

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 22 June at 2.00pm

Present: Cllr A Trollope-Bellew (Chair), Cllr Brian Hamilton, Cllr Robin Bastable, Cllr Adam Boyden, Cllr Michael Dunk and Cllr John Hassall

Other Members Present: Cllr Sarah Dyke and Cllr Jo Roundell Green.

1. Annual Appointment of the Joint Waste Scrutiny Chair and Vice-Chair- Agenda Item 1

Nominations were invited for the Chair of Joint Waste Scrutiny Panel of Somerset Waste Board. Cllr Brian Hamilton nominated Cllr Anthony Trollope Bellew, and this was seconded by Cllr Michael Dunk. There were no other nominations and Members agreed by a majority vote that Cllr Anthony Trollope-Bellew be appointed as Chair of Joint Waste Scrutiny Panel of Somerset Waste Board for 2022/23. Nominations were then invited for the appointment of Vice Chair of Joint Waste Scrutiny Panel of Somerset Waste Board. Cllr Anthony Trollope-Bellew nominated Cllr M Dunk for the position which was seconded by Cllr Brian Hamilton. There were no other nominations and Members agreed by a majority vote that Cllr M Dunk be appointed as Vice Chair for 2022/23.

2. Apologies for Absence:

No Apologies received.

3. Declarations of Interest- Agenda Item 2

4. Minutes from the previous meeting- Agenda Item 3

The Panel agreed the minutes from 9th February 2022 as an accurate record noting the spelling error of the Chair Anthony Trollope-Bellew.

5. Public Question Time- Agenda Item 4

There were no public questions.

6. Constitutional Matters, Waste Board Membership and Meeting dates 2022/2023- Agenda Item 5

The Chair invited the Governance Specialist Neil Milne to provide an update about the Constitutional Matters, Waste Board Membership and Meeting dates 2022/2023. The report sets out changes to board membership for 2022/23 following agreement of each partnership organisation and also the proposed meeting dates for the Board up to April 2023. In addition, it also sets out the meetings procedures for the Board now that the emergency legislation which allowed virtual meetings has come to an end and the requirement to operate under the 1972 legislation and revert to face-to-face meetings. The Board should acknowledge the need to operate under the basis as Somerset County Council is the administering authority for the Board.

The following was highlighted:

- No restrictions on decision-making of SWB in relation to the Transition Period except those already set out in its constitution and the law. Any decision of SWB which purports to have effect after 31 March 2023 will be ineffective as decision-making in relation to the period after this date is the function of the Executive of the County Council during the Transition Period.
- SWB has already made a business plan and budget for the year 2022/23 – these documents remain effective following the making of the SCO. However, the SWB will have no powers to set a budget for waste services in February 2023 for the 1 Paragraphs 3 & 4, The Somerset (Structural Changes) Order 2022 Page 19 (Somerset Waste Board 24 June 2022) period from 1st April 2023 as it will cease to exist as a joint committee on that date.

The Joint Waste Scrutiny Panel considered and commented on the following recommendations in this report.

That the Somerset Waste Board:

- 1. Notes the revised Board's membership for 2022/23 and Joint Scrutiny Panel of Somerset Waste Board set out in Section 2.**
- 2. Notes the Board meeting dates for 2022 and 2023 set out in section 3.**
- 3. Acknowledges the need for the Board to again operate under the 1972 legislation with a return to face to face meetings, which will be webcast.**

7. Performance Monitoring Report Q4 2022/2023- Agenda Item 6

The Chair invited Somerset Waste Partnership Managing Director, Mickey Green, to provide an update on the performance report for quarter 4. The report summarises the key performance indicators for the period from January 2022 to March 2022 and compares these to the same period last year (and where relevant the year before). This period was again affected by Covid-19 and also by the national driver shortage.

The following was highlighted:

- Recycling: SWP recycling rate continues to improve compared to last year (up 3.85% to 56.22% from 52.37%), as well as showing a smaller increase over 2019- 20 (up 3.22% from 53.00%), used as a comparator unaffected by the pandemic.
- End use: For Q4 2021-22, again almost 99.9% of materials stayed in the UK, with the amount that was reprocessed in Somerset at almost 45.0%. Currently, this amounts to just over 44 tonnes of recyclate was reprocessed outside of the UK, albeit within the EU, with all this material being mixed plastics sent to Portugal, from Recycling Sites and Schools.
- Risks have also been updated to reflect those largely relating to the impacts of the national driver shortage.
- Defra are seeking to clarify the legislation for when construction waste should be treated as DIY and instead classified as household waste. Government consider DIY activities to include any construction work, such as building, decorating or repairing activities, carried out by the householders by themselves, in their own homes.
- Government's response on the other two elements of 'collection and packaging reforms' ('Deposit Return Scheme' (DRS) and 'Consistency in household and business recycling') are still awaited
- In a provisional ruling on 19 May, the UK's Competition and Markets Authority has said that the merger of Veolia and Suez in the UK would "lead to a loss of competition". It is important to note these findings are provisional with the final decision by the CMA due to be made by 17th July 2022.
- Part of Viridor's business was sold to Biffa, it was believed that this had concluded the strategic review by KKR (the global investment company that acquired Viridor for £4.2 billion in July 2020), which culminated in Viridor's decision to focus on Energy from Waste rather than the wider waste sector.
- SWP new Fixy service is bringing repair and reuse of electricals and electronics to communities across Somerset. The customised Fixy van (named "Fixy McFixFace" by a public vote, is travelling the county supporting repair cafes and groups with tools and portable appliance (PAT) testing.

