



Councils working together

Dorset Waste Partnership Business Plan 2018-19

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**
- 7. Projects / Action Plan**
- 8. Risks and Constraints**

Appendix A: How does the Business Plan fit with the strategy?

Appendix B: Policy objectives of the Waste Strategy

Appendix C: DWP proposed budget 2018-19

Appendix D: DWP's action plan for 2018/19

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. The DWP will be servicing approximately 205,000 households in 2018/19, with expected dwelling numbers as follows:

Christchurch	24,279
East Dorset	40,475
North Dorset	32,169
Purbeck	23,188
West Dorset	52,614
Weymouth & Portland	<u>32,372</u>
Total	205,097

- 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 (2018/19) 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 2018/19, 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 2018/19 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.

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 A.

3. Strategy

- 3.1 In March 2017, the Joint Committee agreed a revised Waste Strategy for the period 2008-2033. The strategy was reviewed to take account of the progress made since 2008, changes in legislation and the future vision of waste management in Dorset. It also provides a framework for future decisions regarding infrastructure, treatment options and transport networks.
- 3.2 For reference, the headline objectives of the Waste Strategy are shown at Appendix B to this report.
- 3.3 As seen in the diagram at Appendix A, the annual Business Plan is directly guided by the agreed Strategy.

4. Vision and critical objectives

- 4.1 The vision of the Dorset Waste Partnership is:

'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, and the process is subject to approval by central government.
- 5.2 The majority of projects that will be underway in 2018/19 are supporting the objectives set out above (in para 4.2) for the existing DWP organisational structure and geographical boundaries. However, there is one project underway to consider the implications of disaggregation, on cost sharing models or service provision.

6. Annual Budget and Service Delivery

- 6.1 The Business Plan links to the annual budget for 2018/19 (Appendix C) and sets out service delivery plans as follows:

Disposal – Gate Fees (Appendix C – proposed budget - Reference A)

- 6.2 The DWP expect to dispose of around 202,000 tonnes of material in 2018/19, at a budgeted cost of almost £11m, excluding tonnages collected through the commercial waste service. Costs vary for the same material according to the disposal route that is used – for example, residual waste that can be sent for treatment in the east of the County attracts a more favourable gate fee per

tonne than waste that is landfilled. The budgeted tonnes by waste stream and disposal outlet is not shown here due to commercial sensitivity, however the following 'headline' gate fees may be of interest:

'Typical' landfill gate fee per tonne for 2018/19	£119
'Typical' food waste gate fee per tonne for 2018/19	£37
'Typical' green waste gate fee per tonne for 2018/19	£26

6.3 The budgeted tonnes by waste stream for 2018/19 are as follows:

Household Tonnes	
Kerbside Residual Waste	60,860
Green Waste	43,700
Kerbside DMR	30,750
Bulky Residual Waste	20,908
Food Waste	16,000
Kerbside Glass	13,000
Wood Waste	11,350
Street Sweepings	4,400
Other Recyclables	800
Hard Plastics	400
Total	202,169

6.4 The waste disposal budget for gate fees is based upon the tonnages shown above. In addition, the waste disposal budget also includes £75k for technical advice.

6.5 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 began to 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.

Disposal – Recyclate (Appendix C – proposed budget – Reference B)

6.6 As seen above at paragraph 6.3, the 2018/19 budget assumes that just over 30,000 tonnes of dry mixed recyclate (DMR) will be collected and processed. 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, and can become an income figure when market conditions are favourable. The price is determined through a broker arrangement, which has been independently assessed by consultants WYG as being an arrangement which delivers a very competitive result for Dorset.

Recycling Transfer Stations and Waste Transfer Stations (Appendix C – proposed budget - Reference C and D)

6.7 DWP have transfer stations at the following locations:

Hybris, near Dorchester	Recycling Transfer Station
Hurn, near Christchurch	Recycling Transfer Station
Broomhills, near Bridport	Waste Transfer Station
Crookhill, near Weymouth	Waste Transfer Station
Sherborne	Waste Transfer Station
Blandford	Waste Transfer Station

It can be seen from this list that there is a lack of waste transfer facilities in the east of the County. Whilst the current arrangements of direct delivery are satisfactory, the lack of permanent transfer facilities in the east of the County hampers longer term plans for stability and achieving optimum value for money.

6.8 The budget lines cover the operational costs of running the sites, which are undertaken by a contractor on behalf of the DWP as part of the HRC contract, and associated property costs such as rent, rates and utilities.

Household Recycling Centres (HRCs) (Appendix C – proposed budget - Reference E)

6.9 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.

6.10 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.

6.11 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.

Bring banks (Appendix C – proposed budget – Reference F)

6.12 Dorset's bring banks have been heavily rationalised in recent years. The remaining bring banks are budgeted to bring in a small amount of income from the sale of textiles.

Closed landfill sites (Appendix C – proposed budget – Reference G)

6.13 The DWP, as hosted by Dorset County Council, has responsibility for most, though not all, of the closed landfill sites within Dorset that were formerly operated by local authorities.

- 6.14 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 (Appendix C – proposed budget – Reference H)

- 6.15 The DWP retains a small budget 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.
- 6.16 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.

Projects and Promotions (Appendix C – proposed budget – Reference I)

- 6.17 The Projects and Promotions budget was formerly known as the 'Recycling Initiatives' budget, 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 is primarily used to focus communications on service optimisation, for example the 'Right Stuff, Right Bin' and 'Slim Your Bin' campaigns. The key aims and objectives of these campaigns are to increase participation and capture of materials, to reduce the quantity of residual waste and to reduce contamination of the recycling stream by ensuring the correct materials are placed in the correct bin.
- 6.18 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 has been, and will continue to 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.

