

**Appendix A**



# **SWP Business Plan 2018 – 2023**

*Draft for Final Approval*

## Business Plan

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<b>Change History</b>	
25/10/2017	Draft for Approval for Partner Consultation
09/11/2017	Correction of date reference in 7.1; Addition of footnotes to table in 7.2
04/12/2017	Insert Recycle More and procurement into section 5 summary Insert reference to Planning in 5.1 Insert reference to 'minded to' decision on a new council to 5.3 Insertion of revised annual budget tables Attach revised Risk Register

## **1. About Somerset Waste Partnership**

### **1.1 10<sup>th</sup> Anniversary**

October 2017 saw the 10<sup>th</sup> anniversary of the formalisation of the Somerset Waste Partnership (SWP) and the signing of the inter-authority agreement between the six partner authorities. The authorities had been working together for ten years prior to that, but the formalisation cemented the relationship, enabling service developments that have saved millions of pounds in avoided costs for Somerset.

Somerset still has the first and only county-wide waste partnership, including all collection and disposal authorities, in the country. Since working together Somerset has increased its recycling rate three-fold, putting the county at or near the top of the national rankings for several years running.

### **1.2 Background to SWP**

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

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

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

For further information about Somerset Waste Partnership and the Somerset Waste Board please visit [www.somersetwaste.gov.uk](http://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.

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- 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

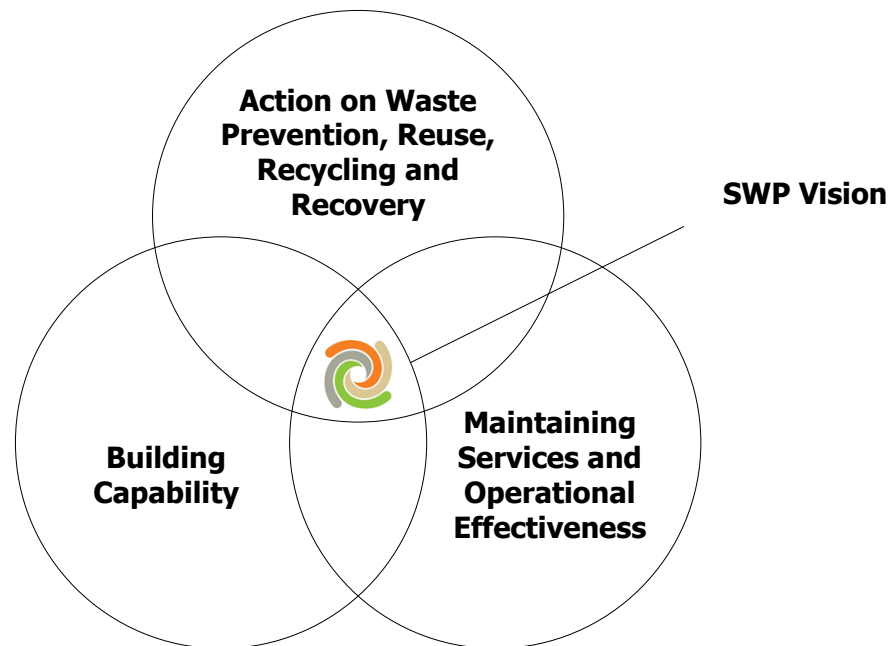
Issue	Impact	Proposed Response
Legislative impact of withdrawal from the EU	The Great Repeal Bill will see all EU legislation not already enshrined in domestic law transferred to UK statute. This is likely to include the Circular Economy Roadmap, which will be passed into EU law before Britain exits.	No early changes to legislative framework identified. SWP will continue to monitor.
DCLG and non-household waste charging	The Department of Communities and Local Government continue to indicate they intend to stop Local Authorities charging for DiY waste, currently classified as “Industrial”. This intent has been reinforced in the 2017 Anti-Littering Strategy, which included the statement “Stopping councils from charging householders for disposal of DIY household waste at civic amenity sites (rubbish dumps) – legally, household waste is supposed to be free to dispose of at such sites.”	SWB may decide to put the case to the DCLG for retaining current arrangements, or accept the financial gap (estimated at up to £600k p/a) with subsequent decisions to be made on how that will be managed. This risk will be addressed as part of the scheduled review of the Core Services contract scheduled in this Business Plan. SWP and the SWB will continue to monitor communications from the DCLG on the matter and engage where appropriate.
Community Recycling Site Charges	In 2015 DCLG brought in an order to prevent local authorities from designating some sites (known in	SWB must consider the impact of this change and how it will affect the network of recycling sites. This will

