

Somerset West and Taunton Council

Executive – 20 January 2021

Somerset Waste Partnership Draft Business Plan 2021-2026

This matter is the responsibility of Executive Councillor Sarah Wakefield (Environmental Services)

Report Author: Stuart Noyce, Assistant Director – Commercial Services

1 Executive Summary / Purpose of the Report

- 1.1 This report seeks approval of the Somerset Waste Partnership's (SWP) Draft Business Plan 2021-2026. The Somerset Waste Board is required to annually approve a rolling five-year business plan. It also reminds the Executive about the changes to how garden waste income from customers will be taken in the future and informs the Executive about delegations that SWP are seeking from partner authorities to underpin its enforcement capabilities.

2 Recommendations

- 2.1 Approve the draft Business Plan 2021-2026 and draft budget 2021-22 and provide feedback to the Board (see Appendix A).
- 2.2 Note the changes to how garden waste payments will be made in 2021, as previously agreed by the Somerset Waste Board.
- 2.3 Approve the renewal of the delegation of powers to Somerset Waste Partnership subject to confirmation from the Director of External Operations and Climate Change in association with other Officers that SWP's Advice, Support & Enforcement Policy to be provided in due course is compliant with the constitution and legislation to delegate such power. The Director shall have such authorisation to approve this delegation.

3 Risk Assessment

- 3.1 Failure to approve a Business Plan (a SWP constitutional requirement) will impact on the ability of the SWP to effectively deliver the board's vision.
- 3.2 The challenges and opportunities facing SWP are set out in the business plan but key risks which may impact on delivery of the business plan include:
- a) The ongoing impact of Covid-19, which has already disrupted progress in achieving the current business plan;
 - b) Resource pressures on SWP due to the intense workload associated with bedding in the new collection contract and implementing the Recycle More service change;

- c) Central Government policy changes, in particular those that result from the next phase of consultations on policy outlined in the Resources & Waste Strategy (in particular on Extended Producer Responsibility, Deposit Return Scheme, and Collection Consistency);
- d) Brexit and the uncertainty around this process and its knock-on impacts;
- e) Funding available to implement the Climate Emergency Strategy;
- f) The Future of Local Government in Somerset;

4 Background and Full details of the Report

- 4.1 The Somerset Waste Partnership (SWP) is responsible for providing waste and recycling services on behalf of all five local authorities in Somerset. The partnership is governed through a Joint Committee known as the Somerset Waste Board (SWB).
- 4.2 The SWP constitution requires an annual Business Plan to be formally adopted to provide a framework within which the Board can make decisions and steer the delivery of Waste Partnership services. The process of review is continuous but it contains a snapshot of where SWP is now, the things that have a major impact on the partnership, resources/budget, and its priorities. A draft is presented to the Board in December to approve for partner consultation, before returning to the Board in February for final approval and adoption. The quarterly performance reports submitted to the Board are then aligned with the approved business plan.
- 4.2 The Partnership is almost exclusively funded from contributions from partners. 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. Under the terms of the Inter Authority Agreement, the Board cannot make a decision that has an adverse financial implication on any partner without that partner's agreement. The Board has delegated authority for decision making across all services and therefore must take into account any requirements to make savings and make proposals on how these can be achieved.

5 SWP Draft Business Plan 2021-26

- 5.1 The Business Plan explains how SWP will work towards its vision over the next five years, with a particular focus on next year. It contains three outcomes, beneath which sit a range of inter-linked activities which contribute to these outcomes. Whilst it is an iteration of the previous Business Plan, there is much change as it looks beyond the roll-out of Recycle More, having transitioned away from landfill, and having set out wider objectives through its work on the Climate Emergency strategy. These changes have meant a slight change to the outcomes under which the plan is structured:
 - a) Delivering Excellent Services: *Household waste is effectively collected, reused, recycled and treated* (as per previous business plan);
 - b) Changing behaviours: *People trust SWP and see waste as a resource* (broadly as per previous business plan);
 - c) Tackling climate change: (a new outcome to reflect the importance of this agenda to SWP and because some of the actions SWP are planning go beyond the services they are tasked with delivering);
 - d) Building its capability: *SWP maximises its contribution to tackling the climate emergency* (removed as an outcome so all our outcomes are externally focussed. Relevant activities have been included within other parts of the business plan, such as 'improving the customer experience') that the activities in the Business Plan have been

structured in a slightly different way to the previous business plan, and greater emphasis has been placed on climate change.

