

**Extraordinary Meeting of
Somerset Waste Board
Friday 2 November 2018
10.00 am Sedgemoor Room,
Sedgemoor District Council,
Bridgwater TA6 3AR**



To: The Members of the Somerset Waste Board

Councillor Derek Yeomans, South Somerset (Chair)
Councillor Nigel Woolcombe-Adams, Mendip (Vice-Chair)
Councillor Nigel Taylor, Mendip
Councillor Patrick Berry, Taunton Deane
Councillor Hazel Prior-Sankey, Taunton Deane
Councillor Martin Dewdney, West Somerset
Councillor Brenda Maitland-Walker, West Somerset
Councillor Jo Roundell Greene, South Somerset
Councillor Gill Slocombe, Sedgemoor
Councillor Dawn Hill, Sedgemoor
Councillor David Hall, County Council
Councillor Mike Pullin, County Council

Issued By Scott Wooldridge, Strategic Manager - Governance and Risk - 25 October 2018

For further information about the meeting, please contact Julia Jones or Scott Wooldridge or 01823 359027 or jjones@somerset.gov.uk / 01823 357628 or swouldridge@somerset.gov.uk

Guidance about procedures at the meeting follows the printed agenda.

This meeting will be open to the public and press, subject to the passing of any resolution under Regulation 4 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

This agenda and the attached reports and background papers are available on request prior to the meeting in large print, Braille, audio tape & disc and can be translated into different languages. They can also be accessed via the council's website on

www.somerset.gov.uk/agendasandpapers



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AGENDA

Item Somerset Waste Board - 10.00 am Friday 2 November 2018

**** Public Guidance notes contained in agenda annexe ****

1 **Apologies for Absence**

2 **Declarations of Interest**

3 **Public Question Time**

The Chairman will allow members of the public to present a petition on any matter within the Board's remit. Questions or statements about any matter on the agenda for this meeting may be taken at the time when each matter is considered (see guidance notes).

4 **Viridor Core Services Review** (Pages 7 - 24)

To consider the report

5 **Draft Somerset Waste Partnership Business Plan 2019-24** (Pages 25 - 50)

To consider the report

6 **Recycle More & Collection Contract Procurement: Update** (Pages 51 - 58)

To consider the report

Possible exclusion of the press and public

PLEASE NOTE: Although the main report for this item not confidential, supporting appendices available to Board Members contain exempt information and are therefore marked confidential – not for publication. At any point if Board Members wish to discuss information within this appendix then the Board will be asked to agree the following resolution to exclude the press and public:

Exclusion of the Press and Public

To consider passing a resolution under Regulation 4 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 to exclude the press and public from the meeting on the basis that if they were present during the business to be transacted there would be a likelihood of disclosure of exempt information, within the meaning of Schedule 12A to the Local Government Act 1972:

Reason: Information relating to the financial or business affairs of any particular person (including the authority holding that information).

7 **Somerset Waste Board Forward Plan** (Pages 59 - 62)

To review the latest version and items of business for future meetings.

Item Somerset Waste Board - 10.00 am Friday 2 November 2018

8 Information Sheets Issued Since the Last Meeting

This is an opportunity for Members to raise matters contained in the following information sheets issued since the last meeting. A compendium of information sheets will be available for members to inspect at the meeting.

9 Any other urgent items of business

The Chairman may raise any items of urgent business.

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1 Inspection of Papers

Any person wishing to inspect Minutes, reports, or the background papers for any item on the agenda should contact Julia Jones on tel. (01823) 359027 or 359500 or email jjones@somerset.gov.uk

2 Notes of the Meeting

Details of the issues discussed and decisions taken at the meeting will be set out in the Minutes, which the Board will be asked to approve as a correct record at its next meeting. In the meantime, details of the decisions taken can be obtained from Julia Jones or Scott Wooldridge in the Democratic Services Team on tel. (01823) 359027 or 359500 or email jjones@somerset.gov.uk

3 Public Question Time

At the Chairman's invitation you may ask questions and/or make statements or comments about **any matter on the Board's agenda**. You may also present a petition on any matter within the Board's remit. **The length of public question time will be no more than 30 minutes in total.**

A slot for Public Question Time is set aside near the beginning of the meeting, after the minutes of the previous meeting have been signed. However, questions or statements about any matter on the agenda for this meeting may be taken at the time when each matter is considered.

If you wish to speak or submit a petition, **then you will need to submit your statement or question in writing to Julia Jones by 12noon on the Tuesday prior to the meeting.** You can send an email to jjones@somerset.gov.uk or send post for attention of Julia Jones, Democratic Services, County Hall, Taunton, TA1 4DY.

You must direct your questions and comments through the Chairman. You may not take direct part in the debate.

The Chairman will decide when public participation is to finish.

If there are many people present at the meeting for one particular item, the Chairman may adjourn the meeting to allow views to be expressed more freely.

If an item on the agenda is contentious, with a large number of people attending the meeting, a representative should be nominated to present the views of a group.

An issue will not be deferred just because you cannot be present for the meeting.

Remember that the amount of time you speak will be restricted normally to three minutes only.

4 Hearing Aid Loop System

To assist hearing aid users, the Luttrell, Hobhouse and Wyndham Rooms have infra-red audio transmission systems. These work in conjunction with a hearing aid in the T position, but we also need to provide you with a small personal receiver. Please

request one from the Committee Administrator and return at the end of the meeting.

5 Emergency Evacuation Procedure

In the event of the fire alarm sounding, members of the public are requested to leave the building via the signposted emergency exit, and proceed to the collection area outside Shire Hall. Officers and Members will be on hand to assist.

6 Somerset Waste Board Forward Plan

The latest published version of the Forward Plan is available for public inspection at County Hall or on the County Council web site at:

<http://democracy.somerset.gov.uk/mgListPlans.aspx?RPId=196&RD=0>

Alternatively, copies can be obtained by telephoning (01823) 359027 or 357628.

7 Excluding the Press and Public for part of the meeting

There may occasionally be items on the agenda that cannot be debated in public for legal reasons (such as those involving confidential and exempt information) and these will be highlighted in the Forward Plan. In those circumstances, the public and press will be asked to leave the room while the Cabinet goes into Private Session.

8 Recording of meetings

The Council supports the principles of openness and transparency, it allows filming, recording and taking photographs at its meetings that are open to the public providing it is done in a non-disruptive manner. Members of the public may use Facebook and Twitter or other forms of social media to report on proceedings and a designated area will be provided for anyone who wishing to film part or all of the proceedings. No filming or recording will take place when the press and public are excluded for that part of the meeting. As a matter of courtesy to the public, anyone wishing to film or record proceedings is asked to provide reasonable notice to the Committee Administrator so that the relevant Chairman can inform those present at the start of the meeting.

We would ask that, as far as possible, members of the public aren't filmed unless they are playing an active role such as speaking within a meeting and there may be occasions when speaking members of the public request not to be filmed.

The Council will be undertaking audio recording of some of its meetings as part of its investigation into a business case for the recording and potential webcasting of meetings in the future.

A copy of the Council's Recording of Meetings Protocol should be on display at the meeting for inspection, alternatively contact the Committee Administrator for the meeting in advance.

Somerset Waste Board meeting
2nd November 2018
Report for decision

Core Services Contract Extension – Viridor Ltd
 Lead Officer: Mickey Green, Managing Director
 Author: David Oaten, Contracts Manager, Treatment & Infrastructure
 Contact Details: 01823 625721

Forward Plan Reference:	SWB/18/09/02
Summary:	<p>To consider the contractual, financial, operational and social worth of extending the Core Services Contract held with Viridor Ltd, for up to an additional 9 years (to 31st March 2031 from its current end date in March 2022). A negotiating strategy was agreed with Somerset County Council which aimed for a significant level of savings whilst keeping all sites open. Based on the negotiations with Viridor, the proposed extension offers a savings profile which delivers significant savings now (as opposed to only realising savings from 2022 onwards should we procure). Pennon (Viridor’s parent company) are expected to have endorsed this offer prior to the November Somerset Waste Board.</p> <p>The savings profile is;</p> <ul style="list-style-type: none"> • £300k in 2018/19 • £500k in 2019/20 • £700k in 2020/21 • £900k in 2021/22 • £1.3m per annum from 2022/23 to 2030/31 • Total savings package of £14.1m <p>Most of this savings package will be delivered through non-customer facing contractual changes. The only proposed change that is customer facing relates to the rescheduling of the opening hours at the recycling sites. We will continue to provide all 16 recycling sites, offering longer weekend opening hours across the network and opening hours better aligned to public use (longer Summer hours) whilst providing value for money through the extended contract term.</p>
Recommendations:	<p>That the Somerset Waste Board approves</p> <ol style="list-style-type: none"> 1. the Core Services Contract extension with Viridor Ltd and takes advantage of the savings profile offered to March 2031, thereby negating the need to tender the service from 2022 2. the modification of the recycling site opening hours

	<p>in line with Appendix 1, with effect from 1st April 2019</p> <ol style="list-style-type: none"> 3. the use of the savings identified from the modification of the closed landfill management criteria to safeguard the continuance of the Community Sector Integration Plan for the extended contract term 4. the monitoring of future use of the Crewkerne & Dulverton Community Recycling Sites during the period April to September 2019 with a view of potentially removing the entrance fee charges from October 2019 to offset the significantly reduced operational hours at these sites 5. delegated authority to the Managing Director, in consultation with the Chairman & the Lead Director for Economic and Community Infrastructure & Director of Commissioning, Somerset County Council, to conclude final negotiations with Viridor to ensure the impact of future changes to the contract are mitigated and to ensure further savings opportunities are maximised during the extended contract term and to agree the final contract Deed of Variation with Viridor
<p>Reasons for recommendations:</p>	<p>It is believed that all the initial project objectives have been either met or exceeded;</p> <ul style="list-style-type: none"> • best value (compared to Somerset’s peer authority group in terms of service provision and where possible comparable costs), - although cost comparable data is not readily available it is believed the Viridor offer achieves this objective • capable of delivering Somerset County Council’s savings requirements (both now and any reasonably foreseeable potential future requirements), • in line with SWP’s vision, the implementation of Recycle More and doesn’t shunt costs to other SWP partners, • expected to meet the forecast recycling site need of Somerset’s residents and better aligning the network hours to the way the public wish to use the sites, • not likely to suffer a successful legal challenge, • delivering an appropriate level of social value.
<p>Links to Priorities and Impact on Annual Business Plan:</p>	<p>Business Plan 2018-2023 – 5.3 Maintaining Services & Operational Effectiveness</p>
<p>Financial, Legal and HR Implications:</p>	<p>Financial; The contract extension delivers a savings profile that is acceptable to Somerset County Council</p> <ul style="list-style-type: none"> • £300k in 2018/19 • £500k in 2019/20 • £700k in 2020/21

	<ul style="list-style-type: none"> • £900k in 2021/22 • £1.3m per annum from 2022/23 to 2030/31 <p>In totality this has a financial benefit of £14.1m from 2018/19 to 2030/31.</p> <p>Legal; SCC legal and procurement colleagues reviewed the original discussion document and were content that the current contract drafting allows for the proposed extension, mitigating the prospect of a challenge from prospective market bidders.</p> <p>As the Waste Disposal Authority for Somerset, SWP must ensure that its policy on availability of Recycling Sites complies with its duty in section 51 of the Environmental Protection Act 1990 (EPA). Under that section it is the Waste Disposal Authority’s duty to provide sites for Somerset residents to deposit their household waste which are reasonably accessible, open at reasonable times, and available free of charge (Community Recycling Sites are provided outside of the section 51 requirement and are therefore currently able to charge an entry fee). It is believed that as the proposals within this report reflect changing operational hours to better reflect public use rather than site closure, that the EPA requirement continues to be met.</p> <p>HR; No personnel implications for SWP or the partner authorities. Viridor believe that the revised recycling site opening schedule can accommodate all current permanent site staff. There are no TUPE implications unless the offer is rejected, and the recommendation is to proceed to the market</p>
<p>Equalities Implications:</p>	<p>An Equalities Impact Assessment is attached at Appendix 2 – referring specifically to the proposed changes to the recycling site opening hours as this represents the only customer facing impact of the proposed contract extension</p>
<p>Risk Assessment:</p>	<ul style="list-style-type: none"> • The Viridor offer may not represent best value compared to what the market could offer, although all indicators suggest that the market would seek to place a proportion of (up to 100%) commodity value risk on Somerset County Council • Innovation opportunities may be lost through not tendering the service, although Somerset has a long-standing reputation for being innovative in the waste services it provides • Legislation change may occur that places an additional financial burden (valued at up to £347kpa) on Somerset County Council through the removal of ‘non-household’ waste commodity charging (noting that this would likely be the case with any contractor)

	<ul style="list-style-type: none"> • A legal challenge to the contract extension is brought by a prospective market bidder, mitigated by legal and procurement advice • The Pennon Board may not have approved the terms of the contract extension ahead of the 2 November Board meeting. Whilst SWP understand that this risk is low, at the time of writing formal approval had not been received.
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1. Background

- 1.1. The Core Services contract held with Viridor Ltd is currently due to expire on 31st March 2022, although it contains an option to extend, by written notice beyond the initial term, for a period of up to nine (9) years (to 31st March 2031).
- 1.2. The Core Services contract covers Somerset’s recycling sites, composting, haulage, hazardous waste and closed landfill management. Residual waste and food waste treatment were not impacted by this contract review as Walpole Anaerobic Digestion Plant is contracted to 31st March 2031 & Avonmouth Resource Recovery Centre/Dimmer & Walpole Transfer Stations are contracted to 31st March 2045.

