



Councils working together

Dorset Waste Partnership Business Plan 2017-18

Contents

- 1. Introduction**
- 2. Purpose of Business Plan**
- 3. Strategy**
- 4. Vision and critical objectives**
- 5. Unitary authorities within Dorset**
- 6. Annual budget and service delivery**

Management, admin & support costs

Host Authority Support Costs
Projects and promotions budget
Enforcement

Waste Disposal costs

Waste Disposal
HRCs and Transfer Stations
Sale of Recyclate
Closed landfill sites
Re-use credits
Capital – infrastructure

Collection costs

Capital – vehicles
Capital – containers
Depots
Collection costs
Street cleansing costs
Vehicle workshops and fleet costs

Commercial Services trading accounts

Garden Waste service
Commercial Waste service

- 7. Budget Challenge Workshops**
- 8. Projects / Action Plan**
- 9. Risks and Constraints**
- 10. Medium Term Financial Plan**
- 11. Value for Money**
- 12. Key Performance Indicators**

Appendix A: DWP's action plan for 2017/18

Appendix B: DWP draft budget 2017-18

Appendix C: DWP MTFP 2018-19 to 2021/22

Appendix D: Budgeted tonnes and cost of disposal 2017/18

1. Introduction and context

- 1.1 The Dorset Waste Partnership (DWP) was established in 2011 and manages waste services on behalf of the seven local Dorset authorities. The partnership was formed to improve services and reduce costs for the residents of Dorset.
- 1.2 A single Recycle for Dorset service has been rolled out across the whole county, streamlining collections and making collection efficiencies. Residual waste has been restricted and recycling services have been expanded offering a comprehensive collection service at the kerbside.
- 1.3 The business plan illustrates the DWP's vision and sets objectives for projects in the next financial year (2017/18) and, in some cases, longer term projects that relate to a statutory requirement of the partner authorities. This business plan is developed alongside the revenue budget for 2017/18, the five year capital programme, and with an eye on the medium term situation for Dorset.
- 1.4 The business plan sets out specific targets and projects for 2017/18 to assist the DWP to achieve its vision and statutory requirements. These targets and projects are captured in an attached Action Plan, which identifies action required, reasons for action, resource requirements, and performance measures.
- 1.5 The context for the 2017/18 business plan is one that follows on from a successful year in 2016/17. Highlights include:
 - A number of award wins for the DWP including Local Authority Innovation of the Year for the 'recycle for Dorset' scheme at the MRW National Recycling Awards 2016, and a number of awards for the new waste management facility at Broomhills, Bridport.
 - Confirmation of having the joint highest recycling and composting performance for 2015/16.
 - Recycling performance at over 61% for the most recent (Qtr 2) performance data, exceeding the target of 60%.
 - Forecast for a healthy financial underspend by the year end, largely due to contract renewals and improving contributions from traded services.

2. Purpose of business plan

- 2.1 The business plan is driven by the Strategy, which informs the business plan for the forthcoming 12 month period. The budget sets out the expected effect of the business plan in financial terms.
- 2.2 The business plan also drives the project register, and is used to inform team priorities and individual targets for the forthcoming financial year. See diagram at Appendix 2.

3. Strategy

- 3.1 The Strategy for DWP is determined by the Joint Municipal Waste Management Strategy for Dorset 2008 – 2033. This was formally adopted by all 7 seven partner councils.

3.2 The nine headlines of the current strategy are as follows:

Headline	Policy
Towards zero growth	1. To prevent the growth of municipal waste by promoting waste reduction and reuse initiatives, with a long term aim towards zero net growth
Underpinning awareness and education	2. To promote waste awareness through coordinated public education and awareness campaigns, and effective community engagement.
Recycling and composting	3. Across Dorset, to achieve 60% recycling and composting by 2015/16.
Optimised recycling services	4. To achieve an optimised recycling and composting service across Dorset that is easy to understand and use (although local collection arrangements may differ).
Biodegradable waste	5. To progressively increase the recovery and diversion of biodegradable waste from landfill to meet and eventually exceed the landfill diversion targets under the Landfill Allowance Trading Scheme.
Residual waste	6. To ensure that residual waste treatment complements activities higher up the waste hierarchy and maximises the value recovered from waste in terms of resources and energy.
Cost efficient services	7. To deliver efficient and cost effective waste management services across Dorset that provide value for money.
Encourage sustainable management of commercial waste	8. To further encourage sustainable management of commercial waste and to optimise integration with the management of municipal waste where this is of benefit.
Sustainability within the local authorities	9. As local councils to set an example by reducing, reusing, recycling, composting and recovering our own waste and using our buying power to positively encourage sustainable resource use.

