

Somerset Waste Partnership

Statement of Accounts

2013/14

**Kevin Nacey, CPFA,
Director of Finance and Performance**

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Explanatory Foreword to the Statement of Accounts

Introduction

After a long and successful period of close partnership working, the Waste Collection Authorities and the Waste Disposal Authority within Somerset have set up the **Somerset Waste Partnership** and delegated to it a number of their waste authority functions. This has been done in the interests of efficiency, service performance and increased value for money in what is a high-profile and volatile public service.

The Somerset Waste Partnership is governed by the **Somerset Waste Board**, comprising 2 elected councillors from each of the 6 partner authorities. The Board is a formal **Joint Committee** established under section 101 of the Local Govt Act 1972.

Somerset Waste Partnership comprises the following partners:-

Mendip District Council, Cannards Grave Road, Shepton Mallet, Somerset, BA4 5BT

Sedgemoor District Council, Bridgwater House, Kings Square, Bridgwater, Somerset, TA6 3AR

Somerset County Council, County Hall, Taunton, Somerset, TA1 4DY

South Somerset District Council, PO Box 25, The Council Offices, Brympton Way, Yeovil, Somerset, BA20 2DS

Taunton Deane Borough Council, The Deane House, Belvedere Road, Taunton, Somerset TA1 1HE

West Somerset District Council, West Somerset House, Killick Way, Williton, Somerset, TA4 4QA

Somerset County Council acts as the **Administering Authority** to the Somerset Waste Partnership.

Key documentation for the formation of this Partnership can be found in its **Inter Authority Agreement** and its **Constitution**. The Somerset Waste Partnership also produces and publishes an annual **Business Plan**, with a 5 year horizon, that is endorsed by the Somerset Waste Board. Further explanatory information about the activities of the Somerset Waste Partnership are included within the Chairman's Statement and the Managing Director's Report.

The Accounts

The Somerset Waste Partnership came into being on the 1st October 2007 and a set of statutory accounts has been prepared for each financial year since that date. This is therefore the Partnership's sixth full financial year, and these accounts set out a summary of our financial affairs for the period 1st April 2013 to 31st March 2014, and show our financial position on 31st March 2014.

Financial contributions to the Partnership come from all 6 partners, as listed above, plus income earned from fees and charges raised, consultancy work undertaken, and partners such as Marks and Spencer. The exact contribution from each partner is set out through a series of formulae in the Inter Authority Agreement, which is known as the Cost Sharing Agreement. Partners pay the Administering Authority 1/12 of the annual contribution each month. The Administering Authority employs the staff and pays all costs on behalf of the Partnership.

The majority of the expenditure incurred during this period was spent with 2 external contractors – Viridor Waste Management, who operated our waste disposal contracts, and Kier, who operated our waste collection contracts.

The Statement Accounts show a surplus of £369,875 for 2013/2014. However, this figure includes the impact of prior year balances held on behalf of partners and the release of prior year earmarked reserves to combat flytipping. The in-year surplus achieved, excluding these items, was £486,534.

Further information about the major influences on the accounts, and the activities of the Somerset Waste Partnership, are included in the Chairman’s Statement and Managing Director’s Report, which form part of the explanation and context for these accounts.

We have used some technical terms in these accounts, which we have explained in the Glossary.

International Financial Reporting Standards (IFRS) Requirements

This Statement of Accounts for the Somerset Waste Partnership has been compiled under the new CIPFA “Code of Practice on Local Authority Accounting in the United Kingdom 2013/2014”. This Code of Practice is based on International Financial Reporting Standards (IFRSs). These standards are seen as “best practice”, and will give a “true and fair view” of the financial position and transactions of an authority. They will also allow better comparisons to be made between organisations. The Code is now in place across the entire UK public sector. It also constitutes “proper accounting practice” under the terms of section 21(2) of the Local Government Act 2003, and we have adopted it for the Somerset Waste Partnership.

The format and content of the accounts are therefore largely dictated by the Code requirements. Specifically, there is a requirement to include the following “**core**” financial statements within the accounts:-

- **Comprehensive Income and Expenditure Statement** for the period.
- **Balance Sheet** as at the end of the period.
- **Cash Flow Statement** for the period.
- **Movement in Reserves Statement** for the period.

An explanation as to the purpose of each statement precedes each individual section within the Statement of Accounts.

We are also obliged to supplement these statements by means of **Notes**, comprising a summary of significant accounting policies and other explanatory information.

The Purpose of the Statement of Accounts

The Somerset Waste Partnership publishes an annual Statement of Accounts to give stakeholders clear information about the Partnership’s finances. These stakeholders will include electors, those subject to locally levied taxes and charges, members of the Board and the partner authorities, and employees. The Statement is prepared in order to answer such questions as:-

What did the Somerset Waste Partnership’s services cost in the year of account?

Where did the money come from?

What were the Somerset Waste Partnership’s assets and liabilities at the year-end?

We are expected to reflect a common pattern of presentation with other organisations to allow comparisons to be drawn. Interpretation and explanation of the accounts are also considered to be extremely important.

More information

If you have any comments or feedback on these accounts, please contact us. This will help us to provide a more informative and useful document.

For more information on these accounts, for extra copies or for other key documents, please write to:

Martin Gerrish CPFA
Strategic Manager – Financial Governance
County Hall
Taunton
Somerset
TA1 4DY.

Phone: 01823 355303
E-mail: mgerrish@somerset.gov.uk

These accounts are also available on the internet at www.somerset.gov.uk/accounts

These accounts can also be made available in Braille, in large print, on tape and on disc, and we can translate them into different languages.



Somerset Waste Partnership Chairman's Statement May 2014

Overall this past year has been less onerous in general financial terms than the past ones. However compared to the figures of 2012/2013 there was a general increase in both total household arisings of over 3,000 tonnes and of Municipal Solid Waste (MSW) by nearly 6,000 tonnes which did incur extra costs. The increase in the reused, recycled and composted tonnage of 2,648 tonnes offset the required disposal costs into landfill of an additional 350 tonnes. The output of residual waste per household requiring landfill fell slightly from nearly 500 kg, and it was the same story for the Municipal Waste which fell by 0.60%. This trend was noticed generally across the country. The reasons for this odd conflict in the general increases in waste arisings and the fall in personal household outputs have not yet been fully explained, but domestic budgets in a period of financial difficulties were among many of the theories put forward. The good news on the back of these trends was that the reused, recovered and recycled rate for Household Waste increased to 50.72%, an increase of 0.41%. This means that an extra 2,648 tonnes did not have to be landfilled.

The construction and the setting to work of the new Anaerobic Digestion facility on the Walpole site is one of the highpoints of the year. Now over 15,000 tonnes of food waste per year is being put to a good use generating power in a "state of the art" plant with additional bolt on extra capacity, and the need for transportation of some material out of county for disposal and treatment is no more. The major regret is that there is still a large proportion of the population who will not separate their food waste and still contaminate their residual waste bins with this useful and valuable resource. A major campaign is now in progress by the SWP to change the thinking of this group of the Somerset population, but it remains to be seen if it will be successful and enable the vast majority of all the domestically derived County food waste to be put to good communal use. The very latest hopeful trial indications are that the provision of cheaper liners for food waste containers is increasing the output of food waste collections.

Over the past year there have been repeated complaints about fly-tipping, however the current position is that there have been 165 fewer instances of this antisocial behaviour this year. This decrease is probably because there is now an active policy to detect, prosecute and "name and shame" all offenders, be they rogue traders or private citizens. The Somerset Waste Partnership is continuing to work closely with all Somerset Councils to drive down these falling levels of fly-tipping using training, equipment, publicity and the Courts.

The major flooding over the past 4 months of the winter inevitably incurred major extra costs. Here it must be said that the two contractors Kier and Viridor were very generous with their help both financially and in workload flexibility and tribute has to be paid to the staff of both firms who operated in very adverse and unpleasant conditions and in sometimes unsafe flooded areas. Without this help the plight of the flooded villages would have been much more stressful and unhealthy, and the inevitable aftermath much more prolonged. The overall costs to the SWP were in the region of £50k in disposal and haulage of basic waste and flood damaged goods but this money should be refunded by the Government under the Bellwin scheme. In March Viridor covered the costs of haulage and over the entire period Kier paid for additional costs of over £4,000. The cost of disposal to landfill of the sand provided to mitigate household flooding would seem to be around £32k (1,800 tonnes @£18 per tonne), however this is a valuable, paid for and reusable resource which I hope will be stockpiled for future years or if possible sold to builders etc.

SWP bid for and received funding from WRAP for a project to undertake trials to improve food waste collections. These began in November 2013 in three Somerset towns where the collection rates were below normal. These trials are now underway and reference to them has already been made in this report. The SWB board have already discussed and approved as

part of their annual Business Plan, plans to increase the types of item that can be placed in recycling boxes as and when markets for these become available, as well as the incumbent costings of changes in frequencies of collections and new types of containers.

The creation of the Reuse shop at Priorswood is proving to be a huge success and more are to be opened on major sites. The range and quality of the goods on sale at minimal prices is quite astounding, and it confirms just what a wasteful society we live in, and just how valuable these new initiatives are.

Finally at the start of 2014/15 we have managed to mitigate the impact of the closure of two Community Recycling Centres by the very useful and popular increase in opening hours of our 5 main HWRCs. Here again we have to thank Viridor for their help and cooperation in achieving this variation. However, the amount of financial economies that the SWP will have to make over the next 3 years is about £1.6 million. There is very little flexibility left in the system and there is little doubt that there will have to be some very difficult decisions made at the end of this year to start making the necessary budgetary changes. For this reason a working group has now been established to investigate with Viridor alternative methods of waste disposal avoiding landfill, which may hopefully find a way of mitigating the worst impacts over the coming difficult years.

D.N.L.Yeomans
Chairman Somerset Waste Partnership

Managing Director's Report

It is approaching seven years since Somerset councils agreed to delegate their waste collection and disposal duties to a Joint Committee known as the Somerset Waste Board (SWB). The Board comprises two elected representatives from each of Somerset's six authorities, including the cabinet or executive member with the appropriate portfolio. The Somerset Waste Partnership (SWP) is hosted by Somerset County Council (SCC) which acts as the Administering Authority.

The Somerset Waste Partnership (SWP) model is widely and highly regarded as an effective model and involves an officer team delivering these services on behalf of the board. The role of the SWP is summarised in the diagram below. The primary objective is to ensure household "waste" (much of which is potential resource from residents is taken by our service partners and then sent on to the most appropriate end use, be it re-use, recycling, recovery or disposal. This is a statutory, demand led function summarised in figure 1 below.

Our Service partners are primarily the major contactors Viridor and Kier. But also include smaller local third sector organisations such as furniture reuse groups.

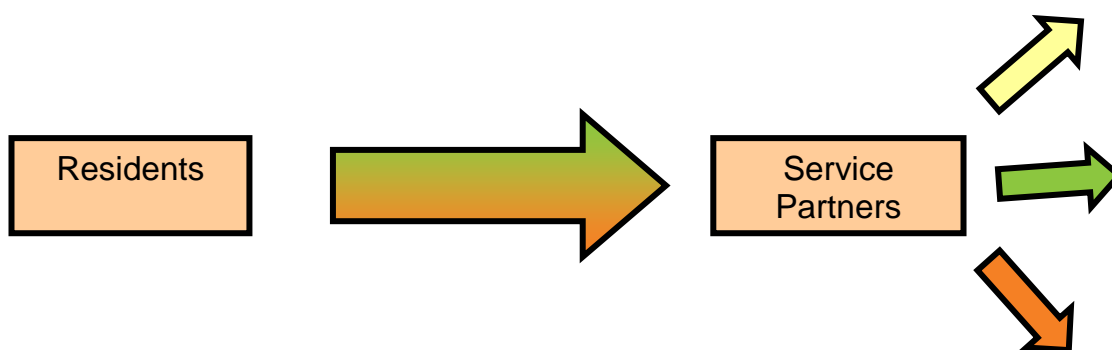


Figure 1

In order to ensure good and effective governance the SWB and its officer arm, the SWP, oversee this statutory process but also ensures wider accountability to the partners, and a specialist link to the rest of the world - in other words, Government, technology providers, other local authorities, our auditors and many other stakeholders. This is summarised in figure 2 on page 9.

The black arrows in the diagram denote lines of communication which must be effective and two-way in all cases to ensure operations are efficient and effective.

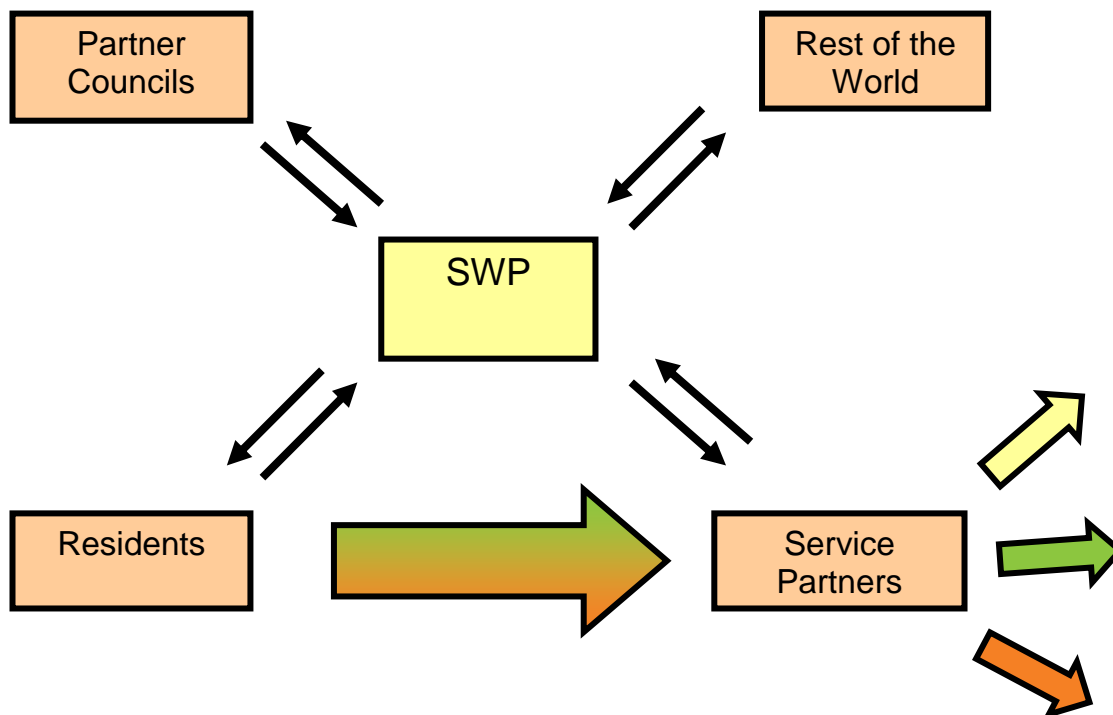


Figure 2

Our aims continue to be:-

- To develop and improve the service in a cost-effective manner;
- To improve and maintain consistently high levels of service and quality of material; and
- To reduce costs and increase income

Important Developments this Year

Chronological Summary of Key Events during the Financial Year:

- 2013/14 was the sixth full financial year of operation for SWP. A selection of key events is set out overleaf.

