

## **SOMERSET WASTE BOARD**

Minutes of a Meeting of the Somerset Waste Board held in the Library meeting Room, Taunton Library, TA1 3XZ on Friday 20 December 2019 at 10.00 am

**Present:** Cllr Dyke, Cllr Gilling, Cllr Hewett, Cllr Martin, Cllr Mansell, Cllr Kerley Cllr Keen, Cllr Pullin, Cllr Lovelace and Cllr Woodman

**Other Members present:** Cllr Hassall (Chair of the Joint Waste Scrutiny Committee) and Munt

**Officers:** Scott Wooldridge, Mickey Green, Colin Mercer, Natalie Green, Sarah Rose and Andrew Randell.

### **1 Apologies** - Agenda Item 1

Apologies were received from Councillors Paul, Hall, Ronan and Smith-Roberts.

Councillor Pullin attended as a substitute for Councillor Paul.

Councillor Woodman attended as a substitute for Councillor Hall.

### **2 Declarations of Interest** - Agenda Item 2

An additional declaration was made by Councillor Pullin in relation to land previously sold by Somerset County Council referred to in agenda item 6.

### **3 Minutes from the meeting held on 27 September 2019** - Agenda Item 3

The minutes of the meeting were then confirmed as a correct record and were signed by the Chair.

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

Councillor Hassall made a statement as the Chair of the Joint Waste Scrutiny Committee commending work undertaken by the Waste Partnership and a recent site visit to the Avonmouth Energy Recycling Facility. Councillor Hassall gave his full support in the potential of exploring further the procurement of electric vans.

### **5 Slim my Waste Feed my Face** - Agenda Item 5

The report summarised the promotional campaign planned to increase participation in food waste recycling and capture more food waste – delivering significant environmental and financial benefits.

Reported that 26% of residual waste across the County was put in general waste. The food waste in our rubbish was a bigger cause of climate change than the plastic in our rubbish, this was costed at around £950k every year to Somerset taxpayers. By using a campaign successfully developed and implemented by Bristol Waste company we aim to increase the tonnage of food waste collected by 16%, saving £213k in total, and increase levels of food waste recycling participation.

This linked to the SWB Approved Business Plan 2019-24 setting out the services ambition to tackle food waste through a stickering and behaviour change campaign.

Turning food waste into energy and soil conditioner at the in-county anaerobic Digester was a much lower cost than disposing of food waste in landfill or through Energy from Waste. Through capturing more food waste, SWP expected that the Slim my Waste campaign would deliver financial savings of £105k in disposal costs in 2020/21 and a total saving of £213k up to 2022/23.

Costs associated with the campaign would cost £283,000 of which £118,000 covered the design and production of the materials (potentially lower subject of finalisation of procurements) and £126,000 would be paid for labour and fleet movements. SWP had secured £173,000 in match funding (including from Viridor, the Councils disposal partner) and £110,000 from Somerset County Council's Improving Lives to Prevent Demand Fund. The anticipated increased cost of food waste caddies/bins (£39k) were expected as more people started recycling their food waste would be funded from the Recycle More fund (as agreed with the Strategic management Group)

**Resolved** that the Board endorsed the proposed approach to driving higher levels of food waste recycling through the 'Slim my Waste, Feed my Face' behavioural change campaign being implemented across Somerset in early 2020.

## 6 **New Collection Contract Mobilisation Update** - Agenda Item 6

The Board agreed to exclude members of the press and public from any part of the meeting where exempt information relating to the consideration of the confidential appendices is to be disclosed, in accordance with the Local Authorities (Executive Arrangements) (Meetings and access to information) Regulations 2012 – Regulation 5.

Mickey Green presented the New Collection Contract Mobilisation Update, and provided a draft zoning map for members of the board.

The report summarised progress in mobilising the new collection contractor (SUEZ Recycling and Recovery UK) and the delivery of Recycle More. It updated the board on progress since the last Board meeting in September 2019, and what will be happening next. It included a commercially confidential appendix which summarised progress on the finalisation of the contract.

On 29 March 2019 in confidential session the Board decided upon SUEZ Recycling and Recovery UK as the preferred bidder, informed by the feedback and support from the Joint Waste Scrutiny Panel. The public announcement of SUEZ as the preferred bidder was made on 13 May 2019, with existing collection staff being the first to be told.

SUEZ will roll out our new collection service model (Recycle More) in phases. This will enable the public to recycle even more through the kerbside sort system, adding in the following materials to the weekly collection:

- Plastic pots, tubs and trays (including black plastic)
- Food and beverage cartons (e.g. TetraPaks)
- Small electrical equipment (e.g. a kettle or toaster)
- Household batteries

This was in addition to what can already be recycled every week – food, paper, glass, cans, aerosols, plastic bottles, cardboard, foil, textiles and shoes. A 60litre weighted reusable sack would ensure residents had space for all their extra recycling. With so much more recycled each week, the frequency of residual waste will be reduced to every three weeks. This change was crucial to being able to respond to public demand to recycle more, to support the aim to see waste treated as a resource.