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	Somerset as “Community Recycling Sites (CRSs)” as provided under discretionary “wellbeing” powers within the Local Government Act 2003. This removed the option to introduce charges for entry to sites (even where this option was promoted by the community as an alternative to closure). The effect of this is that the charging at Dulverton and Crewkerne CRSs will not be permitted after April 1 <sup>st</sup> 2020	be done as part of a wider review of the Core Services contract.
WRAP Consistency Framework	The framework, which strives to increase consistency in collection services across the country, continues to be a topic for discussion at governmental level.	SWP to monitor and adopt appropriate recommendations with implementation of service changes.
Deposit/Return Schemes	“Deposit/Return” schemes for items such as glass and plastic bottles are being considered for England by the government following announcement of a scheme to be adopted in Scotland. This initiative could affect the requirements for kerbside services with, if implemented, a potential drop in material volumes.	While supportive of the need to explore these options SWP’s considerations will be highlighted in a response to the “call for evidence” issued by Defra. SWP to monitor developments and consider impact on service design as part of any future procurement strategy for future collection service arrangements.
Financial Pressure	Ongoing financial constraints continue to impact all partner authorities.	SWP will continue to consider cost as a priority issue in all decisions.
Somerset Demographic changes	Somerset’s population is growing and, combined with longer life expectancies and an increased emphasis on community based care, there will be pressure on waste services. Some of the pressures will be on specific services, such as clinical waste (including an increase in adult hygiene waste) and assisted collections.	SWP will consider strategic impacts of demographic changes on waste services as part of the procurement process for future service arrangements.

## 5. Key Aims and Priorities for 2018/19

The action table sets out the most significant set of changes to Somerset's waste services since SWPs inception in 2007. Co-ordinated for maximum impact and value the changes span all three major contracts for waste collection, treatment, disposal and infrastructure (including vehicles). It also develops SWPs capability, in some instances working in partnership with others, to support Somerset residents in wasting less and recycling more, with residual waste becoming a fuel stock to generate energy.



**Delivery of Recycle More** is dependent on procurement of a new waste and recycling collection service contract, along with refreshment of the fleet of collection vehicles. These are significant tasks that will require significant attention from the Somerset Waste Partnership and the Somerset Waste Board ahead of the early expiry of the current collection contract on 27 March 2020. Recycle More (even more weekly recycling services, including addition of plastic pots, tubs, trays and packaging, cartons, small electrical items and possibly household batteries; with so much capacity freed up that refuse collections are only needed every three weeks) remains the agreed model for SWP's future collection services.

5.1 Building Capability	Outcome	Timing, Resources
<ul style="list-style-type: none"> <li>• Improving Intelligence <ul style="list-style-type: none"> <li>○ Review performance data procedures</li> <li>○ Improve integrity of service data</li> </ul> </li> <li>• Developing systems: - <ul style="list-style-type: none"> <li>○ Develop ICT strategy</li> <li>○ New Customer Service systems (ITouch)</li> <li>○ Website Upgrades (e.g. self service)</li> <li>○ Develop and Launch Mobile App</li> <li>○ Round Management and performance software</li> </ul> </li> <li>• Understanding behaviour <ul style="list-style-type: none"> <li>○ Waste Composition Analysis (rolling three year cycle to commence with Waste Transfer Stations)</li> </ul> </li> <li>• Internal Review <ul style="list-style-type: none"> <li>○ Review SWP staffing structures</li> <li>○ Manage SWP Office move</li> </ul> </li> <li>• Developing influence <ul style="list-style-type: none"> <li>○ Embed waste requirements in planning guidance to ensure new developments take full account of waste</li> </ul> </li> </ul>	<p>SWP is an organisation that is able to work intelligently to improve delivery of the financial, social and environmental benefits of an effective resource management service.</p>	<p>These activities will run through the financial year. In the main costs will come from existing budgets.</p> <p>Items that fall outside of existing budgets are: -</p> <ul style="list-style-type: none"> <li>- New Customer Service System. This will result in a circa £24,000 annual increase in overall budget but should deliver significant efficiencies in terms of customer request handling, and will provide a means which we can build a mobile App to support delivery of future service changes.</li> <li>- Round management and Performance Software. Because of the potentially significant and direct contribution to the delivery of the new service arrangements, the costs will initially be drawn from the Recycle More Earmarked Reserve (as described in previous Board papers) and estimated at £20,000.</li> </ul>