Date	Event
April 2013	The Managing Director commenced a formal secondment arrangement with the Gloucestershire Joint Waste Committee to act as Head of Service on a 2 days per week basis. This arrangement has, acknowledging risks highlighted by the external auditor, generated c£37k of income for SWP. This also enabled the MD to adopt a more strategic role, with the senior management team stepping up support.
	SWP reached agreement with the collection contractor to extend the secondment of two members of staff, including the Operations Manager, Bruce Carpenter, for a further year.
Jun 2013	Cllr Derek Yeomans (SCC) and Cllr Nigel Woolcombe-Adams (MDC) were reappointed as Chair and Vice Chair of the SWB for a further year.
	The Collection contractor, formally May Gurney, was acquired by Kier Group.
Aug 2013	The Anaerobic Digester commenced “wet” commissioning and received the first consignment of food waste. This was ramped up over the autumn to allow the process to be fully operational – and taking all of Somerset’s food waste early by the end of the year.
Oct 2013	Through an excellent bid put together by Dave Mansell, SWP were selected as one of 5 local authorities to undertake WRAP funded trials to improve participation in food waste collection. A project plan was developed with WRAP involving trials commencing in April 2014.
Nov 2013	SWP commenced discussions with Viridor and other local waste contractors about a joint bid to EDF Energy to provide (non radioactive) waste services for the duration of the build programme for Hinkley Point C. The proposal has been through several iterations in discussion with EDF but is expected to be finalised in 2014.
Dec 2013	Somerset is hit by coastal and inland flooding which dominated national news and grew in magnitude over the next 2 months. SWP provided services using improvised (risk assessed) collection methods.
	The Board proposed to meet SCC savings targets through closing Coleford and Middlezoy Community Recycling Sites and reinvesting some of the savings into extended opening hours at 5 of the largest sites. This proposal was included in the business plan for review by partners and consultation. David Oaten’s lead on this in identifying scope for savings and negotiation with Viridor has been highly effective.
Jan 2014	The re-use shop at Priorswood Recycling Centre opens for business and is an immediate hit. Further shops are planned.
Feb 2014	SWP’s Performance Officer starts to provide support in compiling and reporting data for Bath & NE Somerset Council

	The Board adopted the business plan including proposed Community Recycling Sites (CRS) closures and increased opening hours. Press coverage was largely positive.
	Support for the recovery phase of the flooding became the priority as service continuity in affected settlements was well established. With much appreciated help from Viridor, skips were established in strategic locations to help householders and volunteers in the clear up process. The assistance of Colin Mercer from SWP was widely acknowledged and appreciated by others involved in the response.
	Concerns were raised about the lack of contact with Kier senior management and the future of the contract as they entered a review and restructuring process. The situation improved in early April. Dialogue about vehicle fleet replacement commenced.
Mar 2014	The SWP's internal service review nears completion with the appointment of managers to revised posts. The revised structure for the rest of the organisation is agreed. Helen Oaten and Mark Blaker have provided invaluable support throughout this process.
	The Board resolved to extend the Strategic Partnering Agreement (SPA) with Viridor from its original end date in 2016 to May 2021. The Board also formed a Task and Finish group to oversee the instigation of the New Project Approval Process as set out in the SPA.

Headline Performance Indicators

- 1.37% increase in overall household waste arisings, the second year of upturn following a 1.17% increase the previous year. This was mirrored and exceeded by some surrounding authorities (Dorset 2.56%, Wilts 3.87%).
- Overall residual waste per household was static, although there was an 5.74% upturn at recycling centres.
- The total tonnage reused, recycled or composted was up by 1.14%
- Economic and internet shopping trends continued to be reflected in tonnages of material: the general decline in newspaper and glass packaging continued. Cardboard and plastic tonnages increased.
- For the first time we are able to recycle street sweepings (3,084 tonnes) working with Viridor and a special sub-contractor.
- Total waste per household remained under 1tonne per annum for the third consecutive year.
- SWP continues to publish an end use register to show where our material goes, with more than 90% being processed in the UK compared to the UK average of 70% *exported*.

Establishment

The SWP team establishment has further reduced by 2.2 Full Time Equivalent through natural wastage and changes in working hours. This represents a 10% reduction in “available” headcount in the year. Of the remaining 24 staff, two are fully seconded and two including the MD are partially seconded or being paid for external work. We will continue to look with partners for creative solutions to retain expertise while defraying costs.

The unit restructuring process was significantly delayed during 2013 but is now on track to be completed by the end of June 2014. The structure will reinforce a change in style of working to a more project orientated approach whereby staff will have opportunities to work on projects outside their current role, improving organisational resilience and developing new skills.

Governance

Achieving further improvements in recycling rates continues to be challenging in the absence of any positive Government lead on this issue (in contrast to the devolved administrations – Wales and Scotland have overtaken England in most key performance areas). In addition, the upturn in the economy may be largely responsible for small increases in overall waste tonnages, reversing a decade or more of steady reduction.

Summary Financial Outturn

The Board closed the year with an aggregated net in-year underspend for all partners totalling £486,534, equating to 1.2% of total budget.

Future Developments: - 2014/15 and beyond

Two of the most important projects the SWP has ever undertaken commenced in 2013/14 – a review of the options for diverting material from landfill. This is following a process laid down in our Strategic Partnering Agreement with Viridor and trials to determine how we can improve recycling through collection of more and new types of materials at the kerbside – we have dubbed these “High Diversion” trials. The Board has formed a Task and Finish group to provide more detailed member input into the Viridor “New Project Approval Process” and progress is reported to the Board at each meeting. The duration of the process depends on how many stages are required to reach a conclusion and how much time each stage takes. It is intended that the outcome will help to deliver £1.6m of savings over 2 years from 2016-17.

Inspection and Audit

Before completing the audit, we will make these accounts available for public inspection from 1st July to 28th July (inclusive) so that people who pay Council Tax and other members of the public, can ask the auditor any questions. This is a legal requirement, but SWP staff and the Administering Authority’s support staff will answer questions from anyone with an interest at any time. The accounts will be audited from July, and the Grant Thornton’s audit report will appear on page 26. The Somerset Waste Board has considered the Statement of Accounts, the Annual Governance Statement and the External Auditor’s report on the 26th September 2014.

Acknowledgments

In addition to thanking the Board and the Chairman in particular for their continuing strong support and advocacy of both the partnership concept and the officers, I’d like to pay tribute to the entire SWP team and our support staff from the Administering Authority and the Strategic Management Group. There is not room to acknowledge everyone personally in this report but all in the SWP team have continued to rise – amid uncertainties - to the constant challenges that face us. I have only been able to continue with the secondment with the Gloucestershire Joint Waste Team due to the considerable and developing strength in depth of the Somerset team as a whole.

Steve Read May 2014

Annual Governance Statement 2013/2014

Responsibility

We are responsible for making sure that we:-

- carry out our business in line with the law and proper standards;
- protect public money and account for it properly; and
- use public money economically, efficiently and effectively.

We also have a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which functions are exercised, having regard to a combination of **economy, efficiency and effectiveness**. In discharging this overall responsibility, the Somerset Waste Partnership is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and the management of risk.

We are required under Regulation 4(2) of the Accounts and Audit (England) Regulations 2011 to conduct a review at least once a year of the effectiveness of our system of internal control and include a statement reporting on the review with any Statement of Accounts.

The purpose of this statement, which is formally signed by the Chair of the Somerset Waste Board and the Managing Director of the Somerset Waste Partnership, is to provide assurance that the Partnership has a sound governance framework in place to manage the risks that might prevent achievement of its statutory obligations and organisational objectives.

The Annual Governance Statement is written on the Core Principles of the CIPFA / SOLACE framework "*Delivering Good Governance in Local Government*." By following this framework, we ensure that we meet our statutory obligations. A copy of the document can be obtained from Martin Gerrish, at mgerrish@somerset.gov.uk.

In reading this assurance, it is also important to consider that the Administering Authority, which provides support services to the Partnership, has a role in ensuring good governance for the Joint Committee. A degree of reliance can therefore be placed on the governance framework of Somerset County Council and this Statement has been written (where appropriate) to align with the Administering Authority's own Statement.

We review our financial management arrangements on an annual basis to ensure that they conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010). A review carried out in May 2014, by finance staff in the Administering Authority, confirmed that during the financial year 2013/14 that both the County Council and the Waste Partnership complied with all these requirements.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Partnership is directed and controlled and through which it accounts to, engages with and leads the community. It enables the Board to set its strategic objectives, monitor their achievement and consider whether they have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Somerset Waste Partnership's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised. It ensures they are managed efficiently, effectively and economically.

The governance framework has been in place at the Somerset Waste Partnership for the whole of the year ended 31 March 2014 and up to the date of approval of the Statement of Accounts.

Core Principle 1: The Somerset Waste Partnership aims to focus on its purpose and on outcomes for the community, creating and implementing a vision for the local area with partners.

The purpose for the Somerset Waste Partnership is set out in its key documents, all of which are publically available. There are also regular references back to these documents in the Somerset Waste Board papers, which are also public documents. The original aims and objectives of the Somerset Waste Board, the Joint Committee that the Partnership reports to and is governed by, are set out in its Constitution. The delivery of these aims and objectives is governed by the "rules" of the Partnership as set out in the Inter Authority Agreement.

The combined Somerset Waste Authorities have a Joint Municipal Waste Management Strategy, which is a key policy document. This was first published in 2003/04, and reviewed as a significant exercise with all stakeholders during 2010/2011. It remains a "live" document, as part of the on-going strategy to determine how best to prevent waste and / or move material up the waste hierarchy in Somerset.

In March 2013, the Board again considered the Waste Core Strategy Development Plan Document, as adopted by Somerset County Council. The County Council is required by law to produce a Waste Core Strategy Development Plan Document (DPD). This sets out SCC's approach to waste planning until 2028, considering all waste types, focusing on the spatial context for future waste development in Somerset, and will act as a framework for waste activities within Somerset.

The general framework and direction for the Somerset Waste Partnership itself is set out in the Board's Business Plan (latest version 2014-2019, approved February 2014). This clearly sets out strategic plans to shape and direct how we manage ourselves overall, our vision, aims and priorities. The Somerset Waste Partnership's Vision states that we will:-

"Drive material up the waste hierarchy and, where sustainable markets exist, into the circular economy."

"Avoid landfill and encourage high participation in waste avoidance, reuse, recycling and food waste collection schemes."

"Engage with local people, support economic wellbeing and use efficient, sustainable and affordable solutions at every stage of the process."

"Encourage and facilitate innovation, joined up strategy, policy and operations across the county."

The Business Plan and associated Action Plan, once approved, are the means by which the Partnership describes its business, evaluates changes to the operating environment, identifies strategic risks and sets out its priorities. The plan has a rolling five year horizon with particular focus on actions (with targets) in the next 12 months under 7 Key Priority areas. The latest Business Plan lists 47 separate actions that will be delivered in the financial year 2014/15 and beyond in order to achieve our aims and objectives. Details are appended at the rear of the Statement of Accounts.

The Business Plan is an iterative document, and is formally adopted by the Board on an annual basis, but only after being taken to all partners for their own comments and endorsements. We also consider (and now publish) comments received from local communities and members of the public. The Business Plan itself is Impact Assessed, and the formal Waste Partnership project process requires the lead officer to conduct an Impact Assessment for each action described in the Business Plan.

The Business Plan is the primary means to seek both the approval for its proposals from the partner authorities, and for the resources to implement them. It is therefore always presented to the Waste Board alongside the corresponding Annual Budget for the proposals in the Plan. Appendix 3 of the Business Plan sets out our medium term budget forecasts up to and including financial year 2018/2019, by which time the net budget for the Somerset Waste Partnership could be £44.9 million per annum for the same services as are currently provided. This pressure comes from household growth, the economic recovery (which appears to have impacted on waste volumes in 2013/14) and continuing contractual and landfill tax inflation.

The need to contribute to the efficiency savings for all partners is acknowledged. Independent evaluation has already confirmed that operating as a partnership delivers more than £1.5m in real savings to the partners annually. Given the scale of the additional revenue funding required on waste, and the increased proportion of the individual partner authorities' budgets that need to be dedicated to this service, we are already committed to a number of major initiatives that will mitigate our financial position as well as achieving our vision.

The Anaerobic Digestion plant at Viridor's Walpole site became operational during 2013/2014. The £10 million capital project (funded by Viridor, but with an agreement for food waste diversion with the SWP) is less expensive than the landfill alternative. It is also significantly more environmentally acceptable, with 1.6 megawatt electricity generation potential and to date several 100 tonnes of high quality digestate product to PAS110 standard now going for local agricultural use.

The Business Plan refers to the High Diversion Trial to be undertaken in 2014/2015. This will determine whether it is financially possible to economically add additional materials (plastic pots, tubs and trays, small electrical appliances, batteries and drinks cartons) to the kerbside recycled materials, and to increase overall recycling participation.

At the Board meeting in March 2014, members approved an extension of the Strategic Partnering Agreement (SPA) between Somerset County Council and Viridor to 13 May 2021. This also included what is termed the New Project Approval Procedure with the intention to work with Viridor to implement an economically viable, environmentally sustainable and proven technological alternative to landfill. This process is now underway with a formal request issued to Viridor to provide a preliminary stage project proposal by 31st October 2014.

Our aims, priorities and actions are influenced by Government policy, consultation with community stakeholders along with locally agreed policies, commitments and pressures. These are supported by our statutory duties and responsibilities to deliver particular services.

We also align our strategy, plan and other key documents to those of our key partners and other stakeholders. We acknowledge that we are a partnership of 6 local authorities within Somerset, and our strategy links to the corporate objectives of each of our partners.

We continue to promote waste reduction in initiatives, particularly working with third sector bodies such as a number of local furniture reuse groups. A business plan commitment to deliver a trial reuse shop at Priorswood Recycling Centre was implemented in February 2013 making an immediate impact in terms of popularity and diversion of articles that would otherwise have been disposed of.

We continue to report regularly to the public Somerset Waste Board meetings and to the partners on our delivery, performance and financial progress.

Core Principle 2: The Somerset Waste Partnership aims to ensure members and officers working together to achieve a common purpose with clearly defined functions and roles.

The Somerset Waste Partnership is governed by the Somerset Waste Board, comprising two Members from each partner authority. The Board is the democratically accountable body of elected Members. The Board is a formal Joint Committee established under section 101 of the Local Government Act 1972. The six partner authorities have delegated their powers in relation to waste services to the Somerset Waste Board. The Board delivers this obligation through the Somerset Waste Partnership. The general ethos for the Somerset Waste Board is set out in Appendix 2 of its Constitution.

Members of the Board are appointed on an annual basis by their authority's Full Council. The Somerset Waste Partnership offers induction training and awareness for any new members. There is no limit on the term served, but Members must stand down from the Board if they cease to be members of their parent authority or if they are not reappointed by the partner. At least one Member of the Board must be a cabinet member. Members may be substituted provided the Clerk is informed and rules regarding the cabinet status of members are followed. The Board meets formally in public at least once per quarter and also meets for training, site visits, and informal workshops in between formal meetings. The Chairman and Vice Chairman are elected by the Board members at the Annual General Meeting.

To help us develop policies and make decisions we have a clear and open Constitution and Inter Authority Agreement, which set out the basic rules controlling our business, including our committee structure, codes of conduct, standing orders, financial regulations and scheme of delegation. The Constitution itself has been operating in practice since October 2007, and we will continue to review its effectiveness and bring any necessary amendments back to the Board for approval.

The roles of Board members are set out within the Constitution. These include representing the interest of the Partnership and ambitious community leadership, but we are always ultimately accountable to the communities that elected us. In shaping the partnership we have been mindful of the community's aspiration to recycle more, but also to receive quality services and ensure value for money through efficiencies and economies of scale. A full list of Members appointed to the Board at the Annual General Meetings of June 2013 (those charged with governance for the year in question) and June 2014 (those asked to approve this Statement) appears at the end of the Statement of Accounts.

The Responsibilities of the Chairman of the Board as set out in the Constitution include establishing “a constructive working relationship” between members and officers, and to “encourage the Board to delegate sufficient authority to the Managing Director” to carry out the Board’s functions efficiently.

