

Meeting: Dorset Waste Partnership Joint Committee
 Time: 10.00 am
 Date: 5 November 2018
 Venue: Committee Room 1 - County Hall, Colliton Park, Dorchester, DT1 1XJ.

Anthony Alford (Chairman)	West Dorset District Council
Michael Roake (Vice-Chairman)	North Dorset District Council
David Walsh	North Dorset District Council
Daryl Turner	Dorset County Council
Tony Ferrari	Dorset County Council
Ray Bryan	East Dorset District Council
Barbara Manuel	East Dorset District Council
Margaret Phipps	Christchurch Borough Council
Peter Hall	Christchurch Borough Council
David Budd	Purbeck District Council
Peter Webb	Purbeck District Council
Alan Thacker	West Dorset District Council
Ray Nowak	Weymouth & Portland Borough Council
Kevin Brookes	Weymouth & Portland Borough Council

Notes:

- The reports with this agenda are available at www.dorsetforyou.com/countycommittees then click on the link "minutes, agendas and reports". Reports are normally available on this website within two working days of the agenda being sent out.
- We can provide this agenda and the reports as audio tape, CD, large print, Braille, or alternative languages on request.

- **Public Participation**

Guidance on public participation at County Council meetings is available on request or at <http://www.dorsetforyou.com/374629>.

Public Speaking

Members of the public can ask questions and make statements at the meeting. The closing date for us to receive questions is 10.00am on 31 October 2018, and statements by midday the day before the meeting.

Debbie Ward
Chief Executive

Contact: Denise Hunt
County Hall, Dorchester, DT1 1XJ
01305 224878 - d.hunt@dorsetcc.gov.uk

Date of Publication:
Friday, 26 October 2018

1. **Apologies for Absence**

To receive any apologies for absence.

2. **Code of Conduct**

Councillors are required to comply with the requirements of the Localism Act 2011 regarding disclosable pecuniary interests.

- Check if there is an item of business on this agenda in which the member or other relevant person has a disclosable pecuniary interest.
- Check that the interest has been notified to the Monitoring Officer (in writing) and entered in the Register (if not this must be done on the form available from the clerk within 28 days).
- Disclose the interest at the meeting (in accordance with the County Council's Code of Conduct) and in the absence of a dispensation to speak and/or vote, withdraw from any consideration of the item.

The Register of Interests is available on Dorsetforyou.com and the list of disclosable pecuniary interests is set out on the reverse of the form.

3. **Minutes**

3 - 8

To confirm and sign the minutes of the meeting held on 11 September 2018.

4. **Public Participation**

(a) **Public Speaking**

(b) **Petitions**

5. **Forward Plan 2018**

9 - 14

To consider a report by the Head of Service (Strategy) of the Dorset Waste Partnership (attached).

6. **Finance and Performance Report November 2018**

15 - 34

To consider a report by the Director of the Dorset Waste Partnership (attached).

7. **Draft Revenue Estimates 2019-20**

35 - 52

To consider a joint report by the Director and the Treasurer of the Dorset Waste Partnership (attached).

8. **Dorset Waste Partnership Business Plan 2019-20**

53 - 68

To consider a report by the Director of the Dorset Waste Partnership (attached).

9. **Questions from Councillors**

To answer any questions received in writing by the Chief Executive by not later than 10.00am on 31 October 2018.

Dorset Waste Partnership Joint Committee

Minutes of the meeting held at Purbeck District Council,
Westport House, Wareham on Tuesday, 11 September
2018.

Present:

Anthony Alford (West Dorset District Council) (Chairman)
Michael Roake (North Dorset District Council) (Vice-Chairman)

Members Attending

Daryl Turner (Dorset County Council), Ray Bryan (East Dorset District Council),
Barbara Manuel (East Dorset District Council), Margaret Phipps (Christchurch Borough
Council), Patricia Jamieson (Christchurch Borough Council), Barry Quinn (Purbeck District
Council), Peter Webb (Purbeck District Council), Alan Thacker (West Dorset District Council)
and David Walsh (North Dorset District Council)

Other Members in attendance

Cllr David Flagg attended the meeting as an observer.

Dorset Waste Partnership Officers Attending:

Karyn Punchard (Director), Paul Ackrill (Commercial and Finance Manager), Gemma Clinton
(Head of Service - Strategy), Grace Evans (Legal Advisor), James Potten (Communications
and Marketing Officer), Michael Moon (Head of Service (Operations)), Jim McManus
(Treasurer) and Denise Hunt (Senior Democratic Services Officer).

- (Notes:(1) Publication In accordance with paragraph 8.4 of Schedule 1 of the Joint
Committee's Constitution the decisions set out in these minutes will come into
force and may then be implemented on the expiry of five working days after the
publication date. Publication Date:- **Tuesday, 18 September 2018**
- (2) These minutes have been prepared by officers as a record of the meeting and
of any decisions reached. They are to be considered and confirmed at the next
meeting of the Joint Committee to be held on **Monday, 5 November 2018.**)

Apologies for Absence

39 Apologies for absence were received from Kevin Brookes (Weymouth & Portland
Borough Council), David Budd (Purbeck District Council) and Tony Ferrari (Dorset
County Council).

Substitute members who attended the meeting included Barry Quinn (Purbeck District
Council), Andrew Parry (Dorset County Council) and Patricia Jamieson (Christchurch
Borough Council).

Code of Conduct

40 There were no declarations by members of any disclosable pecuniary interests under
the Code of Conduct.

Minutes

41 The minutes of the meeting held on 11 June 2018 were confirmed and signed subject
to the amendment of an error in the recommendation 2 in paragraph 34.

Public Participation

Public Speaking

42 There were no public questions received at the meeting in accordance with Standing
Order 21(1).

There were no public statements received at the meeting in accordance with Standing Order 21(2).

Petitions

There were no petitions received in accordance with the County Council's petition scheme at this meeting.

Forward Plan 2018

- 43 The Joint Committee considered its work programme and were advised that the following items in November 2018 would be submitted to the Joint Committee for information and comment rather than decision as the Dorset Shadow Executive Committee had responsibility for decisions:-

Delegation of Waste Function for Christchurch
Draft Budget 2019-20

Noted

Finance and Performance Report September 2018

- 44 The Joint Committee considered a report by the Director of the Dorset Waste Partnership (DWP) that outlined a projected adverse variance of £723k in 2018/19 based on the budget monitoring position at the end of July 2018.

The Finance and Commercial Manager explained that this overspend would be met by the Budget Equalisation Reserve, which contained funds of £1.2m.

He drew attention to the reduced variance with regard to the dry mixed recyclate, which had dropped from £1.086m to £798k, the reasons for which had been outlined in the report. The recyclate price had been considerably higher than the budget assumption of £0 per tonne in 2018/19 and was linked to changes in the international market and, in particular, China. Whilst the price was currently higher than budgeted, the overspend would be based on the projected yearly average, and forecasting with accuracy was extremely difficult with the inherent risk of change in the overspend.

Members asked whether the industry was currently looking at ways in which to solve this issue and were informed by the Director that the impact of changes in China was being felt in the waste industry as a whole and that infrastructure projects in the UK to address this would not be ready in the short term. If China continued with the tightened regulations that came into force at the end of March 2018, then Europe and the UK would need to respond and provide additional reprocessing and recycling facilities.

The Head of Service (Strategy) informed members that the Government was currently investigating revisions to packaging recovery notes. It was hoped that a new Waste and Resource Strategy, due in the coming months, would include a mechanism to allow local authorities to recover some money from packaging recovery notes, currently of most benefit to re-processors. The Government was trying to do more in relation to plastics generally, including an increase in the charge for plastic bags to 10p, but packaging recovery notes would be a key factor for local authorities. The Chairman asked members to bear this in mind if there were opportunities to talk to government ministers on this issue.

The Finance and Commercial Manager highlighted the £200k adverse variance with regard to the commercial waste service and assured members that the underlying performance of the service remained strong with continuing growth in the customer base.

The variance had arisen as a result of updated internal cost allocations arising from the type of waste rounds. A dedicated trade waste round was straightforward in accounting terms, however, there were rounds that were partly domestic and partly trade. In these cases, when the vehicle arrived at the weighbridge a formula was used that had recently been updated, resulting in greater costs being charged to the trade waste account that had previously been allocated to domestic waste. A supervisor rate of 5% for garden waste and 5% trade waste had also been applied. These updated measures took costs from one area of the business to another in order to provide a genuine reflection of practical arrangements on the ground.

Cllr Walsh asked about the new clinical waste obligations and the concerns around disposal of sharp objects.

In response, the Finance and Commercial Manager stated that it was likely that the liability would be met initially by continuing with the existing Clinical Commissioning Group (CCG) contractor.

Noted

Vehicle Replacement Programme

45 The Joint Committee considered a report by the Head of Service (Operations) which set out the waste vehicle requirements for North and East Dorset that required approval by the Shadow Dorset Executive Committee. It also outlined an option to procure vehicles for Christchurch for consideration by the Bournemouth, Christchurch and Poole (BCP) Shadow Executive.

The Joint Committee acknowledged that there would be a transitional phase for Christchurch and asked about the duration of service in this area.

The Director informed members that the BCP Programme Board had requested continuation of the service in Christchurch by the DWP for one year to be agreed in principle by both BCP Shadow Executive and Dorset Shadow Executive in October 2018. If this was agreed then a legal agreement would be drawn up accordingly.

In response to questions it was confirmed:-

- That there was sufficient space in some depots to accommodate mothballed vehicles.
- That mothballed vehicles would be usable in the short term with the best vehicles used in Christchurch. Some vehicles would be used for spare parts.
- There would be no round changes in the short term in North and East Dorset as a result of the procurement of new vehicles. A trial of one of the tri-stream rounds had shown a minimal timing difference.

Advice was sought as the Joint Committee had been asked to "note and support" the recommendations and the Legal Advisor explained that this would be helpful in informing the Shadow Executive that the recommendations had received general support by the Joint Committee.

Following this advice, members of the Joint Committee who were also members of the Dorset Shadow Executive Committee expressed a concern about participating in the debate and vote of this item, however, they were advised that this would not affect their consideration at the Shadow Executive Committee.

Members asked about the implications for vehicle procurement if the transition period was extended to 2 years and whether the asset value of newly purchased Christchurch vehicles would be transferred to the BCP Council.

The DWP Director advised that there was no requirement for the DWP to purchase the new vehicles for Christchurch, although this had been included as an option in the report and there would be a 12 month transitional period to commence a procurement exercise by either BCP or Dorset Councils. The Christchurch fleet had reached the end of its life sooner than expected and purchasing new vehicles would be a more economic way of managing the fleet, although the best of the older vehicles could be used in the meantime. In the event that the procurement was undertaken by the DWP this would result in an asset value on transfer to the BCP Council that would be agreed within the disaggregation principles, so that no one council was financially disadvantaged as a result. She confirmed that the detail of the arrangements for vehicles would be included in the legal agreements.

The Chairman commented that the planning for the transition had to commence at an early stage and that further information would be available in the November 2018 report.

