

AES SMDC Service Delivery Overview & Scrutiny Panel November 2022

1. Reflections
2. Finance
3. Future development &
Continuous Improvement
 - 3.1 Journey towards Carbon Neutral
 - 3.2 Resources and Waste Strategy
 - 3.3 Business Development
4. Questions?



1. Reflections

Employee update

- Difficulties recruiting & retaining staff, inflation & upward pressure on wages
- COVID, tonnage challenges and severe weather impacts with some staff redeployments
- Protect and create jobs through 'Grow your own' approach to training for Team Leaders and HGV drivers

Performance & efficiency update

- AES maintained services during the pandemic with collections delayed rather than suspended
- All fleet inspections and MOTs completed despite covid & supplier challenges
- Collective in-cab technology: test data in SMDC system ready for roll out in Q2
- Introduced ICT system to digitally record all playground and open space inspections

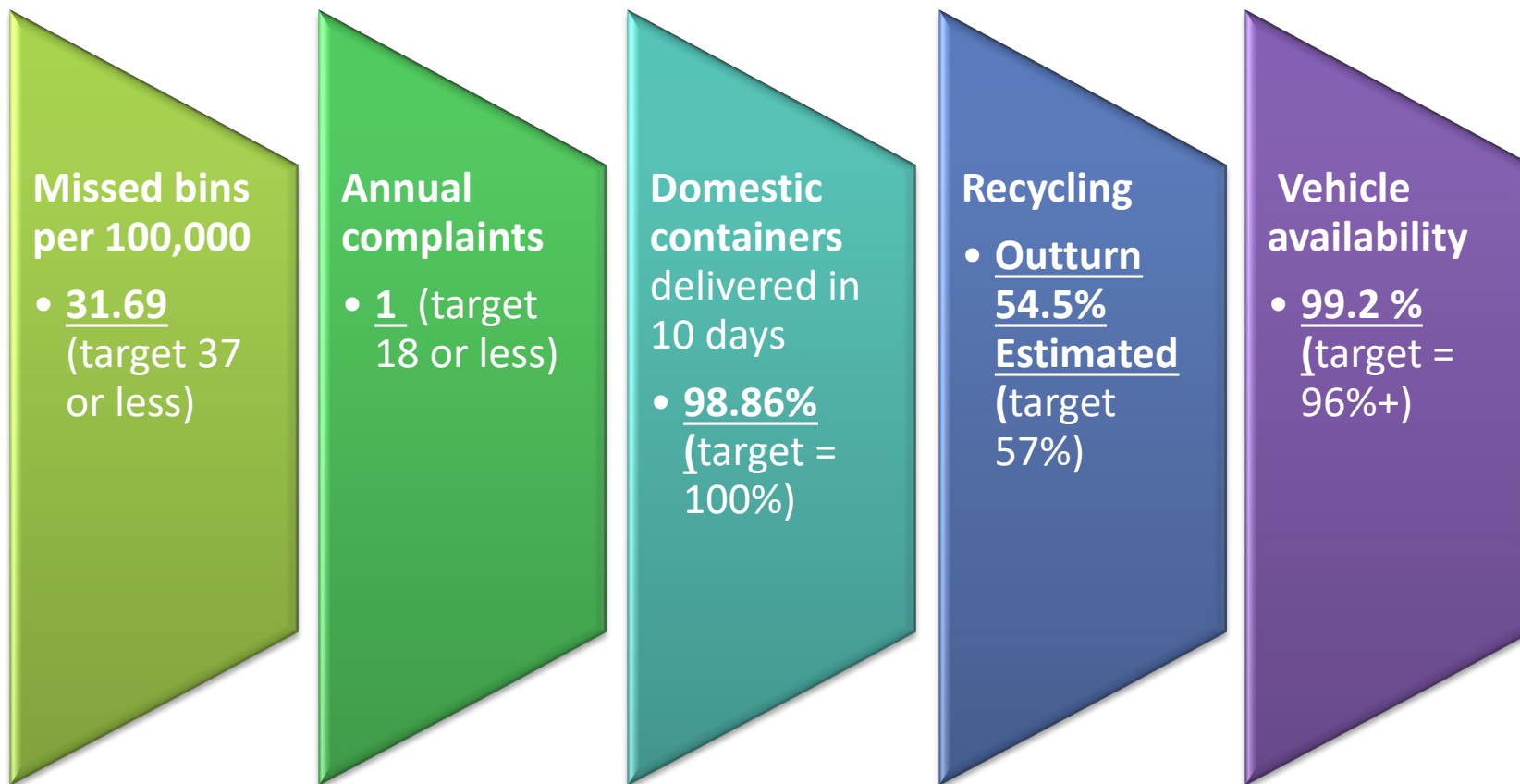
Community

- AES was shortlisted for two awards for our Pick-Fit campaign, the MJ Award for Delivering Better Outcomes (Highly Commended), and the Award for Excellence
- Working with Skips Educational to develop materials for primary schools
- Social media campaigns included #Lovefoodhatewaste & the Pick-Fit relaunch



