

Taunton Deane Borough Council

Executive - 5 February 2014

Somerset Waste Partnership Draft Business Plan 2014-2019

Report of the Parking & Civil Contingencies Manager (John Lewis) and Somerset Waste Partnership's (SWP) Managing Director (Steve Read)

(This matter is the responsibility of Executive Councillor James Hunt)

1 Executive Summary

The report seeks approval for the Somerset Waste Partnership's Draft Business Plan for 2014-2019 attached.

The headline message for TDBC is a minor reduction in our budget requirement in respect of waste collection and recycling for 2014/15.

2 Background

- 2.1 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 13 December 2013 and comments are requested by mid-February so that the Board can adopt the Plan and Budget at its meeting on 21 February 2014.
- 2.2 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.
- 2.3 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.
- 2.4 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 savings requirements from individual partners.
- 2.5 Under the terms of the Inter Authority Agreement, the Board cannot make a decision that has an adverse financial implication on any partner. But the Board does have discretion on how any savings targets handed down can be implemented, provided all partners sign up through approval of this draft plan.

3 Purpose of the Business Plan

- 3.1 The Draft Business Plan and associated Action Plan 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.
- 3.2 The plan also sets out the draft Annual Budget for the Waste Partnership for 2014/15

4 Responsibility for the Business Plan

- 4.1 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.

5 Consultation

- 5.1 Individual partners were 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. Emerging proposals were considered on 27 September at SWB and further discussions with members at the informal (non-decision making) workshops on 25 October and 22 November 2013.
- 5.2 With respect to proposals on Community Recycling Sites, community representatives from Coleford and Middlezoy were advised of the potential impact of the MTFP savings at the end of October and dialogue invited. SWP have now written to all parish councils adjacent to Middlezoy and Coleford. Further engagement with affected communities and notice of potential closures will be undertaken should the Board agree to the recommendations.

6 Key Actions for 2014–19

- 6.1 The key actions may be seen in the Draft Action Plan which is Appendix 1 to the Draft Business Plan.
- 6.2 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.

- 6.3 The Board propose to use part of the savings from the closure of Middlezoy and Coleford Community Recycling Sites (see action 3.1a in the action plan and Appendix 6) to extend opening hours at five Recycling Centres across Somerset (including Taunton) in response to public demand. There are no proposals affecting Poole Community Recycling Site.
- 6.4 2014 will also see the first year of full operation of the new anaerobic digester (AD) plant at Walpole, Bridgwater following the commissioning process in 2013/14. This AD plant will receive all domestic food waste from Somerset and still have additional capacity for some commercial waste. AD offers a range of carbon and environmental benefits including the production of renewable energy, biogas and bio-fertiliser for use on local farms.

7 Finance Comments

- 7.1 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.
- 7.2 The Annual Budget, once finally approved, will become the new measure for the financial performance of the Waste Partnership for 2014/15. SWP will continue to share the costs among partners in the same way as previously.
- 7.3 The 2014/15 budget requirement for Taunton Deane projected in the Draft Business Plan presented to the Board was £3,041m. Further work since then on household growth figures and costings for the high diversity trials has resulted in this rising to £3,062m. This is still a significant 'real terms' saving for us, although slightly less than the amount of £154k reported in the Budget Progress Update report to Corporate Scrutiny on 21 November 2013. The main factors are
- inflation indices - whilst most partners prudently set aside funds anticipating an increase of c2-3% for contract inflation, the actual indexation (fixed) is - 0.03%. This figure is calculated using a basket of inflation indices around labour, fuel and CPI, and the result this year leaves us actually requiring slightly less than the previous year for the base figures;
 - Optimisation premium – this charge on the contract falls out after the first seven years of the contract, which is October 2014. This was originally a charge made on collection authorities to represent the work and resource required before the most efficient rounds and depots were in place – so the initial costs of reaching the most efficient cross-District platform are now gone. There will another similar sum for 2015/2016, but the Marks and Spencers' income is also due to end at this time. The removal of the optimisation premium goes part way to offsetting the household growth costs, for example;
 - the recycling position for Taunton Deane has been quite positive, compared to the budget, which means we anticipate earning slightly more recycling credit income from the County Council next year than budgeted for this year;
 - an increase in household growth from the predicted level of 0.9% to 1.4%

- slightly higher income from the garden waste service; and
- building in of proportional costs for the high diversity trials

There is potential for a very small move on the £3,062m figure if there is further movement on the household growth figures but, there is a small contingency within the Council's budget to deal with this.

7.4 The Annual Audit Letter was received by the SWB in December 2013 and gave the Partnership an unqualified opinion both on the Partnership's financial statements and on value for money.

8 Legal Comments

8.1 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.

9 Links to Corporate Aims (Please refer to the current edition of the Corporate Strategy)

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

10 Environmental Implications

10.1 None in this report

11 Community Safety Implications

11.1 None in this report

12 Equalities Impact

12.1 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 2014.

13 Risk Management

13.1 The SWP risk register is reviewed annually and taken to the Somerset Waste Board for approval. The updated risk assessment will be made to the Somerset Waste Board at their meeting in February 2014.

14 Partnership Implications (if any)

14.1 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.

