

Somerset Waste Board meeting
23 September 2022
Report for decision

Somerset Waste Partnership – Outline Business Plan 2023 - 28
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<p>Forward Plan Reference:</p>	<p><i>22/05/02</i></p>
<p>Summary:</p>	<p>The Somerset Waste Partnership Draft Business Plan normally covers the next 5 years (with more detail on the upcoming year) and is iterated through a number of meetings, starting in September with a discussion on priority areas and approach, a draft business plan presented to the Board in December, partner consultation in January and February with approval from the Board to the final business plan sought in February. This year is different as from April 2022 the partnership will cease to exist and be part of the new Somerset Council. The new Council's strategic plan is not yet in place, nor is guidance on the approach to service/business planning. However, in line with the approach agreed with the Board, this paper still seeks a steer (as it normally would) on the approach to developing a draft business plan. Formal partner consultation will not be undertaken on the draft business plan as previously agreed by the Board, and whilst we will have to be driven by the Somerset Council business planning timescale, we will endeavour to follow SWP's three-stage process as far as possible, not least as this will ensure that the final business plan aligns with final budget setting.</p>
<p>Recommendations:</p>	<p>The Joint Waste Scrutiny Panel considers and comments on the following recommendations in this report.</p> <p>That Somerset Waste Board:</p> <p>(i) Comments on and approves the proposed priority areas for inclusion in the Business Plan 2023-28 as set out in section 2 of the report, noting that the Somerset Council Corporate Plan has not yet been set</p>

	<p>(ii) Discuss and provide further ideas for any particular service changes, projects or programmes for potential inclusion in the Draft Plan to be reviewed at the December meeting.</p>
<p>Reasons for recommendations:</p>	<p>The Board is required to approve a draft business plan annually for consultation with, and approval by, the partners. Producing an outline at this stage helps the Board to identify key areas for inclusion and to direct officers to prepare more information on any area it highlights. The approach to reflect local government reorganisation has been previously agreed by the Board.</p>
<p>Links to Priorities and Impact on Annual Business Plan:</p>	<p>The Somerset Council has not yet set out its future priorities in a strategic plan, so this paper draws upon previously agreed priorities of all partners and the Board, the new administration's manifesto commitments and other factors such as the MTFP process, and external risks and opportunities.</p>
<p>Financial, Legal and HR Implications:</p>	<p>Work is ongoing to create a new balanced budget for the Somerset Council, and final decisions will not be taken until February Full Council. The final business plan will be informed by these decisions but the proposals developed in this report reflect the emerging financial situation. Legal and HR implications of specific business plan actions will be addressed as those actions are progressed.</p>
<p>Equalities Implications:</p>	<p>The Board is required to have "due regard" to our equalities duties when taking any formal decision. Equalities implications will be considered and reported for any service changes or relevant projects proposed by the Board.</p>
<p>Risk Assessment:</p>	<p>There is a risk that the Business Plan may be affected by:</p> <ul style="list-style-type: none"> a) The ongoing impact of Covid-19, which has already disrupted progress in achieving the current business plan. The cumulative impact on staff from the intense work required to maintain services cannot be understated. b) Uncertainties due to the takeover by Biffa of some aspects of Viridor's contract with SWP (inc recycling centres) and Veolia's potential take-over of SUEZ. c) Central Government policy changes, in particular Extended Producer Responsibility, Deposit Return Scheme, and Collection Consistency.

	<p>d) Funding available to implement the Climate Emergency Strategy, to deliver SWP's ambitions on reuse and decarbonisation in particular, and funding that may be necessary once we better understand the post covid and post Brexit landscape.</p> <p>e) The Future of Local Government in Somerset, including resource pressures that this will inevitably bring to senior management in SWP and partners, and the uncertainty it may mean for staff.</p> <p>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 as part of the business planning process.</p>
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1. Background

- 1.1. In normal circumstances the Board is required to approve a draft business plan annually. The plan is rolling five year plan reflecting current priorities, risks, issues and opportunities, updated to reflect where we have greater detail and also where factors (e.g. Covid or delays in clarity on national legislation) have resulted in changes to the anticipated timescale.
- 1.2. Producing an outline at this stage helps clarify priorities, identify potential service changes or programmes for inclusion and to direct officers to further develop ideas and/or prepare more information on any area it highlights. Feedback from the Board, Joint Waste Scrutiny Panel and other engagement then informs the development of a draft Business Plan. This draft will be presented to the Board in December for review. It remains our intention to seek to bring a final business plan (in the format requested by the new Somerset Council) to the Somerset Waste Board at the February 2023 meeting, to align with the Medium Term Financial Planning Process for the new authority. The LGR programme governance seeks to ensure the transition of all services to the new unitary council is as seamless as possible.

2. Proposed Approach

- 2.1. Many of the risks and opportunities underlying the 2022-27 Business Plan are still relevant: the focus on customer service after the disruption caused by Covid, the ongoing impacts of a national driver shortage, embedding recycle more, doing more on reuse, the ongoing pandemic (including how it impacts waste tonnages in the medium term), the pressure this has created on SWP, SUEZ and partner staff, and the move to a unitary authority. Tackling the climate emergency remains our top priority.

