

<b>Environment Committee Meeting</b>	
<b>Meeting Date</b>	8 September 2022
<b>Report Title</b>	Waste and Street Cleansing Contract
<b>EMT Lead</b>	Emma Wiggins, Director of Regeneration and Neighbourhoods
<b>Head of Service</b>	Martyn Cassell, Head of Environment and Leisure
<b>Lead Officer</b>	Alister Andrews, Environmental Services Manager
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. Agree to hold an All-Member Briefing on the Waste and Street Cleansing future contract.</li> <li>2. Agree to a recorded version of the briefing being made available to all Councillors.</li> </ol>

## **1 Purpose of Report and Executive Summary**

- 1.1 The report details the tender process so far. The Committee are asked to approve further Member briefings so all members are aware of what will happen with Waste and Street Cleansing over the next 18 months.
- 1.2 The committee are asked to approve a recorded version of the briefing being made available to all members following the briefing.

## **2 Background**

- 2.1 The current Mid Kent Waste Contract was due to end in October 2023 after a 10-year period. The Mid Kent partner authorities (Ashford, Maidstone and Swale Borough Councils) have been working with an external waste consultant to consider the current contract and future options for the last two years.
- 2.2 A recent Extraordinary Environment Committee approved a contract extension until March 2024 following updates from bidders that vehicle lead in times had increased significantly in recent months and that they could not guarantee new fleet by October. The new contract will therefore start on 24<sup>th</sup> March 2024.
- 2.3 The Cabinet meeting in June 2021 agreed the following recommendations;
  1. To remain within the Mid Kent Waste Partnership.
  2. To retain an Alternate Weekly Collection (AWC) for co-mingled kerbside recycling and residual waste. To collect food waste weekly and to provide separate chargeable garden waste and bulk waste collection services. This is based upon current assumed costings and the assumption that a material recycling facility

(MRF) continues to operate within an affordable distance. It is also dependent upon potential national legislative changes.

3. To agree to keep the collection services contracted out as the preferred service delivery model and develop a waste collection specification to meet coalition priorities on climate emergency and recycling rates.
4. To keep street cleansing contracted out but to adapt the future contract specification to improve flexibility of resource and improve service.

2.4 Cabinet also agreed the following priorities for the service;

<b>Objective</b>
Delivering a reliable waste collection service that meets all aspects of the recycling objectives in partnership with KCC
Reducing the carbon footprint of service
Sufficient flexibility and control that should allow for responses to legislative changes
Reliable street cleaning regimes with improved traffic management arrangements/ schedules
Minimising future service costs (or maximising income generation opportunities from disposal arrangements with KCC or legislation changes e.g., Deposit Recycling Schemes/ plastic tax income).

- 2.5 These clearly aligned with the priorities separately identified by Ashford and Maidstone Members. Since then, officers from the Mid Kent waste partners have refined the contract documents, specification and produced tender documents to achieve these priorities. The documents were created using existing parts of the contract that work well, the priorities above, the Cabinet decisions and feedback from Members in the Area committees and resident's survey.
- 2.6 The specification has kept the collections side of the service very similar with wheeled bins being the preferred mechanism of storage, alternate collections of refuse (green bin) and recycling (comingled in the blue bin) and weekly food waste. Residents will still be able to book bulky waste collections as a paid for service and a subscription for garden waste collections.
- 2.7 Key changes on collections will be that we no longer collect small electrical equipment, textiles or batteries at kerbside. These items were previously left by residents next to their wheeled bins and has not been a reliable service. There are easy to use alternatives in place such as household recycling centres, charity textile collections and supermarkets.
- 2.8 The Council has also been trialling alternative weekly collections for some of the properties that cannot have wheeled bins. These are currently proving successful so we hoping to roll these out to as many of the 'exempt' properties as possible.