15 Scrutiny Comments

15.1 The Draft Business Plan and Budget were considered by the Corporate Scrutiny Committee on 23 January. The Committee fully supported the proposals in the Plan, including the budget and requested the following points arising from the debate be reported to the Executive:

- support for the educational proposals;
- the opportunity to include Parish Councils formally as conduits to encourage their communities to recycle;
- support for the additional hours opening of the main recycling centres, especially as this might further reduce incidents of fly tipping, but with a note of caution as to what this might mean for kerbside rates;
- concern at the apparent low (40%) participation in food recycling and the consequential effect on landfill and the expected performance of the AD facility; and
- a desire that the Partnership, and through it the Council, should be supporting the emerging circular economy.

16 Recommendations

16.1 Executive is recommended to

- i) review and approve the Somerset Waste Partnership's Draft Business Plan and Budget. (Should Members identify any major aspects of the Draft Business Plan they would like to see amended, they are recommended to indicate any conditions or alternative proposals which would be acceptable); and
- ii) provide any more general comments or suggestions for the Board to consider including in the next iteration of the Plan.

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Background papers

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



SWP Draft Business Plan 2014 – 2019

Version for Partner Consultation January 2014

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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 MG CIC (collection services) and Viridor Plc (Recycling Centres, landfill sites and recycling or disposal of food waste, garden waste and residual waste).

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

For further information about the 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

The period of this plan is likely to see continuing constraints for the public purse. At the same time there are signs that the economy is growing again, and where there is economic growth there tends to be a growth in waste. The national trend shows that after a decade or more of decline in waste arisings, a recent return to net growth in residual household waste. This presents a clear scenario where we will likely be obliged to do more with less.

Based on recent precedent central government is unlikely to support further step change initiatives, such as introducing “pay to throw” models, or reduced frequency collections. Despite austerity there continues to be clear public expectation for continuing high quality household waste services. In such a context finding solutions to issues presented by budgetary challenges will be difficult.

In such circumstances our priorities must centre on working with residents to increase participation and capture rates of material and a number of high priority initiatives within the action plan support this objective (see section 7 below).

Waste analysis shows that a significant amount of recyclable waste continues to be disposed of with household refuse. Reducing this will be a priority for the coming year.

5. Performance 2013/14

See Appendix 2 - *Total Waste Arisings – Comparing period April to September inclusive for the past five years.*

Appendix 2 shows that overall waste arisings to date, compared to the previous year, are down. It is noted that this reduction comes, in large part, from a reduction in materials recycled. Any reduction in waste should be seen as a positive although there are financial implications for district partners and the contractor as tonnage of recyclate reduces, through reduced recycling credits and income. This is one weakness of not being a complete unitary authority.

However recent analysis by Eunomia in their new Local Authority Recycling Index also shows a strong performance from SWP based on their assessment of kilogrammes of CO₂ per household saved. By this measure SWP is the fourth most effective Waste Authority area nationally. This will further improve as the new Anaerobic Digestion facility at Walpole completes a first full year of operation through 2014/15.

6. Key Aims and Priorities for 2014/2015

- **Minimising waste, optimising diversion and increasing capture**

We will focus on identifying and adding new material streams; ensuring existing service rules are applied to increase uptake of recycling services and reduce residual waste; we will review school services with a view to increasing the percentage of waste recycled; we will continue to work with community and businesses to reduce waste.

- **Sustaining and improving services for customers**

To counter anti-social behaviour such as fly tipping and inconsiderate presentation of waste; to reduce instances of reported missed collections; to improve facilities for communal properties where possible.

- **Monitoring and reviewing contracts**

To implement the outcomes of the Viridor contract review; to investigate opportunities to reduce costs through review of the Kier contract.

- **Finding alternatives to landfill and optimising processing of materials**

To explore residual waste options with Viridor; improve treatment of street sweepings; complete operational takeover of AD plant.

- **Ensuring collection services and recycling sites provide excellent outcomes and excellent value for money**

To review opportunities for additional materials; ensure rules are applied fairly for commercial waste and waste not emanating from Somerset; explore High Diversion options; optimise service use.

- **Organisational efficiency**

To improve administrative efficiency; ensure robust Business Continuity planning in place; collaborate with other authorities to reduce overheads and add value.

7. SWP Budget 2014 – 2015

See Appendix 3

Appendix 1 – Business Plan Action Table 2014 - 2015

Key Priority area 1 – Waste Minimisation, High Diversion and High Capture				
Reference	Description	Targets	Deadline	Resources (Lead Officer)
1.1	High Participation Roll Out – To identify four refuse round areas and through a process of enforcement and public liaison remove unauthorised refuse bins, counter unauthorised excess refuse and encourage greater participation in kerbside recycling services.	<p>In each area targeted:</p> <ul style="list-style-type: none"> - • To remove 90% of identified unauthorised refuse bins. • To increase monitored weekly set out of recycling containers by 5%. 	Four iterations to be completed by March 2015	Colin Mercer
1.2	Improve services for schools – to identify opportunities and mechanisms by which schools can increase recycling and reduce residual waste by reviewing their service model, in partnership with Kier MG.	To reduce residual waste generated by schools by 5%.	March 2015	David Mansell
1.3	To reduce the amount of excess waste being generated by households in Somerset by improving waste minimisation training and encouraging alternative options.	To reduce the number of excess waste stickers being provided by 25%.	March 2015	Kelly Hopwood
1.4	To continue to implement the SWP Waste Prevention Strategy.	(a) To provide real nappy displays for at least ten centres providing children's services during 2014.	(a) and (b) December 2014	(a) and (b) David Mansell