Resolved

1. That the proposals for the vehicle replacements proposed for North and East Dorset be noted and supported; and
2. That the proposals for the vehicle replacements for Christchurch be noted and supported.

Reason for Decisions

Approval of expenditure greater than £500,000 was required by Joint Committee.

Delegation of Waste Function for Christchurch

46 The Joint Committee considered a report by the Director of the DWP which set out the proposal for the Shadow BCP Council and Shadow Dorset Council to enter into a legal agreement to delegate the waste function for the Christchurch area to the new Dorset Council for one year from 1 April 2019. The report sought comments on the proposal in order that these could be considered by the two Shadow Executive Committees.

The Director described the 3 different patterns for collections and HRC systems currently operating in Bournemouth, Christchurch and Poole as follows:-

- Christchurch - "Recycle for Dorset" provided by DWP;
- Bournemouth - a similar system to "Recycle for Dorset" in respect of in house residual waste and contracted out recycling with glass included in the recycle mix;
- Poole - contracted out collection system and in-house running of Household Recycling Centres.

She explained that the DWP would cease as a partnership on 1 April 2019 when waste would become an executive function of the new Dorset Council. As a high profile service, it was considered that a one year transition period for Christchurch would be appropriate in order to ensure service continuity. The proposal included a delegation of function that would allow staff and assets to be transferred to the Dorset Council for 1 year for an agreed fee, and thereafter transfer to the BCP Council who would take the service forward.

Officers had considered alternative options, however, these involved highly complicated arrangements that required too much work for officers and members to carry out in the required timeframe, as well as posing a risk to service delivery.

Further to a question in relation to wider partnership working in future, although too early to say at this stage, the Director advised that the DWP already shared a residual waste disposal contract with Bournemouth Borough Council that would remain open

and for the Borough of Poole to join this arrangement should it wish to do so. The collection side was more complex and there were many ways in which the new councils could work together that could be explored after 1 April 2019.

The Vice-Chairman expressed concern that a one year period would not be sufficient whilst also noting that there would be new members of the Dorset Council. He proposed that the timescale was "2 years or sooner" to allow greater flexibility and also having regard to the new facility at Blandford. This proposal was seconded by Cllr Margaret Phipps, as she considered that one year was not sufficient time and was concerned about possible impacts on Christchurch residents.

Some members were supportive of a two year transition period as this would provide more flexibility for the Dorset and BCP Councils and allow time for appropriate planning to take place by both members and officers. They did not consider that this could be achieved sooner. Others felt that either one or two years should be clearly specified in order to budget effectively.

It was further highlighted that waste services in Christchurch could be a political issue during the election in May 2019 when it would be important to convey the message that any action taken would not reduce service performance.

Members asked how the procurement of vehicles would be carried out under the transitional arrangements, particularly as the DWP would be using vehicles in the Christchurch area that were already at the end of their life.

They were advised that the total procurement time for vehicles was 9-10 months and that a transition period of one year had been proposed by the BCP Programme Board, partly due to financial considerations. The BCP Programme Board had acknowledged the need to bring forward its thinking about what happened to waste collection in Christchurch and did not want to be tied to making an upfront payment for more than one year.

Members wanted to have confidence that the Shadow BCP Council would consider this thinking at the earliest opportunity in order to correctly determine the transition period in terms of the practical arrangements involved.

The Director advised that such provisions could be built into the legal agreement and provide clarity on the stage at which an extension to the one year timeframe could be exercised and which Council would procure the new vehicles that were required in Christchurch.

There was a view that a strong public message was needed to reassure residents that the service would not be affected during the transitional period.

The budget estimate had been based on the agreed disaggregation template for waste services, and Christchurch represented 11.8% of total budget. On that principle, 11.8% would be the fee after setting next year's budget and a financial model would be built into the legal agreement including how any overspend or underspend was treated, and early termination of arrangements.

Following the discussion, some members felt that they could agree in principle to the report, subject to the legal agreement and financial considerations.

The Chairman stated that it had been useful to air opinions and that the comments of the members would be forwarded to the Shadow Executives through the minutes of this meeting, in order to assist in the discussions on this matter. The Committee was content with this way forward.

Noted

Questions from Councillors

47 No questions were asked by members under Standing Order 20.

Referring to the Finance and Performance Report earlier on the agenda, the Vice-Chairman asked for further clarity on the financial implications of closed landfill sites for the existing and the new councils.

The Finance and Commercial Manager stated that Dorset County Council currently owned a large number of closed landfill sites. These, as well as others that were currently looked after by the partner councils, would come together under the new Dorset Council and it was assumed that budgets in respect of these closed landfills would also merge.

Meeting Duration: 10.00 am - 10.54 am



Councils working together

Dorset Waste Partnership Joint Committee

Date of Meeting	5 November 2018
Officer	Gemma Clinton, Head of Service (Strategy)
Subject of Report	Forward Plan 2018
Executive Summary	<p>This paper sets out the Forward Plan for the Dorset Waste Partnership (DWP) for 2018. The Forward Plan is based upon the DWP Business Plan 2014/19.</p> <p>Members are asked to comment on items for future inclusion.</p>
Impact Assessment:	Equalities Impact Assessment: N/A
	Use of Evidence: DWP Business Plan 2014/19
	Budget: N/A
	Risk Assessment: N/A

	Outcomes: None
	Other Implications: None
Recommendation	That the Joint Committee notes the DWP's forward plan and comments on the items included and suggests others for future meetings where appropriate.
Reason for Recommendation	To provide greater visibility of the DWP Forward Plan and to ensure decisions are taken in a timely and programmed manner to achieve the objectives of the Business Plan and meet the Joint Committee's needs.
Appendices	Appendix One: DWP Forward Plan 2018
Background Papers	None
Officer Contact	Name: Gemma Clinton, Head of Service (Strategy) Tel: 01305 224716 Email: g.clinton@dorsetwastepartnership.gov.uk

1. Background

- 1.1 The Joint Committee previously requested that the Work Programme be reported as a separate item so that progress could be more easily identified and the timing of key decisions highlighted.
- 1.2 The Forward Plan (Appendix 1) gives an indication of all reports to be submitted to Joint Committee during the calendar year to provide clarity on forthcoming projects and plans.

Karyn Punchard
Director of the Dorset Waste Partnership

November 2018

**Dorset Waste Partnership Joint Committee Forward Plan
(Meeting Date – 5 November 2018)**



Explanatory note: This work plan contains future items to be considered by the Dorset Waste Partnership Joint Committee. It will be published 28 days before the next meeting of the Joint Committee.

This plan includes key decision to be taken by the Joint Committee and items that are planned to be considered in a private part of the meeting. The plan shows the following details for key decisions:-

- (1) date on which decision will be made
- (2) matter for decision, whether in public or private (if private see the extract from the Local Government Act on the last page of this plan)
- (3) decision maker
- (4) consultees
- (5) means of consultation carried out
- (6) documents relied upon in making the decision

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Any additional items added to the Forward Plan following publication of the Plan in accordance with section 5 of Part 2, 10 of Part 3, and Section 11 of Part 3 of The Local Authorities (Executive Arrangements) (Meetings and Access to information) (England) Regulations 2012 are detailed at the end of this document.

Definition of Key Decisions

Key decisions are defined in the Inter-Authority Agreement as decisions of the Joint Committee which are likely to -

- "(a) result in the Dorset Waste Partnership (DWP) incurring expenditure which is, or the making of savings which are, significant having regard to the DWP's budget for the service or function to which the decision relates namely where the sum involved would exceed £500,000; or
- (b) to be significant in terms of its effects on communities living or working in an area comprising two or more electoral divisions in Dorset."

How to request access to details of documents, or make representations regarding a particular item

If you would like to request access to details of documents or to make representations about any matter in respect of which a decision is to be made, please contact the Senior Democratic Services Officer, Chief Executive's Department, County Hall, Colliton Park, Dorchester, DT1 1XJ (Tel: (01305) 224878 or email: d.hunt@dorsetcc.gov.uk).

Date of meeting of the Committee (1)	Matter for Decision/ Consideration (2)	Decision Maker (3)	Consultees (4)	Means of Consultation (5)	Documents (6)
5/11/18 17/1/19 18/3/19	Key Decision - No Open Finance and Performance Report	Dorset Waste Partnership Joint Committee	DWP Officers Dorset Finance Officers Commissioning Group DWP Joint Committee	Meetings and Discussions	
5/11/18	Key Decision - Yes Open Draft Budget 2019-20	Dorset Shadow Executive Committee	DWP Officers Dorset Finance Officers Commissioning Group DWP Joint Committee DWP Joint Scrutiny Group	Meetings and Discussions	
5/11/18	Key Decision - No Open Business Plan 2019-20	Dorset Waste Partnership Joint Committee	DWP Officers Commissioning Group DWP Joint Committee	Meetings and Discussions	
17/1/19 18/3/19	Key Decision - Yes Open Delegation of Waste Function for Christchurch	Dorset Shadow Executive Committee	DWP Officers Commissioning Group DWP Joint Committee	Meetings and Discussions	
17/1/19	Key Decision - No Open Corporate Risk Register	Dorset Waste Partnership Joint Committee	DWP Officers Commissioning Group DWP Joint Committee	Meetings and Discussions	
17/1/19	Key Decision - No Open South West Audit Partnership - Half Yearly Review	Dorset Waste Partnership Joint Committee	DWP Officers Dorset Finance Officers Commissioning Group	Meetings and Discussions	


Private Meetings

The following paragraphs define the reasons why the public may be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed and the public interest in withholding the information outweighs the public interest in disclosing the information to the public. Each item in the plan above marked as 'private' will refer to one of the following paragraphs.

1. Information relating to any individual.
2. Information which is likely to reveal the identity of an individual.
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6. Information which reveals that the authority proposes:-
 - (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - (b) to make an order or direction under any enactment.
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

Dorset Waste Partnership Joint Committee

Business not included in the Forward Plan

 Is this item a Key Decision	Date of meeting of the Committee	Matter for Decision/ Consideration	Agreement to Exception, Urgency or Private Item	Reason(s) why the item was not included
		NONE		

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The above notice provides information required by The Local Authorities (Executive Arrangements) (Meetings and Access to information) (England) Regulations 2012 in respect of matters considered by the Committee which were not included in the published Forward Plan.