5.2 Key areas of activity in the draft 2021-26 Business Plan are as follows:

	<i>Area of activity</i>	<i>Content</i>
1	Waste reduction	Food waste, Refill, Pledge against Preventable Plastic, Signposting to zero waste shops, reusable nappies
2	Promoting Reuse	Developing, implementing and monitoring a reuse strategy
3	Recycling	Recycle More roll-out, ensuring homes are built with recycling in mind, food waste in communal properties, rolling year garden waste subscriptions, tackling hard to treat waste streams, HWRCs, composition and participation analysis, recycling A-Z guide, targeted campaigns
4	Decarbonising residual waste	Heat offtake, carbon capture and storage, education
5	Decarbonising our operations	Electric supervisors vans, green depot infrastructure, pilot alternative fuels, drive down carbon intensity of day to day operations, partial refleet of refuse vehicles
6	Tackling non-household waste	Schools, public sector estate, business waste
7	Working with others	Parish Councils, local data and engagement, developing partnerships, community action groups, engagement with front-line staff
8	Improving the customer experience	In-cab technology, innovation, website, CRM system procurement, GDPR, assisted collection review, processes around new home occupation, enforcement, supporting the most vulnerable
9	Supporting wider goals in Somerset	Tackling waste on the go, tackling fly-tipping, supporting local businesses and those far from the labour market
10	Enabling activities	Depot infrastructure, health and safety, contract management, service reviews, influencing national policy, long term strategy, behavioural insights, business continuity planning

6 Garden waste: rolling year subscriptions

- 6.1 In the current (2020-25) agreed Business Plan it sets out that SWP will centralise garden waste payments in Spring 2021. This will enable SWP to improve the customer experience and enable residents to sign up for a year's service at any time, and remove the need for garden waste stickers.
- 6.2 This change in how payments are handled will not result in any reduction in income to District Council partners, simply in the timing of income. SWP have managed garden

waste income successfully for Mendip District Council in 2020, and this pilot enables them to be confident in implementing this for other partners.

- 6.3 This change will not reduce the customer channels available at present. Whilst we would encourage customers to do it online, they will still be able to subscribe via District Council call centres and websites. Customers will now also be able to sign up via the SWP website and do so at any time year-round. This is likely to be of particular benefit when Recycle More makes it harder for those residents who are currently putting garden waste in their rubbish bin (as demonstrated through SWP's previous composition analysis). This change also enables SWP to address challenges from previous internal audits of difference between SWP/contractor records and records of payments held by District Councils, largely caused by the complexities inherent in having four different processes. The expected improvement in data quality, combined with effective utilisation of in-cab devices, should also mean that they can cease to send out garden waste stickers. This is a time intensive activity for District Council customer services which introduces another source of potential error and risk into our current processes. It will also ensure that they can remove the confusing anomaly from the SWP finances that whilst they show the costs of the garden waste service they do not show the income.
- 6.4 Like any project of change (especially in a complex partnership landscape of differing ICT systems) this project is not without risks. The Senior Management Group (SMG) will oversee this project over the coming months, supported by expert input from all partner customer services and ICT teams. S151 officers have been consulted on the financial changes this entails. The suspension of the garden waste service during the first Covid-19 lockdown in Spring 2020 has meant that 2020/21 subscriptions will end on 11 May 2021 rather than 31 March 2021 as they normally would. Following consultation with District Council customer services teams it is proposed to send out renewal reminder letters at the same time as normal to avoid clashing with heavy demand faced by these teams associated with council tax letters.

7 Advice Support and Enforcement: Delegations from District Partners

- 7.1 SWP is refreshing the policy on Advice, Support and Enforcement. The existing Enforcement Policy was adopted by the SWB in December 2015, but a technical issue regarding the legal delegations has meant that SWP do not currently have the ability to issue Fixed Penalty Notices. A clear decision to delegate these powers aims to address this technical issue. It is important to note that SWP's approach to enforcement will not significantly change, and they will continue to work with residents and businesses to support, advise and problem solve. The aim is to give SWP the ability to take enforcement action as a last resort for the very small minority who persistently refuse to engage or cooperate.
- 7.2 To enable SWP to progress this, it is seeking fresh delegations of powers under the Environmental Protection Act, 1990 from each of the district partners. This will provide Somerset County Council (as administering authority), acting through SWP, with the authority to issue Fixed Penalty Notices and instigate prosecutions. SWP has provided a list of the delegations required in order that the decisions can be made by each authority as part of the Business Plan approval process. These delegations will only cover those powers relating to domestic and commercial waste offences, relating to kerbside collections and recycling centres and Duty of Care.

