

## Business Planning / MTFs Options 2019/20 – 2023/24

Ref: PL3
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<b>Title of Option:</b>	Waste, CS & Enforcement: Efficiency Savings on Veolia Contract		
<b>Priority:</b>	Place	<b>Responsible Officer:</b>	Stephen McDonnell
<b>Affected Service(s):</b>	Waste	<b>Contact / Lead:</b>	Ian Kershaw

<p><b>Description of Option:</b></p> <ul style="list-style-type: none"> <li>- <i>What is the proposal in essence? What is its <b>scope</b>? What will <b>change</b>?</i></li> <li>- <i>What will be the impact on the Council's objectives and outcomes (please refer to relevant Corporate Plan 2015-18 objectives and outcomes, and Borough Plan Evidence Packs)</i></li> <li>- <i>How does this option ensure the Council is still able to meet statutory requirements?</i></li> <li>- <i>How will the proposal deliver the benefits outlined?</i></li> </ul> <p><i>[Proposals will be mapped to the new Borough Plan Priorities/Objectives/Outcomes as they emerge – please take account of any likely changes when framing proposals]</i></p> <p>These are efficiency savings secured in recent contract negotiations with Veolia. They will be delivered with no impact on services or performance. National legislation has meant the contractor is unable to meet recycling targets. This efficiency has been negotiated with the contractor. The contractor will make payments to offset the shortfall in targets and increased disposal costs.</p> <p><i>There is no further impact on Council objectives.</i></p> <p>Recycling collection is part of the wider integrated waste management contract with Veolia. The overall contract value is approximately £17m. Waste collection (including fortnightly residual and weekly recycling and food waste amounts to approximately £7m of that cost.</p> <p>Although these savings are associated with the recycling rate they will not be impacted by other measures. They reflect the contractor's inability to meet the recycling targets set at the outset of the contract. The contract still retains financial penalties for failure to meet recycling targets. If the contractor improves performance by lower disposal costs. If performance falls there will be increased penalties.</p> <p>There are no specific existing savings associated with the recycling collection however there are savings associated with the wider waste contract largely around charged services.</p> <p>Net New Savings - £100k in first year</p>
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<b>1. Financial benefits summary</b>					
2018/19 Service Budget (£000s)					
Savings <i>All savings shown on an incremental basis</i>	2019/20 £000s	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s
<b>New net additional savings</b>	100				

<b>Impact / non-financial benefits and disbenefits</b>
<p><b>What is the likely impact on customers and how will negative impacts be mitigated or managed?</b>  <i>List both positive and negative impacts. Where possible link these to outcomes (please refer to relevant Corporate Plan 2015-18 objectives and outcomes)</i></p>
None
<p><b>What is the impact on businesses, members, staff, partners and other stakeholders and how will this be mitigated or managed? How has this been discussed / agreed with other parties affected?</b>  <i>List both positive and negative impacts.</i></p>
None
<p><b>How does this option ensure the Council is able to meet statutory requirements?</b></p>
No impact.

<b>Risks and Mitigation</b>	
<i>What are the main risks associated with this option and how could they be mitigated?</i>	
<b>Risk</b>	<b>Mitigation</b>
These savings are dependent on the current contractual arrangement with Veolia. Change of supplier would likely lose these savings.	Ensure any new contract or delivery takes account of these savings in baseline costs.
Savings will cease entirely at the end of our contract with Veolia in 2024/25.	