Councils working together

Dorset Waste Partnership Joint Committee

Date of Meeting	5 November 2018
Officer	Director of the Dorset Waste Partnership
Subject of Report	Finance and Performance Report November 2018
Executive Summary	<p>This report presents and discusses the following -</p> <p><u>The 2018/19 revenue forecast</u> which shows <u>a projected adverse variance of £180k</u> against the budget of £33.5m, based on the first half of the financial year. This is an improvement when compared to the previous Joint Committee report, which forecast an adverse variance at £723k. The Joint Committee are asked to note, however, that the major items of variance, which are recycle price and vehicle fuel price, are still subject to significant fluctuations, and therefore the forecast for the remainder of the year may still change.</p> <p>The body of the report discusses the factors that are causing forecasts of variance for 2018/19.</p> <p>The projected overspend of £180k is expected to be fully funded by the Budget Equalisation Reserve (which currently stands at just over £1.2m) and therefore the effect on partner councils' finances will be nil.</p> <p>The <u>latest expectations of capital spend</u> are presented. There are no new significant issues to report in this area.</p>
Impact Assessment:	<p>Equalities Impact Assessment:</p> <p>This report contains no new proposals and has no equalities implications.</p>

	<p>Use of Evidence:</p> <p>The report is based on data from the County Council's financial system and the management information systems used by the Dorset Waste Partnership. This is supplemented by information from service managers where necessary.</p>
	<p>Budget:</p> <p>The budget requirement for 2018/19 was originally calculated at £33.8m. Informal budget workshops during autumn 2017 made it clear that partner funding would be limited to a standstill budget of £33.1m, and budget reductions/changes in assumptions were agreed at the January 2018 Joint Committee to keep to the standstill figure of £33.1m. Late in the process, the effect of the latest change in minimum wage became clear, and it was agreed that the anticipated additional cost of £383k would be funded from the BER. Therefore, the net revenue budget for 2018/19 is £33.5m, however only £33.1m is funded from partner councils.</p> <p>The capital budget for 2018/19 as approved by Joint Committee was £5.114M. Additional funding was allocated to the scheme for construction of a waste management centre in central Dorset by Joint Committee at its meeting in June 2018, however, this sum is not yet reflected in the attached report due to the sensitive commercial nature of this additional potential sum, for which negotiations are currently ongoing.</p>
	<p>Risk Assessment:</p> <p>Having considered the risks associated with this information using the County Council's approved risk management methodology, the level of risk around the 2018/19 budget has been identified as:</p> <p>Current Risk: HIGH Residual Risk: MEDIUM</p> <p>This assessment relates to the potential volatility of the revenue budget for 2018/19 where some factors (e.g. recycle costs and vehicle fuel) could move further in an adverse direction.</p>
	<p>Outcomes: The Joint Committee monitors the Partnership's performance against budget and scrutinises actions taken to manage services within budget on behalf of partner councils.</p>
	<p>Other Implications: None</p>

<p>Recommendations</p>	<p>1) To note the forecast of the revenue budget position for 2018/19, and how the adverse variance is expected to be funded from the Budget Equalisation Reserve (BER), with no effect on partner council finances.</p> <p>2) To note capital spend and commitments to date.</p>
<p>Reason for Recommendations:</p>	<p>The Joint Committee monitors the Partnership's performance against budget and scrutinises actions taken to manage within budget on behalf of partner Councils.</p>
<p>Appendices</p>	<p>Appendix 1 – 2018/19 financial performance infographic. Appendix 2 – 2018/19 DWP capital spend. Appendix 3 – Share of overspend by partner and effect on BER. Appendix 4 – Treasurer assurance statement Appendix 5 - Budget risks</p>
<p>Background Papers</p>	<p>None</p>
<p>Officer Contact</p>	<p>Name: Karyn Punchard, Director, Dorset Waste Partnership, Tel: 01305 225459 Email: k.punchard@dorsetwastepartnership.gov.uk</p>

1. Background

- 1.1 The Joint Committee of 15 January 2018 agreed a revenue budget of £33.5m for 2018/19, of which £33.1m was funded by partners and £0.4m was funded from the Budget Equalisation Reserve, specifically in relation to the late pay award announcement.

2. Budget forecast for 2018/19

- 2.1 The 2018/19 revenue budget is currently forecast to produce a adverse variance of £180k, on an original budget of £33.5m. The major variances are discussed below.

Collection costs

- 2.2 Operational resources are currently projected to be underspent by around £121k (of a total budget in the region of £9m), based on spend as at the end of the first half of the financial year. The previous financial report predicted an overspend of £50k in this area. Since that time, focus on overspend has seen costs reduce as a result. Beach cleaning costs are not incurred in the second half of the year, which tends to mean less volatility in the costs for the remainder of the year. Forecasts will still vary, however, due to sickness levels and vacancy management.
- 2.3 The vehicle fuel budget line is predicted to overspend by around £166k based on current prices, an increase from the £150k previous forecast. Fuel prices continue to slowly increase this year.
- 2.4 Transport costs in relation to vehicle parts are also predicted to overspend, by around £117k, an increase from the £75k forecast in the previous report. This is based on high levels of (demand led) expenditure in the year to date, as a result of the ageing fleet particularly in East Dorset, Christchurch and North Dorset. Again, expenditure will continue to be monitored and forecasts updated accordingly.
- 2.5 Based on the current spend profile, the revenue budget for purchase of sacks and bags is forecast to underspend by £40k.

Disposal Costs

- 2.6 The Joint Committee will be aware from previous financial reports that DWP has seen significant savings in disposal costs and associated haulage costs. This is a combination of both deliberate policy decisions by the DWP to divert further waste away from landfill and into cheaper disposal routes, plus general volumes of tonnages arising being less than budgeted. The total effect is a favourable variance of around £796k (£474k tonnages, £322k haulage).
- 2.7 Recyclate material - The Joint Committee are reminded that recyclate price has seen significant changes in recent times, linked to the international market and, in particular, the effects of changes in China. Joint Committee are reminded that a budget of £0 per tonne was set for recyclate price for 2018/19, and that the actual price, whilst varying each month, has been considerably higher than the budgeted price for all of 2018/19 to date. The overall effect is a predicted £731k adverse variance, based on average price for the year to date. This

forecast comes with the caveat that the monthly price may yet change significantly.

- 2.8 Joint Committee members may recall that a specific carry forward was agreed at the end of 2017/18 in respect of technical consultancy fees to support the re-procurement exercises in respect of residual waste and organic waste. Consultants are now being engaged in an effort to achieve best value for money via the re-procurement exercises. It is currently anticipated that around £40k of the funds will remain uncommitted at year end.

Trading Accounts / Commercial Services

- 2.9 As reported previously, the Commercial Waste trading account shows good underlying performance, with the income target expected to be exceeded for this year. However, cost allocations have been updated to reflect current arrangements (in terms of disposal costs, haulage costs, and recycle costs) and as a result this trading account is currently expected to be around £200k adverse from the budgeted position.
- 2.10 The Container Charging service is currently forecast to exceed the income target to a small degree (£9k) based on the year to date. This comes with the caveat that container demand does not tend to follow any particular profile, so this could change.

Central budgets

- 2.11 The capital charges revenue budget represents repayment of borrowings for capital purchases. Variances arise on the capital charges budget line when assumptions around the cost and timing of capital purchases vary from the actual cost and timing of capital purchases. This budget is forecast to produce an adverse variance of £121k in respect of capital financing costs, an improvement on the £144k previous forecast. Details of capital expenditure in the year are included in Section 3 of this report and Appendix 2.
- 2.12 Temporary additional enforcement resource is forecast an at adverse £47k. This temporary resource has always been unfunded, but were employed to deal with the increased demand for enforcement related action.
- 2.13 A budget line for "savings to be identified" was set in the original budget at £39k. This has now been funded from savings in the overall salaries budget.
- 2.14 A thorough review of the rents and rates budgets have resulted in a forecast underspend of £180k. These findings have been factored into the draft 2019/20 budget proposals.

Summary

2.15 The table below summarises the predicted variances described above:

Item	<u>Previous forecast of budget variance as per September 2018 Joint Committee</u>	<u>Current forecast of variance</u>
Collection costs		
Operations and street cleansing	-£50k	£161k
Transport budgets	-£225k	-£283k
Disposal Costs		
HRC management fees – inflation in excess of budget.	-£17k	-£17k
Waste disposal variances including haulage	£783k	£796k
Glass recycling	£23k	£28k
Dry mixed recycle	-£798k	-£731k
Other recycle	-£7k	-£4k
Technical consultancy	-	£40k
Central budgets		
Additional enforcement resource	-£49k	-£47k
Capital charges	-£144k	-£121k
Other Management and Admin	-	£9k
Savings to be identified	£-39k	-
Property budgets		
Rents and rates variances	-	£180k
Commercial Services		
Container charging	-	£9k
Commercial Waste	-£200k	-£200k
Total budget variance	-£723k	-£180k

3. Capital expenditure for 2018/19

- 3.1 Appendix 2 shows capital expenditure and commitments incurred at the time of writing, totalling just over £2.5m against an approved capital budget of £5.114m as agreed at Joint Committee November 2017.
- 3.2 Joint Committee also agreed, at the June 2018 meeting, to potential additional funding for the purposes of land purchase for the proposed Waste Management Centre in central Dorset. This potential additional funding is not yet included in Appendix 2, due to the sensitive nature of negotiations that are currently taking place.
- 3.3 Other projects of note are:
- 3.4 The procurement of 'in-cab' technology is progressing well, with the system expected to be live in the garden waste vehicles and the trade waste vehicles before the end of the year. Subject to a satisfactory trial, the system will then be rolled out to the domestic vehicle fleet in 2019. The committed sum of £143k was originally expected to be paid in 2017/18 but is now expected to fall in 2018/19 instead.
- 3.5 Orders have been placed for 28 vehicles for the 2018/19 vehicle procurement exercise (15 RCVs, 9 response vehicles, 3 supervisor vans and 1 bin collection vehicle). The total cost of the vehicle procurements was around £34k higher than anticipated. It was noted that vehicle market prices have increased across the board, and that this will need to be taken into account for future vehicle procurement exercises.

