

Somerset Waste Board

Friday 20 December 2019

10.00 am Taunton Library Meeting Room

SUPPLEMENT TO THE AGENDA

To: The Members of the Somerset Waste Board

We are now able to enclose the following information which was unavailable when the agenda was published:

Item 3	Minutes from the meeting held on 27th September 2019 (to follow) (Pages 3 - 14) The Board is asked to confirm that the draft minutes of the previous meeting are accurate or to agree any amendments that are necessary.
Item 6	New Collection Contract Mobilisation Update (Pages 15 - 24) To consider the report, noting that there is a confidential appendix. Report to be published Friday 13 December.
Item 8	Draft Business Plan 2020-2025 (Pages 25 - 46) To consider the report. Report to be published Friday 13 December.
Item 9	Draft Annual Budget 2020-2021 (Pages 47 - 54) To consider the report. Report to be published Friday 13 December.
Item 10	Proposed revisions to the Inter-Authority Agreement (Pages 55 - 118) To consider the report. Report to be published Friday 13 December.
Item 11	Somerset Waste Board Forward Plan (Pages 119 - 122) To review the latest version and items of business for future meetings.

Published on 13 December 2019

Democratic Services, County Hall, Taunton

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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

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Somerset County Council

Notice of private meeting



The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 – Regulation 5

Following prior publication in the Forward Plan on 3 April 2019, in accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 – Regulation 5, notice is hereby given that the Somerset Waste Board is requested to consider agreeing a resolution at its Meeting on 20 December 2019 to exclude the press and public from any part of the meeting where exempt information relating to the item below is to be disclosed.

New Collection Contract Mobilisation Update

Contact Officer: Mickey Green
Contact Details: 01823 625707

Reasons for the item to be considered in private session at the meeting
Local Government Act 1972 – Schedule 12A

The item is likely to contain information relating to the financial or business affairs of any particular person (including the authority holding that information).

Representations received to hold the item in open session
None.

Council's response to representations received
Not applicable.

Circulation:

Leader of the Council and Cabinet Members
Scrutiny Committee Chair's
All County Council members
Public notice board at County Hall, Taunton
Council's website
All members of the Somerset Waste Board

12 December 2019

Scott Woodridge – Monitoring Officer

For questions about this notice please contact Scott Wooldridge, Strategic Manager, Community Governance, County Hall, Taunton, TA1 4DY. Tel: 01823 357628 Email:SWooldridge@somerset.gov.uk

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Somerset Waste Board meeting

20 December 2019

Report for information

New Collection Contract Mobilisation Update
 Lead Officer: Mickey Green, Managing Director
 Author: Mickey Green, Managing Director
 Contact Details: 01823 625707

Forward Plan Reference:	SWB/19/10/01
Summary:	<p>This report summarises progress in mobilising our new collection contractor (SUEZ Recycling and Recovery UK) and hence delivery of Recycle More. It updates the board on what has happened since the last Board meeting in September 2019, and what will be happening next. It includes a commercially confidential appendix which summarises progress on the finalisation of the contract.</p>
Recommendations:	<p>It is recommended that the Board:</p> <ol style="list-style-type: none"> 1. Notes the progress made in mobilising 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. Notes the progress set out in the confidential report.
Reasons for	

<p>recommendations:</p>	<p>To ensure that progress with the procurement and mobilisation of our new collection contractor (SUEZ) is transparent, whilst ensuring that value for money is maintained by allowing the Somerset Waste Board (SWB) to consider commercial issues in relation to the collection contract in confidential session.</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 Section 100 of the Local Government Act 1972, by Schedule 12A to that Act.</p>
<p>Links to Priorities and Impact on Annual Business Plan:</p>	<p>Task 1.1 within the SWB Approved Business Plan 2019-24 concerns the transition to a new collection contractor and new service model.</p>
<p>Financial, Legal and HR Implications:</p>	<p>Revenue: In addition to delivering the significant environmental benefits of Recycle More, a new collection contract will deliver significant savings to all partners - total forecast savings are over £2m per annum once Recycle More is rolled out. This does not mean that year 1 costs will be lower by this amount, as SWP will incur roll-out costs before savings can be realised, and savings are not realised until Recycle More is fully rolled out in 2022.</p> <p>Capital: As set out in the commercially confidential appendix there has been a small (just over 1%) increase in expected total capital costs, with an expected increase in depot costs of c.£0.3m to £24.9m. Vehicle related capital expenditure remains as forecast at £17.8m. The additional capital borrowing will be undertaken by SCC on the same terms as other borrowing (PWL +1%). Over the 20 year write down of this additional capital, this only impacts on annual revenue costs by around £15k. Additionally, SCC have taken a key decision to approve bilateral funding arrangements with District Council partners – which simply formalises the arrangements between partners to undertake the borrowing that all partners have planned.</p> <p>Legal: SWP and SUEZ have extended their Letter of Intent to the end of December 2019 to ensure that mobilisation progresses ahead of contract signature – this has allowed orders for key parts of the new fleet of vehicles to be placed, and for costs related to depot improvement to be undertaken. At the time of writing this report there are still some outstanding legal issues to be finalised before contract signature can take place, but both SWP and SUEZ aim to have a signed contract ahead of the December Board meeting. An update on some of these issues is</p>

	<p>set out in the confidential appendix.</p> <p>HR: Collection Contractor staff will TUPE transfer to the new contractor on 28 March 2020. Drop-in sessions have been undertaken at all depots, as have meetings with unions. Formal engagement with unions and staff about measures (i.e. changes when SUEZ take over) commenced at the beginning of December. Training sessions for all staff, including familiarisation with new vehicles/technology, will take place in the new year.</p>
Equalities Implications:	An Equalities Impact Assessment was attached to the 29 March Board report. This impact assessment has been updated at key milestones throughout the procurement project and will continue to be updated as we progress through to service commencement and Recycle More roll-out.
Risk Assessment:	The risks related to the mobilisation of a new collection contractor and Recycle More are maintained in SWP's risk register and a specific project risk register. Key risks we are focussed on at the moment relate to ensuring that the construction programme at our 5 depots progresses in a way which enables us to roll-out Recycle More as planned.

1. Background

- 1.1.** On 29 March 2019 in confidential session the Board decided upon SUEZ Recycling and Recovery UK as the preferred bidder, informed by the feedback and support from the Joint Waste Scrutiny Panel. The public announcement of SUEZ as the preferred bidder was made on 13 May 2019, with existing collection staff being the first to be told.

SUEZ will roll out our new collection service model (Recycle More) in phases. This will enable the public to recycle even more through the kerbside sort system, 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 is in addition to what can already be recycled every week – food, paper, glass, cans, aerosols, plastic bottles, cardboard, foil, textiles and shoes. A 60litre weighted reusable sack will ensure residents have space for all their extra recycling. With so much more recycled each week, the frequency of residual waste will be reduced to every three weeks. This change is crucial to us being able to respond to public demand to recycle more, to nudge those that aren't recycling fully at the moment, to support our aim to see waste treated as a resource.

For communal properties (e.g. flats) additional materials that residents will be able

to recycle each week will be cardboard and plastic bottles, pots, tubs and trays. This is in addition to the paper, glass, cans and aerosols they can already recycle. Over time we will work in partnership with our new contractor to enable residents of communal properties to use the full range of kerbside services for recycling.

We expect this to take our recycling rate to around 60%, and reduce the amount of residual waste from around 480 kg/household to 418kg per household – with this residual waste being used to create Energy from Waste rather than going into landfill.

- 1.2.** In the September Board progress report the Board heard from Steve Holgate, Director of Municipal Services for SUEZ Recycling and Recovery UK, discussed the positive environmental impact of the new fleet we have ordered (and our plans to further improve when reliable technology exists), the plan to first roll-out Recycle More in Mendip in June 2020. The main focus of discussion in September was the substantial communications and engagement plan SWP are developing, with the Board endorsing the approach set out, our plans to expand the Schools Against Waste Programme, and the approach we intend to take to support those households that utilise nappies or adult hygiene products.

2. Progress to date

2.1. Update on mobilisation

The mobilisation programme is currently on schedule with no major areas of concern other than delays to the construction programme at Evercreech. Planning permission has been secured for the construction of a new area at Evercreech, but a number of issues (in particular related to water mains, electrical connections, drainage and ground conditions) mean that it is not now expected that the construction programme will be completed until September 2019. SWP have worked closely with SUEZ and are confident that this construction delay will not impact upon the day to day service or the roll-out of Recycle More

The first new recycling vehicles are expected in Somerset in early December, and will have their livery applied in a temporary building constructed on an additional temporary vehicle parking area within Somerset. The trial of electric supervisor's vans that SUEZ were undertaking is not giving confidence that the vehicles will have adequate operational range to be viable on the Somerset contract – SWP are working with SUEZ to explore options to ensure that we can still benefit from electric supervisor's vans as soon as possible (e.g. not purchasing diesel equivalents but potentially leasing them so we have more flexibility).

The launch of My Waste Services has been delayed until after Christmas (at partner request and to avoid a clash with the date of the general election). As has previously been highlighted to the board, this is probably the most challenging element of the mobilisation, particularly given the complicated interface with different partner

systems, differing partner priorities and pressures, and the challenges inherent in upgrading antiquated ICT systems. Testing of the system is progressing well so far, and a verbal update will be provided to the board on further progress with testing since the writing of this report. This change in launch date is not anticipated to have any knock-on implications on the mobilisation of the SUEZ contract (as we build integration with their in-cab technology). Enabling people to do it online will require modifications to the SWP website, and SWP will be refreshing its website in stages. The launch of this new system is a key component in transforming the customer experience.

2.2. Roll-out phasing

Every time SWP has rolled out a major service change it has phased the changes as it is not practical or desirable to make a change to 250,000 households recycling and waste collection services at one time. As the board are aware and has been reflected in our communications, it has always been planned to roll Recycle More out in phases in order to:

- Allow 3 months from the start of the contract on 28 March for SUEZ to fully embed themselves in the new contract and ensure that the crews are used to the new vehicles and new technology.
- Allow us to phase the significant programme of work at all 5 of SWP’s depots (not least because whilst we overhaul our depot network we still need to continue with the ‘day job’).
- Reflecting the complexity involved in changing every waste round in the County (and distributing 250,000 new bags and tens of thousands of recycling boxes) whilst ensuring that service quality is maintained.
- Avoiding certain times of the year, such as the depths of winter (when bad weather can cause service disruption).
- Most importantly to ensure that we can provide the focussed communications, engagement and customer support necessary to make each rollout phase a success – it is behaviour change that increases recycling and reduces waste, not service change.

The proposed phasing of the roll-out of Recycle More programme has been informed by the need to ensure roll-out phases are a manageable size (balanced with our desire to deliver recycle More as quickly as is realistically possible), to align as much as possible with District Council boundaries, to reflect the different parts of the County served by each of our five depots (which do not reflect District Council boundaries in order to maximise efficiencies), and crucially to align with the significant programme of work planned to improve our depots whilst ensuring there is no disruption to services during this construction programme. The proposed phasing of roll-out is set out below in figure 1.

<i>Phase</i>	<i>Date</i>	<i>Total properties</i>	<i>Properties by District/area</i>	<i>Depot</i>
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1	29 June 2020	50,392	Mendip	50,392	Evercreech
2	28 Sept 2020	60,434	SSDC (east)	60,434	Evercreech & Lufton
3	June 2021	71,336	SSDC (west)	16,129	Bridgwater (vehicles)/ Taunton (recycling)
			SWAT (central/east)	55,207	
4	Sept 2021	56,351	Sedgemoor	54,246	
			Mendip	1,376	
			SWAT	729	
5	February 2022	17,337	SWAT (West Somerset)	17,337	Williton

Figure 1: Proposed phasing for Recycle More roll-out

As set out to the Board in September, each phase is preceded by a significant communications and engagement programme, with support ongoing during the months after roll-out. Each phase of the roll-out is followed by a lessons-learned exercise to ensure continuous improvement.

2.3. Garden Waste

Garden waste is the only aspect of services that has a significant change on the first day of collections of the new contract (30 March 2020). Services will change in that:

- Garden waste collections will remain every other week but will no longer necessarily be on the same day as refuse/recycling collections. 21% of households subscribe to the garden waste service, and removing the constraint to be on the same day as refuse/recycling collections makes it possible to route the service much more efficiently (reducing the number of trucks on the road, reducing costs – and hence prices, and reducing emissions).
- Garden waste sack collections will need to be pre-booked, rather than our vehicles having to drive every road on the off-chance a garden waste sack is left out. The garden waste sack collections services is signed up to by less than a quarter of one percent of households (based on 2018/19 subscriptions).

Communicating with subscribers about this change will be vital. Key elements of the communication plan are:

- Making changes to the service very clear in the renewal letters that are issued to all current subscribers in early February.
- Confirming the day of garden waste collection clearly (and providing a calendar) when sending garden waste stickers to new subscribers.
- Writing to all customers of the garden waste sack collection service and those customers in SSDC on the second year of a two-year subscription.
- Promoting the changes through social media, website, press releases, member information sheets, briefings and other channels.
- Providing all partners and key stakeholders with a briefing pack so that we

provide consistent messages to customers no matter how they contact us.

- Implementing My Waste Services ahead of renewal letters being sent out so that customers can sign up and pay online much more easily than many of them can do now.
- Encouraging garden waste service subscribers to sign up to My Waste Services so that they can have collection day reminders sent to their mobile phone.

In some previous years temporary 'amnesties' of a few weeks have been put in place to provide a continuation of the garden waste service for those customers that have not renewed ahead of 1 April. With collection days changing it is not going to be practical for such an amnesty to be provided this year, and from 1 April 2020 the service will only be provided to those customers who have subscribed for financial year 2020/21. These changes make it particularly important this year that District Council partner follow SWP template letters when writing to customers.

2.4. Schools Service

SWP provide recycling and rubbish collection services to 273 of Somerset schools – 213 primary schools, 36 secondary schools and 24 specialist education centres. Schools overall recycling rates languish at 20% despite being able to recycle food, paper, cardboard, plastic bottles and cans. Support Services for Education (SSE – a trading arm of SCC) currently manage the schools service with minimal role for SWP.

SSE, SWP, SUEZ and schools are all committed to improving this recycling rate, and this has driven a major rethink about how this service is provided and how we support schools to Recycle More. Key aims are to:

- Incentivise recycling and discourage rubbish.
- Support schools to make best use of the recycling services on offer.
- Address the barriers to better recycling that schools have identified.
- Provide value for money to schools but without subsidy.

Changes proposed to the service are:

- To reduce service prices reflecting the better value secured through SWP's new contract with SUEZ
- Include funding for bins and boxes, inside and outside of the school, within the charges schools pay, as schools tell us that not having the right infrastructure can be a barrier to recycling
- Providing additional support to schools from SWP's operational team, whilst maintaining SSE's crucial role in marketing and invoicing. As we know from the kerbside, behaviour change requires resources to support it.
- Undertaking a one-year pilot to incentivise schools to recycle more, but providing funding to cover eco-schools assessments.
- Giving a clear message to schools that if recycling rates don't improve then we

will make more radical changes to the pricing structure to make refuse relatively much more expensive than recycling.

It should be noted that none of these changes result in any subsidy to schools from District Council partners, and they should result in reduced disposal costs for the County Council.

3. Background papers

- 3.1.** All previous board papers on Recycle More are available on the SWP website.
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Somerset Waste Board meeting

20 December 2019

Report for decision

Draft SWP Business Plan 2020 - 2025

Lead Officer: Mickey Green, Managing Director

Author: Mickey Green, Managing Director

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Forward Plan Reference:	SWB/19/04/07
Summary:	<p>The Somerset Waste Board is required to annually approve a rolling five-year 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:</p> <ul style="list-style-type: none"> • Delivering excellent services • Changing behaviours • Building our capability <p>Somerset Waste Partnership are undergoing the most significant transformation of services since it was formed – recycling more, moving away from landfill, transforming our technology to deliver better customer service, responding to the climate emergency and the changing national policy agenda.</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 2020-2025 represents an evolution from the current Business Plan, but also reflects all partner authority's declaration of a climate emergency.

<p>Financial, Legal and HR Implications:</p>	<p>Many actions within the business plan will require significant specialist input, including financial, legal, HR and procurement specialist advice.</p>
<p>Equalities Implications:</p>	<p>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.</p>
<p>Risk Assessment:</p>	<p>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. Risk assessments will be undertaken for any service changes or new programmes as they are developed and the SWP risk register will be updated accordingly and reported to the board through the performance management reporting process.</p> <p>There is a risk that the Business Plan may be affected by:</p> <ul style="list-style-type: none"> a) resource pressures on SWP, in particular due to the intense workload associated with mobilising a new collection contract. b) Central Government policy changes that result from the next phase of consultations on waste policy c) Brexit and the uncertainty around this d) Somerset's Climate Emergency Strategy

1. Background

- 1.1.** The Board is required to approve a draft business plan annually. The plan is rolling five-year plan and therefore the 2020-25 plan will include some items already highlighted within the current plan, updated as necessary. This draft is presented to the Board for them to approve and approve as the basis for partner consultation. Following the period of consultation, a final draft of the Business Plan is brought to the February board meeting for approval.
- 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. Progress against our current business plan is reported to the board at each quarterly meeting through

the Performance Report. The board also receive a report at each meeting updating them on progress with mobilising the new collection contract and implementing Recycle More. The work involved in preparing for the new contractor and successful implementation of Recycle More remains the highest priority area within the Business Plan, as it has been in previous years.

- 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 part of the same process and timetable.
- 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.** As agreed by the Board in September 2019, SWP is also developing a Waste Management Strategy to set out a long-term framework for resource efficiency and waste management for domestic waste in Somerset for the next 31 years (to 2050). The next stage of consultations from national government on major policy changes (such as Extended Producer Responsibility, Deposit Return Schemes, Consistency in collections) is now not expected until Spring 2019, and this will delay SWP's timetable for developing its long term strategy, as it is necessary for Somerset's strategy to be informed by national strategy (as well as other key local issues, such as the climate emergency strategy).

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.** Initial consultation was held with partners (via the senior officer group – SMG) on 13 August and 10 September. Further consultation took place over the Autumn. The Somerset Waste Board and Joint Waste Scrutiny Panel, at their meetings in September, considered an outline of the Business Plan in order to shape the

approach at an early stage in its development. Formal partner consultation will take place in the new year, once a draft business plan has been agreed by the Board at its December meeting.

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.** Waste Board Constitution_
<http://democracy.somerset.gov.uk/mgCommitteeDetails.aspx?ID=196>



SWP Business Plan 2020 – 2025

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Page 15	Draft Budget Table 2020/21

Change History	
20/11/19	First draft
26/11/19	Second draft following officer review

About Somerset Waste Partnership

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 want 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.

Background to SWP

Somerset Waste Partnership (SWP) was established in 2007 and manages waste services on behalf of Mendip, Sedgemoor, Somerset Waste and Taunton, South Somerset District Councils, and Somerset County Council. This made it the first county-wide waste partnership in the country. It has a history of innovation – the first to roll out food waste at scale, the first to publish an annual report showing exactly what happens to all its recycling, and is known for its commitment to collecting quality source separated recycling materials which are used as resources by UK industry.

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 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. From 2020 these duties are in turn contracted to SUEZ (collection services) and Viridor (recycling sites, landfill sites and treating food, garden and residual waste). 2020 is a year of significant change for SWP – a new collection contractor (SUEZ Recycling and Recovery UK), a move away from landfill to generating energy from waste, and the start of the Recycle More collection service model.

Key Challenges and Opportunities

Political	The impact of withdrawal from the EU: Whilst SWP recycles over 90% in the UK, waste is a global business and this may have impacts in the short term (e.g. on fuel availability/import controls affecting vehicle purchases) and longer term (e.g. on UK recycle prices, legislation, the labour market).
	Local Government reorganisation: Any development of proposals for local government reorganisation may have a significant impact upon SWP.
	National living wage: Whilst all staff working for SWP or on our contracts are already paid above this level, this may make recruitment more challenging
Economic	Financial pressure on partner authorities: The financial environment in which we operate remains very tightly constrained.
	Recyclate value: SWP will share risk with its collection contractor on recycling value and changes in global prices will impact directly on us. SWP is contractually protected against price fluctuations with its treatment contractor
Social	Demographic changes: Somerset's ageing population needs to inform our planning for the future. Somerset benefits from near full employment, which can make recruitment more challenging.
	Social media: Increasing use of social media presents an opportunity to reach more people but raises expectations about speed of response.
Technical	Big data: The ability to manipulate large data sets (be it around people's behaviour or the life-cycle of resources and waste) can be powerful.
	New materials: New materials may emerge onto the market quicker than our ability to manage them at the end of their life, and they may be difficult to handle using our current processes. New materials often make claims for how they can be processed which do not reflect reality on the ground.
Environment	Somerset's Climate Emergency: SWP have been asked to lead the 'Waste & Resources' workstream and this provides an opportunity for us to work more closely with partners to progress our vision. However, our ability to implement further change will be constrained by resources.
	Public Awareness: Many people are much more aware of climate change and keen to do more, and frustrated if they feel they cannot do more.
Legal	National legislative change (Consistency): Whilst SWP is a leader in consistency and supports most of this agenda there are certain aspects of potential changes which SWP do not believe have the evidence to support them (e.g. free garden waste and restrictions on residual waste frequency).
	National legislative change (Extended Producer Responsibility): Should these changes be introduced in 2023 it should result in significant funding for SWP, though nothing is yet certain.
	National legislative change (Deposit Return Scheme): Should this be introduced it will have major negative impacts on SWP – with many high value recycling streams being taken away from us and public confusion.
	National legislative change (Business waste): The tightening of requirements on businesses (around separate dry recycling and food waste collection) as an opportunity for us to work with others to make Somerset more sustainable.

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:

Focus	Delivering excellent services	Changing behaviours	Building our capability
Outcome	<i>Household waste is effectively collected, reused, recycled and treated</i>	<i>People trust SWP and see waste as a resource - managing their waste properly</i>	<i>SWP has the capacity, capability and influence to deliver our vision</i>
Activity	Changes to collections	Campaigns	Transforming systems and processes
	Changes to disposal	Looking beyond domestic waste	Strategy & Influence
	Improving services	Community Engagement	Building partnerships

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 continue with the two charities we adopted in 2019 to support through staff fundraising and volunteering. In 2019 we undertook a volunteering day with RAFT, have raised over £100 and have promoted both on social media.

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			
<i>What</i>	<i>When</i>	<i>Why</i>	
1.1	Changes to collections		
1.1.1	Transition to SUEZ as collection contractor		
1.1.1a	Fully utilise in-cab technology	April 2020	This technology will be operational from day 1 of the contract and integrated with SWP's new customer relationship management system. It will be vital to support crews in getting used to using the technology, so that we make the most out of it.
1.1.1b	Improve quality of service	April – June 2020	A much more stringent set of standards for service quality (e.g. missed collections) has been set with SUEZ. The first three months enable SUEZ to transition from the level of service delivered by Kier to this more robust standard.
1.1.1c	Day changes to garden waste service	April 2020	From day 1 of the contract garden waste collection days will be separated from the rubbish/recycling collection day. This is necessary as it enables us to deliver this service more efficiently with fewer vehicles.
1.1.1d	Health and safety & 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.
1.1.1e	Staff engagement	Ongoing	It is vital that SWP works closely with front-line crews and keeps them engaged in SWP's activities.
1.1.2	Depot improvements to enable Recycle More		
1.1.2a	Evercreech Depot	May 2019 – June 2020	A significant programme of works managed by SUEZ to cope with additional recycling material, improve staff welfare facilities and enable us to deliver a higher quality service. This will include new buildings, new sorting and baling equipment, new bays and improved workshops. Bridgwater and Taunton depots will work more closely together than they currently do. A temporary site for vehicle parking will be required for part of the phased programme.
1.1.2b	Bridgwater and Taunton Depots	April 2020 – April 2021	
1.1.2c	Williton Depot	June 2020 – Nov 2021	
1.1.3	Transition to Recycle More <i>(note that each roll-out phase is preceded by an engagement and communications campaign, and followed by a lessons learned exercise)</i>		
1.1.3a	Roll-out phase 1 of Recycle More	June – July 2020	Mendip (c50,000 properties) – services provided from Evercreech depot.
1.1.3b	Roll out Phase 2 of Recycle More	Sept – Oct 2020	Eastern part of South Somerset (c60,000 properties) – where recycling is provided from Evercreech depot.