During 2013/2014, members and officers have continued to examine the potential new alternatives to landfill, with joint site visits to the new Anaerobic Digestion project with Viridor.

The Managing Director of the Somerset Waste Partnership, whilst acknowledging the reporting links to the relevant directors in partner authorities, is primarily accountable to the Board itself and reports directly to the Chair of the Board. The Managing Director and all his staff within the Single Client Group have formal Job Descriptions that set out their responsibilities in assisting the Somerset Waste Partnership in achieving its Business Plan vision, aims and objectives. Provision is made within the Constitution for any of the officers to advise the Board as appropriate, and during 2013/2014 a number of officers within the Somerset Waste Partnership presented reports on their own areas of expertise to the Board.

We continue to seek to improve our fitness for purpose. During 2013/2014, with the Board’s approval, the unit is nearing completion of an internal Service Review using the Administrative Authority’s methodology, with revised service manager posts appointed in March 2013. The restructure of the rest of the organisation is on schedule to be completed by end of June 2014. The revised structure will provide a more flexible and customer-facing approach. Staff at the same level can, by agreement, move between specialist roles straightforwardly and the assignments can be updated from time to time to reflect contemporary priorities as set out in the Business Plan.

Core Principle 3: The Somerset Waste Partnership aims to promote the values of the Somerset Waste Board and demonstrate the values of good governance through upholding high standards of conduct and behaviour

Somerset Waste Board members are subject to the Code of Conduct for elected members adopted by the partner authority that nominated them to be a Board member.

Members of the Board’s responsibilities are formally set out in the Constitution. They specifically include behaviours such as acting in the interests of the Board as a whole, being committed to, and acting as a champion for, the Partnership’s Aims and Objectives, and to being a good ambassador for the Board. Members of the Board are also tasked with acting as advocate between the Board and the partner authority that nominated them. This is a key role in the operation of a Joint Committee arrangement.

Somerset Waste Partnership staff are employed by the Administering Authority on behalf of the partners and are therefore governed by Somerset County Council’s regulatory framework, including Contract Standing Orders, Financial Regulations and guidance, the Scheme of Delegation, whistleblowing and complaints procedures. Staff are updated on key issues from time to time through team and sub-team meetings

Managers are responsible for ensuring members of staff adhere to policies, procedures, laws and regulations and for making sure that we demonstrate a robust approach to risk management in their work.

Core Principle 4: The Somerset Waste Board aims to take informed and transparent decisions, which are subject to effective scrutiny and risk management arrangements

To achieve this, the Somerset Waste Board:-

- ensures that the significant decisions affecting the roles and responsibilities of the Board and the performance of its functions are taken with the full involvement of members of the Board through:
 - their participation in meetings of the Board;
 - their participation as lead members in roles requiring specialist knowledge or focus;
 - their participation as members in their communities;
 - their participation as members of the partnership between the Board and its partner authorities and other organisations;
- ensures that members and officers receive the information which is necessary for them to take balanced and informed decisions about the matters under consideration;
- asks its Members to remain acquainted with emerging technologies and processes in the area of waste management, often through site visits and presentations from officers or contractors;
- ensures that members and officers understand the parameters in which they make decisions, are accountable for these and consider the implications and potential impact;
- take active steps to promote as far as possible the meetings, decisions and minutes of the Board and conduct its meetings as open and accessible to the public;

The Somerset Waste Board has the overall responsibility to approve our risk-management strategy and policy statement. We formally and publically review risks that may prevent us from achieving our aims. The updated risk and opportunity register was debated and approved by the Board at its meeting in March 2014.

We also take regular advice and guidance from the Administering Authority's risk specialists and from the South West Audit Partnership (SWAP) in this respect. The Board are also suitably conversant with risk management, so as to be able to review the opportunities from this process.

SWP takes a proactive approach to understanding risks and consideration of both downside and upside risks are built into all reports to the Board and in preparation of Project Initiation Documents which are now routinely used in our work.

It has been observed – not least by Grant Thornton as external auditor - that risks have evolved initially from governance risks to risk to delivery due to the huge financial pressures that continue to affect the partners.

The Somerset Waste Board does not need to have a separate Audit Committee, and the Board has already resolved to hear both internal and external audit reports at the main Board meetings when appropriate. Our internal audit charter gives direct access for the auditor to report to the Managing Director and to the Board. Audit findings and management responses are also be made directly available to officers within the partner authorities.

Partner authorities have the right to consider any proposal by the Board which they consider to be a “material change”, and which therefore they consider must be subject to approval by elected members of the partner authority.

The Constitution requires that the decisions made by the Board shall be subject to the Scrutiny Arrangements of each Partner Authority. The SWP MD and other managers attend individual Scrutiny Committees from time to time particularly during consultation on the Business Plan. Any decision of the Board, except those agreed as urgent, shall not be implemented until the Scrutiny Arrangements of the Partner Authority whose membership has called in the decision or action has been completed. To date, the only “call-in” has been the decision regarding changes to Recycling Centres in March 2011.

In response to this and to meet a general demand for and interest in more information and involvement, in 2012 the partners (with the exception of Sedgemoor) agreed to form an informal Joint Scrutiny Committee which meets on an ad hoc basis, usually twice a year, in particular to comment on the draft business plan prior to approval by the Board and consultation with individual partners. The Chairman of the Joint Scrutiny Panel is also, by invitation of the Board, a member of a SWB task and finish group set up to oversee the Viridor New Project Approval Process. Several Joint Scrutiny Panel members participate in workshops, visits and events and often attend the Board meetings.

We receive support from our Internal Auditors (the South West Audit Partnership), who give opinion on the systems of internal control and our risk management. In addition, our External Auditors (Grant Thornton) provide an opinion on whether the accounts “give a true and fair view” of the Partnership’s financial position and also provide a Value For Money (VFM) conclusion. Other inspection agencies will also look at specific areas of our business from time to time in the future. We have previously received an unqualified external audit opinion for the Statement of Accounts for every year of the Partnership, and also an unqualified Value For Money conclusion on the Committee’s arrangements for securing economy, efficiency and effectiveness.

Detailed Performance Monitoring reports are now provided to every Board meeting.

Core Principle 5: The Somerset Waste Partnership aims to develop the capacity and capability of members and officers to be effective in their roles

Members of the Board have a responsibility within the Constitution to:-

- be committed to, and act as champion for, the achievement of the Aims and Objectives; and
- remain acquainted with emerging technologies and processes in the area of waste management

To assist members in remaining effective, we have and will continue to organise training, workshops, visits and events. We will also hold informal meetings in addition to the formal Board and have issued Members Information Sheets.

Staff within the Somerset Waste Partnership participate in a personal development review process, which is in place for managers to discuss with each member of staff their capacity and capability to carry out their role and future roles. Managers are then responsible for arranging appropriate training and development opportunities. Mindful of the financial situation, staff members are encouraged to undertake relevant qualification and non-qualification training and to occasionally attend appropriate cost effective seminars, workshops and waste industry events to keep up with emerging issues or best practice.

Senior staff are sometimes asked to speak at events, which raises our profile and also provides a cost effective route to continuing professional development and networking. In September 2013 the Managing Director (MD) spoke at the industry's major exhibition conference at the NEC Birmingham and also gave the inaugural Kit Strange Memorial Lecture at the Houses of Parliament in January 2014, which was attended by over 100 leading members of the resource management industry.

The MD is also a member of the Government's Advisory Committee on Packaging, which provides advice to the Government on producer responsibility and compliance with EU requirements for packaging recovery.

Core Principle 6: The Somerset Waste Partnership aims to engage with local people and other stakeholders to ensure robust public accountability

The Somerset Waste Partnership is not an autonomous body. While it has an independent management structure reporting to the Board, it maintains close strategic and operational links with the partners at member and senior officer level. The Inter Authority Agreement is a legal contract between all partners and was signed in September 2007. It includes a role for the Strategic Management Group (SMG) consisting of Directors from the Partner authorities. SMG's role is to monitor the Somerset Waste Performance to ensure it is carrying out its delegated functions and duties, delivering best value and maintaining performance. The SMG also reviews the Business Plan, Action Plan and Budget and acts as a sounding board and source of ideas for the partnership. The SMG meets monthly.

In addition to the SMG, we have tasked individual Senior Operational Officers to each establish and maintain personal contacts with an individual waste collection authority. This allows easy communications links at an operational level to provide accountability and to resolve any emerging concerns quickly.

We continued to run our "Green Routine" campaign in 2013/2014 as part of our Waste Prevention Strategy, engaging Somerset's residents with targeted campaigns and information to minimise key categories of waste entering the disposal stream. The campaign emphasises simple steps to encourage good habits so anyone can make more of what they have. The underlying message is that recycling is good, but avoiding waste is even better. A number of themed press releases and partner briefings were provided, and monthly support material is distributed.

We use as many media channels as possible to reach as wide an audience as possible to promote waste prevention, recycling and appropriate disposal methods. Our main website had over 218,000 visits in the year, with approximately 80,000 unique visitors. Innovations in 2013 include the installation of "queue-cams" at three major Recycling Centres to enable users via the website to gauge in advance how long they may have to wait to get onto sites at busy times.

Officers have regularly appeared on local radio programmes, trade media publications and also interviews have been posted in the EDIE.net environmental website. The Somerset Waste Partnership has its own growing Twitter and Facebook accounts, and over 2,700 subscribers to its e-newsletter. Educational packs have been produced and distributed for all primary schools, with Horrible Science worksheets.

We also support any changes to services with communications activity – such as promoting the round re-organisation in Sedgemoor and supporting literature (published in 4 foreign languages) ahead of the Bridgwater communal collection trial.

Our national reputation and advanced thinking on Sort It Plus enabled us to be a lead partner for Marks and Spencer, to pioneer a scheme whereby the retailer makes a £250,000 per annum contribution toward the cost of collecting new packaging through Sort It Plus. This meets the approval of DEFRA who support the idea of innovative public private partnerships to improve recovery of packaging.

Assisted collections are available for both recycling and refuse. This means that refuse crews will retrieve and return containers from a convenient point outside the premises so that the householder does not have to deliver the container to the curtilage. Free clinical waste collections are available to those households that routinely generate this type of waste.

We continue to promote (and where possible assist in their access to funding) furniture re-use groups, who provide a free collection service and provide items for those on benefits.

In February 2014, the Board gave approval in principle to a proposal for SWP to work with a consortium of local waste and recycling companies to set up and join a joint venture entity to deliver waste and recycling services to support the Hinkley C development.

Review of effectiveness

The Somerset Waste Partnership is responsible for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the Partnership, who have responsibility for the development and maintenance of the governance environment. It is also informed by work done by internal audit. It also takes into account the effectiveness of the governance framework of the administering body, Somerset County Council. We can place strong reliance on the review of governance that the Somerset County Council has carried out, and also the local arrangements of all 6 partners for scrutiny.

The review was carried out by the Finance Officer and the Managing Director, with specific input from key technical staff. A number of sources of information were considered, including Somerset Waste Board reports and feedback from public meetings, internal audit reports, Senior Management Group discussions and input from the Senior Management Team.

One key source for the annual review is the Internal Audit Annual Opinion, which for the Somerset Waste Partnership is provided by the South West Audit Partnership (SWAP). The Somerset Waste Board approved the annual audit plan for 2013/2014 at the March 2013 meeting. A total of 80 audit days were made available.

The following audits were delivered, with the assurance that SWAP were able to give:-

Audit Area	Opinion
Follow up IT Strategy	Follow Up
Collection Contract – Recycling Credits	Non-Opinion
Fly Tipping and Enforcement	Non-Opinion
Business Improvement – Missed Collection Failure	Non-Opinion
Follow Up Customer Complaints	Follow Up
Governance and Risk Management	Reasonable

In addition to the above reviews, key financial controls are examined as part of the SCC Key Financial Audits (SWP's Administering Authority). Sample transactions were taken covering creditors and payroll with no issues identified relating to SWP. The auditor confirmed that good progress had been made on a number of the recommendations raised within the ICT Follow-Up audit (10 of the 11 recommendations implemented) and the Customer Services Audit (5 out of 8 recommendations implemented).

Internal audit have previously commented very favourably on our governance arrangements, including such comments as:-

“The review on Governance and Risk Management demonstrated substantial compliance with a number of governance and internal control procedures. Somerset Waste Partnership officers have a good understanding of their roles, responsibilities and involvement in the overall governance framework.”

The Internal Audit Annual Opinion for 2013/2014 concludes that:-

“I am able to offer ▲★★★ **Reasonable Assurance** as an opinion on the internal control environment. Risks are generally managed, although there are some areas that require the introduction or improvement of internal control to help achieve SWP's objectives.”

The Board also receive external audit opinions and letters as part of the Grant Thornton's work.

There has been no evidence or suggestion of fraud or corruption within the Somerset Waste Partnership. The SWB has never had a complaint or issue referred to the Local Government Ombudsman despite delivering over 100million individual collection services since instigation in 2007.

We are confident that the Board itself took all decisions in accordance with our Inter Authority Agreement and Constitution. As with all of the individual partners, we will continue to be challenged in terms of delivering services with less funding available, and we will continue to review our governance in light of these requirements.

Members and senior staff within the Somerset Waste Partnership remain in demand with other local authorities, who still want to learn from our experiences and emulate our partnership working, which has been described by DEFRA as “the leaders in the field of joint working on waste”. In addition to the Managing Director's part time Head of Service role with Gloucestershire, one member of the team is now supporting Bath and North East Somerset with tonnage data collection and processing and two members of staff remain were seconded throughout 2013/14 to Kier to lead on service operation and development.

The MD also maintains close and regular contact with equivalent senior officers within the South West region. This is providing increasing opportunities for benchmarking, sharing ideas and experiences for service development and efficiencies, collaboration on projects and sharing of staff resources.

Governance Issues and Considerations

No significant governance issues were raised during the financial year. As and when any governance issues are raised we will take all necessary management action to remove them, or at least mitigate the risks. We take significant assurance from the internal audit work, our

governance arrangements and risk management, plus the role of the Administering Authority.

Internal Audit has commented that “we have been pleased with the positive response to the recommendations and I am therefore confident that where weaknesses have been identified, management have or will take the necessary action to address those weaknesses”.

The previous Customer Experience / Complaints audit in November 2012, which had led to only “partial” assurance, has been followed up in 2013/2014, and we can report good progress on improving the situation, ensuring greater co-ordination with District Councils and better statistical reporting now available.

We acknowledge that health and safety concerns are particularly prevalent in our industry, and whilst the contractors take primary responsibility for the safety and health of their workforce, the SWP has a role in encouraging, monitoring and fostering a culture of safety. We continue to publicly report to the Board twice a year on the Health & Safety performance of SWP and its contractors. Reportable incidences continue to be low.

Looking ahead, the Somerset Waste Partnership faces significant challenges, (many of which are set out in the Chairman’s Statement and the Managing Director’s Report), that may impact on the governance of the Partnership in 2013/2014 and beyond. Significant financial pressures within all 6 partner authorities will inevitably affect the level of services that they can continue to provide. As funding diminishes for all partners, (and the proportion of spend on waste services increases in relative terms), the level of scrutiny around the costs of waste collection and disposal will increase commensurately.

Landfill tax, contract inflation and demographic growth alone will require in excess of £2 million per annum additional revenue funding simply to achieve a “stand still” position. The work commenced in 2013/2014 to launch “high diversion” kerbside trials and to seek long-term sustainable alternatives to landfill is absolutely critical in this financial context. Whilst the Anaerobic Digester project in conjunction with Viridor at Walpole was a step forward in the process of diversion from current disposal routes, it is still only a part of the financial solution. The annual delivery of the Business Plan in 2014/2015 and beyond will be absolutely critical.