<b>5.2 Action on Waste Prevention, Reuse, Recycling and Recovery</b>	Outcome	Timing, Resources
<ul style="list-style-type: none"> <li>• Implementing future collection arrangements (Recycle More model) <ul style="list-style-type: none"> <li>○ Procure provider for collection services from 28 March 2020 (including appropriate risk management and mitigation arrangements)</li> <li>○ Explore early introduction of household battery collections and trialling ways to increase capture of small waste electricals</li> <li>○ Initiate vehicle procurement</li> </ul> </li> <li>• Reducing cost and impact of waste <ul style="list-style-type: none"> <li>○ Targeted waste prevention and minimisation activities (including tested approach of Food waste stickers on bins)</li> <li>○ Pilot SWP Education Service</li> <li>○ Continue to explore effective media for communicating messages (including insert in Council Tax mailings)</li> <li>○ Refresh SWP Waste Prevention Strategy, to focus on systemic implementation of activities with a significant measurable benefit over the full five year period of this plan</li> <li>○ Develop SWP Communications Strategy</li> </ul> </li> <li>• Infrastructure <ul style="list-style-type: none"> <li>○ Oversee development of infrastructure required to deliver new residual waste treatment.</li> </ul> </li> </ul>	<p>Somerset's recycling rate improves from 52% towards 60% and potentially beyond; residual waste per household reduces, and energy is recovered from materials that cannot be recycled ending the county's long reliance on landfill.</p>	<p>These activities will be funded either from existing budgets or from the Recycle More Earmarked Reserve, with the exception of the trial reintroduction of education services, which will be funded via the Community Sector Integration Plan fund provided through the Viridor contract.</p>



<b>5.3 Maintaining Services and Operational Effectiveness</b>	Outcome	Timing, Resources
<ul style="list-style-type: none"> <li>• Viridor Core Services Contract Review - this contract, (which includes management of the Recycling Centre network) ends in 2022 and SWP has the opportunity to extend it to 2031, should we choose to do so.</li> <li>• Active management of collection service contract (monitoring performance to ensure no degradation in tail end of contract)</li> <li>• Review waste service Fees and Charges structures, admin. costs and implications of varying charges</li> <li>• Recycling Site Maintenance</li> <li>• Assess impact of changes to legislative framework, including removal of powers to designate Community Recycling Sites and to charge for non-household waste at Recycling Sites.</li> <li>• Plan for Broadpath Landfill Site closure</li> <li>• Plan for Dimmer transition (from landfill to Waste Transfer Station – scheduled Feb 2019)</li> <li>• Plan for a potential new Council for Taunton Deane and West Somerset following the Government's announcement that it is 'minded to' approve it</li> </ul>	<p>These activities ensure the day to day functions of the SWP are delivered effectively and safely. SWP must give focus to maintaining the quality of services, predicting risks and preventing issues arising.</p>	<p>These items are funded through existing budgets.</p>

## **6. SWP Budget 2018 - 19**

The following table shows the projected year budget for Somerset Waste Partnership. A draft Annual Budget for the forthcoming year will be brought to the December meeting of the Somerset Waste Board. While the figures shown here are subject to refinement, historically projections at the stage have been very close to the final budget due in February 2018, particularly for collection partners, with only minor variations for final customer numbers. It is therefore considered a very low risk to approve the Business Plan ahead of the final Annual Budget for 2018/2019.

### **6.1 Revenue Not Included**

Control of income from residents for waste related services is retained by the collection authorities and is therefore not shown in this paper. The most significant portion of this is annual Garden Waste subscriptions, which will generate income for the district council of around £55.40 for each wheeled bin subscription in 2018/19. This is a significant offset of the cost of providing the service. Other income streams are Bulky Waste collection fees and sale of Garden Waste sacks.

