | Med | Hi | Engage with contractor to seek confirmation that most of the waste produced by the direct population growth as a result of the construction is dealt with by the contractor | Lo | Med | |
| R23 | Hinkley C | Staff shortages through increased and more attractive employment opportunities through the construction phases to build the power station | Difficulty in attracting or keeping sufficient staff to provide the service | Hi | Hi | | Establish pay rates and identify areas of concern | Med | Med | Med | Continue to monitor pay rates and seek to promote and improve conditions and benefits of working in our service | Med | Lo | |
| | | | | | | | | | | | | | | |