3.3 Whilst the majority of the Strategy remains relevant, some of the specifics need to be updated in relation to performance since 2008. The strategy is currently being reviewed and a proposed update will be taken to Joint Committee in March 2017.

4. Vision and critical objectives

4.1 The vision remains unchanged:

'A Dorset wide partnership to provide a quality, efficient and value for money waste service'

4.2 The following critical objectives are listed in no particular order.

1. Maintaining customer satisfaction
2. Investigate further options for cashable savings
3. Encourage application of the waste hierarchy
4. Meet our statutory requirements
5. Seek to work in partnership

5. Unitary authorities within Dorset

5.1 At the time of writing, consideration is being given to the introduction of two unitary authorities in Dorset in 2019, although the boundaries of the proposed unitary councils are not yet known, and the process is subject to approval by central government.

5.2 The Business Plan, which focuses on 2017-18 only, and the actions and projects contained within it take no account of the possible unitary authorities within Dorset in the longer term, and instead focus on delivering the agreed strategy to the residents of Dorset in its current format. Once a decision has been made, further work will be necessary.

6. Annual Budget and Service Delivery

6.1 The Business Plan links to the annual budget for 2017/18 and sets out service delivery plans as follows:

Management, admin and support costs

Host Authority Support Costs (see Appendix B, row 3)

6.2 The DWP is supported by a number of support services which are critical in terms of service delivery. The key support services are:

- * Customer contact
- * HR and payroll services
- * Treasurer and accountancy support
- * ICT services
- * Procurement
- * Communications
- * Legal and Democratic services
- * Financial transactions, debt monitoring and debt recovery

The cost of support services for 2017/18 is estimated to be around £83k lower than the budget for 2016/17. Nonetheless, it remains an area that will continue to be scrutinised for more efficient and more effective methods of support that may allow further cost savings to the DWP in future.

Projects and Promotions (see Appendix B, row 32)

6.3 The Projects and Promotions budget was formerly known as the 'Recycling Initiatives' budget. The budget for 2017/18 is almost £150k and is used to support the education and enforcement roles within DWP. Now that 'Recycle for Dorset' implementation has concluded, the projects and promotions budget will primarily be used to focus communications on service optimisation, through the implementation of a high profile and high impact 'Right Stuff, Right Bin' campaign. The key aims and objectives of this new communication campaign are to increase participation and capture of materials in all elements of the 'Recycle for Dorset' scheme, to reduce the quantity of residual waste collected in the 'Recycle for Dorset' scheme and to reduce contamination of the recycling stream by ensuring the correct materials are placed in the correct bin. In order to make the biggest impact possible, the campaign is being undertaken with two distinct elements – an overarching campaign aiming to reach all Dorset residents and a series of targeted campaigns to cover particular materials and problem areas.

6.4 We are also focussing our efforts on promoting waste awareness through coordinated public education and awareness campaigns on waste prevention including home composting, real nappies, reuse and Love Food Hate Waste. These will be supplemented with regular streetscene / enforcement campaigns and an extensive schools programme/strategy to cover both primary and secondary schools. The implementation and communication of these various campaigns will be supported through the recruitment of additional waste promotions assistants to assist the recycling officers, which again will be funded through the projects and promotions budget.

Enforcement (see Appendix B, contained within row 43).

6.5 The enforcement role has a wide remit, covering littering offences, fly-tipping, abandoned vehicles and working closely with the education team. The DWP has two full time enforcement roles, though it should be noted that Purbeck carry out their own enforcement directly, and Weymouth and Portland Borough Council are about to begin an arrangement with a third party for issuing of Fixed Penalty Notices.

6.6 The DWP have been facing increasing demands for action from partner councils in respect of enforcement, which has proven challenging with the limited resources available. DWP has been investigating the potential for a third party arrangement for the issuing of FPNs, similar to that currently being piloted by Weymouth & Portland Borough Council, on a model that would see little or no financial risk to the DWP. At the time of writing, it has been not been possible to find an arrangement that has enough financial certainty. For 2017/18, the DWP will work with officer colleagues at Weymouth & Portland Borough Council to monitor their scheme with a view to revisiting the feasibility of a DWP scheme at a later date once lessons have been learned from the W&PBC scheme.