Capacity within the Partnership itself has been reduced by 2 Full Time Equivalents (FTE) at operational level. Currently the establishment is 24 FTE including two members fully seconded and two partially seconded. The expertise of these officers is generating much needed income but this does bring risks in terms of stretching the remaining local resource. The Service Review process has therefore aimed to improve resilience and has been undertaken with capacity and customers at the very forefront of our thinking.

On-going review of the Somerset Waste Partnership will be essential given the scale of changes outlined above, to ensure that we continue to have adequate governance arrangements in place in 2013/2014 and future years. The work done by the Senior Management Group on significantly updating the risk register for the prevailing environment will become iterative as this Group continues to identify and manage risks arising from these developments, reporting back regularly to the Board.

Signed:

.....

**Derek Yeomans
Chair of the Board**

Signed:

.....

**Steve Read
Managing Director**

Statement of Responsibilities for the Statement of Accounts

It is the responsibility of the Administering Authority to provide the necessary financial support to the Somerset Waste Partnership. The following is a statement by the Chief Financial Officer on behalf of the Administering Authority as to the responsibilities that he and his staff have discharged in preparing the Statement of Accounts for the Somerset Waste Partnership.

The Somerset Waste Partnership is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. (For the Partnership, that officer is the Chief Financial Officer of the Administering Authority);
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Approve the Statement of Accounts.

The Chief Financial Officer's Responsibilities:

The Chief Financial Officer is responsible for preparing the Partnership's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Chief Financial Officer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the local authority Code.

The Chief Financial Officer has also:

- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Chief Financial Officer's Declaration

This Statement of Accounts gives a true and fair view of the financial position of the Somerset Waste Partnership on 31 March 2014, and its income and expenditure for the year ended 31 March 2014.



**Kevin Nacey, CPFA ,
Director of Finance and Performance,
(Chief Financial Officer)
Somerset County Council
30 June 2014**

Independent Auditor's Report To The Members Of Somerset Waste Partnership

Opinion on the Partnership's financial statements

We have audited the financial statements of Somerset Waste Partnership for the year ended 31 March 2014 under the Audit Commission Act 1998. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.

This report is made solely to the members of Somerset Waste Partnership in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Partnership and the Partnership's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Director of Finance and Performance and auditor

As explained more fully in the Statement of the Director of Finance and Performance's Responsibilities, the Director of Finance and Performance is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Partnership's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Director of Finance and Performance; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the explanatory foreword to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of Somerset Waste Partnership as at 31 March 2014 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 and applicable law.

Opinion on other matters

In our opinion, the information given in the explanatory foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007;
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998;
- we designate under section 11 of the Audit Commission Act 1998 any recommendation as one that requires the Partnership to consider it at a public meeting and to decide what action to take in response; or
- we exercise any other special powers of the auditor under the Audit Commission Act 1998.

We have nothing to report in these respects.

Conclusion on Partnership's arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Partnership has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are also required by the Audit Commission's Code of Audit Practice to report any matters that prevent us being satisfied that the audited body has put in place such arrangements.

We have undertaken our audit in accordance with the Code of Audit Practice and, having regard to the guidance issued by the Audit Commission *in* October 2013, we have considered the results of the following:

- our review of the annual governance statement; and
- the work of other relevant regulatory bodies or inspectorates, to the extent the results of the work have an impact on our responsibilities.

As a result, we have concluded that there are no matters to report.

Certificate

We certify that we have completed the audit of the financial statements of Somerset Waste Partnership in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Simon Garlick
Director
for and on behalf of Grant Thornton UK LLP, Appointed Auditor

Hartwell House
55-61 Victoria Street
Bristol
BS1 6FT

26 September 2014

Core Financial Statements

Comprehensive Income and Expenditure Statement

This statement shows the cost in the year of providing waste collection and waste disposal services in accordance with generally accepted accounting practices. It also shows from where contributions came to fund these services.

If we refer to a note number in the right-hand column, there is a further explanation in the section "Notes to the Accounts - Additional Explanatory Information"

2012/13				2013/14			Notes
Gross Expenditure £	Gross Income £	Net Expenditure £		Gross Expenditure £	Gross Income £	Net Expenditure £	
23,835,970	(238,032)	23,597,938	Waste Disposal	25,124,775	(216,378)	24,908,397	1
17,772,696	(3,212,497)	14,560,199	Waste Collection	18,194,681	(3,081,755)	15,112,926	1
41,608,666	(3,450,529)	38,158,137	Gross Cost of services	43,319,456	(3,298,133)	40,021,323	
	(38,274,796)	(38,274,796)	Contributions from Partner Authorities		(40,507,857)	(40,507,857)	2
41,608,666	(41,725,325)	(116,659)	(Surplus) or Deficit on Provision of Services	43,319,456	(43,805,990)	(486,534)	
521,623		521,623	Contributions to / from Reserves	116,659		116,659	1
42,130,289	(41,725,325)	404,964	Total Comprehensive Income and Expenditure	43,436,115	(43,805,990)	(369,875)	3



**Kevin Nacey, CPFA,
Director of Finance and Performance
30 June 2014**

Balance Sheet as at 31 March 2014

The Balance Sheet shows the value as at this date of the assets and liabilities recognised by the Somerset Waste Partnership. The net assets of the Partnership (assets less liabilities) are matched by the reserves that we hold on behalf of all partners. Reserves are reported in two categories – usable reserves (those that can be used to provide services or returns to partners) and unusable (which are unrealisable or technical adjustments).

2012/13 £		£	2013/14 £	Notes
	CURRENT ASSETS			
109,092	Inventories		135,191	4
1,530,755	Short Term Debtors & Payments in Advance		256,029	5
1,240,635	Cash and Cash Equivalents		1,477,195	6
2,880,482			1,868,415	
	CURRENT LIABILITIES			
-	Cash and Cash Equivalents	-		
2,582,523	Short Term Creditors & Receipts in Advance	1,138,166		7
-	Provisions	62,415		8
2,582,523		1,200,581		
297,959	NET CURRENT ASSETS		667,834	
-	LONG TERM ASSETS		-	
-	LONG TERM LIABILITIES		-	
297,959	NET ASSETS		667,834	
	Usable Reserves			
(92,738)	Somerset County Council Reserve	399,403		
106,334	Mendip District Council Reserve	86,126		
87,632	Sedgemoor District Council Reserve	18,028		
128,215	South Somerset District Council Reserve	145,706		
42,996	Taunton Deane Borough Council Reserve	32,807		
25,520	West Somerset District Council Reserve	(14,236)		
297,959			667,834	9
-	Unusable Reserves		-	
297,959	TOTAL RESERVES		667,834	



Kevin Nacey, CPFA,
Director of Finance and Performance
30 June 2014

Cash-Flow Statement **

The Cash Flow Statement shows the changes in cash and cash equivalents of the Somerset Waste Partnership during the reporting period. The statement shows how the Partnership generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Partnership are funded. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Partnership's future delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital to the Partnership.

If we refer to a note number in the right-hand column, there is a further explanation in the section "Notes to the Accounts - Additional Explanatory Information"

2012/13 £			2013/14 £	Notes
(404,964)	Total comprehensive income and expenditure		369,875	
-	Adjustments to net surplus or deficit on the provision of services for non-cash movements		-	
19,960	Add increase / less (-) decrease in creditors / RIA / Provisions	(1,381,942)		
(165,416)	Less (-) increase / add decrease in debtors / PIA	1,274,726		
13,821	Less (-) increase / add decrease in stocks and Work-in-progress	(26,099)		
			(133,315)	
(536,599)	Net increase or decrease in cash and cash equivalents		236,560	
1,777,234	Cash and cash equivalents at the beginning of the reporting period		1,240,635	
1,240,635	Cash and cash equivalents at the end of the reporting period		1,477,195	6



**Kevin Nacey, CPFA,
Director of Finance and Performance
30 June 2014**

** For the purposes of the Statement of Accounts, the contribution from Somerset County Council is shown as a cash inflow into the Somerset Waste Partnership. However, in its' capacity as the Administering Authority, Somerset County does not operate a separate bank account for the Somerset Waste Partnership, and income and expenditure for the Partnership goes through the main Somerset County bank account. Therefore, the Somerset County Council contribution is actually a budgetary allocation, which we treat as a notional cashflow in the accounts.

Movement In Reserves Statement

This statement shows the movement in the year on the different reserves held by the Somerset Waste Partnership, analysed into usable reserves (those that can be used to provide services or returns to partners) and unusable reserves (which are unrealisable or technical adjustments). The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Partnership's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

If we refer to a note number, there is a further explanation in the section "Notes to the Accounts - Additional Explanatory Information"

	Somerset County Council Reserves £	Mendip District Council Reserves £	Sedgemoor District Council Reserves £	South Somerset District Council Reserves £	Taunton Deane Borough Council Reserves £	West Somerset Council Reserves £	Total Useable Reserves £	Unusable Reserves £	Total Authority Reserves £
Balance at 31 March 2012	300,571	84,569	67,286	171,465	80,381	(1,349)	702,923	-	702,923
Movement in reserves during 2012/13									
Surplus or (deficit) on the provision of services	(92,738)	61,985	52,862	62,223	6,807	25,520	116,659	-	116,659
Transfers to/from Earmarked Reserves	(300,571)	(40,220)	(32,516)	(105,473)	(44,192)	1,349	(521,623)	-	(521,623)
Increase/Decrease in 2012/13	(393,309)	21,765	20,346	(43,250)	(37,385)	26,869	(404,964)	-	(404,964)
Balance at 31 March 2013 carried forward	(92,738)	106,334	87,632	128,215	42,996	25,520	297,959	-	297,959

	Somerset County Council Reserves £	Mendip District Council Reserves £	Sedgemoor District Council Reserves £	South Somerset District Council Reserves £	Taunton Deane Borough Council Reserves £	West Somerset Council Reserves £	Total Useable Reserves £	Unusable Reserves £	Total Authority Reserves £
Balance at 31 March 2013	(92,738)	106,334	87,632	128,215	42,996	25,520	297,959	-	297,959
Movement in reserves during 2013/14									
Surplus or (deficit) on the provision of services	399,403	41,777	(16,742)	79,714	(3,382)	(14,236)	486,534	-	486,534
Transfers to/from Earmarked Reserves	92,738	(61,985)	(52,862)	(62,223)	(6,807)	(25,520)	(116,659)	-	(116,659)
Increase/Decrease in 2013/14	492,141	(20,208)	(69,604)	17,491	(10,189)	(39,756)	369,875	-	369,875
Balance at 31 March 2014 carried forward	399,403	86,126	18,028	145,706	32,807	(14,236)	667,834	-	667,834



**Kevin Nacey, CPFA,
Director of Finance and Performance
30 June 2014**

Notes to the Accounts – Introduction & Statement of Accounting Policies

Introduction

The Statement of Accounts summarises the Somerset Waste Partnership's transactions for the 2013/2014 financial year and its position at the year-end of 31 March 2014. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2011, which those Regulations require to be prepared in accordance with proper accounting practices.

These practices primarily comprise *CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom 2013/14* supported by International Financial Reporting Standards (IFRS). These standards are seen as "best practice", and will allow better comparisons to be made between organisations. The Code is now in place across the entire UK public sector. It also constitutes "proper accounting practice" under the terms of section 21(2) of the Local Government Act 2003, and we have adopted the Code accordingly.

The Code of Practice requires that "a local authority shall present notes to the financial statements." The purpose for these notes is that they shall:-

- a) present information about the basis of preparation of the financial statements and the specific accounting policies used
- b) disclose the information required by the Code that is not presented elsewhere in the financial statements, and
- c) provide information that is not presented elsewhere in the financial statements, but is relevant to an understanding of any of them."

An authority shall, as far as practicable, present notes in a systematic manner. An authority shall cross-reference each item in the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet and Cash Flow Statement to any related information in the notes.

We have reviewed all the notes that may be applicable to the Somerset Waste Partnership (given, for example, that the SWP holds no fixed assets) and have included those that are relevant below. We have chosen to include further information specific to the Somerset Waste Partnership in excess of the amount of information that we are obliged to publish where this would further aid explanation of the financial statements.

Going Concern

In accordance with the Code of Practice, the Somerset Waste Partnership's accounts are prepared on the underlying assumption that we are a "going concern" – the assumption that the functions of the Partnership will continue in operational existence for the foreseeable future. Despite the increasing costs of both waste collection and disposal, set against the increasingly limited funding available to all partner authorities, it is clear that the Partnership represents the most economical method of delivering these services to Somerset residents. The Constitution and Inter Authority Agreement set out the requirements for any authority who would seek to leave the Partnership, or for its dissolution. Even should an authority be minded to take this approach, it would not end the Partnership, and any such changes are subject to a relatively lengthy timetable.

Statement of Accounting Policies

General

Accounting policies are the specific principles, bases, conventions, rules and practices applied by the Somerset Waste Partnership in preparing and presenting financial statements.

In selecting accounting policies we are required to ensure that they are:-

- a) **relevant** to the decision-making needs of users, and
- b) **reliable**, in that the financial statements:
 - i) represent faithfully the financial position, financial performance and cash flows of the Somerset Waste Partnership
 - ii) reflect the economic **substance** of transactions, other events and conditions and not merely the legal form
 - iii) are **neutral**, i.e. free from bias
 - iv) are **prudent**, and
 - v) are **complete** in all material respects.

Specific policies relevant to the Somerset Waste Partnership are set out below. No changes to accounting policies have been made in compiling the Statement of Accounts for 2013/2014 when compared to previous years.

The accounting convention adopted is historic cost.

Summary of Significant Accounting Policies

i) Accruals of expenditure and income

This Statement of Accounts has been compiled using the “accruals” concept. According to this concept, income and expenditure is recognised by the Somerset Waste Partnership when it is earned or incurred, and not when the actual money was received or paid. Income and expenditure are therefore recorded in the accounting records and reported in the financial statements of the periods to which they relate. The most common accruals we make are debtors (when the Partnership is owed money) and creditors (when the Partnership owes money).

We have estimated the amount of accruals included for some areas of expenditure or income and have included these values within the accounts. The estimated accruals total £270,163 of creditor accruals and £135,095 of debtor accruals for 2013/2014 (£738,500 of creditor accruals and £30,500 of debtor accruals for 2012/2013).

Because our estimates are generally based on the actual rates and volumes within the contracts we hold for waste collection and disposal services, we have a high level of confidence in our estimating procedures. We reflect any difference between the actual figures and those estimates in the accounts the following year.

ii) Cash and cash equivalents

All financial transactions of the Somerset Waste Partnership go through SCC’s main bank account. No cash was held by the Somerset Waste Partnership and we do not specifically hold any short-term deposits or other cash equivalents.

iii) Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense in the year in which employees render services to the Somerset Waste Partnership.

Post Employment Benefits

Employees of the Somerset Waste Partnership are eligible to be a member of the Local Government Pension Scheme, administered by Somerset County Council. The employer's contribution payable for employees who are members of this scheme is charged directly to the Comprehensive Income and Expenditure Statement.

Under IFRS, we are obliged to account for employee benefits at the Balance Sheet date. Given that the number of staff working in the Single Client Group within the Somerset Waste Partnership is quite small, our approach is to use actual figures from management records to determine the employee benefits accrued for annual leave outstanding, flexitime and time off in lieu (TOIL) hours owed to the staff. As the Somerset Waste Partnership is not a separate legal entity, all staff are technically employed by Somerset County Council as the Administering Authority. It is our policy not to charge these amounts to the Comprehensive Income & Expenditure Statement, as the amounts are held within the Somerset County Council accounts, and any such costs would fall to them as the employer. In the improbable event that any costs for employee benefits would fall to the SWP, our policy would be to account for the costs in the year that they became due.

iv) Events after the Balance Sheet date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- i) those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- ii) those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the Notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts. In the Partnership's existence to date, the only events that have been reportable in this way have been where the Board has agreed on the treatment of the earmarked reserves that are attributable to each partner.

v) Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Somerset Waste Partnership when there is reasonable assurance that:

- i) the Partnership will comply with the conditions attached to the payments; and
- ii) the grants or contributions will be received.