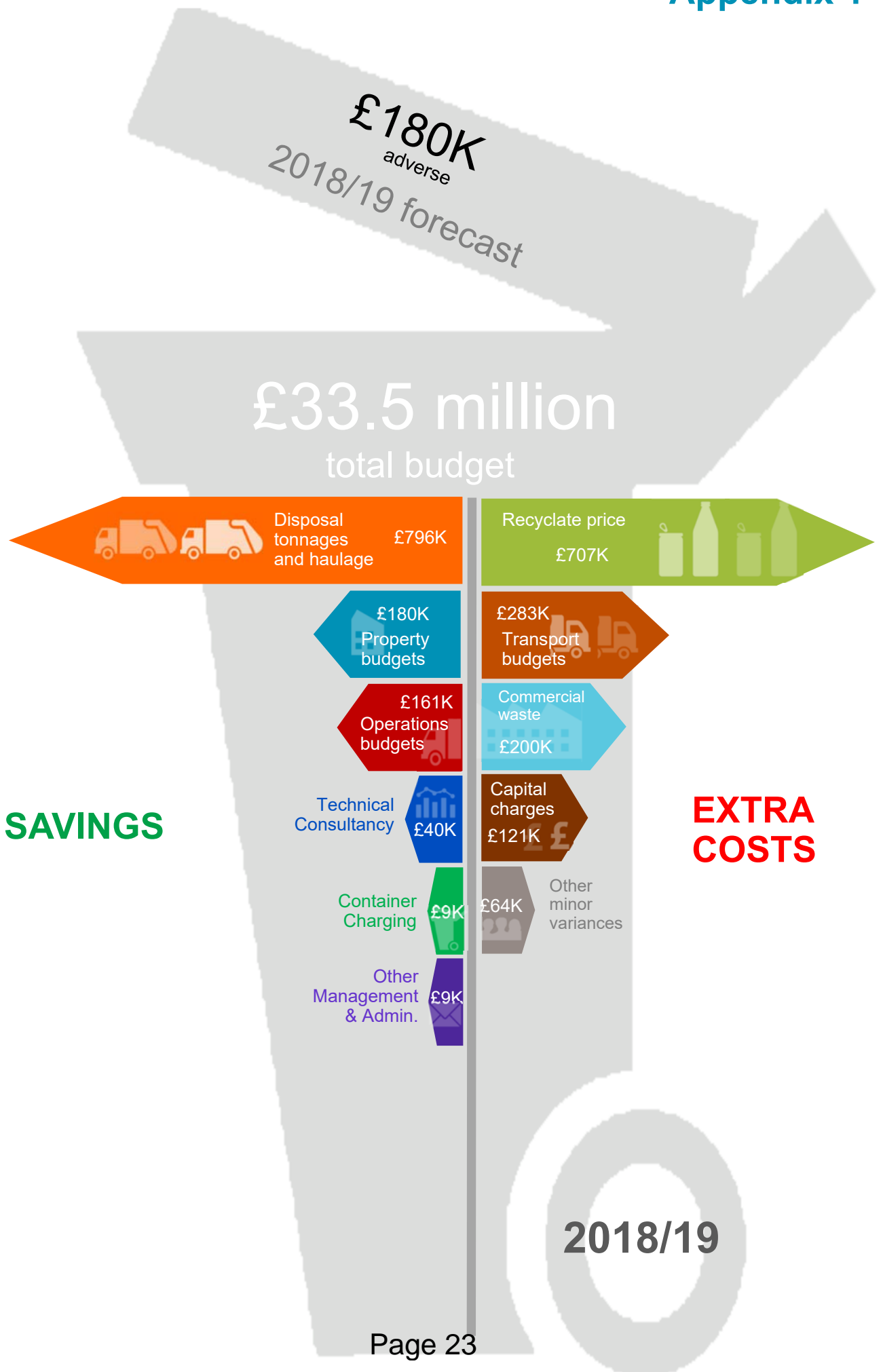
4. The Budget Equalisation Reserve (BER)

- 4.1 Following the closedown of 2017/18, the Budget Equalisation Reserve (BER) currently stands just over £1.2m. Appendix 3 shows the breakdown of the reserve by partner council and illustrates the effect on the reserve of funding the forecast of overspend of £180k.

Karyn Punchard
Director, Dorset Waste Partnership

October 2018

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DWP Capital programme

as at 10/10/2018

Appendix 2

	Planned capital expenditure as approved DWP JC November 2017	Actual spend		Total actual spend plus committed	Notes	
		as at 10/10/2018				as at 10/10/2018
		2018/19 £	£			
Infrastructure						
New waste facility at Blandford	2,250,000	-4,607	5,859	1,251		
Other minor capital works	50,000	0	0	0		
IT system						
Capital costs	19,100	611	165,600	166,211	<i>£146.5k budgeted in 2017/18 with zero spend due to project slippage</i>	
Containers						
Containers - r4d service	505,000	171,728	0	171,728		
Containers - garden waste service	60,000	60,390	0	60,390		
Containers - commercial waste service	68,000	27,960	0	27,960		
Vehicles						
Vehicle replacement programme - core fleet	1,582,000	72,963	1,594,006	1,666,969	<i>1 x 7.5t RCV at approximately £73k slipped from 2017/18 to 2018/19</i>	
Vehicle replacement programme - garden waste service	300,000	0	321,766	321,766		
Vehicle replacement programme - commercial waste service	280,000	0	280,852	280,852		
	<u>5,114,100</u>	<u>329,044</u>	<u>2,368,082</u>	<u>2,697,127</u>	<i>check 0</i>	

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Budget Equalisation Reserve (BER)

Partner Council	Balance as at 1st April 2018 £
DWP Reserve Christch	48,682
DWP Reserve DCC	793,325
DWP Reserve EDDC	73,050
DWP Reserve NDDC	65,850
DWP Reserve Purbeck	49,806
DWP Reserve W&PBC	96,406
DWP Reserve WDDC	103,105
	1,230,224

Illustration of 2018/19 forecast outturn effect

Agreed 2018/19 cost share %	Allocate share of £180k overspend £	Balance £
3.97%	7,137	41,544.42
64.32%	115,776	677,549.00
5.93%	10,671	62,379.10
5.39%	9,709	56,140.61
4.07%	7,320	42,486.25
7.30%	13,136	83,269.62
9.03%	16,250	86,854.59
100.00%	180,000	1,050,224

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DWP Finance & Performance Report November 2018

Assurance Statement by the Treasurer

The Treasurers responsibilities include, amongst other things, the following (extract from the Inter Authority Agreement):

- 33.4 The Host Authority shall ensure that the Treasurer shall provide sufficient financial information to the section 151 officer of each Partner Authority to enable each Partner Authority to report on the financial status of the Joint Committee against the relevant Annual Budget.

This Statement is to provide Assurance to the Joint Committee that the Treasurer endorses the Directors finance report, specifically by:

- Having assurance from the Accountancy team and the DES finance system that supports the findings of this report.
- Having had appropriate discussions as part of the extended DWP Senior Management Team.

Jim McManus, Treasurer to the DWP, October 2018

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APPENDIX 5

Key risks for the DWP budget 2018/19 and beyond

1. Recyclate price volatility

Price volatility for sale of recyclate is driven largely by international market conditions, and to a lesser extent by the quality of the DWP product specifically. Prices currently vary on a monthly basis, and can include dramatic and unpredictable changes within a short timescale

For 2018/19, the budget assumption was a price of £0/tonne. Prices have significantly exceeded that level in 2018 to date. If prices continue to be significantly more than budgeted, the effect on the DWP end of year position would be an overspend of around £731k.

2. Waste disposal – tonnages and disposal routes

The 2018/19 budget assumes that just over 200,000 tonnes of waste will be disposed of in Dorset (excluding commercial waste), of which the largest waste-stream is around 60,000 tonnes of kerbside residual waste processed at a typical cost of around £120 per tonne (total budget £6.750m plus haulage).

The volume of waste tonnages arising cannot be accurately predicted, and is acknowledged to be connected to a wide range of factors, including societal factors, economic factors, and the weather (particularly for green waste, but also HRC usage generally).

A variance of 1% in residual volumes will result in a change of around £70k.

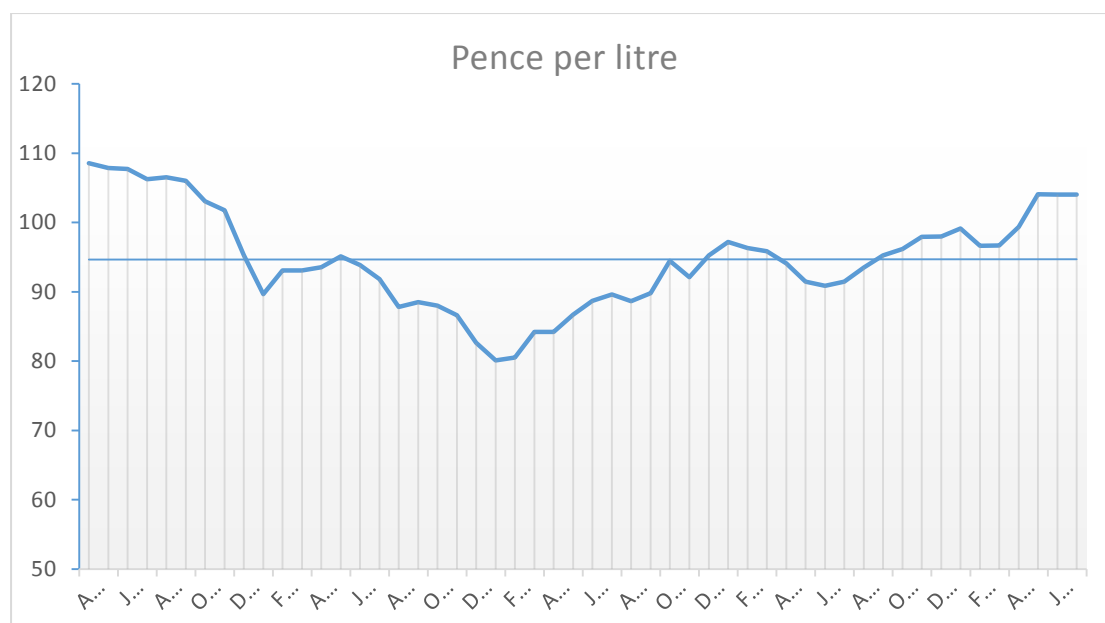
3. Liability for closed landfill sites

The DWP has responsibility for a number of closed landfill sites, and budget is provided for the ongoing monitoring of these sites. However, there is no budget provision for an event such as a closed landfill failure. Insurance would cover costs where the insurers would be satisfied that the event was unforeseeable etc. However, there is also risk of a landfill failure which would incur costs to the DWP. There is currently work in progress to provide greater clarification of the risks and potential costs to the DWP, and those costs may be significant.

4. Vehicle fuel price volatility

Fuel prices fluctuate constantly, and there are no long term reliable forecasts. The last twelve months have seen a steadily increasing price, as seen in the graph below. The price paid by DWP (via a DCC fuel contract) varies on a weekly basis, but is known to be very good value for money.

The current forecast of overspend is around £166k on vehicle fuel.



5. Clinical waste obligations

Clinical waste obligations that currently sit with the NHS / CCG are transferring to the DWP as a local authority responsibility. The implications and timescales are currently unclear, and discussions are ongoing with the NHS / CCG to establish further details. However, it is clear that a financial liability will fall to the DWP at some point in the medium term.

6. Housing growth

2018/19 saw the council tax base increase by almost 1,200 households compared to the previous year, and housing growth in Dorset shows no sign of slowing down. Collection of waste from households is a statutory responsibility for local authorities. The impact of housing growth is two-fold:

- a) Waste collection arrangements will depend on whether the local depot is able to absorb additional waste using spare capacity, or able to rationalise rounds to create more effective routing. Failing this, then a new round will be required, at a cost of one new RCV, a food RCV, and two crews for the vehicles, at a typical, annualised, cost of around £230k.
- b) The volumes of waste collected will increase due to the additional households, placing further pressure on the waste disposal budget (for which expenditure is incurred per tonne).

Medium / longer term risks.

7. Disposal contracts renewal – residual and organics

The DWP Contracts team are currently undertaking market engagement with regard to the renewal of contracts for residual waste and organic waste in 2020 and 2021 respectively. Whilst the team are doing everything possible to ensure best value for money from the contract renewals, the reality is that market conditions at the time of contract re-procurement will heavily influence the prices and solutions received.

Current market conditions are not favourable in the global waste disposal market, and the cloud of Brexit only adds further uncertainty.

With a combined contract value of around £10m, a small change from our current prices – either favourably or unfavourably – could have a big impact on the waste disposal budget.