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1.1.3c	Roll out Phase 3 of Recycle More	June – July 2021	Remainder of South Somerset and eastern parts of Somerset West and Taunton (c70,000 properties) - where recycling is currently provided from Taunton depot.
1.1.3d	Roll- out Phase 4 of Recycle More	Sept – Oct 2021	All of Sedgemoor and very small proportion of properties in neighbouring Districts (c55,000 properties) - where recycling is currently provided from Bridgwater depot.
1.1.3e	Roll-out Phase 5 of Recycle More	Feb – March 2022	Western parts of Somerset West and Taunton (c 17,000 properties) – those served from Williton depot.
1.2	Changes to disposal		
1.2.1	Managing the transition away from landfill	April 2020 onwards	Close management will be required in the early days of the Energy from Waste plant and the move away from the use of landfill.
1.2.2	Embedding the agreed changes to the Core Services Contract	April 2020 onwards	Ensuring that the Core Services Contract Deed of Variation is fully implemented
1.2.3	Signage review at recycling centres	April – Oct 2020	Completion of the signage review commenced in 2019/20 to improve signage at all recycling centres and align it with the kerbside service.
1.2.4	Heat offtake from Avonmouth Energy from Waste	Ongoing	Whilst some heat will be used to power the UK’s largest plastic processing facility, SWP will continue to work with Viridor to ensure that the heat is fully utilised and the environmental efficiency optimised.
1.2.5	Improvements to Recycling Centres	Ongoing	To seek opportunities to improve our recycling centres, subject to development of viable solutions and robust business cases. Minehead, Frome & Yeovil Recycling Centres are top priorities.
1.2.6	Closely manage site maintenance	Ongoing	With an ageing network of sites it is vital that high standards of site maintenance are maintained.
1.3	Improving services		
1.3.1	Reuse		
1.3.1	Develop a clear strategy for driving increased levels of reuse	2020/21	Working with both our contractors (Viridor and SUEZ) and potentially commissioning external support to improve reuse across Somerset, utilising the recycling centres and bulky waste collection service, and through more effective partnership working with the many reuse organisations/VCSE groups across Somerset (including furniture reuse groups, men’s sheds, repair cafes etc).
1.3.1b	Implementing reuse strategy	2020	Implementing the approach developed un 1.3.1a subject to securing funding

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		onwards	and a viable business case.
1.3.2	Greening our fleet		
1.3.2a	Seek to pilot alternative fuels in the SWP fleet	Ongoing	SWP will seek opportunities to pilot potentially viable technologies within its fleet.
1.3.2b	Develop plans for alternative fuels ahead of partial re-fleet	Now - 2024	SWP will seek to be in a position to take advantage of alternative fuels when it procures a number of new refuse vehicles in 2024, though this will be dependent upon viable technologies emerging.
1.3.3	Schools service		
1.3.3a	Revise service model to drive recycling and waste reduction	April 2019 – March 2020	SWP will revise the service model to address the barriers we have identified, including through providing more operational support to schools
1.3.3b	Roll out Recycle More to Schools	Autumn 2020 – autumn 2021	Additional recycling (adding plastic pots, tubs and trays to the food, paper, card, plastic bottles and cans they can already recycle) and greater separation of recycling (to maximise environmental benefit) rolled out in two phases – the east of the County first as vehicles will utilise Evercreech depot.
1.3.4	Service reviews		
1.3.4a	Collection contract & recycling credits review	2022/2023 - tbc	To review the contract and recycling credits mechanism following the roll-out of Recycle More & legislative change.
1.3.4b	Assisted collection review	2020/21	Regular review of our assisted collection database to ensure it is up to date.
1.3.4c	Communal collection point review	Ongoing	Review of all communal collection points to identify if it is possible to transfer households onto the kerbside service.
1.3.4d	Exploring prevention/improving lives opportunities	Ongoing	With a new collection partner and a new fleet of vehicles/in-cab technology there is potential to explore how we can support wider public services, for example exploring utilising our vehicles to provide road condition surveys, how we can use in-cab technology and our crews on the ground to support adult social care's prevention agenda.
1.3.5	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.

2. Changing behaviours			
What		When	Why
2.1	Campaigns		
2.1.1	Recycle More Comms & Engagement	Ahead of each phase	To ensure that residents are aware of the new service, feel excited about the benefits, know what is changing for them and can access support if needed.
2.1.1a	Engagement	3 months prior to roll-out	Online information through the SWP website, attendance at community events, roadshows, social media (including video content), local media/council publications, provision of communication toolkits for partners, briefings to elected members, and targeting the Schools Against Waste programme.
2.1.1b	Introductory leaflet	8 weeks prior to roll-out	This visually appealing leaflet will be distributed to each household through the Royal Mail to raise awareness of the planned changes and delivery timescales. It will encourage those who are nervous about the change to seek support and encourage sign-up to My Waste Services app for collection day reminders and further information.
2.1.1c	Service change information pack	4 weeks prior to roll-out	This pack will be sent to each household (letter, instructional information and collection day calendar) telling them exactly when their service will be changing (including any collection day changes), why and what they need to do. It will encourage those who are nervous about the change to seek support.
2.1.1d	Last refuse collection tag & new recycling box stickers	1 - 2 weeks before rollout	The tag will be issued as a final reminder about the service change and will be distributed with a new 60 litre weighted reusable sack. New stickers will also be applied to householders existing recycling containers to reinforce what can be collected in each container
2.1.1e	Ongoing support	2 - 3 months post roll-out	Additional staff will support residents (e.g. those who are struggling, and those whom have not responded to the change). This will include thanking residents for their efforts. This is in addition to the usual resident support SWP provides.
2.1.1f	New livery for SWP fleet	April 2020	All SWP vehicles (including the new recycling and other vehicles) will be rebranded to reflect the change in service, the focus on social norming in our branding, and our environmental agenda. The main panel on the recycling vehicles will be refreshed every 2 years to align with our wider communications strategy.
2.1.2	Moving away from landfill	Spring 2020	Raising awareness that SWP has moved away from landfill and is instead generating electricity from what cannot be recycled (some of which is used to power the UK's largest plastics processing facility).

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2.1.3	Slim my waste & feed my face	2020/21 – 2021/22	Monitor impact of ‘Slim my waste, feed my face’ campaign and learn lessons to inform future behavioural change campaigns.
2.1.4	Beyond the kerb	Annual	Using SWP’s annual publication of its ‘Beyond the kerb’ report showing exactly what happens to all our recycling to further build trust and explain the environmental benefit of kerbside sort. We will continue to improve the transparency of this report.
2.1.5	Action on plastics	Ongoing	Ongoing work (including promoting our pledge against preventable plastic, publicising phased roll-out of kerbside collections, HWRC recycling of plastics, promotion of the Refill scheme in Somerset), and working to support partners as they seek to minimise the use of single-use plastic.
2.1.6	Targeted seasonal campaigns	Ongoing	Campaigns targeted at key peaks in waste (e.g. Christmas – packaging and plastics, Halloween – pumpkins, Easter – plastic packaging, Summer – garden waste and BBQs).
2.1.7	Target material campaigns		The carbon impact of materials not being recycled varies (with food and textiles being the most carbon intensive) and the composition of what is in our bins changes of time. Focussing on carbon-intensive materials in waste (as opposed to waste) is an important part of delivering our vision.
2.1.7a	Textiles	Funding dependent	Explore funding opportunities and alternative delivery models to increase uptake of textile recycling (the most carbon intensive material in our waste).
2.1.7b	Small electrical items and batteries	Funding dependent	Comms and marketing to drive increased take-up of recycling of small electrical items at the kerbside, and to ensure that reuse opportunities are maximised at recycling centres (subject to securing additional funding, potentially from WEEE compliance schemes).
2.1.7c	SW:EEP funded activities	2022/23	The SW:EEP fund aims to undertake 2 campaigns per year focussed on increasing the capture of target materials which provide a return on investment within 6 months.
2.2	Looking beyond domestic waste		
2.2.1	Public sector waste – leading by example		Currently, waste collection contracts are disparately managed across the estate of the five Somerset local authorities – there is no single, co-ordinated system. SWP hopes to demonstrate that, if demand across its public estate is aggregated it becomes commercially viable for a contractor to offer a high-quality (source-segregated) recycling service at a lower price. This market does not exist yet, but using public sector purchasing power could create a market in Somerset.
2.2.1a	Pre-procurement phase	Spring 2020	Commission support from Eunomia to develop a procurement strategy, including

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			modelling the benefits. This will also explore whether other parts of the public sector/VCSE could be part of this approach, and how any contract should be managed. £10k funding from the joint Somerset climate strategy fund has been indicatively allocated towards this. Support from all partner FM teams will be required.
2.2.1b	Procurement and mobilisation	Summer 2020 – Spring 2021	Undertake a procurement, subject to the pre-procurement phase demonstrating a viable business case and subject to funding necessary to manage this procurement. Given the scale of change needed in the market to deliver this service, an April 2021 contract start date is considered ambitious.
2.2.2	Pilot a collaborative procurement for commercial waste	2020/21	Seek to pilot collaborative procurement for recycling and waste in one or more of Somerset’s market towns – reducing costs for businesses, improving environmental outcomes and aligning with local needs (working jointly with the industry and supply chain workstream).
2.2.3	Supporting businesses to make more sustainable choices	2020/21	Work with business/ partners to identify what support and guidance can be provided to Somerset’s businesses (e.g. food & drink producers, retailers/food outlets), and how best to provide that support (e.g. exploring growth hub/trading standards).
2.2.4	Support schools to tackle climate change (with a focus on waste)	April 2020 onwards	Whilst many schools in Somerset sign up to the Eco-Schools programme, the cost of assessment can be a barrier to schools progressing this. SWP will deliver a one-year pilot project to provide funding to schools to cover assessment costs, with the aim of increasing uptake of Eco-Schools (with a focus on waste).
2.3	Community engagement		
2.3.1	Attending community events	Ongoing	Attending parish cluster meetings and meetings of environmentally motivated/interested groups is a key part of ensuring we remain close to our communities, particularly in the run-up to Recycle More.
2.3.2	Social media	Ongoing	Social media (especially Facebook) provides a cost-effective means to communicate with people, and to enable them to communicate with us (especially when we enable on-line missed collection reporting). Developing high quality digital content will become increasingly important.
2.3.3	e-Newsletters	Ongoing	SWP publish a monthly newsletter which is circulated to all parish council clerks and the Sorted e-newsletter for all residents. With the roll-out of My Waste Services and Recycle More we will review and refresh our approach.
2.3.4	Enforcement of service rules and householder support	Ongoing	SWP 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

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			cases is the only way to resolve issues.
2.3.5	Schools against Waste	Ongoing	Utilising SW:EEP funding seek to build on our successful Schools against Waste programme to reach more schools and drive more behaviour change (both within schools and in domestic waste).
2.3.6	Community action groups	2022/23	Working with SUEZ to explore SW:EEP funded arrangements whereby we develop community capacity to reduce waste, increase reuse and recycling.
2.3.7	Food waste at communal properties	2020 - 2023	A programme of engagement to encourage increased participation in dry recycling and in taking up food waste recycling (i.e. enabling communal properties to utilise the kerbside food waste service where we can make this viable).

3. Building our capability			
<i>What</i>		<i>When</i>	<i>Why</i>
3.1	Transforming systems and processes		
3.1.1	My Waste Services: do it online	Spring 2020	Raising awareness of the ability to undertake key transactions online on the SWP and partner websites. Encouraging people to sign up to the My Waste Services app to receive collection day reminders/push notifications.
3.1.1a	Raising awareness of app	Ongoing	As well as undertaking transactions/reporting issues this will remind people of their collection day. This will be a crucial part of making the move to 3 weekly refuse easier for Somerset residents.
3.1.1b	Encouraging web self-service	Ongoing	Getting more residents to sign-up to My Waste Services will improve the customer experience, divert demand away from call centres, and open up a new communication channel with residents. This will include reconfiguring our website to better align with our vision, business plan and online transactions.
3.1.1c	Making best use of in-cab technology	Ongoing	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. Whilst this system will be live from day 1 of the new collection contract, we will need to support crews and our staff to make best use of it.
3.1.1d	Centralising payments through SWP	April 2021	Whilst some payments (bulky waste, HWRC charged services) are undertaken by SWP, most garden waste payments are taken by Districts. By SWP taking payments this will improve the customer experience and enable residents to sign up for a year at any time, and remove the need for garden waste stickers.
3.1.1e	Review CRM platform	2021/22	The contract with our current system (My Waste Services) expires in 2022 and ahead of that SWP will review our approach and procure a new system.
3.1.1f	Exploring innovative opportunities	Ongoing	Once in-cab technology is effectively implemented we will explore innovative opportunities – from Alexa apps through how we can better support the most vulnerable in our communities, to whether we can undertake road condition surveys.
3.1.2	Building homes with recycling in mind	Ongoing	If new homes are not built in a way that makes it easy for people to recycle (and in particular to access our kerbside service) then we lock in sub-optimal environmental performance and cost for future generations.
3.1.2a	Updating developer guidance	2020/21	In addition to updating our developer guidance, this includes providing District partners with standard content for pre-application guidance/'local lists' and permitted development.

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3.1.2b	Embedding revised planning consultation arrangements	2020/21	A standardised approach to SWP being consulted on developments above a certain threshold, and a consistent process for doing so will help ensure that SWP comment on key applications.
3.1.2c	Making planning for waste a local statutory requirement	Ongoing	Seek District council agreement to including SWP developer guidance as part of their local development plans, and raise awareness of the importance of ensuring homes are built with waste in mind, including through the County Waste and Minerals plan.
3.1.2d	Embedding planning for waste in climate emergency agenda	2020/21	Work with the 'Built Environment' joint councils climate emergency team to ensure waste is considered alongside other climate change factors in how Somerset tackles the built environment.
3.1.3	Providing operational support to schools	2020/21 onwards	Our review of the school's service has identified that schools would benefit from additional operational support to ensure that they recycle effectively, and SWP have agreed with Support Services for Education that this support will be provided by SWP. The costs of this will be covered through charges to schools. The pricing structure enables us to cover the costs of staff and provide schools with 'binrastructure' inside and outside of schools.
3.1.4	Embedding behavioural insights into our work	Ongoing	Understanding behaviour will be crucial to target interventions, and regular participation and composition analysis is crucial to this. In addition to capturing intelligence through our in-cab technology, SUEZ are required to conduct participation analysis every 2 years and composition analysis will be undertaken alongside this.
3.1.5	Improve data on containers in use	Ongoing	Ensuring we have robust, detailed and up to date data on containers in use (for additional kerbside refuse capacity, communal properties and schools), will enable us to target improvements more effectively.
3.1.6	Improve processes around occupation of new homes	2020/21	Implement process improvements identified in SWAP audit to ensure that notification of new property occupation/home ownership is seamless and that we take advantage of this opportunity to change behaviours
3.2	Strategy and influence		
3.2.1	Develop SWP long term strategy	2020/21	A long-term framework to 2050 is needed to align with Central Government's Resources and Waste Strategy to set out our ambition, the outcomes we want to achieve, our high-level targets and our over-arching approach. The timing of this will depend upon the timing of further consultations from central government, as these will have a key impact on our own strategy.
3.2.2	Seek to influence national policy	Ongoing	With a number of major government consultations expected from central government, it will be crucial that SWP uses its reputation as a sector leader. Working with partners

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	decisions		across the region may enable SWP to achieve things that are not possible through working solely at the County level.
3.2.3	Ensure that waste is seen as a resource	Ongoing	Viewing waste as a resource and moving to a more circular economy reflect SWP's vision of a more sustainable Somerset. The joint climate emergency strategy provides an opportunity to embed this agenda across the public sector in Somerset.
3.3	Building partnerships		
3.3.1	Working with communities	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, especially third sector organisations working in areas with low recycling performance, is a crucial means to do this. SW:EEP funding will potentially help support behavioural change in communities.
3.3.2	Support for alternatives to disposable nappies and wipes	Ongoing	Support for local cloth nappy library groups to encourage more people to take up reusable nappies, and to explore how we can work more effectively with health visitors and other stakeholders (e.g. Wessex Water in relation to disposable wipes).
3.3.3	Support for parish and town councils	Ongoing	Explore how we can share our toolkits and guidance (e.g. on composting, food waste, and setting up a plastic pot, tub and tray collection point) for those town and parish councils who want to take more local action on climate change.
3.3.4	Review food and compost champions	2020/21	With our scarce resources we need to ensure that the activities we undertake are delivering value for money
3.3.5	Exploring prevention opportunities	Ongoing	In addition to training all collection staff to be dementia aware, SWP will seek to identify other ways in which we can support the wider agendas of our partner authorities – for example how we can more effectively use the eyes and ears of our staff on the ground to better support vulnerable residents, whether we can undertake road condition surveys using our vehicles.

SWP Budget 2020 - 21

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 2020. Income from residents for waste related services is currently mostly retained by the collection authorities and is therefore not shown in this paper (whilst the costs of delivering these services are shown). The most significant portion of this is Garden Waste subscriptions, which will generate income for district councils of £55.50 for each wheeled bin subscription in 2020/21 – a reduction in the charge on the previous year made possible by our new contract, whilst still ensuring that the service is subsidy free.

Recycle More Implementation

As set out in section 1.1.3 of this Business Plan, the roll-out of the new Recycle More collection service is scheduled to be completed in February 2022. No savings as a result of the new contract will be taken from the Somerset Waste Partnership by any partner until all roll out costs have been fully funded – ensuring that all partners benefit equitably. Savings are expected to be seen from Recycle More in 2022/23 once roll-out costs have been fully funded. The overall savings are anticipated to be over £2m per annum.

All partners have agreed capital borrowing to purchase the vehicles (c£18m), fund depot works and equipment (c£7m), and purchase additional containers. Each district partner is borrowing £5.0m on behalf of the Somerset Waste Partnership at a return of the Public Works Loan Board (PWLB) rate plus 1%. In addition to this direct return to each borrowing partner (paid for through the contract), SUEZ are providing an additional £1.8m per annum collection contract discount reflecting the value to them of not having to borrow capital themselves.

The revenue costs associated with roll-out will be funded from a Recycle More Project Fund. This will cover the costs of recycling advisors (supporting people with the transition), communications and marketing and in-year transition costs (the additional costs of the current service model as opposed to Recycle More, based on forecast tonnage and material values. This also includes an allowance for risk (such as the risk that capital borrowing rates change before funds are actually drawn down). An equalisation reserve will be established after the roll-out period in order to smooth out potential fluctuations in recycle revenue, built up from 20% of forecast annual recycle revenue.

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6.2 Full Draft Budget Summary 2020/21

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Business Plan 2020- 2025							Business Plan 2020- 2025					
Summary Annual Budgets 2020/2021							Summary Draft Annual Budgets					
Rounded £000s	Total	SCC	MDC	SDC	SSDC	SWaT	Rounded £000s	2020/21	2021/22	2022/23	2023/24	2024/25
Expenditure							Expenditure					
Salaries & On-Costs	1086	494	125	125	176	165	Salaries & On-Costs	1086	1097	1108	1119	1130
Other Head Office Costs	255	116	28	30	42	39	Other Head Office Costs	255	255	255	255	255
Support Services	126	55	14	15	22	20	Support Services	126	126	126	126	126
Disposal - Landfill	12448	12448					Disposal - Landfill	12448	12696	13280	13890	14528
Disposal - HWRCs	10158	10158					Disposal - HWRCs	10158	10240	10639	11054	11485
Disposal - Food waste	1656	1656					Disposal - Food waste	1656	1613	1698	1786	1880
Disposal - Hazardous waste	214	214					Disposal - Hazardous waste	214	253	268	285	302
Composting	1863	1863					Composting	1863	2151	2321	2504	2702
Kerbside Recycling	9829		2022	2023	3007	2777	Kerbside Recycling	9829	10207	10599	11007	11430
Green Waste Collections	2905		556	651	871	827	Green Waste Collections	2905	3016	3127	3247	3371
Household Refuse	6618		1363	1360	2015	1881	Household Refuse	6618	6872	7136	7410	7694
Clinical Waste	129		26	28	39	36	Clinical Waste	129	134	139	144	150
Bulky Waste Collection	91		20	15	28	28	Bulky Waste Collection	91	94	98	101	105
Container Maintenance & Delivery	246		49	53	78	65	Container Maintenance & Delivery	246	255	265	275	286
Container Supply	483		93	123	154	114	Container Supply	483	502	521	541	562
Pension Costs	69		2	2	63	2	Pension Costs	69	69	69	69	69
Depot Costs	209		42	45	63	59	Depot Costs	209	209	209	209	209
Village Halls	5		5				Village Halls	5	5	5	5	5
Transfer Station Avoided Costs	341	341					Transfer Station Avoided Costs	341	351	361	372	383
Recycling Credits	2645	2645					Recycling Credits	2645	2724	2806	2890	2977
Capital Financing Costs	231		52	41	78	60	Capital Financing Costs	231	231	231	231	231
Total Direct Expenditure	51606	29989	4393	4516	6633	6075	Total Direct Expenditure	51606	53100	55261	57521	59880
Income							Income					
Sort It Plus Discounts	-80		-16	-17	-24	-23	Sort It Plus Discounts	-80	-80	-80	-80	-80
Transfer Station Avoided Costs	-341		-69	-73	-102	-96	Transfer Station Avoided Costs	-341	-351	-361	-372	-383
Garden & Bulky Income	-674		-603	-15	-28	-28	Garden & Bulky Income	-674	-677	-681	-685	-688
Recycling Credits	-2615		-552	-523	-806	-734	Recycling Credits	-2615	-2693	-2774	-2857	-2943
Total Income	-3709	0	-1240	-628	-960	-881	Total Income	-3709	-3801	-3896	-3994	-4095
Total Net Expenditure	47897	29989	3153	3888	5673	5194	Total Net Expenditure	47897	49299	51365	53527	55786
Assumptions							Assumptions					
This is a continuation budget and does not include the impact of recycle more or a new contractor							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% annual pay award for all years					
1% housing growth for all years							1% housing growth for all years					
Collection contract inflation 3% in 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							Disposal contract inflation between 2.5% & 4.25% (for different contract areas), annually in all years					
Tonnage growth 1.5% annually for all years							Tonnage growth 1.5% annually for all years					

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Somerset Waste Board meeting
 20 December 2019
 Report for decision

Paper
 Item No.

Financial Performance Update 2019/2020 and Draft Budget 2020/2021

Lead Officer: Mickey Green, Managing Director and Sarah Rose, Finance Officer

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<p>Forward Plan Reference:</p>	
<p>Summary:</p>	<p>The report sets out the financial performance against the approved Annual Budget for the first 7 months of the current financial year from April to the end of October.</p> <p>The report is also an update of the Draft Budget from September’s meeting that will ultimately lead to the Annual Budget for 2020/2021.</p>
<p>Recommendations:</p>	<p>That the Somerset Waste Board notes the summary financial performance for 2019/2020 to date as contained in this report, and how this will impact on the budgetary requirements for 2020/2021.</p> <p>That the Somerset Waste Board approves a Draft Budget of £47,896,600 for 2020/2021 for partner authority consultation, as set out in section 3.0 below, taking into account the potential savings requests from the County Council as set out in paragraph 3.2.</p>
<p>Reasons for recommendations:</p>	<p>Any in-year underspends attributable to partners against the Annual Budget are traditionally made available for return or for reinvestment. Conversely, failure to stay within the Annual Budget for the Somerset Waste Partnership will directly impact on the partner authorities, who would be required to make good any shortfall at year end. However, during Recycle More roll out any variations to budget relating to the project will remain within the partnership until the project has been completed.</p> <p>When considering the draft Annual Budget for 2020/2021, current trends in demographic growth, service uptake and waste tonnages arising in 2019/2020 will be a key contributory factor in shaping the</p>

	forward budget.
Links to Priorities and Impact on Annual Business Plan:	The Annual Budget is linked to the Annual Business Plan and sets out the financial resources required to deliver the Plan and the waste collection and disposal services that have been delegated to the Somerset Waste Board. Financial monitoring will show how the Partnership is managing its resources as it delivers the Annual Business Plan.
Financial, Legal and HR Implications:	<p>Any in-year underspends attributable to partners against the Annual Budget are traditionally made available for return or for reinvestment. Conversely, failure to stay within the Annual Budget for the Somerset Waste Partnership will directly impact on the partner authorities, who would be required to make good any shortfall at year end.</p> <p>When considering the draft Annual Budget for 2020/2021, current trends in demographic growth, service uptake and waste tonnages arising in 2019/2020 are a key contributory factor in shaping the forward budget.</p> <p>The Annual Budget, once finally approved, will become the new measure for our financial performance for 2020/2021. We will continue to share the costs amongst partners in the same way as previously as set out in our Cost Sharing Agreement. As previously agreed, during the roll out period, no Recycle More savings will be taken by partners until the project roll out has been fully funded.</p> <p>There are no specific legal or HR implication. This budget has been agreed on the principles agreed by the board at the September board meeting and as reflected in the draft revised Inter Authority Agreement (See separate paper)</p>
Equalities Implications:	None.
Risk Assessment:	Members will be aware from previous reports that the waste budget and actual costs, particularly disposal volumes, remain highly volatile.