Amounts recognised as due to the Partnership are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contributions have been satisfied.

The majority of the contributions we received in 2013/2014 as income to the Somerset Waste Partnership are those agreed as part of the budget setting process from the partner authorities. These are shown as separate direct income lines on the Comprehensive Income and Expenditure Statement, with any under or over contribution shown as an appropriation to the relevant “earmarked reserve” of the contributing partner.

We also receive some waste-specific grants from time to time. Details of all these amounts can also be found within the Note on “Segmented Reporting”.

vi) Inventories

Inventories are measured at the lower of cost or net realisable value (the price at which they could be sold minus the cost of selling).

The only inventory that the Somerset Waste Partnership holds is in relation to stocks of various containers and bins that are necessary for the collection of household waste at kerbside. Items are recharged at full value to the partner organisation that needs a replacement container.

vii) Apportionments and Overheads

Most costs that are traditionally considered as “overheads” within the Comprehensive Income and Expenditure Statement are for support service charges. These are provided by the Administering Authority (other than internal audit which is provided by the South West Audit Partnership). As these are either on a “service level agreement” or on a direct usage (rather than apportioned) basis, they are treated as a direct cost to the accounts.

Overhead costs are split on the Comprehensive Income and Expenditure Statement between waste disposal and waste collection activities in accordance with the Cost Sharing Agreement within our Inter Authority Agreement, which is agreed as part of our annual budget setting process.

viii) Provisions

Provisions are made when an event has taken place that gives the Somerset Waste Partnership a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and where a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate line on the Comprehensive Income and Expenditure Statement in the year that the Somerset Waste Partnership becomes aware of the obligation. These are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

Details of provisions included within the Somerset Waste Partnership's accounts can be found within the relevant Notes. It is our policy to review the use of provisions annually as part of the preparation of the Statement of Accounts. If a previously made provision becomes less than probable that a transfer of economic benefits will now be required, our policy is to reverse the provision and credit the relevant service.

ix) Reserves

We have provision within the Inter Authority Agreement for 6 "earmarked reserves". Each partner has a specific earmarked reserve that holds the cumulative surplus or deficit attributable to it.

The Balance Sheet shows the cumulative surplus or deficit to date for each partner. This is calculated by comparing the difference between each partner's contribution to the Somerset Waste Partnership's budget and the actual net expenditure attributable to it from the Partnership's activities on its behalf.

It is for the individual partner to decide, in consultation with the Board and with its agreement, whether or not surpluses can be carried forward for future reinvestment in the Partnership or whether this needs to be returned to the partner to meet other needs. Where a partner has a deficit on its earmarked reserve, it has previously been expected to make good this amount.

Should expenditure be required to be funded from earmarked reserves, it is charged to the appropriate service line in the Comprehensive Income and Expenditure Statement, and money drawn down from the reserve to meet the costs.

x) Value Added Tax

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue & Customs and all VAT paid is recoverable from them. VAT is recovered (where applicable) by the Administering Authority and therefore has no impact on the Somerset Waste Partnership accounts.

xi) Capital and Revenue

In broad terms, revenue spending is made up of payments to employees, collection and disposal contract charges, other running costs and repaying debts, whereas we class spending to buy assets, for example, buildings, equipment and vehicles as capital spending. Capital expenditure will have a useful life greater than a single financial year, and will either enhance the value or the lifespan of the asset.

As a Joint Committee, the Somerset Waste Partnership is not permitted to hold capital assets. This is a statutory position. Therefore, all capital assets are held and controlled by Somerset County Council as the Administering Authority. This is in strict accordance with the Somerset Waste Partnership's Inter Authority Agreement.

We have agreed with the Administering Authority that the correct accounting policy is for Somerset County Council to hold and report on the capital assets. The accounting policies applicable and details of the assets are held on Somerset County Council's Balance Sheet on our behalf can be found its own Statement of Accounts.

As part of the collection contract with Kier, partners have agreed a policy whereby Somerset County Council has made arrangements to finance the purchase of vehicles and equipment. These are made available by Somerset County Council directly to the collection contractor.

In return for Somerset County Council providing some of the waste collection assets to Kier, the Somerset Waste Partnership receives a discount in the collection contract and uses this discount to repay the financing costs. To reflect the economic reality of this arrangement, the costs of repaying financing charges are shown as a direct charge to the Comprehensive Income and Expenditure Statement. (See also the accounting policy in relation to leases below).

Other assets, such as the Household Waste Recycling Centres (HWRCs) and restored landfill sites remain either in the ownership of Somerset County Council or Viridor Waste Management. Viridor are our waste disposal contractor and charge us a fee for providing HWRCs that they own through the relevant contract.

xii) Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all of the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

There is no formal lease arrangement between Somerset County Council and the Somerset Waste Partnership, not least because the Partnership is not a separate legal entity. However, within our accounts we are obliged to account for the vehicles bought or leased, owned and controlled by SCC as an operating lease-type arrangement. (See policy xi above). Rentals paid, which are classified as an operating lease-type payment, are charged directly to the Comprehensive Income & Expenditure Statement as an expense to the service area benefitting from the lease (waste collection). Actual charges are made based on the annualised payments requested, in line with our Cost Sharing Agreement.

The Somerset Waste Partnership has no arrangements that we would classify as a finance lease-type arrangement.

xiii) Financial Instruments and “fair value”

A financial instrument is defined as a contract that gives rise to a financial asset of one entity and a financial liability of another entity.

Financial Assets

The only financial assets that the Somerset Waste Partnership holds are current assets, which are classified as loans and receivables. Loans and receivables are recognised on the Balance Sheet when the Somerset Waste Partnership becomes a party to the contractual provisions of a financial instrument and are initially measured at “fair value”.

Financial Liabilities

The only financial liabilities that the Somerset Waste Partnership holds are current liabilities. Financial liabilities are recognised on the Balance Sheet when the Somerset Waste Partnership becomes a party to the contractual provisions of a financial instrument and are initially measured at “fair value”.

“Fair Value”

Current assets (e.g. debtors, payments in advance) and liabilities (e.g. creditors, receipts in advance) are valued in the Statement of Accounts at what is termed “fair value”. We define fair value under the Code as being the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms-length transaction.

We consider each of our assets in turn and determine on an individual basis whether or not they need to be impaired (reduced in value). Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down in value and a charge made to the relevant line in the Comprehensive Income and Expenditure Statement.

Critical Judgements In Applying Accounting Policies

In applying the accounting policies set out above, the Somerset Waste Partnership has had to make certain judgements about complex transactions or those involving uncertainty about future events.

Of great concern to the Partnership itself, and the individual partner authorities, is the high degree of uncertainty about future levels of funding for local government. However, we have determined that this uncertainty does not have a direct impact on our financial statements, although it will certainly be a critical issue for the Board in future years and will be reflected in future Business Plans.

Assumptions Made About The Future And Other Major Sources Of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Somerset Waste Partnership about the future or that are otherwise uncertain. Estimates are made by taking into account historical experiences, current trends and other relevant factors. However, because balances cannot always be determined with certainty, actual results could be materially different from the assumptions and estimates, and risk having a material impact on the carrying amounts within the next financial year.

We have reviewed all our accounting assumptions and figures within our Balance Sheet. The major source of estimation is in relation to our accruals. The Somerset Waste Partnership makes a number of accruals at the year end to account for timing differences in expenditure and income. If accruals are not correctly estimated, they can have a substantial effect on the current year's result and consequently the following year when the accrual is reversed.

We are confident that our estimates are based on the most probable results, particularly in relation to disposal costs, where the tonnage information from Viridor was largely known when such estimates were made. Historically, our accruals have proved to be materially accurate.

We are confident that there is no other future event that gives significant concern that we will have to make a material adjustment to our figures in the forthcoming financial year.

Accounting Standards That Have Been Issued but Have Not Yet Been Adopted

We are obliged to consider and disclose the impact of new accounting standards that have been issued, but not yet adopted. These new standards come into effect for accounting periods beginning on or after 1 January 2013 and so do not affect the disclosures for 2013/14, however they will need to be considered for our accounts from 1st April 2014. For 2013/2014, we have considered the following that the Somerset Waste Partnership has yet to adopt:-

- IFRS 10 Consolidated Financial Statements (May 2011)

IFRS 10 was issued in response to the financial crisis, during which there was significant criticism of accounting rules that permitted certain entities to remain off-balance sheet. The main change introduced by IFRS10 is a greater focus on which party has power over an entity rather than who has the majority of the risks and rewards.

This will not impact on the Somerset Waste Partnership's accounts.

- IFRS 11 Joint Arrangements (May 2011)

IFRS 11 was issued at the same time as IFRS10 to improve the accounting for joint arrangements. It introduces a principle based approach that requires a party to a joint arrangement to recognise its rights and obligations arising from the arrangement. This will provide users with greater clarity about an entity's involvement in its joint arrangements.

This will not impact on the Somerset Waste Partnership's accounts.

- IFRS 12 Disclosures of Interests in Other Entities (May 2011)

IFRS12 requires the disclosure of information that enables users of financial statements to evaluate:

- The nature of, and risks associated with, its interests in other entities; and
- The effects of those interests on its financial position, financial performance and cash flows.

This will not impact on the Somerset Waste Partnership's accounts.

- IFRS13 Fair Value Measurement

IFRS 13 defines “fair value” and sets out in a single IFRS a framework for measuring fair value. It also identifies the disclosure requirement for items measured at fair value.

At the time of writing the CIPFA/LASAAC Local Authority Accounting Code Board have decided to defer the implementation of this standard to the 2015/16 Code, so there will be no impact to our accounts during 2014/15, but may in later years.

- IAS 27 Separate Financial Statements (as amended in May 2011)

IAS 27 Separate Financial Statements (as amended in 2011) outlines the accounting and disclosure requirements for 'separate financial statements', which are financial statements prepared by a parent, or an investor in a joint venture or associate, where those investments are accounted for either at cost or in accordance with IAS 39.

This will not impact on the Somerset Waste Partnership’s accounts.

- IAS 28 Investments in Associates and Joint Ventures (as amended in May 2011)

IAS 28 Investments in Associates and Joint Ventures (as amended in 2011) outlines how to apply, with certain limited exceptions, the equity method to investments in associates and joint ventures. The standard also defines an associate by reference to the concept of "significant influence", which requires power to participate in financial and operating policy decisions of an investee (but not joint control or control of those policies).

This will not impact on the Somerset Waste Partnership’s accounts.

- IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (as amended in December 2011)

These amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify:

- The meaning of ‘currently has a legally enforceable right of set-off’; and
- That some gross settlement systems may be considered equivalent to net settlement.

This will not impact on the Somerset Waste Partnership’s accounts.

Notes to the Accounts - Additional Explanatory Information

Note 1 : “Segment Reporting”

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by the Service Reporting Code of Practice. Effectively, this financial statement is expected to be in a prescribed format in order to be comparable with other organisations. However, decisions about resource allocation (i.e. budgeting and expenditure) are taken by the Managing Director on the basis of budget reports that are analysed in a different manner.

Specific differences include:-

- The level of analysis required by the Managing Director in order to budget effectively requires financial information at a much lower level than that presented on the Comprehensive Income and Expenditure Statement. For example, waste disposal information is analysed across the major functions within this service, including landfill costs, household waste recycling centre costs, composting, hazardous waste and recycling credits payable.
- Some costs are monitored centrally, particularly staff and support costs, which are treated as an individual budget line in management information and not split between waste disposal and waste collection.
- The internal management information does not consider any IFRS requirements such as employee benefit costs, or repayment of prior year surpluses and deficits. These repayments have been added to the Note to ensure consistency with the Comprehensive Income and Expenditure Statement.

IFRS requires us to present information within the notes on what are terms “reportable segments” based on the Somerset Waste Partnership’s internal management information, and to reconcile these back to the Comprehensive Income and Expenditure Statement.

The following tables and explanations show:-

- i) An analysis of the detailed income and expenditure segments that are used for internal management reporting.
- ii) A reconciliation of the internal management information with the figures shown on the Comprehensive Income and Expenditure Statement. (The vertical columns in the first table equate to the figures on the main Statement).
- iii) Further breakdowns and explanations of some of the key lines within the management reporting analysis to indicate the types of expenditure incurred in each segment, where this is not covered elsewhere.

During 2013/2014, we have continued to second senior members of staff to Kier to improve operational processes with the contractor, and for Kier to use their expertise. In addition, the Managing Director now works up to 2 days per week supporting the emerging Gloucester waste partnership (supporting staff also contribute), and some work is done for Bath and North East Somerset. The staff concerned remain SWP employees, and as such their salaries are included within the staffing information. Income from these arrangements is shown within the Other Income line in the segmented reporting. Within the Comprehensive Income and Expenditure Statement, these balances have been appropriately split between waste collection and waste disposal.

	WDA £	WCA £	Total £	2013/14 £	Notes
INCOME					
Somerset County Council Contribution	25,307,800		25,307,800		
Mendip District Council		3,120,956	3,120,956		
Sedgemoor District Council		3,181,904	3,181,904		
South Somerset District Council		4,687,688	4,687,688		
Taunton Deane Borough Council		3,117,725	3,117,725		
West Somerset District Council		1,091,784	1,091,784		
Other Income	167,850	689,532	857,382		
Recycling Credit Payments to Districts		2,271,548	2,271,548		1(a)
Recharge of Bring Banks		8,000	8,000		
Treasury Management	48,528	112,675	161,203		1(b)
	25,524,178	18,281,812		43,805,990	
EXPENDITURE					
Staff	394,372	437,456	831,828		
Admitted Body Pension Costs		67,923	67,923		1(c)
Admin & Support Costs (Client Group)	146,241	177,367	323,608		1(d)
Waste Collection - Recycled		8,463,486	8,463,486		1(e)
Waste Collection - Refuse		5,638,604	5,638,604		1(e)
Waste Collection - Garden		2,111,966	2,111,966		1(e)
Waste Collection - Other		711,686	711,686		1(e)
HWRC's	8,608,509		8,608,509		1(e)
Composting	3,175,506		3,175,506		1(e)
Landfill	10,216,701		10,216,701		1(e)
Hazardous Waste	287,429		287,429		1(e)
Recycling Credits	2,296,017		2,296,017		
Depot Costs		213,200	213,200		
Container Purchases		372,993	372,993		
	25,124,775	18,194,681		43,319,456	
Surplus for the Year (including prior year)	399,403	87,131		486,534	
Contribution from / to Reserves **	92,738	(209,397)		(116,659)	
IN YEAR OPERATING SURPLUS	492,141	(122,266)		369,875	1(f)

** Contribution from / to reserves are the repayments to and from partners of their 2012/2013 surplus or deficits within their own Earmarked Reserves.

Note 1(a): Recycling credit payments to District Councils

Payments in lieu of recycling credits are made by the Waste Disposal Authority (Somerset County Council) to Waste Collection Authorities (all other partners). Such payments are made when the collection authority's recycling has diverted waste from landfill and therefore saved expenditure for the Waste Disposal Authority.

Waste authorities within Somerset have a separate agreement as to the value of recycling credit payments, and this has been incorporated into the Somerset Waste Partnership's Cost Sharing Agreement. The current agreement has been in effect from 1st October 2012 by member agreement under Agenda Item 12, of the Somerset Waste Board meeting of 29th June 2012.

