



SWP BUSINESS PLAN 2010-15

**Version Approved by SWB
19th March 2010**

SWP Business Plan 2010-15

Foreword by Chair and Vice Chair of the Somerset Waste Board

The SWP is nationally and locally recognised as a success and still a unique example of two tier county and district co-operation on resource management. The SWP team and our contractors have also enjoyed national recognition for the work they have done on high recycling rates and transparency over where our recycled material goes.

But with major challenges ahead, we don't have time to dwell on this.

2010 has been looming as a landmark year in terms of compliance with the Landfill Directive. Through what we have achieved, we expect to be comfortably below our landfill allowance.

The following target year, 2013, which falls in the middle of this business plan timeframe, will be a different matter as the allowances reduce year on year. If we fall into deficit, every tonne we are over could cost us over £200 compared to the £60 it costs this year. This would be needed to buy someone else's allowance or to pay fines on top of the basic cost of disposal and tax which by then will be almost £100 per tonne. It's therefore imperative we keep up the drive to divert even more material away from landfill.

The most cost effective and low carbon approach will be to recycle and compost as much as we can. This will be through encouraging all households to "clunk-click" recycling – doing it automatically, just like putting your seatbelt on. By the end of 2010 we will have rolled out Sort It Plus in Taunton Deane and Sedgemoor. As a priority we are looking at how we can help the other three districts get there too.

All this needs to be done in a climate of severe public spending restraint. The major challenge for the Board this year is to look at what it's costing the local taxpayer in the round and to find a way to get through the extreme budget difficulties to find the most cost-effective long term solution.

We also need to look at every bit of waste as a resource. For example putting food waste into anaerobic digestion systems gives potential to harness the methane produced to generate electricity. We need to look for synergy between good waste management and good environmental, social and financial practice.

To quote John Paul Getty: "Waste is just a resource we haven't found a use for yet".

Derek Yeomans, Chair
Nigel Woollcombe-Adams, Vice-Chair

Part 1 – Introduction and Background

1. Background

1.1 Description of the SWB

The Somerset Waste Board (SWB or “The Board”) is a Joint Committee made up of two elected representatives from each of the county’s six authorities.

The six partner authorities have delegated their powers in relation to waste collection and disposal services to the Board. The Board delivers this obligation through its executive arm, Somerset Waste Partnership (SWP).

SWP acts as single client on behalf of the partners reporting through the Board, and maintains close strategic and operational links with the partners at Member and Director level. The organisation is hosted by Somerset County Council who act as the Administering Authority.

1.2 Brief History

Somerset Councils have a strong and evolutionary record of joint working in waste from the early 1990s. In 2002 the partners undertook a Joint Best Value review which revealed the Councils would face increasing costs, challenging environmental targets and higher customer expectations. The conclusion was that, in addition to the setting of joint objectives and targets, there were potential cost savings to be achieved through pooling of resources and “contract integration”.

An obvious solution was to create a “virtual joint waste authority” for the collection and disposal of waste. This could take advantages of economies of scale, promote harmonisation around best practice and eliminate the resources used just to manage the interface between the players in the two-tier system.

In December 2004, the decision was taken to proceed towards establishing a Somerset Waste Board and a single contract for the collection of refuse and recycling was agreed. A further step was taken on 19th July 2007 when, following an extensive procurement process, it was agreed to let a single collection contract to ECT Recycling CIC.

The SWB and SWP both came into being on 30th September 2007 with the signing of the Inter Authority Agreement and Constitution.

The single contract for recycling and refuse collection across the whole county started successfully on 15th October 2007. The single contract replaced 9 other contracts, all with slightly different specifications and delivered by three separate contractors and a Direct Services Organisation. In June 2008, the service provider, ECT Recycling CIC was acquired by May Gurney Limited who in November 2008 changed the name of the Company to May Gurney Recycling CIC

1.3 Recognition during 2009

The partnership has continued to receive interest and give presentations to a number of local authorities interested in advanced partnership working and/or the

sort plus system. The MD has spoken at the Materials Recycling Weekly Exhibition in Birmingham, The Association for Organics Recycling (Scotland) Conference and presentations have been given to other conferences and local authority groups. The Vice Chairman presented to the County Surveyor's Society Conference in November 2009.

The SWP was included as a case study on benefits of partnership working in the National Packaging Strategy "making the most of Packaging" published in June 2009.

The MD has also represented local authorities on the Government's Advisory Committee on Packaging "Targets and Transparency Task Group". This Group aims to highlight how money from producer responsibility is used to assist "frontline" collection of recyclables. **(Action 1)**

The partnership continues to be represented at officer level on the Advisory Committee for Joint Waste Authorities and Advanced Partnership Working.

The SWP has also been in dialogue with a major obligated company interested in a high profile national initiative to help direct producer responsibility resources to assist with new schemes.

The SWP were short listed for

- Government Business Awards
- The National Recycling Awards

May Gurney Limited were the winner of the best recycling project category for their work in Somerset with SWP at the Edie Awards for Environmental Excellence in November 2009. Aspects of the submission focused on SWP initiatives such as Sort It Plus and the End Use Register.

The SWP's End-use register has also received wide scale acclaim. David Drew MP (Stroud) has sought to introduce a Private Member's Bill (The Waste Recycling (End Use Register) Bill) to require all local authorities to do the same. The SWP will update its end use register annually. **(Action 4)**

In November 2009, two SWP staff were listed in Resource Magazine's 2009 "Hot 100" movers and shakers in the UK resource management. The MD was listed as no.1 in this list – the first time this accolade has gone to someone from a Local Authority. The recognition reflects industry-wide recognition of Somerset's pioneering approach to partnership and emphasis on quality of materials for recycling.

During 2009 the SWP hosted visits from Nick Clegg MP, Leader of the Liberal Democrats and Environment Minister Dan Norris MP.

1.4 Audit Results

As in the previous (first full) year of operation, in September 2009 the Audit Commission issued an unqualified opinion on Somerset Waste Partnership's financial statements.

The Audit Commission stated that the SWP's system of internal control is adequate and issued an unqualified value for money conclusion on the Partnership's arrangements for securing economy, efficiency and effectiveness in the use of resources.

The South West Audit Partnership has undertaken internal audit reviews of a number of SWP functions during 2009 in accordance with a programme agreed with the Board.

The outcomes of these audits were reported to the Board on the dates shown below:

- Waste Collection (March 2009)
- Disposal (September 2009)
- Data Quality (December 2009)

In all three cases, SWAP were able to offer "reasonable assurance" (2 out of possible 3 star) as most of the areas reviewed were found to be adequately controlled and that risks are generally well managed.

2. Principal Objectives

2.1 The Vision

The Board adopted the following Vision in its first Business Plan, approved in July 2008.

To play a major role in the process of maximising resource-efficiency and minimising the overall carbon impact of Somerset's economy through innovative thinking, leadership and proactive service development.

To do this in a way that involves and challenges householders and small businesses to avoid waste in the first place and assist them to recycle, compost or recover energy value from what remains.

2.2 Aims and Objectives

2.2.1 The following Objectives are set out in the Constitution:

1. Each of the Partner Authorities recognise in particular the need to address central government and EU targets for recycling and recovery of waste and the promotion of sustainable development including the use of waste as a resource and waste minimisation.
2. Each of the Partner Authorities, in recognition of the need for delivering best value, promoting financial efficiency and effectiveness, and securing

continuous improvement in the provision of waste management services, wish to:

- (i) Develop and deliver long term strategies in respect of the collection and treatment of waste;
- (ii) Consider managing waste from outside Somerset if commensurate benefits accrue and such action has been approved by all of the Partner Authorities;
- (iii) Be recognised as a leading provider of sustainable waste management services in the United Kingdom;
- (iv) Procure services, facilities, assets and solutions to meet the current and future central government and European targets for recycling and recovery of waste;
- (v) Work together in a spirit of mutual trust, support and respect, and to ensure that when difficulties or differences of opinion arise they are addressed quickly, honestly and openly;
- (vi) Share in a fair and equitable manner the costs and work included in achieving these Objectives;
- (vii) Endeavour to fully engage all stakeholders and to maximise the benefits arising from the co-operation of the Partner Authorities through the Board and the contributions that each Partner Authority may be able to make through its participation in the Board; and
- (viii) Provide a forum and mechanisms for ensuring that there is a coherent programme and organisational structure for waste management and for joint working.

2.2.2 The above form an ambitious set of aspirations. In undertaking a strategic risk assessment, more specific aims were identified as follows:

- (i) Minimise the amount of material going to landfill.
- (ii) Provide efficient, safe and effective waste collection and delivery of services for customers.
- (iii) Encourage behavioural and attitude changes towards materials used domestically and in the economy.
- (iv) Minimise the cost of waste services in Somerset and share the costs fairly between partners.
- (v) To be at the forefront of environmental and resource management best practice.
- (vi) Provide an Excellent Service to Local Authority partners.
- (vii) Strive for innovation and value for money for the wider community.
- (viii) To be a good place to work.

3. Operating Environment

3.1 Key Issues, challenges and opportunities (Somerset, UK, Europe)

UK policy for municipal waste management continues to be dominated by the Landfill Directive and its requirement that the amount of biodegradable material going to landfill is progressively reduced up to 2020. By that year, the national average amount disposed in this way must not exceed 35% of the baseline (1995) levels. There are interim targets of 75% by 2010 and 50% by 2013.

Central Government has passed on the targets to local disposal authorities in the form of *Landfill Allowances* which must not be exceeded. These allowances reduce annually so authorities must take steps to either divert material away from landfill or buy surplus allowances from authorities who are not using their full allocation. Except in the Directive target years (indicated above), waste disposal authorities can bank or borrow against future years' requirements.

Most waste authorities have not had problems meeting their allowances during the early years of the scheme and, therefore, while trading has increased slowly, it is still very limited to date. This is mainly due to an increase in recycling rates nationally and continued drop in overall arisings of waste.

2010 is a target year which means that authorities must account for their allowances in the target year 2009/10. This means that surplus allowances from previous years cannot be withdrawn from the "bank" or be borrowed from future years.

In November 2009, SWP sold a surplus of 18,000 allowances (for 2009/10) on behalf of SCC to another South West County. This left SWP with a forecast "cushion" surplus of around 5000 Tonnes, however the same county has agreed in principle to purchase any further allowances available at year end.