The delays in national legislation continue to be a frustration to SWP's ambitions to

do more – we are still actively seeking to be involved in national pilots of rolling out soft/flexible plastic trials, and want to roll out food waste to more communal properties for example. The waste and resources sector continues to see considerable corporate change – SUEZ UK are likely to be bought by either MacQuarrie or Suez France, Biffa may be sold, and we are still bedding in from changes at Viridor. Financial constraints will make it more challenging in the short term, for example making it harder to justify investments in decarbonising our operations. The transition to a unitary council will require considerable focus after vesting day – we expect to have new enforcement powers in place (for the first time ever) and this will add to our ability to deliver environmental outcomes, we will work closely with customer service colleagues as the crucial ICT systems underpinning all our customer contact may be updated, and we will need to explore synergies (for example with streetscene services. The cost of living crisis will make things hard for our residents and impact on us in various ways – reductions in consumption might result in lower levels of waste, but garden waste subscriptions may fall as people seek to reduce expenditure. The cost of living crisis makes supporting reuse and encouraging waste reduction even more important. We will also need to be realistic about what can be achieved given the capacity and financial constraints we will face.

2.2. Key issues which will inform the 2023-28 Business Plan are:

Political	Geopolitical impacts: The conflict in Ukraine and the ongoing impact of Brexit is likely to continue to have indirect impacts on SWP
	National legislative change: The Government has still not finalised its approach on Deposit Return Schemes and collection consistency (inc. the potential for free garden waste and possible minimum service standards). It has clarified its approach on Extended Producer Responsibility but the operational and financial impacts on SWP are still not clear.
	Future of Local Government in Somerset: The transition to a unitary and the transformation required after vesting date creates opportunities but also risks, especially in relation to capacity.
Economic	Financial pressure: The financial environment challenges on local authorities are particularly acute, especially with inflation running at very high levels. These pressures also create commercial pressures on our contractors.
	National Driver shortage: The national challenges are unlikely to go away overnight and there is a real risk of pay inflation and further future shortages.
	Recyclate risk: SWP share risk with its collection contractor on recyclate value. This will directly impact upon the SW:EEP fund and hence the money we have to drive behavioural change
	Cost of living crisis/recession: The national economic outlook remains uncertain. Periods of recession typically see lower levels of waste as a result of lower consumption, however, the past may not be a reliable guide to the future given the uncertain impact of Covid-19.

Social	Demographic changes: Somerset’s growing and ageing population inform our planning for the future. Somerset has historically benefited from near full employment, which makes recruitment more challenging.
	Aftermath of Covid-19: We are not yet clear which changes will be permanent and what will revert back more to pre-pandemic conditions e.g. how much home working will remain the norm and what will this do to waste generated at home.
Technological	Social media: Increasing use of social media presents an opportunity to reach more people but raises expectations about speed of response.
	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.
Environmental	Somerset’s Climate and Ecological Emergency: This remains at the heart of what SWP is here to do and what motivates all our staff. However, our ability to implement 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. We need to continue to do all we can to ensure people know what happens to their recycling and hence builds trust.

2.3. The rolling five-year business plan is always an iteration from the previous business plan, so likely areas of change are highlighted below:

<i>Current Theme</i>	Possible changes in 2023-28 Business Plan
Waste reduction	<ul style="list-style-type: none"> • Greater focus on food waste given its contribution to the cost of living crisis • Launch online resource to promote zero waste shops in Somerset
Promoting Reuse	<ul style="list-style-type: none"> • Launch Community Action Groups (subject to confirmation of SWEEP funding) • Full review of how we handle and promote reuse, including the viability of additional reuse shops at Recycling Sites’ • Develop proposals to divert bulky waste collection to reuse • Next stage of Fixy after expiration of funding period
Increasing Recycling	<ul style="list-style-type: none"> • Seek funding to launch trial of soft/flexible plastics collection in Somerset • Focus on hard to treat materials at HWRCs (inc. UPVC and other hard plastics and mattresses) • Plan for roll-out of communal food waste collections (national funding dependent) • Embed waste/resources in new planning

	<p>policy/practice for Somerset Council</p> <ul style="list-style-type: none"> • Launch online A-Z recycling guide
Decarbonising our operations	<ul style="list-style-type: none"> • Extraction of plastics and other high calorific materials from residual waste • Roll-out alternative fuel (HVO) dependent upon business case and funding • Prepare for partial re-fleet
Tackling non-household waste	<ul style="list-style-type: none"> • Continue with current priority areas which have been delayed due to delays in national legislation, local government reorganisation and capacity constraints. Our action in these areas is always dependent on working in partnership with others
Working with others	<ul style="list-style-type: none"> • Focus on Local Community Networks and engagement with contractor staff given potential changes in ownership • Review Schools Against Waste and how we can further enhance education offer
Improving the customer experience	<ul style="list-style-type: none"> • Activity in this area will be largely as per the previous business plan, noting that a new council will require us to update website content, may require a new CRM system, we will have new enforcement powers, and we will continue to focus on using our data more effectively.
Supporting wider goals in Somerset	<ul style="list-style-type: none"> • Activity in this area will be largely as per the previous business plan, noting that achieving the efficiencies and opportunities from the new council will be our priority
Enabling activities	<ul style="list-style-type: none"> • Contract review and service changes may result from national policy, which we still await. • Transformational activity related to the new authority will continue after vesting day

3. Consultations Undertaken

3.1. Verbal feedback will be provided to the Board on views from the Joint Waste Scrutiny Panel. Further consultation with partners, including through the LGR programme, will take place over the Autumn. The normal process of formal partner consultation will not be followed this year as partners will not exist following Local Government Reorganisation.

4. Background papers

4.1. SWB Business Plan 2022 – 27 (as agreed by the Board in February 2022)