Operations costs - frontline staffing (Appendix C – proposed budget – Reference J)

- 6.19 At the time of writing, the DWP employs approximately 212 frontline loaders and drivers across all depots. For 2018/19, there is a budgeted increase of 6 FTEs to deal with housing growth, bringing the total to 218 frontline 'recycle for Dorset' operatives.

Street cleansing costs – frontline staffing (Appendix C – proposed budget – Reference K)

- 6.20 No changes to the street cleansing service are anticipated in the budget for 2018/19. However, individual partner councils are able to increase or decrease their requirements for street cleaning, through the 'menu of

services', with the resulting change in financial contribution falling solely to that partner.

Other operations revenue (Appendix C – proposed budget – Reference L)

- 6.21 This budget line covers the demand-led expenditure for PPE for front line staff, sacks, and other ad-hoc operational revenue expenditure.

Container management (Appendix C – proposed budget – Reference M)

- 6.22 The DWP employs two operatives dedicated to the distribution and collection of new or damaged containers, one on each side of the County. This budget line also provides rent for container storage facilities.

Depot properties (Appendix C – proposed budget – Reference N)

- 6.23 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

- 6.24 There is a budget of almost £630k associated with running costs for these properties, in terms of rent, rates, utilities and minor building work.

Vehicle workshops & fleet costs (Appendix C – proposed budget – Reference O)

- 6.25 The total budgeted cost for running the fleet in 2018/19 is £3.5m. 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. 2018/19 will see a new, externally provided, vehicle maintenance arrangement come into effect in the east of the County, subject to a successful procurement exercise. The current assumption is that this will have no effect on the overall budget requirement.

Host Authority Support Costs (Appendix C – proposed budget – Reference P)

- 6.26 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 2018/19 is budgeted at around £957k, down from £992k in 2017/18, a reduction of £35k. 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.

Insurance Host Costs (Appendix C – proposed budget – Reference Q)

- 6.27 Insurance services are also provided by the host authority. For DWP, the major aspect of this work relates to dealing with vehicle related incidents. For 2018/19 an inflationary increase is applied.

Management and admin, strategy side costs (Appendix C – proposed budget – Reference R)

- 6.28 The budget line covers all “non-frontline” staff, including:
- Senior Management Team
 - Operations managers, depot supervisors and assistant supervisors
 - Depot admin and HQ admin
 - Strategy side staffing (Business development, data systems, waste policy, contracts and commissioning, property, enforcement etc.)
- 6.29 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 budgeted enforcement officers, though it should be noted that Purbeck carry out their own enforcement directly, and Weymouth and Portland Borough Council are part way through a trial using a third party for issuing of Fixed Penalty Notices. For 2018/19, 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.. In the meantime, additional temporary resource is being recruited to the enforcement team.

Capital charges (Appendix C – proposed budget – Reference S)

- 6.30 Since the inception of the DWP, all capital expenditure has been funded by borrowing via the host authority. The capital charges budget line essentially capital expenditure. Borrowing is paid back to the host authority in accordance with the life of asset as follows:
- Vehicles – 7 years
 - Containers – 15 years
 - Infrastructure – 25 years
 - ICT system – 4 years

Container charging scheme (Appendix C – proposed budget – Reference T)

- 6.31 A new scheme for charging for containers (for example, to developers of new property) was introduced in the first quarter of 2017/18, following Joint Committee approval. The 2018/19 budget is based on a slight reduction of expected net income, at £70k, down from £83k in 2017/18, to reflect experience to date.

Income contributions from overheads (Appendix C – proposed budget – Reference U)

- 6.32 This is income after direct costs from the Commercial Services trading accounts. The income is used to offset wider DWP overheads such as infrastructure and management costs.
- 6.33 The specifics of each trading account are not discussed here, due to their commercially sensitive nature.

Savings to be delivered (Appendix C – proposed budget – Reference V)

- 6.34 At the time of writing, and subject to the approval of the Joint Committee, the 2018/19 budget is proposed to be set at £33.1m, a “standstill budget”. In order to meet this level of budget, further savings of £683k need to be applied to the 2018/19 budget. This is the additional amount that would otherwise be needed to fund housing growth, growth in waste arisings and inflation primarily.
- 6.35 In October 2017, the DWP held informal member budget workshops including key staff from partner councils (via the Commissioning Group, and officers from the Dorset Finance Officers Group). Elected members from partner councils (via both Joint Committee, Joint Scrutiny, and also other key members with leadership or finance portfolios) attended. 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.
- 6.36 As a result of the workshops, the following areas were suggested to be suitable, or potentially suitable, for meeting the level of savings required for the 2018/19 budget:
- Taking riskier assumptions with regard to recycle price assumptions.
 - Taking riskier assumptions with regard to growth in waste arisings.
 - Exploring savings from day closures of HRCs

A number of other investigations were also discussed, though these are likely to be longer term than the 2018/19 timeframe, if successful.

7. Projects / Action Plan

- 7.1 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).

- 7.2 The full Project Register is not repeated here, however, the main actions from this Business Plan are captured in the 2018-19 Action Plan attached at Appendix D, and cross-referenced to the Project Register where appropriate.
- 7.3 The Action Plan is only intended to capture specific Actions that are over and above 'business as usual' activity.

8. Risks & Constraints

The DWP maintains a Strategic Risk Register which is reported to Joint Committee on a regular basis. The most recent version of the risk register cites the main risks and barriers to the DWP achieving its vision are summarised as:

- 8.1 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
- 8.2 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.
- 8.3 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
- 8.4 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