Prospects for further sales in 2010/11 and 2011/12 are good but the number available to sell will decline in line with Somerset's allowances. The value of the credits may also be suppressed as 2009/10 was a target year which meant that authorities could not borrow from their own future allowances. The next target year is 2012/13 by which time, without further change, Somerset may be in deficit.

3.2 The Landfill Tax

In Budget 2009 the Government announced that the standard rate of landfill tax will continue to increase by £8 per tonne each year to 2012/13. The Conservative party have indicated that should they form the next Government, they will not overturn this policy.

From April 2009 the total cost of landfill to the SWP is just under £60/T and is expected to rise to approaching £100 per tonne in April 2013.

It remains likely that in the next few years the Landfill Directive will be updated, with widespread speculation that landfill of any biodegradable material will eventually be phased out completely. This is based on existing best practice already nationally enforced in parts of Europe such as Germany and Sweden.

Government Ministers announced in October 2009 that they are considering the practicalities of a ban on landfilling key target materials as identified in the England Waste Strategy 2007. These include food waste, aluminium and glass.

The MD has been outspoken on the lack of support to frontline recycling collection from *producer responsibility* levies known as Packaging Recovery Notes (PRNs). Defra published a National Packaging Strategy in June 2009. Although, disappointingly, there was no proposal to rethink the PRN system, the MD was invited to sit on a taskforce to review both the transparency of the current

arrangements and future recycling targets for obligated producers of packaging (supports **Action 1**).

Involvement in this has been useful in terms of contact with retailers and other parts of the packaging chain. It is hoped that a major initiative between SWP and a leading retailer will be announced in 2010 (supports **Action 1**).

3.3 Policy and Potential New Legislation

In June 2008, the EU adopted a New Waste Framework Directive to incorporate and update previous Directives. For the first time the waste hierarchy is included in a Directive and it is intended that the hierarchy shall apply as a priority order in waste prevention and management legislation and policy. Departure from the Waste Hierarchy is possible but only “where this is justified by Life Cycle thinking on the overall impacts of the generation and management of such waste”.

The Directive also contains new recycling targets specifying that by 2020 a minimum of 50% by weight for at least metal, paper, plastic and glass from households and “possibly other origins as far as these waste streams are similar to waste from households”, this target is an aggregate, and does not apply to all the materials individually.

The principle aim of this target is to prevent member states (particularly in Eastern Europe) from adopting a strategy of prioritising energy recovery over recycling.

Somerset achieved its own 2010 target for 50% recycling / composting in 2007/08.

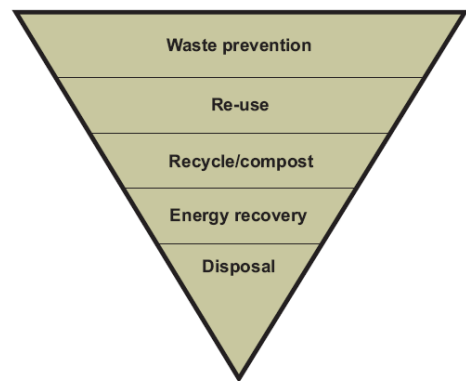
3.4 Joint Governance

In 2009, the Local Government and Public Involvement in Health Act 2007 permitted the formation of *Joint Waste Authorities*. This enables local authorities working in partnership to form a new authority as a legal entity in its own right. This removes the need for an Administering Authority as adopted by the SWP.

Defra invited expressions of interest from groups of authorities wishing to explore this option and provided some “seedcorn” funding. There are a small number of partnerships who have taken up this funding, including Dorset and Gloucestershire. None are yet in a position to commit to going forward.

In October 2008, the Somerset Waste Board decided not to express an interest in becoming a JWA in the first round of applications. JWAs will not be able to precept separately and this means that there are relatively few advantages to a JWA compared to the Joint Committee model adopted by the SWB. In some respects a separate authority that is still fully dependent on the parent authorities for funding could be more democratically remote and more vulnerable to funding crises than a well embedded partnership.

The Waste Hierarchy



For the time being, the SWP remains the nearest thing in existence to a Joint Waste Authority and much of the learning and experience of the SWP is highly relevant.

The MD continues to assist Defra as a member of the Joint Waste Authority and Advanced Partnership Working Board, with time and travel expenses being reimbursed by Defra to the partnership. The partnership will give reasonable assistance to other parts of the local Government community, recovering costs where appropriate. **(Action 2)**

3.5 The Carbon Economy and Climate Change

In recent years there has been increased political and public concern regarding climate change and the issue of carbon footprints. This is based on increasing scientific consensus and the evidence of changing weather patterns.

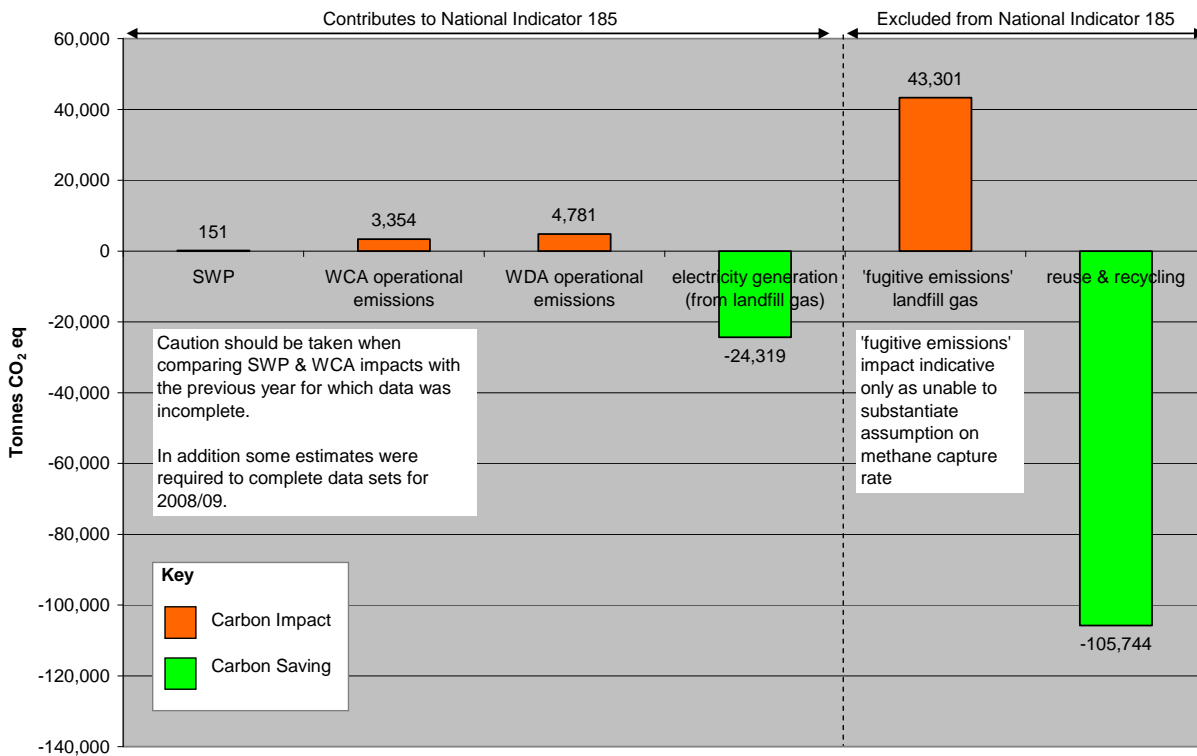
UK government is pushing local authorities to set a leading example on climate change. They are doing this through a number of legislative drivers and National Indicators specific to CO₂ reduction. Local authority action will be critical to achieving the Government's climate change objectives, such as the long-term goal to reduce CO₂ emissions by 60% by 2050 in the Climate Change Bill.

Carbon impacts of services managed by SWP on behalf of the Somerset local authorities were investigated during 2008. In both collection (WCA) and disposal (WDA) activities, emissions from diesel vehicles were the largest sources of carbon, measured as CO₂ equivalent.

The carbon impact of operational emissions from both WCA and WDA functions are however small compared to:

- (a) The carbon savings of electricity generated from landfill gas at Dimmer and Walpole. The Landfill Directive was driven in great part by the recognition that landfill is a major source of greenhouse gas (methane is 21 times more damaging than CO₂). If the energy value from residual waste can be recovered, it avoids both "fugitive" emissions of carbon in the form of methane to the atmosphere and also substitutes for energy produced from fossil fuels;
- (b) More significantly, to the energy saved and emissions avoided by materials recycled and reused. It should also be noted that the emissions shown in figure 2 arise from both recycling and residual waste operations, so that the emissions from recycling operations alone are even smaller in comparison to the carbon savings from recycling and reuse. Work done in Somerset and elsewhere indicate that the emissions from recycling operations are only 1-2% of the carbon savings from recycling and reuse.

Figure 2 – SWP Carbon Impacts and Savings 2008/09



The emissions savings from recycling stem largely from the avoided use of virgin resources and the higher energy requirements if virgin materials are used. Aluminium is often cited as the primary example of this; it requires just 5% of the amount of energy to manufacture pure aluminium from recovered cans compared to smelting it from bauxite (Aluminium ore). Lifecycle analyses show that the same, if not at quite such high ratios, is true for steel, wood fibre (for paper and card), glass, plastic etc.

The efficient collection and marketing of recoverable materials and the development of alternatives to landfill that recover energy value in some way from non-recyclable material has a major carbon benefit at both a local and global scale.

The SWP can further impact on carbon reduction through promoting more recycling (contribution to Actions 13 and 14) and development of carbon (energy) efficient alternatives to landfill. (Contribution to **Action 8**)

SWP will also contribute to SCC's Climate Change Adaptation Action Plan. (**Action 3**)

3.4 Markets for Recycled Material

Marketing of materials is undertaken by the contractors and income is offset against contract costs. This places risk for the profitability of the markets with the contractors. In relation to the collection contract with May Gurney, put simply, any profit generated by the company above a set threshold would be shared with SWP. This threshold is reasonably high to reflect the fact that the contractor takes the risk on market conditions. To date this threshold has not been reached and it is unlikely to do so under foreseeable market conditions.

After many years of strong growth in global demand for recycled material, the market for materials went into sudden decline in the autumn of 2008 as a result of the global economic downturn. As a result of the policy of collecting quality material, SWP contractors did not have to stockpile or dispose of any recyclable material but there was a significant loss of income to our contractors.

