

## Somerset Waste Partnership Business Plan 2023 - 2028

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<b>Forward Plan Reference:</b>	<i>FP/22/06/02</i>
<b>Summary:</b>	The draft Business Plan for partner consultation was approved by the Somerset Waste Board (SWB) on 9 <sup>th</sup> December 2022. This report updates the board on revisions to the plan, updating on soft plastics and HVO, ensuring it is aligned with the new Council Plan, and seeks approval to the final Business Plan 2023-28.
<b>Recommendations:</b>	<b>The Joint Waste Scrutiny Panel considers and comments on the following recommendations in this report.</b>  <b>The board notes and approves the draft Somerset Waste Partnership Business Plan 2023-28, noting that the format and approach to business planning may change in Somerset Council.</b>
<b>Reasons for recommendations:</b>	Approval is required to set a clear mandate for SWP activities for the period and is a constitutional requirement. The approach to reflect local government reorganisation has been previously agreed by the Board.
<b>Links to Priorities and Impact on Annual Business Plan:</b>	The annual Business Plan sets key aims and priorities for Somerset Waste Partnership for the next 5 years, with a particular focus on the coming year. It may be revised if this is necessary to align with the Somerset Council County Plan.
<b>Financial, Legal and HR Implications:</b>	Many actions within the business plan will require specialist input, including financial, legal, HR and procurement advice. Where actions (e.g. related to climate change) are not currently funded they are clearly identified in the business plan. The business plan reflects the MTFP savings being considered by Somerset County Council (as the continuing authority) in February 2023.

<p><b>Equalities Implications:</b></p>	<p>Some actions in the business plan relate to the implementation of decisions already taken by the board, and Equalities Impact Assessments (EIAs) were undertaken at the time, others relate to future actions, and EIAs will be carried out as appropriate at the time. In most cases the decision to proceed based on the outcome of the impact assessment will be delegated to SWP's Managing Director, unless the implications identified mean that the decision to proceed should return to the Board.</p>
<p><b>Risk Assessment:</b></p>	<p>Failure to approve a Business Plan will impact on the ability of the SWP to effectively deliver the board's vision. There is a risk that the Business Plan may be affected by:</p> <ul style="list-style-type: none"> <li>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.</li> <li>b) Uncertainties due to the takeover by Biffa of some aspects of Viridor's contract with SWP (inc recycling centres), the potential takeover of Biffa and the recent take-over of SUEZ.</li> <li>c) Central Government policy changes, in particular Extended Producer Responsibility, Deposit Return Scheme, Collection Consistency and charging at HWRCs.</li> <li>d) The recession and its impact on both public behaviour and Local Authority funding, in particular to deliver SWP's ambitions on reuse and decarbonisation in particular.</li> <li>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.</li> </ul> <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>

## 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. The process of review is continuous, but it contains a snapshot of where we are now, the things that have a major impact on us, resources/budget, and our priorities. This is the final SWP Business Plan and is aligned with the new Somerset Council Plan and priorities.

## 1.2. Deposit Return Scheme

On 20 January 2023 the Government published their response on Deposit Return Schemes (DRS) setting out how they intend it to work. Key points of the proposals are:

- **Timetable:** DRS regulation will be laid in 2023, a not-for-profit Deposit Management Organisation (DMO) will be created by Govt by Summer 2024 with the DRS to start 1st October 2025. Gap between start of EPR and start of DRS. Producers of DRS packaging will not have EPR payments to cover costs of DRS materials placed into residual waste streams (kerbside or litter bins). We and many others pushed for LA role (esp. given very different issues in rural areas compared to urban ones) but this isn't a feature of the proposals. The DMO will be funded by selling the materials, producer registration fees and unredeemed deposits.
- **What's included:** DRS will be an 'all in' type scheme covering plastic (PET) and Steel and Aluminium beverage cans up to 3 litres in volume. Glass will not be included in England or Northern Ireland but will be included in Wales and Scotland. Multi-packs are included. Things drunk inside pubs, cafes and restaurants don't need the deposit. Not taking glass as Defra feel this will add increased handling costs and equipment complexity (and concerns that what they collect will be worse quality than how we collect it at the kerbside). These are materials that go in the bright blue bag in Somerset and are not sorted at the kerbside.
- **Deposits:** No deposit level established yet (which may vary by size, material type and multi-packs). It will be for the DMO, once appointed to set the deposit level on each container. Govt will however set a maximum. No decision yet by Govt on whether VAT will apply on DRS deposits. Mandatory marking of bottles and cans that they are in the DRS (inc. some sort of barcode/QR code)
- **Expected impact:** Govt expect DRS to increase capture of in scope packaging from 70% to 90% within 3 years of scheme launch. Govt expect littering of in-scope packaging to decrease by 85% after scheme launch. Penalties on the DMO if they don't reach this level.
- **Return points:** All retailers will be obliged to host a DRS return point (subject to exemptions made through the DMO – if there's one nearby or if it's unsafe). DMO may also want to see return points outside retail areas (e.g. high footfall places such as transport interchanges). Reverse vending machines will be a permitted development right (no detail yet). Expectation that online retail offers takeback from day 1.
- **Enforcement:** EA will be regulator for the scheme but they will also place responsibility for monitoring and enforcing certain retailer obligations with local authorities through Trading Standards – expect it to be intelligence led working with DMO. Government envisage a payment from the DMO to the regulators to be made to cover the required regulatory activity, but unclear if that means to trading standards.
- **Impact on kerbside collection:** Local Authorities can redeem unclaimed