The difference between the 2 recycling credits figures on the Income and Expenditure account relates to payments made by the Waste Disposal Authority to third party recyclers.

Note 1(b): Income from Treasury Management

Somerset Waste Partnership receives a discount on its invoices from its waste collection contractor, Kier, when the Administering Authority finances the waste collection vehicles and equipment that the contractor uses.

Part of this discount is required to pay the costs of borrowing the money for these assets, which are ultimately financed, owned and controlled by Somerset County Council, but a small surplus is made on this arrangement, which is shared between the collection authorities in accordance with the Cost Sharing Agreement.

2012/13 £	Capital Breakdown	2013/14 £
913,771	Cost of Capital Borrowing	913,771
(60,240)	Bridgwater Depot Discount Kier	(60,240)
(942,153)	Capital Discount from Kier	(934,307)
(88,622)	Surplus Capital from Financing Arrangements	(80,776)
7,684,912	Total Value Funded by SCC for Assets	7,684,912

Somerset Waste Partnership also receives a discount on its invoices for making advanced payments to Kier in return for a net cashflow discount (£31,900; 2012/2013 £31,900).

During 2013/2014, an additional agreement was enacted with Viridor, whereby agreed amounts were paid in advance to the contractor in return for a cashflow discount. The net benefit to the Somerset Waste Partnership of this agreement was £48,528.

Note 1 (c): Admitted Body Pension Costs

As part of the joint collection contract between all 5 waste collection authorities, some directly employed staff at South Somerset District Council were transferred under the Transfer of Undertakings Protection of Employees (TUPE) legislation to ECT Recycling CIC (now Kier). ECT Recycling CIC was granted “admitted body” status to the Somerset County Council Pension Fund in order to permit these employees to continue their pensionable service and rights. Costs that arise from this arrangement are included as a direct charge to the Income and Expenditure Account.

Accounting policies applicable and details of the Pension Fund are held in Somerset County Council’s Statement of Accounts.

This does not include pension contributions for the staff employed by Somerset County Council as the Administering Authority on behalf of Somerset Waste Partnership. Costs for the employers’ pension contributions are included within the staff costs total.

Note 1 (d): Admin & Support Service Costs

Contained within the administrative costs are a number of direct charges from the Administering Authority for support services. Most costs are on a call-down basis, the exception is the finance charge. In setting up the Somerset Waste Partnership it was decided not to have a finance function within the Partnership itself. The Partnership buys in on-going financial assistance from the Administering Authority, including the section 151 responsibilities.

We also have costs from the South West Audit Partnership (SWAP) which provides the internal audit function. From 1st April 2013, SWAP has been constituted as a not-for-profit local authority company, owned by 12 partner authorities.

2012/13 £	Support Costs Breakdown	2013/14 £
5,158	Legal	(302)
3,099	Insurance	4,045
82,083	Finance	82,038
10,650	Internal Audit	10,650
262	Property Services	293
4,000	Other Services (including ICT)	4,000
93	Archiving of Records	123
105,345	Total	100,847

Other significant costs within this internally reported line include our communications and strategy work (£32,777), the accommodation at Monmouth House (£73,465), officer travel (£44,993) and general office running expenses (£36,851).

Note 1 (e): Contracts underlying the expenditure

The vast majority of the expenditure of the Somerset Waste Partnership relates to 2 long-term contracts with key suppliers.

2012/13 £	Contractor	2013/14 £
20,100,946	Viridor	21,560,038
15,123,826	Kier	15,960,180
6,266,310	Non Contract	5,799,238
41,608,666	TOTAL	43,319,456

Viridor Waste Management provides us with our waste disposal functions and also manages and runs our network of Household Waste Recycling Centres (HWRCs). A new contract was let to Viridor in 2006 as part of a Strategic Partnership for our future waste disposal requirements. The contract duration is 16 years (potentially extendable by a further 9 years) from May 2006.

Kier provide us with our waste refuse and recycling collection functions. A new joint contract across the whole of Somerset was originally let to ECT commencing in October 2008. The initial contract length was 7 years, with the option to extend this by up to a further 14 years.

At the Board meeting of 25th March 2012, following a report on options and value for money from Eunomia, it was agreed that the Managing Director be authorised to conclude negotiations with Kier for the first extension period of 7 years, provided that this resulted in concessions on inflation from the contractor. The contract extension with Kier was completed in 2012/2013.

Note 1 (f): Financial Context

All income and expenditure that relate to the Somerset Waste Partnership is included in the Comprehensive Income and Expenditure Statement, and has been broken down into segment reporting as set out above.

Under the Landfill Allowance Trading Scheme, (LATS), waste disposal authorities have had the possibility to buy or sell permits for the amount of biodegradable waste that it disposes through landfill sites. Whilst any sales could ordinarily be considered as a recognisable gain or loss, the Inter-Authority Agreement for the Somerset Waste Partnership specifically excludes income and expenditure relating to LATS. These remain with the County Council and are therefore excluded from our Statement of Accounts. For details about LATS trading, please refer to Somerset County Council's own Statement of Accounts. During 2013/2014 £1,386 income received on LATS (in 2012/2013, £nil). This scheme has now ended.

Note 2 : Pooled Budgets, Contributions & Grants

The Somerset Waste Partnership is a single "pooled" budget. All 6 partners make contributions to the overall budget in accordance with the Cost Sharing Agreement in the Inter Authority Agreement. This is a series of formulae that ensures that each partner contributes an equitable amount towards the costs of providing services for their area and delegated functions. Some partnership money and container income cannot be split according to this formula.

Annual partner contributions are agreed in advance of the financial year in question by the Somerset Waste Board. Such contributions are agreed as part of the budget setting process between the Board and each individual partner. The Board must also agree any subsequent amendment to the agreed budget. The process for agreeing the budget for the next financial year is set out in the Constitution. The Annual Budget contributions from partners for 2013/2014 totalled £40,507,857 (2012/2013 £38,274,796). These contributions were made up as follows:-

2012/13 £	Partner Authority	2013/14 £
23,505,200	Somerset County Council Contribution	25,307,800
3,084,827	Mendip District Council	3,120,956
3,089,142	Sedgemoor District Council	3,181,904
4,531,599	South Somerset District Council	4,687,688
2,967,447	Taunton Deane Borough Council	3,117,725
1,096,581	West Somerset District Council	1,091,784
38,274,796	Contributions from Partner Authorities	40,507,857

The Annual Budget, and therefore annual individual partner contributions, for 2013/2014, was agreed at the Somerset Waste Board on 22nd February 2013.

Each partner has a dedicated “earmarked reserve” to hold any balances attributable to it from its contributions and operational activity. During 2013/2014, monies were held from partners against the possibility of costs arising from the Ansford Bridge closure. All costs on this have now been resolved and remaining balances made available for the Board to consider at its meeting of 20th June 2014.

The Board decided at its meeting of 29th June 2012 to request that Somerset County Council retain £100,000 for the use of the Partnership to trial enhancements to the recycling centre services and to combat fly-tipping. The Board subsequently agreed that the balance (£45,000) on this amount could be carried forward into 2013/2014.

From time to time, the Somerset Waste Partnership attracts grant income, however no new grants were secured in 2013/2014 (2012/2013 nil). Other income received includes costs charged to the contractor; consultancy work undertaken for Gloucestershire’s developing waste partnership, and other smaller fees and charges raised.

Note 3 : Material Items Of Income And Expense

We are obliged to disclose any other income and expenditure, and have concluded that everything has been included in the previous lines within the Comprehensive Income and Expenditure Statement.

We are also obliged to consider disclosures around material items of income and expenditure. Material items of income and expenditure refers to items that would ordinarily be included within the Service Headings and so would not be easily identifiable, such as sale of assets or redundancy costs.

From time to time, the Somerset Waste Partnership disposes of obsolete vehicles. Sales in 2013/2014 amounted to £22,467 (£16,330 in 2012/2013).

This income is shown within the Waste Collection line in the Comprehensive Income and Expenditure Statement, and under Other Income in the segment reporting (Note 1 above).

Note 4 : Inventories

	Bins & Containers	
	2012/13 £	2013/14 £
Balance outstanding at start of year	122,913	109,092
Purchases	340,118	399,092
Recognised as an expense in the year	(353,939)	(372,993)
Written off balances	-	-
Reversals of write-offs in previous years	-	-
Balance outstanding at year-end	109,092	135,191

We always carry out a full, formal stock-take at the end of the financial year to confirm the physical stock held. This then allows us to value our stock in accordance with our IFRS compliant accounting policy, (at the lower of cost or net realisable value), and therefore confirm the total recognised as an expense in the year.

Note 5 : Debtors

Debtors are people and organisations that owe us money at the end of the year, or (known as payments in advance) where we have bought goods or services that we will not receive until after the end of March.

Debtor	Debtor Accruals 2012/13 £	Debtor Accruals 2013/14
Central government bodies	-	-
Other local authorities		
Mendip District Council	14,699	15,998
Sedgemoor District Council	38,181	47,298
South Somerset District Council	23,855	24,375
Taunton Deane Borough Council	14,337	15,502
West Somerset District Council	11,677	13,845
Other	2,269	4,804
NHS bodies	-	-
Public corporations and trading funds	-	2,066
Other entities and individuals		
May Gurney	1,295,624	-
Kier	-	153,829
Viridor	116,000	(50,000)
Other	14,113	28,312
TOTAL	1,530,755	256,029

The majority of our debtors are from partner authorities that owe us for containers. Each partner was informed about their outstanding amounts in order for them to make the necessary provision within their accounts.

Included in the table above are payments in advance, which at 31st March 2014 totalled £1,342.

If the value of an asset, as shown in the Balance Sheet, would exceed its actual value to the organisation, then the amount shown in the balance sheet needs to be reduced accordingly. The reduction is shown as a direct cost in the Comprehensive Income and Expenditure Statement. This is known as impairment. The most common impairment relates to outstanding debts where the ability of the organisation to recover all or part of the balance owed is in doubt.

We have reviewed our outstanding debts as set out on the Balance Sheet and believe that only one is not recoverable within the "Other" figure (£80) and that the remainder therefore do not warrant impairment. A provision of £80 has therefore been made.

Note 6 : Cash and Cash Equivalents

Both the Balance Sheet and the Cashflow Statement shows the amount of cash and cash equivalents held by the Administering Authority on behalf of the Somerset Waste Partnership at the end of the financial year. The table below shows how this amount is broken down.

31 March 13 £		31 March 14 £
1,240,635	Cash held by the Administering Authority	1,477,195
-	Bank current accounts	-
-	Short - term deposits with building societies	-
1,240,635	Total Cash and Cash Equivalents	1,477,195

Note 7 : Creditors

Creditors are people or organisations that we owe money to at the end of the financial year for goods or services we have already received, or who have already paid us money for goods and services that they will not receive until after the end of March.

There were £350 receipts in advance as at 31st March 2014 (£275 as at 31st March 2013).

Creditor	Creditor Accruals 2012/13 £	Creditor Accruals 2013/14
Central government bodies	-	
Other local authorities	-	
Mendip District Council	912	6,528
Sedgemoor District Council	11,821	41,460
South Somerset District Council	30,652	19,536
Taunton Deane Borough Council	2,736	5,256
West Somerset District Council	-	-
Other	65	80
NHS bodies	-	
Public corporations and trading funds		
Audit Commission	-	
Other entities and individuals		
Viridor	2,168,968	477,412
May Gurney	280,206	-
Kier	-	433,244
Wessex Water	56,498	76,840
Other	30,665	77,810
TOTAL	2,582,523	1,138,166

Note 8: Provisions

In compiling the Statement of Accounts, we are obliged to consider whether we need to make any provisions. Under IFRS, a provision is defined as “a liability of uncertain timing or amount”. A provision differs from a financial instrument such as creditor, because a creditor is applied when we have a definite obligation to pay.

An entity must recognise a provision if, and only if:-

- a present obligation (legal or constructive) has arisen as a result of a past event (the obligating event);
- payment is probable ('more likely than not'); and
- the amount can be estimated reliably.

We have reviewed the financial position as at 31st March 2014, and have concluded that a provision is required in relation to an outstanding contractor claim in relation to indexation on a major contract schedule (£62,334.72). This amount has therefore been included within the accounts. No previous provision has been made in respect of this type of obligation. It is expected that this provision will be used, if ultimately required, during 2014/2015.

Note 9 : Earmarked Reserves

The Balance Sheet shows the year end position on all the reserves that the Somerset Waste Partnership holds. Under the Cost Sharing Agreement in the Inter Authority Agreement, at the end of each financial year the balance of funds relating to each of the 6 partners is transferred into a dedicated earmarked reserve set up for that partner. These are held in the Balance Sheet as Usable Reserves.

The Movement in Reserves Statement shows how earmarked reserves for each of the partners have changed during the financial year of the accounts, and also the previous year. A negative balance denotes where the partner position at the end of the financial year is in a deficit position.

It is established practice within the Somerset Waste Partnership that a partner will usually withdraw its earmarked reserve balance when it is in surplus (a transfer out), but is required to pay back funds when it is in deficit (a transfer in). During 2013/2014, balances were retained in the earmarked reserves (with Board approval) against possible costs of the Ansford Bridge closure. This has now been satisfactorily resolved.

Note 10 : Events After The Balance Sheet Date

At its meeting on the 20th June 2014, the Somerset Waste Board considered the future usage of the earmarked reserves as shown in the balance sheet. All authorities with a surplus, excluding retained balances held for future lease payments, were to have these returned to them post audit. All those authorities with a deficit were to be required to pay off the balance. (Under the agreement that the Board reached on 23rd April 2010, West Somerset are required to retain any surpluses within the Partnership until such time as a permanent funding solution is found to their Sort It Plus funding support. However, West Somerset was in a deficit position as at 31st March 2014).

The Board approved the retention of 2 additional sums within the earmarked reserves, the first being £27,000 of the fly-tipping balance from previous years, and the second being £100,000 towards legal and technical consultancy for work with Viridor seeking alternatives to landfill.

Note 11 : Financial Instruments

A financial instrument is defined as a contract that gives rise to a financial asset of one entity and a financial liability of another entity.

We are obliged to consider the nature and extent of risks arising from financial instruments. Unlike local authorities, the Somerset Waste Partnership does not carry any long-term financial instruments, nor does it have any direct involvement in investments, loans or financial markets as a whole.

Typical risks for a local authority that would be the subject of additional information within their accounts such as investment risk, credit and counterparty risk, liquidity risk, market risk, interest rate risk and foreign exchange risk are therefore not applicable to the Somerset Waste Partnership.

Our short term debtors and creditors are carried at cost as this is a fair approximation of their value. These values represent normal transactions for the Somerset Waste Partnership, with a known and very typical set of major debtors and creditors.

Debtors and creditors with the individual partner authorities are simply timing differences in year end between amounts becoming due and their being settled. Creditors to our major contractors represent payments not physically made for the final month's service of the financial year in question, which are usually settled early in the next financial year.

We are therefore confident that there are minimal risks to the financial instruments as included in our Balance Sheet. The following categories of financial instrument are carried on the Balance Sheet:-

	Long Term		Current	
	31 March 2013 £	31 March 2014 £	31 March 2013 £	31 March 2014 £
Investments	-	-	-	-
Debtors				
Loans and receivables	-	-	271,872	254,686
Financial assets carried at contract amounts			-	-
Total Debtors	-	-	271,872	254,686
Borrowings	-	-	-	-
Other Long Term Liabilities	-	-	-	-
Creditors				
Financial liabilities at amortised cost	-	-	-	-
Financial liabilities carried at contract amount	-	-	2,582,248	1,137,816
Total Creditors	-	-	2,582,248	1,137,816

Note 12 : Related Parties

The Somerset Waste Partnership is required to disclose material transactions with related parties; these are bodies or individuals that have the potential to control or significantly influence the Partnership or to be controlled or significantly influenced by the Partnership. Disclosure of these transactions allows the reader to assess the extent to which the Somerset Waste Partnership might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Partnership.