The table below shows that the in-scope budget for potential saving totalled £7,648,000 (excluding composting, haulage and hazardous waste);

Service Area	Budget 2017/18	Core Services		Rationale
		Budget	Savings Potential	
AD Food Treatment	£1,453,000	x	x	Already contracted to 2031 – no additional savings
Core Services	£9,776,000	✓	✓	Recycling site in scope budget £7,648,000
Residual Waste	£14,009,000	x	x	Already contracted under NWTF2 – no additional savings
Total Waste Budget				£25,238,000
Total Core Services Budget				£9,776,000
Total with savings potential				£7,648,000

- 1.3. In recent years a number of initiatives have been implemented as part of the Core Services contract to either enhance the level of service provided or to make financial savings for Somerset County Council, these include;
- Introduction of a contractual prepayment regime – payments made quarterly in advance
 - Community Recycling Site entrance fee charging
 - Commodity charging, inclusive of asbestos & plasterboard
 - Van & Trailer permits – the first scheduled review of the permits scheme is included within the SWP Business Plan and will be presented separately

to the Board during 2019

- Provision of 10 sites accepting commercial waste
- Amendment to site operational hours
- Recycling scheme for street sweeping residues
- Introduction of the Walpole Anaerobic Digestion Plant
- Alternatives to landfill

1.4. The main areas of the Core Services Contract that were considered as part of the negotiations with Viridor were;

- Recycling Site Opening Schedule
- Contract Management Fee Calculation
- Contract Minimisation Fee Calculation
- Relaxation of Contract Standards
- The Cost of Future Legislative Change

Other factors considered prior to the contract extension negotiation were;

- Benchmarking: comparison to Somerset's peer authority group to understand what might be achievable in the market/best value
- Forecast of future recycling site need and demand which included projected housing growth to 2035, a review of site by site capacities, visitor numbers and patterns of use, tonnages and costs
- Review of innovation within the industry across the UK and overseas
- Utilisation of the change mechanisms within the core services contract (e.g. to ensure the recycling site network meets future need and legislation)

1.5. At the conclusion of negotiations;

- Viridor agree to amend the recycling site opening schedule to that detailed in Appendix 1, with effect from 1st April 2019
- Viridor agree to reset the waste minimisation fee calculation to a tonnage based on 2017/18
- In line with standard industry contractual drafting and as expected, Viridor will not accept the cost of any future legislative change
- The contract performance framework will be subject to temporary minor amendment that, whilst ensuring contractual standards are maintained, will provide a degree of protection against contractor default termination, this in lieu of pre-extension period savings
- Viridor (due to be endorsed by the Pennon Board prior to the November Somerset Waste Board) offered a savings profile that is acceptable to Somerset County Council

1.6. Other areas of contract tidying that arose during negotiations;

An opportunity to reduce the management requirement on the former closed landfill sites that are still the responsibility of Somerset County Council

- Viridor have agreed to take responsibility for the grounds maintenance requirements for Chard & Highbridge recycling sites
- Viridor have delivered the acceptance of plastic pots, tubes and trays (PTT) at the recycling sites early and at limited (additional collections) extra cost

- Viridor have agreed to discuss further opportunities to expand the reuse options across the network of sites and inclusive of utilising the third sector
- The proposed redevelopment of Frome Recycling Site remains on hold but SWP are continuing to explore future options for this area
- A desire to maintain the Community Sector Integration Plan, which is the contractual mechanism for the contractor to provide a fund to support local waste publicity campaigns and to support educational waste programmes to local communities and within schools. It is considered vital to continue to enable public engagement such as the schools programme throughout the proposed extended contract term
- It is intended to use the savings identified from the closed landfill management rationalisation to fund the Community Sector Integration Plan and thereby safeguard further development of the school's programme and other suitable schemes. Compared to our peers, our behaviour change budget is very low, meaning the continuance of the Community Sector Integration Plan is vital

1.7. As Members will note from the proposed revised recycling site opening schedule detailed in Appendix 1, we have attempted to better align the availability of the sites to current and future usage patterns, allowing longer operational hours in the summer, adding back Sunday afternoons at all sites all year round, moving the opening and closing times to better utilise those hours we have, to increase opening at those sites where we struggle to cope with demand and to reduce the opening at sites where we aren't currently getting value for money from the existing opening schedules.

For example, the average cost of waste entering a recycling site is (based on 2017/18 contractual costs) £129.96 per tonne, whereas the cost per tonne at the less well used sites such as Crewkerne is £252.38 and at Dulverton even higher at £418.21, for the larger more heavily used sites the cost per tonne is below average (e.g. Bridgwater at £95.81 & Yeovil at £107.28). This above and below average cost relationship is also borne out when the focus switches to the cost per visit – average £5.57, Crewkerne £17.55, Dulverton £28.86, Bridgwater £4.15 & Yeovil £4.77.

Our current weekly opening hours, across the network of recycling sites, is broadly in line with our peer authority group (720 hours compared to the peer group average of 710 hours) the proposed amendment to opening hours to 657.5 hours per week represents only a 9% reduction in service provision. The weekly hours within our peer group range from 324 hours to 1,088 hours, meaning our revised proposal maintains its median position.

With regards to the proposed opening and closing times, we have few visitors during the first hour of the day (8 to 9am), representing just 7.5% of the total overall site visitors and even fewer after 5pm (0.85% of visitors in the Winter and 1.23% in the Summer). For this reason, the proposal seeks to move the opening time at all sites to 9am every day and the closing time during the week to 5pm in the Winter and 6pm in the Summer.

Analysis of visitor trends over recent years show that there are c49,600 (45%) more visitors per month on average in Summer months (April – September) compared to Winter months. For this reason, we, like many other authorities, will have longer opening hours in Summer compared to Winter. Visitor trends

show that a third of all visitors currently visit our sites at the weekend, and informal feedback from the Board, from the public and from site staff has also shown the importance of longer opening hours at the weekend. The proposed changes mean that every site will be open all weekend (9am-4pm) all year round, reflecting this demand. Adding Sunday afternoon opening at every site to the weekend opening pattern in addition to continued promotion of quieter times (for example with queue cams online) – should help to better manage peaks in demand.

Whilst all of the proposed recycling site opening amendments are justified based on cost, current & predicted future demand and are believed to still make adequate site provision under section 51 of the Environmental Protection Act 1990, the two existing Community Recycling Sites (Crewkerne & Dulverton) will see a significant reduction in availability, with Dulverton reducing to a weekend only facility and Crewkerne to a 3-day opening pattern. This is considered the best way to ensure their continued viability following the enforced removal of the entrance fee charging due to come in to effect from April 2020.

It is proposed that we monitor usage at these two sites for the period April to September 2019, to ensure the revised opening schedule remains fit for purpose, and should that be the case, the entrance fee charges be removed from October 2019 in lieu of the substantial reduced availability for the local communities. Should the current usage trends (kg per visit) at the two sites continue, we could accommodate 35 visitors per hour at Crewkerne and 16 visitors per hour at Dulverton.

This early cessation of entrance fee charging would place an additional cost burden on the County Council (circa £22k net of VAT) of running the two facilities during 2019/20, with a further reduced income (circa £34k net of VAT) falling in 2020/21. Without early removal of the entrance fees the full 'lost income' impact (circa £56k net of VAT) would fall in 2020/21.

- 1.8. As part of the contract negotiation, Viridor were asked to consider a revised methodology for applying future contractual savings. The current contract drafting allows Viridor to take 50% of any savings made through contractual amendment. It is worth remembering that Viridor have always forgone their savings share in the past but that is not guaranteed in the future.

Viridor are content with a new approach where Somerset County Council take 100% of savings to the value of £500k, and then share any additional savings on a 50:50 basis. This on the basis that savings will be derived from Viridor's avoided costs resulting from Council proposed changes of service.

2. Options Considered and reasons for rejecting them

- 2.1. **Undertaking a procurement of an alternative service provider:** This option has been rejected because the proposal from Viridor meets our objectives (and they are a valued strategic partner), and because any financial savings would be delayed until 2022 under this scenario and there would be a one-off cost of c£200k to undertake the procurement. As such it would not meet SCC's savings requirements. The likely impact of going to the market would be that potential bidders would seek to place recycle commodity value risk on to Somerset County Council. There would also be no guarantee that the savings

level offered by Viridor through the contract extension negotiation would be reached through a procurement exercise

- 2.2. Closure of a number of recycling sites:** This option has been rejected because the proposal from Viridor meets our objectives and closing sites would not deliver immediate savings, may result in Viridor seeking 50% of the savings, may require investment in larger 'super sites' which less well meet local demand, would negatively impact the roll out of Recycle More, wouldn't meet public demand in terms of providing locally convenient disposal points and would increase congestion and user complaint across the remaining network.
- 2.3.** Alternative options for when to implement opening hours changes have been rejected. Delaying changes beyond April 2019 was rejected because this would delay the realisation of savings. Making Summer & Winter opening hours changes aligned to British Summer Time & Greenwich Mean Time was rejected following discussion with Viridor and consideration of how this may complicate the message to the public. It is considered that having set changeover dates (1st April & 1st October) will be easier to communicate to site users and therefore less likely to impact abortive site visits and potential fly tipping incidents
- 2.4.** Other savings profile options offered by Viridor were rejected because they did not meet SCC's savings requirements.

3. Consultations undertaken

- 3.1.** In order to try and understand why our residents choose to use the recycling sites rather than the other waste services we provide, a small sample public survey has been undertaken at six of our sites. The results suggest that two thirds of visitors use the sites to dispose of their bulky household items (63%) and garden waste (26%) and because they are local and convenient (70%). We also know that less than 5% of site visitors use more than one of our facilities, suggesting that most people use their local site exclusively.
- 3.2.** In order to assess the current performance against our peer authorities we have considered site catchment areas, site usage patterns, site capacity compared to hours of operation, likely future population & housing growth, age demographic of potential site users and the drivers behind why our residents choose to visit and make use of our sites. We compared Somerset to Devon, Dorset, Gloucestershire, Norfolk, North Yorkshire, Suffolk and Worcestershire (the most similar areas to Somerset).
- 3.3.** Public consultation is not deemed necessary on the proposals contained within this report as all sites are to remain open. However, a comprehensive communications plan has been developed to ensure that site users are fully aware, in advance, of the proposed changes in operational hours, particular focus to be given to those communities to be most impacted by the proposals. This has been confirmed with SCC's Consultation Manager. A comprehensive communications plan is necessary to inform the public and explain the changes. Many of the changes to sites (more hours in Summer, weekend opening, removal of charges, simpler opening hours pattern, alignment of opening hours to local need) are positive changes.

- 3.4. Viridor have informed their recycling site staff that a change to the network opening hours are likely to commence from April 2019 and will undertake formal consultations should the extension offer be accepted. It is expected that this consultation exercise will have been concluded by the end of 2018
- 3.5. The partner authorities Senior Management Group, the Somerset Waste Board and SCC Members representing those areas most impacted by the revised Recycling Site opening hours schedule have been briefed on the proposed changes.

4. Implications

- 4.1. The recycling site network would, with effect from 1st April 2019, open on a revised pattern as outlined in Appendix 1. Site staff and site users would receive targeted advance warning of the revised opening pattern. All 16 sites (including the two Community Recycling Sites) would remain operational. A comprehensive communications plan will be developed, agreed and shared in advance with partner authorities.
- 4.2. The County Council would secure savings to the sum of £14.1m, including £300k in the current financial year.
- 4.3. Cost shunting, in the form of additional fly tipping, to Partner Authorities would be minimised through targeted advertising of the revised site opening patterns and the continued existence of the compensatory arrangements for additional fly tipping incidents, caused by changes at the sites.
- 4.4. Currently there are fourteen recycling sites in Somerset provided under the County Council’s statutory duty (as Waste Disposal Authority) to “*arrange for ‘places’ to be provided at which persons in their areas may deposit their household waste*”. The number of ‘places’ required is not defined in legislation, case law or guidance. There are a further two non-statutory community recycling sites at Crewkerne and Dulverton, where an entrance fee is currently levied. Introducing charging at other sites is ruled out by a Government order introduced in 2015 and all entrance, exit or use charging at sites must cease by 1st April 2020. Charges are currently made for certain types of non-household and industrial waste (asbestos, plasterboard, gas bottles, tyres, soil and hardcore). Central Government have indicated their desire to prevent charging for what they refer to as ‘DIY waste’ but there is as yet no confirmation if and when this will happen, though clarity is expected later this year. The financial impacts of both legislative changes are shown below.

Possible Additional Costs – Legislation Changes	Likely Budgetary Impact
CRS Entry Fees	+ £56,000
Commodity Charging (rubble, tyres etc)	+ £60,000 to + £280,000
Asbestos & Plasterboard	+ £67,000
Total Potential Cost	+ £183,000 to + £403,000

- 4.5. Restrictions on certain types of vehicles & trailers and permits for other commercial vehicles were introduced in 2016 to reduce trade waste and cross-border abuse of Somerset's facilities. The permit scheme is scheduled for review during 2019 and will be reported separately to the Board in the Spring/Summer, ahead of the second permit phase, currently due for release from October 2019.