1. Background

- 1.1** The Annual Budget for 2019/2020 was originally set at the Board meeting of 15 February 2019 at £46,243,485. The budget now stands at £46,031,055. This is as a result of the agreed movement of the vehicle lease monies at the Board meeting on 28 June 2019 of £262,430 to the Recycle More project fund and the additional SCC carry forward of £50,000 for Slim my Waste Feed my Face. Partners contribute to the overall costs in accordance with our Cost Sharing Agreement. Individual contributions are based on key cost drivers such as household numbers, sparsity and garden waste customer numbers. As the waste disposal authority, all such costs fall to the County Council.
- 1.2** The Annual Budget is predominantly spent on making payments to our main contractors.

2. Current Financial Position

2.1 Summary of budget variances

	SCC £'000	MDC £'000	SDC £'000	SSDC £'000	SWaT £'000	Total £'000
Head Office	(32)	(8)	(8)	(11)	(11)	(70)
Disposal Costs	(1,111)	0	0	0	0	(1,111)
Collection - Recycling	0	(0)	(0)	(0)	(0)	(0)
Collection - Refuse	0	(0)	0	(0)	(0)	(0)
Collection - Garden	0	(23)	(36)	33	(59)	(85)
Collection Costs	0	(2)	(2)	(3)	(2)	(8)
Recycling Credits	(89)	18	19	26	26	(0)
Container Purchase & Delivery	0	(3)	17	(0)	(15)	(1)
Other	(11)	(1)	(1)	(11)	(1)	(25)
	(1,244)	(19)	(10)	33	(62)	(1,302)

The table above shows the variations from budget on all our major expenditure areas. **For the avoidance of doubt in the table above, negative figures shown in brackets are underspent budgets. Figures not in brackets are overspent budgets.** (A zero figure indicates that the line is on budget, or that it is not a budgetary responsibility of that partner).

Overall, the end of October position shows that the Somerset Waste Partnership budget is forecast to be **underspent by £1,302,000** (2.8% of the current budget). This is an improvement on to the previous position reported to the September Board, which were July figures and showed an underspend of £804,000. This does not include the Recycle More project work, which is funded from a separate project fund.

2.2 Waste Collection

The collection position is £58,000 underspent, which is an improvement of £45,000 from the £13,000 underspend reported at the September Board.

The main reason for this movement has been a reduction in the number of customers subscribing to the garden waste service (measured annually as at the end of September for contract payments). This amounts to an £85,000 saving on the budgeted costs of this service.

Members are reminded that this means there will be a reciprocal reduction in the income collected by district partners for this service.

Garden waste figures have a significant impact on individual partners over and underspends. Other main factors are recycling credits and containers.

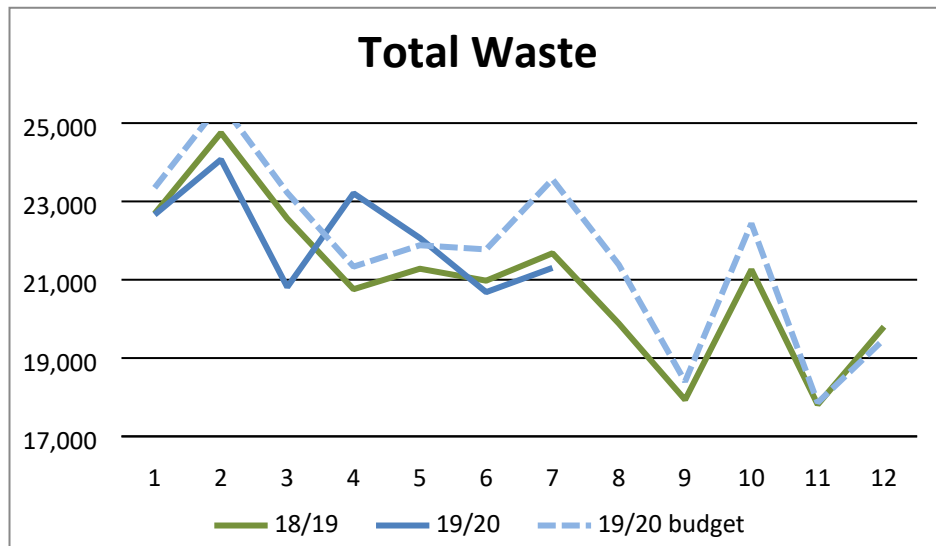
- 2.3** The Recycle More project fund stands at £1,101,040 following the transfers approved at the June board. To date a total of £72,071 of this has been spent. It is expected that this will be fully spent this financial year. This will be spent on implementation costs (including costs in relation to termination of the kier contract, lease and depot costs and technical advice) and pre contract borrowing.

2.4 Waste Disposal

The waste disposal figure as at the end of October showed an underspend of £1,244,000 which is an improvement on the figures reported at the September Board of an underspend of £791,000.

Total tonnages to date are 3.5% less than budgeted. Forecasts have now been reprofiled to assume these trends continue for the remainder of the financial year. There have been significant waste reductions for residual waste at both the kerbside and recycling sites compared to budget. This is the most expensive waste stream so any reduction or diversion results in the largest savings.

It should be noted that tonnages can be volatile and generate significant cost movements.



2.5 2019/20 SCC savings update

The following SCC savings are 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.

These savings have either been made or are on target to be achieved by the end of the financial year.

3.0 Draft Budget 2020/2021

3.1 Draft Budget 2020/2021 – Collection

The table below shows 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 based on the latest estimates provided by the district partners. These will be amended for final budget to be taken to the February board when actual figures are known. Members are reminded that each collection partner will be charged according to their individual district housing

growth. The current estimates are:-

Mendip	0.76%
Sedgemoor	1.19%
South Somerset	0.99%
Somerset West and Taunton	0.49%

The estimates in the table below also reflect the latest information regarding garden waste customers, bulky collections, containers and other contract cost changes.

There is a new budget line for income collected on behalf of Mendip for their garden waste charges and for all the district partners for their bulky waste charges. This new income line amounts to £673,700 across the district partners.

The only figures that are subject to change for the final budget are housing growth (upon receipt of final numbers) and bulky waste and containers (as more up to date information becomes available)

		MDC	SDC	SSDC	SWaT
19/20 Final Budget		3,647,950	3,766,020	5,459,003	5,119,011
Inflation - Collection	2.82%	113,178	115,751	167,179	158,152
Household Growth	0.85%	22,930	37,855	41,118	18,897
Garden Waste	-0.45%	(16,577)	(27,905)	44,687	(49,675)
Recycling Credits		(17,337)	(13,432)	(24,979)	(20,332)
Salaries	2.75%	5,432	5,736	8,059	7,594
Pension Deficit		0	0	0	0
Transfer Station Offset		(2,008)	(2,130)	(2,983)	(2,800)
Bulkies / Containers		(2,914)	16,233	1,513	(14,832)
Depot Rent Reviews		4,737	5,023	7,036	6,604
Subtotal		3,755,392	3,903,152	5,700,634	5,222,619
Garden & Bulky Income		(602,800)	(14,760)	(27,710)	(28,430)
Proposed Savings		0	0	0	0
20/21 Budget		3,152,592	3,888,392	5,672,924	5,194,189
Increase / (Decrease)		(495,358)	122,372	213,920	75,178
Percentage		-13.6%	3.2%	3.9%	1.5%

3.2 Draft Budget 2020/ 2021 - Disposal

As with every Draft Budget reported in December, the disposal budget is less fixed.

Inflation indices are not finalised until February's figures are published, and will be estimated to provide a final Annual Budget as usual. The latest tonnage trends available have been used to set this budget.

However, most recent forecasts are:-

- Landfill Tax rates from 1 April 2020 have 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 has 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 £351,400 (landfill, inflation and volumes).
- There is an additional pressure for Avonmouth of £1,746,700. This is the reversal of the savings (pre-contract payments) which were taken early by SCC (reflecting the particularly acute budget pressures on SCC in recent years). Energy for Waste remains cheaper and more environmentally friendly than landfill.
- In addition, the County Council is requesting savings from the Somerset Waste Board of £361,100
 - £200,000 – Year 2 of the core services contract extension (previously agreed by the board in November 2018)
 - £20,000 - Fly-tipping compensatory scheme removal (ceasation of scheme agreed by the board in September)
 - £36,000 - Minimisation Cap (linked to core contract extension)
 - £105,100 – Slim my Waste, Feed my Face food campaign
- The standstill cost for the disposal budget is therefore £1,737,000, an increase of 6.17% on the original 2019/2020 budget.

3.3 Recycle More

The above budget is for the roll out period of Recycle More during 2020/21. The

roll out will be funded from the Recycle More Project Fund and where appropriate capital monies to fund vehicles and depot works.

No savings as a result of the new contract will be taken from the Somerset Waste Partnership until all roll out costs have been fully funded. These costs include pre contract borrowing and implementation costs. Implementation costs include costs in relation to the termination of the Kier contract, lease and depot costs and technical advice. A great deal of work has gone into ensuring these figures are extremely prudent.

Roll out is due to complete in February 2022. Savings will start to be seen in 2022/23 once roll out has been fully funded. The overall savings are anticipated to be over £2 million per annum.

4. Consultations undertaken

The Senior Management Group receives a summary financial management report on a regular basis, and regularly covers financial topics on their agenda.

5. Implications

- 5.1** Potential over and underspends as in section 2 above, if trends continue, would result in these figures at outturn for the individual partners.
- 5.2** Financial figures as set out in the draft budget in section 3 above will be incorporated in the setting of the Annual Budget for 2020/2021. Any movement at this stage, particularly for collection partners, would be relatively marginal.

6. Background papers

- 6.1** Previous Financial Performance and Annual Budget reports to the Somerset Waste Board (all available on the website or from the report author).

Somerset Waste Board

20 December 2019

Report for decision

Inter-Authority Agreement Revisions

Lead Officer: Mickey Green, Managing Director

Author: Mickey Green, Managing Director

Contact Details: 01823 625707

Forward Plan Reference:	SWB/19/07/04
Summary:	This report sets out proposed revisions to the Waste Partnership's Inter-Authority Agreement necessary to align it with the new collection contract and the approach to the roll-out of Recycle More, as agreed in principle by the Board in September 2019.
Recommendations:	It is recommended that the Board agree the draft amended Inter-Authority Agreement (IAA) for partner consultation
Reasons for recommendations:	There are a number of changes resulting from the new collection contract that require minor amendment to the IAA. Rolling out Recycle More requires considerable up-front costs, and the Somerset Waste Board (SWB) agreed the principles of how this should be managed in September – this paper reflects these principles in a revised draft inter-authority agreement. Only those changes that are necessary to reflect the new collection contract and roll-out of Recycle More have been made.
Links to Priorities and Impact on Annual Business Plan:	These changes are necessary to deliver action 1.1. in the Business Plan 2019-24 (transition to a new collection contractor and service model).
Financial, Legal and HR Implications:	Financial implications: The proposed changes to the IAA ensure that partners are not penalised or rewarded for when Recycle More rolls out in there area, and that no savings are taken out until the roll-out has been fully funded.

	<p>Legal: SWP commissioned legal advice from the administering authority's legal services team to ensure that changes to the IAA are commissioned by SWP (and hence in the interests of all partners).</p> <p>HR: The IAA reflects changes in the way costs are managed in relation to the small number of contractor staff who are members of the Local Government Pensions scheme – in line with the approach endorsed by SWB in September 2019.</p>
Equalities Implications:	No equalities impacts have been identified.
Risk Assessment:	Failure to have an IAA in place ahead of the 2020/21 financial year will mean that costs are not shared fairly and equitably or in line with the principles agreed by the Board. There is a technical risk that through the consultation process partners could seek additional changes to the IAA that are not in the interests of the partnership overall, but this is considered unlikely as it would be contrary to the core principle that the Board cannot make a decision that has an adverse financial implication on any partner without that partner's agreement.

1. Background

- 1.1.** The overall savings from Recycle More are anticipated to be over £2 million per annum once it is fully rolled out. The Board have previously agreed that the roll out will be funded from the Recycle More Project Fund (and where appropriate from capital), and that no savings as a result of the new collection contract will be taken until all roll out costs have been fully funded. Roll out is due to complete in February 2022. Savings will start to be seen in 2022/23 once roll out has been fully funded.
- 1.2.** The following principles were agreed by SWB in September 2019, following agreement to these principles by the Strategic Management Group (SMG) and all partner Section 151 Officers All revenue costs will be funded from the Recycle More Project Fund. These principles have informed the revisions required to the IAA (Appendix 1):
- District collection partners should not be penalised or rewarded for when they roll out within the programme. No savings will be taken from the Somerset Waste Partnership until roll out has been fully funded.
 - As a significant proportion of Recycle More savings will be from disposal costs, the disposal partner Somerset County Council (SCC) will also contribute its savings from Recycle More until the break-even point has

been reached (2022/23). Should there be extraordinary circumstances beyond what we have forecast that have a significant impact on disposal costs or savings, then we would need to take a view at the time on how any additional savings or costs should be fairly apportioned.

- Somerset Waste Partnership hold the Recycle More Project Fund and any deficits will be funded through contract savings before they then become attributable to partners.
- Once breakeven point is reached, contract savings will be shared on the basis currently stated in the IAA.

The IAA has also been changed to reflect the fact that under our new collection contract, SUEZ will not be liable for the costs of secondary contributions for the small number of employees who are eligible for the Local Government Pension Scheme. As has been agreed by SMG and all partner s151 officers, passing this liability on would simply result in risk pricing from SUEZ, meaning that we would in effect pay more to achieve the same aim. These costs will be shared by District Council partners in accordance with household numbers. It should be noted that there will be no deficit on day 1 of the contract and future payments will be made in accordance with future actuarial assessments.

1.3. As the Board are aware, SWP and SUEZ will share recycling revenue risk. Recyclate revenue can fluctuate according to the tonnages of each materials collected and due to market prices. Once roll-out of Recycle More has been completed all partner section 151 Officers (endorsed by SMG) agreed that an equalisation reserve should be put in place in order to smooth out the risk of fluctuations in the level of recyclate income received by District Council partners. The following principles were agreed by the Board in September:

- The equalisation reserve should only be commenced after roll-out is complete but similar prudent forecasts should be used during the roll-out period (without building up a reserve)
- The fund should be built up from 20% of SWP's recyclate revenue as this value was considered prudent.
- The level of the reserve will be reviewed annually as part of the budget setting process.
- District Partners will pay Somerset Waste Partnership the gross monthly costs and will then receive a quarterly payment in arrears for their share of recyclate income.

1.4. All partners have agreed capital borrowing to purchase the vehicles, fund depot works and equipment, and purchase the new containers. Each district partner is borrowing £5.0m on behalf of the Somerset Waste Partnership at a return of PWLB plus 1%. and Section 151 officers have agreed the borrowing principles and schedule and to capitalise the new container costs within this. Loan agreements have been set up between SCC and the District Partners for this, and a number of minor amendments to the IAA are necessary to ensure consistency between the IAA and these loan agreements.

2. Changes to the IAA

2.1. A draft amended IAA is appended to this paper (Appendix 1). To aid board members in identifying the changes to the IAA, the following bullet points highlight what has changed in relation to the new contract and why:

- Definitions in schedule 3 paragraph 1.2 have been changed to make reference to the funding agreements being put in place between the administering authority and other partner authorities in relation to borrowing to fund new assets required by the new collection contractor (also updated in paragraph 20 of schedule 5).
- Paragraph 3.3.1 of section 3 has been amended to ensure that should there ever be a change in administering authority that everything transfers correctly.
- Paragraph 1.2 of schedule 5 has had additional content added in to embed the key principles related to recycle more roll-out funding into the IAA, namely that:
 - No partner authority should be penalised or rewarded for when they roll out
 - No partner authority can take savings until all the roll-out costs have been covered
 - Once we get to breakeven then normal IAA cost sharing rules apply
- Paragraph 1.5A of schedule 5 reflects the approach agreed to managing the risk of fluctuation in recycle revenue.
- Clarifies how LGPS pension costs will be shared going forward (paragraph 4 of schedule 5).
- Clause 13.3 reflects the fact that SWP receives income on behalf of partners (e.g. bulky waste) and therefore arrangements for transferring that income back to partners need to be clearer.
- Section 16 reflects changes to the requirements for how SWP is audited, as previously agreed by the board.
- Removing reference, such as in paragraph 13.8 to the Landfill Allowances Trading Scheme (LATS) which is long defunct.
- Updating Schedule 4 (form of annual budget) to align it with our new collection and disposal contracts e.g. inserting references to energy from waste reflecting this new disposal route for SWP's waste.

2.2. It is proposed that partner authorities will be consulted upon changes to the IAA as part of the usual budget/business plan consultation process. A further report will then be brought to the Board in February 2020 reflecting the outcome of that consultation process and seeking the Board's final approval to the revised IAA. It is proposed to consult with monitoring officers collectively as part of this process, as has been the case when previous changes to the IAA have been made.

2.3. The Business Plan reflects our intention to undertake a wider review of the IAA in 2020/21, as this may be necessary following national legislative change and how

this informs SWP's long term strategy. This will also enable us to reflect the findings of the GDPR Internal Audit review that SWP requested and is currently being undertaken.

Attachments: Draft revised IAA (Appendix 1)

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DATED _____

SOMERSET COUNTY COUNCIL
and
MENDIP DISTRICT COUNCIL
and
SEDGEMOOR DISTRICT COUNCIL
and
SOUTH SOMERSET DISTRICT COUNCIL
and
SOMERSET WEST AND TAUNTON COUNCIL

INTER AUTHORITY AGREEMENT
relating to the Somerset Waste Board

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INTER-AUTHORITY AGREEMENT

DATE 30TH SEPTEMBER 2007

PARTIES

- (1) SOMERSET COUNTY COUNCIL of County Hall, Taunton, Somerset TA1 4DY (the "**County Council**"); and
- (2) MENDIP DISTRICT COUNCIL of Cannards Grave Road, Shepton Mallet, Somerset BA4 5BT ("**Mendip**"); and
- (3) SEDGEMOOR DISTRICT COUNCIL of Bridgwater House, King Square, Bridgwater, Somerset TA6 3AR ("**Sedgemoor**"); and
- (4) SOUTH SOMERSET DISTRICT COUNCIL of PO Box 25, The Council Offices, Brympton Way, Yeovil, Somerset BA20 2DS ("South Somerset"); and
- (5) SOMERSET WEST AND TAUNTON COUNCIL of The Deane House, Belvedere Road, Taunton, Somerset, TA1 1HE ("Somerset West and Taunton").

IT IS AGREED AS FOLLOWS:

RECITALS:

- (A) The County Council is the waste disposal authority for the County of Somerset under section 30(2) of the Environmental Protection Act 1990 and the other Partner Authorities are the waste collection authorities for their respective districts under section 30(3) of the Environmental Protection Act 1990.
- (B) The Partner Authorities wish to create a statutory joint committee to be known as the Somerset Waste Board to manage all waste collection and waste disposal services on behalf of the Partner Authorities and to improve the quality and efficiency of their waste collection, recycling, waste disposal and allied services.
- (C) The Partner Authorities have each agreed to form a joint committee under sections 101(5) and 102 of the Local Government Act 1972 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000 (S.I. 2000 No. 2851) as amended by the Local Authorities (Arrangements for the Discharge of Functions) (England) (Amendment) Regulations 2001 (S.I. 2001 No. 3961) made under section 20 of the Local Government Act 2000 and any other enabling legislation.
- (D) The Partner Authorities wish to establish a clear and accountable framework under which they can work together in delivering their waste disposal and waste collection responsibilities and to promote the economic, environmental and social well-being of their respective areas. They wish to be able to respond in a more effective and co-ordinated way in relation to the development and implementation of the Joint Waste Management Strategy and to introduce and promote joint working arrangements that will be in the best interests of the Council Tax payers of the Partner Authorities.
- (E) Each of the Partner Authorities recognises in particular the need to address central government and European targets for waste minimisation, recycling and recovery of waste and the promotion of sustainable development including the use of waste as a resource.

- (F) The Partner Authorities have an aspiration to move towards the creation of a joint waste authority when legislation permits.
- (G) The Partner Authorities have each resolved to:
1. form the Board with effect from the date of this Agreement;
 2. delegate to the Board their statutory functions in relation to waste disposal or waste collection and the recycling of waste as set out in appendix 1 of the Constitution; and
 3. to agree the Constitution.

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement unless the context otherwise requires:

"2000 Act"

means the Local Government Act 2000;

"2000 Regulations"

means the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000 (S.I. 2000 No. 2851) as amended by the Local Authorities (Arrangements for the Discharge of Functions) (England) (Amendment) Regulations 2001 (S.I. 2001 No. 3961) made under Section 20 of the 2000 Act;

"Administering Authority"

means the authority referred to in **clause 5.1**;

"Agreement"

means this agreement (including its schedules);

"Aims and Objectives"

means the aims and objectives set out in appendix 2 to the Constitution;

"Annual Action Plan"

means a plan for the performance by the Board of its functions and activities in any Financial Year pursuant to paragraph 10 of the Constitution to be contained in the Business Plan prepared for that Financial Year and including an audit plan and risk register;

"Annual Budget"

means the annual budget of the Board for a Financial Year approved or amended by the Partner Authorities in accordance with **clause 12** and paragraph 11 of the Constitution;

"Authority"

means any Partner Authority;

"Best Value"

means the duty of best value authorities under section 3(1) of the Local Government Act 1999 to make arrangements to secure continual improvement in the way in which its functions are exercised having regard to economy, efficiency and effectiveness;

"Board"

means the joint committee established pursuant to **clause 3.1** known as 'The Somerset Waste Board';

"Business Day"

means a day (other than a Saturday or Sunday) on which banks are open for domestic business in

the City of London;

"Business Plan"

means the rolling five year business plan approved by the Board from time to time in accordance with paragraph 10 of the Constitution together with the First Business Plan as set out in appendix 4 of the Constitution;

"CEDR"

means the Centre for Effective Dispute Resolution;

"Chief Executive"

means the Chief Executive or the head of paid service of the Partner Authority(ies);

"Clerk of the Board" or "Clerk"

means the clerk of the Board appointed pursuant to **clause** 4.1.1;

"Collection Contract"

means the contract for the collection and recycling or disposal of household waste for the County of Somerset to be entered into by the Administering Authority on behalf of the Board, and the Collection Contractor;

"Collection Contractor"

means ECT Recycling CIC (or such other contractor as may be appointed under the terms of the Collection Contract from time to time);

"Commencement Date"

means the date of this Agreement;

"Confidential Information"

means information that ought to be considered as confidential (however it is conveyed or on whatever media it is stored) and may include information whose disclosure would, or would be likely to, prejudice the commercial interests of any person, trade secrets, intellectual property rights and know-how of either party and all personal data and sensitive personal data within the meaning of the Data Protection Act 1988;

"Constitution"

means the constitution of the Board as set out in **Schedule** 1 (The Constitution);

"Disposal Contracts"

means together the following contracts:

- (a) the core services contract;
- (b) the NWTF contract;
- (c) the tonnage agreement; and
- (d) the strategic partnering agreement,

entered into by the County Council and Viridor Waste Management Limited and dated 13 May 2006 or any contracts subsequently entered into by the Administering Authority replacing such contracts;

"DPA"

means the Data Protection Act 1998;

"EIR"

means the Environmental Information Regulations 2004 together with any guidance and/or codes of practice issued by the Information Commissioner in relation to such regulations;

"EPA 1990"

means the Environmental Protection Act 1990;

"Financial Year"

means a calendar year commencing on 1st April in any year;

"First Business Plan"

means the outline business plan for the first Financial Year of the operation of the Board contained in appendix 4 of the Constitution;

"FOI Act"

means the Freedom of Information Act 2000 and any subordinate legislation (as defined in section 84 of the Freedom of Information Act 2000) made under the Freedom of Information Act 2000 from time to time, together with any guidance and/or codes of practice issued by the Information Commissioner in relation to such Act;

"Joint Waste Management Strategy"

means the joint municipal waste management strategy adopted by the Board from time to time as required under section 32 of the Waste and Emissions Trading Act 2003;

"LGA 1972"

means the Local Government Act 1972;

"Managing Director"

means the head of the Single Client Group appointed by the Board pursuant to **clause 9** and paragraph 17.2 of the Constitution;

"Material Change"

means a change proposed to this Agreement or to the operation of the Board which a Partner Authority (acting reasonably) considers to be a material change to the nature or operation of the Board (including a change which has a material impact on service design or the cost of the services provided under the Principal Contracts) and which it considers must be subject to approval by elected members of the Partner Authority;

"Monitoring Officer"

means the officer appointed pursuant to **clause 4.1.3**;

"Partner Authority"

means any one of the County Council, Mendip, Sedgemoor, South Somerset and Somerset West and Taunton whilst ever they remain as Partner Authorities and such other local authorities which from time to time become Partner Authorities in accordance with **clause 14.5** and paragraph 16.8 of the Constitution;

"Personal Data"

means personal data as defined in the DPA which is supplied to a contractor by the Board, the Administrating Authority or a Partner Authority or obtained by a contractor in the course of performing services to the Board;

"Precept Dates"

means the dates set each year for payment of the Council Tax precept to the County Council;

"Principal Contracts"

means the Collection Contract and the Disposal Contracts and any contracts replacing such contracts and such other contracts as the Board may administer from time to time on behalf of the Partner Authorities;

"Prohibited Act"

means:

- (a) offering, giving or agreeing to give to any servant of a Partner Authority any gift or consideration of any kind as an inducement or reward:
 - (i) for doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of this Agreement, the Principal Contracts or in relation to the operation and administration of the Board; or
 - (ii) for showing or not showing favour or disfavour to any person in relation to this Agreement, the Principal Contracts or in relation to the operation and administration of the Board;
- (b) entering into this Agreement or any other contract with a Partner Authority or other public body relating to this Agreement or the Board in connection with which commission has been paid or has been agreed to be paid by a Partner Authority or on its behalf, or to its knowledge, unless before the relevant contract is entered into particulars of any such commission and of the terms and conditions of any such contract for the payment thereof have been disclosed in writing to the other Partner Authorities;
- (c) committing any offence relating to this Agreement, the Principal Contracts or in relation to the operation and administration of the Board:
 - (i) under the Prevention of Corruption Acts 1889 -1916;
 - (ii) under the LGA 1972;
 - (iii) under legislation creating offences in respect of fraudulent acts; or
 - (iv) at common law in respect of fraudulent acts in relation to this Agreement or any other contract with a Partner Authority; or
- (d) defrauding or attempting to defraud or conspiring to defraud a Partner Authority in relation to this Agreement, the Principal Contracts or in relation to the operation and administration of the Board;

"Review Notice"

means a notice served by any Partner Authority in accordance with **clause 20.1**;

"Review Report"

means a report of a review referred to in **clause 20.3**;

"Single Client Group" or "SCG"

means the group of officers employed by the Administering Authority appointed from time to time pursuant to **clause 8**;

"Standing Orders and Rules of Procedure"

means the standing orders and rules of procedure for meetings of the Board and its sub-committees together with the financial regulations and contract procedure rules for the Board (which shall be those of the Administering Authority), subject to such amendments or additions as the Board sees fit except amendments to the financial regulations and contract procedure rules which shall be those of the Administering Authority;

"Strategic Management Group" or "SMG"

means the group comprising the Directors of Environment (or equivalent) from the Partner Authorities formed in accordance with, and having the role and responsibilities set out in **clause 10**;

"SWB Member"

means a member of the Board nominated by a Partner Authority in accordance with paragraph 4 of the Constitution;

"Treasurer"

means the treasurer of the Board appointed pursuant to **clause 4.1.2**;

"TUPE"

means the Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended from time to time;

"VAT"

means value added tax;

"Workforce Code"

means the Annex D, the "Code of Practice on Workforce Matters in Local Authority Service Contracts", in "Best Value and Performance Improvement" (ODPM Circular 03/2003) (as the same may be amended, supplemented, replaced and/or reissued from time to time).