8. Statutory changes in waste policy

Waste policy is receiving more attention from central government recently, particularly in response to “the Blue Planet effect” and rising concerns over the use of plastic in society. There are a number of potential concerns:

- a) Discussions of a potential deposit return scheme. Whilst there are no details as yet, a scheme that reduced glass, tins and bottles from our waste-stream could see our recyclate price further weaken and could call into question the efficiency of the whole Recycle for Dorset operation, including vehicle / collection configuration.
- b) A new waste and resources strategy is due later this year (although has already been significantly delayed) and it is currently unknown what this might entail. One speculation is around ‘consistency’ i.e. local authorities being forced to implement a consistent waste collection policy / service across all authorities with consistent bin types and colours.
- c) The Treasury have indicated that they are considering tax measures to increase recycling at the expense of energy-from-waste, more commonly referred to as a potential “incineration tax”. Details have not yet emerged, but could result in an additional sum per tonne, in a similar manner to the existing landfill tax.

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Councils working together

Dorset Waste Partnership Joint Committee

Date of Meeting	5 November 2018
Officer	Director of the Dorset Waste Partnership and Treasurer to the Dorset Waste Partnership
Subject of Report	Draft Revenue Estimates 2019-20
Executive Summary	<p>This report contains draft revenue estimates for 2019-20, and assumptions of capital spend for both 2019-20 and the longer term.</p> <p>The draft revenue estimates are presented to Joint Committee for noting and comment. Responsibility for approval of the draft revenue estimates sits with the Dorset Council Shadow Executive Committee, and so the budget finally approved may differ from the estimates in this report.</p> <p>The report examines the assumptions and drivers of the budget and some of the sensitivities and risks. These issues have been explored during presentations at Budget Task & Finish Groups in August and September 2018.</p> <p>All figures within the draft budget have been scrutinised and challenged by the DWP Senior Management Team, and had overview by the Treasurer, with a view to minimising costs.</p> <p>The budget has been prepared on the assumption that Dorset Council will continue to deliver services in the Christchurch area in 2019/20 on the same basis as the current service, in return for a financial contribution from the BCP council. The agreed “Disaggregation Template” for waste services puts the value of services in the Christchurch area at 11.8% of the total DWP costs, and the BCP financial contribution to Dorset Council is assumed to be the same. The finer detail of the financial arrangement will</p>

	<p>be put in writing in due course, once the formal agreements for delegation of services have been agreed by both DC and BCP.</p> <p>The budget assumes income of circa £200k from Weymouth Town Council in respect of beach cleaning costs. This has yet to be formally agreed.</p> <p>The resulting budget proposal is an increase in net costs of just under £1.2m, of which around £141k (11.8%) would be funded by BCP.</p>
<p>Impact Assessment:</p>	<p>Equalities Impact Assessment: The services covered by this report have been subject to an Equalities Impact Assessment where appropriate.</p> <p>Use of Evidence: The figures for the draft revenue estimates for 2019/20 have been drawn up taking account of information about service requirements and costs provided by a range of managers of the Dorset Waste Partnership.</p> <p>Budget:</p> <p>The budget proposal is an increase from 2018/19 in net costs of just under £1.2m, of which around £141k (11.8%) would be funded by BCP.</p> <p>Risk Assessment:</p> <p>Having considered the risks associated with these decisions using the County Council's approved risk management methodology, the level of risk has been identified as:</p> <p>Current Risk: HIGH Residual Risk: HIGH</p> <p>High risk areas are financial, reputational and critical service delivery.</p> <p>Financial: The operating environment for waste has potential for overspending arising from uncontrollable external factors (e.g. market prices for recyclates), local factors (e.g. changes in the level of waste generated by Dorset households) and is heavily dependent upon key external contractual relationships for our disposal arrangements.</p> <p>Reputational: Waste is a service that affects every household in Dorset, and therefore the potential for reputational damage is far-reaching.</p> <p>Critical Service Delivery: Waste collection is a vital service for Dorset households and the waste must be disposed of safely and efficiently.</p>

	<p>Outcomes:</p> <p>All outcomes delivered by the waste service will be dependant upon the level of resources available to deliver them. This report allows the DWP Joint Committee to comment upon the level of resources.</p>
	<p>Other Implications:</p> <p>The Joint Municipal Waste Management Strategy for Dorset (Waste Strategy Review 2017) sets out a number of key policy objectives including achieving recycling rates of 65% by 2025 and an enhanced network of local waste facilities. This proposed budget supports these objectives.</p>
<p>Recommendation</p>	<p>The DWP Joint Committee is asked to note and comment on the contents of this report.</p> <p>The DWP Joint Committee is asked to support:</p> <p>(i) feeding the budget estimates into the Medium Term Financial Plan of Dorset Council (ii) maintaining a reserve to deal with recycle price volatility under Dorset Council, as set out in paragraph 6.3.</p>
<p>Reason for Recommendation</p>	<p>Historically, Joint Committee annually considered the proposed DWP budget each year. Responsibility for financial decisions for 2019/20 and beyond rests with Dorset Council, rather than with the DWP Joint Committee.</p>
<p>Appendices</p>	<ol style="list-style-type: none"> 1. Summary of Dorset Council waste budget requirement for 2019/20. 2. Pie chart of proposed Dorset Council waste budget for 2019/20. 3. Capital programme assumptions for 2019/20. 4. Longer term capital programme assumptions. 5. Budget sensitivities for 2019/20.
<p>Background Papers</p>	<p>None</p>
<p>Officer Contact</p>	<p>Name: Paul Ackrill, Finance and Commercial Manager, DWP Tel: 01305 224121 Email: Paul.Ackrill@dorsetwastepartnership.gov.uk</p> <p>Name: Jim McManus, Treasurer to the Dorset Waste Partnership, Tel: 01305 221235 Email: j.mcmanus@dorsetcc.gov.uk</p>

1. Background

- 1.1 The Dorset Waste Partnership was formed in April 2011, and has been a partnership of all seven Dorset councils since 1 April 2013. One of the primary objectives of the partnership was to replace the disparate waste collection systems with a single 'recycle for Dorset' scheme, which has been in place since October 2015. All properties in Dorset (over 200,000 households) now receive the service.
- 1.2 The Inter Authority Agreement (IAA) for the Dorset Waste Partnership requires the Joint Committee to approve a draft budget for the following year. However, decisions that affect the finances of Dorset Council, for 2019/20 and beyond, are decisions to be taken by the Shadow Executive Committee of Dorset Council.
- 1.3 The budget has been prepared on the assumption that Dorset Council will continue to provide services in the Christchurch area in 2019/20 on the same basis as the current service, in return for a financial contribution from the BCP council. The agreed "Disaggregation Template" for waste services puts the value of services in the Christchurch area at 11.8% of the total DWP costs, and the BCP financial contribution to Dorset Council is assumed to be the same. The finer detail of the financial arrangement will be put in writing in due course, once the formal agreements for delegation of services have been agreed by both DC and BCP.

2. Overview

- 2.1 A summary of the budget requirement for Dorset Council waste services in 2019/20, in comparison to the 2018/19 budget for DWP is attached at Appendix 1.
- 2.2 The DWP budget for 2018/19 is £33.5m. The proposed Dorset Council budget for 2019/20 is not directly comparable to that figure, due to a number of changes in accounting arrangements, prompted by the creation of the unitary council. These are discussed below. This report therefore focuses on the increase in budget requirement to maintain the current service.
- 2.3 The proposed budget does not include the cost of inter-council payments that the DWP would have met. These were typically payments for rent for facilities such as depots or HRCs. Whilst this is a reduction against the waste budget, Dorset Council is no better off, as the income budgets (elsewhere) will not be receiving income in respect of these facilities.
- 2.4 The proposed budget does not include the cost of support services and insurance contribution that the DWP would have met. These costs will no longer be a direct charge against the waste budget, in line with the accounting for the majority of departmental revenue service budgets. Whilst this is a reduction against the waste budget, Dorset Council is no better off, as the income budgets (elsewhere) will not be receiving income in respect of these services.
- 2.5 Changes in pension accounting mean that part of the employers cost for employing staff will be met from a central, corporate budget rather than directly from the waste revenue budget. The effect is that the cost of a FTE in

the 2019/20 waste budget appears to cost less than the same FTE in 2018/19.

- 2.6 A vacancy factor of 2% has been applied to non-frontline staff, in accordance with the advice given regarding all Dorset Council budgets.
- 2.7 No inflation has been applied to revenue budgets generally, except where annual uplift is a contractual condition (primarily the disposal contracts), in accordance with the advice given regarding all Dorset Council budgets.
- 2.8 The proposed budget assumes no significant change in the service model and includes both the costs and the income for servicing the Christchurch area. In the event that a delegation is not agreed, the overall figures remain unchanged, as both costs and income for servicing Christchurch would be eliminated.
- 2.9 The proposed budget assumes a change in collection method in the North, East, and Christchurch areas where the existing tristream/dualstream vehicles are due to be phased out as these vehicles reach the end of their life. Vehicles will not be replaced like for like, but will be replaced with the model used in the West of the County i.e. the model with standard refuse and recycling RCVs and a separate food waste collection.
- 2.10 Specific cost pressures and savings are discussed in the next section of this report. However, in overview, the budget proposal is an increase (from 2018/19) in net costs of just under £1.2m, of which around £141k (11.8%) would be funded by BCP.

3. Issues, assumptions and cost pressures affecting the draft estimates for 2019/20.

- 3.1 Inflation. No inflation has been added to general revenue budget lines, as per the advice from corporate finance. Inflation has only been added to budget lines where it is a condition of the contract i.e. the HRC contract, and the various waste disposal contracts (gate fees). In these areas, inflation has been assumed at 3%, at a cost of almost £320k in total.
- 3.2 Recyclate market conditions. As members are aware, the price paid (or income received) each month for Dorset recyclate is extremely volatile as international market conditions change. The assumption in the attached proposed budget is £20/tonne, for 31,500 tonnes. Together with an assumed income on glass, the total increase required on this budget line is £609k. It must be recognised that this budget line comes with risk, as the price paid is entirely outside of the control of Dorset Council and varies on a monthly basis.
- 3.3 Annual pay award. Dorset Council will have around 400 FTEs employed in waste, of which around 310 are front line service delivery operatives (drivers, loaders, and street cleansing staff). Staff receive an annual pay award as agreed nationally. For 2019/20, this has already been agreed as a 2% increase, plus uplifts in the minimum wage which for some staff can see uplifts in the region of 4% to 5%. The effect of the pay award on the budget is estimated at a £350k increase.
- 3.4 Additional collection resource – housing growth. Pressure arising from new housing development is assumed to be absorbed within existing capacity,

and therefore there is no allowance for additional collection resource in the 2019/20 proposed budget.

