

JOINT SCRUTINY PANEL OF THE SOMERSET WASTE BOARD

Minutes of a Meeting of the Joint Scrutiny Panel of the Somerset Waste Board held via Microsoft Teams on 08th December 2021 at 2.00pm

Present: Cllr A Trollope-Bellow (Chair), Cllr Boyden, Cllr B Hamilton, Cllr L Leyshon, Cllr J Hassall, Cllr T Munt and Cllr L MacDougall

Other Members Present: None

Apologies for Absence: Cllr Michael Dunk (Cllr L MacDougall substituting)

105 **Declarations of Interest** – Agenda Item 2

There were no Declarations of Interest.

106 **Minutes from the Previous Meeting**–Agenda Item3

The Panel agreed the minutes from 23 September 2021 as an accurate record

107 **Public Question Time** - Agenda Item 4

There were no public questions.

108 **Financial Performance Update 2021/2022 and Development of the Annual Budget 2022/2023** The Chair invited Strategic Finance Manager Christian Evans to provide a verbal update on this item. The report sets out the financial performance against the approved Annual Budget for the first 7 months of the current financial year (April to the end of October), and a forecast outturn position. The report is also the formal commencement of the budget setting process that will ultimately lead to the Annual Budget for 2022/2023.

The following was highlighted:

- Overall, the end of October position shows that the Somerset Waste Partnership budget is forecast to be overspent by £1.186m (2.5% of the original budget), albeit on relatively limited actual costs in the year to date.

This does not include the Recycle More roll out costs, which is accounted for separately.

- Estimated figures for the collection indicate a predicted combined £1.045m overspend across the 4 District partners at this stage.
- There are still additional Suez collection covid related contract costs which fall to District partners (£675k for 2021/22).
- Waste disposal costs are forecast to overspend by £141,000. This relates to increased waste volumes (predominantly residual waste) at the Household Waste Recycling Centres.
- As agreed, no savings as a result of the new contract will be taken from the Somerset Waste Partnership (SWP) until all roll out costs have been fully funded and breakeven point is reached, it is still anticipated this will be in quarter 3 of 2022/23 (i.e., no change from previous forecasts and hence part year savings expected for partners in 2022/23).
- Appendix 1 shows a detailed draft budget and table on page 23 for initial projections.
- Household growth figures are provided by each individual District partner. The current average of these figures is growth of 0.93%. The actuals applied to the 2022/23 budget will be known in January. The figures will relate to the December household numbers provided by HMRC (Valuation office agency).
- A significant increase in the inflations applied to the disposal contracts for Somerset County Council.
- Breakeven point is anticipated to be in Quarter 3 of 2022/23. Savings included above are reflected in the breakeven point. Once breakeven point is reached, contract savings will be shared on the basis currently stated in the IAA.
- Current potential variables which may affect the breakeven point: Potential contractor costs due to covid and national driver shortage, Resolution of dispute with previous collection contractor (Kier), Material income & yields, any future delays in the roll-out of Recycle More, waste funding and food waste funding and Potential future government changes to charging companies for packaging responsibilities and the impact of a Deposit Return Scheme.
- As part of SWPs Business Plan priority to decarbonise its operations funding has been agreed for 2 projects. The purchase of an electric refuse vehicle and the purchase and installation of photo voltaic panels at Evercreech Depot.

A panel member asked a question about the extra COVID costs and if an indication of how much as a percentage of that will be for Waste partnership and Suez. If the negotiation continues across the financial year how will the demand cope from accounting point of view.

Somerset Waste Partnership Managing Director Mickey Green informed the panel the current agreement with Suez, is that payments for direct costs related to Covid (safe staggered starts, extra vehicle cleansing, staggered debriefs, cover for covid absence) will continue. Commercial negotiations are continuing regarding the application of indexation of the collection contract.

Christian confirmed there were lot of uncertainties and finance has built in £55,000 a month for the budget, from April till the end of March next year for 2023.

The Joint Waste Scrutiny Panel considered and commented on the report and recommended that Somerset Waste Board:

- **Notes the summary financial performance for 2021/2022 to the end of month 7 (October) and the potential outturn position for each partner authority.**
- **Considers the draft budget for 2022/2023 and the key factors that will influence the budget setting process, the final budget will be submitted to the February Waste Board.**

109 **Performance Report Quarter 2–July 2021 to September 2021**-The Chair invited Mickey Green to provide an update on the performance report for quarter 2.

The following was highlighted:

- Business Plan: Roll-out of Phase 3 of Recycle More began on 1st November in Somerset West and Taunton (old Taunton Deane area), with planning already underway for Phase 4 (Sedgemoor and West Somerset). The Recycle More report provides more details on the readiness for and risks to roll-out.
- Waste Minimisation: Overall household arisings were up by over 7,800 tonnes, or 4.16% compared to Q2 in 2019-20. However, there were service issues affecting Q2 this year, as well as the suspension of garden waste collections, so this may not indicate the continuing trend for the remainder of the year.
- Recycling: The recycling rate continues to improve compared to last year (up 4.90% to 57.34% from 52.44%), as well as showing an increase over Q2 2019-20 (up 2.15% from 55.19%), used as a comparator unaffected by the pandemic.
- For Q2 2021- 22 almost 99.0% of materials stayed in the UK, with the amount that was reprocessed in Somerset also remaining high at over 56.0%.
- The new infographic provides a clear visual about what happens to the material collected and enables people to see tonnages and the recycling rate at a glance. Copies of the main infographic and the mini versions can be found at the end of this report. The infographic and updated Recycling Tracker are on the website: <https://www.somersetwaste.gov.uk/recycling-tracker/>.