Waste Disposal costs

Waste Disposal (See Appendix B, row 5 and row 15).

- 6.7 The DWP expect to dispose of 212,000 tonnes of material in 2017/18, with a budgeted cost of £11.257m. This excludes the associated costs of running HRCs and transfers stations, and excludes any commercial waste (for which costs are attributable directly to the trading account).
- 6.8 The tonnes and cost by workstream are shown on the attached Appendix 4. At a glance, it can be seen that residual waste, at an annual cost of almost £8.5m is by far the biggest cost that sits under the waste disposal budget heading.
- 6.9 Disposal arrangements are generally put in place under a contract for several years, with the next major contract renewal dates due in 2020/21. In 2017/18, the DWP will review current disposal arrangements and also consider ways to optimise value in advance of the contract renewal dates. All options are open for consideration, including the potential for an in-house solution for waste disposal.

Household Recycling Centres (HRCs) and Transfer Stations (See Appendix B, row 17 and row 11).

- 6.10 2016/17 saw the re-letting of the contract to manage the eleven Dorset HRCs, and achieved a cost reduction as part of that process. At the same time, Joint Committee took the decision to reduce winter opening hours, to achieve a further saving. The contract is now in place for eight years.
- 6.11 With the new contract in place, no change is anticipated to the HRC service for 2017/18, which will see 'business as usual'. The HRC contract does allow further variations, however, such as closure of sites or further changes in opening hours, which can be revisited if the pressure for further savings requires it. In addition, the DWP deal with neighbouring authorities where cross-border HRC visits takes place. There is currently ongoing discussion with Hampshire about the use of their HRC at Somerley which will be brought to resolution.
- 6.12 Adequate transfer station infrastructure is considered essential to an efficient and effective waste disposal service. The infrastructure review is due to be completed in 2017/18 and this will set out further findings in respect of all infrastructure including the transfer stations.

Sale of Recyclate (see Appendix B, row 15)

- 6.13 The 2017/18 budget assumes that just over 30,000 tonnes of dry mixed recyclate (DMR) will be collected and processed at a cost of £17.32 per tonne. In reality, the price that the DWP pay varies each month, based partly on the quality of the Dorset collection and partly on the wider market price for such commodities. The price is determined through a broker arrangement. The budgeted cost to the DWP for 2017/18 is £521k, though it is highly likely that there will be variation from the budgeted figure due to the monthly price fluctuations. Historically, the DWP benefitted from a favourable recyclate price which earned the DWP significant income, however more recently it has

had to be disposed of at a significant cost. It is not possible to know if or when such favourable conditions may return.

Closed landfill sites (see Appendix B, row 24).

- 6.14 The DWP, as hosted by Dorset County Council, has responsibility for most, though not all, of the closed landfill sites within Dorset that were formally operated by local authorities.
- 6.15 The responsibility is discharged by a regular monitoring, testing and inspection regime, undertaken by DWP staff, supported by a budget of around £110k for ground services, maintenance, rent payments and other costs.

Re-use credits (see Appendix B, row 34).

- 6.16 The DWP retains a small budget (£10.5k) for payment of re-use credits. The Joint Committee meeting of September 2015 agreed that recycling credits would no longer be made, but that re-use credits would continue.
- 6.17 Re-use credit payments to furniture reuse organisations were introduced in 2007. The payments are made as a reward for diverting household furniture and appliances away from landfill. The payments are still considered to be important to support waste diversion and the wider community role in providing low income households with furniture (and appliances), education and training opportunities for their volunteers.

Capital – infrastructure (see Appendix B, row 55).