When considering whether or not transactions are material, regard must be given to the "surrounding circumstances". Materiality should be judged from the viewpoint of the Somerset Waste Partnership and also the related party.

Central government

Central government has effective control over the general operations of the Somerset Waste Partnership – it is responsible for providing the statutory framework within which it operates, and indirectly through the 6 local authority partners it provides the overwhelming majority of the funding that is contributed into the Somerset Waste Partnership budget. During 2013/2014, however, no direct grant or contributions were received from central government.

Members

The 12 members of the Somerset Waste Board come from the 6 partners, who each propose 2 members. One member must be the Cabinet / Portfolio member for the partner concerned. Members of the Board give strategic direction to the Somerset Waste Partnership, which includes a responsibility for setting the Annual Budget and requesting contributions to the pooled budget from each partner in accordance with the Cost Sharing Mechanism. This funding allows the Somerset Waste Partnership to meet our delegated legal responsibilities and service levels to the public. Members of the Somerset Waste Board receive no allowances for this role, and any remuneration that they receive would be from the individual partner authority that they represent.

Board members are obliged to declare interests at the Declaration of Interests agenda item at each Board meeting. Where the Board member is also an elected councillor for another public body (i.e. not the one that they are representing as a Board member), this is listed in the meeting room and accepted by the Board. Each partner authority has a public record of their councillors' Declarations of Interest, which includes declarations about a wide range of potential interests, such as whether they own land, or own businesses, or are employed by someone, or have shares or are members of other bodies, and details can be obtained by contacting the relevant partner authority.

No Board member has had to declare a prejudicial interest that would require us to consider the "related parties" test in the Statement of Accounts.

Officers

No officers have declared a pecuniary or similar interest in relation to the activities of the Somerset Waste Partnership, its main contractors or other related parties.

Contractors

A significant proportion of the Somerset Waste Partnership's expenditure is with its main contractors, Kier and Viridor Waste Management. These amounts are detailed in Note 1(e) on segmented reporting. Whilst these represent large amounts of money, we do not believe that these constitute related party transactions. To have significant influence (for the purposes of the Code) requires the power to participate in the financial and operating policy decisions of the other party.

Given the scale of these contractors, the Somerset Waste Partnership does not contribute enough to their overall turnover to have a significant influence on the contractor's decision making. Whilst the contractors and relations with them are important to our continued successful performance, it is for the Somerset Waste Partnership (acting under direction from the Somerset Waste Board, and with input from partner authorities) to shape strategy policy and service delivery. Therefore, we do not consider that Kier or Viridor are related parties to the SWP in terms of control or significant influence that they might exert over the Partnership. SWP policy and key decision making is through the Board, under the Constitution and Inter-Authority Agreement. There is individual partner scrutiny and a Joint Waste Scrutiny. Neither contractor has any control over the Board or the partners, although they sometimes attend to give presentations.

Relations with both contractors are governed by legal contracts, including step-in rights, and various performance requirements. Meetings with the contractors do take place regularly to improve services and to deal with operational matters.

Whilst the Sort It Plus package represents Somerset's own requirements, there are other large waste services providers in the market and should a contractor "fail", then we would have operators in the market to provide a replacement service in the future.

The secondment of staff to Kier is purely to continue the improvements in the operational running of the contract and so that Kier can benefit from SWP's expertise.

Third Party recycling and re-use credits

The Somerset Waste Partnership makes a number of payments to predominantly charitable organisations for their recycling and re-use activities, who divert waste out of the household waste stream. These organisations are by the nature relatively small in financial terms, and the amounts that they receive from us are therefore quite significant in their individual budgets.

This gives the Somerset Waste Partnership some power of direction and influence with some of these organisations, (where recycling and re-use is a primary activity and they are reliant on credit income), and by nature we work very closely with these organisations.

The amounts paid between the Somerset Waste Partnership and various partners, including the reasons for the transactions are set out below. Balances outstanding are disclosed in the debtor and creditor balances in Notes 5 and 7.

Organisation Name	Description of Transaction	Amount received by SCC (£) 2012/13	Amount paid by SCC (£) 2012/13	Reason for related party relationship
Third Party Recyclers	Recycling Credits	-	14,850	Significant influence

Organisation Name	Description of Transaction	Amount received by SCC (£) 2013/14	Amount paid by SCC (£) 2013/14	Reason for related party relationship
Third Party Recyclers	Recycling Credits	-	15,439	Significant Influence

Note 13 : Leases

The future minimum lease payments due in future years are:

	31 st March 2013	31 st . March 2014
Operating Leases	Waste Infrastructure, Vehicles & Equipment £000	Waste Infrastructure, Vehicles & Equipment £000
Not more than one year	1224	310
Later than one year and not later than five years	1195	884
Later than five years	0	0

Note 14 : Members Allowances

Under the Somerset Waste Partnership's Constitution, the SWP does not pay members of the board for their attendance or involvement. Any relevant members' allowances are paid by the partner authority that they represent.

Note 15 : Employee Benefits

As at the balance sheet date, the value of employee benefits accrued for annual leave outstanding, flexitime and time off in lieu (TOIL) hours owed to the staff amounted to £9,078 (2012/2013 £18,723). In accordance with our accounting policy above, this has been included in the Somerset County Council accounts and not within our Comprehensive Income & Expenditure Statement.

Note 16 : Pension Fund

We are obliged to consider our pension fund liabilities. We do not operate a separate pension scheme and our employees are actually Somerset County Council employees and have the opportunity to pay into the Administering Authority's pension scheme.

The Code anticipates certain circumstances like ours, and we are required to account for the pension plan as if it were a "defined contribution plan". The circumstances are where:

- a) The entity's only obligation is to pay contributions as they fall due and the entity has no obligations to pay future benefits.
- b) Where an entity is not able to identify its share of the underlying financial position.

As a Joint Committee, these circumstances apply to the Somerset Waste Partnership. The only liability that we have is the employers' superannuation costs, which are charged as a direct cost in the Comprehensive Income and Expenditure Statement. These contributions totalled £127,868 (£118,151 in 2012/2013).

Note 17 : Senior Officers' Remuneration

Under regulations, we must show the number of our staff who are paid more than £50,000 a year. This is shown in the table below. Pay includes:

- Salary, not including employer's pension contributions;
- Taxable travel and other expenses; and,
- Non-taxable payments when employment ends.

2012/13 £	Employee Pay Breakdown	2013/14 £
No of Employees	Employee Pay Bands	No of Employees
-	50,000-54,999	-
-	55,000-59,999	-
1	60,000-64,999	1
-	65,000-69,999	-
-	70,000-74,999	-
-	75,000-79,999	-
-	80,000-84,999	-
1	85,000-89,999	1

The following tables set out the salaries and wages earned during 2012/2013 and 2013/2014, by those members of staff who are designated Senior Officers under the LAAP Bulletin 85.

Post Holder Information	Salary (inc fees and allowances) £	Compensation for loss of office £	Benefits in kind £	Total wages and benefits but not including pension contributions 2012/13 £	Employer's pension contributions £	Total wages and benefits including pension contributions 2012/13 £
Managing Director	84,999.96	-	-	84,999.96	11,474.88	96,474.84

Post Holder Information	Salary (inc fees and allowances) £	Compensation for loss of office £	Benefits in kind £	Total wages and benefits but not including pension contributions 2013/14 £	Employer's pension contributions £	Total wages and benefits including pension contributions 2013/14 £
Managing Director	84,999.97	-	-	84,999.97	11,474.89	96,474.86

Note 18 : External Audit Costs

The external auditor's areas of work are set by the code of audit practice. Their work includes our Statement of Accounts and the financial parts of corporate governance. Also, by law, the external auditor must inspect our services and processes.

2012/13 £		2013/14 £
15,242	Audit Fees - external	15,242
-	Audit Fees - prior year adjustments	(3,626)
15,242	Total	11,616

For the Statement of Accounts and Annual Governance Statement for 2013/2014 (and for 2012/2013), the external auditor for the Somerset Waste Partnership is Grant Thornton.

Glossary of terms

This section explains technical terms that we have used throughout this document.

Over the years local government has developed its own set of terms and phrases. This glossary helps to identify these as they are applied to the Somerset Waste Partnership.

Accruals

An amount shown in our accounts to cover money we owe or money owed to us, in the financial year, but which we will not actually pay or receive until the following year. This Statement of Accounts has been compiled using the “accruals concept”. This is a standard accountancy concept. Income and expenditure is “recognised” (i.e. included in our accounts) when it is earned or incurred, and not when the actual money was received or paid. They are therefore recorded in the accounting records and reported in the financial statements of the periods to which they actually relate.

Administering Authority

Because the Somerset Waste Partnership is not a separate legal entity, it needs to have an Administering Authority to employ the staff, enter into contracts with our major suppliers and to hold the capital assets. In addition, the Administering Authority (Somerset County Council in this case), often supplies many of the specialist support services to the partnership, such as HR, legal and finance. More details about the role and responsibility of the Administering Authority can be found in our Constitution and Inter Authority Agreement.

Admitted body status

Staff from some organisations are allowed to take part in the Local Government Pension Scheme with our agreement under an ‘admission agreement’. This is generally only permissible when the staff have transferred to a new organisation from a local authority.

Anaerobic Digestion (AD)

This is an alternative waste disposal technique to landfill. Anaerobic digestion is a series of processes in which microorganisms break down biodegradable material (such as food) in the absence of oxygen, providing both waste management and renewable energy. (During 2013/2014, the anaerobic digester at Walpole became operational – see the Managing Director’s report).

Apportionments and Overheads

In local authorities, some costs are held centrally, such as support services, and are then apportioned to the frontline services. For example, the costs of a building might be split to the various services that used it based on floor area. Unusually, the Somerset Waste Partnership, (because of its location and unique nature), buys in all its support services as a direct charge from various providers, and so does not attract apportioned costs.

Biodegradable Municipal Waste

Waste arisings that naturally break down or rots over time, such as food or green waste.

Capital

Local authority capital expenditure is used by buy or improve assets such as buildings, equipment and vehicles. Capital expenditure will have a useful life greater than a single financial year, and will either enhance the value or lifespan of the asset. By its very nature as a Joint Committee, the Somerset Waste Partnership cannot hold capital assets, and all capital used for waste disposal and collection is held and controlled by either the relevant contractor or by Somerset County Council.

Chief Financial Officer

Every local authority must appoint a Chief Finance Officer under s151 of the 1972 Local Government Act. This officer has statutory responsibility for ensuring that the financial affairs of the organisation are carried out correctly and in accordance with statute, good governance and best practice. The Somerset Waste Partnership gets its financial support, including the s151 duties, from its Administering Authority, Somerset County Council.

Central government grants

There are three types of grant.

- Revenue Support Grant - the main government grant to support local-authority services. Because the Somerset Waste Partnership is a pooled budget from its 6 partners, it does not receive this grant.
- Specific service grants - payments from the Government to cover local-authority spending on a particular service or project (for example, WRAP funding that the Somerset Waste Partnership has won in recent years). Specific grants are often a fixed percentage of the costs of a service or project, and are often ring-fenced, to be spent on specific areas only.
- Non-specific grants – additional payments from government are sometimes received by local authorities in recognition of additional need (e.g. from increased housing growth). These tend not to be ring-fenced, i.e. the authority can spend it on areas of greatest need. Whilst all 6 partners receive such grants from central government, the SWP does not directly.

CIPFA

The Chartered Institute of Public Finance and Accountancy. This is the professional accounting institute governing how public money is used and how it has to be reported. Much of the guidance in interpreting the requirements of the International Financial Reporting Standards (IFRS) and other general accounting best practice is issued by CIPFA in conjunction with central government, other accounting bodies and the public sector. In particular, CIPFA has issued a Code of Practice for the Statement of Accounts that is widely used to meet IFRS standards.

Community Recycling Sites (CRS)

The Somerset Waste Partnership, through the contract with Viridor, operated 4 Community Recycling Sites during the financial year 2013/2014, although the Board approved the closure of 2 sites from 2014/2015 because of financial constraints. These are discretionary provision of facilities where Somerset residents can dispose of household waste, but for which an entry fee is charged.

Constitution

The Somerset Waste Board and Somerset Waste Partnership have its legal basis set out in its Constitution. This was signed by all 6 partners in 2007, and sets out the functions and activities that have been delegated to the Somerset Waste Board, the process for setting an Annual Business Plan & Budget and the role of the Board itself.

Creditors

Creditors are people or organisations to whom we owe money for work, goods or services we have received but which we have not paid for by the end of the financial year.

Debtors

Debtors are people or organisations from whom we are owed money that we are due to receive but which we have not been paid by the end of the financial year.

Deficit

There are two types of deficit:-

- A fund (or balance sheet) is said to be in deficit when its liabilities are higher than its assets.
- An in-year deficit is achieved when spending is higher than income.

Earmarked Reserves

Local authorities often set aside part of their funds for a specific purpose in what are termed earmarked reserves. The Somerset Waste Partnership uses earmarked reserves to identify to which partner authority the end of year surpluses belong. Each partner has its own earmarked reserve into which its share of the year end balances is transferred pending a decision by the Board as to how these balances are to be used.

Governance

Governance in a local authority context refers to the processes, culture and values by which the Partnership is directed and controlled, how it sets out to achieve its objectives and how it manages its risks. Public organisations such as the Somerset Waste Partnership are governed by elected members, in our case the Somerset Waste Board. Our governance arrangements are set out in key documents such as our Constitution and Inter Authority Agreement. Good governance will ensure that we carry out our business in a proper manner, protecting public money and using it efficiently and effectively in delivering our services.

Impairment

Authorities are required to review all of their assets in order to confirm that the value they ascribe to each of them is appropriate. If the asset has, or may, decline in value, it is reduced accordingly, and a charge made to the Comprehensive Income & Expenditure Statement for the reduction. This process is known as impairment. For the Somerset Waste Partnership, we cannot hold capital assets, so we generally only consider impairment in relation to debtors, in case there is a possibility that money we are owed will not ultimately be received.

International Financial Reporting Standards (IFRS)

These standards are new to the public sector for Statement of Accounts that commenced in or after 2010/2011. The aim of the IFRS approach is to outline “best practice”, and to allow better comparisons to be made between organisations, by required standard formats of financial statements and consistent notes of explanation. Interpretation of IFRS as applicable to local authority bodies has been set out in the CIPFA Code of Practice. The formats of financial statements in these accounts, and the inclusion of notes are heavily prescribed by the need to be IFRS compliant.

Inter-Authority Agreement

This legal document sets out how the relationship between the 6 partners is to operate on a day-to-day basis, and in particular how the financial contributions from each partner are calculated and collected by the Administering Authority. This Agreement is also used in setting our Annual Budget.

Joint Committee

A Joint Committee is where elected members from more than one local authority meet collectively to take decisions. The Local Government Act 1972 allows us form a Joint Committee for the SWB to ensure that each partner has suitable democratic representation.

Material

Transactions or balances within this Statement of Accounts are considered material if they could, (individually or collectively), influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the item(s) judged in the surrounding circumstances.

Net realisable value

The selling value of an asset less any costs of selling it. We are required to consider net realisable value when we consider the inventory (container stock) value of what we are holding on our Balance Sheet.