For communal properties (e.g. flats) additional materials that residents would be able to recycle each week would be cardboard and plastic bottles, pots, tubs and trays. This was in addition to the paper, glass, cans and aerosols they can already recycle. Over time the Waste Partnership would work in partnership with our new contractor to enable residents of communal properties to use the full range of kerbside services for recycling.

It was expected that this would take the recycling rate to around 60%, and reduce the amount of residual waste from around 480 kg/household to 418kg per household – with this residual waste being used to create Energy from Waste rather than going into landfill.

#### Debate

- A trial using the new vehicles that were recently tested would be scheduled.

- Emphasis was being placed on recycling in schools, it had been determined that a 60% recycling rate such as that achieved at recycling centres could be expected.
- Work was being undertaken in parallel to with the Support Services for Education.
- The new waste provider Suez would enable this to happen and take a more active role in supporting schools.
- It was acknowledged that this required behaviour changes and tackle contamination of recycling so that it's not treated as refuse.
- Members welcomed the report and the progress made.
- Members of the Board would be sent the zoning map following the meeting.

The Board **Resolved** to:-

1. Note the progress made in mobilising a new collection contract.
2. Agree the case for applying the exempt information provision as set out in the Local Government Act 1972, Schedule 12A and therefore to treat the attached confidential report and its appendices in confidence, as they contain commercially sensitive information, and as the case for the public interest in maintaining the exemption outweighs the public interest in disclosing that information.
3. exclude the press and public from the meeting for the consideration of the attached confidential report and its appendices where there is any discussion at the meeting regarding exempt or confidential information.
4. Note the progress set out in the confidential report.

## 7 **Performance Monitoring Report Q2 2019/20** - Agenda Item 7

Mickey Green provided a presentation setting out the performance monitoring report, quarter 2 2019/20.

As part of SWP's drive for continuous improvement, and as agreed at the September 2018 Board, a new format of performance report had been introduced. This ensured that each quarter, Board Members received an update on progress in delivering the business plan, key risks, health and safety, recycling metrics (including tonnage, percentage and national indicator suite), end use, missed collections, fly-tipping, financial performance (noting that a separate finance report was still provided) and communications/customers. Subject to the views of the board, the partnership would continue to improve how performance would be reported in the future to the board

The Key headlines were:

- **Business Plan:** Both the two major projects (moving away from landfill and Recycle More/mobilising a new collection contractor) were progressing well, though until hot commissioning of the new Energy from Waste plan was successfully completed there could not be certainty of the exact date at which the

service would move away from landfill, though there was confidence this would be in Spring 2020. Funding had been secured for a major food waste campaign. Whilst challenging, good progress was being made in implementing a new online Customer Relationship Management system (My Waste Services), though this remains a key risk area for the partnership.

- **Waste Minimisation:** Overall household arising was up by around 0.5% compared to the same quarter the previous year. A key driver for this was an increase in the level of garden waste collected, due to better weather leading to an improved growing season.
- **Recycling:** The recycling rate rose slightly to 54.96% (0.81% higher than the same quarter the previous year) with increases in garden waste, recycled street sweepings and non-packaging scrap metal.
- **End use:** SWP continued to see strong demand from UK based reprocessors for the high-quality materials collected. In Q2 55% stayed in Somerset and 90% in the UK. The popularity of the plastic pots, tubs and trays (and plastic bottle) banks at recycling centres continued to grow, with August being the highest month to date, with 25.64 tonnes collected. Market conditions for paper, card and textiles were challenging in the UK.
- **Missed collections:** Whilst there was an increase in missed collections in Q2, compared to Q1 (1.718 per 1,000 collections against 1.117 in Q1), Kier had taken a major strategic and operational decision and engaged a new maintenance provider in an attempt to address this problem. The partnership continued to work closely with Kier on addressing issues that should help mitigate issues

Key implications of the performance data were:

- Working with SUEZ (and Kier) to mobilise the new collection contract, including ensuring that a new fleet of vehicles were ready on day 1 of the new contract, and that depot development plans progressed well
- Continued focus on developing a new Customer Relationship Management system, My Waste Services, (incl. website changes and app), reflecting both the significant opportunity for better customer service that these system changes enable, and the complexity of the project
- Developing detailed communications plans to support the roll-out of Recycle More
- Ensuring the service remained on track to move away from landfill in Spring 2020
- Continuously reviewing and updating the risk register
- Planning to launch the 2018-19 End Use Register in mid-December 2019, including developing more effective ways of communicating what is an under-recognised success of SWP
- Responding to the expected further national consultations on resources and waste, maintaining SWP's influence at national level, refreshing the strategy and contributing to the County Climate Emergency Strategy/Plan (working with all partners)

- Ongoing work with Kier to manage service quality during the remainder of the contract, particularly over the winter months, where the service could be placed under particular pressure due to the likelihood of poor weather and the increase in tonnages post-Christmas
- Continue to closely monitor budgets and spend.

