

## **SOMERSET WASTE BOARD**

Minutes of a Meeting of the Somerset Waste Board held in the Council Chamber, South Somerset District Council, Brympton Way, Yeovil BA20 2HT, on Friday 27 September 2019 at 10.00 am

**Present:** Cllr C Paul (Vice Chair in the Chair) Cllr A Gilling, Cllr M Martin, Cllr D Hall, Cllr D Mansell, Cllr A Wedderkopp, Cllr T Kerley, Cllr J Keen and Cllr T Ronan

**Other Members present:** Cllr T Munt, Cllr B Hamilton

**Apologies for absence:** Cllr S Dyke

### **554 Declarations of Interest - Agenda Item 2**

An additional declaration was made by Councillor Paul as a member of Kingsbury Episcopy Parish Council.

### **555 Minutes from the meeting held on 28 June 2019 - Agenda Item 3**

The minutes of the meeting were confirmed as a correct record and were signed by the Chair.

### **556 Public Question Time - Agenda Item 4**

There were no public questions.

The Chair invited Joint Scrutiny Waste Panel member Cllr Brian Hamilton to speak who informed the Board that the Scrutiny Panel had considered all the reports that were coming to the Board today and were happy with the recommendations proposed.

### **557 Waste Board Membership - Agenda Item 5**

Since the Board meeting held in June, the board were advised of two revised appointments from two district councils to change a board member. Sedgemoor District Council had now appointed Cllr Andrew Gilling with Cllr Gill Slocombe stepping down after serving on the Board for many years. Mendip District Council had appointed Cllr Matthew Martin to replace Cllr Adam Boyden.

The Board **Resolved** to note the reported change in the Waste Board Membership.

### **558 New Collection Contract Mobilisation Update - Agenda Item 6**

Somerset Waste Partnership Managing Director Mickey Green presented the report regarding the New Collection Contract Mobilisation Update, and introduced Steve Holgate and Matt Canning from Suez, the new collection contractor.

The report summarised progress in delivery of Recycle More. It updated the board on progress since the last Board meeting in June 2019, and next steps with a particular focus on communications planning.

The Recycle More scheme enabled the public to recycle even more at the kerbside, adding in the following materials to the weekly collection:

- Plastic pots, tubs and trays (including black plastic)
- Food and beverage cartons (e.g. tetrapaks)
- Small electrical equipment (e.g. a kettle or toaster)
- Household batteries

This was in addition to what could already be recycled every week – food, paper, glass, cans, aerosols, plastic bottles, cardboard, foil, textiles and shoes. A 60litre weighted reusable sack ensured residents had space for all their extra recycling. This would maintain the kerbside sort system that was crucial to the excellent environmental performance that SWP already achieved, with over 90% of our materials reprocessed in the UK each week.

With so much more recycled each week, the frequency of residual waste would be reduced to every three weeks. This change was crucial to the service being able to respond to public demand to recycle more, to nudge those that aren't recycling fully at the moment, to support the aim to see rubbish treated as a resource rather than wasted, to tackle the climate emergency, and to support the national policy ambition to eliminate avoidable waste by 2050.

The Managing Director supported by other members of the SWP management team have visited all partner authorities to update members on SWP's role and the changes coming up with Recycle More. Workshops have been held for new members of the Board and Joint Waste Scrutiny Panel to brief them fully on Recycle More. SWP has a comprehensive programme of attendance at Parish Cluster meetings and other forums to ensure that key stakeholders are aware of the changes coming up. SWP also hosted a visit to the Avonmouth Resource Recovery Centre for members of the Board and Joint Waste Scrutiny Panel, as the move away from landfill from Spring 2020 is an important part of our overall transformation and improving environmental outcomes whilst reducing costs.

Orders had been placed for all parts of the vehicle fleet (144 vehicles) other than supervisor vans – this ensured that prices were fixed and build slots booked. Vehicles would be delivered between the end of November 2019 and February 2020. Whilst the partnership looked carefully at electric vehicles and alternative fuels, the reality was that the technology of electric trucks was not at a sufficiently advanced point to enable it to be viable for a large rural county like Somerset. The primary environmental benefit of the new fleet of vehicles was through the 27,000 tonnes of additional recycling they would carry. The new fleet would contribute to reducing carbon emissions

Significant works would be required at all depots before the new Recycle More service would be rolled out – ensuring that the depots could handle the volume of additional materials and had the right sorting and baling equipment to deliver the high environmental standards that the new contract required. It was also important that welfare facilities for staff were improved. As Evercreech would be the first depot ready to roll out Recycle More, Mendip would be the first

phase of the Recycle More roll-out in June 2020. The final roll-out programme beyond Mendip would be confirmed to the board in December, once the construction works programme was finalised.