1.2 Interpretation

1.2.1 In this Agreement (unless the context requires otherwise):

- (a) references to clauses and schedules are to the clauses and schedules of this Agreement. Any reference to a sub-clause is to the relevant sub-clause of the clause in which it appears;
- (b) references to paragraphs and appendices are to the paragraphs and appendices of the Constitution;
- (c) the table of contents and headings are not part of this Agreement and are not to be taken into account in the interpretation of this Agreement;
- (d) the use of the masculine gender alone includes the feminine and neuter genders and the singular includes the plural and vice versa;
- (e) references to legislation (including subsidiary legislation), determinations, and directions include all amendments, replacements, or re-enactments thereof and all regulations, determinations, directions and statutory guidance made or given under them save that the treatment under this Agreement of any such amendment or modification that imposes any new or extended obligation or liability adversely affecting the parties or any of them shall be determined by the Board after consultation with the Partner Authorities, provided that where any Partner Authority (acting reasonably) considers such amendment or modification would result in a Material Change, the amendment or modification shall require the approval of the Partner Authority;
- (f) any reference to a requirement for "consent" or "approval" shall be taken to be the prior written consent or approval of the relevant person or body;
- (g) the terms "including" and "in particular" are illustrative only and are not intended and shall not limit the meaning of the relevant words that precede them;
- (h) the term "persons" means individuals, companies, industrial and provident societies, limited liability partnerships, statutory bodies, or other bodies with a legal personality and includes H.M. Government, government departments, and the European Union and its constituent parts; and
- (i) the Schedules to this Agreement are to have effect as if set out in full in the body of this Agreement and references to this Agreement include the Schedules.

1.2.2 The principles set out in this **clause** 1.2 shall be borne in mind and applied so far as appropriate in the interpretation of this Agreement and in the resolution of any disputes under this Agreement.

2. COMMENCEMENT AND DURATION

This Agreement and the rights and obligations of the Partner Authorities under this Agreement shall take effect on the Commencement Date and shall continue until terminated or they expire in accordance with **clause** 15.

3. FORMATION OF THE SOMERSET WASTE BOARD

- 3.1 The Partner Authorities have each agreed and resolved to form the Board with effect from the Commencement Date.
- 3.2 The Partner Authorities have each agreed and resolved that the Board should discharge their respective statutory functions with respect to waste disposal, waste collection and the recycling of waste which statutory functions are set out in appendix 1 part I of the Constitution.
- 3.3 In the performance of the statutory functions delegated to the Board the Partner Authorities hereby agree that the Board shall undertake on behalf of the Partner Authorities the activities set out in appendix 1 part II of the Constitution.
- 3.4 The Partner Authorities have agreed that the Board may perform all, or some of, its functions through contracts with third party contractors (including the Principal Contracts) and that the Administering Authority shall be a party to these contracts on behalf of the Board.
- 3.5 The Partner Authorities acknowledge that the powers, duties and functions of the waste disposal authority in respect of sections 6 to 8 of the Waste and Emissions Trading Act 2003 remain with the County Council, and that sections 9, 12, 31 and 32 have been delegated to the Board. In accordance with paragraph 2.7 of the Constitution and **clause** 13.8 and **Schedule 5** (Budget and Cost Sharing Agreement) the Partner Authorities agree that the Single Client Group and the Board will work in close consultation with and support and advise the County Council with regard to trading under LATS. The County Council shall remain responsible for trading, liable for the purchase of allowances or payment of any penalties arising as a result of exceeding allowances and shall retain the benefit of any income received from trading under LATS, and will work in close consultation with and support and advise the Single Client Group and the Board with regard to the waste strategy implications of its trading activities and plans.
- 3.6 The Board shall operate and be governed in accordance with the Constitution as may be amended from time to time in accordance with paragraph 12 of the Constitution.
- 3.7 The Administering Authority shall procure that the Managing Director shall notify the Chief Executives of the Partner Authorities of any proposed amendments to the Constitution in accordance with paragraph 12.3 of the Constitution. Each Partner Authority shall consider any such proposed amendments in good faith and act reasonably in deciding whether or not any proposed amendments amount to a material change (as defined in the Constitution).
- 3.8 The Board shall continue in existence unless and until dissolved in accordance with **clauses** 7.3, or 15 or paragraph 16.6 of the Constitution.

4. ADMINISTRATIVE SUPPORT TO THE BOARD AND THE APPOINTMENT OF THE OFFICERS OF THE BOARD

Appointment

- 4.1 The Partner Authorities hereby agree with effect from the Commencement Date that:
- 4.1.1 the Clerk of the Board shall be the 'Group Manager Democratic Services' of the Administering Authority for the time being, or such other officer as the Administering Authority shall determine having regard to the nature and responsibilities of the role;
- 4.1.2 the Treasurer of the Board shall be the section 151 officer of the Administering Authority or a suitably qualified Deputy; and
- 4.1.3 the Monitoring Officer of the Board shall be the Monitoring Officer of the Administering Authority.

Roles of the Officers

- 4.2 The role of the Clerk shall be as set out in paragraph 4 of appendix 6 of the Constitution.
- 4.3 The role of the Treasurer shall be as set out in paragraph 4 of appendix 6 of the Constitution.

Administrative support to the Board

- 4.4 Legal advice and services shall be provided to the Board by the Administering Authority. In the event of conflict of interest or potential conflict of interest between the interests of the Board and the interests of the Administering Authority, the Board shall appoint the Head of Legal Services of one of the other Partner Authorities to advise and act on behalf of the Board.
- 4.5 Human resources advice and services shall be provided to the Board by the Administering Authority.
- 4.6 The Administering Authority shall provide or arrange such additional administrative services, resources and office facilities that may be reasonably necessary to enable the Single Client Group and the Board to discharge their roles and functions.
- 4.7 The costs of providing the above advice and services shall form part of the Annual Budget of the Board and shall be funded by the Partner Authorities in accordance with the principles set out in **Schedule 5** (Budget and Cost Sharing Agreement).

5. ROLE AND RESPONSIBILITIES OF THE ADMINISTERING AUTHORITY

- 5.1 The Partner Authorities agree that the County Council shall be the Administering Authority for the purposes of this Agreement until removed or replaced in accordance with **clause 7**.
- 5.2 The Administering Authority shall:
- 5.2.1 arrange for the Single Client Group to discharge its roles and functions as set out in **clause 8**;
 - 5.2.2 receive each Partner Authority's share of the Annual Budget calculated in accordance with the principles set out in **Schedule 5** (Budget and cost sharing agreement);
 - 5.2.3 make the payments due under the Principal Contracts;
 - 5.2.4 ensure that the Board operates in accordance with the Constitution and Standing Orders and Rules of Procedure including notifications for meetings of the Board;
 - 5.2.5 arrange for the Treasurer to promptly and diligently perform the role of accounting officer for all funds held on account of the Board and to make and provide all appropriate banking and accounting arrangements and services required for the due and proper receipt holding and application of such funds and to assist the Board in the discharge of its functions;
 - 5.2.6 arrange for the Monitoring Officer to promptly and diligently perform the role of monitoring officer in relation to the Board and to notify the monitoring officers of the other Partner Authorities should it appear to him at any time that any proposal decision or omission of the Board constitutes or may give rise to a contravention of any enactment or rule of law or maladministration under Part III of the Local Government Act 1974;
 - 5.2.7 subject to **clause 4.4**, provide or arrange promptly and diligently such legal advice as requested by the Board from time to time;
 - 5.2.8 provide or arrange promptly and diligently such human resources advice and services as requested by the Board from time to time;
 - 5.2.9 provide or arrange promptly and diligently such additional administrative services, resources and office facilities that may be reasonably necessary to discharge the Board's functions;

- 5.2.10 where agreed by the Board hold any capital assets in respect of the Principal Contracts and the Single Client Group on behalf of the Board and/or the Partner Authorities;
 - 5.2.11 be the contracting authority on behalf of the Board;
 - 5.2.12 to carry out any functions delegated to it by the Board; and
 - 5.2.13 instigate and defend legal proceedings on behalf of the Board, the other Partner Authorities (subject to obtaining the prior written consent of the relevant Partner Authority(ies)) and itself as appropriate.
- 5.3 The Administering Authority shall be responsible for the appointment, employment and management of the staff of the Single Client Group (save that the Managing Director shall be appointed by the Board in accordance with paragraph 17.2 of the Constitution) and for the payment of the salaries, wages, income tax, national insurance contributions, and all other payments and emoluments of such staff provided that such payments shall not, without the approval of the Board exceed the amount specified within the Annual Budget for such expenditure.
 - 5.4 The Administering Authority shall provide such administrative services, resources and arrange or provide such office facilities that may be reasonably necessary to enable the Single Client Group to carry out its functions and activities.
 - 5.5 The Administering Authority shall ensure that all contracts entered into by it on behalf of the Board shall contain provisions enabling them to be novated to all or any of the Partner Authorities, at no cost to the Partner Authorities other than reasonable legal costs incurred in completing such novations.

6. ROLE AND RESPONSIBILITIES OF THE PARTNER AUTHORITIES

- 6.1 Each Partner Authority acknowledges the role and responsibilities of the Administering Authority and each Partner Authority's obligations to share in good faith the costs of the Board in accordance with this Agreement and the Constitution.
- 6.2 The Partner Authorities acknowledge and agree that they shall promptly pay any money properly due in accordance with this Agreement and the Constitution (including but not limited to their contributions to the Annual Budget) to the Administering Authority.
- 6.3 Where any Partner Authority (acting in good faith) disputes all or any part of any sum due the undisputed amount of such sum shall be paid to the Administering Authority in accordance with **clause** 13 and the principles set out in **Schedule** 5 (Budget and cost sharing agreement) and the provisions of **clause** 32 shall apply in respect of the disputed amount.
- 6.4 Following resolution of the dispute in question any amount agreed or determined to have been payable shall be paid forthwith to the Administering Authority together with any additional amount calculated in accordance with **clause** 13.6.
- 6.5 The Partner Authorities shall use all reasonable endeavours to make any decisions or ratify any decisions of the Board as required by this Agreement or the Constitution as soon as reasonably practicable.
- 6.6 Each Partner Authority shall consider any proposed amendments to the Business Plan (including the Annual Action Plan) under paragraph 10.7 of the Constitution in good faith and act reasonably in considering whether or not the proposed amendments amount to a material change (as defined in the Constitution) requiring the approval of the Partner Authority.
- 6.7 Each Partner Authority shall consider any such proposed amendments to the Annual Budget under paragraph 11.5 of the Constitution in good faith and act reasonably in considering whether or not to approve any proposed amendments.

- 6.8 Each Partner Authority shall grant to the Administering Authority leases and give consent to the grant of underleases to the Collection Contractor (in forms to be agreed by the relevant Partner Authority and the Administering Authority) of its respective depot(s) or part thereof as may be reasonably required by the Collection Contractor for the provision of the services under the Collection Contract and as agreed by the relevant Partner Authority acting reasonably and taking into account any other operational requirements for which the depot is or may be required.
- 6.9 The Partner Authorities shall comply with their obligations as set out in **Schedule 2** (Transition arrangements).

7. REPLACEMENT OR REMOVAL OF THE ADMINISTERING AUTHORITY

7.1 Resignation of the Administering Authority

- 7.1.1 The Administering Authority may upon giving at least one year's written notice to the Managing Director and to the Chief Executives of the other Partner Authorities resign from the position of Administering Authority.
- 7.1.2 The Partner Authorities shall upon receipt of such notice as soon as possible agree (in consultation with the Board) that one of the other Partner Authorities shall replace the resigning Administering Authority with effect from the expiry of such notice.
- 7.1.3 The provisions of **Schedule 3** (Change of Administering Authority) shall apply as to the novation of the Principal Contracts (but excluding the Disposal Contracts which shall remain with the County Council) and the arrangements for the transfer of the staff of the Single Client Group and all assets, property, rights and liabilities of the outgoing Administering Authority held by it or undertaken on behalf of the Board to the incoming Administering Authority.

7.2 Removal of the Administering Authority

7.2.1 If the Administering Authority:

- (a) commits a substantial or persistent breach of the terms of this Agreement or of the provisions of the Constitution; or
- (b) fails to redress substantial or persistent under-performance of its duties under this Agreement or fails to meet the reasonable requirements of the Board; or
- (c) commits gross misconduct contrary to the provisions of local government legislation or contrary to proper practices and conduct,

a majority of the other Partner Authorities may terminate the appointment of the Administering Authority under this Agreement by not less than six months' written notice to the Administering Authority whereupon following the service of such notice, the other Partner Authorities shall as soon as possible agree (in consultation with the Board) that one of the other Partner Authorities shall take over the duties of the Administering Authority with effect from the date of expiry of such notice and the provisions of **Schedule 3** shall apply.

- 7.3 In the event that the Administering Authority has resigned or its appointment has been terminated (in accordance with this **clause 7**) and no other Partner Authority wishes to assume the role of the Administering Authority, the Partner Authorities shall be deemed to have agreed to the dissolution of the Board on the effective date of the resignation or termination and the provisions of **clause 15** and **Schedule 6** (Exit arrangements) shall apply.

8. THE SINGLE CLIENT GROUP

- 8.1 The Administering Authority shall establish the Single Client Group headed by the Managing Director to carry out on behalf of the Board the following activities:

- 8.1.1 to monitor and manage the performance of the Principal Contracts;
 - 8.1.2 in conjunction with support provided by the Administering Authority to prepare monitor and control the progress of the Business Plan, Annual Action Plans and the Annual Budget to ensure they continue to fulfil business needs;
 - 8.1.3 to advise the Board generally on waste management initiatives (both local and national) and the progress in delivering the Aims and Objectives;
 - 8.1.4 prepare reports and recommendations for consideration by the Board, support the setting of the strategic direction of the Board and the context within which waste services are developed, managed and operated;
 - 8.1.5 ensure that where any information is received from or requested by a supplier or contractor under the Principal Contracts, the dissemination, collation and provision of information is effected within a timescale which is compatible with any time provisions detailed in the Principal Contracts and in any event as soon as is reasonably practicable;
 - 8.1.6 refer any requests from contractors for a consent or approval to appropriate officers, the Board or the Managing Director as appropriate and then communicate any decision back to the contractors under the Principal Contracts. Such communications shall be within a timescale which is compatible with any time provisions detailed in the Principal Contracts and in any event as soon as reasonably practicable;
 - 8.1.7 to prepare and make recommendations to the Board on waste management issues involving central government and other external agencies;
 - 8.1.8 to provide a full assessment of the short, medium and long term financial, resource, service, legal and contractual implications of waste management services for the Board, the Administering Authority and each Partner Authority; and
 - 8.1.9 prepare and submit for approval by the Board an annual internal audit plan. Regularly report on the findings of any audits undertaken to the Board and to the section 151 officers of all of the Partner Authorities; and
 - 8.1.10 prepare a strategic risk register relating to the functions of the Board and regularly submit this, together with details of any mitigation actions implemented, to the Board.
- 8.2 The provisions of **Schedule 2** (Transition agreement) shall apply in relation to the transfer of staff, assets and equipment from the other Partner Authorities to the Administering Authority in respect of the establishment of the Single Client Group with effect from the Commencement Date.

9. THE MANAGING DIRECTOR

- 9.1 The Partner Authorities agree that the Managing Director shall be appointed by the Board in accordance with paragraph 17.2 of the Constitution and shall report to the Board.
- 9.2 The duties and functions delegated to the Managing Director shall be agreed by the Board in accordance with the scheme of delegation adopted by the Board in accordance with paragraph 8.1 of the Constitution.

10. STRATEGIC MANAGEMENT GROUP

- 10.1 The Partner Authorities shall with effect from the Commencement Date form the SMG.
- 10.2 The SMG shall meet as and when required and the Partner Authorities shall share (in accordance with the principles set out in **Schedule 5** (Budget and cost sharing agreement)

the administrative costs and arrangements required for the SMG.

10.3 The Partner Authorities agree that the SMG shall have the following roles and responsibilities:

10.3.1 to ensure that the legal duties and statutory functions of the Partner Authorities delegated to the Board in accordance with the Constitution are being discharged effectively in accordance with relevant legislation and with due economy, efficiency and effectiveness;

10.3.2 to ensure that the duties of the Partner Authorities with respect to Value for Money are complied with including any duties under the Workforce Code;

10.3.3 to review each Business Plan and Annual Action Plan prepared by the Single Client Group and make recommendations for any changes it deems necessary (acting reasonably) in accordance with paragraph 10 of the Constitution prior to submission to the Board for approval;

10.3.4 to review the Annual Budget prepared by the Treasurer and where relevant make recommendations for any changes it deems necessary (acting reasonably) in accordance with paragraph 11 of the Constitution before submission to the Board and each Partner Authority for approval;

10.3.5 to consider the reports submitted by the Managing Director regarding the performance of the Board; and

10.3.6 to review the effectiveness of the Board in:

(a) helping each Partner Authority to meet its statutory and local targets; and

(b) achieving efficiency savings on behalf of all of the Partner Authorities,

following which it shall report and, where appropriate, make recommendations to the Partner Authorities on the effectiveness of the Board and any changes or amendments necessary to improve the effectiveness of the Board.

11. BUSINESS PLAN

11.1 The Partner Authorities acknowledge the requirements of paragraph 10 of the Constitution in respect of the preparation and agreement of the Business Plan and the Annual Action Plan.

11.2 The Partner Authorities shall comply with the requirements of paragraph 10 of the Constitution and provide such reasonable assistance as is necessary to each other, the Board and the Administering Authority to assist in delivering the Business Plan and the Annual Action Plan.

12. ANNUAL BUDGET

12.1 The Partner Authorities acknowledge the requirements of paragraph 11 of the Constitution in respect of the preparation and agreement of the Annual Budget.

12.2 The Partner Authorities shall comply with the requirements of paragraph 11 of the Constitution and provide such reasonable assistance as is necessary to each other, to the Board and to the Administering Authority to assist in preparing the Annual Budget.

13. CONTRIBUTIONS TO THE ANNUAL BUDGET AND TO THE BOARD'S COSTS BY THE PARTNER AUTHORITIES

13.1 The Partner Authorities shall contribute to the Annual Budget in accordance with the principles set out in **Schedule 5** (Budget and cost sharing agreement).

- 13.2 The amount of each Partner Authority's annual contribution towards the costs of the Board in any Financial Year shall be such amounts as shall be specified for that Partner Authority in the schedule of payments attached to the Annual Budget for that Financial Year.
- 13.3 Subject to clause 13.3A each Partner Authority shall pay to the Administering Authority on behalf of the Board monthly instalments each equal to one twelfth of the annual sum payable by it to the Board in accordance with this **clause 13** and **Schedule 5** (Budget and cost sharing agreement) on the Precept Dates.
- 13.3A Where income is payable from the Administering Authority to a Partner Authority in accordance with **Schedule 5** the Administering Authority will pay such income in the proportion and at the frequencies set out in **Schedule 5**.
- 13.4 Where any Partner Authority (acting in good faith) disputes all or any part of any sum due the undisputed amount of such sum shall be paid to the Administering Authority forthwith and the provisions of **clause 32** shall apply in respect of the disputed amount.
- 13.5 Following resolution of the dispute in question any amount agreed or determined to have been payable shall be paid forthwith to the Administering Authority together with the reasonable costs and compensation for any losses incurred by the Administering Authority calculated in accordance with **clause 13.6**.
- 13.6 In the event of any Partner Authority failing to make a payment under **clause 13.3** on the relevant Precept Date, it shall pay to the Administering Authority reasonable costs and compensation for any losses incurred by the Administering Authority in respect of the outstanding instalments such amount to be calculated on a daily basis (commencing from the first Business Day after the relevant Precept Date) for each day a Partner Authority is late in making such payment.
- 13.7 Before the start of each Financial Year, the Administering Authority shall issue to each Partner Authority an annual payment and invoicing schedule for the forthcoming Financial Year, identifying the twelve monthly payments due on the Precept Dates.
- 13.8 NOT USED
- 13.9 The Partner Authorities agree to keep under review the structure of the payment of contributions under this Agreement to minimise any adverse VAT implications for any of the Partner Authorities.

14. CESSATION OF MEMBERSHIP

- 14.1 Any of the Partner Authorities can withdraw from membership of the Board in the manner set out in paragraph 16 of the Constitution.
- 14.2 In the event that a Partner Authority withdraws from the Board that Partner Authority shall continue to meet in full:
- 14.2.1 its contributions in respect of any period during which that Partner Authority was a member of the Board in accordance with **clause 13** including any arrears of such contributions;
- 14.2.2 any additional contractual or other financial commitments and liabilities incurred by the Board on its behalf not covered within its contributions under **clause 13**; and
- 14.2.3 its ongoing contributions and liabilities in respect of the Principal Contracts as notified from time to time by the Administering Authority and shall remain subject to this Agreement in respect of such ongoing contributions and liabilities calculated in accordance with the principles set out in **Schedule 5** (Budget and cost sharing agreement).
- 14.3 A Partner Authority withdrawing from the Board shall be entitled to receive its fair share of

any assets held by or on behalf of the Board at the date of their withdrawal when those assets are realised or sold by or on behalf of the Board unless the remaining Partner Authorities decide to retain such assets in which event they shall compensate the withdrawing Authority for its share of the market value of such assets.

- 14.4 If more than one Partner Authority gives notice of withdrawal from membership of the Board in any Financial Year the provisions of paragraph 16.4 of the Constitution shall apply.
- 14.5 If it is agreed by all Partner Authorities that another local authority should be permitted to join the Board then pursuant to Regulation 11(2)(c) of the 2000 Regulations the Board shall be dissolved and this Agreement terminated with a view to a new Board being established and a replacement agreement on similar terms to this Agreement (as varied by agreement of the proposed Partner Authorities) being completed with effect from the date of termination of this Agreement.