The panel members asked the following questions: what members can contact regarding having the Fixy McFixFace attend a parish council meeting. The cost of the aggregate waste at the recycling centres. The reorganisation of all Biffa, Viola and Suez, SWP contract is with Suez has SWP have concerns about them selling to Biffa.

The Panel members were informed that any information about Fixy can be emailed to fixy@somersetwaste.gov.uk. The transporting of materials that are non-profitable that the cost at the recycling centres and just the reflects the net cost for transporting and processing of the materials. Mickey confirmed that there are some risks about Suez but they share the same vision and principle protected.

The Joint Waste Scrutiny Panel considered and commented on the following recommendations in this report.

That the Somerset Waste Board notes the performance results in the Fourth Quarter 2021-22 Performance Report

8. Finance Update Q4 2022/2023- Agenda Item 7

The Chair invited Strategic Finance Manager, Christian Evans and Managing Director of Somerset Waste Partnership to provide a presentation and update the panel.

The following was highlighted:

- That Somerset Waste Partnership was an overspend by £536,776 for 2021/22 (1.14% of the original budget).
- The overall position for District partners was an overspend of £690,841. The main cause is due to the ongoing COVID-19 cost.
- The roll out of an enhanced recycling provision to schools was delayed and a carry forward of £175,000 has been requested to enable this work to be completed in 2022/23. A further carry forward of £10,000 has been requested for a signage review at the recycling centres which was delayed in 2021/22.
- The Recycle More fund balance as of 31st March 2022 was a surplus of £853,792. However, there are several commitments to approximately the same value as the surplus which are expected early in 2022/23.
- The previous forecast of savings for 2022/23 was £700k (shared with partners to reflect in their MTFP process) and SWP now expect savings of £1,025m to be achieved in 2022/23.
- Challenging circumstances COVID, national driver shortage crashing together and causing significant issues. Retention payments, recruitment allowances, extra HR staff to focus on recruiting people.

- Key decision will be taken by the portfolio holder in regard to the national driver shortage.
- Update on key risk and issues including household numbers, inflation included oil price, resourcing/ contract sustainability, legislative change and new administration priorities and ambitions.
- Appendix B data quality part to follow up with reasonable assurance and the GDPR conclusion and no suits planned for 2022/2023

The board members asked the following questions: can you confirm that was the last planned audit. To have clarification on the residual waste diversion. How much was agreed for the pay award. Inflationary figures, when it comes to fuel. How is that impacting on SWP electric vehicle? Does that mean SWP electric vehicle is effectively becoming cheaper.

The panel members were informed that an audit will not take place due to the ongoing work for the Local Government Reorganisation and move to unitary council. The residual waste diversion is where waste may have gone into landfill has been sorted and recycled. Drivers have had 8.75 percent and loaders have had a 5 percent this was collectively accepted through the ballot. With the increase in electricity cost and fuel prices and will become an issue in the next year budget.

The Joint Waste Scrutiny Panel considers and comments on the following recommendations in this report.

That the Somerset Waste Board: -

- 1. Approve the financial outturn position of the Partnership overall and the individual partners' balances at year end, and the summary accounts for 2021/2022 as presented in Appendix A.**
- 2. Approve the recommendations of the partner authorities as to the use of the individual surpluses and deficits as of 31st March 2022. Detailed in paragraph 2.5.**
- 3. Note the outturn position of the Recycle More fund in paragraph 2.4.**
- 4. Note the outcome of internal audit reports set out in Appendix B.**

9. Recycle More Update- Agenda Item 8

The Chair invited Somerset Waste Partnership Head of Communications and Engagement Mark Ford to provide an update on Recycle More by early July Recycle

More will have been rolled-out across the county (the service being introduced to communal properties in Sedgemoor and West Somerset happening at the end of June). This paper provides a progress update on the expanded kerbside service and plans to roll-out to schools.