Demand and prices recovered in early 2009 for most materials but, unsurprisingly, not to the very high levels that had been available prior to the recession.

The recession has also hit the volume of material available for recycling – for example the amount of newsprint being sold in 2009 is around 17% lower than the pre-recessionary part of 2008. This is reflected in the volume of paper being recovered. This has impacted on overall recycling performance. It is, however, a good example of why a high recycling rate should not be the key performance indicator.

SWP published a detailed annual register of reprocessors and end-uses for SWP recycling services, both collections and Household Waste Recycling Centres. This gives greater transparency and confidence for residents in how materials are recycled. This list will be updated on an annual basis. **(Action 4)**

3.5 Public Demand and Expectation

Public participation in recycling has grown rapidly in the last 5 years and recycling and composting is routine for the majority of households.

There has been high demand for plastic bottles and cardboard to be collected at kerbside alongside the comprehensive list of materials already captured through the Sort It! system. SWP is already aware that as Sort it! Plus is being rolled out across Sedgemoor and Taunton Deane, there is further pressure to add further materials to the mix.

While the addition of more relatively low weight materials (mixed plastics, cartons, batteries) will not greatly increase recycling rates per se, there will be growing expectation that they should form part of the service as many resident are aware that they are collected elsewhere in the UK. The SWP will work with May Gurney to investigate how additional materials can be added to the Sort it Plus system (see **Action 15**).

3.6 Local Government Finances

The formation of SWP and letting of the single contract has realised considerable overall savings for the partners but the reduction in public spending through the CSR for 2008-11 means further efficiency savings will be required (see **section 9.1** of this plan).

The CSR07 settlement for the period from April 2008 to March 2011 came at a time of increased spending restraint and was particularly unfavourable to district councils. The recession has meant that even further pressure has been put on local authorities.

The first Business Plan identified the risk that spending restraint might impact on timing and extent of roll out of Sort It! and Sort It! Plus schemes. This was before the economic downturn compounded uncertainty over markets and added costs through the upturn in fuel prices and other inflationary pressures.

3.7 Links to Corporate Plans of Partner Authorities

3.7.1 Mendip District Council

MDC has a draft Corporate Plan 2009-2012 which contains three goals to direct the focus of its work. One of these is *Enhancing Mendip as a place to live*.

Beneath this goal are three main strategic objectives, one of which is reduce the environmental and social impact of pollution and waste.

The Council has set out its intention to develop further recycling services where cost effective, with the following outcome; Mendip communities recognise the role of recycling in managing and protecting our environment, and engage fully in local recycling initiatives.

Targets have yet to be identified although the Local Area Agreement (LAA) supporting tier target of reducing residual waste per household is acknowledged.

3.7.2 Sedgemoor District Council

- Implement a further phase of the 'Sort It Plus' waste and recycling scheme in autumn 2009 to at least 5,000 further homes.
- Support the establishment of a food waste treatment plant at the Walpole landfill site to serve the whole of Somerset, and to facilitate the new food waste collections in Sedgemoor.
- Review the provision of recycling 'bring bank' facilities, with a view to rationalising sites and improving servicing arrangements.
- Develop a Waste Minimisation Strategy.
- To work with the Somerset Waste Partnership to increase recycling levels and reduce the amount of waste going to landfill.
- To achieve a recycling and composting rate of 50% by 2013 and for all residents in accessible buildings to receive food waste collections and weekly recycling collections.
- To support the introduction of an Anaerobic Digester within the District to help divert organic waste, especially food waste, from landfill.
- Through the SWP, the Council will continue to introduce 'Sort It Plus' to include collection of food waste, cans, glass, paper, card and plastic bottles.

3.7.3 South Somerset District Council

SSDC have a corporate commitment under "Enhance the Environment, Address and Adapt to Climate Change", specifically:-

- Reduce CO2 from SSDC operations. (LAA NI 185 - Somerset wide target to be set after July 2009)

- Reduce residual waste in Somerset to 582 kg (09/10), 555kg (10/11) and 540kg (11/12) per household per year. (SCS 29.1, LAA NI 191, NI 193)
- Increase the % of household waste recycled or composted. (NI 192)
- With partners, lobby Government to enforce business waste reduction.
- With partners, identify green travel options by Dec. 2009, starting one by 2012.

3.7.4 Somerset County Council

Mitigate against and adapt to the impacts of climate change

- Reduce carbon emissions through energy management, improved efficiency and use of renewable energy technologies. Respond to proposals for nuclear energy, energy from waste and the Severn Tidal Power Project.
- Comprehensively assess the impacts of climate change and deliver priority actions through adaptation plans, engaging with local communities and other sectors.
- Progress the conservation and enhancement of Somerset's natural environment which contributes to economic prosperity and quality of life, through the National Environment Strategy.
- Minimise waste production and in manage it sustainably.

Measure	How we performed in 2008/09	2009/10 Target	2010/11 Target
NI 185 CO2 reduction from Local Authority operations	TBC	4.0%	4.0%
NI 188 Planning to adapt to climate change (Level 0 – 4)	1.0	2.0	3.0
NI 191 Residual household waste per household (kg per household)	565.0kg	555.0kg	540.0kg
NI 192 % of household waste recycled and composted	49.15%	49.88%	53.11%
LAA basket of measures for Natural Environment	39.0	60.0	80.0

3.7.5 Taunton Deane Borough Council

Objective 16: RECYCLING

To increase participation in the recycling service through promotion and enforcement focussing on maintaining the percentage of household waste recycled to 52% by 2011.

- Expanded delivery, promotion and enforcement of the recycling service, focussing on maintaining high levels of awareness, overcoming obstacles and enforcing compliance where necessary.
- Ringfence contract savings from the Somerset Waste Partnership to expand and improve the recycling service to include other types of waste, such as plastics and cardboard.

- Work closely with the Waste Board to ensure we meet the 2020 European Landfill target of reducing biodegradable municipal waste landfilled to 35% of that produced in 1995.

Objective 16 (Recycling):

- NI 191 Residual household waste per household (LAA) Baseline 374.86 kg / household (2007/08)
- NI 192 Household waste recycled and composted Baseline: 25.5% (2005/06); 49.5% (2007/08)

3.7.6 West Somerset Council

Objective 4:

To introduce initiatives by 1st April 2011 to improve the efficiency of the recycling service in order to reduce the amount of waste put to landfill.

- To introduce the Sort It+ scheme to coastal strip from April 2011.
- To review the provision of 'bring banks' throughout the District by 30th April 2010.
- To facilitate an anaerobic digestion facility study for Minehead by March 2011.

3.8 Opportunities for expansion and diversification

Opportunities for further efficiencies will continue to be sought through dialogue with partners and adjoining authorities on further opportunities for collaboration.
(Action 5)

SWP has a strong staff team with wide range of expertise and aspires to be able to offer services to authorities outside Somerset, giving opportunities for further economies of scale. These could be on a consultancy basis or, for example, client management of collection services. Assist with transformation of other services eg. Streetscene. The SWP have been reimbursed for time spent by the MD supporting Defra's Joint Waste Authority and Advanced Partnership Working Board.

3.9 Recycling Services for small and medium sized enterprises

3.9.1

Historically the market has failed to provide cost effective, easily accessible multi material stream recycling opportunities in Somerset. Although the position is improving in some areas, many local Small to Medium Sized Enterprises (SMEs) remain unable access to affordable recycling collection services. This means that they may struggle to meet the requirements of the pre-treatment regulations and be unable to meet aspirations to increase environmental responsibility.

The year on year increase in landfill tax is costs is just beginning to stimulate the market into offering new cost effective solutions and the *tipping point* is close to

being reached. However, in rural areas improvements are likely to lag behind as the commercial viability of service provision in these areas is questionable.

Through the Waste Infrastructure Grant (WIG) and BREW funding, SWP have an appointed a Business Recycling Advisor on a fixed term basis to offer support to SMEs and local recycling service providers (on an impartial basis). The Advisor has worked with service providers and the wider business community to ascertain the current extent of recycling provision and details fed back to stimulate improvements. These will include the extension of existing services as well the instigation of additional routes and the introduction of new material streams including food waste.

The new Business Recycling Directory for Somerset will raise awareness of existing services and promote new services as they come on stream, thereby bringing forward the “tipping point” described above (**Action 6**). As competition is stimulated and more demand for collections increases it is anticipated that costs will fall making recycling more cost effective.

3.9.2 Key work areas and measurement:-

Effectiveness will be measured by the following:-

- (a) Record interactions with individual businesses and groups e.g. Chambers of Commerce and collect data on cost savings achieved through contact with the programme. This will be reported to the Board on a periodic basis.
- (b) Gather data from service providers regarding increases in tonnages of materials collected for re-use, recycling, composting or anaerobic digestion.
- (c) Monitor numbers of businesses attending resource efficiency events held in conjunction with Economic Development and Tourism Officers from the partner authorities.
- (d) Work with a range of partners to promote “Green” Business Networking and engender a business to business sharing of good practice in resource efficiency and wastes management.
- (e) Record referrals to Business Link and Envirowise generated through contact with the Business Recycling Advisor, the “Green” networks and the awareness raising programme.

Part 2 - Governance, Management and Principal Functions

4. Governance and Management

4.1 The Board

SWP is governed by an Executive Board comprising two Members from each Partner Authority. The Board is a formal Joint Committee established under section 101 of the Local Govt Act 1972. Members are appointed on annual basis by their authority's Full Council. There is no limit on the term served, but Members must stand down from the Board if they cease to be members of their parent authority or if they are not reappointed by the partner.

The Board meets formally in public once per quarter and also meets for training, visits, and informal workshops in between formal meetings.

The Chairman and Vice Chairman are elected by the Board Members at an AGM.

A full list of Members appointed to the Board in June 2009 appears at Appendix 1.

4.2 The Inter Authority Agreement and Constitution

The Inter Authority Agreement represents a contract between all partners and was signed in September 2007. The IAA sets out the basis of the partnership and how costs are to be shared between the partners. The IAA also includes a formal constitution for the Joint Committee.

4.3 Strategic Management Group

The Strategic Management Group (SMG) consists of Directors from the Partner Authorities. SMG's role is to monitor SWP to ensure it is carrying out its delegated functions and duties, delivering best value and maintaining performance.

The Group also reviews the Business Plan, Action Plan and Budget and acts as a sounding board and source of ideas for the partnership. The SMG generally meets monthly.

