

Somerset Waste Board meeting
June 2022
Report for information

Performance Report Quarter 4 – January 2022 to March 2022

Lead Officer: Mickey Green, Managing Director

Author: John Helps, Performance & Insight Officer

Contact Details: 01823 625705

Forward Plan Reference:	08.06.22
Summary:	This 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. A verbal update will be provided to the board on the stability of collection services and on the transfer of some of Viridor's operations to Biffa.
Recommendations:	That the Somerset Waste Board notes the performance results in the Fourth Quarter 2021-22 Performance Report.
Reasons for recommendations:	Report for information only. Whilst this report sets out specific actions being taken to address areas of concern; the business plan sets out how we focus on improving performance.
Links to Priorities and Impact on Annual Business Plan:	Transparency – Publishing Key Performance Indicators
Financial, Legal and HR Implications:	No direct financial, legal or HR implications.
Equalities Implications:	No equalities implications
Risk Assessment:	Areas of poor performance inform our overall risk assessment. A summary of risk is now included within each quarterly performance report, showing our top risks, new risks, changes in risks and mitigating actions.

1. Background

1.1. As part of the Somerset Waste Partnership's drive for continuous improvement, this report ensures that each quarter, Board Members receive an update on progress in delivering the Business Plan and on all key aspects of what SWP does and hence how well it is delivering its vision and outcomes. Subject to the views of the board, we will continue to improve how we report performance to the board. In June SWP reported on Energy From Waste environmental metrics for the first time, and have taken on board feedback from the discussion at the Board to incrementally improve the transparency of this reporting.

2. Summary

2.1. Key headlines are:

- **Business Plan:** The roll-out of the final phase of Recycle More began on 28th February in Somerset West and Taunton (old West Somerset area) and Sedgemoor.
- **Waste Minimisation:** Overall household arisings (inc. kerbside and recycling centres) were up by over 9,864 tonnes, or 3.85% compared to 2019-20 (i.e. pre-covid and Recycle More). This equates to a gain of 22.20kg/hh for household arisings; whilst ideally we would like to see arisings falling this is a positive result of a gain of 44.48kg/hh for household recycling and a reduction of 22.28kg/hh for household residual. Recycling increased by almost 11,200 tonnes at the kerbside, and over 2,600 tonnes at recycling sites. Kerbside collected residual waste reduced by 8,500 tonnes, but there was an increase in residual waste at recycling sites of almost 4,560 tonnes, of which circa 3,340 tonnes related to an increase of low grade timber, rather than necessarily being displaced residual waste from the kerbside bin.
- **Recycling:** Our 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. This continues to show the benefit of Recycle More across Somerset, with further improvements expected to be seen across 2022-23, when we'll have a full year of Recycle More and with additional gains still to come once communal roll-outs are also completed.
- **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. However, it has recently come to light that Biffa may have incorrectly reported the destinations of some materials for part of last year and are now working to establish the correct information. It is likely though that some mixed paper and cardboard was sent abroad, both within and outside of the EU, with plastic remaining now remaining in the UK. This will be

materials only from Recycling Sites.

- **Missed collections:** We saw a small decrease in missed collections in Q4, compared to Q3 (1.247 per 1,000 collections against 1.396 in Q3). However, following the roll-out of the final phase of Recycle More at the end of February, there was a significant increase in missed collections across all service areas, but mainly affecting recycling collections. However, the numbers began to reduce again into the early part of Q1 2022-23, returning to more acceptable levels as service and round changes began to bed in. This measure only records reported missed collections where collections should have been made and do not include, 'dropped' or 'incompleted' rounds. The levels of missed collections continue to be one of our main areas of focus with SUEZ, particularly those affecting assisted collections.

Time and resources continue to be devoted to ensuring significant service failures are less likely to happen in future, as SUEZ shows improvement in the short term and missed collections reduce even further. As the Board are aware, SWP have issued SUEZ with a Service Breakdown Warning Notice and remain in contractual/commercial conversations with them – though our focus has been on working in partnership with them to stabilise services.

A verbal update will be given at the Board on the current position and on work ongoing to further reduce levels.

- **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. Additionally, the risk of recyclate being dumped inappropriately has decreased as we are now exporting very little.

2.2 Consultation on preventing charges to householders for the disposal of DIY waste at household waste recycling centres

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 believes their current policy is clear, that householders should not be charged to dispose of DIY waste at household waste recycling centres and they propose that construction waste should be considered DIY waste and thereby classified as household waste by the 2012 Controlled Waste Regulations when it meets certain criteria;

- a) The construction waste is produced by householders whilst carrying out construction works themselves at their home. Construction is defined in the 2012 Regulations as including improvement, repair or alteration.
- b) The construction waste is not produced as a result of commercial activities or by a commercial contractor charging for work in a domestic premises.