		(b) To distribute Love Food Hate Waste leaflets to 5,000 families with young children and achieve 500 entries in an on line quiz.		
1.5	To work with community groups to promote the Love Food Hate Waste theme.	(a) To provide LFHW packs to at least 100 community groups. (b) To run five LFHW themed events.	(a) and (b) March 2015	(a) and (b) David Mansell
1.6	To develop communication initiatives aimed at parents of early years and primary school age children.	To identify a distribution mechanism to reach these groups and provide advice.	March 2015	David Mansell

Key Priority area 2 – Improved Service for Customers				
Reference	Description	Targets	Deadline	Resources (Lead Officer)
2.1	To reduce the impact on local neighbourhoods of anti social behaviour relating to waste presentation (early set out; obstructions; insecure and scattered, etc).	To create an in-house capability to identify anti social behaviour and commence effective enforcement action such as FPNs.	To have the capability fully operational by August 2014	Colin Mercer
2.2	To reduce missed collection complaints through improved use of data and close liaison with collection contractor.	5% reduction in missed collection complaints (year on year comparison and excluding impact of bad weather or catastrophic service failure).	March 2015	Mark Blaker
2.3	Continue to promote and work jointly	Ensure 100%	Throughout the period	David Oaten

	with Somerset partners to deter fly-tipping.	attendance at the Somerset Enforcement forum, keeping waste issues high on the agenda.	to March 2015	
2.4	To roll out enhanced recycling services for communal properties. *See Appendix 4.	To install cardboard and plastic recycling facilities in 90% of communal bin stores.	Installed by March 2015	Colin Mercer

Key Priority Area 3 – Contract Monitoring and review				
Reference	Description	Targets	Deadline	Resources (Lead Officer)
3.1	To implement the decisions resulting from the Viridor contract review (excluding alternatives to landfill referenced under 4.1).	a) To ensure the outcomes of the MTFP savings proposals for 2014/15, relating to Recycling Centres, are implemented (see Appendix 6) b) Ensure the results of the Viridor contract value for money review (documented elsewhere) are implemented	June 2014 December 2014	(a) and (b) David Oaten
3.2	To further improve the SWP complaint handling process.	To develop a plan to integrate all complaint handling processes into a single SWP wide procedure.	March 2015	Mark Blaker
3.3	To conduct a benchmarking exercise to ensure we are operating at good practice levels of missed collections.	To establish a series of comparative metrics with the Kier User	December 2014	Mark Blaker

		Forum to monitor comparative performance on an ongoing basis.		
3.4	Review collection contract to identify further savings.	To carry out a structured review of the contract comparing performance against contractual requirements to ensure SWP are achieving best value for money.	September 2014	Colin Mercer

Key Priority Area 4 – Alternatives to Landfill and Optimising Material Processing				
Reference	Description	Targets	Deadline	Resources (Lead Officer)
4.1	Implement the Viridor Strategic Partnering Agreement (New Project Approval Procedure) with the intention to source economically viable alternatives to landfill.	To have received the preliminary Stage Project Proposal from Viridor.	October 2014	David Oaten
4.2	Operational takeover of Walpole AD.	If not already achieved, complete post commissioning phase with agreed costs and processes embedded in the Viridor contract.	July 2014	David Oaten
4.3	Investigate economically viable options for better use of former landfill sites.	(a) To explore options for use of former landfill sites under SWP control and report to the SWB. (b) To develop plans to implement viable options.	(a) September 2014 (b) March 2015	(a) and (b) David Oaten

4.4	Continue to secure income to SWP through provision of COTC coverage for Highway former landfills & transfer stations.	To meet Highways and ensure medium term coverage agreement in place, likely to generate income of £25k.	December 2014	David Oaten
4.5	Further investigate and provide, if economically viable, alternative treatments for mechanical street sweepings in addition to the current dewatering process.	To conduct, in partnership with District partners and Viridor, a review of street sweeping treatment and disposal processes and report to SWB with options.	December 2014	David Oaten

Key Priority Area 5 – Recycling Centre Options				
Reference	Description	Targets	Deadline	Resources (Lead Officer)
5.1	Review markets for additional materials, specifically mattresses and carpets, hard plastics etc.	(a) To report on options for additional materials, with recommendation to be presented to the SWB. (b) To develop processes for implementation of recommendations.	(a) and (b) March 2015	(a) David Mansell. (b) David Oaten
5.2	Reduce trade waste entering household sites through enforcement.	To continue to discourage traders depositing waste at sites not appropriate to accept commercial waste, through enforcement activity.	March 2015	David Oaten

5.3	Implement increased commercial waste streams for Recycling Sites.	To review options and develop a programme plan to introduce new commercial waste streams on authorised sites.	July 2014	David Oaten
5.4	To evaluate the reuse trials established at Dimmer, Highbridge and Priorswood Recycling Centres.	(a) To review and report with recommendations to Board. (b) To plan implementation subject to Board approval.	(a) June 2014 (b) August 2014	(a) David Mansell (b) David Oaten
5.6	Review of acceptance criteria for asbestos and plasterboard at Recycling Sites.	To develop a robust procedure for ensuring that asbestos and plasterboard is only deposited at SWP Recycling Sites in accordance with the current rules of acceptance.	June 2014	David Oaten