5. Background papers

- 5.1. SWB 2018-2023 Business Plan Report

Recycling Centre Demand Led Opening Hours - Appendix 1

Current Opening Hours	Chard RC	Cheddar RC	Crewkerne CRS	Dimmer RC	Dulcote RC	Dulverton CRS	Frome RC	Highbridge RC	Minehead RC	Poole RC	Priorswood RC	Saltlands RC	Somerton RC	Street RC	Williton RC	Yeovil RC	Total / Average	
All Year	Monday	8am to 7pm	8am to 7pm	8am to 7pm	8am to 7pm	8am to 7pm	8am to 7pm	8am to 7pm	8am to 4pm	8am to 7pm	8am to 4pm	8am to 4pm	8am to 7pm	8am to 7pm	8am to 7pm	8am to 4pm		
	Tuesday	Closed	8am to 4pm	8am to 4pm	8am to 4pm	Closed	8am to 4pm	Closed	8am to 4pm	8am to 4pm	8am to 4pm	8am to 4pm	Closed	8am to 4pm	8am to 4pm	8am to 4pm		
	Wednesday	Closed	8am to 4pm	8am to 4pm	8am to 4pm	Closed	8am to 4pm	Closed	8am to 4pm	8am to 4pm	8am to 4pm	8am to 4pm	Closed	8am to 4pm	8am to 4pm	8am to 4pm		
	Thursday	8am to 4pm	Closed	Closed	Closed	8am to 4pm	Closed	8am to 4pm	8am to 4pm	8am to 4pm	Closed	8am to 4pm	8am to 4pm	Closed	Closed	8am to 4pm		
	Friday	8am to 4pm	Closed	Closed	Closed	8am to 4pm	Closed	8am to 4pm	8am to 4pm	8am to 4pm	Closed	8am to 4pm	8am to 4pm	Closed	Closed	8am to 4pm		
	Saturday	8am to 4pm	8am to 4pm	8am to 4pm	8am to 4pm	8am to 4pm	8am to 4pm	8am to 4pm	8am to 4pm	8am to 4pm	8am to 4pm	8am to 4pm	8am to 4pm	8am to 4pm	8am to 4pm	8am to 4pm	8am to 4pm	
	Sunday	8am to 1pm	8am to 1pm	8am to 1pm	8am to 1pm	8am to 1pm	8am to 1pm	8am to 4pm	8am to 1pm	8am to 4pm	8am to 1pm	8am to 4pm	8am to 4pm	8am to 1pm	8am to 1pm	8am to 1pm	8am to 4pm	
	Total Hours	40	40	40	40	40	40	56	40	56	40	56	56	40	40	40	56	720
Key Site Statistics Based on Current Opening Pattern	Visitors	137,846	51,731	26,268	40,623	88,885	7,956	103,821	140,045	104,537	97,538	254,085	185,433	57,385	86,385	63,420	169,215	1,615,173
	Tonnage	4,976	2,429	1,827	2,339	4,073	549	5,797	5,545	3,248	4,321	10,147	8,037	2,931	3,498	1,979	7,523	69,219
	Weight Per Visit (kg)	36	47	70	58	46	69	56	40	31	44	40	43	51	40	31	44	43
	Cost Per Visit	£4.79	£7.35	£17.55	£11.11	£5.08	£28.86	£7.13	£5.91	£3.49	£5.60	£4.94	£4.15	£5.84	£4.98	£4.52	£4.77	£5.57
	Cost Per Tonne	£132.57	£156.45	£252.38	£193.00	£110.86	£418.21	£127.62	£149.33	£112.35	£126.32	£123.65	£95.81	£114.34	£123.02	£144.70	£107.28	£129.96
Potential Opening Hours to Match Usage (Including Housing Growth Projections)	About Average Cost Per Tonne	Above Average Cost Per Tonne	Well Above Average Cost Per Tonne	Above Average Cost Per Tonne	Well Below Average Cost Per Tonne	Well Above Average Cost Per Tonne	About Average Cost Per Tonne	Above Average Cost Per Tonne	Well Below Average Cost Per Tonne	About Average Cost Per Tonne	Below Average Cost Per Tonne	Well Below Average Cost Per Tonne	Well Below Average Cost Per Tonne	Below Average Cost Per Tonne	Above Average Cost Per Tonne	Well Below Average Cost Per Tonne		
	Visitors Currently 19% Over Capacity	Visitors Currently 12% Over Capacity	Visitors Currently 48% Under Capacity	Visitors Currently 36% Under Capacity	Visitors Currently 29% Over Capacity	Visitors Currently 71% Under Capacity	Visitors Currently 5% Over Capacity	Visitors Currently 31% Under Capacity	Visitors Currently 37% Under Capacity	Visitors Currently 24% Under Capacity	Visitors Currently 4% Under Capacity	Visitors Currently 20% Under Capacity	Visitors Currently 7% Under Capacity	Visitors Currently 3% Over Capacity	Visitors Currently 32% Under Capacity	Visitors Currently 14% Under Capacity		
Winter	Monday	9am to 5pm	9am to 5pm	9am to 5pm	9am to 5pm	9am to 5pm	Closed	9am to 5pm	Closed	9am to 5pm	Closed	9am to 5pm	9am to 5pm	Closed	9am to 5pm	9am to 5pm	9am to 5pm	
	Tuesday	9am to 5pm	9am to 5pm	Closed	9am to 5pm	Closed	Closed	9am to 5pm	Closed	Closed	Closed	9am to 5pm	9am to 5pm	Closed	9am to 5pm	9am to 5pm	9am to 5pm	
	Wednesday	Closed	9am to 5pm	Closed	Closed	9am to 5pm	Closed	9am to 5pm	9am to 5pm	9am to 5pm	9am to 5pm	9am to 5pm	Closed	9am to 5pm	Closed	9am to 5pm	9am to 5pm	
	Thursday	9am to 5pm	Closed	Closed	Closed	9am to 5pm	Closed	9am to 5pm	9am to 5pm	9am to 5pm	9am to 5pm	9am to 5pm	9am to 5pm	Closed	Closed	9am to 5pm		
	Friday	9am to 5pm	Closed	Closed	Closed	9am to 5pm	Closed	9am to 5pm	9am to 5pm	9am to 5pm	9am to 5pm	9am to 5pm	9am to 5pm	Closed	Closed	9am to 5pm		
	Saturday	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	
	Sunday	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	
	Total Hours	46	38	22	30	46	14	54	38	46	38	54	46	38	38	30	54	632
Summer	Monday	9am to 6pm	9am to 6pm	9am to 6pm	9am to 6pm	9am to 6pm	Closed	9am to 6pm	Closed	9am to 6pm	Closed	9am to 6pm	9am to 6pm	Closed	9am to 6pm	9am to 6pm	9am to 6pm	
	Tuesday	9am to 6pm	9am to 6pm	Closed	9am to 6pm	Closed	Closed	9am to 6pm	Closed	Closed	Closed	9am to 6pm	9am to 6pm	Closed	9am to 6pm	9am to 6pm	9am to 6pm	
	Wednesday	Closed	9am to 6pm	Closed	Closed	9am to 6pm	Closed	9am to 6pm	9am to 6pm	9am to 6pm	9am to 6pm	9am to 6pm	Closed	9am to 6pm	Closed	9am to 6pm	9am to 6pm	
	Thursday	9am to 6pm	Closed	Closed	Closed	9am to 6pm	Closed	9am to 6pm	9am to 6pm	9am to 6pm	9am to 6pm	9am to 6pm	9am to 6pm	Closed	Closed	9am to 6pm		
	Friday	9am to 6pm	Closed	Closed	Closed	9am to 6pm	Closed	9am to 6pm	9am to 6pm	9am to 6pm	9am to 6pm	9am to 6pm	9am to 6pm	Closed	Closed	9am to 6pm		
	Saturday	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	
	Sunday	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	9am to 4pm	
Total Hours	50	41	23	32	50	14	59	41	50	41	59	50	41	41	32	59	683	
Weekly Average	Total Hours	48	39.5	22.5	31	48	14	56.5	39.5	48	39.5	56.5	48	39.5	39.5	31	56.5	657.5
s & Implications	Extra Day Opening	Still 5 Day Opening	2 Extra Day Closures	Extra Day Closure	Extra Day Opening	3 Extra Day Closures	Still 7 Day Opening	Still 5 Day Opening	1 Day Closure	Still 5 Day Opening	Still 7 Day Opening	1 Day Closure	Still 5 Day Opening	Still 5 Day Opening	Extra Day Closure	Still 7 Day Opening		
	Meets Extra Demand	Better Summer Availability	Keeps the Site Open & Viable post CRS	Still Meets Visitor Demand	Meets Extra Demand	Keeps the Site Open & Viable post CRS	Better Summer Availability	Better Summer Availability	Still Meets Visitor Demand	Better Summer Availability	Better Summer Availability	Still Meets Visitor Demand	Better Summer Availability	Better Summer Availability	Still Meets Visitor Demand	Better Summer Availability		

s & Implications

Proposed opening hours based on 2017/18 site capacity & usage plus ONS housing growth to 2035 - site surveys suggest public use is due to convenience/locality, with the majority (95%) only using the one site
 Limited use of sites between 8am to 9am and after 5pm in the Winter & 6pm in the Summer so opening times moved for all sites (every day) from 8am to 9am and closing times to 5pm in the Winter & 6pm in the Summer
 All sites move to having the same weekend opening times - 9am to 4pm (including adding back Sunday afternoons to 11 of the sites) - maintains work/life balance for site staff and reflects customer demand
 Reduces the current network opening hours by circa 9%

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Somerset Equality Impact Assessment

Before completing this EIA please ensure you have read the EIA guidance notes – available from your Equality Officer

Version	SWP001	Date	10th August 2018
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Description of what is being impact assessed

To consider the financial worth of extending the Core Services Contract held with Viridor Ltd, for up to an additional 9 years (to 31st March 2031 from its current end date in March 2022).

Currently there are fourteen recycling sites in Somerset provided under the County Council's statutory duty (as Waste Disposal Authority) to "arrange for 'places' to be provided at which persons in their areas may deposit their household waste". The number of 'places' required is not defined in legislation (section 51 of the Environmental Protection Act 1990), case law or guidance. There are a further two non-statutory community recycling sites at Crewkerne and Dulverton, where an entrance fee is currently levied. Introducing charging at other sites is ruled out by a Government order introduced in 2015 and all entrance, exit or use charging at sites must cease by 1st April 2020.

The proposed changes to the opening hours at the Recycling Sites minimise the impact on Somerset residents from the financial savings package, whilst continuing to provide value for money through any extended term. The majority of savings realised are non-customer facing. The revised Recycling Site opening schedule attempts to better align the availability of the sites to current and future usage patterns, allowing longer operational hours in the summer, adding back Sunday afternoons at all sites all year round, moving the opening and closing times to better utilise those hours we have, to increase opening at those sites where we struggle to cope with demand and to reduce the opening at sites where we aren't currently getting value for money from the existing opening schedules.

Whilst all of the proposed opening amendments are justified in relation to present and forecast future usage patterns and it is believed will still comply with the legislation for providing such sites, the two existing Community Recycling Sites (Crewkerne & Dulverton) will see a significant reduction in availability, Dulverton reducing to a weekend only facility and Crewkerne reducing to a 3 day site. This is considered the best way to ensure their continued viability following the enforced removal of the entrance fee charging due to come in to effect from April 2020. This will reduce the public subsidy provided to these sites and thereby

question their continued viability without significantly reducing their opening pattern.

It is proposed that we monitor usage at these two sites for the period April to September 2019, to ensure the revised opening schedule remains fit for purpose, and should that be the case, the entrance fee charges could be removed from October 2019 in lieu of the substantial reduced availability for the local communities.

Evidence

What data/information have you used to assess how this policy/service might impact on protected groups? Sources such as the [Office of National Statistics](#), [Somerset Intelligence Partnership](#), [Somerset's Joint Strategic Needs Analysis \(JSNA\)](#), Staff and/ or [area profiles](#), should be detailed here

These charges would apply to the residential population of Somerset. Those communities in and around Crewkerne & Dulverton will be most impacted by the revised Recycling Site opening schedule, however these impacts would be less than those experienced through site closures

In order to assess the current performance against our peer authorities we have considered site catchment areas, site usage patterns, site capacity compared to hours of operation, likely future population & housing growth, age demographic of potential site users and the drivers behind why our residents choose to visit and make use of our sites. We compared Somerset to Devon, Dorset, Gloucestershire, Norfolk, North Yorkshire, Suffolk and Worcestershire (the most similar areas to Somerset).

Our current weekly opening hours, across the network of recycling sites, is broadly in line with our peer authority group (720 hours compared to the peer group average of 710 hours) the proposed amendment to opening hours to 657.5 hours per week represents only a 9% reduction in service provision. The weekly hours within our peer group range from 324 hours to 1,088 hours, meaning our revised proposal maintains its median position.

In order to try and understand why our residents choose to use the recycling sites rather than the other waste services we provide, a small sample public survey has been undertaken at six of our sites. The results suggest that two thirds of visitors use the sites to dispose of their bulky household items (63%) and garden waste (26%) and because they are local and convenient (70%). We also know that less than 5% of site visitors use more than one of our facilities, suggesting that most people use their local site exclusively.

Public consultation is not deemed necessary on the proposals contained within this report as all sites are to remain open. However, a comprehensive communications plan has been developed to ensure that site users are fully aware, in advance, of the

proposed changes in operational hours, particular focus to be given to those communities to be most impacted by the proposals. This has been confirmed with SCC's Consultation Manager. A comprehensive communications plan is necessary to inform the public and explain the changes. Many of the changes to sites (more hours in Summer, weekend opening, removal of charges, simpler opening hours pattern, alignment of opening hours to local need) are positive changes.

Who have you consulted with to assess possible impact on protected groups? If you have not consulted other people, please explain why?

The SWP Senior Management Group, the Somerset Waste Board and Partner Authority Members have been briefed on the proposed changes. The site contractor (Viridor Ltd) have also been consulted as part of the decision making process with regards to impact to potential site users and their staff.

Analysis of impact on protected groups

The Public Sector Equality Duty requires us to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups. Consider how this policy/service will achieve these aims. In the table below, using the evidence outlined above and your own understanding, detail what considerations and potential impacts against each of the three aims of the Public Sector Equality Duty. Based on this information, make an assessment of the likely outcome, before you have implemented any mitigation.

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
Age	<ul style="list-style-type: none"> As a disproportionately high number of retired people live in the most impacted communities this change may have an impact on this group. A significant amount of publicity will be required in the period before the introduction of the opening hour changes to ensure residents understand and are aware of the change. Site staff will monitor increased complaint levels. 	□	□	☒

Disability	<ul style="list-style-type: none"> • No specific impacts have been identified. 	□	⊗	□
Gender reassignment	<ul style="list-style-type: none"> • No specific impacts have been identified. 	□	⊗	□
Marriage and civil partnership	<ul style="list-style-type: none"> • No specific impacts have been identified. 	□	⊗	□
Pregnancy and maternity	<ul style="list-style-type: none"> • No specific impacts have been identified. 	□	⊗	□
Race and ethnicity	<ul style="list-style-type: none"> • No specific impacts have been identified. 	□	⊗	□
Religion or belief	<ul style="list-style-type: none"> • No specific impacts have been identified. 	□	⊗	□
Sex	<ul style="list-style-type: none"> • No specific impacts have been identified. 	□	⊗	□

Sexual orientation	<ul style="list-style-type: none"> No specific impacts have been identified. 			□	⊗	□
Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.	<ul style="list-style-type: none"> This change may have an impact in rural areas if there is a consequent increase in fly tipping. This may have a specific impact on landowners (farmers, conservation charities etc) who would pick up the cost of clearing the waste from their land. This will be monitored through reported instances of fly tipped. Residents will be made aware of what to do with fly tipped waste and the consequences of fly tipping. 			□	⊗	□
<p>Negative outcomes action plan Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.</p>						
Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete		
Ensure the new opening pattern is well publicised in advance of the change to avoid confusion to potential site users and increased fly tipping events	01/04/2019	SWP	Fly tipping reports will be collated and reported by District Council Partners.	□		
<p>If negative impacts remain, please provide an explanation below.</p>						
<p>Further publicity and communication will be implemented if the expected short term spike in the number of fly tipping incidents (whilst residents adapt to the revised opening hours) is exacerbated in any way.</p>						

Completed by:	David Oaten
Date	10th August 2018
Signed off by:	Mickey Green
Date	10th August 2018
Equality Lead/Manager sign off date:	Mickey Green
To be reviewed by: (officer name)	David Oaten
Review date:	30th September 2019

Somerset Waste Board meeting
2 November 2018
Report for decision

Draft SWP Business Plan 2019 - 2024

Lead Officer: Mickey Green, Managing Director

Author: Mickey Green, Managing Director

Contact Details: mickey.green@somersetwaste.gov.uk (01823) 625707

Forward Plan Reference:	
Summary:	<p>The Somerset Waste Board is required to annually approve a rolling five-year business plan (covering the period 2019 to 2024). Our Business Plan explains how we will work towards our Vision over the next five years, with a particular focus on current year actions. The Business Plan contains three areas of focus, beneath which sit a range of activities. The three areas of focus are:</p> <ul style="list-style-type: none"> • Delivering excellent services • Changing behaviours • Building our capability <p>The actions set out are the most significant set of changes to Somerset's waste services since SWP's inception in 2007, covering all aspects of our services. We are also expecting the most significant set of changes to national resources and waste policy for a generation, and the environmental impact of waste has a public profile higher than ever before. The scale of policy change expected will have significant impacts upon our future business plans.</p>
Recommendations:	That the Somerset Waste Board approves the Draft Business Plan for partner authority consultation.
Reasons for recommendations:	<ul style="list-style-type: none"> • Approval is required to set a clear mandate for SWP delivery of business activities for the period. • An approved Business Plan is a constitutional requirement. • The partner consultation timetable aligns with the collection contract procurement timetable
Links to Priorities and Impact on Annual Business Plan:	As a rolling five-year business plan, the draft Business Plan for 2019-2024 represents an evolution from the current Business Plan.

Financial, Legal and HR Implications:	Many actions within the business plan will require significant specialist input, including financial, legal, HR and procurement specialist advice.
Equalities Implications:	Equalities Impact Assessments will be carried out as appropriate with the development of each Business Plan activity prior to proceeding with that activity. In most cases the decision to proceed based on the outcome of the impact assessment will be delegated to the Managing Director and Senior Management Team of SWP. 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.
Risk Assessment:	Failure to approve a Draft Business Plan for consultation with the partners will result in difficulties meeting the constitutional timescale for the process and in setting a viable budget.