4.4 Management and Staff

SWP has 29 positions on the establishment. Staff were drawn from the Parent Authorities at the time of transfer of responsibilities (1st October 2007) or appointed directly by SWP following advertisement of a vacancy.

The current structure (November 2009) is included at Appendix 2.

SWP recognises its role as part of partner authorities' commitments to provide fair, appropriate and equally accessible services to all citizens.

SWP has developed an Equalities Impact Assessment (EIA) which covers equalities issues from both staff and customer perspectives. It is kept under review

by an Equalities Advisory Group which meets quarterly. Equalities issues are examined in **section 6** of this Plan.

4.5 Health and Safety

Health and Safety is a major priority for SWP and a Health & Safety Advisory Group has been formed to oversee H&S issues and provide advice on internal and contractor issues. SWP has also agreed with HSE that it will facilitate a county-wide forum on H&S issues for the wider industry. **(Action 7)**

5. Principal Functions of the SWB

5.1 Waste Prevention and Minimisation

Waste Prevention is at the top of the waste hierarchy and provides the most scope to avoid costs and minimise environmental impact – provided the waste material or its substitute is not merely transferred to another process with similar or worse environmental costs.

The purest form of waste minimisation is *waste avoidance*. If the need to use materials is avoided in the first place there are no consequences of transport, treatment or disposal.

A revised Waste Minimisation Strategy was adopted by the Board in March 2009 and will be reviewed again in 2011/12.

5.2 Waste Treatment & Disposal

SWP is responsible for providing recovery, treatment and disposal arrangements for Somerset's municipal waste. These are provided through contracts with waste management companies, primarily Viridor Waste Management. SWP and Viridor also have a Strategic Partnering Agreement for the development of new facilities and services.

The disposal methodology for residual waste is landfill. There are two landfill sites in use in the County, Walpole near Highbridge and Dimmer, near Castle Cary. Some household waste from Somerset is taken to the Broadpath site near Tiverton in Devon. This is generally from proximate collection rounds in the West of Somerset.

One of the most critical continuing workstreams for the period of this business plan is to firm up and consult on options for alternative residual waste treatment options which meet climate change objectives through maximising recovery of renewable energy.

In Autumn of 2009 the SWP commenced development and stakeholder consultation on a revised Joint Municipal Waste Management Strategy covering prevention, reuse, recycling and renewable energy where energy recovery is more sustainable than other options. **(Action 8)** This process is a major workstream for 2010 and will result in a clear statement of future direction.

The partnership is already committed to Anaerobic Digestion as the preferred treatment technology for processing food waste. At the behest of SWP, Viridor has obtained planning permission and has undertaken a competitive tendering process to procure an Anaerobic Digestion (AD) facility to provide sufficient capacity to process all household derived food waste with some additional capacity.

This plant will supersede the current In-Vessel Composter (IVC) located at Dimmer and the fraction of food waste currently being processed out of county. New capacity for food waste is vital to provide capacity for Sedgemoor and West Somerset food waste, eliminate reliance on long distance haulage of material and to avoid the need and cost of refurbishing the existing IVC.

The proposed facility is designed to process 30,000KT pa at Walpole landfill site. The facility will generate methane in an enclosed system for renewable electricity generation and export to the grid. It will also produce a compost-like material suitable for agricultural use.

The facility would also have the potential to take in some commercial food waste and/or food waste from neighbouring authorities. It could be expanded by a further 15,000T pa if there is sufficient demand from third parties.

Development of this project has not increased as fast as hoped in the last business plan as the project has been subject to a commercial and technical value for money appraisal. Subject to satisfactory resolution of these issues, there is strong support to continue with the project from both Viridor and SWP perspectives.

Through Viridor, the SWP will develop new state of the art food waste processing capacity through Anaerobic Digestion to supersede the current In-Vessel system and eliminate reliance on out of county capacity. **(Action 9)**

5.3 Household Waste Recycling Centres

The 18 Somerset HWRCs are managed by Viridor. The facilities take a wide range of materials (up to 34 different streams). They have high average recycling rates in excess of 70% - among the best in the UK.

Most of the population is within a 5 mile radius of at least one site. There is one site per 13,000 households which is a high ratio (for example double the provision in other counties such as Hampshire).

In recent years, the SWP has cracked down on illegal abuse of sites from traders. A growing number of sites (Highbridge, Priorswood, Williton and new Chard) are now offering dedicated facilities for businesses to recycle. These are being monitored to establish whether these are fulfilling a need.

The sites between them average around 70% recycling rate and between them contribute to just under a half of the total recycling and composting effort of the county (the other half coming from kerbside collected material). The HWRCs are a major factor in the overall recycling performance of the county.

The HWRCs vary in terms of size and user friendliness. 13/18 sites are split level so that operations are separate from the public access areas. A capital

programme over the last 5 years has delivered improvements to many of the sites, most recently a replacement site for Chard. This state of the art site opened in January 2010.

The limiting factor in relation to improving other sites is availability of land and budget. There is continuing pressure to improve some key sites, most critically Frome but an alternative site has not been found and expansion of the existing site is constrained by potential amenity impact on nearby households. Similar constraints exist at Minehead and Cheddar, which have also been identified for improvement. South Somerset District Council has recently renewed calls for the SWP to look at provision of a site in the Wincanton area. This idea was explored some years ago by SCC but dropped from their plans prior to the formation of the SWP.

A planning application for a replacement site for Somerton by a local landowner was submitted in late 2009 following a proposal to offer an alternative site as part of land swap proposal involving the existing site.

The potential benefits of the relocation would be to eliminate ongoing congestion problems at the existing site (gates have to be closed to allow skips to be changes resulting in delays typically 15-20 minutes). The proposal would also improve safety by separation of the public and operational parts of the site and to provide a wider range of facilities, particularly facilities for SMEs to recycle. There has, however, been considerable opposition to the proposal from Somerton residents.

As major settlements such as Taunton and Yeovil continue to grow, there will be pressure to find additional sites to complement the existing network. There may be scope to work with neighbouring authorities to establish new or replacement sites if these are close to the county border.

It is proposed to carry out a review of HWRC policy and provision during 2010/11 to include evaluation of use of business recycling services and potential capital development of current or new sites. **(Action 10)**

Other key actions for the Operations Team in 2010/11 include implementation of a battery take back scheme **(Action 11)** and Development of a process to manage hardcore and soil at HWRCs to allow inclusion in recycling or composting performance indicators and avoidance of landfill. **(Action 12)**

5.4 Automatic Number Plate Recognition (ANPR)

Automatic Number Plate Recognition (ANPR) has now been installed at all 18 HWRCs to complement the CCTV system used at the sites.

The main purpose of the ANPR system is to target commercial abuse and to inquire of other very frequent users of the sites. In autumn 2009 SWP secured extended warranty (4 years) on the ANPR Recorders that will ensure reliable data is available over that timeframe, maintenance costs for this system should also be reduced as a result of this new warranty.

Full use of the ANPR system has been limited to date but will be extended in 2010 with a view to reduce commercial waste abuse (commercial waste being passed off

as household waste). At the same time (see para 3.9 above) it is hoped to increase the number of facilities at HWRCs where commercial material can be taken for recycling for an appropriate charge.

5.5 Kerbside Collections

SWP oversees a single contract for kerbside recycling and refuse collection covering the entire county. A contract with ECT Recycling Community Interest Company (CIC) commenced on 15th October 2007 and replaced 9 previous contracts. The contract is for 7 years and is potentially extendable by 2 further 7 year periods. 7 years is the typical period for a waste collection contract as this corresponds to the expected economic life of a refuse collection vehicle. Vehicles are the single biggest capital investment.

ECT Recycling CIC was acquired by May Gurney Limited in June 2008. In November 2008 the company changed its name to May Gurney Recycling CIC.

The design of rounds was optimised in the spring of 2008, to enable the contractor to reduce the number of vehicles deployed and deliver them in the most efficient way. One consequence of this is that some of the rounds in the South Somerset area are now being serviced from the Taunton Depot. Elsewhere some vehicles are deployed in the course of one week in more than one district.

5.5.1 Sort It

The “Sort It!” system adopted in Mendip, South Somerset and Taunton Deane involves:

- Weekly collection of dry recyclables (paper, cans, textiles, glass bottles)
- Weekly collection of food waste
- Fortnightly refuse collection

In the Sort It! districts the district average recycling rate is between 40-48%.

5.5.2 Sort It Plus

There is strong public demand to add plastic (bottles at least) and cardboard to the kerbside collection system and trials of Sort It! Plus took place between May 2008 and March 2009. Two vehicle options and three variations of collection frequency were trialled. The most successful package in terms of customer satisfaction and material capture was a weekly collection of all types of recyclables and food waste using a single pass single vehicle.

The average cost of the new scheme per household is around £6-8. Costs are lowest when all 5 districts move to the system. The decision for partners on whether or not to roll out has coincided with a period of severe spending restraint.

In July 2009 Sedgemoor and Taunton Dean agreed to phase in Sort It! Plus over a year from November 2009 (**Action 13**). Mendip, South Somerset and West Somerset aspire to do so (see extracts from corporate plans in section 3.7 above) when funds become available. (**Action 14**)



Figure 3

The prototype single pass Sort It! Plus vehicle

Dry recyclate is sorted manually by the collection crew on the vehicle. This results in very high quality single stream material that commands premium market prices and demand from UK processors.

Once Sedgemoor has switched, West Somerset will be the only district collecting recyclables fortnightly and refuse weekly (in black bags) with no separate food waste service. The recycling rate here is lower at around 26%.

5.5.3 Other Materials for Collection

While residents have welcomed the introduction of plastic and cardboard there are other materials which could potentially be collected at kerbside. These include mixed plastic, cartons and household batteries. The Strategy Team will work with May Gurney to evaluate the economics and practicalities of providing this service at kerbside. **(Action 15)**

5.5.4 Review of Collection Contract Schedules

The Contract was tendered based on a number of schedules which quantified the number of units for certain categories of collection (eg the number of communal properties in each district).

Since the contract was let a number of these have proved to be highly inaccurate. While it is a relatively simple matter to update the numbers, there are two important financial implications: revision of the contract (where appropriate) to reflect the true workload and reapportionment of costs between partners.

It is therefore proposed to carry out a fundamental review of collection contract schedules **(Action 16)**. This will include assisted collections, weekly collections of refuse in Sort It!/Sort It! Plus areas, communal collections and clinical collections.