Key Priority Area 6 – Collection Service Options				
Reference	Description	Targets	Deadline	Resources (Lead Officer)
6.1	Maintain focus on ensuring safe working practices.	(a) To carry out a full schedule of crew monitoring throughout 2014/15.	(a) March 2015	(a) and (b) David Oaten

		(b) To conduct a structured review of the process.	(b) August 2014	
6.2	Review current state of container stock currently in operation and develop a container replacement strategy if required.	(a) To sample survey containers on the street and estimate number at end of life or nearing end of life. (b) To report on state of containers to SMG.	(a) August 2014 (b) September 2014	(a) and (b) Colin Mercer
6.3	Implement vehicle replacement programme.	(a) To agree a vehicle replacement strategy with Kier MG. (b) To monitor implementation of the strategy as agreed through the year.	(a) May 2014 (b) April 2015	(a) and (b) Colin Mercer
6.4	Evaluate and report on trials for high diversion collections and findings for future service delivery (see Appendix 5).	To complete trials and prepare (a) interim and (b) final reports on High Diversion activities.	(a) October 2014 (b) December 2014	(a) and (b) David Mansell
6.5	Evaluate and report on results of survey and pilot schemes to improve participation in food waste collections and look to extend successful elements throughout Somerset.	To complete and present the evaluation report.	October 2014	David Mansell
6.6	Review utilisation of collection depots and consider opportunities for savings.	To conduct a desktop review of depot assets to evaluate any opportunities to better utilise the space.	March 2015	Colin Mercer
6.7	Promote Somerset's new anaerobic digestion facility for food waste and	To distribute bin hangers on refuse bins	March 2015	David Mansell

	use this to encourage greater use of our separate collections.	throughout Somerset. Through promotion, to increase food waste yields by 1.2kg per household per quarter.		
6.8	Build on high profile initiatives to promote recycling in West Somerset and extend successful elements to all districts.	To evaluate outcomes of the activities and report to SMT.	August 2014	David Mansell
6.9	Review future kerbside recycling collection options, including the potential for co-mingling or more streaming of materials, by working with Kier MG to consider new collection and sorting methods and to take account of requirements of UK reproducers and end-users.	Research, document and report options to SMT, SMG and SWB.	October 2014	David Mansell

Key Priority Area 7 – Organisational Efficiency				
Reference	Description	Targets	Deadline	Resources (Lead Officer)
7.1	Work with Kier MG to identify and resolve ongoing invoicing issues, so reducing administration within SWP.	(a) To set up a joint working group with Kier MG. (b) To map invoicing processes and identify improvements. (c) To develop a plan for implementing improvements.	(a) May 2014 (b) September 2014 (c) March 2015	(a), (b) and (c) Colin Mercer
7.2	Test and review SWP Business Continuity Plans.	(a) Verify that data held in SWP Business	(a) May 2015	(a) and (b) Mark Blaker

		Continuity Plans is current. (b) Using dummy scenarios dry run a selection of BCP scenarios using procedures developed by SWP and primary contractors.	(b) July 2015	
7.3	Complete switch to Windows 7/Office 2010.	Working with South West One to upgrade all SWP PC's to run on Windows 7/Office 2010.	June 2014	Helen Oaten
7.4	Plan for move to Smart Office environment.	Working with South West One to develop a plan to move SWP offices to the Smart Office environment at County Hall (likely to happen in 2015).	March 2015	Helen Oaten
7.5	Develop SWP Lone Working Policy.	To Develop and Implement an SWP Lone Worker policy.	November 2014	Helen Oaten
7.6	Review SWP expenses policy.	To review and amend the SWP expenses policy, ensuring it is a fair fit with partner authority policies and represents good value for money.	July 2014	Helen Oaten
7.7	Review administration of Health and Safety in SWP.	To conduct a structured review of all aspects of Health and Safety	November 2014	Helen Oaten

		administration in SWP and establish a full set of working documents on a dedicated H&S extranet site.		
7.8	Continue to collaborate with neighbouring and other regional authorities.	(a) To host three meetings of the Kier User forum. (b) To continue the part time secondment of the Managing Director to Gloucestershire Joint Waste Team.	(a) and (b) March 2015	(a) Mark Blaker (b) Steve Read
7.9	Develop use of collection date data – ensure Wisper data is comprehensive and complete; identify means by which collection date data can be held on the SWP website.	(a) To ensure Wisper has complete collection day data sets for all services. (b) To develop a plan for integrating Wisper data set with website to create central post code look up facility.	(a) December 2014 (b) March 2015	(a) and (b) Kelly Hopwood
7.10	To investigate opportunities arising from the development of Hinkley C to raise the profile of SWP and optimise utilisation of local waste infrastructure in the best interests of Somerset residents.	To monitor developments, proactively liaising with local waste contractors and EDF. To report to the SWB on opportunities identified.	December 2014	Steve Read
7.11	To proactively seek opportunities to work with partner authorities to protect and develop services through mutually	To encourage partner authorities to engage in a review meeting to	December 2014	Mark Blaker

	beneficial collaboration.	identify and explore opportunities.		
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Appendix 3 - Draft Budget 2014/15