1. Background

- 1.1. The Board's business planning cycle usually requires a draft report to be approved by the Board in December and circulated to partners for comment prior to the adoption of the Board's Annual Budget the following February. As agreed by the Board in September 2018 the timetable for approving this plan will change for this year, with the Draft Business plan presented for Board Approval in November 2018, scrutinised by partner authorities in November and early December and presented for final approval at the December Board meeting. Once approved or noted by all partners, the plan will be formally adopted by the Board to provide a framework within which the Board can make decisions and steer the delivery of Waste Partnership services.
- 1.2. The process of review is continuous but the Business Plan contains a snapshot of where we are now, those things that have a major impact on us, resources available, summary of the budget and priority work areas.
- 1.3. 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 general 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 usually part of the same process but, due to the revised timetable, this year the Business Plan will be approved in December 2018 and the Budget finalised in February 2019. The budget presented in this report will remain draft and for one year only.
- 1.4. 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 requirements to make savings and proposals on how this can be achieved.
- 1.5. 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. Recognising the need for partners to make difficult savings

decisions, the Board does have discretion to determine how any savings targets handed down can be delivered, provided all partners sign up through approval of this draft plan.

- 1.6. The SWP Risk Register is included as an appendix to this report, and key issues and challenges are summarised within the draft Business Plan. The expected publication of a national Resources and Waste Strategy, and subsequent consultations and potential fiscal measures, represents a significant set of potential changes. The draft Business Plan seeks to reflect this uncertainty without second guessing the nature of the changes. SWP remains closely engaged with Defra to inform and understand these potential changes.

2. Options Considered and reasons for rejecting them

- 2.1. The SWP Business Plan is a constitutional requirement and no other option is available.

3. Consultations undertaken

- 3.1. Recycle More collection arrangements have been subject to previous consideration by the Somerset Waste Board.

4. Implications

- 4.1. The SWP Business Plan is a constitutional requirement. Failure to approve the plan will result in difficulties as outlined above.

5. Background papers

- 5.1. Draft SWP Business Plan 2019 - 2024
- 5.2. SWP Draft Risk Register 2019 - 2024
- 5.3. Waste Board Constitution_
<http://democracy.somerset.gov.uk/mgCommitteeDetails.aspx?ID=196>

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SWP Business Plan 2019 – 2024

Draft

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Page 3	About Somerset Waste Partnership
Page 4	Key Challenges and Opportunities
Page 5	Approach to Business Plan
Page 6	Action Table
Page 14	Draft Budget Table 2019/20

Change History	
2/10/18	First draft
15/10/18	Second draft following SMG and SWP review

1. About Somerset Waste Partnership

1.1 Our vision and values

Who we are:	Somerset's Local Authorities working together as the Somerset Waste Partnership, ensuring that our household waste is reduced, collected, reused, recycled and effectively treated.
What we do:	<ul style="list-style-type: none"> • Preserve our environment by making every effort to ensure our household waste is not waste but reused as a valuable resource. • Deliver excellent customer service and value for money to create a more sustainable Somerset.
What we are aiming to become:	An exemplar for how we manage waste as a resource, work with others and support our residents to manage their household waste and make our service the best it can be.
Our values:	<ul style="list-style-type: none"> • Insight: Working with our partners to understand how and why people behave as they do and use this knowledge to shape our service. • Collaboration: Treating everyone we work with as an equal, knowing we have greater success when we work together. • Innovation: Learning from others and constantly looking at new ways of working to give the best service we can. • Quality: Focusing on excellent customer service and making the best use of the waste we collect.

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 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. 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 treating food, garden and residual waste).

Recycle More (even more weekly recycling services, including addition of plastic pots, tubs, trays and packaging, cartons, small electrical items and 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, and any significant change to this would require SWB and partner approval.

4. Key Challenges and Opportunities

Theme	What it means for SWP
Political	National legislative/policy change: An ambitious Resources and Waste Strategy is expected in late 2018, which will have significant implications for SWP through policy e.g. on Extended Producer Responsibility, a Deposit Return Scheme, consistency and more. It is likely to be followed by a number of consultations. It may be preceded by financial instruments in the budget (e.g. incineration tax).
	Brexit: Brexit may lead to policy uncertainty, any changes to migration may affect labour availability and cost, exchange rate fluctuations or import restrictions may have cost implications for our vehicle procurement, depot construction, recycle market.
	Global policy: Other countries are following China's lead and restricting imports of recycle. Whilst over 90% of our material stays in the UK it does affect global recycle prices and demand.
	Local Government Reorganisation: Whilst SWP already acts as a single integrated service across Somerset, any changes to the structure of local government would have implications for SWP (especially if any new boundaries are not contiguous with the current county boundaries)
Economic	Financial pressure on partners: The pressure on local government finances has not abated and is particularly acute on SCC.
	Recycle risk: SWP will need to share the risk around recycle value (volume and price) under a future collection contract. This will be a significant change for District partners and require careful budget management.
	Full employment: Somerset has near full employment, especially due to the impact of the Hinkley C construction project. This creates challenges for the labour market, and pressure on housing could mean that homes are built without having waste in mind.
Social	Demographic change: Somerset's demography continues to change, in particular with an ageing population with multiple health needs. This needs to inform all aspects of what we do, remembering that our staff can potentially play a part in supporting the most vulnerable
	Driver shortages: The average age of HGV drivers is increasing and there is a shortage of suitable qualified drivers
Technological	Social media: Increasing use of social media presents an opportunity to reach more people, but also raises expectations about the speed of response (noting that not all of our public are users of social media)
	Big data: the technology available to the waste industry has radically changed, meaning that we can improve our ways of working. Our data can be a powerful tool, especially when combined with other (e.g. socio-economic) data.
Legal	Procurement/legal challenges: With the scale of contracts we let there is always a risk of legal challenge.
	Enforcement: Clamping down on trade waste abuse (and working with Districts on the scourge of fly-tipping) remain important. Ensuring residents recycle appropriately is likely to be increasingly important.
Environmental	Public awareness: there is increasing public awareness of environmental issues (especially around plastics)
	New materials: the emergence of new materials which promise the public they are degradable or compostable (when the reality is they often aren't) may cause confusion

5. Approach to Business Plan

Our Business Plan explains how we will work towards our Vision over the next five years, with a particular focus on current year actions. The Business Plan contains three areas of focus, beneath which sit a range of activities. The three areas of focus are:

Area of focus	Delivering excellent services	Changing behaviours	Building our capability
Desired outcome	<i>The services we deliver ensure our household waste is effectively collected, reused, recycled and treated.</i>	<i>People recognise that waste is a resource, and fully play their part in reducing, reusing and recycling waste</i>	<i>SWP has the capability and resources to even more effectively deliver the Board's vision</i>
Activity (see below for specific actions)	Transition to a new service model	Focus on plastics	Transforming ICT systems
	Moving away from landfill	Campaigns	Strategy & Influence
	Improving services	Changing behaviours through Recycle More	Ensuring homes are built with waste in mind
	Reviewing services	Community Engagement	Improving Performance Monitoring

The actions currently underway remain the most significant set of changes to Somerset's waste services since SWP's inception in 2007, covering all aspects of our services. We are also expecting the most significant set of changes to national resources and waste policy for a generation, and the environmental impact of waste has a public profile higher than ever before. The scale of policy change expected will have significant impacts upon our future business plans. The three areas of focus set out the actions which reflect this but need to work together for maximum impact. For example, our transition to the Recycle More service model is set out under 'delivering excellent services', but this will not be a success unless we support this by 'changing behaviours', and 'building our capability' is vital to enabling us to achieve this.

In addition to the actions set out in the Business Plan, SWP propose to adopt two charities - a local and a national charity – to support through staff fundraising and volunteering:

Local Charity	National Charity
RAFT (Refugee Aid from Taunton)	WasteAid
RAFT provide aid through donations to help refugees and displaced people wherever and whenever they are able, regardless of colour, culture and religion. It demonstrates an innovative approach to reuse and hence aligns well with SWP's vision and the waste hierarchy.	70% of the plastic in the oceans comes from places with no waste management. WasteAid helps people turn their waste into useful products, sharing recycling skills to create green jobs, improve public health and protect the environment. It works with community based organisations to help develop waste collection and recycling businesses.

1. Delivering excellent services			
What		When	Why
1.1	Transition to a new collection contractor and new service model		
1.1.1	Mobilisation of new contractor	April 2019 – March 2020	To ensure that new contractor hits the ground running
1.1.2	Active management of current collection service contract	Now – March 2020	To manage the risk of service degradation and ensure a seamless handover
1.1.3	Deeper engagement from SWP with collection contractor staff	Now – March 2020	To support a seamless handover and ensure that our collection staff are involved in the transition
1.1.4	Procuring a new fleet of vehicles	Spring/Summer 2019	To replace the ageing recycling and refuse vehicle fleet to be fit for a new service model, with further replacements of vehicles likely in 2024
1.1.5	Developing depot infrastructure	Now – Winter 2020/2021	To ensure we have the right depot network to support the future service model and housing growth
1.1.6	Rolling out a new service model (Recycle More)	Summer 2020-2022	To effectively manage the transition (in phases) of moving over 250,000 households from one service model to another, in a way which delivers excellent customer service and minimises missed collections
1.1.7	Manage major distribution of new recycling containers	Now - 2022	A new service model will trigger demand for new containers and replacement containers, and we will need to ensure effective methods are in place to distribute these
1.1.8	Recycling credits review informed by Recycle More rollout	Summer 2019 – Spring 2020	In light of a new collection contract and the rollout of Recycle More
1.2	Moving away from landfill		
1.2.1	Oversee the development of transfer stations at Walpole and Dimmer	Now – Autumn 2019	To enable the move away from landfill so that waste can be bulked up and that movements of waste are effectively managed
1.2.2	Oversee the development of a Resource Recovery Centre at Avonmouth	Now – Autumn 2019	To ensure that this is ready on time and to standard
1.2.3	Testing and commissioning of Resource Recovery Centre	Autumn 2019 – April 2020	To ensure this works as planned

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1.2.4	Implementing changes at HWRCs to align with acceptance criteria	Autumn 2019 – April 2020	To ensure that we optimise (environmentally and financially) the way we treat waste
1.3	Improving services		
1.3.1	Revising opening hours at Household Waste Recycling Centres (subject to a board decision on a contract extension with Viridor)	Now – April 2019	To better match opening hours to need and demand, whilst retaining all sites open
1.3.2	Potential improvements to Recycling Centres	Ongoing	To seek opportunities to improve our recycling centres, subject to development of viable solutions and robust business cases. Frome & Minehead Recycling Centres are top priorities.
1.3.3	Working together with Support Services for Education to optimise the future schools waste & recycling service	Now – Autumn 2019	To consider how we could work differently to support schools to recycle more and waste less, whilst delivering excellent service and VFM
1.3.4	Health and safety and contract management	Ongoing	Effective management of our contracts and the significant health and safety risks inherent in this industry is a key building block of our success
1.4	Reviewing services		
1.4.1	Review of opening hours and charges at Dulverton and Crewkerne Community Recycling Centres	Autumn 2019	To review ahead of latest date for removal of charges (Spring 2020)
1.4.2	Undertake further review of van/trailer permit scheme at Household Waste Recycling Centres	Spring/Summer 2019	To ensure that this is delivering the desired outcomes and to identify potential improvements
1.4.3	Review waste service fees and charges, including Garden Waste, Bulky Waste, Recycling Centre charges	Spring/Summer 2019	To reflect any legislative changes and different costs and operational approaches of a new collection contractor
1.4.4	Undertake a review of signage at Household Waste Recycling Centres	Summer/Autumn 2019	To ensure that we are communicating with the public as effectively as we can
1.4.5	Anaerobic Digester contract review	April 2020	Financial review ass per contract timetable
1.4.6	Collection contract review	2022/2023 - tbc	To review the contract following the roll-out of Recycle more & major potential legislative change
1.4.7	Assisted collection review	2019/2020	Regular review of our assisted collection database to ensure that it is up to date

2. Changing behaviours			
What		When	Why
2.1	Focus on plastics		
2.1.1	SWP coordinating Refill campaign in Somerset	Now - 2024	To encourage businesses to offer free refills should support people to use a reusable container rather than substitute Single Use Plastic for another single use material
2.1.2	Encouraging take-up of PTT at recycling centres	Now - 2022	To enable those who wish to do more to do their bit & encourage people to see the difference this makes ahead of rolling out kerbside PTT collection
2.1.3	PTT at kerbside (in addition to tetrapaks, small electrical items and batteries)	July 2020 – March 2022	Phased roll-out of these major changes to kerbside collections to over 250,000 households, with intensive marketing and face to face support to drive behaviour change
2.1.4	Promote the Pledge against Preventable Plastic	Ongoing	To encourage people do take effective actions to reduce their reliance on plastic
2.1.5	Continuing to work with partners to phase out single use plastic	Ongoing	To support District and County Council and other Local Authority/Community partners in their ambitions to phase out Single Use Plastic (as SWP are also doing)
2.2	Campaigns		
2.2.1	Tackle food waste: stickering and behaviour change campaign (noting that the previous campaign was grant funded and SWP has a constrained marketing budget)	TBC	Whilst SWP has a high participation in food waste recycling (check c65%), a quarter of our residual waste, on average, is food waste. Further work is needed to understand the most effective way of addressing this, especially given the move to 3 weekly residual waste collection
2.2.3	Build trust in how we recycle and what happens to SWP recycling	Ongoing	To ensure people understand the benefit of separating their waste, what happens to their recycling and residual waste, and the financial and environmental benefits this brings.
2.2.4	Increasing our reach, in particular on social media and through our website		Social media and our website provides a cost effective means to communicate with people, and to enable them to communicate with us (especially when we enable on-

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			line missed collection reporting). Developing high quality digital content will become increasingly important.
2.2.5	Enforcement of service rules and householder support	Ongoing (in particular as we move to a new service model – Recycle More)	SWP’s Waste Management and customer service teams work closely with contractors and partners to resolve complex issues, investigate complaints, find solutions to problems and clamp down on abuse (including trade waste abuse & side/excess waste). Enforcement remains the last option, but in some cases is the only way to resolve issues (including flytipping – albeit this has been declining).
2.2.6	Schools against Waste	Now - Spring 2021	Three year programme to reach all Somerset primary schools, develop schools against waste programme for secondary schools, & explore ways to support schools to increase recycling. An evolved programme is likely to continue after 2021.
2.3	Changing behaviours through Recycle More		
2.3.1	Developing a robust costed communications and marketing plan for the Recycle More rollout (working closely with partner authorities)	Now - 2022	Effectively planning a comprehensive campaign will ensure that everyone is ready for Recycle More, takes advantage of the benefits it brings, and manages the transition to the new service model effectively. This will draw on the socio-economic analysis in the participation and composition analysis, enabling us to effectively target people in an appropriate way
2.3.2	Prepare Somerset for Recycle More	Now – Summer 2020	Ensure that – ahead of commencing the rollout of Recycle More – all households understand what we’re doing, when we’re doing it and why we’re doing it, and that they and us are ready for it
2.3.3	Phased support as Recycle More is rolled out	Summer 2020-2022	Targeted campaign (including additional front-line staff e.g. Waste Doctors undertaking door-knocking/targeted support) working closely with contractor and partner customer services
2.3.4	Learning from each phase of roll-out	Summer 2020-2022	Undertaking a lessons learned exercise after each roll-out phase so that we continually improve. There is a

			period of learning and reflection in Spring 2021 when the roll-out will be paused to ensure we can take stock of phases to date
2.5	Community Engagement		
2.5.1	Developing partnerships	Ongoing	With limited resources, we need to develop strong partnerships with others in order to ensure that we cost-effectively drive people to change behaviours. Developing strategic partnerships with others (be it housing associations, oneteams, third sector organisations, business organisations) is a crucial means to do this.
2.5.2	Review food waste and compost champions	2019/20	With our scarce resources we need to ensure that the activities we undertake are delivering value for money
2.5.2	Promote and refresh newsletters	2019/20	SWP publish a monthly newsletter which is circulated to all parish council clerks and the Sorted e-newsletter which Somerset residents can subscribe to.
2.5.3	Attending face to face events	ongoing	Attending parish meetings and meetings of environmentally motivated groups is a key part of ensuring we remain close to our communities. With our scarce resources we need to ensure that the activities we undertake are delivering value for money
2.5.4	Refresh our approach to reuse:	2019/20	Working with Viridor, a new collection contractor (especially with regard to Reuse) and local partners (particularly VCSE) to improve reuse across Somerset