The following was highlighted:

- SWP has rolled-out a major service change it has taken a phased approach. Is not practical or desirable to change recycling and waste collection services for 260,000-plus households at one time.
- Mendip offers the best opportunity see the changes year on year since it has been running the longest. In the first 17 months of Recycle More in Mendip, there has been an average decrease of just over 20% or around 1.5kg each week per household.
- The longer the service in place, the clearer the long-term trends will be. At this stage SWP appear to be seeing the introduction of Recycle More producing a decrease in refuse/rubbish of around 20%
- Recycle More recycling increases for each phase were also, by necessity, calculated using different baselines (to try and account of the impact of Covid lockdowns restrictions on waste) and assumptions based on material sampling.
- Together, this indicates a reduction in 'total arisings' from at the kerbside of approaching 300 tonnes per week across the county, around 10%.

A member of the public asked a question in relation to Williton Depot and any further delays at Walford Cross.

The members of public were informed that Walford cross is open and recommended to visit the site and the Williton depot work due to start in July and may be open towards the end of the year.

The Joint Waste Scrutiny Panel considers and comments on the following recommendations in this report.

That the Somerset Waste Board notes the progress made in implementing Recycle More and the risks to the programme.

10. Approach to Partial Refleet- Agenda Item 9

The Chair invited Somerset Waste Partnership Managing Director Mickey Green to provide an update on Partial Refleet.

The following was highlighted:

- 23 of SWP fleet date from 2016 and were not replaced at the start of the contract and are not due for replacement until April 2024. 1 has been replaced with a refurbished electric RCV and SWP need to order all vehicles by the end of the financial year of 2022/23.
- vehicle reliability has been a particular issue with the 2016 vehicles recently, which has been a causal factor behind some of the recent service quality issues. This is despite a refurbishment to the operating equipment, bin lifts, compaction equipment.
- SWP have explored many options including refurbishing to extend useful life for example to allow time for e-RCV market to mature. SWP have ruled out all but the pod vehicles due to the cost and likely impact on service reliability.
- Hydrogenated Vegetable Oil (HVO) could deliver 90% carbon savings. Not a long-term solution. Developing Proposal for piloting on Front-Line fleet (building on depot trail).
- Cost is indicative and are likely to increase (at least with inflation).
- Comparison of electric vehicles versus diesel 26 tonne RCV's.
- Continue with trials and modelling to ensure SWP and SUEZ are confident that they have identified the best value lowest carbon options. The board will be updated on this, on whether all 10 26 tonne RCVs can be electric.
- Commercial negotiations with SUEZ to maximise contract discount and to reflect minor contract variations linked to partial electrification of fleet
- SWP will liaise with SCC finance as there is likely to be a capital bid in this year's capital programme in the order of c£5.8m should the board wish us to proceed with maximising the electrification of fleet
- Develop the business case for HVO as an interim decarbonisation option (should be able to fund from potential underspends elsewhere in SWP budget)
- Continue to work up service proposals (and hence future replacements for 26tonne Pod vehicles) when national legislation is finalised.
- SWP will bring a final recommendation to the Board in September (noting that formal decision making will be through the capital programme linked to the new Authority).

The board members asked the following questions: about collections of food waste at communal properties: How much will it cost to change to move to electric vehicles and how many vehicles will be left.

Mickey informed the panel as SWP have rolled out recycle more and have asked residents if they would like to take part in the food waste in the communal areas and the possibility of national legislation will require the collection of food of communal properties and this may come with funding to support food waste collections in the future for communal areas.

The comparison between electric and diesel, they will cost more up front. Each vehicle saves about £10,000, a year in terms of comparison between the electricity costs and the diesel costs and a small saving of £1500 on maintenance. SWP's collection contract fleet is made up of 108 recycling vehicles (mostly Romaquips, but three are top loaders for communal and eighteen are smaller vehicles used to get to those hard-to-reach properties.

Christian advised the panel that £6,000,000 for the refleet has been included in the medium-term financial plan.

The Joint Waste Scrutiny Panel considers and comments on the following recommendations in this report.

That the Somerset Waste Board:

- 1. Provides a steer on the approach to the partial refleet in 2024, in particular on the approach to maximise the electric fleet.**
- 2. Notes the further work proposed to be undertaken and the risk associated with not committing to purchase vehicles in the current financial year.**
- 3. Notes the options being explored for the wider decarbonisation of SWP's fleet ahead of their expected replacement in 2030**

11. Somerset Waste Board Forward Plan

The Panel agreed the current Somerset Waste Board Forward Work Plan

12. Any other urgent items of Business

(The meeting ended at 3.22pm)

CHAIR