

SCRUTINY BOARD

Agenda Item: 10

Ward: All

Portfolio: Neighbourhood Services

FROM: Cllr Josh Burr – Portfolio Holder for Neighbourhood Services **Date: 25th January 2021**

SUBJECT: **Somerset Waste Partnership Draft Business Plan 2021 – 2026, Draft 2021/22 Budget**

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Report Sign off	Seen by:	Name	Date
	Chief Executive/ Deputy Chief Executive(s)	Tracy Aarons	21.12.2020
	Legal	Lesley Dolan	21.12.2020
	Finance	Richard Bates	18.12.2020
	Group Manager	Haylee Wilkins	10.12.2020
	Portfolio Holder	Cllr Josh Burr	21.12.2020
	Ward Member(s)	Cllr Matt Martin (Waste Board Member) Cllr Tom Ronan (Waste Board Member)	21.12.2020 21.12.2020
Summary:	<p>This report seeks a decision from the Cabinet on the Somerset Waste Partnership's Draft Business Plan 2021-2026. The plan provides a framework within which the Somerset Waste Board (SWB) can make decisions and steer the delivery of waste partnership services.</p> <p>It also seeks approval of the draft budget for 2021/22 and approval of the delegation of enforcement powers . The draft Business Plan and draft 2021/22 budget were approved for consultation with partners by Somerset Waste Board in December 2020. These documents will then be considered, along with any responses from partners, at the Waste Board's meeting in February 2021.</p> <p>The draft Business Plan is attached as Appendix A.</p>		
Recommendation:	<p>Scrutiny is recommended to:</p> <ol style="list-style-type: none">1. Approve the draft Business Plan 2021-2026 and the annual budget 2021-22 noted as Appendix 1, for onward agreement of Cabinet.2. Note the changes to how garden waste payments will be processed in 2021, as agreed by the Somerset Waste Board, recognising that Mendip District Council already follows this process, however, other Somerset Districts will onboard.3. Approve the renewal of the delegation of powers to SWP subject to		

	confirmation from the appropriate Officer(s) that SWP's Advice, Support & Enforcement Policy to be provided in due course is compliant with the constitution and legislation to delegate such power. The appropriate Officer is authorised to approve this delegation.
Direct and/or indirect impact on service delivery to our customers and communities:	The waste service is of paramount importance to our communities and it is essential that it is successfully delivered, at the same time as acting as a leader of change and tackling known enviro-crime within the district wherever possible.
Contribution to Corporate Priorities:	The Somerset Waste Business Plan directly contributes to each of the Councils corporate priorities: Make Mendip a fairer place Deliver on our climate and ecological commitment Protect and enhance our towns and rural communities.
Legal Implications:	Assessment and management of any legal implications associated with items within the business plan will be managed through regular discussion and engagement with the Council. Additionally, the noted delegations, allow SWP to be compliant with the Council's constitution when acting on enviro crime.
Financial Implications:	The annual budget is set out on the final page of the Draft Business Plan (appendix 1) and summarised in the table on page 6.
Climate Change Risks and Opportunities:	The Business Plan contains a key outcome of 'Tackling Climate Change' under which the actions contained in the plan all contribute towards tackling "greenhouse gas emissions" from our own estate and operations including the wider carbon implications. The Climate Change impact assessment can be found in Appendix 3.
Impact on Service Plans:	The SWP business plan outcomes are cited and monitored within the Neighbourhood Services Operational Plan. They are expected to be delivered within existing resource.
Crime and Disorder Implications:	There are no expected implications in this area.
Equalities Implications:	Many of the actions in the business plan relate to the implementation of decisions already taken by the Somerset Waste Board and Equalities Impact Assessments were undertaken at the time. EIA's will be carried out as appropriate as future review and actions arise. The decision to carry out an EIA in most cases will be delegated to the SWP's Managing Director, or if significant, then they will be returned to the Somerset Waste Board prior to commencing development.

**Risk Assessment
and Adverse
Impact on
Corporate
Actions:**

There are no expected implications in this area.