3. Building our capability			
What		When	Why
3.1	Transforming ICT systems		
3.1.2	Implementing a new customer service system	Now – Autumn 2019	To ensure that we have a fit for purpose CRM system, integrated with all partner authorities
3.1.3	Enabling web self-service	Autumn 2019	To enable customers to undertake transactions online, improving the customer experience and diverting demand away from call centres
3.1.4	Launching a mobile app	Winter 2019	Ahead of moving to Recycle More we aim to have launched a mobile app which enables to remind people of their collection day and to report issues. This will be a crucial part of making the move to 3 weekly refuse easier for Somerset residents.
3.1.5	Integrating in-cab technology	Spring 2020	In-cab technology (and 360 cameras on all vehicles) will be critical to improving our service reliability and to protecting and supporting our hardworking crews. It will also transform the effectiveness of on-line reporting.
3.1.6	Making best use of new technology	Ongoing	Changing our processes and ways of working to make best use of new technology, including how we can use ICT to support localities
3.1.7	Improve technology for making payments	Ongoing	Ensuring SWP has the capability to take automated payments over the phone, and hence is capable of supporting District Councils with certain charges for services, if desired
3.2	Strategy and influence		
3.2.1	Develop SWP long term strategy	Now – 2019/20	It is crucial that SWP has a long-term strategy, and preliminary work has commenced on this, though it will be significantly informed by the changes that may result from Central Government's Resources and Waste Strategy and Brexit.
3.2.2	Seeking to influence policy decisions at Central Government and working with partners within the	Ongoing	With a number of major government consultations expected from central government, it will be crucial that

	South West to further SWP's vision		SWP uses its reputation as a sector leader. Working with partners across the region may enable SWP to achieve things that are not possible through working solely at the County level.
3.2.3	Review how SWP supports local businesses	TBC	SWP currently only provides a waste collection and disposal service to those businesses who cannot get a commercial service from elsewhere. We need to review how we can work with businesses (for example supporting collaborative procurements for market towns which enable businesses to get a better financial and environmental outcome)
3.3	Ensure homes are built with waste in mind		
3.3.1	Working with planning authorities to ensure that residential development planning proposals have adequate provision of waste and recycling facilities	Ongoing	SWAP is currently supporting SWP in understand what we can do to ensure that SWP developer guidance has teeth and is followed
3.3.2	Ensure that waste and recycling services are implemented effectively when new developments are built and occupied	Ongoing	SWAP is currently working with SWP to identify how we can improve processes to manage this process, ensuring that we take advantage of this opportunity to change behaviours
3.4	Improving performance monitoring		
3.4.1	Improving carbon monitoring	Ongoing	SWP currently only understand their carbon impact on an annual basis, when Eunomia undertake comparative modelling across England. SWP propose to utilise the Scottish Government's carbon modelling to analyse this more frequently. Note that this is likely to be an area focussed on in forthcoming central government policy.
3.4.2	Improving end use monitoring	Ongoing	SWP were the first to publish an annual report showing exactly what happens to everything we collect for recycling. Given the increased importance of what happens to our recycle, SWP will review the frequency and content of this, and how we can more effectively communicate it to the public
3.4.3	Customer service	Ongoing	SWP's refreshed vision highlights the importance we

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			place on excellent customer service, and we will accordingly place a higher priority on how we monitor this (and hence drive improvement)
3.4.4	Regular participation and composition analysis	Ongoing	Understanding behaviour will be crucial to target interventions, and regular participation and composition analysis is crucial to this. We currently have funding to undertake this every 3 years.
3.4.5	Ensure complete and accurate data in respect of container types and services is held by SWP	Ongoing	Ensuring we have robust, detailed and up to date data will enable us to target improvements more effectively.
3.4.6	Developing Insights	Ongoing	The ICT improvements we are making, together with more regular participation and composition analysis and deeper engagement with contractor staff will make a step change in the data we have available. Our focus on the circular economy also will require us to track even more effectively where our recyclate goes. We need to improve our capability to develop insights from this data.

6. SWP Budget 2019 - 20

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, with the final budget due in February 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 £56.90 for each wheeled bin subscription in 2019/20. 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 Recycle More Implementation

Contributions to the Recycle More Earmarked Reserve from all partners currently totals £645,745. Spend to date on the procurement phase is £177,926. It is expected that the current level of the reserve will be adequate to cover the costs incurred during the procurement and mobilisation period (April 2019 – March 2020), noting that these do not include capital costs related to depots or vehicles. In 2016 the roll-out costs agreed by the board were estimated at £2.2m (primarily due to the cost of new containers, cost of communications and transition support, but not including the costs of procurement). The estimated roll-out costs are being reviewed and updated, but are not expected to have significantly changed. The costs will not be finalised until we have procured a new collection contractor and will cover the Transition Period (April 2020 – June 2020) and the Implementation Period (July 2020 – Summer 2022).

The Board agreed a set of financial principles for Recycle More on 18 December 2015, and these remain in place. Key principles are:

- District collection partners should not be penalised or rewarded for when they roll out within the programme.
- Sharing of the additional costs of roll out will be based on household numbers unless there is a District-specific cost.
- SWP will hold a central earmarked reserve for Recycle More and any balance (positive or negative) on the roll out process at year end to be kept centrally by the SWP to be used or recovered in future years. Any savings will initially be used to continue the roll-out. It is envisaged that no allocations will be made back to partners until the roll-out is complete, unless it becomes clear that a repayment can be made earlier.
- Funding arrangements for the additional containers (initial roll-out of new boxes and sacks, additional requests for other bins) will initially be funded through SWP's earmarked reserve. As this may not be sufficient, District partners will be free to fund this from revenue or reserves as best suits their needs. Once full rolled out, this will come through the normal Cost Sharing Agreement.

6.2 Full Draft Budget Summary 2019/20

Summary Annual Budgets 2019/2020						
Rounded £000s	Total	SCC	MDC	SDC	SSDC	SWaT
Expenditure						
Salaries & On-Costs	1036	471	120	119	168	158
Other Head Office Costs	255	116	28	30	42	39
Support Services	126	55	14	15	22	20
Disposal - Landfill	12132	12132				
Disposal - HWRs	9861	9861				
Disposal - Food waste	1533	1533				
Disposal - Hazardous waste	238	238				
Composting	1994	1994				
Kerbside Recycling	9478		1945	1948	2903	2682
Green Waste Collections	2690		514	650	719	807
Household Refuse	6371		1309	1307	1942	1813
Clinical Waste	124		25	27	37	36
Bulky Waste Collection	87		19	16	24	28
Container Maintenance & Delivery	237		51	47	74	65
Container Supply	465		98	99	142	126
Pension Costs	69		2	2	63	2
Depot Costs	186		37	40	56	53
Village Halls	5			5		
Transfer Station Avoided Costs	331	331				
Recycling Credits	2567	2567				
Capital Financing Costs	231		52	41	78	60
Total Direct Expenditure	50016	29298	4214	4346	6270	5888
Income						
Sort It Plus Discounts	-80		-16	-17	-24	-23
Transfer Station Avoided Costs	-331		-67	-71	-100	-93
May Gurney Secondment Saving	-44		-5	-5	-7	-7
Recycling Credits	-2538		-534	-509	-783	-712
Total Income	-2993	-20	-622	-602	-914	-835
Total Net Expenditure	47023	29278	3592	3744	5356	5053

Summary Draft Annual Budgets						
Rounded £000s	2019/20	2020/21	2021/22	2022/23	2023/24	
Expenditure						
Salaries & On-Costs	1036	1046	1057	1068	1079	
Other Head Office Costs	255	255	255	255	255	
Support Services	126	126	126	126	126	
Disposal - Landfill	12132	12696	13280	13890	14528	
Disposal - HW/RCs	9861	10240	10639	11054	11485	
Disposal - Food waste	1533	1613	1698	1786	1880	
Disposal - Hazardous waste	238	253	268	285	302	
Composting	1994	2151	2321	2504	2702	
Kerbside Recycling	9478	9842	10220	10614	11021	
Green Waste Collections	2690	2792	2899	3010	3125	
Household Refuse	6371	6616	6870	7133	7407	
Clinical Waste	124	129	134	139	144	
Bulky Waste Collection	87	91	94	98	101	
Container Maintenance & Delivery	237	246	255	265	276	
Container Supply	465	483	502	521	541	
Pension Costs	69	69	69	69	69	
Depot Costs	186	186	186	186	186	
Village Halls	5	5	5	5	5	
Transfer Station Avoided Costs	331	341	351	361	372	
Recycling Credits	2567	2644	2723	2805	2889	
Capital Financing Costs	231	231	231	231	231	
Total Direct Expenditure	50016	52055	54183	56405	58724	
Income						
Sort It Plus Discounts	-80	-80	-80	-80	-80	
Transfer Station Avoided Costs	-331	-340	-351	-361	-372	
May Gurney Secondment Saving	-44	-44	-44	-44	-44	
Recycling Credits	-2538	-2615	-2693	-2774	-2857	
Total Income	-2993	-3079	-3168	-3259	-3353	
Total Net Expenditure	47023	48976	51015	53146	55371	
Assumptions						
This is a continuation budget and does not include the impact of recycle more or a new contractor						
1% annual pay award for all years						
1% housing growth for all years						
Collection contract inflation 3% in all years						
Disposal contract inflation between 2.5% & 4.25% (for different contract areas), annually in all years						
Tonnage growth 1.5% annually for all years						

