



# **SWP Business Plan 2018 – 2023**

*Draft for Approval for Partner Authority Consultation*

## Business Plan

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<b>Change History</b>	
25/10/2017	Draft for Approval for Partner Consultation

## 1. About Somerset Waste Partnership

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

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

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

### 1.2 Background to SWP

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

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

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

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

## 2. Key Stakeholders

- Residents of Somerset
- Members and officers of partner authorities
- Kier MG CIC
- Viridor Plc

## 3. The SWP Vision

We will:

- Drive material up the waste hierarchy and, where sustainable markets exist, into the circular economy\*.
- Avoid landfill and encourage high participation in waste avoidance, reuse, recycling and food waste collection schemes.

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- Engage with local people, support economic wellbeing and use efficient, sustainable and affordable solutions at every stage of the process.
- Encourage and facilitate innovation, joined up strategy, policy and operations across the county

\*A circular economy is one where resources once used are not disposed of, but become feedstock materials or energy for making new products, thus reducing reliance on raw materials and waste disposal. A “closed loop process” is a variation of this where recovered materials are recycled into the same product. The benefits of a circular economy include reduced energy consumption, resource security and lower environmental impacts. A circular economy works most effectively where there are clear incentives for all persons on the loop (manufacturers, retailers, consumers, local authorities, reprocessors) to move the material around the loop.

### 4. Key Issues and Challenges

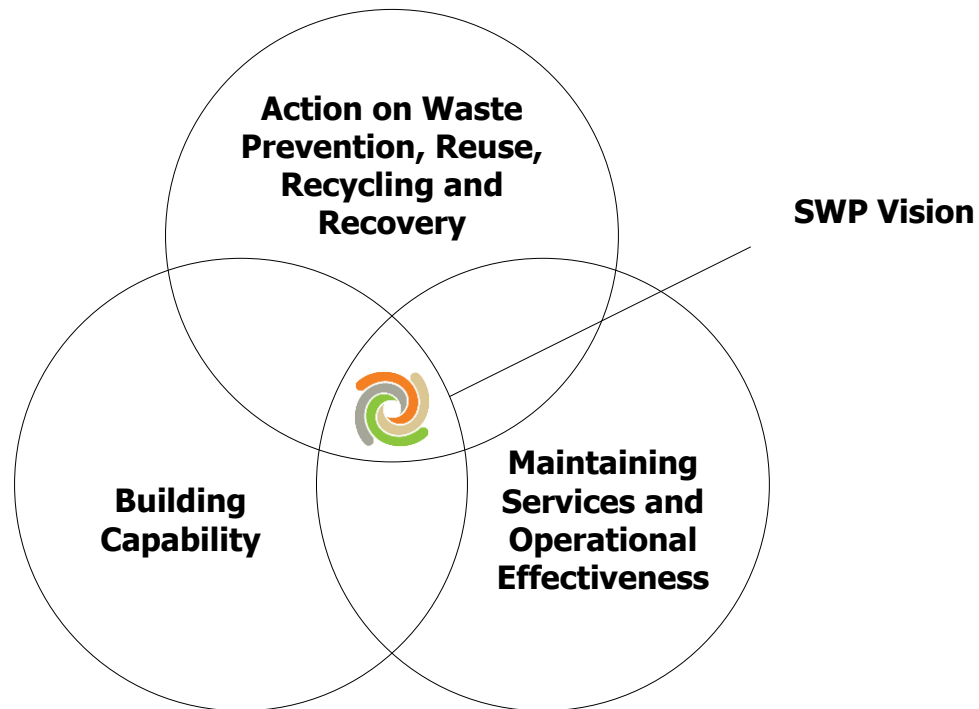
<b>Issue</b>	<b>Impact</b>	<b>Proposed Response</b>
Legislative impact of withdrawal from the EU	The Great Repeal Bill will see all EU legislation not already enshrined in domestic law transferred to UK statute. This is likely to include the Circular Economy Roadmap, which will be passed into EU law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

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

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

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



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

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



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

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

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

### **7.1 Revenue Not Included**

Control of income from residents for waste related services is retained by the collection authorities and is therefore not shown in this paper. The most significant portion of this is annual Garden Waste subscriptions, which will generate income for the district council of around £55.40 for each wheeled bin subscription in 2018/23. This is a significant offset of the cost of providing the service. Other income streams are Bulky Waste collection fees and sale of Garden Waste sacks.

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7.2 Full Draft Budget Summary 2018/19

Summary Annual Budgets 2018/2019								
	Rounded £000s	Total	SCC	MDC	SDC	SSDC	TDBC	WSC
<b>Expenditure</b>			£000	£000	£000	£000	£000	£000
Salaries & On-Costs	972		481	110	111	155	108	7
Other Head Office Costs	275		126	30	32	45	31	11
Support Services	125		54	14	15	22	15	5
Disposal - Landfill	11541		11541					
Disposal - HWRCs	9484		9484					
Disposal - Food waste	1481		1481					
Disposal - Hazardous waste	225		225					
Composting	1811		1811					
Kerbside Recycling	9162			1878	1893	2812	1848	731
Green Waste Collections	2579			500	619	691	640	129
Household Refuse	6155			1264	1269	1880	1265	477
Clinical Waste	119			24	26	36	25	8
Bulky Waste Collection	84			19	16	24	18	7
Container Maintenance & Delivery	228			51	42	72	51	12
Container Supply	447			98	90	144	96	19
Pension Costs	69			2	2	62	2	1
Depot Costs	186			38	40	56	39	13
Village Halls	6				6			
Transfer Station Avoided Costs	321		321					
Recycling Credits	2460		2460					
Capital Financing Costs	231			52	41	78	39	21
<b>Total Direct Expenditure</b>	<b>47961</b>		<b>27984</b>	<b>4080</b>	<b>4202</b>	<b>6077</b>	<b>4177</b>	<b>1441</b>
<b>Income</b>			£000	£000	£000	£000	£000	£000
Sort It Plus Discounts	-80			-16	-17	-24	-17	-6
Transfer Station Avoided Costs	-321			-65	-69	-97	-67	-23
May Gurney Secondment Saving	-44		-20	-5	-5	-7	-5	-2
Recycling Credits	-2432			-520	-487	-757	-494	-174
<b>Total Income</b>	<b>-2877</b>		<b>-20</b>	<b>-606</b>	<b>-578</b>	<b>-885</b>	<b>-583</b>	<b>-205</b>
			£000	£000	£000	£000	£000	£000
<b>Total Net Expenditure</b>	<b>45084</b>		<b>27964</b>	<b>3474</b>	<b>3624</b>	<b>5192</b>	<b>3594</b>	<b>1236</b>