BACKGROUND

The Somerset Waste Partnership (SWP) is responsible for providing waste and recycling services on behalf of all five local authorities in Somerset. The partnership is governed through a Joint Committee known as the Somerset Waste Board (SWB). Mendip District Council representatives on the Board are Cllr Tom Ronan and Cllr Matt Martin. Mendip District Council also has two representatives on the Joint Waste Scrutiny Panel are Cllr Michael Dunk (vice-chair) and a further member to be confirmed in due course.

The SWB Constitution requires the preparation of a Business Plan on an annual basis. The plan has a five year horizon with particular focus on the next 12 months, and it provides a framework within which the Board can make decisions and steer the delivery of waste partnership services. The Board has delegated authority for decision making across all services and therefore 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.

The Board's business planning cycle requires draft report approval by the Board in December and consideration by partner authorities in January/February. Once approved or noted by all partners, the plan will be formally adopted by the Board at their February meeting to provide a framework within which the Board makes decisions and steers delivery of Waste Partnership services.

The update of the business plan focusses on the progress that has been made, and continues to be made, following the procurement of a new collections contractor, the change in waste disposal methodology from landfill to an energy from waste facility; and the implementation of Recycle More, which to date has been a success in Mendip with later transitions to other Somerset Authorities planned in 2021 and 2022. A verbal update / presentation will be made on this aspect of the business by the SWP Managing Director.

The Somerset Waste Board is required to annually approve a rolling five-year business plan and this report seeks approval to the draft business plan.

It also seeks to provide information about delegations that SWP will be seeking from partner authorities to underpin their enforcement capabilities. See Appendix 1 - SWP Advice, Support and Enforcement Policy - seeking delegation of ancillary powers from the district councils.

ANNUAL BUSINESS PLAN

This report introduces the SWP business plan, which is attached at Appendix 1. The plan focusses on delivering the following main outcomes:

- Delivering excellent services
- Changing behaviours
- Tackling climate change

These are delivered by the following areas of activity, with the business plan setting out the specific actions under each area;

- Waste reduction
- Promoting Reuse
- Recycling
- De-carbonising residual waste
- De-carbonising operations
- Tackling non-household waste
- Working with others
- Improving the customer experience
- Supporting wider goals in Somerset
- And, through enabling activities

The business plan also identifies the main challenges and key risks which may impact on the business plan delivery, these include:

- The ongoing impact of Covid-19
- Resource pressures on the SWP due to introducing 'Recycle More'
- Potential Central Government policy changes following on from the Resources and Waste strategy
- Brexit
- Funding and financial pressures on local authorities
- The future of local government in Somerset

The Somerset Waste Board agreed previously that the processing of garden waste payments should be centralised in Spring 2021 for all authorities, something which Mendip District Council undertook in the previous financial year in readiness for implementation of Recycle More. This will see other Somerset Districts join the new process and see the benefits associated with the change. The change ultimately enables year-round sign-up and is therefore likely to see an increase in take-up and hence income. The change will also retain the customer channels available at present (i.e. online via Mendip website or over the phone), whilst also enabling customers to sign up via the SWP website.

Section 151 officers have been consulted on the financial changes involved.

SWP are also refreshing the policy on Advice, Support and Enforcement (see Appendix 2) and look to overcome the technical issues currently existing, which means that the SWP are unable to issue fixed penalty notices. This is not indicating a change in approach of working with customers to change behaviours, but to offer the

alternative approach of being able to take enforcement action against the very small minority who persistently refuse to engage or cooperate with the service.

To enable this change to happen, the delegation of these powers by districts is needed. Following delegation of these powers the Somerset Waste Board will endorse an updated advice, Support and Enforcement Policy (previously agreed by the Board in 2015).

FINANCIAL IMPLICATIONS

The annual budget is set out on the final page of the Draft Business Plan (appendix 1) and summarised in the table below.

The table below shows the indicative budget requirements for 2021/2022.