Business Plan 2014- 2019

Summary Draft Annual Budget 2014/2015

Rounded £000s Total SCC MDC SDC SSDC TDBC WSDC

Expenditure							
Salaries & On-Costs	949	448	109	114	161	109	8
Other Head Office Costs	209	96	23	24	35	23	8
Support Services	138	61	16	16	23	16	6
Disposal - Landfill	10732	10732					
Disposal - HWRCs	8540	8540					
Disposal - Food waste	1732	1732					
Disposal - Hazardous waste	249	249					
Composting	1530	1530					
Kerbside Recycling	8455		1759	1737	2610	1669	680
Green Waste Collections	2069		421	523	544	487	94
Household Refuse	5681		1162	1206	1715	1142	456
Clinical Waste	111		23	23	34	23	8
Bulky Waste Collection	77		16	11	26	17	7
Container Maintenance & Delivery	174		35	36	56	38	9
Pension Costs	91		2	3	83	2	1
Transitional Costs	110		22	24	33	23	8
Depot Costs	176		36	38	53	36	13
Transfer Station Avoided Costs	294	294					
Recycling Credits	2285	2285					
Capital Financing Costs	202		46	35	68	34	19
Total Direct Expenditure	43804	25967	3670	3790	5441	3619	1317

Income							
Sort It Plus Discounts	-330		-62	-88	-90	-74	-16
Transfer Station Avoided Costs	-294		-60	-63	-89	-61	-21
May Gurney Secondment Saving	-117	-53	-13	-14	-19	-13	-5
Recycling Credits	-2258		-493	-477	-708	-430	-150
Total Income	-2999	-53	-628	-642	-906	-578	-192

Total Net Expenditure	40805	25914	3042	3148	4535	3041	1125
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Rounded £000s

2014/15 2015/16 2016/17 2017/18 2018/19

Expenditure							
Salaries & On-Costs		949	958	968	978	987	
Other Head Office Costs		210	210	210	210	210	
Support Services		138	138	138	138	138	
Disposal - Landfill		10732	11100	10908	10662	10421	
Disposal - HWRCs		8540	8838	9144	9459	9785	
Disposal - Food waste		1732	1780	1830	1880	1932	
Disposal - Hazardous waste		249	255	261	267	273	
Composting		1530	1566	1604	1642	1682	
Kerbside Recycling		8455	8774	9105	9448	9805	
Green Waste Collections		2069	2147	2228	2312	2399	
Household Refuse		5681	5895	6117	6348	6587	
Clinical Waste		111	115	119	124	129	
Bulky Waste Collection		77	80	82	85	87	
Container Maintenance & Delivery		174	180	186	192	198	
Pension Costs		91	92	93	93	95	
Transitional Costs		110	0	0	0	0	
Depot Costs		176	176	176	176	176	
Transfer Station Avoided Costs		294	303	312	322	331	
Recycling Credits		2285	2353	2424	2497	2572	
Capital Financing Costs		202	202	202	202	202	
Total Direct Expenditure		43805	45162	46107	47035	48009	

Income							
Sort It Plus Discounts		-330	-80	-80	-80	-80	
Transfer Station Avoided Costs		-294	-303	-312	-322	-331	
May Gurney Secondment Saving		-117	-117	-117	-117	-117	
Recycling Credits		-2258	-2326	-2396	-2468	-2542	
Total Income		-3000	-2826	-2905	-2986	-3070	
Total Net Expenditure		40805	42336	43202	44049	44939	

Appendix 4 - Evaluation Report of Enhanced Communal Recycling Trial

1. Background

- 1.1. Following the successful roll out of Sort It + to those properties in Somerset capable of using the kerbside collections it has been the intention of SWP to examine opportunities to improve the recycling services available to those properties using shared bin and recycling provision.
- 1.2. Prior to the introduction of Sort It+ where circumstances allowed, wheeled bins have been provided to accommodate the bulk recycling of glass, paper and cans.
- 1.3. With the introduction of card and plastic bottle collections to the kerbside service it is now possible to add these materials to the communal service where the additional capacity required can be accommodated.
- 1.4. SWP have carried out a trial in 20 communal sites in Sedgemoor where food, plastic bottles and card have been added to the existing glass, paper and can collections and these have proved operationally successful for the card and plastic but the food waste collection model has proved less so.
- 1.5. It is as a result of these trials that this report is only recommending the addition of card and plastic bottles with a view to expand into communal food waste collections at a later date if an appropriate model can be identified.

2. Options Considered and reasons for rejecting them

- 2.1. The initial intention was to explore the practicalities and cost of adding the collection of food, card and plastic bottles to the communal collection service but it was decided to only recommend the addition of card and plastic bottles at this time.
- 2.2. The trials showed that wheeled bins and kitchen caddies with replacement free liners are likely to be the most suitable method for providing a collection service to people living in blocks of flats. The capacity of a wheeled bin can be large for smaller blocks, but most are likely to require a wheeled bin and smaller options, such as 25 or 40 litre hand tipped bins, would be too small.

However, especially with wheeled bins for food waste serving relatively few households from many blocks, servicing costs with a separate compaction vehicle are high and a lower cost approach is needed to make this service affordable.

Other vehicle servicing options need to be considered further with Kier and a solution is likely to involve food waste being collected on a single vehicle at the same time as other waste streams. Options could involve food waste being included on collection vehicles for refuse or other materials for recycling. The best opportunities may arise when collection vehicles used for flats need replacing at the end of their life and it is recommended that further consideration is given to these options to allow food waste

to be collected from all flats in future.