- 6.18 The 2017/18 budget contains a sum of £300k to pay for capital charges on infrastructure work. This essentially represents the repayments on borrowing, plus the interest paid, to fund the infrastructure work, and is charged to the DWP budget over a twenty five year period, in line with the write off of the life of the asset.
- 6.19 Of the budgeted figure, £250k relates to work for the proposed new strategic waste management facility at Blandford, which will be the subject of separate updates and progress reports throughout 2017/18, and is the only major item under the capital infrastructure heading. The project team is currently undertaking an options appraisal on three sites identified in Blandford for the new facility. This involves studies to assess each site for transport/access, the effects of the development on the landscape, in particular the Area of Outstanding Natural Beauty, and the ability to accommodate DWP operational requirements on the land being made available.
- 6.20 This work will take 2 months to complete, following which the team will be in a position to take forward a site that meets our requirements. Negotiations will then be undertaken to agree a purchase subject to planning approval being obtained.
- 6.21 Feasibility work is already underway on one site, and will be extended to a second site should initial discussions with the landowner be positive.
- 6.22 Feasibility work should be complete by the summer when work to prepare for a planning submission in early 2018 will be underway.

6.23 There is also a sum of £50k for minor capital works across other sites.

Collection costs

Capital – vehicles (see Appendix B, row 53).

6.24 The 2017/18 budget contains a sum of £1.143m to pay for capital charges on vehicle purchases. This essentially represents the repayments on borrowing, plus the interest paid, to fund the purchases of vehicles, and is charged to the DWP budget over a seven year period, in line with the write off of the life of the asset.

6.25 The 2017/18 budget includes the effects of purchases assumed at a value of £645k as per the vehicle replacement programme that was agreed at the Joint Committee meeting on 7th November 2016.

6.26 This does not take account of capital charges in relation to vehicles for the Commercial Waste service or the Garden Waste service, which are charged directly to those trading accounts.

Capital – containers (see Appendix B, row 54).

6.27 The 2017/18 budget contains a sum of £505k to pay for capital charges on domestic container purchases. This essentially represents the repayments on borrowing, plus the interest paid, to fund the purchases of the containers, and is charged to the DWP budget over a fifteen year period, in line with the assumed life of the asset.

6.28 Prior to 2016/17, purchase of containers was charged to the capital budget associated with the roll-out of the Recycle for Dorset scheme. 2017/18 is the first year in which an estimate (at £505k) has been applied to the budget for 'business as usual' requirements (i.e. purchases to deal with housing growth and to replace lost or damaged stock). Spend on containers is subject to ongoing monitoring

Depot properties (see Appendix B, row 60).

6.29 The DWP currently has depots as follows:

- Bridec depot, near Bridport
- Poundbury depot, Dorchester
- Crookhill depot, Weymouth
- Purbeck depot, Wareham
- Longmead depot, Shaftesbury
- Ferndown depot
- Christchurch depot, Southcote Road, Bournemouth
- Blandford depot
- Sherborne facilities

6.30 There is a budget of £614.5k associated with the depots for running costs. Rents, at £304k, form the biggest element of the running costs, followed by building works budgeted at £145k. Rates and utilities form the remainder of this budget line.

Collection costs (see Appendix B, row 68).

- 6.31 No changes to the collection service are anticipated in the budget for 2017/18. By far the largest cost for collection is the total salaries bill for the drivers and loaders at just over £6.4m in 2017/18 for approximately 224 FTEs. There are associated costs of training, provision of Personal Protective Equipment (PPE) and other minor revenue costs.

Street cleansing costs (see Appendix B, row 73).

- 6.32 No changes to the street cleansing service are anticipated in the budget for 2017/18. By far the largest cost for street cleansing is the total salaries bill for the operatives at just over £2m in 2017/18 for approximately 77 FTEs. There are associated costs of vehicles, training, provision of Personal Protective Equipment (PPE) and other minor revenue costs.
- 6.33 Street cleansing costs have been identified as a priority area for investigation, as per the findings of the Budget Challenge Workshop – see Section 7 for more information.

Vehicle workshops & fleet costs (see Appendix B, row 77).

- 6.34 The 2017/18 budget allows for additional capacity at the vehicle workshops at the Crookhill (Weymouth) depot. The total budgeted cost for running the fleet in 2017/18 is £3.6m. This includes vehicle fuel, vehicle labour and parts for repairs and maintenance, lease costs and hire costs, as well as minor revenue costs for items such as vehicle licence cost, MOTs and washes.

Commercial Services trading accounts

Garden Waste service (see Appendix B, row 94 to 99).

- 6.35 The Garden Waste Business Plan for 2017-18 and the Garden Waste Marketing Plan for 2017-18 will be presented to the Joint Committee in March 2017

Commercial Waste service (see Appendix B, row 101 to 107).