The key drivers are:

- Inflation for the collection contract is 0.33% based on the basket of indices in the contract with Suez.
- Household growth is based on the latest estimates provided by the District partners. These will be amended for final budget to be taken to the February Board when actual figures are known. Members are reminded that each collection partner will be charged according to their individual district housing growth. The current estimate provided by Mendip is 0.64%
- Tonnages for recycling credits have been increased to reflect the 2019/20 levels but with no further growth applied as this will be attributable to Recycle More (as previously agreed by the Board and all partners). The majority of the increased income for collection partners relates to the agreed 3% annual payment uplift on recycling credits from the County Council.
- Estimates reflect the latest information regarding garden waste customers, bulky collections, demand for containers and other contract cost changes.
- There is a one-off cost included for additional fleet maintenance/refurbishment on the small number of refuse trucks which transferred from Kier to Suez, the value of which is still subject to final negotiations with Suez. The total anticipated additional costs are more than double what has been estimated, and this reflects our expectations of the outcome of these ongoing negotiations.
- There is a new budget line for income collected on behalf of Sedgemoor, Somerset West & Taunton and South Somerset for their garden waste charges. SWP are already successfully collecting garden waste income for Mendip.
- In light of the recent Comprehensive Spending Review announcement last week highlighting a pay freeze for public sector workers, there may need to be updates regarding the head office salaries figure for the final budget.

The roll out of 'Recycle More' is scheduled for completion in February 2022. No savings resulting from the new contract will be taken from the SWP by any partner until the roll out costs are fully funded, this offers all partners equality of return, regardless of their place in the roll out.

Savings are expected in 2022/23 with an anticipated £2m per annum across the partnership. Given the considerable change we've seen in this year and the

experience from the first phase of 'Recycle More' roll-out, SWP are undertaking a review of all costs and income to ensure they are allocated correctly to 'Recycle More' or to the 'in-year' budget. This will be considered by the Board in their February meeting.

		Mendip District Council
20/21 Final Budget		3,157,678
	0.33	
Inflation - Collection	%	13,624
	0.64	
Household Growth	%	23,254
	1.00	
Garden Waste	%	(7,914)
Recycling Credits		(23,179)
	2.00	
Salaries	%	2,945
Pension Deficit		0
Transfer Station Offset		(2,068)
Bulkies / Containers		(247)
Subtotal		3,164,094
Garden & Bulky Income		(7,403)
Proposed Savings		0
Fleet maintenance		35,000
21/22 Budget		3,191,690
Increase / (Decrease)		34,012
Percentage		1.1%

All partners agreed the capital borrowing to purchase vehicles at a cost of approx. £18m with a further £7m used to fund depot works, equipment and purchasing additional containers. Each partner borrowed £5m on behalf of the SWP at the Public Works Loan Board rate plus 1%, resulting in a £1.8m discount per annum on the collection contract from SUEZ.

LEGAL IMPLICATIONS AND STATUTORY POWERS

Delegation of statutory powers under the Environmental Protection Act 1990 would provide Somerset County Council (as the administering authority) the power to act on behalf of the SWP on issues relating to domestic and commercial waste offences relating to kerbside collections, recycling centres and duty of care.

Appendix 2 provides specific details.

RECOMMENDATION

Scrutiny is recommended to:

1. Approve the draft Business Plan 2021-2026 and the annual budget 2021-22 noted as Appendix 1, for onward agreement of Cabinet.
2. Note the changes to how garden waste payments will be processed in 2021, as agreed by the Somerset Waste Board, recognising that Mendip District Council already follows this process, however, other Somerset Districts will onboard.
3. Approve the renewal of the delegation of powers to SWP subject to confirmation from the appropriate Officer(s) that SWP's Advice, Support & Enforcement Policy to be provided in due course is compliant with the constitution and legislation to delegate such power. The appropriate Officer is authorised to approve this delegation.

Contact Officer: Haylee Wilkins – Assistant CEO and Group Manager for Neighbourhood Services

Ext No: 01749341617 / 07980666115
e-mail: haylee.wilkins@mendip.gov.uk

Background Papers

- Appendix 1 – Draft Somerset Waste Partnership Business Plan 2021-26
- Appendix 2 - SWP Advice, Support and Enforcement Policy - seeking delegation of ancillary powers from the district councils.
- Appendix 3 – Climate Change assessment