15. DISSOLUTION OF THE BOARD

- 15.1 A majority of the Partner Authorities may at any time (whether as a result of the Board's recommendations or otherwise) agree (by formal resolutions by each of them) that the Board should be dissolved with effect six months from the date of the decision or the date on which the agreement referred to in **clause** 15.2 below is completed if later.
- 15.2 In the event of agreement that the Board should be dissolved or in the event of the termination of this Agreement in accordance with **clause** 31 the Partner Authorities shall (acting reasonably) negotiate and seek to agree and execute a legally binding agreement dealing with the novation or termination of the Principal Contracts (excluding the Disposal Contracts) and the allocation amongst the Partner Authorities of the property, assets, rights, staff and liabilities held or employed by the Administering Authority on behalf of the Board. Such agreement shall include, as a minimum, provisions to deal with the matters listed in **Schedule** 6 (Exit arrangements).
- 15.3 This Agreement shall terminate upon the relevant date the agreement entered into by the Partner Authorities in accordance with **clause** 15.2 above becomes legally binding or upon such date as the Partner Authorities agree unanimously that no further liabilities, assets or ongoing obligations, including those under the terms of the Principal Contracts, shall exist in relation to the Board.

16. ACCOUNTS, AUDIT AND REPORTING

- 16.1 The Administering Authority shall procure that the Treasurer shall maintain the accounts of the Board in accordance with best accounting practice and with the CIPFA Code of Practice and with the requirements of relevant central government departments, H.M. Revenue and Customs and all other applicable requirements.
- 16.2 NOT USED
- 16.3 The Administering Authority shall procure that the Treasurer shall provide sufficient financial information to the section 151 officer of each Partner Authority to enable each Partner Authority to report on the financial status of the Board against the relevant Annual Budget.

17. ARRANGEMENTS INSURANCE, INDEMNITIES AND CONDUCT OF CLAIMS

Indemnities

- 17.1 Excluding any liabilities in respect of the Collection Contract (which shall be subject to **clause** 19.5) insofar as the Administering Authority shall perform its obligations and functions as Administering Authority in accordance with the provisions of this Agreement, the Partner Authorities hereby agree to be bound by and comply with any or all outcomes of

the exercise of such obligations and functions and each Partner Authority hereby undertakes to pay to the Administering Authority its appropriate share of any additional costs, contributions to claims or liabilities which may arise as a result of the performance by the Administering Authority of its obligations under this Agreement in accordance with the principles set out in **Schedule 5** (Budget and cost sharing agreement).

- 17.2 Each of the Partner Authorities shall indemnify the others of them from and against any damages or awards (including legal expenses on an indemnity basis) paid by them to their employees or their personal representatives or to third parties in settlement of any claims arising from a breach by that Partner Authority of this Agreement, negligence of that Partner Authority or its employees or agents acting in the course of their employment, damage to real and personal property or injury to persons including injury resulting in death.
- 17.3 Neither the Administering Authority nor any other Partner Authority shall be responsible or obliged to indemnify any other Partner Authority for:
- 17.3.1 any liability which arises as a direct result of a Partner Authority acting on the instructions of the Partner Authority claiming under any indemnity in this Agreement (to the extent that the other Partner Authority is entitled to give such instructions); or
- 17.3.2 any injury, loss, damage, cost and expense caused by the negligence, willful misconduct or a breach of this Agreement by the Partner Authority claiming under any indemnity in this Agreement or an agent, contractor or employee of that Partner Authority.
- 17.4 None of the Partner Authorities shall be liable in tort to any other or others of the Partner Authorities for any negligent act or omission of that other Partner Authority or those other Partner Authorities relating to this Agreement and the only remedy of such other Partner Authority or Authorities is under this Agreement. Each Partner Authority shall use reasonable endeavours to procure that no agent, contractor or employee of it brings a claim in tort or otherwise against any of the other Partner Authorities.
- 17.5 Any indemnity under this **clause 17** shall be without prejudice to any indemnity by the same Partner Authority under any other provision of this Agreement.
- 17.6 None of the indemnities under this Agreement shall apply, and there shall be no right to claim damages for breach of this Agreement whatsoever to the extent that any loss claimed is for loss of profits, loss of use, loss of production, loss of business or loss of business opportunity or is a claim for consequential or for indirect loss of any nature allegedly suffered by any Partner Authority.

Insurance

- 17.7 The Administering Authority shall take out and maintain the following insurances (or make suitable provision to self-insure) in respect of the employees, premises and equipment allocated to the Single Client Group:
- 17.7.1 public liability insurance;
- 17.7.2 employees liability insurance;
- 17.7.3 buildings and/or contents insurance; and
- 17.7.4 any other insurances required by law or agreed by the Board to be appropriate.
- 17.8 In relation to the insurances referred to in **clause 17.7**:
- 17.8.1 the interests of the other Partner Authorities shall be noted on the policies;
- 17.8.2 none of the Partner Authorities shall take any action or fail to take any action nor allow anything to occur which would entitle an insurer to refuse a claim under any of the insurance policies or which may render such a claim wholly or partially repayable; and

- 17.8.3 the Administering Authority shall provide on request to the other Partner Authorities copies of insurance policies referred to in this **clause 17.7** and evidence of the payment of the premiums and that the insurances are in full force and effect.
- 17.9 The Administering Authority may (subject to the prior agreement of the Board and the other Partner Authorities) decide to self insure in respect of any risks or interest as defined and agreed by the Board and the other Partner Authorities on the basis that the Partner Authorities through their funding of the Board under this Agreement shall meet that liability as if the Board were an insurer of such risks or interest.
- 17.10 Each Partner Authority shall assist each of the other Partner Authorities in respect of the insurance requirements and obligations in this Agreement.
- 17.11 This **clause 17.11** shall apply to the conduct, by a Partner Authority from whom an indemnity is sought under this Agreement, of claims made by a third person against a Partner Authority having (or claiming to have) the benefit of the indemnity. The Partner Authority having, or claiming to have, the benefit of the indemnity is referred to as the "**Beneficiary**" and the Partner Authority giving the indemnity is referred to as the "**Indemnifier**". Accordingly:
- 17.11.1 if the Beneficiary receives any notice, demand, letter or other document concerning any claim for which it appears that the Beneficiary is, or may become entitled to, indemnification under this Agreement, the Beneficiary shall give notice in writing to the Indemnifier as soon as reasonably practicable having regard to any timescale imposed by a notice, demand, letter or any other form of document received by the Beneficiary;
- 17.11.2 subject to **clauses 17.11.3, 17.11.4 and 17.11.5** below, on the giving of a notice by the Beneficiary pursuant to **clause 17.11.1** above, where it appears that the Beneficiary is or may be entitled to indemnification from the Indemnifier in respect of at least half of the liability arising out of the claim, the Indemnifier shall (subject to providing the Beneficiary with an indemnity to its reasonable satisfaction against all costs and expenses that it may incur by reason of such action (over and above those which the Beneficiary would otherwise have borne if the Indemnifier had no entitlement to conduct the relevant claim) be entitled to dispute the claim in the name of the Beneficiary at the Indemnifier's own expense and take conduct of any defence, dispute, compromise, or appeal of the claim and of any incidental negotiations. The Beneficiary shall give the Indemnifier all reasonable co-operation, access and assistance for the purposes of considering and resisting such claim;
- 17.11.3 with respect to any claim conducted by the Indemnifier pursuant to **clause 17.11.2** above:
- (a) the Indemnifier shall keep the Beneficiary fully informed and consult with it about material elements of the conduct of the claim;
 - (b) the Indemnifier shall not bring the name of the Beneficiary into disrepute; and
 - (c) the Indemnifier shall not pay or settle such claims without the prior consent of the Beneficiary, such consent not to be unreasonably withheld or delayed;
- 17.11.4 the Beneficiary shall be free to pay or settle any claim on such terms as it thinks fit and without prejudice to its rights and remedies under this Agreement if:
- (a) the Indemnifier is not entitled to take conduct of the claim in accordance with **clause 17.11.2** above; or above; or
 - (b) the Indemnifier fails to notify the Beneficiary of its intention to take conduct of the relevant claim within 20 Business Days of the notice from the Beneficiary under **clause 17.11.2** above or notifies the Beneficiary that it does not intend to take conduct of the claim; or
 - (c) the Indemnifier fails to comply in any material respect with the provisions of **clause 17.11.3** above;
- 17.11.5 the Beneficiary shall be free at any time to give notice to the Indemnifier that it is retaining or taking over (as the case may be) the conduct of any defence, dispute, compromise or appeal

of any claim (or of any incidental negotiations) to which **clause** 17.11.2 above applies. On receipt of such notice the Indemnifier shall promptly take all steps necessary to transfer the conduct of such claim to the Beneficiary, and shall provide to the Beneficiary all reasonable co-operation, access and assistance for the purposes of considering and resisting such claim. If the Beneficiary gives any notice pursuant to this **clause** 17.11.5 then the Indemnifier shall be released from any liability under its indemnity under **clause** 17 (as the case may be) and, without prejudice to any accrued liabilities, any liability under its indemnity given pursuant to **clause** 17.11.2 in respect of such claim;

- 17.11.6 if the Indemnifier pays to the Beneficiary an amount in respect of an indemnity and the Beneficiary subsequently recovers (whether by payment, discount, credit, saving, relief or other benefit or otherwise) a sum which is directly referable to the fact, matter, event or circumstances giving rise to the claim under the indemnity, the Beneficiary shall forthwith repay to the Indemnifier whichever is the lesser of:
- (a) an amount equal to the sum recovered (or the value of the saving or benefit obtained) less any out of pocket costs and expenses properly incurred by the Beneficiary in recovering the same; and
 - (b) the amount paid to the Beneficiary by the Indemnifier in respect of the claim under the relevant indemnity; and
- 17.11.7 any Body taking any of the steps contemplated by **clauses** 17.11.2 to 17.11.5 shall comply with the requirements of any insurer who may have an obligation to provide an indemnity in respect of any liability arising under this Agreement.

18. THE DISPOSAL CONTRACTS

- 18.1 The Administering Authority shall be responsible for the management, monitoring and administration of the Disposal Contracts.
- 18.2 The Partner Authorities acknowledge the provisions of paragraph 2.5 of the Constitution that the Board shall not make any decisions the effect of which would be to put the Administering Authority in breach of the Principal Contracts.
- 18.3 The Partner Authorities acknowledge that any decision by the Board which puts the Administering Authority in breach of the Disposal Contracts shall not be effective and that any costs or losses incurred by the Administering Authority arising from any decision of the Board which puts the Administering Authority in breach of the Disposal Contracts shall be apportioned between the Partner Authorities in accordance with the principles set out in **Schedule** 5 (Budget and cost sharing agreement).
- 18.4 In the event of the replacement or removal of the County Council as Administering Authority in accordance with **clause** 7, the Disposal Contracts shall not be novated or assigned and the County Council shall retain all its obligations, benefits and liabilities under the Disposal Contracts.

19. COLLECTION CONTRACT

- 19.1 The Administering Authority shall enter into the Collection Contract on behalf of the Board and each of the other Partner Authorities.
- 19.2 Each Partner Authority acknowledges that it accepts the terms of and agrees to be bound by the Collection Contract.
- 19.3 The Partner Authorities agree that the provisions of this **clause** 19 and **Schedule** 7 (Collection Contract) shall apply in respect of the administration of the Collection Contract.
- 19.4 The Administering Authority shall (acting as a reasonable local authority) administer the

Collection Contract in accordance with its terms.

- 19.5 The Administering Authority shall indemnify the other Partner Authorities in respect of any claims, losses or liabilities incurred by a Partner Authority as a result of the Administering Authority:
- 19.5.1 wilfully breaching the terms of the Collection Contract;
 - 19.5.2 negligently administering the Collection Contract;
 - 19.5.3 failing to act as a reasonable local authority in administering the Collection Contract; and/or
 - 19.5.4 wilfully failing to ensure that the information compliance and enforcement requirements necessary for the Partner Authorities to meet their obligations under the Workforce Code are met.
- 19.6 Each of the other Partner Authorities hereby undertakes to pay to the Administering Authority its appropriate share of any additional costs, contributions to claims or liabilities which may arise as a result of the performance by the Administering Authority of its obligations under the Collection Contract in accordance with **clause 13** and the principles set out in **Schedule 5** (Budget and cost sharing agreement).
- 19.7 The Partner Authorities agree that any decision taken by the Board which puts the Administering Authority in breach of the Collection Contract shall not be implemented and that in the event that any costs or losses are incurred by the Administering Authority (arising from any decision of the Board which puts the Administering Authority in breach of the Collection Contract) they shall be apportioned between the Partner Authorities in accordance with the principles set out in **Schedule 5** (Budget and cost sharing agreement).

20. REVIEW OF AGREEMENT

- 20.1 At any time any one or more of the Partner Authorities may seek a review of this Agreement and the operation of the Board and its performance of its functions and activities by giving notice thereof to the other Partner Authorities and to the Managing Director.
- 20.2 A meeting of the SMG shall be convened within 20 Business Days from the date of service of the Review Notice and the SMG in consultation with the Partner Authorities shall determine the terms of reference of the review and the person or persons (which may include members of the SMG or one or more of the Chief Executives) by whom it is to be conducted and the timescale for its completion.
- 20.3 On production of the Review Report copies thereof shall be supplied to the Board and each of the Partner Authorities for them to comment thereon in accordance with such reasonable timescale as the SMG shall decide.
- 20.4 On receipt of comments from each of the Partner Authorities within the timescale referred to in **clause 20.3** (or any extension thereof agreed by or on behalf of the SMG), the Board shall meet to consider the content and recommendations of the Review Report in the light of the comments received from the Partner Authorities and determine the amendments (if any) it recommends should be made to this Agreement or to the operation of or the services managed by the Board and report to the Partner Authorities with its recommendations.
- 20.5 Where the Board proposes any amendments in accordance with **clause 20.4** above, the Managing Director shall forthwith notify the Chief Executive of each of the Partner Authorities of such proposal. Each Partner Authority shall have a period of 25 Business Days from receipt of the proposal in which to consider it and where a Partner Authority (acting reasonably) considers the proposed amendment is a Material Change it shall forthwith notify the Managing Director.

- 20.6 Where no Partner Authorities serve notice (in accordance with **clause 20.5**) on the Managing Director, the Board may implement such proposed amendment, acting on behalf of and with the authority of the Partner Authorities. Provided that where the proposed amendment involves a variation to this Agreement it shall require the written approval of all of the Partner Authorities in accordance with **clause 30**.
- 20.7 Where one or more of the Partner Authorities has notified the Managing Director that it considers the proposed amendment is a Material Change under **clause 20.5**, the Board shall not implement such amendment unless and until each notifying Partner Authority has approved the proposed amendment and informed the Managing Director that it has approved such proposed amendment or not.

21. CONFIDENTIALITY

Confidentiality

- 21.1 Without prejudice to **clause 21.2** and subject to **clauses 21.4** to **21.8**, each Partner Authority shall during the currency of this Agreement and at all times following termination keep private and confidential and shall not use or disclose (whether for its own benefit or that of any third party) save as provided by this Agreement any confidential information about the business of or belonging to any other Partner Authority or any party to the Principal Contracts or other contract entered into on behalf of the Board which has come to its attention as a result of or in connection with this Agreement or the functions or operation of the Board provided always that this obligation shall not relate to any such information which:
- 21.1.1 comes into the public domain or is subsequently disclosed to the public (other than through default on the part of the relevant Partner Authority or any other person to whom the Partner Authority is permitted to disclose such information under this Agreement); or
- 21.1.2 is required to be disclosed by law (including, but not limited to, any request of or inquiry by the Information Commissioner); or
- 21.1.3 was already in the possession of the Partner Authority (without restrictions as to its use) on the date of receipt.
- 21.2 Each Partner Authority shall be entitled to use or disclose any confidential information about the content or operation of this Agreement insofar as this is reasonably necessary for the discharge of that Partner Authority's functions.
- 21.3 Each Partner Authority acknowledges that any other of the Partner Authorities may be obliged to disclose information relating to this Agreement pursuant to a request for such information made by a third party under the FOI Act or the EIR as the case may be (a "**Request**").
- 21.4 Where a Partner Authority (the "**Requesting Party**") receives a Request in relation to information in another Partner Authority's possession, the Requesting Authority shall notify the relevant Partner Authority (the "**Receiving Party**") in writing of the Request and the Receiving Party shall provide that Requesting Party at no charge with any information which is in the Receiving Party's possession and such other assistance as the Requesting Party may reasonably require which is needed from the Receiving Party to enable it to respond to the Request.
- 21.5 Where a Requesting Party requires information from a Receiving Party as envisaged by **clause 21.4**, the Requesting Party shall notify the Receiving Party in writing as soon as possible, after receiving the Request, of the information and/or assistance required, the form in which it should be provided and the date by which it is needed. The Receiving Party shall provide the information to the Requesting Party in accordance with the Requesting Party's notice. The Receiving Party shall notify the Requesting Party forthwith if it does not hold the requested information.
- 21.6 The Partner Authorities shall not disclose any information relating to this Agreement or

the Principal Contracts that it considers in its unfettered discretion, is exempt as described in Part II of the FOI Act or Part II of the EIR (as the case may be).

- 21.7 A Receiving Party shall not respond directly to any Request notified to it pursuant to **clause** 21.4 unless expressly authorised to do so by the Requesting Partner.
- 21.8 A Requesting Party shall notify the Receiving Authority as soon as practicable but in any event within five Business Days of receiving the Request.
- 21.9 A Partner Authority shall inform the other Partner Authorities in writing as soon as reasonably practicable (and in any event within five Business Days) whenever it receives a Request relating to this Agreement setting out:
- 21.9.1 the nature of the Request;
- 21.9.2 where possible, the identity of the person making the Request;
- 21.9.3 what information relating to this Agreement is covered by the Request;
- 21.9.4 whether and to what extent the relevant Partner Authority intends to disclose the information requested (including the intention to disclose any information relating to this Agreement); and
- 21.9.5 a reasonable timescale in which the other Partner Authorities may make any representations to the Partner Authority receiving the Request.
- 21.10 Subject to **clauses** 18.3 and 19.7, a Partner Authority shall not be responsible to the other Partner Authorities for any loss, damage, harm or detriment howsoever caused, arising from or in connection with the disclosure of any information in respect of any Request.

Announcements

- 21.11 Subject to the terms of this Agreement, a Partner Authority shall not make any public statement or issue any press release or publish any other public document relating to, connected with or arising out of this Agreement or the matters contained therein without obtaining the other Partner Authorities' prior approval as to the contents thereof and the manner of its presentation and publication.
- 21.12 The provisions of this **clause** 21 shall survive termination or expiry of this Agreement.

22. EQUAL OPPORTUNITIES

- 22.1 The Board shall adopt a policy to comply with its statutory obligations under the Race Relations Act 1976 (as amended), the Sex Discrimination Act 1975 (as amended), the Disability Discrimination Act 1995 (as amended), the Equality Act 2006, the Employment Equality (Religion or Belief) Regulations 2003, the Employment Equality (Sexual Orientation) Regulations 2003, the Employment Equality (Sex Discrimination) Regulations 2005, the Employment Equality (Age) Regulations 2006, or any other relevant legislation relating to discrimination in the employment of employees and accordingly will not unlawfully treat one group of people less favourably than others because of their colour, race, disability, sex, sexual orientation, nationality, ethnic origin or age in relation to decisions to recruit, train, promote, discipline or dismiss its personnel.
- 22.2 In the event of any finding of unlawful discrimination being made against the Board, the Administering Authority or a contractor of the Administering Authority in respect of any matter relating to this Agreement by any court or industrial tribunal, or of any adverse finding in any formal investigation by the Commission for Equality and Human Rights the Administering Authority shall inform the other Partner Authorities of this finding and shall take appropriate steps to prevent repetition of the unlawful discrimination.
- 22.3 The Board or as the case may be the Administering Authority shall, on request, provide the

other Partner Authorities with details of any steps taken under **clause 22.2**.

- 22.4 The Board or, as the case may be, the Administering Authority shall set out its policy on the prevention of unlawful discrimination:
- 22.4.1 in instructions to those concerned with recruitment, training and promotion;
 - 22.4.2 in documents available to its personnel, recognised trade unions or other representative groups of its personnel; and
 - 22.4.3 in recruitment advertisements and other literature.
- 22.5 The Board or as the case may be the Administering Authority shall observe as far as possible, and at least in accordance with the Administering Authority's published criteria, the Code of Practice relevant to employment matters issued by the Commission for Equality and Human Rights (or its predecessor organisations).
- 22.6 The Board or as the case may be the Administering Authority shall provide such information as the other Partner Authorities may reasonably request for the purpose of assessing the compliance of the Board or as the case may be the Administering Authority with this **clause 22**.
- 22.7 The Board or as the case may be the Administering Authority shall procure that any contractors or sub-contractors (including the contractors and sub-contractors under the Principal Contracts) providing services to the Partner Authorities comply with the obligations set out in **clauses 22.1 and 22.3 to 25.5 (inclusive)**.

23. LOCAL COMMISSIONER

- 23.1 Where any investigation by the Commission for Local Administration in England takes place the Partner Authorities shall:
- 23.1.1 provide any information requested in the timescale allotted;
 - 23.1.2 attend any meetings as required and permit their personnel so to attend;
 - 23.1.3 promptly allow access to and investigation of any documents deemed to be relevant;
 - 23.1.4 allow themselves and any employee deemed to be relevant to be interviewed;
 - 23.1.5 allow themselves and any employee to appear as witnesses in any ensuing proceedings; and
 - 23.1.6 co-operate fully and promptly in every way required by the Commission during the course of that investigation.

24. DATA PROTECTION

- 24.1.1 In relation to all Personal Data, the Board, the Administering Authority and the other Partner Authorities shall at all times comply with the DPA as a data controller if necessary, including maintaining a valid and up to date registration or notification under the DPA covering the data processing to be performed in connection with this Agreement.
- 24.1.2 The Board or as the case may be the Administering Authority and the other Partner Authorities shall only undertake processing of Personal Data reasonably required in connection with this Agreement and shall not transfer any Personal Data to any country or territory outside the EEA.

- 24.1.3 The Board, the Administering Authority and the other Partner Authorities shall not disclose Personal Data to any third parties other than:
- (a) to the other Partner Authorities to whom such disclosure is reasonably necessary in order for the other Partner Authorities to carry out their obligations under this Agreement; or
 - (b) to the extent required under a court order,

provided that disclosure under **clause 24.1.3(a)** is made subject to written terms substantially the same as, and no less stringent than, the terms contained in this **clause 24** and that the Board, the Administering Authority and the other Partner Authorities shall give notice in writing to the other Partner Authorities of any disclosure of Personal Data which any Partner Authority is required to make under **clause 24.1.3(b)** immediately upon becoming aware of such a requirement.

- 24.1.4 The Board, the Administering Authority and the other Partner Authorities shall bring into effect and maintain all technical and organisational measures to prevent unauthorised or unlawful processing of Personal Data and accidental loss or destruction of, or damage to, Personal Data including taking reasonable steps to ensure that staff who have access to the Personal Data are adequately trained and competent.

24.2 **Indemnity**

Each of the Partner Authorities shall indemnify and keep indemnified the other Partner Authorities against all losses, claims, damages, liabilities, costs and expense (including reasonable legal costs) incurred by them in respect of any breach of this **clause 24** by any act or omission of that Partner Authority.

25. **WAIVER AND SEVERABILITY**

25.1 **Waiver**

- 25.1.1 No term or provision of this Agreement shall be considered as waived by any Partner Authority unless a written waiver is given by that Partner Authority.

- 25.1.2 No waiver under **clause 25.1.1** shall be a waiver of a past or future default or breach, nor shall it amend, delete or add to the terms, conditions or provisions of this Agreement unless (and then only to the extent) expressly stated in that waiver.

25.2 **Severability**

If any term, condition or provision of this Agreement shall be held to be invalid, unlawful or unenforceable to any extent, such term, condition or provision shall not affect the validity, legality and enforceability of the other provisions of or any other documents referred to in this Agreement.

26. **NO PARTNERSHIP**

- 26.1 Nothing in this Agreement is to constitute or be deemed a partnership within the meaning of the Partnership Act 1890, the Limited Partnerships Act 1907, the Limited Liability Partnerships Act 2000 or any other legislation concerning partnerships or limited liability partnerships.
- 26.2 None of the Partner Authorities shall hold itself out as the agent of any one or more of the other Partner Authorities or to have any authority to bind any one or more of the other Partner Authorities except to the extent that this Agreement expressly provides otherwise.

27. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

27.1 No term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Agreement.

28. ENTIRE AGREEMENT

28.1 Except where expressly provided in this Agreement, this Agreement constitutes the entire agreement between the Partner Authorities in connection with its subject matter and supersedes all prior representations, communications, negotiations and understandings concerning the subject matter of this Agreement.

29. EXTENT OF OBLIGATIONS AND FURTHER ASSURANCE

29.1 Nothing in this Agreement is to require any of the Partner Authorities to act in any way that is inconsistent with its obligations or duties as a local authority.

29.2 Each of the Partner Authorities undertakes (subject to **clause 29.1**) to do all things and execute all further documents that may reasonably be required by one or more of the other Partner Authorities to give effect to this Agreement.