- c) The construction waste is of a volume, which is no greater than 300L (based on the approximate boot size of a family car).
- d) The construction waste is not produced on a regular basis requiring HWRC visits more frequently than once a week.

The proposed criteria are intended to allow householders to deposit DIY waste for free (as it should be treated as household waste) but for local authorities to still be able to charge for other construction waste, which is classified as industrial waste. For example, if a householder brought more than 300L of construction waste to the HWRC or brought 300L of construction waste to the HWRC on a regular basis, it would not be DIY waste and could be charged for. Equally, if a tradesperson brought any amount of construction waste, it would still be industrial waste. To adopt such an approach would create a significant additional administrative cost burden for SWP & its contractors.

It is believed that the range of materials the Government wish to see received for free at the household waste recycling centres includes hardcore, rubble & plasterboard, all of which Somerset has applied a charge to since 2011, in line with the currently drafted Controlled Waste Regulations, where such waste (including DIY) is defined as Industrial Waste. At this stage it is not clear whether asbestos is included within the Government intentions. Should Government ultimately decide to implement their intended change in legislative meaning for DIY waste, this would result in loss of income for Somerset County Council of circa £130,000 per annum, at current tonnage levels, but potentially increased by a factor of 4 should we see a return to pre 2011 tonnage levels of such waste at the sites.

Whilst the suggested change in legislative meaning would have a clear financial impact on the Council's budgetary position, in theory the New Burdens Doctrine (NBD) would ensure that the local government sector would get the support it needed as a result of such a change.

Unfortunately, at this stage, Department for Levelling Up Housing and Communities (DLUHC) Ministers have decided to waive the NBD in relation to the DIY waste disposal proposal because this policy will ensure householders can dispose of DIY waste free of charge. It is suggested that this would support the government's wider strategy on environmental protection as it will remove a financial disincentive to dispose of waste properly. DLUHC has therefore decided that LAs, which currently charge householders to dispose of DIY waste, will be required to absorb any associated costs.

The NBD is government guidance. DLUHC Ministers have the right to deviate from government guidance if there is a good reason.

It is further suggested that amending the legislation will help ensure DIY waste is disposed of properly, reducing the risk of waste, such as plasterboard, being placed in residual waste bins. It is suggested it will also reduce the potential risk of fly-tipping, littering and backyard burning, creating additional costs for local

authorities and causes environmental issues. However, as reported on many occasions to the Board, we do not see a link between the charges we impose to the frequency & number of fly tipping incidents, this further supported by a report published in June 2021 by WRAP that concluded "This research found no evidence of an association between fly-tipping and charging at HWRCs. While a regression model cannot prove or disprove the existence of a causal relationship, if such a relationship does exist it is likely to be weak, as no difference in outcomes can be predicted based upon the data currently available."

A response to this technical consultation will be supplied on behalf of the Board, following discussion with the Senior Management Group. We are also supporting a response on behalf of ADEPT. The consultation deadline is 4th July 2022.

2.3 Government response to the final consultation on Extended Producer Responsibility for Packaging (EPR)

Government published its response to the final consultation on Extended Producer Responsibility for Packaging (EPR) on 26 March. This means that from 2024, producers will be responsible for paying for the collection and disposal of their packaging products in household waste and litter bins, but not litter on the ground. Business waste will not be included initially. A national Scheme Administrator will be introduced, responsible for collecting funds from producers and allocating and making payments to Local Authorities. The first payments will be made in April 2024 based on modelled costs, with funding confirmed in late 2023. £1.2billion of funding is expected to flow to local authorities nationally from 2024 as a result of EPR but we do not yet know what this means for Somerset's funding. Modulated fees based on packaging recyclability will be introduced in 2025, which means that producers will pay more for non-recyclable or difficult to recycle packaging, and mandatory labelling is to be introduced to ensure consumers know whether the packaging item is recyclable or not. All Local Authorities and businesses will be required to collect plastic films by end-March 2027.

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. Although this response is welcome and helps provide further details, until we receive the responses for Consistency and DRS (though we now know this will not include glass), it is difficult to see the full picture e.g., standards and frequency of collection.

2.4 Corporate changes to our contractors

Viridor/Biffa: As updated to the Board in December, following the announcement on the 21 May 2021, that part of Viridor's business was to be 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.