Post balance sheet event

Whilst the balance sheet is a correct financial statement as at the given date (31st. March in our case), there is always the potential for operational or financial events which happened after we produced the balance sheet, but before the accounts are signed off by the Somerset Waste Board. It is important for those charged with signing off the accounts from a governance viewpoint to have an understanding of any material event that has happened in the intervening period in order to have a complete picture of the financial circumstances of the Partnership. In extreme cases, we may have to consider re-stating some of the accounts for very material changes after the balance sheet date.

Recycling Centres

(Sometimes referred to as Household Waste Recycling Centres or HWRCs). These are drive-in sites that the public can use to recycle or dispose of items of waste too large to be collected at the kerbside. As at the balance sheet date, the Somerset Waste Partnership had 14 such sites across the county.

Related party transactions

Under accounting rules, we have to show material transactions between us and other organisations which are deemed to be “related”. For example, we have to show transactions between us and the immediate families of county councillors or senior officers, and any companies or organisations that they have a controlling interest in. Parties are generally considered to be related if:-

- one party has the ability to control the other party; or
- one party can exercise significant influence over the related party in making financial and operational decisions.

Remuneration

Includes taxable salary payments to employees less employees’ pension contributions, together with non-taxable payments when employment ends (including redundancy, pension enhancement payments, and pay in lieu of notice), taxable expense allowances and any other taxable benefits.

Revenue spending

Revenue spending is “day-to-day” expenditure on employment costs, other operating costs and capital charges less any income from fees, and charges. For the Somerset Waste Partnership, this represents all of our spend, with the majority of our revenue expenditure is with our main service providers.

Risk management

This is the proactive process by which organisations identify, assess and prioritise risks, followed by taking steps to minimise, monitor, and control the probability of these risks occurring, or to mitigate their impact as and when they do occur. Not all risks can be eliminated. Risks are generally thought of in terms of potential difficulties in being able to achieve an organisation's objectives or not. Risk management is an important part of the governance framework and the Somerset Waste Partnership maintains a "risk register" of the key risks it faces in delivering its objectives.

Segregation of duties

Where individual tasks involved with important financial procedures, for example, buying goods, making payments or receiving income are separated out among different employees. This makes sure that no one person is too involved in these procedures. This helps to prevent us suffering losses in areas of high risk from fraud or corruption.

Sort It Plus

Sort It Plus is the branding name we give to the new kerbside service that is in the process of being rolled out across Somerset to include cardboard and plastic bottles as recyclable items in what householders put out. The service was introduced following overwhelming public support.

Surplus

There are two types of surplus. A fund is said to be in surplus when its assets are higher than its liabilities. We achieve an in-year surplus when our income is higher than our spending.

Somerset Waste Board membership for 2013-2014

(Board meeting, June 24th, 2013, Paper A)

Authority	Member	Political Party
Somerset County Council	David Hall (PH) Derek Yeomans (Chair)	Conservative Conservative
Mendip District Council	John Parham (PH) Nigel Woolcombe-Adams (Vice Chair)	Conservative Conservative
Sedgemoor District Council	Richard Burden (PH) John Swayne	Conservative Conservative
South Somerset District Council	Jo Roundell Greene (PH) Henry Hobhouse	Liberal Democrat Liberal Democrat
Taunton Deane Borough Council	Ken Hayward (PH) Steve Ross	Conservative Independent
West Somerset Council	Anthony Trollope-Bellew (PH) Martin Dewdney	Conservative Conservative

Somerset Waste Board membership for 2014-2015

(Board meeting, June 20th, 2014, Paper A)

Authority	Member	Political Party
Somerset County Council	David Hall (PH) Derek Yeomans (Chair)	Conservative Conservative
Mendip District Council	John Parham (PH) Nigel Woolcombe-Adams (Vice Chair)	Conservative Conservative
Sedgemoor District Council	Richard Burden (PH) John Swayne	Conservative Conservative
South Somerset District Council	Jo Roundell Greene (PH) Henry Hobhouse	Liberal Democrat Liberal Democrat
Taunton Deane Borough Council	James Hunt (PH) Steve Ross	Conservative Independent
West Somerset Council	Anthony Trollope-Bellew (PH) Martin Dewdney	Conservative Conservative

Somerset Waste Partnership
Business Plan Action Table 2014 - 2015

Key Priority area 1 – Waste Minimisation, High Diversion and High Capture				
Reference	Description	Targets	Deadline	Resources (Lead Officer)
1.1	High Participation Roll Out – To identify four refuse round areas and through a process of enforcement and public liaison remove unauthorised refuse bins, counter unauthorised excess refuse and encourage greater participation in kerbside recycling services.	In each area targeted:- <ul style="list-style-type: none"> • To remove 90% of identified unauthorised refuse bins. • To increase monitored weekly set out of recycling containers by 5%. 	Four iterations to be completed by March 2015	Colin Mercer
1.2	Improve services for schools – to identify opportunities and mechanisms by which schools can increase recycling and reduce residual waste by reviewing their service model, in partnership with Kier.	To reduce residual waste generated by schools by 5%.	March 2015	David Mansell
1.3	To reduce the amount of excess waste being generated by households in Somerset by improving waste minimisation training and encouraging alternative options.	To reduce the number of excess waste stickers being provided by 25%.	March 2015	Kelly Hopwood
1.4	To continue to implement the SWP Waste Prevention Strategy.	(a) To provide real nappy displays for at least ten centres providing children's services during 2014. (b) To distribute Love Food Hate Waste	(a) and (b) December 2014	(a) and (b) David Mansell

		leaflets to 5,000 families with young children and achieve 500 entries in an on line quiz.		
1.5	To work with community groups to promote the Love Food Hate Waste theme.	(a) To provide LFHW packs to at least 100 community groups. (b) To run five LFHW themed events.	(a) and (b) March 2015	(a) and (b) David Mansell
1.6	To develop communication initiatives aimed at parents of early years and primary school age children.	To identify a distribution mechanism to reach these groups and provide advice.	March 2015	David Mansell
1.7	To review the SWP Waste Prevention Strategy, with particular consideration of enhancing SWPs capacity to influence behavioural change.	To produce a revised and approved Waste Prevention Strategy document, including action table.	March 2015	David Mansell

Key Priority area 2 – Improved Service for Customers				
Reference	Description	Targets	Deadline	Resources (Lead Officer)
2.1	To reduce the impact on local neighbourhoods of anti-social behaviour relating to waste presentation (early set out; obstructions; insecure and scattered, etc.).	To create an in-house capability to identify anti-social behaviour and commence effective enforcement action such as FPNs.	To have the capability fully operational by August 2014	Colin Mercer

2.2	To reduce missed collection complaints through improved use of data and close liaison with collection contractor.	5% reduction in missed collection complaints (year on year comparison and excluding impact of bad weather or catastrophic service failure).	March 2015	Mark Blaker
2.3	Continue to promote and work jointly with Somerset partners to deter fly-tipping.	Ensure 100% attendance at the Somerset Enforcement forum, keeping waste issues high on the agenda.	Throughout the period to March 2015	David Oaten
2.4	To roll out enhanced recycling services for communal properties. *See Appendix 4.	To install cardboard and plastic recycling facilities in 90% of communal bin stores.	Installed by March 2015	Colin Mercer
2.5	To identify opportunities for improving service resilience to extended incidents of flooding, with particular consideration for rural communities on the Somerset Levels.	To produce a Flood Resilience Plan as part of SWPs wider Business Continuity programme.	April 2014	Mark Blaker

Key Priority Area 3 – Contract Monitoring and review				
Reference	Description	Targets	Deadline	Resources (Lead Officer)
3.1	To implement the decisions resulting from the Viridor contract review (excluding alternatives to landfill referenced under 4.1).	a) To ensure the outcomes of the MTFP savings proposals for 2014/15, relating to Recycling Centres, are implemented (see Appendix 6) b) Ensure the results of the Viridor contract value for money review (documented elsewhere) are implemented	June 2014 December 2014	(a) and (b) David Oaten
3.2	To further improve the SWP complaint handling process.	To develop a plan to integrate all complaint handling processes into a single SWP wide procedure.	March 2015	Mark Blaker
3.3	To conduct a benchmarking exercise to ensure we are operating at good practice levels of missed collections.	To establish a series of comparative metrics with the Kier User Forum to monitor comparative performance on an on-going basis.	December 2014	Mark Blaker

3.4	Review collection contract to identify further savings.	To carry out a structured review of the contract comparing performance against contractual requirements to ensure SWP are achieving best value for money.	September 2014	Colin Mercer
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Key Priority Area 4 – Alternatives to Landfill and Optimising Material Processing				
Reference	Description	Targets	Deadline	Resources (Lead Officer)
4.1	Implement the Viridor Strategic Partnering Agreement (New Project Approval Procedure) with the intention to source economically viable alternatives to landfill.	To have received the preliminary Stage Project Proposal from Viridor.	October 2014	David Oaten
4.2	Operational takeover of Walpole AD.	If not already achieved, complete post commissioning phase with agreed costs and processes embedded in the Viridor contract.	July 2014	David Oaten
4.3	Investigate economically viable options for better use of former landfill sites.	(a) To explore options for use of former landfill sites under SWP control and report to the SWB. (b) To develop plans to implement viable options.	(a) September 2014 (b) March 2015	(a) and (b) David Oaten
4.4	Continue to secure income to SWP through provision of COTC coverage for Highway former landfills & transfer stations.	To meet Highways and ensure medium term coverage agreement in place, likely to generate income of £25k.	December 2014	David Oaten

4.5	Further investigate and provide, if economically viable, alternative treatments for mechanical street sweepings in addition to the current dewatering process.	To conduct, in partnership with District partners and Viridor, a review of street sweeping treatment and disposal processes and report to SWB with options.	December 2014	David Oaten
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Key Priority Area 5 – Recycling Centre Options				
Reference	Description	Targets	Deadline	Resources (Lead Officer)
5.1	Review markets for additional materials, specifically mattresses and carpets, hard plastics etc.	(a) To report on options for additional materials, with recommendation to be presented to the SWB. (b) To develop processes for implementation of recommendations.	(a) and (b) March 2015	(a) David Mansell. (b) David Oaten
5.2	Reduce trade waste entering household sites through enforcement.	To continue to discourage traders depositing waste at sites not appropriate to accept commercial waste, through enforcement activity.	March 2015	David Oaten
5.3	Implement increased commercial waste streams for Recycling Sites.	To review options and develop a programme plan to introduce new commercial waste streams on authorised sites.	July 2014	David Oaten

5.4	To evaluate the reuse trials established at Dimmer, Highbridge and Priorswood Recycling Centres.	(a) To review and report with recommendations to Board. (b) To plan implementation subject to Board approval.	(a) June 2014 (b) August 2014	(a) David Mansell (b) David Oaten
5.6	Review of acceptance criteria for asbestos and plasterboard at Recycling Sites.	To develop a robust procedure for ensuring that asbestos and plasterboard is only deposited at SWP Recycling Sites in accordance with the current rules of acceptance.	June 2014	David Oaten

Key Priority Area 6 – Collection Service Options				
Reference	Description	Targets	Deadline	Resources (Lead Officer)
6.1	Maintain focus on ensuring safe working practices.	(a) To carry out a full schedule of crew monitoring throughout 2014/15. (b) To conduct a structured review of the process.	(a) March 2015 (b) August 2014	(a) and (b) David Oaten

6.2	Review current state of container stock currently in operation and develop a container replacement strategy if required.	(a) To sample survey containers on the street and estimate number at end of life or nearing end of life. (b) To report on state of containers to SMG.	(a) August 2014 (b) September 2014	(a) and (b) Colin Mercer
6.3	Implement vehicle replacement programme.	(a) To agree a vehicle replacement strategy with Kier. (b) To monitor implementation of the strategy as agreed through the year.	(a) May 2014 (b) April 2015	(a) and (b) Colin Mercer
6.4	Evaluate and report on trials for high diversion collections and findings for future service delivery (see Appendix 5).	To complete trials and prepare (a) interim and (b) final reports on High Diversion activities.	(a) October 2014 (b) December 2014	(a) and (b) David Mansell
6.5	Evaluate and report on results of survey and pilot schemes to improve participation in food waste collections and look to extend successful elements throughout Somerset.	To complete and present the evaluation report.	October 2014	David Mansell
6.6	Review utilisation of collection depots and consider opportunities for savings.	To conduct a desktop review of depot assets to evaluate any opportunities to better utilise the space.	March 2015	Colin Mercer

6.7	Promote Somerset's new anaerobic digestion facility for food waste and use this to encourage greater use of our separate collections.	To distribute bin hangers on refuse bins throughout Somerset. Through promotion, to increase food waste yields by 1.2kg per household per quarter.	March 2015	David Mansell
6.8	Build on high profile initiatives to promote recycling in West Somerset and extend successful elements to all districts.	To evaluate outcomes of the activities and report to SMT.	August 2014	David Mansell
6.9	Review future kerbside recycling collection options, including the potential for co-mingling or more streaming of materials, by working with Kier to consider new collection and sorting methods and to take account of requirements of UK reprocessors and end-users.	Research, document and report options to SMT, SMG and SWB.	October 2014	David Mansell

Key Priority Area 7 – Organisational Efficiency				
Reference	Description	Targets	Deadline	Resources (Lead Officer)
7.1	Work with Kier to identify and resolve ongoing invoicing issues, so reducing administration within SWP.	(a) To set up a joint working group with Kier. (b) To map invoicing processes and identify improvements. (c) To develop a plan for implementing improvements.	(a) May 2014 (b) September 2014 (c) March 2015	(a), (b) and (c) Colin Mercer

7.2	Test and review SWP Business Continuity Plans.	(a) Verify that data held in SWP Business Continuity Plans is current. (b) Using dummy scenarios dry run a selection of BCP scenarios using procedures developed by SWP and primary contractors.	(a) May 2015 (b) July 2015	(a) and (b) Mark Blaker
7.3	Complete switch to Windows 7/Office 2010.	Working with South West One to upgrade all SWP PC's to run on Windows 7/Office 2010.	June 2014	Helen Oaten
7.4	Plan for move to Smart Office environment.	Working with South West One to develop a plan to move SWP offices to the Smart Office environment at County Hall (likely to happen in 2015).	March 2015	Helen Oaten
7.5	Develop SWP Lone Working Policy.	To Develop and Implement an SWP Lone Worker policy.	November 2014	Helen Oaten
7.6	Review SWP expenses policy.	To review and amend the SWP expenses policy, ensuring it is a fair fit with partner authority policies and represents good value for money.	July 2014	Helen Oaten

7.7	Review administration of Health and Safety in SWP.	To conduct a structured review of all aspects of Health and Safety administration in SWP and establish a full set of working documents on a dedicated H&S extranet site.	November 2014	Helen Oaten
7.8	Continue to collaborate with neighbouring and other regional authorities.	(a) To host three meetings of the Kier User forum. (b) To continue the part time secondment of the Managing Director to Gloucestershire Joint Waste Team.	(a) and (b) March 2015	(a) Mark Blaker (b) Steve Read
7.9	Develop use of collection date data – ensure Wisper data is comprehensive and complete; identify means by which collection date data can be held on the SWP website.	(a) To ensure Wisper has complete collection day data sets for all services. (b) To develop a plan for integrating Wisper data set with website to create central post code look up facility.	(a) December 2014 (b) March 2015	(a) and (b) Kelly Hopwood
7.10	To investigate opportunities arising from the development of Hinkley C to raise the profile of SWP and optimise utilisation of local waste infrastructure in the best interests of Somerset residents.	To monitor developments, proactively liaising with local waste contractors and EDF. To report to the SWB on opportunities identified.	December 2014	Steve Read

7.11	To proactively seek opportunities to work with partner authorities to protect and develop services through mutually beneficial collaboration.	To encourage partner authorities to engage in a review meeting to identify and explore opportunities.	December 2014	Mark Blaker
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