



Report to: South London Waste Partnership Joint Committee
Date: 12th January 2223
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Report title: Proposed SLWP Partnership Team Budget 2023/24

Purpose

The purpose of this report is in three parts. The first is to summarise the work achieved to date against the SLWP's proposed 2022/23 work programme and budget.

The report then sets out the proposed 2023/24 budget and the additional support that SLWP will provide in preparation for the upcoming expiry of three major service delivery contracts.

Finally, the paper sets out the improvement and cost saving activities the SLWP proposes to deliver as part of the 2023/24 budget proposal.

Recommendations

It is recommended that the SLWP Joint Committee notes:

1. An in-year saving of £988k delivered by the SLWP from the activities approved by the Joint Committee in 2022/23.

It is recommended that the SLWP Joint Committee approves the following 23/24 budget:

2. A total SLWP budget of £1.325m, which equates to £331,376 per borough and includes the following:
 - Core Partnership Activities budget of £850k,
 - Intelligence gathering budget reduced to £65k,
 - Environmental services commissioning budget of £200k,
 - HRRC and WTS commissioning budget of £115k, and
 - A resident engagement and improvement budget of £95,500 that is projected to deliver a waste disposal saving of just under £298k in 2023/24.
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1. Background

- 1.1. Each year, the SLWP partnership team is required to produce a budget that covers the cost of delivering partnership wide activities and running the partnership team for consideration of the Joint Committee.

- 1.2. The Inter Authority Agreement (IAA) between the Partner boroughs sets out that should a new budget not be agreed by the Joint Committee, the previous year's budget, uplifted by RPI+2%, will be deemed to be agreed and will be the annual budget for the following year.
- 1.3. The partnership team budget is set to enable shared contracts to be managed effectively and the administration of the partnership activities to be carried out. Spend is monitored monthly to allow budgets to be flexed where appropriate in order to respond to any budget pressures.
- 1.4. In 2025, there is a breakpoint in a number of partnership contracts, which coincides with seismic change in the industry resulting from the new National Waste Strategy. This means that significant work is required to develop a new strategy for the partnership, to agree and commission future infrastructure requirements to deliver this strategy, to agree and commission an optimised waste management solution for the partners and to develop appropriate governance arrangements for that solution.
- 1.5. At the same time, there is growing pressure to save money across all services and across all boroughs, and so the SLWP is tasked with seeking opportunities to invest in improvement activities that will reduce the cost base of waste management, and which will offset the cost of delivering this strategy development and commissioning work.

2. SLWP Work Programme 2022/23 – Progress Update

- 2.1. The 2022/23 budget set out the following 'Strategy Development' budget to deliver intelligence gathering data that would support commissioning activities, and also an 'Improvement Projects' budget to support cost saving and contract improvement projects. The total budget for this forward looking work was £537k.

	22/23 Budget
Strategy Development and Service Commissioning	£370,000
Intelligence Gathering	£170,000
Waste Composition Analysis	£100,000
Carbon Modelling	£30,000
Resident Surveys	£40,000
Commissioning resource	£200,000
Improvement projects	£167,000
Contract and Service Improvements	£20,000
Green Waste Recycling	£40,000
Food waste recycling	£40,000
Plastics Recycling	£40,000
Resident Engagement	£27,000
Total Spend	£537,000

Table One: Approved budget 2022/23

- 2.2. 'Improvement Projects' - the following table provides an update on savings achieved so far this year financial year.

Savings from Improvement Projects	Actual
Contract Improvements	-£878,840
Green Waste Campaign	-£108,649
Food waste Campaign	tbc
Savings total	-£987,489

Table Two Savings year to date 23/24

- 2.3. The table shows that, for the financial year 2022/23, the SLWP has already delivered a £988k saving on our waste contract spend and this has come from service and contract changes and also the green waste campaign. It is also important to note that the £878,840 'Contract and Service Change' savings are calculated as a mid-year saving as the changes only took effect from 1st September 2022. Next year this project will save the boroughs £1.53m. The green waste communications campaign is still an estimated figure and will be updated as more uptake data is established. The garden waste savings figures will likely reoccur in future financial years as a high proportion of new customers (90%+) attracted in 22/23 renew their subscriptions in future years.
- 2.4. It is also important to note that the savings detailed above are in addition to the £1.4m per annum saving that was achieved following the SLWP food and green waste commissioning project, which also took effect within this financial year, commencing on the 1st September 2022.
- 2.5. Savings from the food waste campaign are not included in the savings calculations yet as these are still being evaluated, and so this paper will be presented again as part of the quarter four finance update in order to provide an updated full year savings total.

3. SLWP Proposed Budget 2023/24

- 3.1. The following section presents a draft 2023/24 budget for approval.
- 3.2. **Core Partnership Team** - The core SLWP staffing budget and the new staffing structure were approved in Feb 2022, there are no plans to make changes to the staff structure at this point and therefore no changes are proposed to the core staffing budget for 2023/24 other than the inclusion of all staff now in post, indexation, and the inclusion of the annual staff pay award.