Mobilisation work had already begun to inform staff; procure new equipment; develop the necessary IT solutions and prepare for advance communications activity. This work would continue apace up to the formal handover from Kier to SUEZ at the end of March 2020, at which point some minor service adjustments (particularly for garden waste subscribers) would occur – which will be communicated in advance. The new Recycle More collection service transition period would then begin in June 2020. This would be rolled out across Somerset in a phased approach over approximately two years, owing to the scale of the change. A comprehensive communications strategy would be undertaken to prepare residents for this change prior to their area adopting the new service, while taking care not to confuse residents who would receive the new service in later phases. The communications approach adopted for Phase One would be replicated for subsequent phases, subject to feedback, analysis and adjustments.

The following points were raised in the discussion:

- In respect of trialing electric vehicles, the option had been considered but the range wasn't sufficient for the distances the waste collection vehicles travelled across the County.
- The replacement vehicles would last eight years and were the highest spec euro diesels which were considered ultra-low emission vehicles, the lifespan of new electric technology was still an unknown due to its infancy.
- Meetings were still ongoing with the manufacturers of the new technology.
- The board looked forward to considering the details of new technology and low emission options of waste collection.
- Issues around Recycle More and the initial rollout would be considered at a future meeting of the board.
- The first rollout of recycle more would be undertaken in Mendip due to the new facility being built in this area.
- Communications and education around the recycling and packaging would be detailed at a future board meeting and it would be targeting householders as well as schools

The Board **Resolved** to:-

1. Note the progress made in mobilising a new collection contract.
2. Endorse the high-level approach to communications as outlined in the report

#### 559 **Performance Monitoring Report Q1 2019/20 - Agenda Item 7**

Mr Green introduced the report which summarised the key performance indicators for the period from April 2019 to June 2019 and compared these to the same period last year.

The key headlines were:

- Business Plan: The two major projects (moving away from landfill and Recycle More/mobilising a new collection contractor). Funding had been secured for a major food waste campaign. Progress was being made in implementing a new online Customer Relationship Management system (My Waste Services).
- Waste Minimisation: Overall household arising was down by around 3.5% compared to the same quarter the previous year. A key driver for this was lower levels of garden waste due to weather.
- Recycling: The recycling rate fell only slightly to 54.98% (0.11% lower than the same quarter the previous year) with reductions in garden waste, paper and glass.
- End use: SWP continued to see strong demand from UK based reprocessors for the high-quality materials we collect. In Q1 62% stayed in Somerset and 92% in the UK. The popularity of the plastic pots, tubs and trays (and plastic bottle) banks at recycling centres continues to grow, with June being a record-breaking month.
- Missed collections: Whilst there was a small improvement in missed collections in Q1 compared to Q4 2018-19 (to 1.117 per 1,000 collections). We continue to work closely with Kier on this.
- Risk: In addition to the corporate risk register we maintain a no deal Brexit risk register and a detailed risk register for Recycle More.

Key implications of the performance data were:

- Working with SUEZ (and Kier) to mobilise the new collection contract, including ensuring that a new fleet of vehicles is ready on day 1 of the new contract.
- Continued focus on developing a new Customer Relationship Management system (incl. website changes and app), reflecting both the significant opportunity for better customer service that these system changes enable, and the complexity of this project.
- Developing detailed communications plans to support the roll-out of Recycle More
- Ensuring we remain on track to move away from landfill in Spring 2020
- Continuously reviewing and updating our 'no deal' Brexit risk register
- Planning to launch the 2018-19 End Use Register in early Autumn 2019, including developing more effective ways of communicating what is an under-recognised success of SWP
- Responding to the expected further national consultations on resources and waste, maintaining SWP's influence at national level, refreshing our own strategy and contributing to the County Climate Emergency Strategy/Plan (working with all partners)
- Ongoing work with Kier to manage service quality during the remainder of the contract, particularly over the summer months, where the service can be placed under particular pressure
- Continued to closely monitor budgets and spend

The Performance Monitoring Report Q1 2019-20 was set out in Appendix 1 of the report.

The following points were raised:

- The Customer Relations Management System was an ongoing project in the service. There was confidence that this would work.
- Signage and information would be changed at household recycling centres to reflect targets.