- 2.9 The specification also requires much improved technology and data to better inform residents of collections issues. This includes in-cab technology and a smoother back office system that will provide real time information to our call centre and eventually residents via the internet.
- 2.10 Street cleansing was a service that didn't rate well on the resident surveys. There are clear national guidelines for street cleansing which suggest zoning roads based on where they are. This in turn dictates how regularly they are inspected and cleansed based on footfall etc. In response we have specified the need for a more flexible service, with rural and residential roads placed in the correct zone. The technology will also provide us with much more detail than we currently receive, which in turns means we will be able to give residents clearer information on when roads were last cleansed or are due to be cleansed. It also picks up how contractors should deal with high speed roads that need traffic management for cleansing to occur.
- 2.11 The specification also highlights our intentions to provide a greener service. It asks bidders to detail how they will help reduce the carbon footprint of the service.
- 2.12 Finally, the contract documents have been amended to give a wider ability to manage the performance of the contractor and in turn be more responsive to failure in service when residents report a problem.
- 2.13 The tender went live on 30 November 2021 with the publication of an OJEU notice. The process was published to include 'Competitive dialogue', a process which has various stages of submission from bidders and allows formal sessions of negotiation/clarification for all parties involved.
- 2.14 The tender process has now completed three stages
- 'Selection Questionnaire' where bidders show their interest in being part of the tender process and are selected if they meet minimum criteria
  - 2) 'Invitation to Submit Detailed Solutions' where they set out their initial proposals and prices which is followed by set of dialogue meetings and
  - 3) 'Invitation to Submit Refined Solutions' where they submit more detailed plans and then further dialogue sessions are held.
- 2.15 We are now in the final stage of the process where we ask bidders to 'Submit Final tenders' and it will close on 19 October 2022.
- 2.16 Due to LGA guidance on commissioning and procurement and as part of our Commissioning and Procurement Strategy and Financial regulations, officers have to conduct the live tender process without Member involvement. Therefore, we cannot report or discuss matters of commercial sensitivity in this committee. The contract award report due in December 2022 will however detail how the tender process has been evaluated and how it has met the strategic priorities in

section 2.4. In order to keep Members engaged in the process, the consultation section of this report also details how officers have worked with Members throughout.

- 2.17 Bidders have also expressed a view that they would prefer the Boroughs to provide the funding for the vehicles. Senior finance officers (section 151 officers) at all three Boroughs agree that it would be beneficial for us to borrow the capital funding rather than the private sector. This is because public bodies can borrow at a cheaper rate than the private sector and there would be profit margin added on top from the bidders. There is also an additional risk management benefit to the Council owning the fleet of vehicles in the event that the contractor gets into financial difficulty and is no longer able to operate the contract as the Council will own and therefore control the fleet for immediate use by another contractor in the event of any issues. We have already experienced challenges regarding the lead in times for vehicle procurement and this addresses this problem. A report will go to Policy and Resources committee to agree to add the funding of the vehicles to the capital programme on completion of the tender process.

### **3 Proposals**

- 3.1 Agree to hold an All Member briefing on the Waste and Street Cleansing future contract.
- 3.2 Agree to a recorded version of the briefing being made available to all Councillors.

### **4 Alternative Options considered and discounted**

- 4.1 Not to have a member briefing. This was considered as there had been previous briefings for all members, all members had access to the cabinet report from June 2021 and the matter has been discussed at Area Committees. This option has been discounted as it is essential that all members can hear the most up to date information regarding the procurement process

### **5 Consultation Undertaken or Proposed**

- 5.1 A range of consultation has taken place. Residents were asked to respond to a waste survey, and we received an excellent return with themes that fed into the specification for all three councils.
- 5.2 All Councillors were asked for their opinions on the priorities at the Area Committees along with what matters they felt needed adjustment in the new contract.
- 5.3 Members had the opportunity to speak at the Cabinet meeting in June 2021 and also call in the June 2021 Cabinet decision for further scrutiny and discussion. In addition, a full member briefing was held on 5 January 2022.