	2022/23 Budget	2023/24 Proposed Budget	Variance
Core Partnership Team Activity	£792,000	£850,005	£58,005
Advisors and Corporate Support	£64,400	£65,608	£1,208
RBK Finance Admin Support	£27,000	£27,500	£500
LBC Finance Admin Support	£27,000	£27,500	£500
In house Legal Support	£10,400	£10,608	£208
Core Staff Resources	£708,000	£764,397	£56,397
Document Management	£19,600	£20,000	£400
Affinixtext	£19,600	£20,000	£400

Table Three Core Partnership Budget

- 3.3. The advisors and corporate support budget allows the SLWP partnership team to engage external and internal advisors to provide expert legal, financial and technical advice in respect of all the partnerships contracts (Food and Green waste contracts, the residual waste treatment contract, Street cleansing recycling contract, HRRC's and the Environmental Services contracts). This also includes costs from RBK for providing finance activities for managing Food and Green waste and street cleansing recycling contract transactions (£27,500), costs from LBC for providing finance activities for the residual waste treatment contract, HRRC's and the Environmental Services contract transactions (£27,500). The core staff resources budget contains provision for 10 posts.
- 3.4. The SLWP Core Partnership Team will continue to commission and manage the delivery of the treatment and disposal functions that are delegated to the SLWP, those being waste receipt, transfer, treatment and disposal.
- 3.5. The core SLWP team will also continue to develop the new SLWP Joint Waste Strategy. The Joint Waste Strategy will be an ambitious document through which we will agree commonalities, key deliverables and the future role of the SLWP. The strategy will set out how we will deliver the key SLWP Joint Committee objectives; to deliver high-quality and cost-effective waste receipt, transfer, treatment and disposal services, to treat all materials as a valuable resource, and to support boroughs in achieving their climate commitments.

4. Additional Activities 2023/24

- 4.1. As above, the SLWP budget is approved once activities for the following year are agreed. In 2025 there is a breakpoint in a number of partnership contracts, which coincides with seismic change in the industry resulting from the new National Waste Strategy, and this means that significant work is required to develop a new strategy for the partnership, to agree and commission future infrastructure requirements to deliver this strategy, to agree and commission an optimised waste management solution for the partners and to develop appropriate governance arrangements for that solution.
- 4.2. The following provides a recommendation on the amount required to support the recommissioning activities for the financial year 2023/24.

	2022/23	2023/24
Improvement and Engagement	£167,000	£95,000
Improvement Projects	£147,000	£95,000
- Green waste recycling Comms Campaign	£40,000	£10,000
- Food waste recycling Comms Campaign	£40,000	£75,000
- Tri-Annual SLWP Residents Survey	£0	£0
- Plastics recycling comms campaign	£40,000	£0
- Resident engagement tools	£27,000	£2,000
- Phase B Engagement	£0	£8,000
- SLWP Governance Project	£0	£0
Strategy and Commissioning	£370,000	£380,000
Intelligence Gathering	£170,000	£65,000
- Composition analysis	£100,000	£0
- Carbon modelling	£30,000	£0
- Resident survey of attitudes and behaviours	£40,000	£0
- Intelligence gathering 2023/24	£0	£65,000
Commissioning Resource	£200,000	£315,000
- Phase C Commissioning Legal Support		£0
- Phase C Commissioning Technical Support		£150,000
- Phase C Commissioning Finance Support		£50,000
- Infrastructure Project - Stage 2		£65,000
- HRRC Total Commissioning Budget		£50,000
TOTAL	£1,329,000	£1,325,005
TOTAL PER BOROUGH	£332,250	£331,251

Table Four Additional Funding

- 4.3. **Commissioning Support** – The total recommended commissioning support budgeted is £315,500k. This equates to £78,750 per borough, £50k of which relates to the recommissioning of Environmental Services contract. This key support function in relation to the recommissioning of Environmental services from the 1st April 2023 will be technical only.
- 4.4. **Intelligence Gathering** - The intelligence gathering work that is being undertaken this year (22/23) will provide the boroughs with valuable information. The waste composition analysis tells us what is left in our waste, and where we should focus our efforts in order to extract valuable resource from the waste. The carbon baseline work will give us valuable insight into the carbon impact of how we undertake our services, enabling us to make key decisions on service changes that will achieve the maximum carbon reduction benefit.
- 4.5. Whilst we have completed the agreed intelligence gathering exercises for 2022/23, it is anticipated that the boroughs will want to undertake further intelligence gathering work in the financial year 2023/24. The exact nature of the intelligence gathering exercises that boroughs will want to undertake will depend on the outcome of the waste composition, the carbon baseline, triennial resident survey and the co-design communications work. SLWP is proposing a draft budget of £65k is reserved for intelligence gathering work, which equates to £16.25k per borough.

4.6. **Communications and Resident engagement** - The resident surveys and co-design work will provide us with valuable insights into how our residents feel and how better to interact and engage with them. Together with the results from our intelligence gathering exercises, it's important that we now act on that data, and use it to inform and to develop our future communication and resident engagement activities. The SLWP is proposing a communications and resident engagement budget of £95,500 which can be broken down as follows:

Promotion	Spend
Garden waste promotional campaign	£10,000
Food waste recycling campaign	£75,000
Beddington ERF awareness campaign	£8,000
SLWP website	£2,000
TOTALS:	£95,000

Table Five Communications and Engagement Budget 2023/24

5. Financial Savings

5.1. The boroughs are all faced with challenging savings targets, and as such it is important to set out how the proposed budget will support cost savings. The following details the targeted savings that are projected as part of the above communications budget, and this equates to a 22.7% saving against the total SLWP budget for 2023/24.

	Spend	Saving
Green waste campaign	£10,000	£20,300
Food waste recycling	£75,000	£277,653
Total Saving		£297,953

Table Six Anticipated savings 23/24