### Debate

- Due to a reluctance to engage along with other priorities of the service, it had been decided that the vegware trial would not be extended.
- A review of anaerobic digestion would commence, this would include benchmarking of facilities elsewhere and could provide opportunity for potential savings through the contract review, it was likely that the review would not be concluded before the next meeting in February.
- Garden Waste had experienced a lower subscription rate. Anticipated growth in subscriptions was less than thought, the service had been promoted since 2007.
- The change of growth could be expected with 20% of residents taking up the service, maximising the number of customers for the provision.

The Somerset Waste Board noted the performance results in the Second Quarter Performance Management Report

## 8 **Draft Business Plan 2020-25** - Agenda Item 8

The plan is rolling five-year plan and therefore the 2020-25 plan included some items already highlighted within the current plan, updated as necessary. The draft was presented to the Board for them to approve as the basis for partner consultation. Following the period of consultation, a final draft of the Business Plan would be brought to the February board meeting for approval.

The process of review was continuous, but the Business Plan contained a snapshot of the current stage, the areas that resulted in a major impact on the service, resources available, summary of the budget and priority work areas. Progress against the current business plan is reported to the board at each quarterly meeting through the Performance Report. The Board would receive a report at each meeting updating them on progress with mobilising the new collection contract and implementing Recycle More. The work involved in preparing for the new contractor and successful implementation of Recycle More remained the highest priority area within the Business Plan, as it had been in previous years.

The Board is almost exclusively funded from contributions from partners and, apart from one-off funding bids, had no automatic block grant from Central Government or any general reserves. It was therefore dependent on agreement

between partners on the level of funding provided by each of them in line with the cost sharing formula. Business planning and budget setting were part of the same process and timetable.

The Board had delegated authority for decision making across all services and must make proposals to the partners on how savings can be made, taking into account any requirements to make savings and proposals on how this can be achieved.

Under the terms of the Inter Authority Agreement, the Board could not make a decision that had an adverse financial implication on any partner without that partner's agreement. Recognising the need for partners to make difficult savings decisions, the Board did have discretion to determine how any savings targets handed down could be delivered, provided all partners sign up through approval of the draft plan.

As agreed by the Board in September 2019, SWP was also developing a Waste Management Strategy to set out a long-term framework for resource efficiency and waste management for domestic waste in Somerset for the next 31 years (to 2050). The next stage of consultations from national government on major policy changes (such as Extended Producer Responsibility, Deposit Return Schemes, Consistency in collections) was not expected until Spring 2019, and this would delay SWP's timetable for developing its long-term strategy, as it is necessary for Somerset's strategy to be informed by national strategy (as well as other key local issues, such as the climate emergency strategy).

The Draft Business Plan was duly considered by the Somerset Waste Board and the following points raised:-

### Debate

- Additions of energy generation from waste in addition to piloting zero carbon collection vehicles were commended.
- Exploring additional potential in reuse shops was encouraged, this worked well in other services and tied in with climate ambitions.
- More focus on enforcement services was suggested with instances of rubbish on the street and attracting vermin to be resolved as swiftly as possible due to the public health risk and perception.
- The enforcement policy would be considered as part of the new contract. Legislation and the enforcement policy had proved difficult to pursue in the past.
- Environmental health teams across all districts were worked closely with to ensure issues are resolved to identify what is the most appropriate enforcement act to take.

The Somerset Waste Board **Resolved** to approve the Draft Business Plan for partner authority consultation.

## 9 **Draft Annual Budget 2020-2021**- Agenda Item 9

Sarah Rose introduced the item and presented a summary of the budget highlights.

The Annual Budget for 2019/2020 was originally set at the Board meeting of 15 February 2019 at £46,243,485. The budget stood at £46,031,055. This was as a result of the agreed movement of the vehicle lease monies at the Board meeting on 28 June 2019 of £262,430 to the Recycle More project fund and the additional SCC carry forward of £50,000 for Slim my Waste Feed my Face. Partners contributed to the overall costs in accordance with the Cost Sharing Agreement. Individual contributions were based on key cost drivers such as household numbers, sparsity and garden waste customer numbers. As the waste disposal authority, all such costs were incurred by the County Council.