7.4 SWP is not seeking any powers in relation to fly-tipping or street scene services which remain the responsibility of District Councils.

7.5 The ancillary powers that SWP are seeking delegation for are all under the Environmental Protection Act 1990 (EPA 1990):

Section 34 – Duty of Care

- Section 34ZA Fixed penalty notices (FPNs) for householder offences
- Section 34A FPNs for failure to furnish documents by a person who handles or controls waste

Section 46 – Receptacles for household waste

- Section 46A Written warnings and penalties for failure to comply with requirements relating to household waste receptacles -
- Section 46B Amount of penalty under section 46A and recovery
- Section 46C Notice of intent regarding penalties under section 46A
- Section 46D Appeals against penalties under section 46A

Section 47 Receptacles for Commercial and Industrial waste

- Section 47ZA FPNs for offences under sections 46 and 47
- Section 47ZB Amount of fixed penalty under section 47ZA

7.6 Any action taken using the delegated powers will be specifically detailed in the updated Support, Advice and Enforcement Policy. This policy will be brought to SMG and the SWB for approval in Spring 2021 prior to SWP formally having the necessary delegated powers in place. Through the normal reporting processes SWP will then keep SMG and the Board updated on the use of these powers and hence the effectiveness of the Policy.

8 Links to Corporate Strategy

8.1 Addressing climate change is identified as the Council's primary objective in the Corporate Strategy. The Somerset Waste Partnership Business Plan will influence delivery against many of the other objectives across all four strategic themes of the Corporate Strategy.

9 Finance / Resource Implications

9.1 The proposed annual budget is set out on the final page of the Draft Business Plan (appendix A) and summarised in the table below.

9.2 The table below shows the indicative budget requirements for 2021/2022. The key drivers are:

- Inflation for the collection contract is 0.33% based on the basket of indices in the contract with Suez.
- Household growth is based on the latest estimates provided by the District partners. These will be amended for final budget to be taken to the February Board when actual figures are known. Members are reminded that each collection partner will be charged according to their individual district housing growth. The current estimates provided by Somerset West and Taunton is 0.50%.
- Tonnages for recycling credits have been increased to reflect the 2019/20 levels but with no further growth applied as this will be attributable to Recycle More (as previously agreed by the Board and all partners). The majority of the increased income for collection

partners relates to the agreed 3% annual payment uplift on recycling credits from the County Council.

- Estimates reflect the latest information regarding garden waste customers, bulky collections, demand for containers and other contract cost changes.
- There is a one-off cost included for additional fleet maintenance/refurbishment on the small number of refuse trucks which transferred from Kier to Suez, the value of which is still subject to final negotiations with Suez. The total anticipated additional costs are more than double what has been estimated, and this reflects SWP's worst case scenario from these ongoing negotiations.
- There is a new budget line for income collected on behalf of Sedgemoor, Somerset West & Taunton and South Somerset for their garden waste charges. SWP are already successfully collecting garden waste income for Mendip.
- In light of the recent Comprehensive Spending Review announcement last week highlighting a pay freeze for public sector workers, there may need to be updates regarding the head office salaries figure for the final budget.

9.3 The roll out of 'Recycle More' is also scheduled for completion in February 2022. No savings resulting from the new contract will be taken from the SWP by any partner until the roll out costs are fully funded. This offers all partners equality of return, regardless of their place in the roll out. Savings are expected in 2022/23 with the business plan including estimated savings anticipated at £2m per annum across the partnership. Given the considerable change we've seen in this year and the experience from the first phase of 'Recycle More' roll-out, SWP are undertaking a review of all costs and income to ensure they are allocated correctly to 'Recycle More' or to the 'in-year' budget. This will be considered by the Board in its February meeting.