- Missed collections: There was a significant increase in missed collections in Q2, compared to Q1 (2.430 per 1,000 collections against 1.548 in Q1). This measure only records reported missed collections where collections should have been made and does not include, 'dropped' or 'incompleted' rounds. More detail can be found on the Missed Collections page of the appendices.
- Risk: In addition to our corporate risk register we maintain detailed risk registers for Recycle More and Covid-19. Risks have also been updated to reflect those largely relating to the impacts of the national driver shortage.
- Viridor/Biffa: As highlighted to the Board in June and September it was announced on the 21 May 2021, that part of Viridor's business is to be sold to Biffa.
- Veolia and Suez have announced that they signed a combination agreement on 14 May 2021, following approval by their respective Boards of Directors of the latest terms for their merger.

The panel members asked the following questions: collections around South Somerset District Council areas that were missed, communication to residents about the service. Difficulties around reporting missed collections recycling of plastic and general waste that goes to the incinerator.

Mickey informed the panel that SWP has an automated service about missed collections and there have been ongoing issues with high pressures where changes to rounds and trucks have been moved to improve on other areas. On the SWP website there is a recycling tracker.

It was cheaper to recycle then send waste to the incinerator so there was no conflict about this.

The Joint Waste Scrutiny Panel considered and commented on the report and recommended that Somerset Waste Board:

- **Notes the performance results in the Second Quarter 2021-22 Performance Report**

110 **Recycle More update** - Agenda item 7

The Chair invited Somerset Waste Partnership Head of Communications and Engagement Mark Ford to provide an update on Recycle More. On 28 October the third phase of Recycle More rolled out in the Taunton Deane area. This followed the introduction of the service to South Somerset on 28 June this year and Mendip at the end of October 2021. This paper updated on progress with bedding in the service change in South Somerset and Mendip and the very early days of the service in Taunton Deane.

The following was highlighted:

- The important changes for all residents and what materials go into each recycling container.
- The impact of Recycle More in Mendip and South Somerset.
- The roll out of Recycle More and figures for missed recycling per 100,00 and missed refuse.
- Phase 4 preparation and planning for Sedgemoor and West Somerset with a launch date at the end of February; the initial engagement has started and the Williton depo will be upgraded in the new year.
- The next steps with key dates of when events will happen for the communications of Recycle More.

The Joint Waste Scrutiny Panel considered and commented on the report and recommended that Somerset Waste Board:

- 1. notes the progress made in implementing Recycle More and the risks to the programme**

111 SWP- Outline Business Plan 2022 - 27– Agenda Item 8

The Chair invited Mickey Green to summarise the report and plan. Somerset Waste Board is required to annually approve a rolling five-year business plan. This report seeks approval to the draft business plan for consultation. This may be the final Business Plan in this format with the transition to a Unitary Authority in 2023.

The following was highlighted:

- SMG were consulted over the Summer and the Board and Joint Waste Scrutiny Panel were consulted on the approach at their meetings in September. Formal consultation with partners is planned as laid out in the report.
- Feedback from the partner consultation will be reflected in the final Business Plan presented to the Board in February 2022.
- This year's plan is an evolution rather than a revolution but aims to reflect the impact of service disruption in 2020/21, the ongoing impacts of a national driver shortage, the ongoing pandemic and the pressure this has created on SWP, SUEZ and partner staff.
- The activity required to smoothly transition to a unitary authority is reflected in the Business Plan, but as this activity evolves it may impact on other activities.
- The new electric refuse truck and the photovoltaic panels will be installed at the two main depots in the new year.

The panel members asked the following questions: the current Somerset situation in regard to the pressures of COVID and how Somerset was viewed across the UK.

When SCC move into a unitary authority will the actual budget that displays collections and disposal in the business plan remain the same?

The commercial pressures of COVID-19 were, mainly driver shortage, some areas still have suspended services and the Bristol area still faced extreme challenges. SWP were invited to the UK round table on the future of recycling challenging plastic as SWP was held in high regard on recycling. A number of authorities had also asked for more information about Recycle More

With regard to the collection and disposal budgets these would remain displayed separately and should be easier to understand going forward.

The Joint Waste Scrutiny Panel considered and commented on the report and recommended that Somerset Waste Board:

- **Approves the draft Business Plan 2022-2027 for consultation**

112 **Somerset Waste Board Forward Plan**– Agenda Item 9

The Panel agreed the current Somerset Waste Board Forward Work Plan

113 **Any Other Urgent Items of Business** - Agenda Item 10

(The meeting ended at 3.00pm)

CHAIR