5.6 Drop Off (Recycling Bank / Mini Recycling) Sites

There are currently 135 drop off sites across the county providing further facilities for residents to recycle, including materials that are not collected at kerbside such as plastic bottles and cardboard.

With the difficult financial situation for partners, there is pressure to reduce the cost of providing banks - even in some cases before complementary services are available through Sort It! Plus. The problem has been compounded by regular abuse by some members of the public regarding the sites as a repository for household waste. This increases street cleansing costs. Thirdly, partners are anxious to avoid the high cost of duplicating services through banks when the policy is to maximise collection at kerbside.

In response to these issues, during 2009 the Board has, in consultation with individual partners, been reviewing the number of sites provided and the range of materials accepted. As a result of continuing high costs – particularly in terms of servicing the banks, Taunton Deane BC has resolved to withdraw banks across the district no later than the end of March 2010. South Somerset's Executive resolved to retain 5 from 13 sites for recycling in market towns that don't have a HWRC. Mendip, Sedgemoor and West Somerset are reviewing existing service provision – The Head of Operations is exploring how a better value service can be provided for those areas still covered. **(Action 17)**

While there is pressure on these larger public bring sites, SWP will continue to review the network of smaller "Community Recycling" local drop off centres. These help to mitigate any negative effects through the removal of the bring bank network on those residents unable to access the kerbside collections. These small sites tend to encourage local ownership and management which in turn leads them to suffer much less from the abuses found at larger bring sites. These sites have many similarities with facilities required by schools and some small businesses.

The Head of Operations will work with May Gurney to explore opportunities for development of card, plastic and food waste in these areas. **(Action 18)**

5.7 Garden Waste and other chargeable services

5.7.1 Garden Waste

From October 2009 the garden waste collection service is available county-wide. This follows South Somerset District Council's decision to roll out the service to settlements with less than 1000 population which were previously excluded.

Garden waste collection is a service which a charge for collection can be made. The average cost of providing the service is around £50 per household per year, although the actual charge levied has historically been significantly lower. This means those availing themselves of the service have been subsidised by the community as a whole. Since its inception, the Board has recommended increasing prices incrementally toward eventual elimination of the subsidy for the service. Residents continue to have other options for garden waste disposal; principally home composting or delivery to the HWRCs.

There is also a strong waste minimisation incentive to control demand through charging. In areas of the UK where the service is provided free of charge, the weight of garden waste collected per household is higher, even allowing for material taken through the HWRCs. This includes material that was never previously entering the system (ie it remained in the garden and was composted). Collection increases the overall cost to the community and the environment. It is also contrary to expectations that policies should result in waste reduction, not waste generation.

It is therefore proposed to raise charges again in 2010/11 with a further above inflationary increase in the following or subsequent year. Partners keep the income from the service to offset the costs and are at liberty to raise the cost at their own rate within the overall strategy. It is not proposed to increase the charge beyond the point where the charge covers the reasonable costs of providing the service although it should be noted that the proposal is only to move toward covering the contractor's tendered cost of providing the service and not to cover the client-side costs.

5.7.2 Bulky Waste

From 2010/11 it is proposed to change the charging structure for Bulky Waste items so that the base fee for a pick up increases, but the pick up includes the first three items. This has been agreed in principle by the Board and will be subject to agreement by partner authorities through their own budget setting process.

5.7.3 Excess Waste Charging

At present, the SWP's published service rules do not permit excess or "side" residual waste to be presented if the main receptacle is full. It is important to note there are no such restrictions for recyclables. Persons with occasional excess waste are therefore directed to the HWRCs.

Another option is to charge householders (through a pre-paid sack) for side waste presented. This might be attractive to residents as it avoids having to make such a trip to the HWRC. The idea was looked at in 2008 by a sub-group of the Board who concluded, on balance, not to pursue the idea for the time being.

The financial situation for the partners has changed and it is therefore proposed to revisit this idea during 2010/11. **(Action 19)**

5.8 Education, Awareness & Access to Service

SWP actively promotes awareness of sustainable waste management, and aims to provide up to date, clear information on services available, service standards and general information on how materials are processed.

Waste reduction and recycling education is mainly delivered through the **Somerset Waste Action Programme** in partnership with local environmental charity, the Carymoor Environmental Trust. The www.somersetwaste.gov website is well used and well regarded.

Good access to services plays a key role and is imperative in minimising waste growth and maximising service efficiency. The design of facilities is being modified where possible through our capital programme to introduce split-level HWRCs, and through our District partners customers with mobility issues are offered assisted collections to maximise accessibility of recycling services. We monitor and act upon customer feedback, and regularly engage with customers to assess opinion of service changes.

A Customer Relations Management system for SWP, called 'WISPER', is being rolled out to improve the flow and storage of information between SWP, its contractors and the individual partner councils' customer services departments. WISPER has been developed in conjunction with South West One. **(Action 20)**

5.9 Enforcement Policy

While education and effective communication are the preferred means of helping householders to present waste and materials for collection, this must be backed by clear service rules.

Service rules are set out in the contracts with ECT and Viridor and the contracts stipulate that the Contractor shall work with the Contract Manager to ensure that householders adhere, as far as is reasonable, to them:

In the collection contract these include:

- (i) Householders should only put out materials that are specified as acceptable for household waste recycling collections, household food waste collections and household garden waste collections;
- (ii) Householders should put wheeled bins out for collection with closed lids;
- (iii) Householders should not put excess waste out for collection alongside wheeled bins used for household garden waste collections and household refuse collections except where this is a directed collection or where the sack(s) bear the approved stickers issued by SWP indicating that this is excess waste which may be collected;
- (iv) Householders may put recyclable materials that do not fit into the recycling box on top of or beside the recycling box, provided these materials do not cause an obstruction;
- (v) Householders should only use approved collection containers to put garden waste out for household garden waste collections;
- (vi) Householders using sacks for household refuse collections should only use standard-sized refuse sacks which should be no more than 900mm x 750mm x 350mm in size. Households in receipt of the full range of household waste recycling collections and household food waste collections are allowed to put out up to 2 refuse sacks for each weekly collection or up to 4 refuse sacks for each fortnightly collection. Households that are not in receipt of the household food waste collection service and the household waste recycling collections are allowed to put out up to 3 refuse sacks for each weekly collection or up to 4 refuse sacks for each fortnightly collection;
- (vii) Householders should put waste out for collection at the curtilage of their household, although waste put out on the kerbside in front of their household will also be accepted providing this does not cause an obstruction to the public highway, including pavements.

One of the most frequent areas of concern relates to capacity. The Sort It! and Sort It! Plus systems provide an easy to use system for recycling and food waste collection as a motivation for people to recycle. Sort It! and Sort It! Plus also restrict residual waste capacity in 3 main ways: fixed bin sizes, alternate weekly collection of refuse and prohibition of side waste. In combination, these policies have resulted in very high recycling rates contributing with the HWRCs to the overall rate of around 50%.

Sometimes households have good reasons for needing more refuse capacity than the average; large family size being the most frequent. In these instances, a larger bin can be provided on request. Bin size is, however, the only one of the 3 capacity restriction policies that is relaxed. It is therefore important that SWP, in collaboration with May Gurney, enforces these policies in a pragmatic but consistent manner. Where problems occur, then Operations Officers can give advice to households. The preference is always to resolve things through education and engagement where possible but as a last resort, SWP is empowered to take legal action against persistent offenders.

A summary of service rules is available on SWP website. It is proposed to review the enforcement capacity within the SWP to ensure that officers are trained and equipped to carry out enforcement action as a last resort. **(Action 21)**

5.10 Improved Collaboration on Streetscene issues

The SWP does not manage streetscene services on behalf of the partners, although this is an area of potential collaboration in the future. In most cases streetscene comes under the corporate director who sits on the SWP's Strategic Management Group.

There are a number of areas which might benefit from closer collaboration between the service areas. It is proposed to establish a Streetscene forum with partners. **(Action 22)** The areas of common interest include:

- Investigate "recycling on the go" opportunities
- Implement pre-treatment/de-watering of street cleansing wastes
- Develop processes to allow composting of sweepings, avoidance of landfill and inclusion of this material in performance indicators

5.11 Monitoring of Closed Landfill Sites

As a legacy of its historic role, SWP manages a small number of closed landfill sites. The role includes the general upkeep of boundaries and in some cases monitoring of methane emissions. The SWP periodically reviews the service and will put the service out to procurement during 2010. **(Action 23)**

In addition the SWP has agreed to take over the same function for three former "highways landfill" sites that were previously managed under SCC's Highways contract. This role will commence in April 2010. **(Action 24)**

6. Equalities Issues

The SWP places emphasis on ensuring that its services can be reached by all sectors of the community. While we recognise that there are still some barriers to some users, we will attempt to improve the situation when considering new sites and new initiatives.

6.1 HWRCs

There are 18 HWRCs and the majority of the population live within 5 miles of at least one of them.

SWP provides good access to the Centres, with opening hours (9am until 5pm in the winter, 9am until 7pm in the summer), as well as weekend and Bank Holiday opening. It was regretted that opening hours were reduced as a cost saving measure in 2009/10 but taking this saving enabled SWP to preserve the full range of centres and services.

A survey undertaken in March 2006 indicated that there was, however, a lower level of usage of the Household Waste Recycling Centres with those considered themselves to have a disability – 53% compared to 66%.

SWP aspires to further improve facilities at HWRCs (see 5.3 above). In addition the site staff are trained to offer assistance to those in need.

6.2 Kerbside Collections

The May Gurney collection contract has an expanded section covering equality issues on service delivery as well as staffing, and equalities monitoring.

Assisted collections are available for both recycling and refuse. This means that refuse crews will retrieve and return containers from a convenient point outside the premises so that the householder does not have to deliver the container to the curtilage.

Improvements have been made to the material “icons” on the side of the kerbside recycling box. These aid recognition of compliant materials regardless of first language.

Sort It! Plus includes plastic and cardboard, making this type of recycling more accessible to those who are unable to take materials to the HWRCs or bring sites. According to the March 2006 survey, the level of kerbside recycling usage was the same regardless of whether people had a disability, although 77% of those claiming to have a disability found it convenient to recycle (against 80% overall).

The expansion of Sort It! Plus into Sedgemoor during 2010 (and aspirationally to West Somerset) will see increased use of wheeled bins to aid movement of waste where properties are suited to their storage.