3. Consultations undertaken

- 3.1. An objective of the trial was to understand the potential impacts on local residents. This exercise therefore informed what steps we would need to undertake to engage with local people if the service rolls out.

4. Implications

- 4.1. See Section 5 – Background Papers for financial impact.
- 4.2. The trial identified potential community safety issues resulting from provision of separate food waste collections. In the event we have received no negative feedback about spillage, odour or similar issues.
- 4.3. Full Impact Assessment, informed by the trial, will be completed prior to any roll out.

5. Background papers

5.1. Table 1 - Costing Option

<u>Addition of card & plastic</u>	MDC	SDC	SSDC	TDBC	WSC	Total
Expenditure						
addition of card & plastic	5,476	7,613	9,149	6,879	3,873	32,991
refuse - lost discount	961	968	1,283	1,367	199	4,779
Income						
recycling credits*	(3,222)	(3,068)	(3,682)	(3,682)	(1,534)	(15,189)
Net Expenditure	3,216	5,513	6,750	4,563	2,539	22,581
one off set up costs						
Containers	4,980	6,923	8,320	6,255	3,522	30,000
Communications	996	1,385	1,664	1,251	704	6,000
Signage	2,158	3,000	3,605	2,711	1,526	12,500
Total	8,134	11,308	13,589	10,217	5,753	48,500

Assumptions

Recycling site numbers will be updated for the 14/15 budget (cost of this shown above)

Costings above are shared on these updated site numbers

All costs and income at 13/14 price base

*Credit estimates based on results of trials

Appendix 5 - High Diversion Trial Proposal

It is proposed to operate a small number of high diversion collection trials in 2014. These will test changes to Sort It Plus kerbside services with the aim of increasing diversion from refuse to recycling. The trials will also test collection options that offer potential for savings while still increasing diversion. The main features of the proposed trials are outlined below.

TIMING: 6 months from March or April 2014 (to September or October), subject to funding being available and confirmed in time through the budget process.

LOCATION: Taunton Deane (mid-performing rounds with common housing types).

ADDITIONAL MATERIALS AND MARKETS

The following materials will be added to recycling collections on trial rounds:

- Plastic pots, tubs and trays (PTT) - collected mixed with plastic bottles and cans.
- Small electrical appliances and batteries - stowed in mid-vehicle compartments.
- Drinks cartons - to be loaded into strong sacks in the front compartment with full sacks placed in the card section, as necessary for space and for subsequent removal at the depot (this arrangement will be adequate for trials but a better solution would be needed if carton collections are adopted long term).

There is a new UK recycling plant for drinks cartons in the UK, opened in September near Halifax, and producer responsibility compliance schemes to ensure recycling of electrical appliances and batteries. End-uses for plastic pots, tubs and trays are currently limited in the UK, but are expected to develop in the future. Reprocessors taking Somerset's plastic bottles have said they can accept pots, tubs and trays too, but will pay a lower rate for this mixed plastic and it is likely that the pots, tubs and trays will be used for energy recovery rather than recycling at the current time.

As reported to the Board on 22 February 2013 (Paper A, Appendix B), a composition study found that half of the materials put out in Somerset's refuse are currently accepted on kerbside recycling collections. Therefore, there is even greater potential for increasing diversion through more recycling of current materials and these will also be targeted through the trials.

COLLECTION FREQUENCIES

Refuse and garden waste will remain on alternating fortnightly cycles.

Weekly (coded SP1) and fortnightly (SP2) recycling frequencies will be tested. Service costs modelling has shown that providing fortnightly recycling collections has the potential to allow significant costs savings, but it is expected that it may not encourage the same level of additional diversion as weekly collections and it may also reduce the effective operation of collection vehicles, so reducing the potential for savings. These will be important issues to test through the trials.

Where tested, fortnightly recycling collections will be made on the alternate cycle and same week day as refuse collections. Food waste will continue to be collected weekly.

CONTAINERS

Two recycling boxes will continue to be used on both SP1 and SP2 trial rounds. Customer feedback suggests some households, but not all, would use a third box for additional recycling, but that a significant number would not wish to have a third box. Some would not need an additional container with weekly collections and some would prefer a reusable sack. However, with fortnightly collections, many households would need additional containment for the additional materials. With one box used for paper, glass and cartons and one for card, the average additional capacity required for plastics and cans is estimated to be about 75 litres per fortnight, with some households needing more.

Therefore, it is proposed that an optional additional box or reusable sack is provided for weekly SP1 collections and a supply of one-trip clear sacks (90-120 litres) is provided to all households on fortnightly SP2 trial rounds.

Residents will be asked to put small appliances and batteries into separate bags when putting out for collection.

Resident surveys have also shown that some households would welcome lids for their recycling boxes and these are currently sold by mail order. Through the trials it is proposed to provide lids at cost price with lower delivery costs alongside other new containers being delivered. As currently, lids would be provided for storage only and residents asked not to put these out on boxes for collection.

COLLECTION VEHICLES

The following will be used on trial rounds:

- Food and all dry recycling – normal single pass collection vehicle as well as an additional small tipper or stillage vehicle on rounds requiring a separate food waste collection.
- Refuse – normal compaction vehicle.
- Garden waste – normal compaction vehicle.

If fortnightly recycling collections were to be adopted following the trials, it is expected that the most efficient method of continuing to collect food waste weekly would be by collecting it with recycling, as currently, on one fortnightly cycle and by collecting it in a special pod on new refuse vehicles on the other cycle. Somerset's current fleet of refuse vehicles will start to reach the end of their life expectancy and be considered for replacement from the end of 2014.