30. VARIATIONS

30.1 Subject to the express provisions of this Agreement, no variation of this Agreement will be valid or effective unless agreed unanimously by the Partner Authorities and recorded in writing.

31. PREVENTION OF CORRUPTION

31.1 Corrupt gifts and fraud

Each Partner Authority warrants that in entering into this Agreement it has not committed any Prohibited Act.

31.2 Termination for corrupt gifts and fraud

31.2.1 If a Partner Authority or a SWB Member (or anyone employed by or acting on behalf of any of any of them) or any of its or their agents commits any Prohibited Act, then any Partner Authority shall be entitled to act in accordance with the provisions of this **clause 31**.

31.2.2 Upon discovering that a Prohibited Act has occurred any Partner Authority may serve notice on the Managing Director of the Prohibited Act that has occurred and the Partner Authority affected. Upon receiving such notice of a Prohibited Act the Managing Director shall serve a notice on the Chief Executive of the Partner Authority subject to the Prohibited Act copied to the Chief Executives of all of the other Partner Authorities (a "**Notice of a Prohibited Act**").

31.2.3 Upon receipt of a Notice of a Prohibited Act the Partner Authority subject to the Prohibited Act shall have 3 months to take such steps and actions as are reasonable and are agreed by the Board taking account of the nature of the Prohibited Act which may include suspending the relevant employee and taking action under the Partner Authority's disciplinary procedure or where the Prohibited Act relates to an SWB Member removing its SWB Member from the Board.

31.2.4 Where a Partner Authority fails to take action in accordance with clause 31.2.2 the other Partner Authorities shall meet to decide what further action to take against the Partner Authority and may by unanimous vote agree to:

- (a) where the Partner Authority subject to a Notice of a Prohibited Act is the Administering Authority the Administering Authority shall be removed and the provisions of **clause 7.2** (Removal of the Administering Authority) and **schedule 3**

(Change of Administering Authority) shall apply unless within 3 months of the vote the Administering Authority takes such steps and actions as are reasonable and are agreed by the Board in accordance with **clause** 31.2.3;

- (b) where the Partner Authority subject to a Notice of a Prohibited Act is not the Administering Authority then the IAA shall terminate and the provisions of **clause** 15 (Dissolution of the Board) shall apply unless within 3 months of the vote the Partner Authority subject to a Notice of a Prohibited Act takes such steps and actions as are reasonable and are agreed by the Board in accordance with **clause** 31.2.3; or
- (c) take such other action or steps as are reasonable taking into account the nature of the Prohibited Act and its effect on the Board.

32. DISPUTE RESOLUTION

- 32.1 Any dispute arising from the interpretation and operation of this Agreement shall in the first instance be referred to the SMG, which shall, acting in good faith, attempt to resolve such dispute.
- 32.2 Where either the SMG is unable to resolve such dispute, or where in the opinion of the SMG such dispute might be more effectively resolved in another forum, the SMG may refer such dispute to the following bodies/forums (listed in order of referral) until such dispute is resolved:
 - 32.2.1 a meeting of the Chief Executives and/or leaders of each of the Partner Authorities; then
 - 32.2.2 a mediator appointed by the Partner Authorities in accordance with **clause** 32.3; then
 - 32.2.3 an arbitrator appointed by the Partner Authorities in accordance with **clause** 32.4.
- 32.3 **Mediation**
 - 32.3.1 A referral of a dispute to mediation shall be in accordance with the CEDR Model Mediation Procedure.
 - 32.3.2 If the Partner Authorities cannot agree on a mediator, the Partner Authorities shall appoint a mediator nominated by CEDR.
 - 32.3.3 The Partner Authorities shall use their reasonable endeavours to conclude the mediation within 40 Business Days of referral of the dispute to mediation.
 - 32.3.4 The Partner Authorities shall each bear their own costs incurred in relation to any mediation and any costs incurred by the Administering Authority acting on behalf of the Board shall be shared in accordance with the principles set out in **Schedule** 5 (Budget and cost sharing agreement).
- 32.4 **Arbitration**
 - 32.4.1 If the dispute is not resolved in accordance with **clause** 32.3 within 40 Business Days of referral of the dispute to mediation, any Partner Authority may (by service of a written notice on the other Partner Authorities within 10 Business Days of expiry of the period for mediation) refer the dispute to an arbitrator who shall be of not less than 10 years standing or qualification.
 - 32.4.2 If the Partner Authorities cannot agree on an arbitrator within 15 Business Days of service of the written notice referred to in **clause** 32.4.1 above, the Partner Authorities shall appoint an arbitrator nominated by the President for the time being of the Chartered Institute of Arbitrators.
 - 32.4.3 Any reference to arbitration in accordance with this **clause** 32.4 shall be conducted in accordance with the Rules of the London Court of International Arbitration and the arbitration shall be held at a venue agreed by the arbitrator.

32.4.4 The arbitrator's decision shall be final and binding on the parties.

32.4.5 The costs of the arbitration shall be paid as directed by the arbitrator.

33. GOVERNING LAW AND ENFORCEMENT

33.1 This Agreement shall be governed by and construed in all respects in accordance with the laws of England and Wales. Subject to **clause** 32, the English courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with this Agreement.

34. NOTICES

34.1 Form and service of notices

All notices under this Agreement shall be in writing and all certificates, notices or written instructions to be given under the terms of this Agreement shall be served by sending the same by first class post, facsimile or by hand, or leaving the same at:

The Board

County Hall, Taunton, Somerset TA1 4DY

01823 356113

Partner Authority

Somerset County Council

County Hall, Taunton, Somerset TA1 4DY

01823 356113

Sedgemoor District Council

Bridgwater House, Kings Square, Bridgwater,
Somerset TA6 3AR

01278 446412

Somerset West and Taunton Council

The Deane House, Belvedere Road,
Taunton, Somerset TA1 1HE

01823 356329

Partner Authority

Mendip District Council

Cannards Grave Road, Shepton Mallet,
Somerset BA4 5BT

01749 344050

South Somerset District Council

PO BOX 25, The Council Offices, Brympton
Way, Somerset, BA20 2DS

01935 462188

34.2 Provision of information to representatives

Where any information or documentation is to be provided or submitted to the Clerk of the Board, a SWB Member or a Partner Authority's representative, it shall be provided or submitted by sending the same by first class post, facsimile or by hand, or leaving the same at the addresses set out in **clause** 34.1 marked for the attention of the Clerk of the Board, the relevant SWB Member, or the relevant Partner Authority's representative.

34.3 Change of details

A Partner Authority shall notify any change of its nominated address or facsimile number by prior notice to the other Partner Authorities.

34.4 **Notices by post**

Notices given by post shall be effective upon the earlier of actual receipt and five Business Days after mailing. Notices delivered by hand shall be effective upon delivery. Notices given by facsimile shall be deemed to have been received where there is confirmation of uninterrupted transmission by a transmission report and there has been no telephonic communication by the recipient to the senders (to be confirmed in writing) that the facsimile has not been received in legible form:

34.4.1 within two hours after sending, if sent on a Business Day between the hours of 9 a.m. and 4 p.m.; or

34.4.2 by 11 a.m. on the next following Business Day, if sent after 4 p.m. on a Business Day but before 9 a.m. on that next following Business Day.

35. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument.

IN WITNESS whereof this Agreement has been duly executed as a deed and has been delivered on the date that appears at the front of this Agreement.

The Common Seal of)
SOMERSET COUNTY COUNCIL)
was hereunto affixed in the presence of:)

The Common Seal of)
MENDIP DISTRICT COUNCIL)
was hereunto affixed in the presence of:)

Authorised Officer

The Common Seal of)
SEDGEMOOR DISTRICT COUNCIL)
was hereunto affixed in the presence of:)

Authorised Signatory

The Common Seal of)
SOUTH SOMERSET DISTRICT COUNCIL)
was hereunto affixed in the presence of:)

Authorised Signatory

The Common Seal of)
SOMERSET WEST AND TAUNTON COUNCIL)
was hereunto affixed in the presence of:)

Chief Solicitor

SCHEDULE 1

The Constitution

SCHEDULE 2

Transition arrangement

1. DEFINITIONS

Definitions used in this **Schedule 2** shall be the same as those set out in the Agreement, with the following additional definitions:

"Relevant Employees"

means employees who are assigned (for the purposes of TUPE) to the provision of the management of waste disposal, treatment, collection and recycling services or any services which are substantially the same as the management of waste disposal, treatment, collection and recycling services or any part thereof (including for the avoidance of doubt the Transferring Employees);

"Relevant Transfer"

means a relevant transfer for the purposes of TUPE;

"Transfer Date"

means the Commencement Date;

"Transferring Employees"

means those employees employed by the Partner Authorities immediately prior to the Transfer Date in the provision of the management of waste disposal, treatment, collection and recycling services, whose names are listed in **Part 2 of Appendix 2** (Transferring Employees);

2. TRANSFER OF ASSETS

2.1 The assets required by the Collection Contractor are identified in the list attached as **Appendix 1** to this **Schedule 2** and shall be transferred at nil cost from the relevant Partner Authorities into the possession and ownership of the Administering Authority on the service commencement date of the Collection Contract in order that they can be made available by the Administering Authority to the Collection Contractor in accordance with the Collection Contract.

2.2 Where any additional assets are required to be transferred to the Administering Authority, the relevant Partner Authority(ies) shall promptly cooperate with the Board in the transfer of such assets to the Administering Authority.

3. TRANSFER OF EMPLOYEES

3.1 **Application of TUPE**

The Partner Authorities agree that TUPE applies to this Agreement, whether or not it shall be determined by an employment tribunal or a court of any instance or jurisdiction that TUPE does not apply as a matter of law.

3.2 **Administering Authority's responsibilities**

The Administering Authority shall:

3.2.1 subject to the right of any Transferring Employee to object to being employed by the Administering Authority, accept into employment the Transferring Employees on 0:01am on

the Transfer Date upon the same terms and conditions of employment and length of service as they enjoyed immediately prior to the Transfer Date;

- 3.2.2 become responsible for the payment of all salaries and provision of other contractual benefits (including those implied through custom and practice) and making any deductions from the salaries of any Relevant Employees with effect from the Transfer Date.
- 3.2.3 If any contract of employment of a person other than a Transferring Employee has effect as if originally made between the Administering Authority and such person as a result of TUPE, then the Administering Authority will consult with the Board to establish whether the person shall be deployed within the Single Client Group or be given notice to terminate such contract of employment where such action is permitted by law.

3.3 **Partner Authorities' responsibilities**

The Partner Authority who employed the relevant Transferring Employees immediately prior to the Transfer Date shall be responsible for all emoluments and outgoings in respect of the relevant Transferring Employees, including without limitation all wages, holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions, pension contributions and otherwise, up to the Transfer Date (whether or not due for payment at the Transfer Date).

4. **EXISTING CONTRACTS FOR WASTE COLLECTION AND RECYCLING**

- 4.1 The Partner Authorities acknowledge that apart from the County Council each Partner Authority has in place existing arrangements for the provision of waste collection and recycling services, which will come to an end upon the service commencement date of the Collection Contract.
- 4.2 Each Partner Authority shall remain responsible for its current waste collection and recycling arrangements until the service commencement date under the Collection Contract or such other date as agreed by the Partner Authorities in consultation with the Board.
- 4.3 Each Partner Authority shall have due regard to any comments made by the Board in respect of the operation of its current waste collection and recycling services and shall not make any significant change to its current arrangements without consulting the Board.

5. **DEPOTS**

- 5.1 The Partner Authorities each acknowledge that the Administering Authority needs to secure access from the relevant Partner Authorities to the depots required by the Collection Contractor under the Collection Contract.
- 5.2 Each relevant Partner Authority shall promptly grant, in accordance with **clause 6.8**, to the Administering Authority or to the Collection Contractor as directed by the Managing Director such tenancy at will or lease (in a form to be agreed by the relevant Partner Authority and the Administering Authority) of the relevant depot or part thereof and take such steps as are required to secure access for the Collection Contractor to perform the Collection Contract from the service commencement date for the Collection Contract.
- 5.3 Where a Partner Authority grants only temporary access to the relevant depot or part thereof under **paragraph 5.2** above it shall subsequently grant a lease to the Administering Authority and give consent to the grant of an underlease to the Collection Contractor (in forms to be agreed by the relevant Partner Authority and the Administering Authority) of the relevant depot or part thereof in accordance with **clause 6.8**.

SCHEDULE 3

Change of Administering Authority

Part 1

1. INTRODUCTION

- 1.1 This **Schedule 3** describes the duties and responsibilities of the Partner Authorities in respect of the transfer of the rights and obligations from the Outgoing Administering Authority to the Replacement Administering Authority (as defined below).
- 1.2 Definitions used in this **Schedule 3** shall be the same as those set out in the Agreement, with the following additional definitions:

"Administering Authority Obligations"

means the obligations of the Administering Authority under this Agreement which for the avoidance of doubt shall include the Collection Contract Obligations and any other contracts or agreements (including, but not limited to, loan agreements) entered into by the Administering Authority exclusively ;

"Board Assets"

means any assets purchased by the Outgoing Administering Authority using

- (a) the funds of the Board (including any assets transferred at the Commencement Date); or
- (b) any funds loaned to the Outgoing Administering Authority for the purpose of the fulfilment of its functions under this Agreement;

"Collection Contract Obligations"

means the obligations of the Administering Authority as party to the Principal Contracts (excluding the Disposal Contracts);

"Exit Assistance"

means the provision of advice, training, assistance, information, data (and format thereof) and actions as are reasonably requested by the Replacement Administering Authority to effect a smooth transfer (and continued operation) of any of the Administering Authority Obligations from the control and provision of the Outgoing Administering Authority to the Replacement Administering Authority;

"Exit Plan"

means the agreed plan for the transfer and transition arrangements, setting out the timetable and scope of required activities as set out in this **Schedule 3**, for transferring all or part of the Administering Authority Obligations from the control and provision by the Outgoing Administering Authority to the control and provision of the Replacement Administering Authority;

"Exiting Employee"

means an Outgoing Administering Authority Employee who is listed in the Exiting Employees List and who is intended to transfer to a Replacement Administering Authority on a Handover Date;

"Exiting Employees List"

means the list of Outgoing Administering Authority Employees agreed between the Outgoing Administering Authority and the Replacement Administering Authority in accordance with this **Schedule 3** (as such list is updated before the relevant Handover

Date by agreement between the Parties);

"Exiting Personnel"

means a member of the Outgoing Administering Authority Personnel who is listed in the Exiting Personnel List;

"Exiting Personnel List"

means the list of Exiting Personnel agreed between the Outgoing Administering Authority and the Replacement Administering Authority in accordance with this **Schedule 3** (as such list is updated before the relevant Handover Date by agreement between the Parties);

"Handover Date"

means the date of transfer from the Outgoing Administering Authority to the Replacement Administering Authority in accordance with this **Schedule 3**;

"Key Personnel"

means the positions and/or individuals of the Outgoing Administering Authority Personnel identified by the Replacement Administering Authority from time to time, and agreed with the Outgoing Administering Authority, as important to the provision of the Administering Authority Obligations;

"Novation Date"

means the date of novation of the Collection Contract to the Replacement Administering Authority in accordance with this **Schedule 3** and the Collection Contract;

"Novation Notice"

means the notice served on the Collection Contractor in accordance with this **Schedule 3** and the Collection Contract;

"Ordinary Course of Business"

means either:

- (a) acts, omissions or conduct which are consistent in all respects with the prevailing pattern, or course of conduct, or management used by the Outgoing Administering Authority in the delivery of the Administering Authority Obligations or which are undertaken in order to comply with the applicable obligations under this Agreement; or
- (b) acts, omissions or local conduct which a well-managed local authority would undertake (assuming that such local authority is acting in a prudent and reasonable manner) in relation to the delivery of the Administering Authority Obligations, or which are undertaken in order to comply with all applicable obligations under this Agreement;

"Outgoing Administering Authority Assets"

Means together:

- (a) those assets owned by the Outgoing Administering Authority prior to the commencement of this Agreement and used for the purposes of performing its functions as a local authority and which have not been subject to a payment or compensation from the other Partner Authorities; and
- (b) any assets purchased by the Outgoing Administering Authority whilst performing its functions as Administering Authority using its own funds;

"Outgoing Administering Authority Employees"

means any employee of the Outgoing Administering Authority assigned from time to time to deliver or assist in delivering all or part of the Administering Authority Obligations. For the avoidance of doubt, in this definition the term **"assigned"** shall have the meaning conferred upon it under TUPE;

"Outgoing Administering Authority"

means the Administering Authority that has resigned or that the Partner Authorities have agreed to replace in accordance with **clause 7**;

"Outgoing Administering Authority Personnel"

means the Outgoing Administering Authority Employees and any officers, consultants, contractors, workers and agents of the Outgoing Administering Authority assigned from time to time to deliver or assist in delivering all or part of the Administering Authority Obligations, or to fulfil its obligations under this Agreement. For the avoidance of doubt, in this definition the term **"assigned"** shall have the meaning conferred upon it under TUPE;

"Outgoing Administering Authority Personnel Information"

means such information concerning the Outgoing Administering Authority Personnel as the Replacement Administering Authority shall reasonably request from time to time including:

- (a) regarding each member of the Outgoing Administering Authority Personnel, identified by a unique reference number or code which shall remain the same each time the Outgoing Administering Authority Personnel Information is provided by the Outgoing Administering Authority to the Replacement Administering Authority: type of worker (self-employed contractor, contractor employed by a third party, agency staff or other); current employer; start date and (if different) date of commencement of continuous employment; job title and post held; the delivery of the Administering Authority Obligations in which the Outgoing Administering Authority Employee is engaged; current salary or hourly rate, all overtime, shift and other allowances, and any bonus or commission earned in the last twelve months; date of next salary review and percentage increase in last review; length of service; notice period for termination of employment (stating any difference between the notice given by the employer or employee); date of birth; location; hours of work; contract type (permanent or temporary); percentage of working time spent on the Administering Authority Obligations; holiday entitlement; benefits (including without limitation health insurance, life insurance, sickness benefits, car, bonus, commission) and total benefit cost; pension membership and pension cost (including employer contribution to pension scheme); entitlement to any enhanced redundancy benefits or payments. This Outgoing Administering Authority Personnel Information shall be presented in excel spreadsheet format or some other easily intelligible form acceptable to the Replacement Administering Authority; and
- (b) regarding all the Outgoing Administering Authority Personnel: total costs of the (i) salaries; (ii) benefits; (iii) social security and national insurance costs; and (iv) miscellaneous costs (such as staff loans and training grants) in respect of all the Outgoing Administering Authority Personnel; copies of any staff handbooks and policies applicable to them; terms and conditions of employment or engagement; copies of any agreement between the Outgoing Administering Authority and a trade union or labour organisation or employee representatives or details of any other arrangements for informing and consulting with Outgoing Administering Authority Personnel or representatives; positions vacant; death benefits; disability benefits; details of any applicable bonus

schemes, commission arrangements; pay scales and structures; current or anticipated claims or other litigation or other disputes and details of any accidents, injuries or health and safety issues; details of any Outgoing Administering Authority Personnel on leave (including without limitation maternity leave, adoption leave and sick leave) including whether the individual is receiving contractual sick pay and, if so, when this entitlement expires;

"Parties"

means together the Outgoing Administering Authority and the Replacement Administering Authority;

"Replacement Administering Authority"

means the Partner Authority agreed by the Partner Authorities in accordance with **clause 7**.

PART 2

2. EXIT PLANNING

2.1 Date for provision of Exit Plan

2.1.1 The Outgoing Administering Authority shall provide the Replacement Administering Authority with a draft Exit Plan within:

(a) 20 Business Days from the date of the written notification provided in accordance with **clause 7.1.1** where the Outgoing Administering Authority has decided to resign; or

(b) 20 Business Days of the date of receipt of written notification provided in accordance with **clause 7.2.1** where the Partner Authorities have agreed to replace the Administering Authority.

2.1.2 The draft Exit Plan shall specify in detail how and when (having regard to the timescales set out in this **Schedule 3**) the Outgoing Administering Authority will fulfil all the obligations of this **Schedule 3** and any other obligations relating to exit in the Collection Contract.

2.1.3 The Replacement Administering Authority shall provide to the Outgoing Administering Authority the Replacement Administering Authority's reasonable comments on the draft Exit Plan within 20 Business Days of the Replacement Administering Authority's receipt of the draft Exit Plan. The Outgoing Administering Authority shall incorporate the Replacement Administering Authority's comments and suggestions and shall issue a revised version of the Exit Plan within 10 Business Days of receipt of the Replacement Administering Authority's reasonable comments and suggestions.

2.1.4 The Exit Plan shall not be effective until approved by the Replacement Administering Authority and the Board.

2.1.5 The Parties shall review and update the Exit Plan in consultation with the Board and the SMG as appropriate up to and including the Handover Date.

2.2 Exit Management Roles

2.2.1 Each Party shall appoint a suitable individual to manage the exit process (an **"Exit Manager"**).

PART 3

3. EXIT ARRANGEMENTS

3.1 Date for provision of Exit Assistance

3.1.1 The Outgoing Administering Authority shall provide the Exit Assistance and fulfil all the obligations set out in this **Schedule 3** within 40 Business Days of:

- (a) where the Outgoing Administering Authority has decided to resign, the date of the written notification provided in accordance with **clause** 7.1.1; or
- (b) where the Partner Authorities have agreed to replace the Administering Authority, the date of receipt of written notification provided in accordance with **clause** 7.2.1.

3.1.2 The obligation to provide the Exit Assistance and fulfil all the obligations of this **Schedule 3** from the relevant date is independent of and not contingent upon the Parties having an agreed form of Exit Plan in place. Where there is an agreed Exit Plan in place, the Outgoing Administering Authority shall provide to the Replacement Administering Authority and to the Board weekly reports of progress against the Exit Plan and of any problems, anticipated problems and delays and of any appropriate actions to be taken by the Outgoing Administering Authority in response.

3.1.3 At the Board or the Replacement Administering Authority's request, the Outgoing Administering Authority shall continue to provide the Exit Assistance and continue with the implementation of the Exit Plan for a period of up to six months (or such longer period as the Replacement Administering Authority may request) from the Handover Date.

3.2 **Option to purchase or use Outgoing Administering Authority Assets**

3.2.1 The Outgoing Administering Authority shall prepare a list of the Outgoing Administering Authority Assets and the Board Assets as part of the Exit Plan.

3.2.2 Upon the Handover Date, at the direction and discretion of the Replacement Administering Authority in consultation with the Board:

- (a) the Replacement Administering Authority shall have the option to acquire through purchase all or any of the Outgoing Administering Authority Assets excluding land and buildings and software in consideration of the payment by the Replacement Administering Authority of the net book value of these assets; or
- (b) the Replacement Administering Authority shall have the option where possible to continue to use such assets.

3.2.3 The Outgoing Administering Authority shall immediately transfer any Board Assets to the Replacement Administering Authority and the provisions of **paragraph** 3.2.6 shall apply to such assets as if they were transferring Outgoing Administering Authority Assets.

3.2.4 Either option set out in **paragraph** 3.2.2 above shall be exercisable by the Replacement Administering Authority by service of notice upon the Outgoing Administering Authority as soon as possible and no later than 20 Business Days prior to the Handover Date, and the option shall take effect on the Handover Date.

3.2.5 Within five Business Days of receipt of notice from the Replacement Administering Authority that it shall exercise an option set out in **paragraph** 3.2.2 above, the Outgoing Administering Authority shall appoint an independent expert agreed by the Replacement Administering Authority to review and report on the condition and proposed value of the Outgoing Administering Authority Assets. The Outgoing Administering Authority shall provide a copy of the report to the Replacement Administering Authority and the Board and the costs of the expert will be borne by the Outgoing Administering Authority.

3.2.6 Whenever, pursuant to this **paragraph** 3.2, the Outgoing Administering Authority transfers Outgoing Administering Authority Assets to the Replacement Administering Authority, the Outgoing Administering Authority shall ensure that:

- (a) the Replacement Administering Authority is provided with all relevant and available documentation, user manuals and other such information; and
- (b) the Replacement Administering Authority is provided with full and unencumbered title (with full title guarantee) to the Outgoing Administering Authority Assets.

3.3 **Assignment or novation of third Party Contracts and Outgoing Administering Authority Subcontracts**

3.3.1 In relation to any third party contracts (other than the Collection Contract or the Disposal Contracts), where no third party consents are required to assign or novate such contracts, the Outgoing Administering Authority shall prepare and execute assignments or novations of such contracts to the Replacement Administering Authority and the Replacement Administering Authority hereby agrees to take all steps necessary to enter into or accept such assignments or novations.

3.3.2 Where a third party consent is required to assign or novate a contract, the Outgoing Administering Authority shall use all reasonable endeavours to procure such assignment or novation to the Replacement Administering Authority and do all other things reasonably necessary to obtain such third party consents.