- 3.5 Additional collection resource – change in service model. Changes in the service model to move away from the tristream/dualstream model to the separate food waste vehicle model requires additional staffing, particularly in respect of drivers. This is estimated at just over £400k for a full year, but assumed to be just 3 months for the 2019/20 proposed budget as new vehicles would not be expected to arrive before this point. It should be noted that the change in collection method will deliver savings in the 2020/21 budget, once the new vehicles and routes are in place, through both reduced vehicle maintenance costs on the new vehicles and efficiency savings through changes to tipping arrangements.
- 3.6 Increase in the capital financing requirement. The proposed 2019/20 budget increase assumes that capital expenditure is financed using the previous model that was used for the DWP i.e. that all capital expenditure is financed from borrowing, and repaid over the life of the asset (7 years for vehicles, 15 years for containers, and 25 years for infrastructure) plus interest. Unlike other Dorset County Council services those capital repayments are provided for in the proposed revenue budget in 2019/20 as in previous years. The capital financing budget line requires an increase of almost £1.1m, based on commitments incurred from prior year capital purchases, plus assumptions of spend in 2019/20. The proposed 2019/20 capital programme spend can be seen at Appendix 3.
- 3.7 Capital spend priorities for Dorset Council, including waste, are due to be considered at a later date by the Shadow Executive Committee. It can be seen at Appendix 3 that significant capital spend is due in 2019/20, particularly on replacement of end of life vehicles, and construction of replacement HRC and waste transfer infrastructure at Blandford.
- 3.8 The vehicles due for replacement have been the subject of a report to September 2018 DWP Joint Committee and are primarily replacement of the “tristream” vehicles purchased at the formation of the DWP. If capital funds are reduced or unavailable to replace these vehicles, then significant service disruption may result, and additional revenue costs will be incurred through additional vehicle maintenance and/or significant hire of vehicles, and the cost of dealing with escalating complaints. Short term emergency hire of vehicles on a large scale is not considered to provide best value for money (e.g. in 2014/15 the DWP spent £2million on vehicle hire budget, with minimal budget).
- 3.9 The proposed replacement infrastructure scheme at Blandford has also been subject of previous reports to DWP Joint Committee and is a priority savings project in the DWP business plan to deliver a more efficient and effective service.
- 3.10 Vehicle fuel budget realignment. The vehicle fuel budget has been realigned based on latest fuel prices / trends, at an additional budgeted cost of £166k for 2019/20. Medium / long term fuel forecasts are not particularly reliable and therefore this budget line will require ongoing close monitoring.
- 3.11 The total cost pressures detailed above, plus other minor changes, produce a total cost pressure of over £2.8m for the 2019/20 budget. However, the proposed budget also includes savings/additional income generation and

other budget reductions of more than half of the cost pressure; these are set out below.

4. Savings / additional income generation / other budget reductions for 2019/20.

- 4.1 Behaviour change campaigns and other waste disposal changes. In 2017/18 volumes of waste arisings were lower than anticipated, and more waste is being sent for treatment - at a lower cost than historic landfill costs. Volumes of waste arisings are not directly controllable by the DWP, but can be influenced by ongoing change campaigns undertaken by the DWP education team, along with national campaigns around plastic use, etc. As a result of these campaigns it is estimated that the 2019/20 budget can be reduced by £572k, reflecting the lower waste arisings.
- 4.2 Change in haulage arrangements. As a result of changes to disposal arrangements, in order to seek better value for money, the cost (distance) of haulage for 2019/20 proposed budget can be reduced by £333k.
- 4.3 Growth in Commercial Services. The Garden Waste service and Trade Waste service have seen considerable growth and success in recent years. Estimates for continued growth in 2019/20 should see the contribution to overheads increase by £200k compared to the current year. As agreed by Joint Committee, the price for the Garden Waste service is determined by the Chairman and Director, and is set at £50.50 for 2019/20.
- 4.4 Benefits of new ICT system (in-cab technology). In June 2017, the Joint Committee agreed to the procurement of replacement ICT system, including the 'back office' database and associated functions for Commercial Services. The rollout of the associated "in-cab" devices will initially be in Commercial Service vehicles, but may be rolled out to the domestic fleet if trialled successfully. An additional £100k of income generation resulting from the improved processes in commercial services has been incorporated into the 2019/20 budget.
- 4.5 Other minor budget realignments. Around £150k of minor budget realignments have been applied to the 2019/20 budget, including cessation of rental of third-party premises in West Dorset used for container storage.
- 4.6 Weymouth beach cleaning income. The budget assumes £200k of income from Weymouth Town Council in respect of beach cleaning costs.

5. Budget sensitivity

- 5.1 Some illustrations of the major budget sensitivities are attached at Appendix 5.

6. Budget Equalisation Reserve

- 6.1 The Joint Committee are reminded that the following funds are currently held in the reserve:

Partner Council	Balance as at 1st April 2018 £
DWP Reserve Christch	48,682
DWP Reserve DCC	793,325
DWP Reserve EDDC	73,050
DWP Reserve NDDC	65,850
DWP Reserve Purbeck	49,806
DWP Reserve W&PBC	96,406
DWP Reserve WDDC	103,105
	1,230,224

6.2 The reserve will be reduced by any overspend that is incurred at the end of 2018/19.

6.3 The Budget Equalisation Reserve (BER) was set up as a method to smooth out major impacts to DWP partner finances. As partner councils cease to exist due to local government reorganisation, there is arguably no need to keep the BER, as all risk will sit within Dorset Council. However, it is prudent to recognise that the fluctuations in recycle price caused by international market conditions are likely to continue to create “good years” and “bad years” in the waste budget, and for that reason it is suggested that a reserve be maintained under Dorset Council, albeit a reserve that forms part of an overall Dorset Council reserves strategy. The proposal to keep a reserve is in line with national guidance.

6.4 The DWP Joint Committee are asked to comment and support the proposal in paragraph 6.3 above, to maintain a reserve to deal with recycle price volatility.

7. Summary of increased budget requirement

7.1 The figures presented show cost pressures of £2.8m, and savings and/or income generation of £1.6m applied to the budget, resulting in a net increase in budget requirement of just under £1.2m.

7.2 Members are reminded that, of this increased budget requirement, approximately half is attributable to the adverse shift in recycle price.

7.3 Members are also reminded that, of the net increase in budget requirement, around 11.8% will be funded by income from BCP in respect of maintaining the current service at Christchurch.

Karyn Punchard, Director of the Dorset Waste Partnership
Jim McManus, Treasurer to the Dorset Waste Partnership
 October 2018

Summary of Dorset Council waste budget requirement for 2019/20**Caveats, observations, notes**

- 1 Recyclate price assumed at £20/tonne
- 2 Vacancy factor applied to non-frontline posts at 2% as per guidance from Jason Vaughan
- 3 No inflation applied other than contractual inflation as per guidance from Jason Vaughan
- 4 Some savings options already assumed - see below.

	£
2018/19 budget	33,483,143

One off adjustments to DWP budget that leave Dorset Council no better or worse off

Elimination of inter-council payments	-119,214
Support costs move below line	-1,298,882
Changes in pension accounting	-546,511
Adjusted 2018/19 budget	31,518,535

Cost pressures

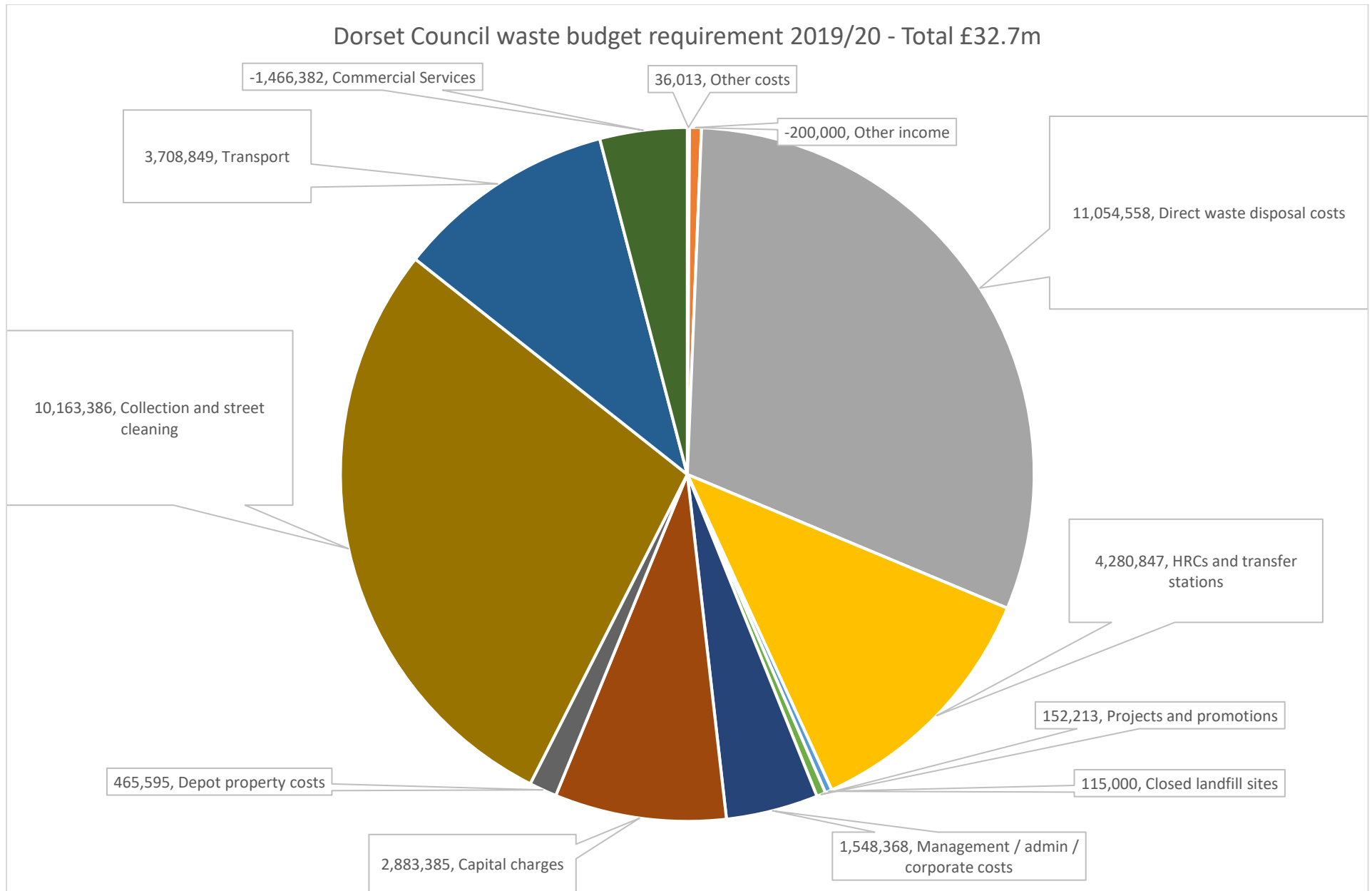
Recyclate market conditions	609,400
Inflation on contracts	319,506
Pay award	350,000
Increase in capital financing requirement	1,093,655
Fuel price	166,000
Additional pay costs - additional operational resources required	248,820
Other minor changes	43,425
Total cost pressures	<u>2,830,806</u>

Savings options / income generation already applied within this budget calculation

Vacancy factor applied at 2% to non-frontline posts	-49,101
Additional income generation from Commercial Services	-200,000
Bartec system rollout (Commercial fleet)	-100,000
Change in haulage arrangements	-333,431
Behaviour change campaigns and other waste disposal changes	-571,647
Budget realignments	-123,331
Assumption of Weymouth Town Council income	-200,000
Other minor savings	-55,000
	<u>-1,632,510</u>
Increase in budget requirement from 2018/19 to 2019/20	<u>1,198,296</u>
2019/20 net expenditure requirement	32,716,831
Assumption of BCP income	4,078,342
2019/20 assumption of Dorset Council funding requirement	<u>28,638,488</u>

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Dorset Council waste budget requirement 2019/20 - Total £32.7m



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Appendix 3 – proposed 2019/20 capital programme.