The Somerset Waste Board RESOLVED to note the performance results in the First Quarter Performance Management Report.

560 **Financial Performance Update 2019-2020 and Development of the Annual Budget 2020-2021 - Agenda Item 8**

The Chair invited Finance Officer Sarah Rose to introduce the report and outline the main points.

Overall, the end of July position detailed the Somerset Waste Partnership budget was forecast to be underspent by £804,000 (1.74% of the original budget), albeit on relatively limited actual costs in the year to date. This did not include the Recycle More project work, which was funded from a separate project fund.

Estimated figures for the collection partners indicated a potential combined £13,000 underspend across the 4 partners at this stage.

Recycling credits were reporting a shortfall in income of £49,000 across the 4 partners. This was due to reduce volumes of dry recycling. Dry recycling volumes could vary considerably from month to month due to weather, number of collections in that month and social activity.

This shortfall in income was offset by other small underspends across the partners.

The report noted that this is based on very limited collection data (April to June 2019), particularly recycling credits and variable collection items such as bulky collections and replacement containers.

The Recycle More project fund stood at £1,101,040 following the transfers approved at the June board. To date a total of £11,000 of this has been spent. It was expected that this will be fully spent within the financial year.

Waste disposal costs were forecasted to underspend by £791,000, this was down to waste volumes being less than budgeted. The most significant areas seeing a reduction were kerbside residual waste and green waste at both kerbside and recycling centres.

All forecasts were based on the tonnages in the first 4 months of the year compared to the same period last year, although volumes continued to be volatile and dependent on outside factors such as the weather.

The following SCC savings were built in to the 2019/20 budget;

- £200k Waste HWRC contract extension.
- £225k Non customer facing savings including volumes and a number of other small savings.

All these savings had either been made or on target to be achieved by the end of the financial year.

Pensions implications were set out in confidential appendix A.

The fly tipping compensatory payment scheme had been in place since April 2011, to protect District Council partners from adverse financial impacts to their Streetscene services through changes made by the County Council to the Recycling Site network. It was always designed to serve that specific purpose rather than be an ongoing scheme, the rationale for continuing with it has now come to an end.

The compensation during the first year of implementation of the scheme amounted to circa £47,000, spread across the 5 District partners. Since that peak, the levels of compensation have diminished as fly tipping numbers had fallen year on year to a point that during 2016/17 and 2017/18, only Sedgemoor received limited amounts of £1,970 and £3,750 respectively. Since 2016/17 none of the other District partners have received any compensatory payment from the County Council and in 2018/19 no payments were due to any District partner. This trend is expected to continue in this current financial year. It is therefore proposed that the fly tipping compensatory payment scheme has served its purpose and should be removed from 2020/21.

The Indicative Annual Budget forecast for 2020/2021 set out the indicative budget requirements for 2020/2021. The inflation and growth assumptions are as listed. During 2020/21 there will be roll out costs for Recycle More which will be funded through the Recycle More project fund, these will be managed outside of the 'core' Somerset Waste Partnership budget.

No tonnage growth has been assumed on recycling credits, this remains based on current performance. The increased income for collection partners relates to the agreed 3% annual payment uplift on recycling credits from the County Council.

Household growth is an early estimate based on prior years actuals. Members are reminded that each collection partner will be charged according to their individual district housing growth.

There had been depot rent reviews and the increased costs were reflected in the budget.

Estimating the disposal figures at this stage was difficult, as there was 8 months away from the start of the 2020/21 financial year, and volumes and mix have remained volatile for some time (permits, snow, sun etc).

Initial forecasts were:-

- Landfill Tax rates from 1 April 2020 had been confirmed by the Treasury as £94.15 per tonne This is an increase from £91.35 of 3.07% on the 2019/2020 rate. This had less of an impact as we are moving away from landfill.
- Contract inflation for disposal is based on a number of indices within the various disposal contracts. These are highly volatile, particularly the civil engineering (“Baxter”) index, which is an industry standard and includes a significant fuel element. Indices for disposal run from February 2019 to February 2020 and are not published until March.
- Volume growth is based on projected household growth. The current assessment is 1.0% growth.
- The total additional budget required for the above pressures is £625,400 (landfill, inflation and volumes).