3.3.3 Where a third party consents to the assignment or novation of a contract, the Partner Authorities will pay any fees charged by the third party in association with such assignment or novation in accordance with the principles set out in **Schedule 5** (Budget and cost sharing agreement).

3.4 **Novation of the Collection Contract**

3.4.1 The Replacement Administering Authority shall serve a Novation Notice on the Collection Contractor stating that it wishes to enjoy the rights and assume the obligations, liabilities and duties of the Administering Authority under the Collection Contract and specifying the Novation Date not to be less than 30 Business Days from the date of service of the Novation Notice.

3.4.2 The Outgoing Administering Authority shall provide the Replacement Administering Authority with an up-to-date list of existing and/or threatened disputes relating to the obligations under the Collection Contract, and use its best endeavours to resolve such disputes. Where the dispute affects the interests of the Replacement Administering Authority and/or the Partner Authorities, the Outgoing Administering Authority shall not settle the dispute or accept any liability without consulting the Board and without the prior consent of the Replacement Administering Authority, such consent not to be unreasonably withheld or delayed.

3.5 **Software**

3.5.1 The Outgoing Administering Authority shall transfer (or shall use all reasonable endeavours to procure the transfer of) the ownership of or a licence to use any software required to perform the function of Administering Authority or to perform the obligations in this Agreement to the Replacement Administering Authority at no cost.

3.6 **Accommodation**

3.6.1 Upon the Handover Date, at the discretion of the Replacement Administering Authority, the Replacement Administering Authority shall have the option to use all or part of the Outgoing Administering Authority's accommodation for a period of up to 18 months from the Handover Date where termination has occurred as a result of **clause 7.1** or up to 12 months following the Handover Date where termination has occurred as a result of **clause 7.2**.

3.6.2 The option set out in **paragraph 3.6.1** above, shall be exercisable by the Replacement Administering Authority by serving notice upon the Outgoing Administering Authority as soon as possible following its appointment as the Replacement Administering Authority and no later than:

(a) three months prior to the Handover Date where notice has been served under **clause 7.1.1**; or

(b) two months prior to the Handover Date where notice has been served under **clause 7.2.1**

and shall take effect on the Handover Date.

3.6.3 The Outgoing Administering Authority shall make all or part of the Outgoing Administering Authority's accommodation available pursuant to the option, in consideration of the payment of a reasonable charge reflecting the market rate for the proportion of the Outgoing Administering Authority's accommodation used and the period of use. The Parties agree that (subject to this **paragraph 3.6.3**) such use shall be subject to such reasonable terms and conditions as are agreed between the Parties from time to time.

3.7 **Intellectual property rights**

3.7.1 The Outgoing Administering Authority shall at the reasonable request of the Board promptly execute such documents and take or desist from such action as the Board may reasonably require in order to assure to the Replacement Administering Authority the full benefit of any intellectual property created by the Outgoing Administering Authority in respect of the Administering Authority's Obligations and to confirm the Replacement Administering Authority's title thereto.

3.7.2 To the extent that it is permitted to do so, the Outgoing Administering Authority shall grant to the Replacement Administering Authority a licence to use any third party intellectual property rights used in the performance of the services and necessary for the provision of the services by the Replacement Administering Authority. To the extent that the Outgoing Administering Authority is not permitted to grant licences to the Replacement Administering Authority of any third party intellectual property rights, it shall use its reasonable endeavours to assist the Replacement Administering Authority to procure the necessary rights direct from the relevant third party(ies).

3.8 **Existing Employees**

3.8.1 No later than:

- (a) six months prior to the Handover Date where the Outgoing Administering Authority is resigning in accordance with **clause 7.1**; or
- (b) three months prior to the Handover Date where the Outgoing Administering Authority is being replaced in accordance with **clause 7.2**,

the Outgoing Administering Authority shall provide the Replacement Administering Authority with a list of the names of all members of the Outgoing Administering Authority Personnel.

3.8.2 Within 30 Business Days of provision of the list described in **paragraph 3.8.1** above, the Outgoing Administering Authority and the Replacement Administering Authority shall agree:

the identity of the employees who would transfer under TUPE on the Handover Date and so should be included on the Exiting Employees List; and (b) the identity of any individuals who are not employees but are Key Personnel or who, if they had been employees, would have been members of the Exiting Employees List and so should be included on the Exiting Employees List. The Exiting Employees List may be updated from time to time by agreement and shall be finalised by the Parties immediately before the Handover Date.

3.8.3 The Parties agree the appointment of a Replacement Administering Authority is likely to result in a transfer on the Handover Date of the Exiting Employees' employment to the Replacement Administering Authority in accordance with TUPE.

3.8.4 In the event that TUPE does not for any reason operate to transfer to the Replacement Administering Authority the contracts of employment of any of the members of the Exiting Employees, the Replacement Administering Authority shall treat the Exiting Employees no less favourably than had TUPE applied and the Replacement Administering Authority will offer employment to the Exiting Employees from the Handover Date.

3.9 **Outgoing Administering Authority Information and Outgoing Administering**

Authority Personnel Exit Information

3.9.1 During the period of:

- (a) six months prior to the Handover Date where the Outgoing Administering Authority has resigned; and
- (b) three months prior to the Handover Date where it has been agreed to replace the Outgoing Administering Authority;

the Outgoing Administering Authority shall provide the Replacement Administering Authority with the Outgoing Administering Authority Personnel Information.

3.9.2 The Outgoing Administering Authority shall notify the Replacement Administering Authority of any change to the Outgoing Administering Authority Personnel Information. The Outgoing Administering Authority shall clarify any matters in respect of the Outgoing Administering Authority Personnel Information and generally co-operate in respect of any reasonable requests by the Replacement Administering Authority concerning the Outgoing Administering Authority Personnel Information. In all such matters the Outgoing Administering Authority shall act as soon as reasonably practicable and in any event within 10 Business Days of any such change or request.

3.9.3 On the Business Day immediately before the Handover Date the Outgoing Administering Authority shall again provide to the Replacement Administering Authority the Outgoing Administering Authority Personnel Information complete and accurate as at the date of provision.

3.10 Information and Consultation

3.10.1 The Outgoing Administering Authority shall consult and keep informed the Replacement Administering Authority regarding any information it intends to provide or consultation it proposes to have with Outgoing Administering Authority Personnel and their representatives under TUPE or regarding its exit as Outgoing Administering Authority.

3.10.2 The Outgoing Administering Authority shall offer the Replacement Administering Authority the opportunity to attend and participate in any meetings prior to the Handover Date where information is given to or there is consultation with Outgoing Administering Authority Personnel and their representatives under TUPE or regarding it ceasing to be the Administering Authority. The Replacement Administering Authority shall co-operate with the Outgoing Administering Authority and shall discuss with the Outgoing Administering Authority in advance of any meeting any information which the Replacement Administering Authority is to impart to the Outgoing Administering Authority Personnel.

3.10.3 The Replacement Administering Authority and the Outgoing Administering Authority shall jointly report to the Board and the SMG (in a form to be agreed) before the Handover Date.

3.10.4 The Outgoing Administering Authority and the Replacement Administering Authority shall jointly communicate to the Exiting Employees in a form to be agreed by the Board before the Handover Date (in order to meet their respective obligations under TUPE).

3.11 Outgoing Administering Authority Shadowing

3.11.1 Either:

- (a) at least six months prior to the Handover Date where the Outgoing Administering Authority is resigning in accordance **clause 7.1**; or
- (b) no later than three months from receipt of written notice from the other Partner Authorities that they intend to replace the Administering Authority in accordance with **clause 7.2**,

the Outgoing Administering Authority shall provide reasonable assistance to the Replacement Administering Authority to familiarise itself with the delivery of the

Administering Authority Obligations and this may include reasonable information on and access to:

- (c) relevant facilities including assets and accommodation;
- (d) the Outgoing Administering Authority Personnel;
- (e) the Key Personnel; and
- (f) the following information (subject to any overriding confidentiality obligations and licence restrictions):
 - (i) detailed system documentation; and
 - (ii) the key provisions of more significant decisions made about the Principal Contracts that would assist the Replacement Administering Authority in undertaking its duties; and
 - (iii) contact details for the Key Personnel and/or Outgoing Administering Authority Personnel; and
 - (iv) information regarding any unresolved disputes and those which are likely to remain unresolved at the Handover Date,

all of such information to be updated and finalised by the Outgoing Administering Authority at the Handover Date.

3.12 **General obligations**

3.12.1 No later than 20 Business Days following the Handover Date, and after the final payroll, the Outgoing Administering Authority shall provide the Replacement Administering Authority with updated payroll information and tax and statutory details for the Exiting Employees.

3.12.2 During the six months after the Handover Date, the Outgoing Administering Authority shall not, without the Replacement Administering Authority's prior consent, solicit from the Replacement Administering Authority any Exiting Personnel or Exiting Employee. This restriction shall not apply to situations where such Exiting Personnel or Exiting Employee or person makes an unsolicited response to a general recruitment advertisement by the Outgoing Administering Authority.

3.12.3 The Outgoing Administering Authority shall fully co-operate with the Replacement Administering Authority's reasonable requests to procure the smooth transfer of the Exiting Employees and engagement of Exiting Personnel.

3.12.4 The Outgoing Administering Authority shall not prevent, restrict or hinder (or seek to do so) any Exiting Personnel member from working for the Replacement Administering Authority after the Handover Date if they so choose. The Outgoing Administering Authority shall waive any restrictions or financial penalties whether direct or indirect (including those in any staff benefits documentation) relating to the employment or engagement of Exiting Personnel by the Replacement Administering Authority.

3.13 **Employment warranties and indemnities**

3.13.1 The Outgoing Administering Authority warrants that as at the Handover Date:

- (a) full particulars of the Exiting Employees will have been disclosed together with all the current terms and conditions of their employment whether or not recorded in writing or implied by custom or practice or otherwise (including all information required by law to be included in particulars of terms of employment) including but without limitation: date of birth; date of commencement of employment; job title; remuneration; bonuses; commission; enhanced redundancy entitlement; pension schemes or pension rights and benefits; and all other arrangements and employment related claims, and the Outgoing Administering Authority shall warrant that all of such particulars are true and accurate and complete in all respects; and
- (b) it will have satisfied all ongoing and accrued liabilities of any nature for which it is liable as employer of the Exiting Employees.

3.13.2 In respect of any claims and/or losses arising directly or indirectly out of or in connection with:

- (a) a failure by the Outgoing Administering Authority to comply with its obligations under TUPE including without limitation any order to pay compensation or any award made pursuant to TUPE in connection with this Agreement or the termination of it including without limitation any claim for its or their failure to inform and/or consult pursuant to TUPE and any claim pursuant to sections 188 to 193 of the Trade Union and Labour Relations (Consolidation) Act 1992, provided the Outgoing Administering Authority's breach was not due to the failure of the Replacement Administering Authority to comply with its TUPE obligations;
- (b) any claim by or on behalf of Outgoing Administering Authority Employees arising from their employment with or its termination by the Outgoing Administering Authority except as provided in this **Schedule 3**;
- (c) any act or omission of the Outgoing Administering Authority in relation to the Outgoing Administering Authority Employees or the Outgoing Administering Authority Personnel;
- (d) any failure to provide or any inaccuracy in the Outgoing Administering Authority Personnel Information; and/or any claim against the Replacement Administering Authority by or on behalf of any person other than the Exiting Employees whether on the basis that they are or may be an employee of the Replacement Administering Authority as a result of the termination of this Agreement or otherwise and whether on the basis that TUPE applies or otherwise,
- (e) and such claims and/or losses arise as a result of a negligent act or omission of the Outgoing Administering Authority, the Outgoing Administering Authority shall indemnify and keep indemnified the Replacement Administering Authority in respect of such claims and/or losses. Where any such claims and/or losses arise which are not a result of a negligent act or omission of the Outgoing Administering Authority, the Partner Authorities shall share the amount of such claims and/or losses in accordance with the principles set out in **Schedule 5** (Budget and cost sharing agreement).

3.13.3 If any contract of employment of a person other than an Exiting Employee has effect as if originally made between the Replacement Administering Authority and such person as a result of TUPE, then the Replacement Administering Authority will consult with the Board to establish whether the person shall be deployed within the Single Client Group or to give notice to such person to terminate such contract of employment where such action is permitted by law.

3.14 **Apportionments, information and general**

3.14.1 The Outgoing Administering Authority shall provide, as soon as practicable following the Handover Date, copies of all tax, PAYE, social security and national insurance records and, if requested by the Replacement Administering Authority, copies of any other documents or records (agreed by the Replacement Administering Authority and the Outgoing Administering Authority) which the Replacement Administering Authority thinks are relevant to the Exiting Employees provided that:

- (a) the Outgoing Administering Authority shall preserve the originals of such records or documents for a period of at least three years (or such longer period required by law) after the Handover Date and shall allow the Replacement Administering Authority access to the same at all reasonable times as necessary to enable the Replacement Administering Authority to deal with any matters relating to the Exiting Employees and any employees who transfer by TUPE and, if requested by the Replacement Administering Authority, shall produce them for the appropriate authorities; and
- (b) if the Outgoing Administering Authority wishes to dispose of or destroy such records or documents earlier, it shall inform the Replacement Administering Authority in advance and the Replacement Administering Authority may require any such records and documents to be delivered up to it.

3.15 **Bonuses and commission payments**

3.15.1 The Outgoing Administering Authority shall be responsible for the payment of any bonuses and commission to eligible Outgoing Administering Authority Personnel (including Exiting Employees and Exiting Personnel) payable in respect of the Administering Authority Obligations arising in respect of the final 12 months prior to the Handover Date where those bonuses or commissions are either deferred after the Handover Date or where an Exiting Employee or a member of the Exiting Personnel ceases to be eligible for such bonus or commission by reason of his transfer from the Outgoing Administering Authority. The Replacement Administering Authority will assume the outstanding obligation of the Outgoing Administering Authority in respect of the Exiting Employees' accrued holiday entitlements and accrued holiday remuneration at the Handover Date and in consideration the Outgoing Administering Authority will pay the full amount necessary to enable the Replacement Administering Authority to meet the cost of providing such holiday entitlements and remuneration as at the Handover Date.

3.16 **Ordinary Course of business**

3.16.1 From:

- (a) the date of the written notice provided in accordance with **clause 7.1.1**; or
- (b) the date of receipt of written notice provided in accordance with **clause 7.2.1**, up to and including the Handover Date, the Outgoing Administering Authority shall:

3.16.2 not, without the Replacement Administering Authority's prior consent, act outside the Ordinary Course of Business;

3.16.3 devote time and resources to the continued delivery of the Administering Authority Obligations to ensure that there are no disruptions and no reductions in the level of service provided; and

3.16.4 notify the Replacement Administering Authority of matters of which it is aware which adversely affect the Outgoing Administering Authority Assets or the Outgoing Administering Authority Personnel.

SCHEDULE 4

Form of Annual Budget

SWB FORM OF ANNUAL BUDGET 2018/2019 onwards (headings as applicable)

Expenditure

Single Client Group
Salaries & on-costs
Salaries pension deficit
MDC customer services impact
WSC Business Case
Travel & Subsistence
Admin, training, meetings & IT
Advertising & campaigns
Office rent & accommodation
Support Services
Legal
Insurance
Finance
Internal Audit
Human Resources
ICT
Democratic Services
Direct Services
Waste Treatment and Disposal
Treatment – Energy from Waste
Treatment – Food
Treatment – Composting
Disposal – Landfill
Disposal – HWRC Bulky
Kerbside Recycling
Sort it+ Recycle More all districts
Communal Recycling
Garden
Garden sticker admin
Household Refuse
Sort It + and Recycle More
Refuse - Communal
Assisted Collections
Assisted Collection Review
Clinical Waste
Bulky Waste Collections

SWB Directed Collections
Day Works
Container Maintenance
Container Delivery
Container Supply
Depot Costs
Admitted Body Pension Costs
LGPS-related costs incurred under the Waste Collection Contract
Subsidised Services
Additional Subsidised Services

Inter Authority Transfers
Transfer Station Avoided Cost
Payment in lieu of Recycling Credits
Third party Recycling Credits
Advance Payment Saving
Lease Repayments - Sort It Plus Vehicles
Lease old Refuse Fleet - Discount

Total direct expenditure

Income

Garden and Bulky Waste Income
Avoided Wiliton Transfer
District Recycling Credits

Total income

Total net expenditure

SCHEDULE 5

Budget & Cost Sharing Agreement

Definitions

Definitions used in this **Schedule 5** shall be the same as those set out in the Agreement, with the following additional definitions:

“Communal Refuse Collection Capacity”

means the annual potential volume of communal waste collection in any Waste Collection Authority Area, calculated for the relevant Waste Collection Authority as the sum of:

T x F

Where:

T – total volume of communal refuse collection containers made available to residents at each collection site in a Waste Collection Authority Area; and

F – the annual number of collections made at each site;

“Communal Recycling Sites”

means micro recycling bring sites provided to households not suitable for kerbside collections;

“County”

means the area within the administrative boundaries of Somerset County Council;

“Earmarked Reserve Accounts”

means the account established by the Board in the name of each Partner Authority into which surpluses and deficits shall be allocated in accordance with the relevant cost sharing formula (for example, where a surplus is generated in the depot costs budget, it shall be allocated to the Earmarked Reserve Account of the Waste Collection Authorities using the Waste Collection Authorities un-weighted formula as set out in **paragraph 3** of this **Schedule**);

“Neighbourhood Bring Sites”

means smaller recycling bring sites located in residential areas and catering for local communities;

“Payment in Lieu of Recycling Credits”

means the prevailing rate of contribution to the Annual Budget paid by the Waste Disposal Authority for each tonne of dry recyclable waste collected and recycled as a result of the functions of the Waste Collection Authorities which have been delegated to the Board and agreed at £59.29 per tonne in 2018/19 and increased by 3% in each Financial Year thereafter;

“Residential Properties”

means residential properties registered for Council Tax as defined by the District Valuer and included in his valuation list as at 20th December each year;

“Sparsity Weighting Factor”

means the coefficient used to reflect the variation in unit waste collection cost that results from variation in population density as agreed from time to time by the Board in accordance with **clause 20**. The Sparsity Weighting Factors for each Waste Collection Authority for 2019/2020, as agreed at the Somerset Waste Board September 2018 are:

Mendip	99.22%
Sedgemoor	93.34%
South Somerset	99.22%
Somerset West and Taunton Deane	97.42%

“Strategic Bring Sites”

means large recycling bring sites located in areas such as supermarket car parks and catering for large catchment areas;

“Waste Collection Authority (ies)”

means any one of Mendip, Sedgemoor, South Somerset, Somerset West and Taunton;

“Waste Collection Authority Area”

means the area within the administrative boundary of the relevant Waste Collection Authority;

“Waste Disposal Authority”

means the County Council.

1. COST SHARING PRINCIPLES

- 1.1 These cost sharing principles are intended to ensure that the costs of the Board and the relevant services administered by the Board on behalf of the Partner Authorities are shared on a fair and equitable basis between the Partner Authorities.
- 1.2 The general approach adopted is to identify each cost element and to apportion it in the most logical and transparent way possible, being mindful of the need to avoid any one Partner Authority subsidizing another.
- 1.2A Where the Administering Authority undertakes any programme of improvement (**Programme**) to waste management services on behalf of the Board:
 - 1.2A.1 no Partner Authority should be financially advantaged or disadvantaged in relation to the other Partner Authorities by the manner of implementation of the improvements;
 - 1.2A.2 no savings delivered by the Programme should be apportioned to any Partner Authority until the full investment costs of the Programme (across the whole of the County) have been offset by the savings delivered by it;
 - 1.2A.3 once the costs of the Programme have been paid in full any savings made through the Programme will be apportioned on the basis of the principles set out in this schedule;
- 1.2B Where savings result from factors other than the Programme of Improvement then such savings will be shared in accordance with the principles set out in this Schedule.
- 1.3 Each cost element is apportioned according to one of the formulae or bases set out in **paragraphs** 2 to 14 below.
- 1.4 Each Partner Authority shall set a budget for the waste management service within their own Authority's budget to reflect their respective share of the Annual Budget calculated in accordance with this **Schedule**. The Administering Authority shall invoice the other Partner Authorities (including VAT where appropriate) in accordance with **clause** 13.
- 1.5 Subject to paragraph 1.2A above all surpluses and deficits at the end of each Financial Year

Comment [TW1]: this principle would cover additional subsidised services offered by individual authorities – see table below

shall be identified by the Board and the Board shall establish the Earmarked Reserve Accounts to allocate any surpluses and deficits. Where the Board recommends the distribution of surpluses or additional contributions to fund deficits to the Partner Authorities (subject to the approval of the Partner Authorities) the Earmarked Reserve Accounts shall be used to ensure fair distribution of surpluses or deficits. Where a surplus or deficit is generated outside of the Board's budgeted activities, allocation to Earmarked Reserve Accounts should be on the basis of the client cost formula as set out in **paragraph 2** of this **Schedule** unless otherwise agreed by the Board. Where a deficit is created in any budget item funded by the Waste Disposal Authority in accordance with the formulae set out in **paragraph 2** of this **Schedule** such a deficit cannot be funded by reserves residing in the Earmarked Reserve Accounts of the Waste Collection Authorities without the prior agreement of all of the Waste Collection Authorities. Where a deficit is created in any budget item funded Waste Collection Authorities in accordance with the formulae set out in **paragraph 2** of this **Schedule** such a deficit cannot be funded by reserves residing in the Earmarked Reserve Accounts of the Waste Disposal Authority without the prior agreement of the Waste Disposal Authority.

- 1.5A Subject to paragraph 1.2A, where the Board receives income from the onward sale of recyclate under the Waste Collection Contract 20% of such income will be retained by the Administering Authority as a reserve ("**Recycling Equalisation Reserve**") to be used as required to balance out fluctuations in recyclate revenue. The adequacy of the funds in the Recycling Equalisation Reserve will be reviewed annually as part of the budget setting process.
- 1.6 In each Financial Year the Board shall set the Annual Budget in accordance with the provisions of this Agreement and the Constitution. The Annual Budget shall be a forecast of the costs and income of the Board for the forthcoming Financial Year, reflecting the actual costs and income of the previous Financial Year but also taking account of the price review mechanisms in the Principal Contracts and forecast changes in the costs of the Single Client Group and the Administering Authority. The Board shall follow normal local government conventions in setting the Annual Budget and shall ensure that the Annual Budget setting process is transparent and open to scrutiny by all of the Partner Authorities.
- 1.7 The Annual Budget setting process shall take account of savings targets set by the Board in consultation with the Partner Authorities. In each Financial Year the Board shall be required to assess budgets and performance to drive out inefficiencies. The section 151 officers from each Partner Authority shall meet with the Strategic Management Group annually to consider any proposals for savings targets and to share relevant financial information.
- 1.8 Amendments to the cost sharing formulae shall be made in accordance with the provisions of **clause 20** of this Agreement. There may be circumstances in which the Board may agree to dampen the immediate financial effect of such amendments in order to ensure ongoing affordability of waste management services to all Partner Authorities.
- 1.9 The County Council shall own the proceeds of the sale of any landfill allowances. Any costs associated with purchasing any landfill allowances, or fines levied by central government in relation to any landfill allowance schemes shall be the direct responsibility of the County Council. The County Council shall work in close consultation with and update, support and advise the Single Client Group and Board with regard to the waste strategy implications of its trading activities and plans.
- 1.10 Subject to paragraph 1.2A above net surpluses generated (after taking into account treasury management costs and any changes in financial rates and capital financing costs) by the Administering Authority as a result of its management of positive cash flows on behalf of the other Partner Authorities, such as making payments to the collection contractor in advance of the due dates in exchange for price discounts, are to be included within the Annual Budget. Whilst the County Council remains the Administering Authority these allocations shall be made in accordance with the Waste Collection Authorities Un-Weighted formula as set out in **paragraph 3** of this **Schedule** in accordance with the Somerset Waste Board decision on the Advanced Payment Mechanism January 2008.
- 1.11 The cost sharing formulae shall apply to the Board in respect of its budget for the 2007/08 –

part Financial Year and all future Financial Years unless amended in accordance with this Agreement.

2. CLIENT COSTS FORMULA

2.1 The initial division of costs is between the Waste Disposal Authority and the Waste Collection Authorities with the Waste Disposal Authority responsible for 45.76 per cent of costs and the Waste Collection Authorities 54.24 per cent.

2.2 Following this initial division, the actual share payable by each Waste Collection Authority shall be as follows, as agreed by the Somerset Waste Board in September 2018:

Mendip District Council	10.95%
Sedgemoor District Council	11.63%
South Somerset District Council	16.33%
Somerset West and Taunton Deane	15.33%

3. WASTE COLLECTION AUTHORITIES UN-WEIGHTED FORMULA

The division of costs is between the Waste Collection Authorities, with each responsible for costs in equal proportion to the percentage of Residential Properties in the County located within their area.

The formula is:

Waste Collection Authority share = Cost x (NR ÷ TRC)

Where:

NR – number of Residential Properties in the relevant Waste Collection Authority Area; and

TRC – total number of Residential Properties in the County.