Overall, the end of October position set out that the Somerset Waste Partnership budget was forecast to be underspent by £1,302,000 (2.8% of the current budget). This was an improvement on to the previous position reported to the September Board, which were July figures and showed an underspend of £804,000. This did not include the Recycle More project work, which was funded from a separate project fund.

The waste collection position was £58,000 underspent, which was an improvement of £83,000 from the £25,000 overspend reported at the September Board. The main reason for this movement has been a reduction in the number of customers subscribing to the garden waste service (measured annually as at the end of September for contract payments). This amounts to an £85,000 saving on the budgeted costs of this service.

The waste disposal figure as at the end of October reported an underspend of £1,244,000 which is an improvement on the figures reported at the September Board of an underspend of £791,000.



The following County Council proposed savings were built in to the 2019/20 budget;

- £200k Waste HWRC contract extension.
- £225k Non-customer facing savings including volumes and a number of other small savings.

These savings had either been made or were on target to be achieved by the end of the financial year.

Inflation indices were not finalised until February's figures are published, and were be estimated to provide a final Annual Budget as usual. The latest tonnage trends available were used to set this budget.

However, most recent forecasts were:-

- Landfill Tax rates from 1 April 2020 have been confirmed by the Treasury as £94.15 per tonne This was an increase from £91.35 of 3.07% on the 2019/2020 rate. This has less of an impact as we are moving away from landfill.
- Contract inflation for disposal is based on a number of indices within the various disposal contracts. These are highly volatile, particularly the civil engineering ("Baxter") index, which is an industry standard and includes a significant fuel element. Indices for disposal run from February 2019 to February 2020 and are not published until March.
- Volume growth is based on projected household growth. The current assessment is 1.0% growth.
- The total additional budget required for the above pressures is £351,400 (landfill, inflation and volumes).
- There is an additional pressure for Avonmouth of £1,746,700. This is the reversal of the savings (pre-contract payments) which were taken early by SCC (reflecting the particularly acute budget pressures on SCC in recent years). Energy for Waste remains cheaper and more environmentally friendly than landfill.
- In addition, the County Council is requesting savings from the Somerset Waste Board of £361,100
  - £200,000 – Year 2 of the core services contract extension (previously agreed by the board in November 2018)
  - £20,000 - Fly-tipping compensatory scheme removal (ceasation of scheme agreed by the board in September)
  - £36,000 - Minimisation Cap (linked to core contract extension)
  - £105,100 – Slim my Waste, Feed my Face food campaign
- The standstill cost for the disposal budget was therefore £1,737,000, an increase of 6.17% on the original 2019/2020 budget.

## Debate

- Savings claimed back from the reduction in the use of landfill was reflected in the core budgeting.

The Somerset Waste Board **resolved**:-

- 1) To note the summary financial performance for 2019/2020 to date as contained in this report and how this will impact on the budgetary requirements for 2020/2021.
- 2) To approve a draft budget of £47,896,600 for 2020/21 for partner authority consultation, as set out in section 3.0, taking into account the potential savings requests from the County Council as set out in paragraph 3.2.

## 10 **Proposed Revisions to the Inter-Authority Agreement** - Agenda Item 10

Scott Wooldridge, the Monitoring Officer, presented the report and set out the proposed revisions to the Waste Partnership's Inter-Authority Agreement necessary to align it with the new collection contract and the approach to the roll-out of Recycle More, as agreed in principle by the Board in September 2019.

There were several changes resulting from the new collection contract that required minor amendment to the IAA. Rolling out Recycle More required considerable up-front costs, and the Somerset Waste Board (SWB) agreed the principles of how this should be managed in September – this paper reflected these principles in a revised draft inter-authority agreement. Only those changes that were necessary to reflect the new collection contract and roll-out of Recycle More had been made.

The changes were determined necessary to deliver action 1.1. in the Business Plan 2019-24 (transition to a new collection contractor and service model).

A draft amended IAA was provided in Appendix 1. To aid board members in identifying the changes to the IAA, further details set out in the report highlighted what had changed in relation to the new contract and why.

Following the presentation of the report, there were no comments or questions from the waste board relating to the revisions.

**Resolved** that Somerset Waste Board agree the draft amended Inter-Authority Agreement (IAA) for partner consultation.

11 **Somerset Waste Board Forward Plan** - Agenda Item 11

The Board considered and discussed its Forward Work Plan of future agenda items and reports for the meeting scheduled on 14<sup>th</sup> February 2020.

12 **Information Sheets Issued Since the Last Meeting** - Agenda Item 12

There were none.

13 **Any other urgent items of business** - Agenda Item 13

There were no other items of business. The Chair thanked all members of staff at the Somerset Waste Partnership in 2019 and on behalf of the board, wished them a Merry Christmas.

**(The meeting ended at 11.30 am)**

**CHAIRMAN**