1.1 SMDC Waste & Fleet

SMDC Outturn Performance – 99.97% successful collections



NB. Covid impacts on services impacted KPIs

1.2 Street Cleansing, Grounds & Parks KPIs 2021/22 outturn

- MJ Awards Highly Commended for PickFit initiative
- Street Cleansing flexed their routes and frequency of bin emptying
- 316 Pick Fit participants
- Street Cleansing met its KPIs and target response times despite an increase in flytipping
- The service met its targets for grave digging despite increased COVID requirements

Supporting the creation of a safer and healthier environment for our communities to live and work



Community Clean
up campaigns

SM 212 (target
80)

Annual Playground
inspections

SM 96.88%

2. Finance

2.1 2021/22 Out-turn

2020/21 Actual £'000		2021/22 Budget £'000	2021/22 Actual £'000	2021/22 Variance £'000
(1,535)	Income	(965)	(2,018)	(1,053)
(9,272)	Management Fee	(9,409)	(8,550)	859
(10,807)		(10,374)	(10,568)	(194)
9,116	Cost of Sales	8,749	8,983	234
1,438	Administrative costs & Tax	1,433	1,504	71
(253)	(Profit) for year	(192)	(81)	111

	2021/22 £'000
Core Management Fee (MF) Services Provided	9,409
Total Management Fee (Budget)	9,409
Core Management Fee (MF) Services Provided	9,409
Risk Items - short term costs	-
Core MF - In year Adjustments	-
Notice of change / Additional MF	118
Covid 19	73
Total Management Fee incl Agreed adjustments	9,600
Agreed Mgt Fee Refunds (Savings Plan/Other)	(1,050)
Net Mgt Fee Paid (Out-turn)	8,550
Variance to Budget	(859)

**Alliance –
The
Company
£484k
Retained
Reserves
31.03.22**

Overall AES profit of £81k after rebating significant savings £1m back to the Councils in year re Recycling Contract gains

Additional MF Pymts agreed £98k due to Pay Award £20k Internment Costs

Additional MF Pymts £73k re Covid-19 costs incurred in delivery of services, reduced from £302k in 2020/21

Planned Savings Target £50k exceeded, £62k rebated

2.2 2021/22 Saving Plan Update

AES Benefits Delivery to Date	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
Savings Plan Targets delivered - recurring savings	(65)	(89)	(80)	(246)	(50)	
Cumulative Recurring savings (reflected in Council MTFs)	(65)	(154)	(234)	(480)	(530)	(1,463)
Risk Plan reductions (one off)	(46)	(74)	(16)	0	0	(136)
Additional efficiencies / reductions (one off)*	(39)	(77)	0	(136)	(1,000)	(1,252)
Total One Off Benefits	(85)	(151)	(16)	(136)	(1,000)	(1,388)

*£136K(20/21) to be held in Reserve by the respective Councils to fund later years fleet R&M costs as fleet ages

Combined Savings Plan - Update		17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000	Total £'000
Operational Efficiency	Introduction of kerbside comingling in SMDC and waste processed/disposal via AES UPM Contract <i>Waste Round efficiency review</i>	(65)			(247)		(247)
	Operating efficiencies - Waste/Fleet		(80)				(80)
	Waste - reduce servicing regime for new RCV's from 6 to 8 weeks, Post Phase 3 bedding in, review utilisation of spare vehicles				(5)	(5)	(10)
					(10)	(10)	(20)
Procurement	Fleet - review of parts following implementation of new waste fleet				(18)	(20)	(38)
Other	Staff Turnover - Alliance Terms & Conditions				(15)	(15)	(30)
	Reduce overheads/corporate costs		(9)				(9)
	C/fwd unrealised permanent savings			(80)	80		0
	<i>In Year Temporary savings (Indicative)</i>				(31)		(31)
Alliance Environmental Services Ltd - Recurring		(65)	(89)	(80)	(246)	(50)	(530)
	Employee & Management Savings / Operating Efficiencies		(74)	(144)			(218)
	Fleet Purchasing				(140)	(200)	(340)
Councils		0	(74)	(144)	(140)	(200)	(558)
Total Combined Savings		(65)	(163)	(224)	(386)	(250)	(1,088)
AES & Council - Cumulative Recurring Savings		(65)	(228)	(452)	(838)	(1,088)	(2,671)