- 6.36 The Commercial Waste Business Plan 2017-18 and Commercial Waste Marketing Plan for 2017-18 will be presented to the Joint Committee in March 2017 alongside an update on the Commercial Waste Pricing Policy.

7. Budget Challenge workshops

- 7.1 The summer of 2016 saw the DWP hold 'Budget Challenge workshops' with both key staff from partner councils (via the Commissioning Group) and elected members from partner councils (via an informal discussion session held after Joint Committee). The purpose of the workshops was to identify what kinds of service changes should be investigated and pursued in order to satisfy reducing funding expectations for the future.
- 7.2 The following areas were agreed as priorities for investigation with regard to potential service changes and potential savings implications, and will be completed in 2017/18:

- Priority One – draw up a “menu of services” for street cleansing services to allow partners to commission levels of service commensurate with their funding levels.
- Priority Two – investigate potential for savings arising from changes in working patterns.
- Priority Three – Focus on strategic infrastructure requirements.

8. Projects / Action Plan

- 8.1 The DWP maintains a Project Register which, at any given time, gives details of the current projects that are live. Where the Strategy drives the Business Plan over a shorter time frame, the Projects Register is a list of active projects which support the Business Plan (and, in turn, support the strategy).
- 8.2 The full Project Register is not repeated here, however, the main actions from this Business Plan are captured in the 2017-18 Action Plan attached, and cross-referenced to the Project Register where appropriate.
- 8.3 The Action Plan is only intended to capture specific Actions that are over and above ‘business as usual’ activity.

9. Risks & Constraints

The DWP maintains a Strategic Risk Register which underpins this plan. The most recent version of the risk register cites the main risks and barriers to the DWP achieving its vision are summarised as:

- 9.1 Financial risks and constraints, including savings expectations.
- Funding cuts forcing partners to require a level of savings which prevent the actions being delivered, or even put the partnership at risk.
 - Disposal costs increase, driven by the DWPs private sector suppliers and wider economic conditions.
 - Inability to meet financial targets for the Commercial Waste and Garden Waste services.
 - High sickness levels of staff, and associated costs incurred.
 - Growth in waste greater than estimates
- 9.2 Infrastructure risks and constraints, and ability to ensure business continuity.
- Inability to obtain and develop infrastructure to deliver efficient service.
 - Inability to reach agreement on key decisions with partners on the development of strategic infrastructure.
 - Failure to procure and ICT solution to improve efficiency and effectiveness, due to cost of system.
- 9.3 Breach of statutory duty
- Failure to respond to a change in Government Policy and/or legislation.
 - Failure to comply with procurement legislation

- Failure to comply with operational requirements - 'O' licence, health and safety etc
- Failure of closed landfill sites and associated contaminated land legislation

9.4 Other service related risks

- Failure to retain, recruit and develop competent and capable people
- Accident, injury or death of an employee or member of public
- Loss of public support and confidence
- Change in the service arising from changes in local government

10. The Medium Term Financial Plan (MTFP)

10.1 The MTFP was considered and adopted by the DWP Joint Committee in November 2016. It is included for reference purposes at Appendix C and is intended to be illustrative only with regard to the possible costs of the service going forward, if no changes to the service model are made. The MTFP is forced to make assumptions on items such as recycle price and vehicle fuel which in reality are very variable costs.

11. Value for Money

11.1 The MTFP shows that the projected costs of the DWP are between £162 per household (2018/19) and £170 per household (2021/22).

11.2 Up-to-date comparative data on cost per household from other local authorities is not easily available, partly because other authorities report on discreet elements of the service (i.e. collection only, street cleaning only, disposal only) rather than the holistic service that the DWP operates.

12. Key performance Indicators

12.1 Performance Indicator (PI) information is provided quarterly, and is emailed to Joint Committee members as soon as it is available.

12.2 The key PIs for DWP are as follows, and proposed new targets are set out below. This does not cover every PI that is reported on, but simply the headline PIs.

Performance Indicator	2015/16 performance	2016/17 target	2017/18 target
Total kerbside arisings per household	616 kg/hh	620 kg/hh	630 kg/hh
Cost per household	£157.19l	£166	£160
Number of working days lost to sickness	6.65 for strategy, 12.77 for operations	9.74 per FTE	12 per FTE
Percentage of arisings recycled and composted	58.5%	60%	60%