## 6.2 Full Draft Budget Summary 2018/19

Summary Annual Budgets 2018/2019							
Rounded £000s	Total	SCC	MDC	SDC	SSDC	TDBC	WSC
Expenditure		£000s	£000s	£000s	£000s	£000s	£000s
Salaries & On-Costs	1009	472	120	120	169	118	10
Other Head Office Costs	255	117	28	30	42	29	10
Support Services	125	54	14	15	22	15	5
Disposal - Landfill	11594	11594					
Disposal - HWRCs	9501	9501					
Disposal - Food waste	1458	1458					
Disposal - Hazardous waste	225	225					
Composting	1848	1848					
Kerbside Recycling	9138		1875	1884	2802	1847	730
Green Waste Collections	2584		502	622	688	642	130
Household Refuse	6138		1261	1263	1873	1264	477
Clinical Waste	119		24	26	36	25	8
Bulky Waste Collection	84		18	16	23	20	7
Container Maintenance & Delivery	227		48	46	69	51	13
Container Supply	446		96	95	134	100	21
Pension Costs	69		2	2	62	2	1
Depot Costs	186		38	40	56	39	13
Village Halls	6			6			
Transfer Station Avoided Costs	321	321					
Recycling Credits	2493	2493					
Capital Financing Costs	231		52	41	78	39	21
<b>Total Direct Expenditure</b>	<b>48057</b>	<b>28083</b>	<b>4078</b>	<b>4206</b>	<b>6054</b>	<b>4191</b>	<b>1446</b>
<b>Income</b>							
Sort It Plus Discounts	-80		-16	-17	-24	-17	-6
Transfer Station Offset Costs	-321		-65	-69	-97	-67	-23
Kier Secondment Saving	-44	-20	-5	-5	-7	-5	-2
Recycling Credits	-2465		-519	-496	-763	-504	-183
<b>Total Income</b>	<b>-2910</b>	<b>-20</b>	<b>-605</b>	<b>-587</b>	<b>-891</b>	<b>-593</b>	<b>-214</b>
<b>Total Net Expenditure</b>	<b>45147</b>	<b>28063</b>	<b>3473</b>	<b>3619</b>	<b>5163</b>	<b>3598</b>	<b>1232</b>

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Summary Draft Annual Budgets						
Rounded £000s		2018/19	2019/20	2020/21	2021/22	2022/23
Expenditure		£000s	£000s	£000s	£000s	£000s
Salaries & On-Costs		1009	1019	1029	1039	1050
Other Head Office Costs		255	255	255	255	255
Support Services		125	125	125	125	125
Disposal - Landfill		11594	12132	12696	13280	13890
Disposal - HWRCs		9501	9861	10240	10639	11054
Disposal - Food waste		1458	1533	1613	1698	1786
Disposal - Hazardous waste		225	238	253	268	285
Composting		1848	1993	2151	2321	2504
Kerbside Recycling		9138	9443	9759	10085	10422
Green Waste Collections		2584	2670	2759	2850	2945
Household Refuse		6138	6343	6555	6773	6999
Clinical Waste		119	123	127	131	136
Bulky Waste Collection		84	87	90	93	96
Container Maintenance & Delivery		227	235	243	252	260
Container Supply		446	462	478	495	512
Pension Costs		69	70	70	71	72
Depot Costs		186	186	186	188	190
Village Halls		6	6	6	6	6
Transfer Station Avoided Costs		321	329	337	346	354
Recycling Credits		2493	2568	2645	2724	2806
Capital Financing Costs		231	231	231	231	231
<b>Total Direct Expenditure</b>		<b>48057</b>	<b>49909</b>	<b>51848</b>	<b>53870</b>	<b>55978</b>
<b>Income</b>						
Sort It Plus Discounts		-80	-80	-80	-80	-80
Transfer Station Offset Costs		-321	-329	-337	-346	-354
Kier Secondment Saving		-44	-44	-44	-44	-44
Recycling Credits		-2465	-2538	-2615	-2693	-2774
<b>Total Income</b>		<b>-2910</b>	<b>-2991</b>	<b>-3076</b>	<b>-3163</b>	<b>-3252</b>
<b>Total Net Expenditure</b>		<b>45147</b>	<b>46918</b>	<b>48772</b>	<b>50707</b>	<b>52726</b>
<b>Assumptions</b>						
1% annual pay award for all years						
0.77% housing growth in 2018/19, then 1% annually for years 2019/20 - 2022/23						
Collection contract inflation 2.54% in 2018/19, then 2.5% annually for years 2019/20 - 2022/23						
Disposal contract inflation between 2.5% & 4.25% (for different contract areas), annually in all years (2018/19 - 2022/23)						
Tonnage growth 1.5% annually for all years (2018/19 - 2022/23)						