SWP Strategic Risk Register

Last Updated: 3rd September 2018														
Ref	Business Plan Link	Cause	Description of risk	Consequence	Assess current risk		Risk rating	Change from last review	Control measures currently in place and additional mitigating actions/control measures planned	Target risk score		Target rating	Status	Risk owner
					Likelihood	Impact				Likelihood	Impact			
Opportunities														
Op 1	Building Capability	We are a multi partner organisation working in a political environment	Opportunity to tackle new and emerging issues from an holistic and mutually supportive perspective	Economies of scale in analysis, planning and managing responses to new legislation or Govt policy or other changes in the operating environment.	4	4	16	↔	The Board is well established and well regarded with a good track record of financial management, value for money, innovation and a reputation for delivery. Maintain culture of innovation with support from Board. Seek / bid for external funding where possible. Develop Waste Minimisation	5	4	20	Open	SWB
Op 2			Opportunity to influence commercial waste and waste producers in Somerset	SWP, as a partnership, has a good reputation in the industry and could bring that to bear by creating links with local businesses and business groups.	3	3	9	↔	SWP will be considering opportunities as part of a recently initiated review of the Waste Minimisation Strategy. Opportunity will be developed through implementation of the new strategy.	3	3	9	Open	SWB
Op 3		Financial Pressure on Partners	Opportunity to market experience internally &	Obtain income from marketing experience and advice	4	3	12	↔	SWP is open to secondment and consultancy opportunities, though focus on Somerset initiatives reduces capacity for this.	4	3	12	Open	SWB
Op 4	Action on waste prevention, reuse, recycling and recovery	Householder behaviour	Opportunity: Encourage householders to save money individually by waste reduction and wider community to recycle.	Waste reduction and improved participation and capture rates.	3	3	9	↔	Directed Communications campaign. Promotion using variety of media	4	4	16	Open	SWB
Op 5			Opportunity to capitalise on the 'Blue Planet' effect and increased awareness of the impact of plastic consumption	Opportunity to encourage households to change their consumption behaviours and encourage local producers to change their choice of packaging materials	3	3	9	↔	Acceptance of plastic pots, tubs and trays at recycling centres. Introduction of the 'Pledge Against Preventable Plastic' and adoption of lead role in local Refill campaign. Increased and ongoing communication programme.	4	3	12	Open	SWB
Op 6		Recycle More Implementation	Opportunity to align Core Service review (see Business Plan) with refreshment of kerbside services.	Opportunity to ensure all public facing services are aligned so they complement each other and are more easily understood and used by residents.	3	3	9	↔	Detailed consideration of opportunities presented as part of integrated approach to the review.	4	4	16	Open	SWB
Op 7		Extended Producer Responsibility	Potential opportunity that government policy may require packaging producers to take on responsibility for the recycling and disposal costs their decisions result in	Potential significant investment of funding into recycling services, changes in products and waste flows, increased recyclability of products; likely to come with constraints around quality	3	3	9	NEW	SWP MD engaging with Defra directly and via Adept and other organisations.	4	4	16	Open	SWB
Op 8	In-cab technology & localities	Opportunity to utilise front-line crews to support localities through the effective use of technology	Opportunity to better support localities by our front-line staff acting as eyes and ears on the ground (e.g. related to vulnerable people/highway asset condition)	3	3	9	NEW	Monitoring use of technology in other areas. Procurement process will explore opportunities. Detailed discussion once procured a contractor (noting that priority will be in embedding the system effectively first).	4	4	16	Open	SWB	
Risks														
1	Building Capability	Financial Pressure on Partners	Membership of the Partnership changes.	Governance and cost sharing arrangements are out of date. Services must be maintained.	5	3	15	↔	West Somerset/TDBC merger. Local Government Reorganisation discussion. SWP reviewing impacts on Inter Authority Agreement and cost-sharing arrangements to ensure all areas where change is required are identified and managed in the spirit of the agreements.	4	2	8	Open	SWB
2			Due to ongoing financial pressures one or more partners requires savings that impacts on existing services	Reduced performance and /or transfer of costs to others. Increased whole system costs	4	4	16	↔	Well established budget management processes are effectively maintained. Dialogue between Board members & Cabinet/Executive Colleagues on future service/savings requirements (SWB)	3	3	9	Open	SWB
3			SWP Team does not have sufficient capacity and capability to be sufficiently effective, or is too reactive	Impacts on recycling performance, contractor performance and customer call centres	3	3	9	↔	SWP Client team restructure consultation complete, making changes to SWP's structure so that we have the capacity and capability for current and future challenges (e.g. RM implementation). Transition to new structure to be completed in 2018/19 financial year.	3	2	6	Open	SWB
4	Building Capability	We are a multi partner organisation working in a political environment	Loss of shared vision and trust between partners	Difficulty agreeing priorities, impact on reputation of partners. Focus becomes on managing negative relationships, not the business	2	4	8	↔	Involve all partners in the business plan process and continue to promote early dialogue about issues via SMG group and with individual partners as appropriate. Maintain awareness of partner pressures and aspirations via the Somerset Waste Board, SMG and formal/informal contact with all partners	1	4	4	Open	SWB
5			Lack of member engagement and/ or frequent member turnover.	Potential failure within partners to understand basis and benefits of SWP. Diversion of attention to managing relationships not the business	2	4	8	↔	SWP worked with SWB to refresh the SWP vision. Induction Training for new members, involve all partners in the business plan and strategy development process, monthly member briefings, continue to attend and inform scrutiny committees and other local bodies including TCs/PCs	1	4	4	Open	SWB
6			Lack of resources within SWP and complexity of project (6 partners and current and future collection contractors) mean issues arise during implementation of new SWP Customer Service system	Sub-optimal approach to Wisper replacement negates potential benefits, use of legacy system (Wisper) is extended, increasing risk of failure and creating demand on support resource, delaying roll-out of in-cab technology and potential delays to RM implementation.	4	4	16	↑	New system (My Council Services) has been procured and significant work completed on development. Anticipate working system, with full connection with Echo live in November 2018. Additional ICT support for the project secured from TDBC and embedded ICT support from SCC in core project team. Commissioned SCC legal to work through data sharing issues. Regular reporting to SMG and request for support from SMG to manage complexities within partners.	2	2	4	Open	SWB
7			Inefficiencies due to customer services and partners IT not being joined up and having different priorities and preferences, with a lack of joined up governance.	More staff required to do same job, slower response to customers, poorer customer experience, potential significant (£1m+) costs to partners if RM roll-out and service quality improvements are delayed as a result.	4	4	16	↑	New customer service systems being introduced adding flexibility and efficiency which will enable integration with next generation IT, including collection service "in-cab" and tracking systems. All this should improve the customer experience. Increased SMG oversight, increased ICT and legal support, partner ICT involvement in collection contract procurement process. Review governance of project to ensure all partner ICT and customer service teams joined up.	2	3	6	Open	SWB
8			External agencies fail to understand us and penalise effective joint working (e.g. loss of partial VAT exemption).	Unexpected costs and/or time consuming and otherwise pointless changes to our contractual & governance arrangements	3	3	9	↔	Joint approach to briefing and lobbying at appropriate level. Act quickly and in a concerted way to any new threats (SMG)	2	2	4	Open	SWB
9			Planning authorities agree new developments without consideration of waste requirements	Poor developments may not fit standard collections model and require different arrangements leading to increased costs and frustration for householders.	3	3	9	↔	SWP working with partners to incorporate developer's guidance into planning. SWP have worked closely with SDC planning team to try to improve solutions in Bridgwater town centre and have agreed a secondment with SCC planning team to provide expertise and capacity.	2	3	6	Open	SWB
10	Action on waste prevention, reuse, recycling and recovery	Householder behaviour	Increase in material in refuse bins	Heavy material goes in kerbside bins not to Recycling Centres. Impacts on district recycling rate (not to Somerset overall).	3	3	9	↓	Risk reduced post-composition analysis. Weight of residual in bins appears to have reduced. Directed Communications campaign, review messages to the public about how to use services sustainably. Promote cost effective disposal routes for business waste. Promotion using variety of media, encourage members to take ambassadorial role in promoting benefits of services (Comms Team, SWB Members)	4	2	8	Open	SWB
11			Reduction in recycling materials	Loss of income while some costs remain fixed. Increase in disposal costs if put in refuse instead.	3	3	9	↔	Positive promotion of services. Promotion using variety of media as described in the Communication Plan (Comms Team)	2	2	4	Open	SWB
12			Poor separation of materials by householder	Loss of income if material quality deteriorates. Reduced efficiencies due to increased sorting time.	4	3	12	↑	Review in light of waste composition and kerbside presentation analysis which shows poor separation in places. Develop targeted communication plan.	3	3	9	Open	SWB
13			Reduction in existing or new garden waste customers	Loss of income while some costs remain fixed	2	3	6	↔	Positive promotion of services. Note that customer base has increased year on year in recent years. Promotion using variety of media Numbers holding strong, some service issues ongoing.	2	2	4	Open	SWB
14			Lack of interest from bidders, uncertainty about RM service model or similar procurements going to market during the same period.	Bidders drop out and we fail to have a competitive process and deliver best value.	2	4	8	↓	Risk has reduced as procurement progresses. Management of an effective pre-procurement phase and dialogue process. Liaise with other authorities procuring at the same time. Assessment of pre-procurement phase to gauge appetite of market for Somerset procurement. Go/No Go decision. Contingency plan is to establish a LAC	2	2	4	Open	SWB

SWP Strategic Risk Register

SWP Strategic Risk Register														
Last Updated:		3rd September 2018												
Ref	Business Plan Link	Cause	Description of risk	Consequence	Assess current risk			Change from last review	Control measures currently in place and additional mitigating actions/control measures planned	Target risk score		Target rating	Status	Risk owner
					Likelihood	Impact	Risk rating			Likelihood	Impact			
15	Action on waste prevention, reuse, recycling and recovery	Procurement of new collection contract	Bidders take a risk averse approach due to lack of experience with RM service	Bidders price high to mitigate risks.	3	4	12	↔	Management of an effective pre-procurement phase and dialogue process. Risk sharing on materials values and yields is likely to reassure bidders. Amended procurement approach following pre-procurement. PQQ phase ensured competence.	2	2	4	Open	SWB
16			Failure to achieve economic and efficiency objectives through the procurement (for example due to inability to agree on commercial risk share)	Failure to achieve economic and efficiency objectives would impact on partners MTFPs. Reputational damage to SWP. Cuts to services may be necessary. Budgetary uncertainty.	3	4	12	↔	Management of an effective pre-procurement phase and dialogue process. Assessment of pre-procurement phase to gauge likely outcomes of the procurement process. Variant bid process. Board discussion on variants. Technical & commercial advice. Contingency plan is to establish a LAC	2	3	6	Open	SWB
17			Failure to achieve environmental and social objectives through the procurement.	Failure to achieve environmental and social objectives would impact on partners plans and strategies	2	2	4	↔	Management of an effective pre-procurement phase and dialogue process. Learn from procurement processes elsewhere for examples of addition of effective social value.	1	2	2	Open	SWB
18			Procurement process takes too long.	Failure to have a contract in place	3	5	15	↑	Increased risk due to pressure on timetable from bidders. Close involvement in the process by T&F group and "managed dialogue" approach to procurement, with specialist support, ensures all parties are engaged and process is understood. Plan for contingency LAC solution to ensure service maintained regardless of outcome.	1	3	3	Open	SWB
19			Cost of procurement and external support exceeds budget	Fail to achieve best value for partners	2	2	4	↔	Budget monitoring	1	3	3	Open	SWB
20			Legal challenge to the procurement process.	Could delay contract award if challenge is received. This could put commencement at risk. High costs if damages are awarded against SWP	2	3	6	↔	Procurement assurance role is built into project structure. Also, experienced external advisors will be used and internal legal oversight.	1	3	3	Open	SWB
21			Depot network does not allow for efficient delivery of RM	Costs of inefficiency adds to bid prices	4	4	16	↓	Increased risk around securing the new depot. Establish bidders preferences and optimum network during pre-procurement dialogue. Develop clear timetable for depot infrastructure development. Amend procurement process to ensure necessity and value of new depot robustly established.	2	3	6	Open	SWB
22			Changing demographics of Somerset population - increasing aging population.	Increasing emphasis on care in the home and care in the community leads to additional demand for clinical and assisted services.	2	2	4	↔	Regular review of assisted collection service requirements (every three years). Diversion of sanitary and hygiene waste to additional refuse capacity. Predicting demand through ongoing monitoring of key demographic changes to ensure effective service planning.	2	2	4	Open	SWB
23			Unable to agree a commercial resolution to the pensions issues related to former SSDC employees.	Financial liability for partnership. Time consuming and costly contractual dispute process. Possible intra-partnership disagreement.	4	3	12	↑	Negotiate with pension authority to manage scale of issue. Negotiate commercial solution with Kier. Obtain Partnership sign-up post agreement with Kier. Agree 'fairest and most appropriate way' to share costs 'through SMG in the first instance' (as agreed by SWB on 3 November 2017).	2	2	4	Open	SWB
24			New vehicles are not available in time due to supply chain problems. Vehicles do not achieve design levels of productivity	Unable to deliver service as planned.	2	4	8	↔	Ongoing dialogue with vehicle suppliers. Bidders to produce contingency plans utilising alternative vehicles if supply issues are identified.	2	2	4	Open	SWB
25	Action on waste prevention, reuse, recycling and recovery	Recycle More Implementation	Bidders are unable to find cost effective solution for pots tubs and trays (PTT inc black plastic) and cartons.	Reduction in quality of offering to customers.	3	3	9	↔	Current advice from WRAP is that black plastic should not be collected for recycling. There are possible technical solutions being developed. SWP to make clear ambitions in pre-procurement and dialogue and learn from market response. New Waste and Resources Strategy/Policy changes might result in change.	2	2	4	Open	SWB
26			Transition between current service and RM takes longer than anticipated	Savings and diversion for residual waste/environmental benefits are delayed. Impact on partner MTFPs.	2	4	8	↔	Key area for dialogue and evaluation of bids. Effective pre-planning prior to service implementation	2	3	6	Open	SWB
27			SWP capacity is insufficient to deliver transition to Recycle More	Transfer of resource to procurement may deplete support of current service. Increase in complaints. Sub-standard planning and implementation of new service.	2	3	6	↔	Ensure business case includes analysis of SWP resource requirements of new contract and transition. On-going review of SWP client team structure and priorities.	2	2	4	Open	SWB
28			New vehicles for RM are inefficient for delivering current service prior to transition.	Low utilisation of vehicles, increase in 2nd tips and OT	1	2	2	↔	Pre-procurement and dialogue process will include fleet configuration and vehicle specification. Reduced fleet of RCVs to be maintained until after transition.	1	2	2	Open	SWB
29			New packaging options (e.g. rigid compostable tubs) enter market without reprocessing route.	Public confusion and dissatisfaction. Complaints rise and reputational damage to SWP.	3	2	6	↔	Work with current disposal contractor to ensure innovation. Lobby packaging industry to ensure "joined up" approach to packaging development. Waste and Resources Strategy due in Autumn. Policy changes may impact issues.	2	1	2	Open	SWB
30			Waste profile changes due to national policy changes/fiscal measures (e.g. Deposit Return Scheme)	Vehicles/plant become inefficient. Materials value reduces with resultant financial impact on SWP	4	3	12	↔	Tracking of consultation processes and possible implementation to ensure vehicles specs are aligned with any changes. SWP MD close engagement with Defra.	1	2	2	Open	SWB
31	Action on waste prevention, reuse, recycling and recovery	New Waste Treatment Facility	Delays in development of Energy from waste infrastructure	An alternative route would be required for disposal of residual waste.	3	2	6	↔	Contractual risk is with the contractor, who are wholly responsible for finding alternative disposal routes at no additional cost to SWP. The residual risk would be reputational and environmental only. Ensure progress is monitored and communications plans in place in event of anticipated delay. Currently on schedule	3	1	3	Open	SWB
32			Risk of fire at Waste Transfer Station or Disposal site.	Waste Transfer Stations temporarily out of action.	3	3	9	↔	Landfill is monitored and transfer to Waste Transfer Station will improve capacity to monitor potential fires. Removal of small electrical items and possibly household batteries will reduce key cause of fires.	2	2	4	Open	SWB
33			Financial case for alternative to landfill is damaged and cost increases (e.g. due to legislative changes)	Tied into contract that is not best value in future due to changes in market costs.	4	3	12	↔	Break clauses in the contract provide opportunities to review options. Monitor market costs and technical developments to ensure effective planning through life of the contract. SWP and SCC lobbying government against potential fiscal changes.	3	2	6	Open	SWB
34	Maintaining services and operational effectiveness	Issues inherent in working at roadside and/or with heavy vehicles manoeuvring in confined working areas.	Risk of serious injury or death to staff	Personal impacts; Potential fines, legal claims; intervention by HSE etc. Loss of reputation	4	5	20	↔	Health & Safety has a high profile within service and with contractors. Bi-annual reports to SMG and SWB on internal and contractor performance. H&S advisory Group meets quarterly. Collection activities were the subject of a routine HSE inspection in Nov 2011 and no major concerns were identified. On sites public separated from heavy plant movements. As a result of HSE recommendations, SWP are increasing frequency of crew monitoring by officers and resources to enable this to be done efficiently are being prepared. Level of accidents to public on sites are very low and generally self-inflicted. SWP to focus comms campaign on respecting safety of working crews. Work with contractor to seek closer liaison with police.	2	5	10	Open	SWB
35			Risk of serious injury or death to member of the public	Personal impacts; Potential fines, legal claims; intervention by HSE etc. Loss of reputation	2	5	10	↔	Health & Safety has a high profile within service and with contractors. Bi-annual reports to SMG and SWB on internal and contractor performance. H&S advisory Group meets quarterly. Collection activities were the subject of a routine HSE inspection in Nov 2011 and no major concerns were identified. On sites public separated from heavy plant movements. As a result of HSE recommendations, SWP are increasing frequency of crew monitoring by officers and resources to enable this to be done efficiently are being prepared. Level of accidents to public on sites are very low and generally self-inflicted. SWP to focus comms campaign on respecting safety of working crews. Work with contractor to seek closer liaison with police.	1	5	5	Open	SWB