DRS packaging placed into kerbside recycling bins but only if we separate it (no real indication or acknowledgment how we are supposed to do this). Digital DRS still be trialled and researched (especially in Wales) but will not form part of DRS launch.

This should help tackle littering (though we'll need to collectively think about what it means for growing on-street recycling), but it will cost us – we will lose the revenue from this high value material and there is no corresponding efficiency in collection. Welsh research suggests each Local Authority could lose almost £100k. We will model the financial impact but must remember that we will likely be getting significant funding in from Extended Producer Responsibility on packaging – so we need to see these things in the round. We're disappointed there is no digital scheme, worried about the impact in rural areas, remain of the view that this won't capture more/better than we and other kerbside sort collection authorities do, but it will have a much more significant impact in urban areas with other collection systems/capture rates. The composition and participation analysis we're undertaking in the next few months should help us understand the picture better.

The DEFRA response is at: [Introducing a Deposit Return Scheme for drinks containers in England, Wales and Northern Ireland - government response \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/consultations/introducing-a-deposit-return-scheme-for-drinks-containers-in-england-wales-and-northern-ireland)

## **2. Options Considered and reasons for rejecting them**

- 2.1.** The SWP Business Plan is a constitutional requirement, and no other option is available. This will be Somerset Waste Partnership's final Business Plan before the establishment of the new Somerset Council.

## **3. Consultations**

- 3.1.** The draft Business Plan was taken to the Board in December 2022. As noted by the Board, the formal consultation process with partners has not happened this year, due to the Local Government Reorganisation process.

## **4. Updates on the Business Plan**

### **4.1. Pilot alternative fuels in our fleet**

Action 4.2 in the Business Plan sets out our plan to review alternative fuels. Following the trials that took place in 2022/23 on using Hydrogenated

Vegetable Oil in the fleet, it has been decided not to move to develop a business case for using these fuels at this stage. The paper taken to the Board in December 2022 outlined the additional costs (c.£1.2m per annum) which have not been budgeted for, or bid for, as well as the continuing uncertainty about the true environmental impact of using HVO as fuel, and the potential for indirect deforestation. We hope that further studies will be done by reputable bodies that can feed into any future considerations. In the meantime, we will continue to look at other options where opportunities arise.

#### **4.2. Other changes to the Business Plan**

Other minor changes to the Business Plan since the draft reflect:

- Joint work SWP is participating in to support the development of a food strategy
- Finalisation of our contract with Biffa meaning we can finally work with them on reuse at HWRCs
- Agreed funding for the Community Action Groups to support a growth in reuse
- Our success in securing a place on the national flexible plastics trial
- The need to review the business case on PV panels at two of our depots given price changes whilst we have been delayed in finalising this
- Our joint success (working with economic development colleagues) in securing funding for a Green Business Support pilot
- The need to review if and how we charge developers for costs associated with the bins and boxes for new housing, as many other authorities do
- Noting the work needed to be undertaken in relation to branding as we become part of Somerset Council and hence remove the separate identity of SWP in order to improve transparency and accountability

### **5. Implications**

- 5.1.** The SWP Business Plan is a constitutional requirement. Failure to approve the plan will result in difficulties as outlined above.

### **6. Background papers**

- 6.1.** SWP Business Plan 2023 - 2028 (Appendix A)

- 6.2.** Waste Board Constitution:

<http://www1.somerset.gov.uk/council/boards.asp?boardnum=32>