Capital spend assumptions for 2019/20. The revenue effects of these assumptions are built into the 2019/20 revenue estimates.

In respect of the replacement HRC and transfer station at Blandford, whilst detailed costings and programme have been developed, it is not clear precisely in which financial years certain costs will be incurred. For this reason, the amount included within the capital programme for 2019/20 is notional, and likely to change.

Sums for vehicle replacement are as per the report to DWP Joint Committee of 11th September 2018.

Other sums within the capital programme are the annual allocations for minor capital works, annual allocations for container purchases, and the final payments to cover capital investment in the new ICT system.

Dorset Council - Waste capital programme

2019/20

	Planned capital expenditure
	2019/20
	£
Infrastructure	
New waste facility at Blandford	2,250,000
Other minor capital works	50,000
IT system	
Capital costs	19,100
Containers	
Containers - r4d service	505,000
Containers - garden waste service	60,000
Containers - commercial waste service	68,000
Vehicles	
Vehicle replacement programme - core fleet	5,363,000
Vehicle replacement programme - garden waste service	155,000
Vehicle replacement programme - commercial waste service	160,000
	<hr/>
	8,630,100
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Dorset Council - Waste capital programme

Planned capital expenditure

	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	£	£	£	£	£	£
Infrastructure						
New waste facility at Blandford	2,250,000	5,800,000	1,948,000	0	0	9,998,000
Other minor capital works	50,000	50,000	50,000	50,000	50,000	250,000
IT system						
Capital costs	19,100	75,300	46,100	0	0	140,500
Containers						
Containers - r4d service	400,000	400,000	400,000	400,000	400,000	2,000,000
Containers - garden waste service	60,000	60,000	60,000	60,000	60,000	300,000
Containers - commercial waste service	68,000	68,000	68,000	68,000	68,000	340,000
Vehicles						
Vehicle replacement programme - core fleet	5,363,000	1,491,000	1,616,000	TBC	TBC	8,470,000
Vehicle replacement programme - garden waste service	155,000	155,000	0	0	0	310,000
Vehicle replacement programme - commercial waste service	160,000	160,000	0	0	0	320,000
	8,525,100	8,259,300	4,188,100	578,000	578,000	22,128,500

Note: programme to 2022/23 previously approved by DWP JC but now includes reprofiling of costs

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2019/20 Dorset Council waste budget – major sensitivities

1) Waste arisings.

The most significant budget line within waste disposal is residual waste. A 1% variation in waste arisings would vary costs by around £60,000 plus associated haulage costs of around £10,000.

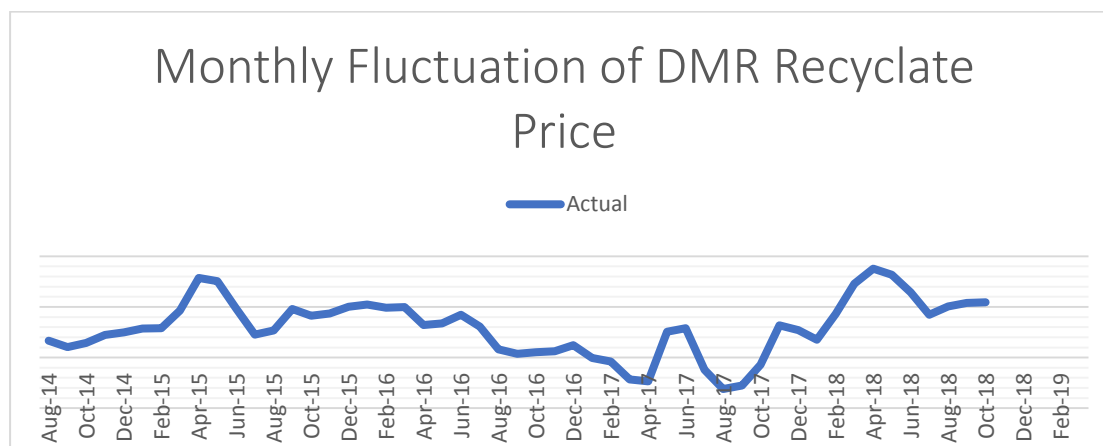
2) Vehicle fuel.

Vehicle fuel budget sensitivity for 2019/20 is illustrated below.

Price per Litre (£)	Estimated Annual Cost (£)	Budget Variance (£)
0.95	1,377,500	121,000
1.00	1,450,000	48,500
1.05	1,522,500	-24,000
1.10	1,595,000	-96,500
1.15	1,667,500	-169,000
1.20	1,740,000	-241,500
1.25	1,812,500	-314,000
1.30	1,885,000	-386,500
1.35	1,957,500	-459,000
1.40	2,030,000	-531,500
1.45	2,102,500	-604,000
1.50	2,175,000	-676,500

3) Dry mixed recyclate (DMR) volatility

For every £1 that the DMR cost varies from the proposed 2019/20 budgeted figure, the effect on the Dorset Council waste budget will be £31.5k in a full year. The graph below shows price volatility since August 2014. Prices are not shown due to commercial sensitivity.



Taking the best and worst case scenarios from the graph above, and applying them to 2019/20, the effect on the budget would be as follows:

- Price £31.47 per tonne. Adverse variance £361k
- Income £12.37 per tonne. Favourable variance £1m.

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Councils working together

Dorset Waste Partnership Joint Committee

Date of Meeting	5th November 2018
Officer	Director of the Dorset Waste Partnership
Subject of Report	Dorset Waste Partnership Business Plan 2019-2020
Executive Summary	This paper presents a Business Plan for the waste function of the new Dorset Council for the financial year 2019-20. The Business Plan is largely informed by the budget preparation process for 2019-20, existing projects and priorities, and assumes no change to the existing service and strategic policies for the time being, whilst recognising that Dorset Council may, in due course, seek changes to service and strategic policy.
Impact Assessment:	Equalities Impact Assessment: Individual Business Plan actions will be accompanied by equalities impact assessments, where appropriate.
	Use of Evidence: Dorset Waste Partnership budget 2019/20 Dorset Waste Partnership Strategic Risk Register Dorset Waste Partnership Project Register
	Budget: The Business Plan is developed in conjunction with the proposed 2019/20 budget.

	<p>Risk Assessment:</p> <p>Having considered the risks associated with this decision using the County Council's approved risk management methodology, the level of risk has been identified as: Current Risk: MEDIUM Residual Risk MEDIUM</p>
	<p>Outcomes:</p> <p>All outcomes delivered by the waste service will be driven by the Business Plan. This report allows the DWP Joint Committee to comment upon the Business Plan.</p>
	<p>Other Implications: None</p>
Recommendation	That the Joint Committee notes and comments on the proposed Business Plan 2019-20.
Reason for Recommendation	To achieve the vision and strategic aims of the DWP.
Appendices	Appendix 1: DWP Business Plan 2019-20 Appendix 2: Draft Dorset Council Waste revenue budget proposals 2019/20
Background Papers	Joint Municipal Waste Management Strategy for Dorset (Waste Strategy Review 2017) Dorset Waste Partnership budget 2019/20 Dorset Waste Partnership Strategic Risk Register Dorset Waste Partnership Project Register
Officer Contact	Name: Paul Ackrill Tel: 01305 224121 Email: p.ackrill@dorsetwastepartnership.gov.uk

1. Introduction

- 1.1 The Inter Authority Agreement (IAA) for the Dorset Waste Partnership Joint Committee states that the Director shall submit a draft business plan to the Joint Committee each year (Section 9 of Schedule 1 ("The Constitution") of the IAA).
- 1.2 The business plan sets out the plan for the forthcoming financial year, set in a context of our vision and strategic objectives over this period.

2. Development of the Business Plan

- 2.1 The Joint Municipal Waste Management Strategy for Dorset informs the business plan for the forthcoming 12-month period. The budget, elsewhere

on this agenda, sets out the implications of the business plan in financial terms.

- 2.2 The business plan also drives the project register, team plans and individual officer targets for the forthcoming financial year.

Karyn Punchard
Director
October 2018

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Dorset Council Waste function

Business Plan 2019-20

Contents

- 1. Introduction and context**
- 2. Purpose of Business Plan**
- 3. Strategy**
- 4. Unitary authorities within Dorset**
- 5. Annual budget and service delivery**
- 6. Projects**
- 7. Risks and Constraints**

Appendix

Draft 2019/20 budget

1. Introduction and context

- 1.1 This paper presents a Business Plan for the waste function of the new Dorset Council for the financial year 2019-20. The Business Plan is largely informed by the budget preparation process for 2019-20, existing projects and priorities, and assumes no change to the existing service and strategic policies for the time being, whilst recognising that Dorset Council may, in due course, seek changes to service and strategic policy.

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

3. Strategy

- 3.1 In March 2017, the DWP 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 The following critical objectives are listed in the Strategy 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

- 3.3 Specific policies within the Strategy include:

- Long term aspirational aim towards zero net growth in residual waste
- Achievement of 65% recycling and composting by 2025
- Increased focus on enhancement and development of local waste facilities to allow the authority to deliver, store, transport and treat waste efficiently
- Flexibility for residual waste treatment options
- Provision of a cost effective commercial waste service

4. Unitary authorities within Dorset

- 4.1 At the time of writing, it is assumed that Dorset Council will manage executive waste functions in Christchurch on behalf of BCP council during 2019/20, by way of a delegation of waste function under S101 of the Local Government Act 1972. This has yet to be formally agreed.

5. Annual Budget and Service Delivery

- 5.1 The Business Plan has been developed alongside the annual budget for 2019/20 (see Appendix) and sets out service delivery plans as follows:

Disposal – Gate Fees

- 5.2 The DWP expect to dispose of around 190,000 tonnes of domestic material in 2019/20, 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 to a facility 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 2019/20	£115
‘Typical’ food waste gate fee per tonne for 2019/20	£40
‘Typical’ green waste gate fee per tonne for 2019/20	£26

- 5.3 The budgeted tonnes by waste stream for 2019/20 are as follows:

Household Tonnes	
Kerbside Residual Waste	53,669
Green Waste	43,700
Kerbside DMR	29,157
Bulky Residual Waste	19,750
Food Waste	15,674
Kerbside Glass	11,576
Wood Waste	11,150
Street Sweepings	4,575
Other Recyclables	865
Hard Plastics	400
Total	190,516

- 5.4 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 in support of the complex contractual arrangements that are in place.
- 5.5 Disposal arrangements are generally put in place under a contract for several years, with the next major contract renewal dates due in 2020 and 2021 for residual waste and organic waste respectively. Preparation for the contract renewal, including soft market testing, is a priority for the Contracts team for 2019/20, working with colleagues from Procurement and Legal.

