

Waste and Recycling Service

- 1.1 An update on the waste and recycling service was considered by the Hub Committee on 12 July 2022 and Council on 19 July 2022.
- 1.2 At the Council meeting on 12 July 2022 it was resolved to:
 - a) delegate authority to the Head of Paid Service (Chief Executive) and Director of Customer Services Delivery, in consultation with the Leader and Lead Member for waste and recycling services, to conclude subject to contract and without prejudice negotiations with the Council's waste contractor, FCC Environment Limited (FCC), for the continuation of the waste collection, recycling and cleansing services should South Hams and FCC agree to a mutual partial termination with a further report being brought to Council before 3 October 2022 for Council to agree the final terms.
 - b) transfer the value of the 2021/22 deductions to the waste management earmarked reserve (as part of the closure of the 2021/22 accounts), to contribute to the new contracted costs as set out in section 5 of the presented report.
 - c) increase the capital budget for Hayedown depot (statutory compulsory improvements), with the increase being financed from either the Waste Management Earmarked Reserve or internal borrowing as set out in Section 5 of the presented report.
 - d) approve a capital budget for a new vehicle as set out in Section 5 of the presented report, to be financed either from the Waste Management Earmarked Reserve or internal borrowing
- 1.3 The Medium Term Financial Strategy (MTFS) for 2023/24 to 2025/26 has been prepared and a cost pressure of £400,000 has been included for 2023/24 for the uplift in the contract sum effective from 1 July 2022. Further detail is set out in the Hub Committee report of 12 July 2022, 'Waste and recycling services contract update'.
- 1.4 The MTFS shows that there is a forecast budget gap for 2023/24 of £269,296 (3% of the projected Net Budget of £8.72million) and the cumulative budget gap is £356,867 by 2024/25.

- 1.5 In addition, Council has also approved to increase the capital budget for the Hayedown depot by £270,000 and to purchase a new vehicle with a capital budget provision of £180,000. These items will be added to the Council's current capital programme for 2022/23 and it is recommended that they are funded from the Waste Earmarked Reserve (with £450,000 to be funded from the waste earmarked reserve).
- 1.6 The waste earmarked reserve has a current balance at 31.3.2022 of £657,799 and therefore there is sufficient for the £450,000 to be funded from this reserve, leaving a remaining balance of over £200,000. The waste earmarked reserve contains the additional income from increased recycling credits and dry recycling income and it also contains the value of the 2021/22 contractual performance deductions.
- 1.7 Bringing the service under the Council's direct control will have wide ranging implications across the Council which have necessitated a number of organisational changes these include:
- The appointment of an Assistant Director to lead the Council's strategy, people management, organisational development and communications services.
 - Realigning Directors' responsibilities including for Environmental Health and HR
- 1.8 With the transfer of the waste service back in-house for South Hams DC, further changes are required to strengthen management, leadership and capacity within the Service Delivery Directorate.
- 1.9 Whilst the TUPE data is not yet finalised, it is anticipated that over 150 staff will transfer from the contractor to South Hams DC, increasing the total staffing establishment by over 40%. Prior to the outsourcing of the service, a director had the sole responsibility for the waste and street cleansing services. Rather than increase the number of directors in SLT, it is proposed that:
- The role of Head of Waste (reporting to the Director, Customer Service Delivery) is upgraded to Assistant Director, Waste and Operations with responsibility for all front-line services including localities, toilets, carparking, grounds and property maintenance. This will provide management oversight and a single focus on all waste and street scene services. There will be a realignment of roles within this area. The additional costs will be met by South Hams DC.

- In addition, to drive improved customer service and operational efficiency, we need to exploit technology and transformation to continue to modernise the way in which we work and to reduce our operating costs. We plan to do this by putting in place a temporary 2-year fixed term senior role. This post will work across both Councils and it is proposed to share costs on a 60:40 basis (SH:WD). It is recommended to fund this from the Revenue Grant Earmarked Reserve at a total one-off cost of £80,000 (wdbc share of the costs). This reserve has sufficient funding to finance this proposal.

1.10 The organisational changes set out above will be achieved without increasing the overall size of the existing senior management structure.