Free clinical waste collections are available to those households that routinely generate this type of waste.

Bulky waste collections; promotion (and financial assistance) of Furniture Re-use groups provide a free collection service and provide items for those on benefits. In the March 2006 survey there was a higher level of usage of the Furniture Reuse schemes amongst those claiming to have a disability – 22% over 17% of the total.

Support is available for those who have larger families or young children in nappies through providing additional refuse capacity as required.

6.3 Education and Awareness

In 2008 Somerset Waste Partnership's waste education team, the Somerset Waste Action Programme worked with Somerset Total Communications (STC) to create a system of symbols, signs and pictures tailored to waste and recycling for people who find it hard to communicate. Members of the team have had STC training.

For events (meetings, seminars etc), where possible, venues that are chosen are picked from the County Council's recommended venues, which ensure that they meet the necessary equalities and disability requirements.

Roadshows are held periodically throughout the year. The locations of which are predominantly in High Streets and Car Parks where public access is good. An on-the-ground assessment is made by staff members running the roadshow to ensure that kerbs, steps etc are avoided. The roadshow vehicle that is used opens up onto the ground, so that there is no need for any steps or ramps.

6.4 Promotional Material

Leaflets and other printed promotional material are all distributed at roadshows and events. They contain the relevant equalities logos and are available in several languages. Polish and Portuguese are included and have been requested. Leaflets are also available in large font format.

All promotional materials are designed to be as clear as possible, focusing on the use of images over text. Recent government guidance (WRAP - Waste Resource Action Programme) has provided a series of material icons, which within each icon contains a recycling symbol, the name of the material, and a picture of the material.

These icons are being used on all new leaflets, newsletters, newspapers, bins etc. The icons help identify recycling to both those who cannot read and for those who English is not their first language.

7. Performance

Section to be added

(Note for Board meeting on 11th December - Performance is a separate agenda item).

8. Local Area Agreement

The LAA targets for Somerset adopted in 2008 did not include any of the three indications for waste within the set of 35 indicators.

NI 191 Residual household waste (kg per household) has been adopted as a supporting tier target.

9. Financial Summary

9.1 Revenue Budget

A summary of the 2008/9 budget is attached at Appendix 3 (*to be added*).

9.1 MTFP - Financial Scenarios

Efficiency Savings

SWP's Managing Director and Senior Management Team continue to work with the Strategic Management Group (SMG) of partners' Directors to identify savings and efficiency options.

The single client side represents around 5% of the Board's total budget – and has been reduced by around 17% compared to the situation prior to set up of SWP.

In addition, the proposed client budget for 2010/11 has been reduced by 9.5% on the previous year. This has been achieved through deletion of existing post (The Head of Strategy), savings in travel and expenditure and reduction in the communications budget. A 0% increase in salaries for 2010/11 is also assumed.

Most of the rest of the £33m budget is tied up in the long term waste disposal contract with Viridor and the single collection held by May Gurney. The latter is estimated to save Somerset over £1m pa (approx 11%) in relation to previous arrangements (which would have increased considerably had contracts been procured on an individual authority basis). This was verified independently in 2008 via a report from Eunomia Consultants. The vast majority of SWP services are statutorily provided free of charge and are subject to legally binding contracts. This severely limits scope for savings.

During the winter of 08/09 the SWP undertook a "Category Planning Process" overseen by South West One to explore scope for further savings. This process was also supported by the four partners who are not part of the SW1 project. As reported to, and agreed by, the Board in March 2009 the project did not continue beyond the scoping stage as no new areas of significant saving were identified.

The best means of cost control continues to be through diversion of material away from increasingly costly landfill.

This can be achieved in two main ways: Through continuing the long term strategy of promoting waste reduction and by maximising reuse/recycling (as costs are fixed).

Through efforts over a long period, levels of household waste for disposal per head (or per household) have reduced significantly.

The recession has however had an impact on overall arisings, particularly on recycling (there is less material in the system to recover). SWP has a waste minimisation strategy (due for review in 2010/11) and will continue to promote waste reduction as well as reuse and recycling. A reduction in the amount of waste being dealt with has a benefit to the County Council's share of costs as they pay for final disposal and a recycling credit to help offset the districts costs. With recycling being reduced, the districts fixed costs remain but they are receiving less credit to offset these costs.

SCC have agreed to support those districts moving to Sort It! Plus through a "super credit", a higher level of credit for new material coming into the system.

SCC do however continue to bear the brunt of the annual landfill tax increases which are far in advance of inflation. The Board will continue to explore ways of ensuring that the overall system costs (and thereby the total bill to the taxpayer) is minimised.

The main areas the districts have for savings is through increasing income (for example through garden waste collection – see 5.7 above) and reducing services that are outside the main contract ie bring banks.

SWP's Managing Director and Senior Management Team have worked with SMG to identify further opportunities to reduce or eliminate subsidies for discretionary services.

It is proposed that from 2010/11, receptacles for new developments or new joiners are no longer provided free of charge. The charge could be recovered from either developers or from householders. **(Action 25)**

SWP's Managing Director and Senior Management Team will continue to explore opportunities for further organisational savings through either cross boundary or cross function collaboration. **(Action 26)**

Strategic Risk Register

	Strategic Risk	Link to objectives	Impact	Prob.	Movement in last 12 months	Effects	Mitigation
1	Delay in making choice and procuring technology(s) for residual treatment	1,4,5,7	4	4	Reduced impact, increased probability due to continuing waste reduction	Potential lack of LATS compliance in 2013, Higher carbon impacts. Landfill may still be cheaper in short term	Through JMWMS agree and evaluate preferred options and consult. Explore short term LATS compliance solutions
2	Failure to identify / gain consent for adequate site(s) for preferred technology(s) option	1,4,5,7	4	4	Reduced impact as per risk 1 above	Potential lack of LATS compliance in 2013, Higher carbon impacts.	Ensure that proposals fit with M&WDF, consult widely on sites and engage with local communities around key sites
3	Increased costs of providing service	4,7	4	5	No change	Landfill tax escalator applies to disposal costs, the step to Sort It Plus is proving difficult financially for all districts	Seek external funding available to support objectives. Seek most cost effective option for Council Tax payer
4	Poor performance of contractors	2,3,6,7	5	2	Probability remains low as both contractors have proven track record	Increased public and political dissatisfaction with service, higher staff workload, reduced capacity to innovate	Maintain close operational oversight of all operations, monitor performance and tackle and adverse trends early
5	Market failure for materials	1,3,4,5	5	2	Reduced probability as markets have held up in recession	Material landfilled with associated costs, damage to public confidence in systems	Maintain emphasis on quality and relationships with reprocessors, maintain stable UK markets where possible
6	Public confidence in systems	2,3,5	4	4	Increased probability due to reduction in brings banks and uncertainty on SI+	Reduced recycling rates means less credit to offset against fixed costs to districts thus making further innovation difficult	Promote End Use Register. Consult on change and communicate successes. Deal with problems swiftly and decisively. Communicate

	Strategic Risk	Link to objectives	Impact	Prob.	Movement in last 12 months	Effects	Mitigation
7	Loss of political consensus or support	5,6	4	2	Reduced probability. Political support for SWB has remained high so far	Loss of trust between partners and/or the single client, reduces scope for innovation and further efficiencies, increasing costs to all partners	Promote early dialogue on problems, communicate and engage all partners continuously on strategy and local operational implementation
8	Withdrawal of partner	4,5,6,7	5	1	No change	Loss of national reputation. Reduced scope for innovation and further efficiencies, increasing costs to all partners	Promote early dialogue on problems, communicate and engage all partners continuously on strategy and local operational implementation
9	Failure to attract & retain staff	5,6,7,8	4	3	No change. Limited staff turnover and a good recruitment process for BRAd	Disruption and cost of recruitment, training resources. Reduced organisational capacity and succession planning	Training, national reputation, benefits, working environment, promote and celebrate success
10	Low staff morale	2,6,8	4	4	Probability increase due to wage restraint at time of high workload	Impact on productivity and customer service, damage to reputation	Training, good working environment, celebrate success, tackle feedback from staff survey
11	Serious injury to staff, crews or the public	2,8	4	2	No change although collection crew accident rates have fallen	Personal Impacts. Impact on productivity and customer service, damage to reputation. Possible litigation and associated costs	Guard against complacency, give high priority to Health & Safety, ingrain culture within organisation
12	Failure to keep up level of innovation	3,5,7	4	2	No change	Initial impacts low, longer term impacts on ability to recruit and retain staff, political support, failure to improve environment	Celebrate and widely publicise success in public, partner and political arena

	Strategic Risk	Link to objectives	Impact	Prob.	Movement in last 12 months	Effects	Mitigation
13	Failure to meet performance targets	1,5,7	3	4	Probability has increased due to uncertainty over Sort It Plus	Impact of partner organisations' Corporate Assessment scores. Loss of reputation, public support and national profile	Look for continuous ways to innovate. Continue to place high value on the public's efforts
14	Liabilities relating to interpretation of Schedule 2		4	4	Increased probability due to threat of Judicial Review	Increased disposal costs and potentially increased collection costs due to investment in new facilities	Continue to lobby Defra directly and through LGA

SWP Summary of Key Actions 2010-15

	Strategic Action Point	Who	When	Expected Outcome
1	Working with retailers and other parts of the packaging chain, SWP will continue to press Government for more transparency and targeted resources for frontline services from producers of packaging and other materials obligated under producer responsibility Regulations	Managing Director	Continuing – with potential for significant progress in early 2010	External resources from obligated producers to assist with collection of materials
2	The partnership will, both through Defra and directly, will give reasonable assistance to other parts of the local Government community exploring joint working or enhanced kerbside collection, recovering costs where appropriate (Action 2)	Managing Director Strategy Team Operations Team	Continuing at least until April 2011.	Enhanced reputation. Greater efficiencies nationwide and opportunities for shared knowledge
3	Develop a Climate Change Adaptation Action Plan to assess potential impact and suggest mitigation measures	Strategy Team	By March 2011	Summary of key risks and actions required
4	Update the End Use Register of reprocessors and end-uses	Strategy Team, May Gurney and Viridor	February 2010 and annually thereafter	Maintain high level of transparency in how materials are recycled
5	Opportunities for further efficiencies will be sought through dialogue with adjoining authorities regarding opportunities for collaboration	Managing Director and Chairman	Dialogue with potential partners to continue into 2009	Potential further efficiency savings via economies of scale
6	Provide recycling and advice to the business community and monitor effectiveness and impact	Business Recycling Advisor	Fixed term Project to March 2011	Economic and env. efficiencies for SMEs
7	Facilitate a county-wide forum on H&S issues for the wider industry	H&S Advisory Group	Spring 2010 event & regular forum meetings	Fewer accidents and more proactive approach to H&S