The following points were raised in the discussion:

- Additional pressures of Avonmouth were set at £1,746,700. This was the reversal of the savings (pre-contract payments) that were taken early by SCC (reflecting the particularly acute budget pressures on SCC in recent years).
- Energy for waste remained cheaper and more environmentally friendly than landfill.
- The standstill cost for the disposal budget was therefore £2,372,100, an increase of 8.40% on the original 2019/2020 budget.

Somerset Waste Board RESOLVED to:-

- i) Note the summary financial performance for 2019/2020 year to date and the potential outturn position for each partner authority.
- ii) Consider the draft budget for 2020/2021 and the key factors that will influence the budget setting process.
- iii) Remove the fly-tipping compensatory payment scheme in its entirety with effect from 1 April 2020 as it has served its purpose and is no longer required.
- iv) Agree the case for applying the exempt information provision as set out in the Local Government Act 1972, Schedule 12A and therefore to treat appendix A to this report in confidence, as it contains commercially sensitive information, and as the case for the public interest in maintaining the exemption outweighs the public interest in disclosing that information.
- v) Delegate authority to the Managing Director to implement the arrangements to resolve pension issues on termination of the Kier contract as set out in confidential appendix A

561 **Proposed Fees and Charges 2020-21** - Agenda Item 9

The Chair invited contracts manager Colin Mercer to introduce the report. This sought member approval for fees and charges applied to waste services for which a charge may be made, for the financial year 2020/2021.

For the first time since 2007 the partnership would be operating the collection services with a new contract and a new commercial partner (SUEZ). The significant changes to operations resulted in some changes to the cost profile, which had some impacts upon charges.

From the 1 April 2020 Local authorities charging their residents to use household waste recycling centres were no longer allowed to make charges for such sites. It is recommended the two 'Community Recycling Sites' at Crewkerne and Dulverton remained as part of the network but the charge for access removed. Changes to the opening hours were made at these sites in 2019 with the removal of charges in mind, as part of the review of all recycling centre opening hours to better reflect need and demand.

Charges for the deposit of other types of waste remained and local authorities were not prevented from charging for waste and/or recycling from commercial operators or 'non-household' waste and or recycling from residents or non-residents. Whilst National Government stated their intention to review this, no final decision has been taken. It was proposed to retain these restrictions unless legislation changed.

The agreement with Viridor regarding charges at recycling centres allowed Viridor to uplift charges for items such as rubble, tyres, gas bottles and commercial waste annually by the (Viridor) contracted inflation rate RPI, which was at 2.48% this year. These transactions were between Viridor and the Customer, these services were cost neutral to the Council. It was recommended that the Board noted and applied the uplifts as set out in Appendix A.

With the roll out of the Recycle More service of increased weekly recycling, refuse collections would be every three weeks. This meant that the current system of refuse one week and garden waste another would no longer be in place, as garden waste would continue to be collected every two weeks.

Accordingly, SWP took this opportunity to stop the garden waste service being on the same day of the week as the refuse and recycling collections. With only around one-fifth of Somerset households subscribing to the garden waste service, this enabled vehicles to route more efficiently, resulting in considerable carbon savings from these more efficient rounds.

Current prices for 19/20 were set at £56.90 and £28.40. The Proposed prices 2020/21 were £55.50 and £27.50.

SSDC offered customers the chance to sign up for a two years garden waste service provision for a small discount. This has proved administratively complex to manage and increased the risk of service error as data is transmitted between SSDC, SWP and our contractor. In order to re-harmonise and allow improvements to be reviewed with the garden waste service (e.g. removing stickers, enabling customers to sign up at any point in the year, simplifying the payment system) it is recommended this option isn't offered this year. This would not affect those customers already on the second year of a two year subscription but would mean that new customers could not sign up for a two-year deal.



There was a discretionary charge for the delivery of residual waste bins applied rarely and in limited circumstances by a minority of districts partners. Customer feedback suggested that this caused confusion with a reluctance to order additional recycling containers, as people misunderstand and think they may be charged for them. SWP did not want to discourage people from asking for the right recycling containment and believe that other controls are sufficient to ensure that there are no/very limited false requests accepted. Accordingly, SWP recommend that District Council partners remove this charge to avoid putting people off recycling.

