

Somerset West and Taunton Council

Executive – 19 January 2022

Somerset Waste Partnership Draft Business Plan 2022-2027

This matter is the responsibility of Executive Councillor Andrew Sully (Environmental Services)

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1 Executive Summary / Purpose of the Report

- 1.1 This report seeks approval of the Somerset Waste Partnership's (SWP) Draft Business Plan 2022-2027. The Somerset Waste Board is required to annually approve a rolling five-year business plan. It also updates the Executive on progress with the rollout of Recycle More in the District.

2 Recommendations

- 2.1 Approve the draft Business Plan 2022-2027 and draft budget 2022-23 and provide feedback to the Board (see Appendix A).
- 2.2 Note the progress in implementing Recycle More across the District.

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 and legacy of Covid-19 and the national driver shortage, which has already disrupted progress in achieving the current business plan. It remains a high risk environment SWP are operating in;
 - 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 in the context of a pandemic and national driver shortage;
 - 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) Funding available to implement the Climate Emergency Strategy;
 - e) 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 2022-27

- 5.1 With the creation of a new Unitary Authority in 2023 this may be the last year of a SWP Business Plan in this format. The activity required to smoothly transition to a unitary authority is reflected in the Business Plan, but as this activity evolves it may impact on the delivery of other activities within the Business Plan.

SWP remain focussed on three outcomes as last year, beneath which sit a range of inter-linked activities structured into themes. This year's plan is an evolution rather than a revolution but aims to reflect the impact service disruption in 2020/21, the ongoing impacts of a national driver shortage, the ongoing pandemic and the pressure this has created on SWP, SUEZ and partner staff. Delivering stable services and rebuilding trust with the public is critical to next year's activity. The three outcomes SWP are focussed on remain:

Delivering excellent services	Changing behaviours	Tackling climate change
<i>SWP effectively collects, recycles and treats waste</i>	<i>People manage waste as a resource</i>	<i>SWP maximises its contribution to tackling the climate emergency</i>

- 5.2 Key areas of activity in the draft 2022-267 Business Plan are as follows:

	<i>Area of activity</i>	<i>Content</i>
1	Waste reduction	Focusing on food waste and plastic, Signposting to zero waste shops, reusable nappies
2	Promoting Reuse	Implementing the reuse strategy agreed by the Board in September 2021

3	Recycling	Bedding in the recycle More roll-out, ensuring homes are built with recycling in mind, food waste in communal properties, tackling hard to treat waste streams (e.g. soft plastics), 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, improving complaints mgnt, 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, preparing for Unitary

6 Links to Corporate Strategy

6.1 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.

7 Finance / Resource Implications

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

7.2 The table below shows the indicative budget requirements for 2022/2023. The key drivers are:

- There is currently a review of the indexation values added to the collection budgets back to 2019/20. This issue has not been fully resolved at this point, however, to be prudent £340,000 has been added to the 2021/22 budgets with £170,000 being added to the 2022/23 base budget. Further information from Suez is expected shortly, the budgets will then be updated accordingly

- There is uncertainty at this stage as to the levels of continuation covid funding costs Suez may claim and SWP consider to be reasonable. Estimates for the whole of 2022/23 have been included based on the funding agreed for 2021/22.
- Inflation for the collection contract is 6.1% 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 0.74%. Suez are currently challenging the household levels as they claim they are collecting from a greater number of addresses. No claim has been submitted by SUEZ, SWP are working with Districts to understand the potential issue.
- 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.
- Additional costs will be included for an E-RCV and PV panels at our two main depots. The payback on PV is expected to be circa 6 years. Purchasing of the E-RCV is an integral part of tackling climate change and to de-risk the partial fleet in 2024.

7.3 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 the final quarter of 2022/23 with the business plan including estimated savings anticipated at £2m per annum across the partnership. The anticipated part-year MTFP savings for 2022/23 are reflected in Somerset Waste & Taunton's MTFP.

		Somerset West & Taunton Council
21/22 Base Budget		4,352,935
Correct Base Indexation		48,200
Inflation - Collection	6.11%	355,208
Household Growth	0.93%	39,895
Garden Waste	11.9%	105,148
Recycling Credits		(26,840)
Salaries	2.00%	3,818
Transfer Station & Other		71
Garden & Bulky Income	12.0%	(103,257)
Financing - PV & E-RCV		11,237
Covid-19 Costs		171,927
Proposed Savings		(157,667)
22/23 Draft Budget		4,800,676
Increase / (Decrease)		447,740
Percentage		10.3%

7.4 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.

8 Legal Implications

8.1 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.

8.2 Approval is required to set a clear mandate for SWP activities for the period and is a constitutional requirement.

9 Climate and Sustainability Implications

9.1 The production and delivery of the SWP business plan will directly lead to carbon reductions. Clearly Recycle More is vital to that, but as is SWP's ongoing decarbonisation of its operation (for example the recent purchase of an electric RCV and photovoltaic panels at our two highest energy consuming depots), our commitment to keeping materials in the UK, and a greater focus on reuse.

9.2 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 2022-27 SWP Business Plan, clearly highlighting where there are resource/funding challenges which need to be overcome.

10 Safeguarding and/or Community Safety Implications

10.1 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.

11 Equality and Diversity Implications

11.1 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.

12 Social Value Implications

12.1 There are no implications as a result of the revised business plan. SWP have a comprehensive social value plan in place with SUEZ which they monitor. This includes dementia awareness training for staff and commitments to supporting people far from the labour market into employment.

13 Partnership Implications

13.1 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.

14 Health and Wellbeing Implications

14.1 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.

15 Asset Management Implications

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

16 Data Protection Implications

16.1 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.

17 Consultation Implications

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

18 Democratic Path:

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

19 Reporting Frequency:

Annually

List of Appendices

Appendix A	Draft SWP Business Plan 2022 - 2027
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