4. WASTE COLLECTION AUTHORITIES WEIGHTED FORMULA

The division of costs is between the Waste Collection Authorities (including all LGPS pensions costs incurred by the Collection Contractor and reimbursed to the Collection Contractor by the Administering Authority under the Recycle More Collection Contract), with each responsible for costs in equal proportion to the percentage of Residential Properties in the County located within their area adjusted using the Sparsity Weighting Factor.

The formula is:

Waste Collection Authority share = Cost x (NR x Sparsity Weighting Factor) ÷ CNR

Where:

NR – number of Residential Properties in the relevant Waste Collection Authority Area; and CNR – the sum of NR x Sparsity Weighting Factor for each Waste Collection Authority.

5. **WASTE COLLECTION AUTHORITIES SERVICE LEVEL BASED WEIGHTED FORMULA (NO LONGER USED – FINANCIAL PRINCIPLES FOR RECYCLE MORE ROLL-OUT WERE AGREED BY THE SOMERSET WASTE BOARD IN DECEMBER 2015).**

6. **WASTE COLLECTION AUTHORITIES SERVICE LEVEL BASED UN-WEIGHTED FORMULA (NO LONGER USED – FINANCIAL PRINCIPLES FOR RECYCLE MORE ROLL-OUT WERE AGREED BY THE SOMERSET WASTE BOARD IN DECEMBER 2015).**

7. **STRATEGIC BRING SITES FORMULA (NO LONGER USED – THE BRING BANKS SERVICE WAS REMOVED FROM THE SOMERSET WASTE PARTNERSHIP BUDGET AS AGREED BY THE SOMERSET WASTE BOARD IN OCTOBER 2008)**

8. **NEIGHBOURHOOD BRING SITES FORMULA (NO LONGER USED – THE BRING BANKS**

SERVICE WAS REMOVED FROM THE SOMERSET WASTE PARTNERSHIP BUDGET AS AGREED BY THE SOMERSET WASTE BOARD IN OCTOBER 2008)

9. **COMMUNAL REFUSE FORMULA**

The cost will be shared between the Waste Collection Authorities, with each responsible for costs in equal proportion to the percentage of Communal Refuse Collection Capacity in the County located within their area.

The formula is:

$$\text{Waste Collection Authority share} = \text{Cost} \times (\text{CA} \div \text{CC})$$

Where:

CA – Communal Refuse Collection Capacity in the relevant Waste Collection Authority Area; and CC – Communal Refuse Collection Capacity in the County.

10. **COMMUNAL RECYCLING FORMULA**

The cost will be shared between the Waste Collection Authorities, with each responsible for costs in equal proportion to the percentage of Communal Recycling Sites in the County located within their relevant area.

The formula is:

$$\text{Waste Collection Authority share} = \text{Cost} \times (\text{CRA} \div \text{CRC})$$

Where:

CRA – number of Communal Recycling Sites in the relevant Waste Collection Authority Area; and CRC – number of Communal Recycling Sites in the County.

11. **PAYMENT IN LIEU OF RECYCLING CREDITS FORMULA**

The Waste Disposal Authority shall be responsible for making payments to the Waste Collection Authorities in lieu of recycling credits.

The formulae are:

$$\text{Waste Disposal Authority contribution} = \text{WC} \times \text{CADC}$$

Where:

WC - tonnes of dry recyclable waste collected and recycled as a result of Waste Collection Authority functions in the County (excluding any third party generated tonnage); and

CADC - current rate of Payment in Lieu of Recycling Credits

$$\text{Individual Waste Collection Authority income} = \text{DRWA} \times \text{CADC}$$

Where:

DRWA – tonnes of dry recyclable waste collected and recycled as a result of Waste Collection Authority functions (excluding any third party generated tonnage) allocated according to the previous 3 full years' individual Waste Collection Authority performances as agreed by the Somerset Waste Board in December 2016; and

CADC – current rate of Payment in Lieu of Recycling Credits

12. **SWAP TEAM FORMULA (NO LONGER PART OF THE SOMERSET WASTE PARTNERSHIP BUDGET).**

13. **CUSTOMER SERVICES (NOT CURRENTLY IN USE. THIS FORMULA WAS TO BE DEVELOPED SHOULD SIGNIFICANT CHANGES TAKE PLACE WITH REGARDS TO CUSTOMER SERVICE CENTRES STILL MAINTAINED BY THE WASTE COLLECTION PARTNERS IN PARTICULAR. THE CURRENT STAFF WITHIN THE SOMERSET WASTE PARTNERSHIP BUDGET ARE SHARED IN ACCORDANCE WITH THE CLIENT COSTS FORMULA).**

The division of costs is between the Waste Disposal Authority and the Waste Collection Authorities. The mechanism to divide costs shall be agreed subsequently by the Partner Authorities based on a recommendation prepared by the Single Client Group and agreed by the Board.

14. **ACTUAL USAGE BASIS**

The division of costs or income between the Waste Collection Authorities based on actual usage of the service in question by residents in each Waste Collection Authority Area.

15. **DIRECTLY ASSOCIATED COSTS BASIS**

The allocation of a cost to a particular Partner Authority because that cost arises as a direct result of a policy or other factor unique to that Partner Authority. Specifically, all costs associated with the functions of the Waste Disposal Authority shall be allocated on this basis to the Waste Disposal Authority.

16. **OTHER ONE-OFF COLLECTION COSTS BASIS**

The Somerset Waste Board has been required to approve a cost sharing formula to one-off collection costs in relation to additional "catch up" costs for the Royal Wedding (Board decision February 2011) and the Diamond Jubilee Bank Holiday (Board decision February 2012). In both cases, it has been agreed that these costs should be shared by the Waste Collection Authorities based on the formula for Unweighted Properties be used (i.e. each collection authority pays a proportion based solely on the number of properties within its boundaries).

17. **REMOVED BUDGET LINES**

Over time the Somerset Waste Board budget has removed lines from the Annual Budget as these became redundant (such as time limited grants and contributions).

It has also made decisions to remove Income Collection lines (such as Garden Waste) and Bring Bank service costs at its October 2008 meeting as it was decided that these could best be managed locally.

18. **AVOIDED TRANSFER STATION COSTS AT WILTON BASIS**

In lieu of providing a transfer station for waste at Williton, the Waste Disposal Authority agreed to make an annual compensation pay payment to the Waste Collection Authorities for the additional collection costs that they would have to meet as a result of the facility not be available. This is £321,050 per annum in the 2018/2019 budget and rises at 3% per annum. The Somerset Waste Board agreed in January 2008 that this should be shared by the Waste Collection Authorities based on the formula for Unweighted Properties be used (i.e. each collection authority pays a proportion based solely on the number of properties within its boundaries).

19. **LEASE REPAYMENTS – SORT IT PLUS VEHICLES BASIS**

A number of vehicles were leased as part of the Sort It Plus roll-out. It was agreed that the costs of meeting these capital payments was to be shared between the Waste Collection Authorities in the best approximation of the Actual Usage Basis for these vehicles. This equates to:-

Mendip District Council	22.322%
Sedgemoor District Council	18.214%
South Somerset District Council	33.213%
Somerset Waste and Taunton	26.251%

20. **FUNDING OF CAPITAL EXPENDITURE FOR RECYCLE MORE**

Each district will enter into a loan agreement with the Administering Authority which will provide the Administering authority with the necessary capital funds to fund the purchase of vehicles and the carrying out of depot works as specified in the Recycle More contract. Such loans shall be made at the prevailing PWLB EIP rate with certainty discount plus 1% and shall be repaid on an annuity basis over either 10 or 20 years depending on the nature of the investment.

21. **COST SHARING FORMULAE APPLYING TO THE BOARD BUDGET 2018/19 onwards**

Annual Somerset Waste Board Budget 2018/19	
Expenditure	
Single Client Group	
Salaries & on-costs	Client Costs Formula
Salaries pension deficit	Client Costs Formula
MDC customer services impact	Directly Associated Costs Basis (allocated to Mendip)
Travel & Subsistence	Client Costs Formula
Admin, training, meetings & IT	Client Costs Formula
Advertising & campaigns	Client Costs Formula
Office rent & accommodation	Client Costs Formula
Support Services	
Legal	Client Costs Formula
Insurance	Client Costs Formula
Finance	Client Costs Formula
Internal Audit	Client Costs Formula
Human Resources	Client Costs Formula
ICT	Client Costs Formula
Democratic Services	Client Costs Formula (SCC does not charge itself)
Direct Services	
Waste Treatment and Disposal	
Treatment – Energy from Waste	Directly Associated Costs Basis (allocated to County Council)
Treatment – Food	Directly Associated Costs Basis (allocated to County Council)
Treatment – Composting	Directly Associated Costs Basis (allocated to County Council)
Disposal – Landfill	Directly Associated Costs Basis (allocated to County Council)
Disposal – HWRC Bulky	Directly Associated Costs Basis (allocated to County Council)
Kerbside Recycling	
Sort it+ Recycle More all districts	Waste Collection Authorities Weighted Formula

Communal Recycling	Communal Recycling Formula
Garden	Actual Usage Basis
Garden sticker admin	Actual Usage Basis (excludes South Somerset)
Household Refuse	
Sort It + and Recycle More	Waste Collection Authorities Weighted Formula
Refuse - Communal	Communal Refuse Formula
Assisted Collections	Waste Collection Authorities Weighted Formula
Assisted Collection Review	Waste Collection Authorities Weighted Formula
Clinical Waste	Waste Collection Authorities Un-Weighted Formula
Bulky Waste Collections	Actual Usage Basis
SWB Directed Collections	Waste Collection Authorities Un-Weighted Formula
Day Works	Waste Collection Authorities Un-Weighted Formula
Container Maintenance	Waste Collection Authorities Un-Weighted Formula
Container Delivery	Actual Usage Basis (Board September 2010)
Container Supply	Actual Usage Basis
Depot Costs	Waste Collection Authorities Un-Weighted Formula
Admitted Body Pension Costs	
LGPS-related costs incurred under the Waste Collection Contract	Waste Collection Authorities Un-Weighted Formula
Subsidised Services	
Additional Subsidised Services	Directly Associated Costs Basis (allocated to the relevant Partner Authority)
Inter Authority Transfers	
Transfer Station Avoided Cost	Directly Associated Costs Basis (allocated to County Council)
Payment in lieu of Recycling Credits	Directly Associated Costs Basis (allocated to County Council)
Third party Recycling Credits	Directly Associated Costs Basis (allocated to County Council)
Advance Payment Saving	Waste Collection Authorities Un-Weighted Formula
Lease Repayments - Sort It Plus Vehicles	Lease Repayments - Sort It Plus Vehicles Basis
Lease old Refuse Fleet - Discount	Financial Principles for Recycle More Basis
Income	
Recyclate revenue (subject to retention of 20% for reserve) (paid quarterly in arrears to Partner Authorities by the Administering Authority)	WCA Weighted Formula
Garden and Bulky Waste income	Directly Associated Costs Basis (allocated to the relevant Partner Authority)
Avoided Wiliton Transfer	Waste Collection Authorities Un-Weighted Formula
District Recycling Credits	Payment in Lieu of Recycling Credits Formula

Comment [TW2]: Is this the best place for this line?

Comment [TW3]: Please confirm which formula should be used here

SCHEDULE 6

Exit arrangements

1. DEFINITION

Definitions used in this **Schedule 6** shall be the same as those set out in the Agreement, with the following additional definitions:

"District Authorities"

means all of the Partner Authorities excluding the County Council;

"Dissolution Agreement"

means the agreement entered into by the Partnering Authorities in accordance with **clause 15.2** and this **Schedule 6**.

2. INTRODUCTION

In the event of agreement that the Board should be dissolved or in the event of the termination of this Agreement in accordance with **clause 31** the Partner Authorities shall (acting reasonably) negotiate and seek to agree and execute a legally binding agreement dealing with the novation or termination of the Principal Contracts (excluding the Disposal Contracts) and the allocation amongst the Partner Authorities of the property, assets, rights, staff and liabilities held or employed by the Administering Authority on behalf of the Board. Such agreement shall include, as a minimum, provisions to deal with the matters listed in this **Schedule 6**.

3. TRANSFER OF ASSETS

- 3.1 The Administering Authority shall prepare and maintain a list of the assets owned by it on behalf of the Board and include the list in the Dissolution Agreement.
- 3.2 The Partner Authorities shall meet and (acting reasonably) apportion the ownership of the assets equally amongst the Partner Authorities and the Administering Authority shall transfer the assets to the relevant Partner Authorities.
- 3.3 Where assets cannot equally be apportioned to the Partner Authorities, one Partner Authority shall agree to accept the assets and provide compensation to the remaining Partner Authorities on a mutually agreed basis.
- 3.4 Any assets used in connection with the Board that were owned by the Administering Authority prior to the commencement of this Agreement shall, unless the Partner Authorities agree otherwise remain the property of the Administering Authority.

4. NOVATION OF THE COLLECTION CONTRACT AND ANY THIRD PARTY CONTRACTS

- 4.1 The Collection Contract shall need to be either novated to one or all of the District Authorities, or else will need to be determined in accordance with the provisions of the Collection Contract.
- 4.2 The Administering Authority shall be required to take all reasonable steps to novate the Collection Contract in accordance with the agreement reached by the District Authorities.
- 4.3 In the event that the District Authorities agree to continue the Collection Contract it may be necessary to continue other third party contracts held by the Administering Authority, in which case these will also need to be assigned or novated to the nominated District Authority or to all of the District Authorities.
- 4.4 Where a third party consent is required to any assignment or novation the Administering Authority shall use all reasonable endeavours to procure such assignment or novation to

the relevant District Authority(ies) and do all other things reasonably necessary to obtain such third party consents.

4.5 Where a third party consents to the assignment or novation of a third party contract, the Partner Authorities shall each pay an equal share of any fees charged by the third party in association with such assignment or novation.

4.6 The Dissolution Agreement shall deal with any residual liabilities or ongoing responsibilities of the Partner Authorities in respect of the Collection Contract.

5. TRANSFER OF THE SINGLE CLIENT GROUP

5.1 In the event that it is agreed by the Partner Authorities that one of the Partner Authorities will host the Single Client Group following dissolution of the Board the Dissolution Agreement shall deal with the process for the transfer of the staff and assets of the Single Client Group to the nominated Partner Authority. In respect of such transfer the Partner Authorities shall have regard to the principles set out in **Schedule 3** (Change of Administering Authority) in respect of the transfer of the staff and assets of the Single Client Group.

5.2 If the Partner Authorities fail to agree a nominated Partner Authority to host the Single Client Group or if no Partner Authority is willing to host the Single Client Group then the Dissolution Agreement shall deal with the process for the transfer of the staff and assets of the Single Client Group to all of the Partner Authorities.

SCHEDULE 7

Collection Contract

1. ADMINISTRATION OF THE COLLECTION CONTRACT

Unless otherwise defined in this Agreement, terms used in this **Schedule** shall be as defined in the Collection Contract.

2. PARTNER NOTICE OF CHANGE

2.1 Each Partner Authority (except the County Council) may order a change to the Services (including the provision of new services) by serving a notice of change (a "**Partner Notice of Change**") on the Administering Authority, the Board and all other Partner Authorities setting out the required change in the Services in sufficient detail to enable the Collection Contractor to provide an Estimate.

2.2 A Partner Authority shall not issue a Partner Notice of Change which:

2.2.1 requires the Services to be performed in a way that infringes legislation;

2.2.2 would cause any Planning Permission or Necessary Consent to be breached and/or revoked;

2.2.3 would materially and adversely affect the health and safety of any person; and/or

2.2.4 would substantially alter the scope of the Services.

2.3 Within 20 Business Days of receipt of the Partner Notice of Change, the Administering Authority shall invite a meeting of the Board to consider the implications of the Partner Notice of Change and to recommend any changes to the Partner Notice of Change.

2.4 On receipt of any comments from the Board and/or the Partner Authorities the Partner Authority issuing the Partner Notice of Change shall consider at its absolute discretion whether any amendment to the Partner Notice of Change is required.

- 2.5 The Administering Authority shall serve a Notice of Change setting out the change in Services requested by the Partner Authority in the Partner Notice of Change on the Collection Contractor in accordance with clause 43.2 of the Collection Contract.
- 2.6 The Administering Authority shall within 10 Business Days of receipt of the Estimate given by the Collection Contractor pursuant to clause 43.4 of the Collection Contract, forward such Estimate to the Board and to the Partner Authority that requested the change.
- 2.7 Within 25 Business Days of receipt of the Estimate the Partner Authority which requested the change may in consultation with the Board require the Administering Authority to:
- 2.7.1 confirm in writing the Estimate;
- 2.7.2 suggest reasonable amendments to the Estimate; or
- 2.7.3 request the withdrawal of the Notice of Change.
- 2.8 If a Partner Authority does not confirm its decision in writing to the Administering Authority in relation to the Estimate within 20 Business Days of the provision of the Estimate, its approval shall be deemed not to have been given and the Notice of Change will be withdrawn in accordance with clause 43.6 of the Collection Contract.
- 2.9 If the Partner Authority confirms in writing to the Board and the Administering Authority the Estimate, the Administering Authority shall confirm such change to the Collection Contractor and the change in the Services shall be effected as an agreed variation to the Collection Contract.
- 2.10 The Partner Authority requesting the change in the Services shall meet all additional costs of the Estimate through an adjustment to its contribution to the Annual Budget and in accordance with the principles set out in **Schedule 5** (Budget and cost sharing agreement).
- 2.11 Where any such change in the Services results in any consequential additional costs or liabilities for the Administering Authority and/or other Partner Authorities the Partner Authority requesting the change in the Services shall meet all such additional costs or liabilities of the other Partner Authorities through an adjustment to its contribution to the Annual Budget and in accordance with the principles set out in **Schedule 5** (Budget and cost sharing agreement).
- 2.12 Where any change in the Services results in a reduction in the Services Payment the Partner Authority requesting the change in the Services shall receive a reduction in its contributions to the Annual Budget in accordance with the principles set out in **Schedule 5** (Budget and Cost Sharing Agreement), provided always that such change has not increased the costs or liabilities of the other Partner Authorities in which case these costs or liabilities shall be taken into account in calculating the reduction in the Partner Authority's contributions.
- 2.13 Where the Collection Contractor requests that the Administering Authority issues a Notice of Change pursuant to clause 43.8 of the Collection Contract, the Administering Authority shall request that the Board decides whether or not to issue such a Notice of Change. A Notice of Change may only be issued if agreed by the Board.

3. WITHDRAWAL FROM THE COLLECTION CONTRACT

- 3.1 Any of the Partner Authorities (other than the County Council) may on giving 12 months' written notice to the Clerk of the Board withdraw from the joint collection and recycling arrangements.
- 3.2 In the event of a Partner Authority serving notice under **paragraph 3.1** of this **Schedule** the Administering Authority shall obtain from the Collection Contractor an Estimate of the costs of removing the relevant Partner Authority from the Collection Contract for the remainder of the original contract term or the period of such extension as may have been agreed at the point of service of the notice under **paragraph 3.1** of this **Schedule**.

- 3.3 If the relevant Partner Authority confirms in writing to the Administering Authority its acceptance of the Estimate, the Administering Authority shall confirm such change to the Collection Contractor and the removal of the Partner Authority shall be effected as an agreed variation to the Collection Contract.
- 3.4 The relevant Partner Authority shall meet all additional costs of the Estimate including the reasonable costs incurred by the Administering Authority through an adjustment to its contribution to the Annual Budget and in accordance with the principles set out in **Schedule 5** (Budget and cost sharing agreement).
- 3.5 Where the removal of a Partner Authority results in any consequential additional costs or liabilities for the other Partner Authorities the relevant Partner Authority shall meet all additional costs or liabilities of the other Partner Authorities through a lump sum payment to the other Partner Authorities or in such other manner as the other Partner Authorities in consultation with the Board may each at their absolute discretion agree.
- 3.6 The Partner Authorities agree that where a Partner Authority withdraws from the Collection Contract in accordance with this **Schedule** the Partner Authorities agree that the principles outlined in **Schedule 3** and those contained in the Workforce Code where applicable should apply to the transfer of staff, assets and equipment from the Collection Contractor to the relevant Partner Authority or a contractor of the relevant Partner Authority.

4. EXTENSION OF THE COLLECTION CONTRACT

- 4.1 No later than 12 months prior to the expiry of the Collection Contract the Board shall meet and consider whether or not to extend the term of the Collection Contract (in accordance with clause 2.2 of the Collection Contract). Where the Board proposes to extend the term of the Collection Contract the Managing Director shall, as soon as reasonably practicable, notify the Chief Executive of each of the Partner Authorities of its decision.
- 4.2 Each Partner Authority shall have a period of 30 Business Days from receipt of the notice from the Managing Director (in accordance with **paragraph 4.1** above) in which to consider it. Where a Partner Authority (other than the County Council), acting reasonably, does not wish the Collection Contract to be extended, it shall notify the Managing Director of its decision forthwith (and in any event within five Business Days of expiry of the 30 Business Day notice period). For the avoidance of doubt, where a Partner Authority does not wish the Collection Contract to be extended it shall not be treated as withdrawing from the Collection Contract for the purposes of paragraph 3 of this **Schedule 7**.
- 4.3 Provided that at least two Partner Authorities (other than the County Council) serve notice on the Managing Director ratifying the Board's proposal to extend the Collection Contract, the Board shall procure that the Administering Authority takes all reasonable steps necessary to extend the Collection Contract (in accordance with the terms of that contract) and, where necessary, to vary the Collection Contract to reflect the reduced number of Partner Authorities who are subject to it.
- 4.4 Where only one Partner Authority serves notice on the Managing Director ratifying the Board's proposal to extend the Collection Contract, the Board shall not extend the Collection Contract and it shall come to an end in accordance with the terms of that contract.

5. DISPUTES

- 5.1 If a dispute arises in relation to any aspect of the Collection Contract, which cannot be resolved between the Contract Manager and the Contractor's Representative in accordance with clause 36.1.1 of the Collection Contract, the Administering Authority shall promptly notify the Board of the dispute.
- 5.2 In the event that any dispute is referred to mediation or arbitration in accordance with clauses 36.2 and 36.3 of the Collection Contract the Administering Authority shall promptly notify the

Board and shall keep the Board regularly informed of the progress of the dispute referred to mediation or arbitration.

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 Community Governance Team by telephoning (01823) 359027 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>

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
3 April 2019	Somerset Waste Board 6 Dec 2019 To consider the report	Issue: Updated draft budget for 2020/21 and Finance Update Report for Q2 2019/20			Sarah Rose, Finance Manager Tel: 01823359643
29 July 2019	Somerset Waste Board 6 Dec 2019 To consider the report	Issue: Revisions to the Inter-Authority Agreement			Mickey Green, Managing Director - Somerset Waste Partnership Tel: 01823 625707
29 July 2019	Somerset Waste Board 6 Dec 2019 To consider the report	Issue: Slim my waste, feed my face food waste campaign			Mickey Green, Managing Director - Somerset Waste Partnership Tel: 01823 625707
3 April 2019	Somerset Waste Board 6 Dec 2019 To consider the report	Issue: Performance Monitoring Report Q2 2019/20			Mickey Green, Managing Director - Somerset Waste Partnership Tel: 01823 625707
3 April 2019	Somerset Waste Board 6 Dec 2019 To be considered	Issue: Somerset Waste Partnership Draft Business Plan 2020-2025			Mickey Green, Managing Director - Somerset Waste Partnership Tel: 01823 625707
3 April 2019	Somerset Waste Board 6 Dec 2019 To be considered	Issue: New collection contract mobilisation update			Mickey Green, Managing Director - Somerset Waste Partnership Tel: 01823 625707

Weekly version of plan published on 1 December 2019

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
13 December 2019	Somerset Waste Board 14 Feb 2020 To consider the report	Issue: Revisions to the Inter Authority Agreement			Mickey Green, Managing Director - Somerset Waste Partnership Tel: 01823 625707
13 December 2019	Somerset Waste Board 14 Feb 2020 To consider the report	Issue: Business Plan 2020-25			Mickey Green, Managing Director - Somerset Waste Partnership Tel: 01823 625707
13 December 2019	Somerset Waste Board 14 Feb 2020 To consider the report	Issue: Finance Update Q3 2019/20			Sarah Rose, Finance Manager Tel: 01823359643
13 December 2019	Somerset Waste Board 14 Feb 2020 To consider the report	Issue: Performance Monitoring Report Q3 2019/20			Mickey Green, Managing Director - Somerset Waste Partnership Tel: 01823 625707
14 October 2019	Somerset Waste Board 14 Feb 2020 To be considered	Issue: New Collection Contract Mobilisation Update			Mickey Green, Managing Director - Somerset Waste Partnership Tel: 01823 625707
14 October 2019	Somerset Waste Board 14 Feb 2020 To be considered	Issue: Annual Budget 2020/21			