		Somerset West and Taunton Council
20/21 Final Budget		5,195,799
Inflation - Collection	0.33%	18,885
Household Growth	0.50%	23,716
Garden Waste	1.00%	(7,380)
Recycling Credits		(30,609)
Salaries	2.00%	3,910
Pension Deficit		0
Transfer Station Offset		(2,878)
Bulkies / Containers		55
Subtotal		5,201,497
Garden & Bulky Income		(886,288)
Proposed Savings		0
Fleet maintenance		35,000
21/22 Budget		4,350,209
Increase / (Decrease)		(845,589)
Percentage		-16.3%

9.4 The table shows a significant reduction in the proposed service charges from SWP, although this reflects a small net increase in costs offset by the inclusion of garden waste income which is currently received and budgeted directly by SWTC but will be netted from SWP recharges from 2021/22.

- 9.5 All partners agreed the capital borrowing to purchase vehicles at a cost of approx. £18m with a further £7m used to fund depot works, equipment and purchasing additional containers. Each partner has agreed to provide capital finance totalling £5m towards this capital investment requirement. The provision of finance towards vehicles costs has helped secure a lower price on the collection contract from SUEZ. SWTC's £5m contribution is already included within the Council's approved capital programme.
- 9.6 Many actions within the business plan will require specialist input, including financial and procurement advice. Some activities are subject to a business case and funding.

10 Legal Implications

- 10.1 The waste collection contract is one of the Authority's largest contracts, managed by the the Somerset Waste Partnership. The Waste Partnership fulfils the Authority's statutory responsibilities in regard to waste collection. The proposed delegation of enforcement powers are set out in section 7 of the report.
- 10.2 Approval is required to set a clear mandate for SWP activities for the period and is a constitutional requirement.

11 Climate and Sustainability Implications

- 11.1 The production and delivery of the SWP business plan will directly lead to carbon reductions.
- 11.2 The five Somerset local authorities have all declared or recognised a Climate Emergency and developed a Climate Emergency Strategy covering the county of Somerset. Waste and Resources is one of 9 workstreams, and SWP's Managing Director acted as workstream lead with the officer group made up of senior officers from each partner (SMG) acting as project board. The scope of the waste and resources workstream is much broader than SWP's statutory responsibilities, as it looks at Somerset as a whole, rather than just focussing on household waste. The actions from this workstream are incorporated into the 2021-26 SWP Business Plan, clearly highlighting where there are resource/funding challenges which need to be overcome.

12 Safeguarding and/or Community Safety Implications

- 12.1 The update of the business plan has no new safeguarding or community safety implications. Risks in delivery of the plan will need to be considered and addressed as projects are developed and progressed.

13 Equality and Diversity Implications

- 13.1 Many of the actions in the business plan relate to the implementation of decisions already taken by the board, and Equalities Impact Assessments (EIAs) were undertaken at the time. Other actions relate to reviews/future actions, and EIAs will be carried out as appropriate to inform the board's decision making. Some other actions will not require EIAs. In most cases the decision to proceed based on the outcome of the impact assessment will be delegated to SWP's Managing Director. Where significant issues are identified through the assessment process that would have implications for major projects or programmes, the decision to proceed will return to the Board prior to commencing development.

14 Social Value Implications

14.1 There are no implications as a result of the revised business plan.

15 Partnership Implications

15.1 SWP is one of the Authority's key partnerships and takes strategic, client and operational responsibilities for the delivery of our recycling and waste priorities. The business plan has been produced in partnership between the Somerset authorities.

16 Health and Wellbeing Implications

16.1 The revised business case will contribute to reduce air quality issues associated with emissions from traditional petrol and diesel vehicles and from reduced amounts of waste going to energy from waste facilities by more being reused and recycled.

17 Asset Management Implications

17.1 There are no implications as a result of the revised business plan.

18 Data Protection Implications

18.1 Action 8.5 in SWP's Business Plan sets out the work planned to follow up on a GDPR compliance audit.. Personal Data held by the SWP is fundamentally the same as currently managed and used. As technology is developed and used to assess customer behaviour to reduce waste and improve recycling, then impact assessments will need to be carried out by the SWP to ensure compliance with data protection regulations. This is reflected in the action plan, and SWP will work closely with each partner authority and report progress to the Somerset Waste Board.

19 Consultation Implications

19.1 No public consultation is proposed on the revised business plan but certain projects within the plan will have public engagement and communication activity.

20 Democratic Path:

- Scrutiny / Corporate Governance or Audit Committees – No
- Executive – Yes
- Full Council – No

21 Reporting Frequency:

Annually

List of Appendices

Appendix A	Draft SWP Business Plan 2021 - 2026
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