Household Recycling Centres (HRCs)

- 5.6 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 in place for eight years.

- 5.7 With this contract in place, the proposed budget assumes that the HRC service for 2019/20 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.
- 5.8 In addition, Dorset Council will need to deal with neighbouring authorities where cross-border HRC visits takes place.

Closed landfill sites

- 5.9 Dorset Council will have responsibility for a regular monitoring, testing and inspection regime, budgeted to cost around £115k for ground services, maintenance, rent payments and other costs, plus officer time. At the time of writing it is not clear whether there are additional sites due to the Local Government Reorganisation process.

Re-use credits

- 5.10 It is proposed to retain a small budget (almost £11k) for payment of re-use credits. The DWP Joint Committee meeting of September 2015 agreed that recycling credits would no longer be made, but that re-use credits would continue.
- 5.11 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

- 5.12 The Projects and Promotions budget is used to support the education and enforcement roles. The 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. This budget is considered as Invest To Save funding, and is thought to be partly responsible for the significant reduction seen in the Waste Disposal budget.
- 5.13 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

- 5.14 With no change anticipated to the Dorset collection scheme (Recycle For Dorset) or street cleaning requirements, there are no significant changes to this budget in terms of FTEs/post numbers, although allowances are included for the pay award, which is particularly significant for the loader and street cleaner roles, which are seeing cost increases in the region of 4% to 5%.
- 5.15 An allowance has been made for additional driver roles in the North, East and Christchurch areas, anticipating a change from the existing 'tri-stream' collection model to the two vehicle model that is used elsewhere in Dorset.
- 5.16 The budget line also allows for the demand-led expenditure for PPE (Personal Protective Equipment) for front line staff, sacks, and other ad-hoc operational revenue expenditure.

Bin management resource

- 5.17 The DWP employs two operatives dedicated to the distribution and collection of new or damaged containers, one on each side of the County.

Depot properties

- 5.18 There are currently depots located 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
- 5.19 There is a budget requirement for 2019/20 of almost £466k associated with running costs for these properties, in terms of rent, rates, utilities and minor building work. This budget has seen a significant reduction in 2019/20, as inter-council payments are eliminated.

Transport & fleet management costs

- 5.20 The total budgeted cost for Transport section and fleet in 2019/20 is £3.7m. 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. For the most part, this budget is a standstill from the current year, with the exception of a £166k increase in vehicle fuel requirement, based on fuel prices at the time of budget setting. Clearly, these prices are subject to fluctuations outside of the control of the Council.

- 5.21 In a similar vein, the budget for vehicle repairs has stayed largely the same each year, as each year sees the retirement of a portion of the fleet at end of asset life, and new vehicles brought in as replacement. A significant spend on replacement of tristream vehicles is expected in 2019/20. If this does not happen for any reason, the vehicle repairs budget may well be exceeded, and there will be additional pressure on the vehicle hire budget to cover breakdowns.

Support Costs and Insurance

- 5.22 The DWP was supported by a number of support services, critical in terms of service delivery, which were charged 'above line' to the DWP. For 2019/20, these services move to 'below line' and no longer form part of the above line waste budget. Nonetheless, close working with these services will remain essential for successful 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
- * Insurance services

Management and admin, strategy side costs

- 5.23 The budget line covers all "non-frontline" staff, including:

- Senior Management Team
- Depot admin and HQ admin
- Strategy side staffing (Business development, data systems, waste policy, contracts and commissioning, property, enforcement etc.)

- 5.24 The costs for Operations managers, depot supervisors and assistant supervisors has been separated out, for added transparency. Whilst not "front line" as such, the role of Operations managers, depot supervisors and assistant supervisors is implicitly linked to frontline service delivery.

Capital charges

- 5.25 The revenue budget includes resources to fund capital expenditure that has been funded by borrowing. Borrowing is paid back to the corporate centre in accordance with the life of asset as follows:

- Vehicles – 7 years
- Containers – 15 years
- Infrastructure – 25 years
- ICT system – 4 years

It is noted that this method of accounting is a continuation of arrangements initiated under the DWP and may change under Dorset Council accounting arrangements.

Container charging scheme

- 5.26 A scheme for charging for containers (for example, to developers of new property) was introduced in the first quarter of 2017/18, following DWP Joint Committee approval. The 2019/20 budget includes net income of just over £70k, after associated admin costs.

Income contributions from Commercial Services

- 5.27 This is income after direct costs from the Commercial Services trading accounts, for Garden Waste and Trade Waste services. The income is used to cover the costs of providing those services.
- 5.28 The specifics of each trading account are not discussed here, due to their commercially sensitive nature. However, note the budgeted increase of £300k income generation, in comparison to 2018/19 budget.

6. Projects

- 6.1 A Project Register is maintained which, at any given time, gives details of the current projects that are live, and is a key document at the Management Team meetings where progress is reviewed on a regular basis. 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). The focus of approved projects is always savings, cost avoidance or the efficiency and effectiveness of the service.
- 6.2 The full Project Register is not repeated here, however, the priority projects for 2019/20 are highlighted below:
- Partnership working with (currently) Bournemouth BC on infrastructure projects using MHCLG funding.
 - Preparation work to re-let disposal contracts for residual waste and organic waste.
 - Proceed with construction of a new waste facility at Blandford due to the age and inefficiency of the existing Blandford site.
 - Subject to a satisfactory trial on Garden Waste and Commercial Waste vehicles, rollout the use of 'in cab' technology across the domestic fleet.
 - Replace the route optimisation software

7. Risks & Constraints

- 7.1 A Strategic Risk Register is maintained, which is reported to DWP Joint Committee on a regular basis.
- 7.2 The most recent version of the risk register cites the main risks and barriers summarised as:
- 7.2.1 Financial risks and constraints, including savings expectations:

- Limitations on funding force an unrealistic level of savings which prevent the actions being delivered or puts service delivery at risk.
- Disposal costs increase, driven by 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
- Central government revoke charging at HRCs.
- Failure to recognise effect of housing growth in funding of the service.

7.2.2 Infrastructure risks and constraints, and ability to ensure business continuity.

- Inability to obtain and develop infrastructure to deliver efficient and effective service.
- Failure to procure and ICT solutions to improve efficiency and effectiveness, due to cost of system.

7.2.3 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

7.6 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

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APPENDIX 2: DRAFT Dorset Council Waste revenue budget proposals 2019/20

Row reference	2018/19 revised budget	Reductions due to LGR - budgets internal to new Dorset Council	Reductions due to LGR - support services - move below line	Reductions - changes in pensions oncosts percentage	Comparative 2018/19 budget	2019/20 revised gross budget	BCP income assumption	2019/20 revised net budget
1	Host Authority support costs		-957,320		0	0		0
2	Insurance costs		-286,008		30,000	30,000		30,000
3								
4								
5	Waste Disposal - see separate summary				10,840,790	10,497,158		10,497,158
6								
7	Bring Banks							
8	Textile income				-15,000	-15,000		-15,000
9	Maintenance				10,250	10,250		10,250
10								
11	Recycling Transfer Stations (RTSs)							
12	Management Fees				443,455	467,900		467,900
13	Rent				106,000	106,400		106,400
14	Rates				79,000	66,500		66,500
15	Haulage				114,352	70,000		70,000
16								
17	Recyclate disposal							
18	Dry Mixed Recyclate (DMR)				0	630,000		630,000
19	Kerbside glass				0	-32,500		-32,500
20	Other recyclate				-52,000	-40,100		-40,100
21								
22	Household Recycling Centres (HRCs)							
23	Management Fees				1,415,103	1,469,020		1,469,020
24	Haulage				669,630	666,281		666,281
25	Cross border				120,630	120,630		120,630
26	Rates				230,728	211,001		211,001
27	Rent		-9,200		110,393	134,193		134,193
28	R&M (reactive)				32,800	32,800		32,800
29	Planned maintenance				15,375	15,375		15,375
30								
31	Closed landfill sites:				110,500	115,000		115,000
37								
38								
39	Projects and promotions budget				152,213	152,213		152,213
40								
41	Reuse credits				10,763	10,763		10,763
42								
43	Waste Transfer Stations (WTSs)							
44	Management fees				338,118	351,247		351,247
45	Rent				163,000	110,000		110,000
46	Rates				47,000	19,500		19,500
47	Haulage fees				566,610	290,000		290,000
48	Crookhill haulage				159,120	150,000		150,000
49								
50	DWP Management / corporate costs:							
51	Senior Management Team - pay, oncosts				401,217	356,774		356,774
52	Management and Admin - pay, oncosts, overtime & tr				2,056,528	1,058,412		1,058,412
53	SMT consultancy support				52,480	27,480		27,480
54	HQ premises				55,555	0		0
55	Income		10,250	-55,555	0	0		0
56	Supplies and Services				34,030	34,030		34,030
57	Corporate training budget				51,250	51,250		51,250
58	Travel expenses and other				66,010	66,010		66,010
59	Charging for containers				-70,588	-70,588		-70,588
60								
61	Capital charges (excl Garden & Trade)				1,789,731	2,883,385		2,883,385
62								
63	Container management							
64	Bin Storage				10,000	0		0
67								
68	Depot property costs							
69	Utilities				60,988	60,988		60,988
70	Rents		-120,264		311,908	154,295		154,295
71	Other				35,158	35,158		35,158
72	Rates				73,185	66,530		66,530
73	Repairs & Maintenance				20,500	20,500		20,500
74	Minor building works				128,125	128,125		128,125
75								
76	Collection costs:							
78	Other Ops revenue costs				78,780	78,780		78,780
79	Personal Protective Equipment (PPE)				93,324	93,324		93,324
80	recycle for Dorset staffing costs - collection				6,810,997	6,840,356		6,840,356
81	Operational management				0	990,762		990,762
82	Bin management resource				50,500	50,500		50,500
83	Street Cleaning staffing costs				2,029,221	2,031,264		2,031,264
84	sacks / bags				98,400	78,400		78,400
85								
86	Vehicles							
87	Vehicle workshop staff - pay, oncosts				365,937	389,539		389,539
88	Hire of vehicles				210,125	210,125		210,125
89	Vehicle fuel				1,332,500	1,498,500		1,498,500
90	Maintenance costs				963,050	963,050		963,050
91	Road Fund Licences				64,000	64,000		64,000
94	Leasing revenue costs - Mechanical Sweepers				583,635	583,635		583,635
95								
96								
97	Commercial Services income generation				-1,166,382	-1,466,382		-1,466,382
98								
99								
100	Savings to be identified				-38,925	0		0
101								
102	Weymouth Town Council income				0	-200,000		-200,000
103								
104	Changes in pensions accounting - to be allocated out				0	0		0
105								
106	New BCP income contribution				0		-4,081,292	-4,081,292
107								
108	Total budget				33,483,143	32,716,831	0	28,635,538
						0		0

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