	Strategic Action Point	Who	When	Expected Outcome
8	Develop and consult on a revised Joint Municipal Waste Management Strategy covering prevention, reuse, recycling and renewable energy where energy recovery is more sustainable than other options	Managing Director and Strategy Team	November 2009-September 2010.	Policy Document with public support Reduced carbon Fulfil landfill reduction targets
9	Develop new state of the art food waste processing capacity through Anaerobic Digestion to supersede the current In-Vessel system and eliminate reliance on out of county capacity	Strategy Team	Re-evaluation of options early 2010	Local AD facility could be operational from 2012
10	Review HWRC policy and provision during 2010/11 to include evaluation of take up of business recycling services and potential capital development of current or new sites	Managing Director		Ensure sites are fulfilling a need.
11	Implementation of battery take back service at HWRCs	Operations Team	By March 2011	Increased capture of hazardous materials
12	Develop processes to manage hardcore and soil at HWRCs to avoid landfill and allow inclusion in composting or recycling key performance Indicators	Operations Team	By March 2011	Improved resource management and effective recycling
13	Roll Out Sort It Plus in TDBC and SDC	Head of Operations	November 2009-November 2010	Economic and env efficiencies, reduce carbon
14	Roll out Sort It Plus in other Districts if funds become available	Head of Operations	Timetable will be determined by districts	Economic and env efficiencies, reduce carbon
15	Evaluate the economics and practicalities of adding new materials to the kerbside collection	Strategy Team	Spring 2010	Increased capture of materials and meet public expectations

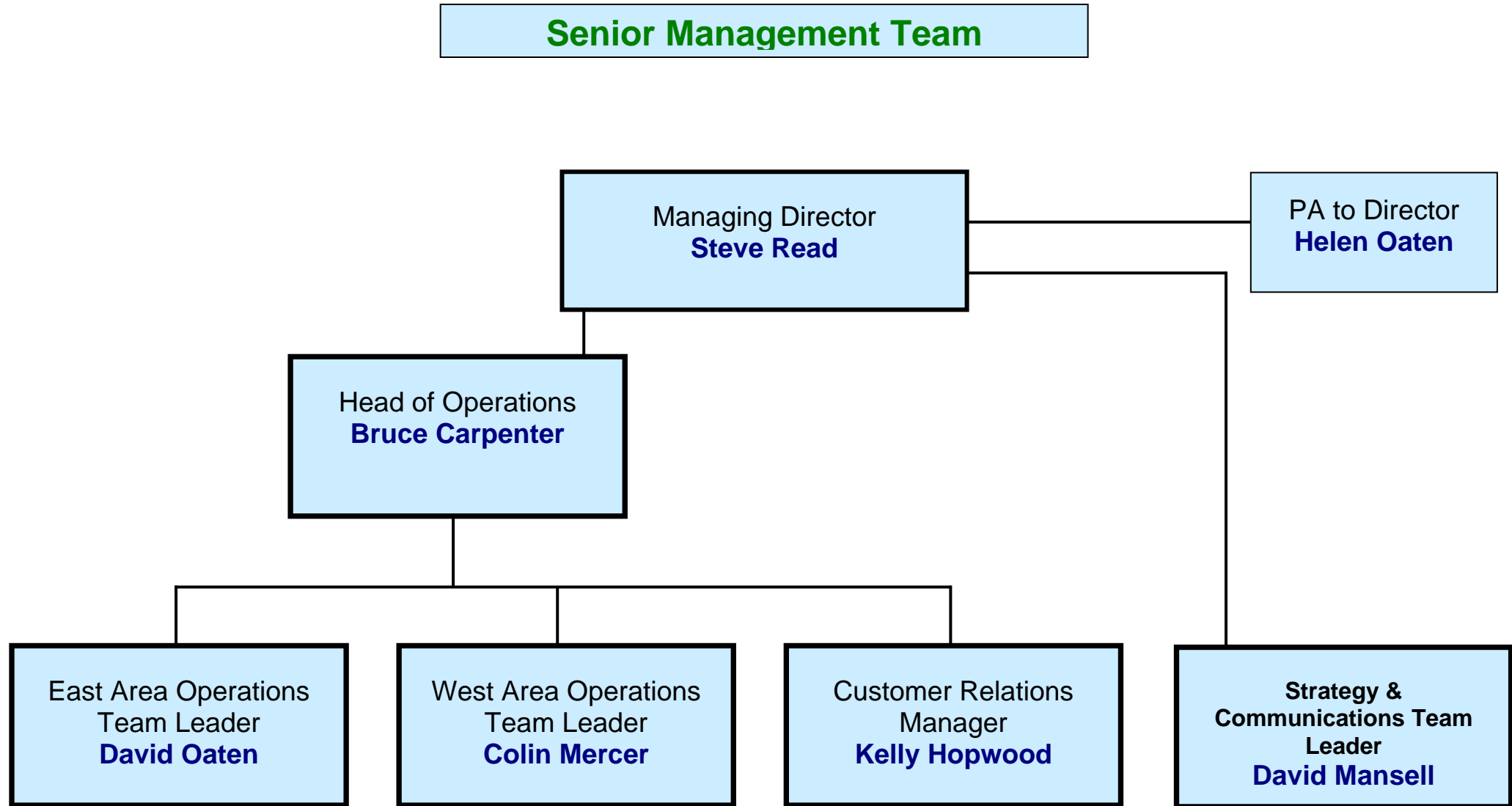
	Strategic Action Point	Who	When	Expected Outcome
16	Fundamental review of collection contract schedules	Head of Operations	By October 2010	Clearer and Fairer apportionment of costs
17	Review bring site service arrangements and rationalise network to match SI+ roll out programme	Head of Operations	Winter 2009/10	Savings and improved facilities
18	Explore opportunities for development of card, plastic and food waste in communal properties and schools	Head of Operations	By September 2010	Improved recycling rates and participation
19	Investigate charging for excess waste	Strategy Team & Board Sub-Group	By October 2010	Recommendations to Board in autumn 2010
20	Implementation of WISPER to all districts	Customer Services Team	As districts come onto Sort It Plus	Improved flow and storage of information
21	Review enforcement capacity within the SWP to ensure that officers are trained and equipped to carry out enforcement action as a last resort	Operations Team	By March 2011	Tools for effective and consistent enforcement in extreme cases
22	Establish Streetscene forum to investigate “recycling on the go” opportunities and maximise recovery of other street cleansing wastes	Head of Operations	Spring 2009	Increased capture and recycling of material. Meet public demand
23	Procurement of closed landfill monitoring and management service	Head of Operations	Spring 2010	Compliance with obligations at best value
24	Integration of closed Highway Authority landfills in inspection regime	Head of Operations	Commencing April 2010	Efficiencies and income potential

	Strategic Action Point	Who	When	Expected Outcome
25	Implement a policy to charge developers or householders for providing receptacles for new developments or households without a bin	Operations Team	Implemented from 1 st April 2009	Reduced cost of replacement bins
26	Explore further cross-boundary or cross function collaboration	Managing Director	Continuing	Efficiency savings through economies of scale

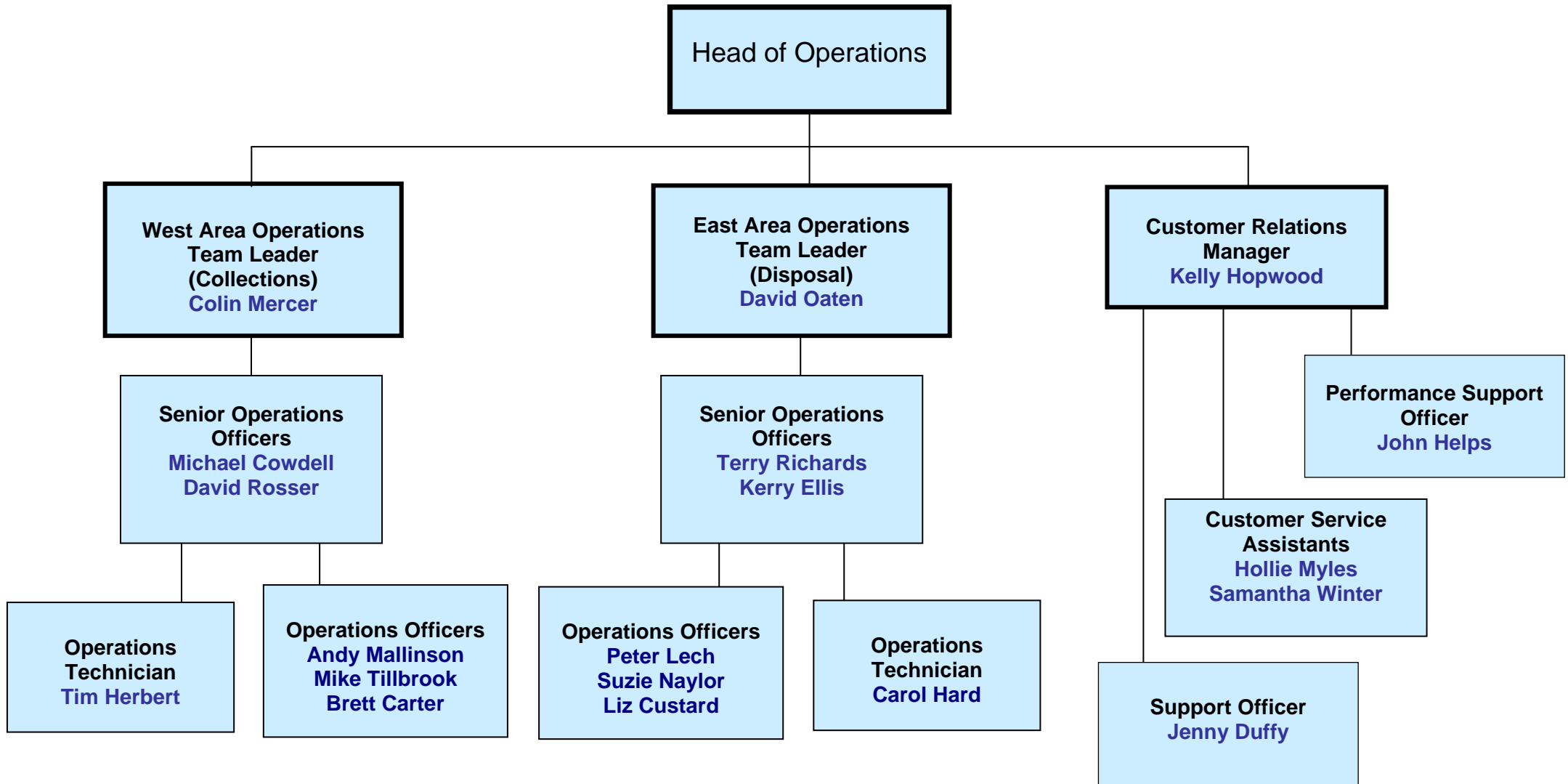
Appendix 1 – List of Members of the Somerset Waste Board