SWP Strategic Risk Register

SWP Strategic Risk Register														
Last Updated:		3rd September 2018												
Ref	Business Plan Link	Cause	Description of risk	Consequence	Assess current risk		Risk rating	Change from last review	Control measures currently in place and additional mitigating actions/control measures planned	Target risk score		Target rating	Status	Risk owner
					Likelihood	Impact				Likelihood	Impact			
36	Maintaining services and operational effectiveness	Contract management	Driver/loader shortages	Impact on service delivery if rounds not deployed. Quality of delivery suffers when inexperienced drivers are employed or not all rounds deployed. This is an increasing risk due to impacts of Brexit (weak pound and uncertainty of future residency rights) and increasing competition from Hinkley C build.	4	4	16	↔	Work with contractors to ensure they improve procedures for driver training and retention. Seek opportunities to collaborate on recruitment and improve role of drivers. Work with local colleges to promote driving as a career option. Work with Hinkley C for worker redeployment. Monitor Kier closely and support them where practicable, but hold them to account through performance deductions where appropriate.	4	3	12	Open	SWB
37			Risk of under investment and deterioration of depot facilities if contractor loses interest as contract approaches end of term	Poor working conditions for staff, H&S risks, increased D/T on fixed plant. Backlog of R&M at contract end.	3	3	9	↔	Some evidence of service degradation. Currently being assessed at Senior Management level. Regular audits by ops staff. Development of action plans for essential works at each depot. Review contract management. Introduce quarterly strategic review meeting between senior SWP officers and senior contractor staff.	2	2	4	Open	SWB
38			Ageing sorting and baling plant becomes unreliable as contract approaches expiry.	Increased downtime on fixed plant, increased O/T, lack of storage space in yards possible impact on collections/unloading.	3	3	9	↑	Balers have been problematic. Regular updates on down time and remedial work at ops meetings. Deed of variation requires plant to be "safe and serviceable" in accordance with the contract. Ensure service performance is considered with newly introduced Strategic Partnership Board	2	2	4	Open	SWB
39			Service degradation due to loss of interest as contract approaches expiry	Missed collections, container deliveries, complaints increase and are not dealt with.	4	4	16	↔	Regular monitoring (IT), KPI reviews at Ops meetings. Strategic partnering board established. Review contract management. Ensure service performance is considered with newly introduced Strategic Partnership Board. Framework for improvement presented to contractor and penalties to be imposed if improvements not forthcoming.	3	3	9	Open	SWB
40			Ageing container stock	Containers require replacement in greater numbers as stock ages	3	3	9	NEW	Continue to monitor demand and review stock on the street. Introduce rolling replacement programme in areas where poor stock is identified.	3	2	6	Open	SWB
41			Aging fleet becomes unreliable as contract approaches expiry	Increased down time disrupts collection services - performance deteriorates	4	4	16	↑	Regular updates on down time and R & M at ops meetings. Deed of variation requires vehicles to be "safe and roadworthy" in accordance with the contract but also allows use of substitute vehicles from other contracts to improve resilience. Review contract management. Ensure service performance is considered with newly introduced Strategic Partnership Board	2	3	6	Open	SWB
42			Maintaining services and operational effectiveness	Service impacts due to things outside of our direct control	Lack of preparedness or poor response to service disruption events e.g. weather	Lose control of situation resulting in high call loads; Loss of customer confidence and reputation; Loss of partner confidence in SWP.	2	4	8	↔	Business Continuity Plans (BCPs) in place for SWP and contractors. Draw on experience of cold weather events in 2008-11. Clear communications strategy approved by the Board's Severe Weather Sub Group. Further work intended to ensure that contractor and client side BCPs are joined up (MG & BC)	1	4	4
43	Drop in value of recyclate (e.g. due to changes in Chinese policies)	Impact on contractor bottom line and viability of contract; Loss of public confidence in recycling			4	3	12	↔	Monitor pricing index for mixed plastics. Maintain our emphasis on quality which provides the best buffer for this risk. Provide reassuring messages to the public in the event of further price drops	3	2	6	Open	SWB
44	Legislation changes requiring different ways of handling materials (e.g. Hazardous wood)	Difficulties storing material separately, finding suitable reprocessors/implementing charges/refuse to accept			3	4	12	↔	Industry is lobbying the EA to clarify, work with contractor to ensure solutions found. Continue to monitor the situation	3	4	12	Open	SWB
45	DCLG continues to challenge innovation in funding Recycling Centres (e.g. entry fees/material charges)	Potential to reduce services provided or lead to increased costs.			3	4	12	↔	Continue to base policy on performance, popularity, effectiveness and affordability. Work with members from all tiers of local government to seek flexibility to ensure continuity of services. Keep members, and particularly Board Members, informed especially following changes to administration or portfolio holders.	3	3	9	Open	SWB
46	Increase in value of material or energy	Potential for income share with both contractors			3	3	9	↔	Continue to lobby govt for challenging packaging recovery targets and lobby industry for quality to be reflected in higher prices. Evaluate potential for risk/reward share in all future ventures including infrastructure development and addition of new materials	4	3	12	Open	SWB
47	Thefts from depots	Services delayed or incomplete due to theft/vandalism			3	3	9	↔	Improve security of depots. Liaison with landlords. Improve CCTV. SWP to support Kier business cases to make necessary improvements. Share SWP learning from HWRC security with Kier.	2	2	4	Open	SWB
48	Landfill site fires, primarily caused by hot ashes in waste, unwrapped broken glass acting as a magnifier, or lithium ion batteries in waste	Hazard for site staff, closure of landfill sites, operational delays for vehicles resulting in late kerbside collections			3	3	9	↔	Increase publicity relating to fire prevention, encouraging people to dispose of waste responsibly. Cease use of landfill sites for disposal of Somerset's residual waste, transferring to disposal via Waste Transfer Stations.	2	3	6	Open	SWB
49	Maintaining services and operational effectiveness	Financial pressure on Contractors	Qualitative and/or quantitative reduction in contractor's management team or front line staff	Deterioration in service, higher complaints, reduced satisfaction with service, more pressure on client, lack of capacity to innovate.	4	4	16	↔	Frequent programmed engagement with Senior Management Teams of both contractors. Direct engagement with front-line staff by SWP. Continued secondment of experienced SWP staff to Kier. Sign-off to significant changes. Develop improved regular liaison with new Kier Senior Mgmt. Team and attend staff meetings at depots. Maintain current arrangements with Viridor (MD and Chairman). Close monitoring of performance and implement contractual penalties if appropriate.	2	3	6	Open	SWB
50			Contractor defaults or fails	Potential short term delivery implications, requirement for service review / procurement with associated costs of process and potential higher cost of delivering the service.	3	3	9	↑	Awareness of financial state of cos. through checks & regular contact with Senior Managers, networking within industry to get early warning of trends & pressures. Respond quickly to any relevant intelligence obtained, assess risks that ensue and act accordingly (MD and Team).	2	3	6	Open	SWB

Risk Assessment Matrix

When assessing a risk you should assume that action plans/controls are currently in place, so be guided by the information you have on the day of the assessment. The assessor should assign values for the identified 'likelihood' of occurrence (A) and the severity of the 'Impact' (B). By multiplying 'A' and 'B' together you get the rating score, which gives an indication of how important the risk is. Proximity of the risk, although not scored in its own right may impact on your likelihood, Impact or both when scoring.

An opportunity follows the opposite scale to the risks. A high risk score = negative, a high opportunity score = positive. On both scales green is positive and red is negative.

Risk

LIKELIHOOD (A)	Very Likely 5	5 Low Review at least annually	10 Low Review six months	15 Medium	20 Very High	25 Very High
	Likely 4	4 Low Review at least annually	8 Low Review six months	12 Medium	16 Very High	20 Very High
	Feasible 3	3 Low Review at least annually	6 Low Review six months	9 Medium	12 Medium	15 Medium
	Slight 2	2 Low No need to record	4 Low Review six months	6 Low Review six months	8 Medium	10 Medium
	Very unlikely 1	1 Low No need to record	2 Low No need to record	3 Low Review six months	4 Medium	5 Medium
		Insignificant 1	Minor 2	Significant 3	Major 4	Critical 5
IMPACT (B)						

White/Green = Low risk
Yellow = Medium risk
Red = Very high risk

Opportunity

LIKELIHOOD (A)	Very Likely 5	5 Low Review at least annually	10 Low Review six months	15 Medium	20 Very High	25 Very High
	Likely 4	4 Low Review at least annually	8 Low Review six months	12 Medium	16 Very High	20 Very High
	Feasible 3	3 Low Review at least annually	6 Low Review six months	9 Medium	12 Medium	15 Medium
	Slight 2	2 Low No need to record	4 Low Review six months	6 Low Review six months	8 Medium	10 Medium
	Very unlikely 1	1 Low No need to record	2 Low No need to record	3 Low Review six months	4 Medium	5 Medium
		Insignificant 1	Minor 2	Significant 3	Major 4	Critical 5
IMPACT (B)						

Likelihood of Occurrence (A)	Severity					
1 = Very unlikely (hasn't occurred before)	1 =					
2 = Slight (rarely occurs)	2 = Minor					
3 = Feasible (possible but not common)	3 =					
4 = Likely (has before, will again)	4 = Major					
5 = Very Likely (occurs frequently)	5 =					

Issue Assessment Matrix

Use the Issue Assessment Grid to identify the importance of a specific issue with regard to its priority and potential negative impact on the programme/project. An issue with high severity and critical priority is an urgent and critical issue; it may cause the programme/project to stop until the issue is resolved. In contrast if the issue is ranked as medium severity and medium priority, monitoring the issue management process should be sufficient. Low severity and priority issues should be handled outside the issue management process.

Issue severity will not change over the life of an issue, but the priority can be adjusted upward as time passes without a resolution. For example, an issue may have a high severity if not resolved, but its priority may be medium because there is enough time to resolve it. However, if the issue is not resolved in time, it may become a high priority.

SEVERITY	↑	May impact quality of a major deliverable or productivity of a large project staff segment	Low Priority High Severity	Medium Priority High Severity	High Priority High Severity
		May Impact quality of sub-components of deliverables or productivity of a smaller project staff segment	Low Priority Medium Severity	Medium Priority Medium Severity	High Priority Medium Severity
		Does not impact major deliverable. May affect smaller deliverables or productivity of small project staff segments.	Low Priority Low Severity	Medium Priority Low Severity	High Priority Low Severity
			Has no direct or immediate impact on deadlines. Resolutions may or may not be necessary (best efforts acceptable)	May impact future or less critical deadlines. Eventual resolution required.	Failure to resolve may result in critical deadlines being missed. Resolution required as soon as possible.
		PRIORITY →			

	Risk number	Risk summary	Current rating (previous)
New risks:	40	Requirement to replace ageing container stock	9 (-)
Increased risks:	6	Lack of SWP resources to implement new CS system	9 (6)
	12	Poor separation of materials by householders	12 (9)
	18	Pressure on procurement timetable by bidders	15 (10)
	21	Increased risk of securing a new depot for bidders	25 (16)
	38	Ageing sorting/baling plant becoming unreliable	9 (6)
	41	Ageing vehicle fleet becoming unreliable	16 (12)
	50	Contractor defaults or fails	9 (6)
Reduced risks:	10	Waste composition analysis shows reduced weight of refuse in	9 (12)
	14	Risk of lack of bidders reduced as we progress the procurement process.	8 (12)

Number of risks at each level		Change since previous quarter
	7	↑ 1
	32	↓ 3
	10	↑ 3
	1	↔
Risks awaiting review		0

Somerset Waste Board meeting
2 November 2018
Report for decision

Recycle More & Collection Contract Procurement: Update

Lead Officer: Mickey Green, Managing Director

Author: Mickey Green, Managing Director

Contact Details: 01823 625707

Forward Plan Reference:	
Summary:	This report summarises progress in procuring a new collection contractor (and hence delivery of Recycle More).
Recommendations:	<p>It is recommended that the Board:-</p> <ol style="list-style-type: none"> 1. Notes the progress made in procuring a new collection contract. 2. Agrees the case for applying the exempt information provision as set out in the Local Government Act 1972, Schedule 12A and therefore to treat the attached confidential report and its appendices in confidence, as they contain commercially sensitive information, and as the case for the public interest in maintaining the exemption outweighs the public interest in disclosing that information. 3. Subject to the approval of recommendation (2) above, agrees to exclude the press and public from the meeting for the consideration of the attached confidential report and its appendices where there is any discussion at the meeting regarding exempt or confidential information. 4. Considers the recommendations contained within the confidential report. 5. Subject to approval of the recommendations above, authorise the Managing Director to undertake any appropriate consultation with partner authorities and progress the procurement of a new Collection Contractor.
Reasons for recommendations:	<p>To ensure that the Somerset Waste Board is kept up to date with this major procurement exercise and has the opportunity to shape the approach taken.</p> <p>The accompanying confidential report contains commercially sensitive information relating to the contract and the Council's financial and business affairs. Officers recommend that this is treated as exempt information. "Exempt information" is defined by</p>

	Section 100 of the Local Government Act 1972, by Schedule 12A to that Act. Much of this information will be provided to the Board by way of a verbal update (as moderation of ISDS submissions will have been undertaken in week commencing 29 October).
Links to Priorities and Impact on Annual Business Plan:	The procurement delivers Task 5.2 within the SWB Approved Business Plan 2018-23 concerning the implementation of future collection arrangements.
Financial, Legal and HR Implications:	In addition to delivering the environmental benefits of Recycle More a new collection contract aims to deliver significant savings to all partners, through reduced contract costs, lower disposal costs and additional recycling credits for district partners – estimated in total at up to £1.7m. It has been evident from soft market testing and dialogue that all potential suppliers are becoming more risk averse, and that there is considerable uncertainty in the markets for recycled materials. A robust procurement process has been developed to realise these benefits, enable potential suppliers to propose innovative solutions to meet our environmental and financial objectives, and ensure that risks are shared appropriately. Getting risk share arrangements right will be crucial to securing best value. Staff will TUPE transfer to the new contractor, and SWP aims to proactively engage with staff throughout the procurement process.
Equalities Implications:	None.
Risk Assessment:	The risks related to the procurement of a new collection contractor and Recycle More have been reviewed and are set out in the updated risk register.

1. Background

- 1.1. A progress report on the procurement of a new waste and recycling collection contractor was presented to the Board in September 2018. This report provides a summary of progress since then.

At the request of three of the potential suppliers we agreed to a two-week extension to the deadline for the submission of detailed solutions (in the form of method statements) and prices. This reflects the importance to bidders of this phase of the dialogue process to develop and enhance their detailed solutions

The timing of the writing and publication of this report means that a verbal update will be provided to the board on 2 November to update the board on progress (in public session), and seek decisions in confidential session on the approach to the final tender stage of the procurement process, ahead of partner consultation.

2. Progress to date

2.1. The 'Detailed Solutions' response documents were returned on 8 October. Bidders were required to submit a compliant Recycle More bid, in a way which enabled SWP to understand the necessity and value of securing such an additional 3 acre depot site in the west of the County depot. Additionally, each bidder had the option of submitting two variant bids:

- 1) Service methodology: Varying the containment, frequency and mixing of materials (i.e. not the Recycle More kerbside sort specification which the Board and partners have previously approved)
- 2) Recyclate risk share: Varying the proposed payment mechanism in relation to how the income (price and volume) of recyclate was shared, given the

A team of SWP officers, finance, representatives from partners (e.g. ICT and customer service) and our commercial and technical advisers have been evaluating the bids during October, with scores moderated in week commencing 29 October. Bids will be evaluated on the 'most economically advantageous tender' (MEAT) basis with 60% of the score on the price and financial evaluation and 40% on quality (with a total word limit on each bidders' two compliant bids of 100,000 words), covering the following areas:

Tier 1 Criteria	Method Statement
Mobilisation & Efficiencies	Service Mobilisation Plan
	Transition to Recycle More (Roll Out)
Customers & community	Social Value
	Monitoring
	Customer Services
Resources, assets and facilities	Management & Organisational Structure
	Waste Flows
	Resources - Labour
	Assets
	Depots and Facilities
	Robustness of Financial Model
Collection Approach	Scheduling & Route Planning
	Collection Methodology - kerbside services
	Collection Methodology - communal bin collections and Schedule 1 Collections (schools & certain businesses)
	Bulky Waste Collections
	Clinical Waste Collections
	Collection Container Management
	Processing & Marketing of Dry Recycling
ICT	Information, Communications Technology
Health & Safety	H&S Policies & procedures
	H&S Assessed Solution (operation of assets)
	H&S Assessed Solution (other)

3. Issues to be addressed in confidential discussion

3.1. Service Methodology

Recycle More was approved by the Somerset Waste Board on 16 December 2016

following consultation with all partner authorities. Recycle More retains the kerbside sort service which has been so successful in Somerset (financially and environmentally), adding in additional recyclable items (plastic pots, tubs and trays, food and beverage cartons, small electrical items and batteries). With so much recycling being collected each week, refuse collections will reduce to once every three weeks. In addition to delivering environmental benefits, Recycle More aims to deliver significant savings to all partners – estimated in total at up to £1.7m.