COMMUNICATIONS AND BEHAVIOUR CHANGE – INCREASING RECYCLING PARTICIPATION

Communications for all trial rounds will involve advance notification to residents with container request forms. Service leaflets will be delivered at the same time as new containers shortly before the new trials start. All households on trial rounds will also be provided with special electro-static 'cling' stickers that can be easily attached to any household surface to provide an on-going reminder or prompt for materials recycled and collection arrangements.

Further behaviour change initiatives will be tested on some of the trial rounds, with the following proposed:

- a) Intensive doorstepping will be undertaken by a specialist team with initial questions to identify low and non recyclers, who will be targeted for engagement and advice on recycling. A high target will be set to make contact with at least 70% of households at the time the trials start.
- b) Targeted feedback will be provided to non and low recyclers through direct mail by firstly monitoring householder participation by material over 4 weeks. Simple recycling guidance will be posted to all those not recycling key materials (food or not at least four of paper, card, glass, plastic bottles, PTT and cans), as well as notification that future refuse checks may be undertaken within street groups where there is low participation. For selected groups, refuse will be collected separately and then checked for recyclables. Residents' privacy will be respected but where quick visual checks confirm significant recyclable materials in refuse, these street groups will be targeted with doorstep visits by SWP officers to encourage recycling.

In both cases, householders involved in putting waste out will be made aware of the main materials that can be recycled, given advice and asked to separate these within the home and provided with assistance, such as missing containers and a starter pack of food caddy liners. They will be asked to sign for these and given a special 'don't waste it – we recycle' sticker for their refuse bin to show they have made a commitment to recycle.

Other affordable behavioural change elements may also be included, such as transferable elements that appear promising from food waste improvement pilots that are being tested separately with WRAP.

TRIAL ROUNDS

	Week A	Week B	Behaviour change	Households
Mon	SP2	SP2	A: Intensive doorstepping (a) B: Targeted feedback (b)	500 x2
Tue	SP1	(as Week A)	Intensive doorstepping (a)	500
Wed	SP1	(as Week A)	Targeted feedback (b)	500
Thu	SP2	SP2	Standard communications only	500 x2
Fri	SP1	(as Week A)	Standard communications only	500
Total Households				3,500

The location of suitable trial rounds will be identified with Kier. Following discussion with TDBC, some variations to the above, based on different collection frequencies may be substituted.

MONITORING

The main monitoring methods for analysis will be:

- Total round and material weights will be monitored from February 2014 and throughout the trial period.

- A questionnaire survey, with online or postal return, distributed with a newsletter to all on trial rounds.

TRIAL COSTS

Trial costs, with the arrangements proposed, will be:

• Kier additional collection and monitoring costs*	£21,500 to 30,500
• Additional container costs	£8,500
• Communications and behaviour change	£20,800
• Waste disposal saving (Recycling Credits)	-£2,500
• TOTAL	£48,300 to 57,300

* Kier have indicated a range for their costs, which will be charged at cost and reflect those actually incurred. The top of the range will be a worst case for additional handling of cartons and providing alternative food waste collections on SP2 rounds. There are prospects these costs can be reduced, once operational experience has been gained from the trials and if shared use proves possible for the additional vehicle needed for alternate food waste collections.

FUTURE RECYCLING AND SAVINGS

High diversion collections, based on the trials, should increase SWP's recycling rate to 55-65% if introduced throughout Somerset. This would allow significant savings in waste disposal costs.

The trial arrangements are not optimal, especially for food waste with fortnightly recycling collections, which, for the trials, requires a separate vehicle to maintain a weekly food waste service on alternate weeks. This cost only arises with the trials, as, if adopted, a refuse vehicle with food waste pod would collect on alternate weeks.

Once established, costs modelling suggests high diversion collections could be achieved at close to current service costs and, if fortnightly recycling is successful, with a significant saving in excess of £1m per annum.

Roll-out costs will be prepared based on the experience gained from the trials.

POST-TRIAL ARRANGEMENTS

It is proposed that delegated authority be given to the Managing Director, in consultation with the Chairman of SWB and Portfolio Holder for Taunton Deane Borough Council, to decide whether any elements of the trial arrangements should be continued in areas covered following the end of the trial period.

OTHER POSSIBILITIES

Alongside the trials, SWP officers will continue to research opportunities and issues associated with other options, such as co-mingled or more streamered collections, and the recycling of other materials, such as nappies.

Appendix 6

Proposals to meet SCC's MTFP Savings Requirement

Due to the unprecedented financial pressures faced by Somerset County Council, SCC have asked the Board to save £2,287,900 over the next 4 years, with a minimum requirement of £711,900 in 2014/15.

This must be seen against SCC's continuation budget requirement of an additional £1,367,700 of pressures, principally through the increase in landfill tax and contractual inflation in 2014/15 alone. This represents a 5.4% increase on the disposal budget.

The Board has already identified and approved savings of £143,600 for 2014/2015, as part of the Anaerobic Digester project. This disposal route will be less expensive than the current food waste haulage and processing. This leaves the sum of £568,300 to be found for 2014/2015.

The Board have however also been asked to find ways to mitigate the impact of any public facing savings, particularly looking for ways to use some savings to improve Recycling Centre opening hours in response to strong public demand.