Authority	Member	Political Party	E-mail Address
Somerset County Council	Anthony Trollope-Bellew (PH) Derek Yeomans (Chairman)	Conservative Conservative	ahrtrollope-bellew@somerset.gov.uk dnyeomans@somerset.gov.uk
Mendip District Council	Nigel Woolcombe Adams (PH) (Vice Chairman) Nigel Hewitt-Cooper	Conservative Conservative	woolcombe-adams@btinternet.com / cllr.woolcombe-adams@mendip.gov.uk cllr.hewitt-cooper@mendip.gov.uk
Sedgemoor District Council	John Swayne Stuart Kingham (PH) Ann Bown (Deputy)	Conservative Conservative Conservative	john.swayne@sedgemoor.gov.uk stuart.kingham@sedgemoor.gov.uk ann.bown@sedgemoor.gov.uk
South Somerset District Council	Paull Robathan Tom Parsley (PH)	Liberal Democrat Liberal Democrat	pauill.robathan@southsomerset.gov.uk tom.parsley@southsomerset.gov.uk
Taunton Deane Borough Council	Tim Slattery (PH) Melvyn Mullins	Liberal Democrat Liberal Democrat	cllr.t.slattery@tauntondeane.gov.uk cllr.m.mullins@tauntondeane.gov.uk
West Somerset Council	Chris Morgan (PH) Doug Ross	Independent Independent	cmorgan@westsomerset.gov.uk doug@ballfield.plus.com / dross@westsomerset.gov.uk

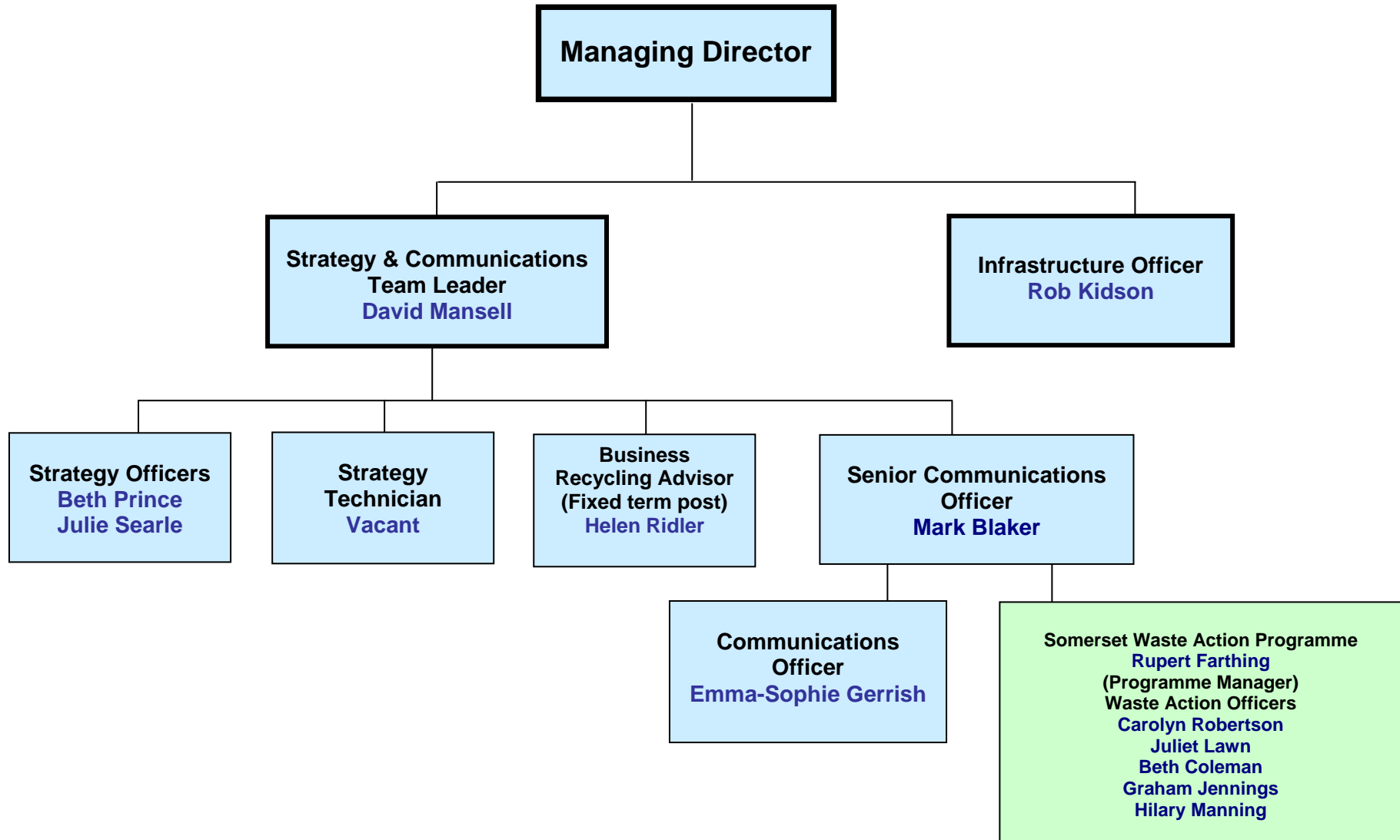
Appendix 2 – Structure of the Somerset Waste Partnership



Operations & Customer Services



Strategy & Communications



Appendix 4

2010/2011 Communications Plan

Introduction

Communications activities in 2009 have been successful in reducing waste and supporting services. In 2010/2011 we will support roll-out of SORT IT PLUS across Sedgemoor and Taunton Deane; deliver key activities in the SWP Waste Minimisation Strategy; support initiatives developed by the Business Recycling Advisor.

1. Style and Branding

To deliver accessible, inclusive and persuasive branded communications.

2. Media

To encourage people to recycle more and minimise waste the profile of waste matters must be high. We will continue to issue waste related stories to local media and respond to enquiries in a professional and timely manner.

2.1 Social and Community Media

In 2009 we worked successfully with 10 Radio and Rosemary Conley Diet and Fitness Clubs, promoting food waste reduction. The evidence suggests these are a cost effective route to sustainable waste reduction.

3. Consultation/Surveys

As part of the Municipal Waste Management Strategy development we have recruited seventy volunteer consultees from across Somerset. A further tranche of stakeholder consultees has also been established. Views from these groups will be sought via events, surveys, online discussion boards and others. These will provide feedback on communications.

4. SWAP

We will continue our commitment to promoting sustainable waste education programmes through SWAP, recognising the valuable contribution made to waste minimisation.

5. Door to Door

See appendix.

6. Actions

	Action Point	Lead	When	Expected Outcome
1	SORT IT PLUS Produce service information supporting roll out of service.	Mark Blaker	Through 2010	Effective uptake of service.
2	Waste Prevention strategy Deliver the communications components of SWP's Waste Minimisation Strategy.	Mark Blaker and Emma Sophie Gerrish	As per Waste Min Strategy schedule	Contribution to a reduction across a range of waste streams.
3	Master Composting Support the ongoing Master Composting Scheme.	Rupert Farthing/SWAP team	Spring, Summer and Autumn	Increase in home composting leading.
4	Compost Bin Offer Support the sale of compost bins.	Emma-Sophie Gerrish	Through the year/Spring promotion	Increase in home composting.
5	Website Developments Deliver more information to more users at first point of contact.	Mark Blaker	Through the year	Reduced reliance on customer service staff
6	Audience Segmentation Test segmentation in the promotion of waste reduction messages.	Communications Team	Autumn 2009	Waste stream reduction
7	Annual Newsletter Produce resident's newsletter as an insert in the autumn Your Somerset.	Mark Blaker	October 2010	Raised awareness of services.
8	Bank Holiday Collections Publicise revised collection day information. Press adverts will be placed across Somerset prior to Easter and Christmas.	Emma-Sophie Gerrish	Prior to bank holidays.	Public awareness of bank holiday changes.
9	e-news We will continue to send our bi-monthly e-zine to those who wish to sign up for regular updates quarterly.	Mark Blaker	Bi-monthly	Raised awareness of services; reduction in waste streams.
10	Waste Matters Sent to staff, contractors and members three times a year.	Mark Blaker	July, November, March	Internal communications.
11	Business Recycling Support the Business recycling Advisor with PR and other communications.	Mark Blaker	As arising	Improved waste management among business community.

Appendix

Door to Door Canvassing Business Case

Resource required: Funding of £40,000 (2 people for 6 months – spring & autumn each doing 250 houses/day – speak to 30-50 & deliver to 200-220*)

Overview: Campaign to increase participation for food waste collections in SORT IT (+) districts and, alongside this, increase capture of other kerbside materials for recycling.

Methods: target 50,000* houses not putting out food waste bins with trained officers promoting participation on doorstep, attaching reminder stickers on refuse bins, delivering leaflets to those not in and sending follow up mailings to half of all those targeted.

Predicted outcome: increase participation by 4,000 hh, each diverting extra 150 kg/hh/yr = 600 tonnes pa giving disposal/treatment saving of £25/t or £15,000pa (payback period of 2.7 years and net on-going saving over 5 years of £35,000).

Monitoring: round weights to measure performance changes and find out what balance of direct contact/delivery is most effective.

* Review balance between speak/deliver and total household targets after initial monitoring to determine what is most effective.

INTERNAL INFO

Directed by Senior Comms Officer

Managed & monitored by Strategy Officer

Performance related payments for staff to be considered, budget and processes permitting.