Viridor proposed to retain those services provided under the New Waste Treatment Facility Contract (NWTF2) including the provision of Avonmouth Energy from Waste plant (EfW), and the two in county Waste Transfer Stations (Dimmer & Walpole). The services currently provided through the Core Services Contract (Recycling Sites, Compost Sites, Walpole Anaerobic Digester & closed landfill management) is still expected to transfer to Biffa. However, since the December Board, KKR have also sold Viridor's landfill operation (including Walpole Landfill) to Valencia Waste Management Ltd – this has resulted in further delay in publishing the planned VEAT notice & subsequent novation of the Core Services Contract to Biffa, due in the main to the need for additional due diligence checks to be carried out.

KKR's partial sale of the Viridor business to both Biffa & Valencia does not involve the sale of any SWP assets, nor does it change the service levels required under our contracts or have any cost implications. However, some service levels provided under the Core Services Contract have noticeably deteriorated over the past few months and work is ongoing with Biffa to bring the standards of operational and data provision back to that expected. For example, once the contract novation completes, we will have the same level of control on the destination of SWP recyclable material as exists under the Collection Contract held with Suez. SWP have taken on external legal advisors to support us in the process and ensure that the process does not expose SWP to any undue risk. Despite the additional legal complexity that the sale of the landfill operation to Valencia Waste Management Ltd has created, it is expected that a VEAT notice will be issued shortly. Once the transfer to Biffa is complete SWP will have no contractual relationship with Valencia.

2.5 Suez/Veolia: 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.

And, subject to further discussion, it is possible that Veolia will be required to either sell off Suez UK or even sell Veolia UK to ensure there is sufficient competition in the UK's waste and recycling marketplace. They will continue to operate under the SUEZ name and brand and to trade as SUEZ an independent UK company whilst the CMA investigations are ongoing. Contractual agreements remain unchanged by the investigations, and we are assured by SUEZ, that service delivery will remain a central focus for the SUEZ team

Fixy - bringing repair and reuse of electricals and electronics to communities across Somerset

Our 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), (see Figure. 1), is travelling the county supporting repair cafes and

groups with tools and portable appliance (PAT) testing. It will also host pop-up events and provide information, visit businesses and schools, and take donations of broken or unwanted smart tech for repair to pass on to those in need. The van will be driven by a Community Repair Coordinator (Rob Hookway) and we are working with Repair Cafes and similar groups to develop an itinerary for the coming months. The van was unveiled on Somerset Day and its first public event was the Eat Festival in Taunton Saturday 14 May where public engagement was very positive.

As well as providing practical support, promoting community-led activities and engaging new audiences, Fixy will encourage more volunteers into this field and seek to support expansion of existing groups. We appreciate that data security is a concern and can stop people offering devices for repair, reuse or recycling. Through our partnership with Donate-IT we can offer a collection point for unwanted tech items and ensure that these are securely data wiped before being refurbished and donated to those in need.

Recycling is great, but repair and reuse is even better. It's easy, saves money and helps save the planet. This is about loving your stuff for longer - if it has a plug or takes batteries, Fixy wants to give it new life. The project is being delivered in partnership with Resource Futures with grant funding from Ecosurety Exploration Fund. We have also partnered with local company Donate-IT CIC which collects, refurbishes and distributes tech like laptops and smart phones to people, schools and groups in need.

Fixy will be active between May and December this year. If it is successful, we will consider continuing it and expanding it to cover broader repair and reuse (subject to a business case and the availability of budget or new sources of grant-funding).

3. Consultations Undertaken

- 3.1.** Consultation on findings in this report have been undertaken with SWP's Senior Management Group (officer representatives from partner authorities) and with SWP's Senior Management Team.

4. Implications

- 4.1** Key implications of the performance data are:
- Ongoing work with SUEZ to continue to improve service quality, with a particular focus on how they reduce repeat missed collections and improve their complaint handling.
 - The commercial pressures on SUEZ from responding to the issues also place them under financial stress on this contract and contractual discussions are ongoing between SWP and SUEZ.

- Continued further development of our new Customer Relationship Management system, My Waste Services, (incl. website changes, app and a new chatbot), reflecting the significant opportunity for better customer service that these system changes will enable, and ongoing work to deal with issues, as they come to light.
- Continuing to influence national policy on resources and waste, maintaining Somerset Waste Partnership's influence at this level, and implementing the actions we have agreed through the joint County-wide Climate Emergency Strategy/Plan (where funding permits us to do so).
- Robustly managing our new relationships with Viridor and Biffa to ensure that there is no degradation in service or other adverse impact on SWP.
- Continue to understand progress with the SUEZ/Veolia transaction, noting that until it concludes its review by the Competition and Markets Authority there is limited opportunity for SWP to understand any potential implications for Somerset.
- Continue to closely monitor budgets and spend, seek opportunities for external funding (especially for our climate emergency projects).

5. Background papers

5.1. Performance Monitoring Report Q4 2021-22 (Appendix 1)



Figure 1: Fixy van