A number of options have been explored. These range from areas with no public impact to those that involve closure of Community Recycling Sites.

Proposals forming part of the recommendations

Savings with no public impact:

Option	2014/15 Saving
Viridor contract prepayment*	£90k
Waste minimisation bonus*	£50k
Street sweeping treatment	£50k
Total	£190k

* Since originally reporting this, an additional £20k is likely to be achievable

** Since originally reporting this, an additional £15k is likely to be achievable

Assumptions

The value of the projected income outweighs the lost cash flow value to SCC.

Household waste production will remain between the floor and ceiling level for waste minimisation purposes.

That the cost of treating the water/grit elements of street sweepings will be lower than the cost of landfill.

Risks

There is a marginal risk that the contractor could experience financial difficulty or become bankrupt whilst owing SCC pre-paid sums that had not yet fallen due for payment.

In agreeing to set a contractual 'floor' payment for waste minimisation as a trade off for the contractor accepting a payment 'ceiling', there is a risk that should household waste tonnage rise significantly; SCC could end up paying additional sums for handling the increased waste volumes in addition to continuing to make payment to the minimisation floor.

Landfill diversion

As indicated in the draft action plan (Appendix 1 – Key Priority Area 4) a review of alternatives to landfill is being undertaken within the context of the Viridor Contract Review. Estimates have been made of potential savings – and these are subject to several variables – but could be substantial to assist with the balance of the £1.6m required over years 2-4 of the period.

Changes with potential public impact

It is possible to charge for waste that is not classified as "household", such as asbestos and plasterboard. The savings potential has been calculated at:

Option	14/15	15/16	16/17
Charging for asbestos	£50k	-	-
Charging for plasterboard	£45k	-	-
Total	£95k	-	-

Assumptions

Half of the current tonnage will still be delivered to the Recycling Centres despite implementing charges.

Risks

Under the Controlled Waste (England & Wales) Regulations 2012 (CWR), waste from construction or demolition works' is classified as "industrial waste" for which we are permitted to charge for collection and disposal. Most asbestos and all plasterboard falls into this category, allowing for full cost recovery when presented by householders. However the CWR also states that Asbestos comes within the definition of Household Waste - which is somewhat contradictory.

Our interpretation of this is that the majority of asbestos and all plasterboard will be from construction and demolition and that the very small amount of asbestos which falls outside this (eg from an old ironing board) would be genuinely household waste and an exemption from the charge would apply. This interpretation is well established and charging has been taken by a number of authorities for a number of years, as far as we are aware without legal challenge.

In view of the above risks, the Board on 13th December 2013 proposed **not** to charge for asbestos and plasterboard although this remains a future savings option. In rejecting this saving option, the board acknowledged the need to find this saving elsewhere.

The Board also propose to find savings from the following, arising from some of the Priority Areas in the Action plan.

Option	14/15	15/16	16/17
Joint Working – to reduce costs by sharing staff resources with other local authorities or other organisations	£14k	£23k	£23k
Food Waste Diversion – increased diversion of food waste resulting from campaigns and PR around the new AD facility	£45k	-	-
High Diversion – To increase capture of recycle through trials, reconfiguration of service, campaigns and improved services to communal properties	£50k	£100k	£100k
Total	£109k	£123k	£123k

Changes to Recycling Centres

Adverse changes to Recycling Centres are very difficult bearing in mind the generally high usage and popularity of these local facilities. Nevertheless Somerset remains very well provided for with an average of one centre per 13,500 households. SWP provides regular reports on site visitor and tonnage levels.

However these are a major element of SCC spending on waste – in excess of £8.5m pa – and these cannot be discounted amid the need for savings.

Taking into account the above savings contribution to the £711k saving required in 2014/15 (and having not proposed not to find £95k of savings through asbestos and plasterboard charges, the Board propose savings – and some mitigation – as follows:-

Option	14/15 saving
Close Coleford and Middlezoy Community Recycling Sites	£350k

Use part of the above saving to restore seven day opening at Frome, Minehead, Priorswood, Saltlands and Yeovil Recycling Centres	-£80k
Total saving	£270k

Viridor have however helpfully indicated that if the number of sites is reduced by two, they will not withdraw a discount of £200K pa to the benefit of SWP for operating all 18 facilities or take their contractual 50% share of any cost reductions achieved. This removes a substantial risk which would have meant that more sites might have been at risk / and or eliminated the scope to increase hours at some of the larger sites. The assistance of Viridor in meeting some very difficult decisions which have an impact on their business is acknowledged.

Representatives of the Communities affected were notified that this option was under consideration at the end of October 2013, and dialogue was invited. Further engagement will be undertaken during December 2013-February 2014 and a full Equalities Impact Analysis will be brought to the Board meeting on 21st February 2014.

Assumptions

It is assumed that an increase in hours at the five Recycling Centres will result in more material coming into those sites, over and above any that would otherwise have gone to one of the other sites. The Board accepted that a 3% increase is a reasonable planning assumption but without any precedent as a guide. This would result in additional costs of £44k. Every additional 1% increase would increase costs by £15k (aggregated across the five sites)

It is proposed to cover these costs through largely through overachievement of savings options identified above and the saving in Business rates for the two sites (which are covered by SCC outside of the contract).

Summary of total savings Requirement	14/15	15/16	16/17	17/18
	£0.7m	-----£1.6m-----		