To be compliant, all bidders have to submit a bid which delivers Recycle More as specified by SWP and approved by the Board and partners. Whilst SWP believe that Recycle More offers the most financially and environmentally beneficial outcome, affordability is a key issue in this procurement. SWP recognised that suppliers may be able to offer solutions to the dry recycling service that may deliver additional financial improvements. The procurement process therefore allows (but does not require) bidders to submit a variant bid which varies the frequency, containment and mixing of dry materials (though does not allow a fully co-mingled solution which mixes glass with fibres). It requires them to set out the full cost of changing service model and requires a high standard of evidence that proposals will not adversely affect environmental outcomes – these being at the heart of what SWP does.

The Board are not bound to accept a variant bid approach, and will be mindful of the financial and environmental factors and risks in deciding whether to allow any variant bid to progress to the next and final stage of the procurement. Should the Board decide to do so, then this would result in SWP opening up the specification for final tenders to allow for such solutions alongside compliant Recycle More bids. Political approval from all partner authorities would be required, and this has been made clear to bidders throughout.

3.2. Risk Share Mechanism

Our current collection contract was let in 2007, with the winning supplier taking 100% risk on quantity and unit prices for dry recycling. Dry recyclate is currently worth approximately £3m each year. Partner authorities have not historically experienced budgetary change in relation to the overall value of dry recycling. Throughout the existing Contract the marketing of materials has worked well for the partnership.

Ahead of commencing this procurement SWP and the Board were clear that we would need to move to a risk sharing mechanism in the new collection contract – the market has changed substantially since 2007 and it would simply not be possible to secure a new contractor who took on all dry recycling risk. SWP tested out their ideas through Soft Market Engagement, and this contributed to establishing the fundamental principles we have used in designing the procurement process and a risk sharing mechanism.

SWP recognise that the value of dry recycling fluctuates over time and that this comprises mostly of unit value changes (commodity markets) but also due to changes in quantities. We want to have a fair apportionment of this risk and, as a general principle, would allocate risk proportionately to whoever can best control it. However, on dry recycling incomes we recognise that neither SWP or the partners or suppliers are able to completely control the risk. However, we do believe that suppliers can mitigate risk to a degree through utilising a well thought out marketing strategy and ensuring the effective delivery of collections to ensure satisfaction and participation in recycling services. We therefore believe suppliers have an important

role in this matter to deliver an excellent service and utilise their professional resources to prepare materials for market and to sell those materials. Through Soft Market Engagement we determined that a proportionate risk sharing mechanism would be volume and unit price shared on a 50/50 basis, based on published index prices for materials.

SWP believe this to be a fair, proportionate and reasonable approach, and the Board have endorsed the principles of this mechanism. We have required that all bidders have to submit a bid on this basis. However, we also recognised that it is possible that bidders may be able to deliver better value to SWP through changes to this mechanism. For that reason we have discussed this area intensively during dialogue, and the process allowed (but did not require) bidders to submit a variant bid, explaining very clearly how it would work through the contract and how payments would be altered.

SWP have been clear to all bidders throughout that we wanted to listen to their ideas and to see the detail of these in their bids. In confidential session the Board will then consider if SWP's objectives are better met by making changes to the risk share mechanism as currently set out. SWP have made clear to bidders that if we are to do this we will then discuss this in post-submission dialogue with them, and will develop a consensus mechanism, so that all bidders at the final stage are bidding on a level playing field. S151 officers from all partners will be closely involved in these considerations, as clearly it is vital that all partners fully understand the implications of the final risk share mechanism.

3.3. New authority depot

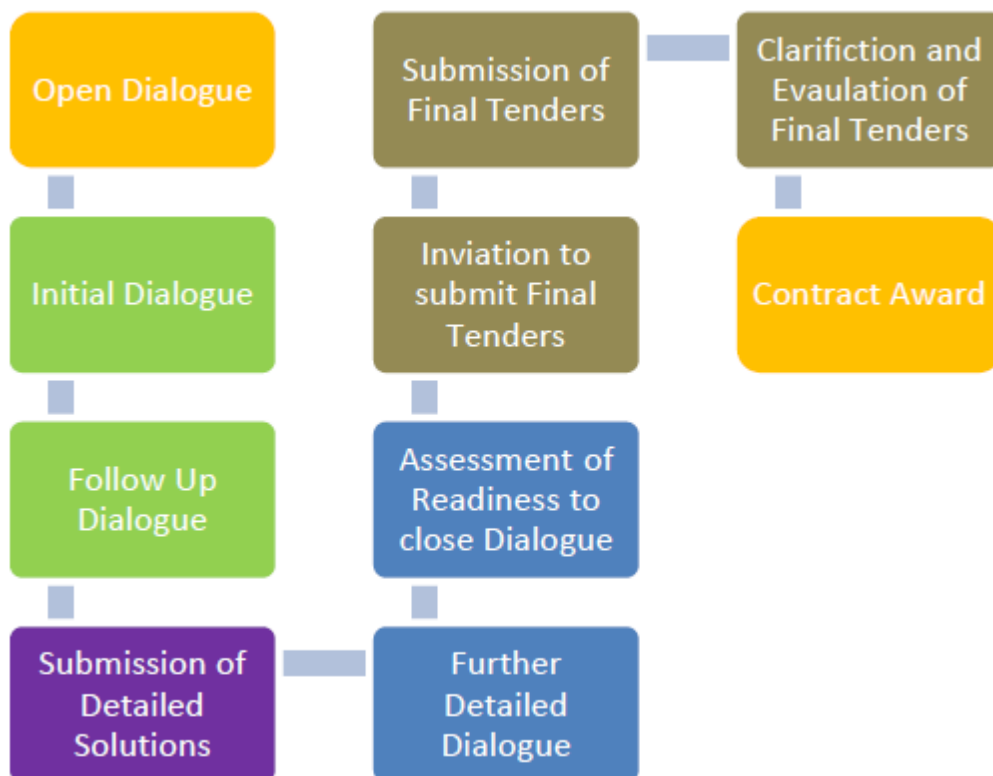
SWP currently operate its collection services from five depots across the County. As with any collection contract, effective use of operational depots will be crucial to delivering affordability. The procurement process is designed to ensure that SWP see evidence that suppliers have selected the optimum number and location of depots to deliver value to the partnership. SWP had initially expected to have secured a new larger depot (serving the west of the County) by this stage of the process, however it has not been possible to make progress at the pace we originally hoped.

Bidders are required to base their methods of service delivery (for compliant and variant bids) and prices on the five existing authority depots and/or their own (contractor) depots. However, in addition to this, in order to understand the impact a new authority depot will have on the overall service costs we have also required bidders to submit additional prices and relevant method statements based on a new depot "scenario" as a mandatory variant proposal. This will enable SWP to better understand both the potential need and the potential value in securing a new depot.

SWP are continuing to explore potential site options and remain hopeful that a new authority depot site will be developed. A key area that the Board will be considering in confidential session is the extent to which a new authority depot is essential and whether it offers value for money.

4. Next steps

4.1. The flowchart below shows the whole procurement process. We are currently at the point in the process after the 'submission of detailed solutions', but prior to 'further detailed dialogue'.



An outline of the remaining stages of the procurement process following the board meeting on 2 November is provided in the table below:

Phase	Time	Comments
Consultation with partners	2 Nov – 14 Dec	Having brought forward the SWP Business Plan consultation timetable, this period will include an update to partners on the procurement and/or potential consultation with partners on any changes to the approach agreed by the Board in confidential session on 2 Nov
Dialogue with bidders on final tenders	12 Nov – 17 Dec 2018	It is at this stage that we will be able to negotiate on commercial, legal and waste technical matters identified at ISDS to improve outcomes. This will include feeding back on ISDS submissions and any changes to the final specification that resulted from the variant bids.
Review revised risk share approach		Meetings with Task and Finish group & s151 officers to ensure that the Board and finance officers from partner authorities are closely involved in the process.
Somerset Waste Board Meeting	14 Dec 2018	Review of procurement process ahead of final tender
Invitation to submit final tenders (ISFT)	4 Jan 2019	Publication of final specification reflecting the previous stages of the process
Submission, evaluation & moderation of final tenders	4 Feb – 29 Feb	This includes all activity necessary to identify the most economically advantageous tender, including meeting with SMG (project board)
SWB decision to award contract	14 Mar 2019	A decision by SWB to award is followed by a statutory alcatel (standstill) period before it is made public.
Mobilisation	May 2019 – end March 2020	This is the period in which the new provider gears up to provide the services including procurement of vehicles, plant and equipment, and close engagement with staff.
Service Commencement	28 March 2020	The first collections by the new provider will be on Monday 30 March 2020.
Complete roll out of Recycle More	End of March 2022	The specification requires that Recycle More must be rolled out in 5 phases within 2 years of commencement, including a bedding in period of 3 months and allowing for a period of learning and reflection in March and April 2021.

5. Contingency plan: Local Authority Company (LAC)

- 5.1. As previously reported SWP have commenced work to explore this option as a contingency. However, with strong bidders competing to win the SWP contract it is not currently considered necessary to escalate the contingency plan beyond the research phase.

6. Background papers

- 6.1. Report to SWB “Recycle More” 16th December 2016.

- 6.2. Report to SWB “Contractual Negotiations for Recycle More” 30 June 2017.

Confidential Report to SWB “Contractual Negotiations and Procurement Strategy for Recycle More” 3 November 2017.

- 6.3. SWP Business Plan 2018-23 Approved by SWP on 15th December 2018.

- 6.4. Report to SWB “Recycle More & Collection Contract Procurement: Update” 23 February 2018

- 6.5.** Report to SWB “Recycle More & Collection Contract Procurement: Update” 29 June 2018
- 6.6.** Report to SWB “Recycle More & Collection Contract Procurement: Update” 28 September 2018

Somerset County Council Forward Plan of proposed Key Decisions

The County Council is required to set out details of planned key decisions at least 28 calendar days before they are due to be taken. This forward plan sets out key decisions to be taken at Cabinet meetings as well as individual key decisions to be taken by either the Leader, a Cabinet Member or an Officer. The very latest details can always be found on our website at <http://somerset.moderngov.co.uk/mgListPlans.aspx?RPId=134&RD=0&bcr=1>

Regulation 8 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 defines a key decision as an executive decision which is likely:

(a) to result in the relevant local authority incurring expenditure which is, or the making of savings which are, significant having regard to the relevant local authority's budget for the service or function to which the decision relates; or

(b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the area of the relevant local authority.

The Council has decided that the relevant threshold at or above which the decision is significant will be £500,000 for capital / revenue expenditure or savings. Money delegated to schools as part of the Scheme of Financial Management of Schools exercise is exempt from these thresholds once it is delegated to the school.

Cabinet meetings are held in public at County Hall unless Cabinet resolve for all or part of the meeting to be held in private in order to consider exempt information/confidential business. The Forward Plan will show where this is intended. Agendas and reports for Cabinet meetings are also published on the Council's website at least five clear working days before the meeting date.

Individual key decisions are shown in the plan as being proposed to be taken within a ten day period, with the requirement that a report setting out the proposed decision will be published on the Council's website at least five working days before the date of decision. Any representations received will be considered by the decision maker at the decision meeting.

In addition to key decisions, the forward plan shown below lists other business that is scheduled to be considered at a Cabinet meeting during the period of the Plan, which will also include reports for information. The monthly printed plan is updated on an ad hoc basis during each month. *Where possible the County Council will attempt to keep to the dates shown in the Plan. It is quite likely, however, that some items will need to be rescheduled and new items added as new circumstances come to light.* Please ensure therefore that you refer to the most up to date plan.

For general enquiries about the Forward Plan:

- You can view it on the County Council web site at <http://www.somerset.gov.uk/CabinetForwardPlan>
- You can arrange to inspect it at County Hall (in Taunton).
- Alternatively, copies can be obtained from Scott Wooldridge or Julia Jones in the Democratic Services Team by telephoning (01823) 359500 or 357628.

To view the Forward Plan on the website you will need a copy of Adobe Acrobat Reader available free from www.adobe.com
Please note that it could take up to 2 minutes to download this PDF document depending on your Internet connection speed.

To make representations about proposed decisions:

Please contact the officer identified against the relevant decision in the Forward Plan to find out more information or about how your representations can be made and considered by the decision maker.

The Agenda and Papers for Cabinet meetings and details of planned key decisions to be taken by Cabinet Members or Officers can be found on the County Council's website at:

<http://www1.somerset.gov.uk/council/boards.asp?boardnum=3>

Weekly version of plan published on 1 October 2018

FP Refs / Date proposed decision published in Forward Plan	When decisions due to be taken and by whom (**)	Details of the proposed decision	Documents and background papers to be available to decision maker	Does the decision contain any exempt information requiring a resolution for it to be considered in private and what are the reasons for this?	Contact Officer for any representations to be made ahead of the proposed decision
10 September 2018	Somerset Waste Board 2 Nov 2018 To consider the report	Issue: Recycle More Project Update			Mickey Green, Managing Director - Somerset Waste Partnership Tel: 01823 625707
10 September 2018	Somerset Waste Board 2 Nov 2018 To consider the report	Issue: Viridor Core Services Review			Mickey Green, Managing Director - Somerset Waste Partnership Tel: 01823 625707
1 November 2017	Somerset Waste Board 2 Nov 2018 To consider the report	Issue: Somerset Waste Partnership Business Plan			Mickey Green, Managing Director - Somerset Waste Partnership Tel: 01823 625707
15 October 2018	Somerset Waste Board 14 Dec 2018 To consider the report	Issue: Performance Monitoring Report Q2 2018/19			David Oaten, Contracts Manager - Treatment and Infrastructure Tel: 01823 625721
15 October 2018	Somerset Waste Board 14 Dec 2018 To consider the report	Issue: Recycle More Project Update			Mickey Green, Managing Director - Somerset Waste Partnership Tel: 01823 625707
1 October 2018	Somerset Waste Board 14 Dec 2018 To consider the report	Issue: Draft budget for 2019/20 and Finance Performance Update Q2			Martin Gerrish, Strategic Manager - Financial Governance and Finance Officer for SWP Tel: 01823 355303

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FP Ref / Date proposed decision published in Forward Plan	Date / period when decision due to be taken and by whom (**)	Details of the proposed decision	Documents and background papers to be available to decision maker	Does the decision contain any exempt information requiring a resolution for it to be considered in private and what are the reasons for this?	Contact Officer for any representations to be made ahead of the proposed decision
15 October 2018	Somerset Waste Board 14 Dec 2018 To consider the report	Issue: Somerset Waste Partnership Business Plan			Mickey Green, Managing Director - Somerset Waste Partnership Tel: 01823 625707