£530k AES
recurring savings
delivered to date

£136k AES risk
plan reductions
achieved (one off)

£1.252m extra
efficiencies /
reductions
achieved (one off)

£1.088m
Combined AES /
Council Savings to
31.03.22
(£2.671m
cumulative)

3. Future Development & Continuous Improvement

Carbon reduction update

- HVO roll out will deliver economies of scale, carbon reduction and improved air quality
- New cage tippers delivered in Q1 of 2022/23

Open space management and biodiversity

- For the Queen's Jubilee planted additional trees
- Begun recycling bin trials in parks to improve community recycling
- A number of seasonal beds have been replaced with hardy perennials or ornamental grasses to improve sustainability and maintenance requirements – depending on the results of the three initial sites this may then be replicated elsewhere
- #NoMowMay pilot saves fleet related carbon & enhances summer wildflowers

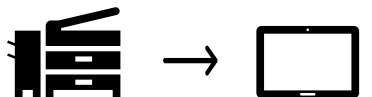


Contracts & Procurement


- MRF (Recycling) procurement about to conclude. Potential major income/cost implications due to recent unusually high recyclate values which are likely to fall
- Global supply chain pressures, inflation & law changes triggering requests for increased costs from suppliers
- On-going consideration of Resources & Waste Strategy (RAWS) implications – still awaiting further information from the government on timelines, funding and detailed requirements

3.1 Journey towards carbon neutral by 2030

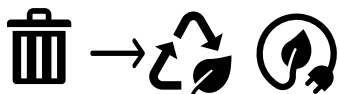
Behavioural, Physical & Systems Changes



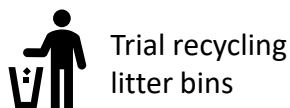
Moving towards paper-free
Energy saving initiatives



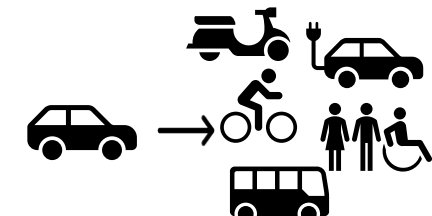
Waste minimisation & education



Recycling rate 54.5%
Residual waste sent for energy from waste production
Future Resources & Waste Strategy roll out

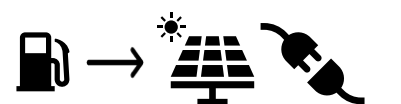



Reduced business travel & commuting

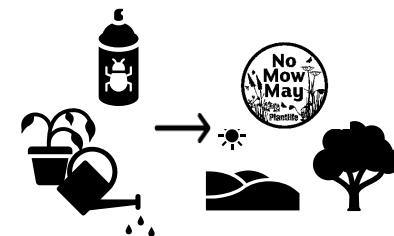


Relaunch car sharing scheme and promote active travel
Explore options for electric car & bicycle charging subject to client funding, infrastructure and consents

Future roll out of staff training on carbon reduction



Begun fleet carbon monitoring
Trialled HVO in 2021 and rolling out on a phased basis in 2022/23 to reduce emissions & carbon & improve air quality
In-cab technology supports driver behaviour improvements & associated carbon reduction through improved MPG
Rolling Fleet Replacement Programme – considers green fleet and fuel options where appropriate and subject to trials, client funding, consents & associated infrastructure



Reduced use of pesticides
Increased biodiversity
Extend phased roll out No Mow May
Reduced reliance on seasonal bedding & watering
Tree & orchard planting
Re-naturalisation
Meadow Planting / Sowing
Reduce use of peat based compost
Reuse of compost generated from organic waste

Protect and improve the environment including responding to the climate emergency

3.2 Business Development

Commercial Opportunities

- Waste Minimisation & Community & Business Engagement to support implementation of Waste & Resourcing Strategy
- Trade Waste growth – target recycling & education
- Promotion of re-use & right to repair (linked to HWRCs and bulky waste collections and furniture reuse charities) – may reduce waste disposal / treatment costs
- Consider potential for wider growth and expansion

Challenges

- Preparing for the Resources and Waste Strategy – awaiting detail from central government on final proposals, timelines and funding available
- Any changes to collection methodology could have significant cost and carbon implications (if additional fleet is required)
- As SMDC is a waste collection rather than disposal authority – a joined up approach will be needed at County level. Public consultation is also likely to be required

Community Value Pot

- Available for community led initiatives



4. Questions?