Whilst the new collection contract was expected to save over £2m overall, the costs of the bulky waste service, in isolation, were higher than those under the current contract (noting that the current contractor has previously indicated that the service was loss making). However, there would be considerable service improvements – offering bookable timed slots rather than simply a collection day, an improved approach to reuse, a more consistent approach to offering collections from within the home. In order to cover the costs of the service and the administrative costs of delivering the service, it was proposed to increase the costs of the service from £44.50 for up to 3 items to £60, with each additional item up to a maximum of 5 items costing an extra £15. This would cover the costs of the service, with £11k to cover the District Council costs of administering the service (e.g. customer call centre costs). This was in line with the Board's commitment to not offering a subsidy for such services. Free alternatives included using local recycling centres, offering goods for sale/reuse locally e.g. on social media, there were many reputable firms that also undertook bulky waste collections.

The following points were raised:

- The risk around bulky waste collections if the amounts fluctuated remained with the contractor and not the council.
- Charges for Garden Waste collections were considered, this could not be a profit generating service, with the charges set to the cost of the service provided to the user.
- Viridor where possible would continue to reuse and recycle materials such as tyres and carpet material.

Somerset Waste Board RESOLVED to approve the proposed charges for introduction from April 2020 as set out in table 1 in Appendix A to the report.

## 562 **Outline Business Plan 2020-25 - Agenda Item 10**

Mr Green introduced the report and explained that the Somerset Waste Partnership Draft Business Plan for the period 2020 to 2025 had come before a number of meetings, starting in September for a discussion on priority areas and approach, following further discussion on this today there would be a further presentation to the Board in December and partner consultation in January and February with approval from the Board to the final business plan sought in February 2020.

The Business Plan approval timetable is in line with the constitutional requirements on SWP and ensures that business planning and budgeting are considered together. The approach to business planning had been informed by the work SWP was leading on the 'Waste and Resources' workstream of the joint Somerset Climate Strategy, and on the work being undertaken to consider SWP's own long-term strategy.

Whilst there was much consistency with the current business plan (for example implementing Recycle More would continue until 2022, and partners would continue to be worked with to ensure new homes were built with waste in mind), it is likely that the next Business Plan would have a greater focus upon:

- How schools were worked with to improve their recycling rate (currently only around 25% despite the range of services they could use)
- An expanded Schools Against Waste service utilising the extra funding generated from the SW:EEP fund
- Joint work with both main contractors (Viridor and SUEZ) and the voluntary and community sector to explore how Reuse in Somerset could be significantly increased.
- Exploring how recycling can be improved in commercial businesses and the public sector in Somerset
- Exploring how others can be worked with to ensure Somerset businesses were supported to make the right environmental choices (e.g. around packaging)
  - Developing a more targeted approach to community engagement and developing stronger strategic partnerships in target communities
- Firming up on the ambition to centralise all customer payments through SWP to improve the customer experience.

SWP's waste management strategy would look to reduce waste, improve reuse, recycling and recovery, effectively use waste as a resource, and consider the environmental impact of our household waste. Exploring the partnerships role as system leader in Somerset and develop how local businesses were worked with to improve the resource efficiency and reduce waste. The strategy would encompass the immediate ambitions and service developments which included:

- A strategic framework for how service developments/ pressures were approached
  - Approach to delivering excellent customer service and support (underpinned by appropriate technology)
  - Approaching behaviour change, communications and engagement
  - Engagement with communities, businesses, schools within Somerset
  - How partners were worked with on areas like littering, fly-tipping and enforcement, and food waste reduction.

The following points were raised in the discussion:

- A demo of a new app devised by SWP would be given at the December Waste Board, with the current aim to have the app functionality working by then.

- An update of the Re-use shops performance in Taunton was requested at the next board, it was hoped there could be more of these shops open.
- Members were positive towards the long-term strategy being considered in Summer 2020 and encouraged the ongoing work around climate change and timescale go into its development.

Somerset Waste Board RESOLVED to:

(i) Approve the broad approach and proposed priority areas for inclusion in the Business Plan 2020-25 as set out in section 2 of the report.

(ii) Discuss and provide further ideas for any particular service changes, projects or programmes for potential inclusion in the Draft Plan to be approved for consultation at the December meeting.

(iii) Comment on the proposed approach to SWP's long term strategy (as set out in section 3)

**563 Somerset Waste Board Forward Plan - Agenda Item 11**

The Board considered and discussed its Forward Work Plan of future agenda items and reports for the December meeting in 2019.

**564 Information Sheets Issued Since the Last Meeting - Agenda Item 12**

There were none.

**565 Any other urgent items of business - Agenda Item 13**

Members formally recognised the hard work and efforts of Cllr Gill Slocombe who had now stood down from the board.

**(The meeting ended at 11.28 am)**

**CHAIR**