- 5.4 A Member Waste working group has been held throughout the process with representatives from the administration and since the change of governance, the opposition spokesperson for waste has been invited to these meetings.
- 5.5 Subject to the agreement of committee, a set of All Member briefings is proposed for September/early October. One will be an afternoon slot to help those with busy evening calendars and one will be an evening to accommodate working Members.

## 6 Implications

Issue	Implications
Corporate Plan	<p>A new waste collection and cleansing service offers the opportunity to consider the priority 'Investing in our environment and responding positively to global challenges', with particular reference to 2.5 'Work towards a cleaner borough where recycling remains a focus and ensure that the council acts as an exemplar environmental steward, making space for nature wherever possible.'</p>
Financial, Resource and Property	<p>The contract extension was considered by the Extraordinary Environment committee and then an amendment to the MTFP was made by the Urgent Decisions committee.</p> <p>There is a complex balance between the costs of the service and the income that can be obtained from external sources e.g. enabling payments from KCC as the disposal authority and garden waste subscriptions, bin sales and bulky waste collections which are paid for services managed by ourselves. This is complicated further by the unknown effects of any new legislation under the government's Waste and Resources Strategy, and we are still yet to see any financial detail relating to these changes.</p> <p>With all of the external issues affecting industry at the moment (driver shortages, fuel increases, labour rates, cost of vehicles) the new contract will inevitably be at an increased cost. This is being factored into the Medium Term Financial Plan for 23/24 onwards. The final impact of this will be known when we present the contract award in December 2022. As a result, officers continue to work on alternative options such as running the services through a Local Authority Controlled company (LATCo).</p>
Legal, Statutory and Procurement	<p>Delivering this service is a requirement under the Environmental Protection Act 1990. Failure to accept the recommendations without agreeing suitable alternatives may place the Council in breach of the Environmental Protection Act 1990.</p>

	<p>The contract extension was managed under the 'Public Procurement legislation' and in compliance with our own Commissioning and Procurement Strategy and Contract Standing orders.</p> <p>Mid Kent Legal have provided the legal advice during the tender process and will complete the final contract documents.</p> <p>Ashford's procurement team have conducted the tender on behalf of the Partners. No further changes can be made to the contract documents at this point. Evaluation criteria is already set in the tender documents and will be undertaken individually by each Authority and then combined to agree the final outcome. Further detail of this will be shown in the contract award report.</p>
Crime and Disorder	Providing a clean environment which is free from litter and graffiti is known to contribute to how 'safe' an area feels to residents.
Environment and Climate/Ecological Emergency	<p>The waste and street cleansing contract is the most significant contributor to the Council's carbon footprint and therefore any reductions in this are critical to achieving the Climate and Ecological Emergency Action Plan targets. This process will allow reductions in carbon emissions to be considered and built into any new specifications.</p> <p>Collection methods and materials, along with innovation to boost recycling figures will all have a positive impact on the environment ensuring the Council contributes to the Circular Economy process.</p>
Health and Wellbeing	Providing a high-quality refuse, recycling and street cleansing service will support public health objectives through regular waste collections and the delivery of an attractive environment.
Safeguarding of Children, Young People and Vulnerable Adults	The contract provides services for vulnerable adults and children through clinical waste collections and assisted bin collections.
Risk Management and Health and Safety	<p>The preferred course to minimise risk is to continue with contracted services as a collective as the Mid-Kent Joint Waste Partnership.</p> <p>Health and Safety is a key consideration as part of the tender process and forms part of the evaluation process of bid, requiring bidders to meet all of the relevant health and safety legislation.</p>
Equality and Diversity	The existing standards to ensure services are accessible to all residents will remain in place, regardless of the actual service provider. These include assisted collections for residents that require that support. As such and with little change, a full Equalities Impact Assessment is not required.

Privacy and Data Protection	There are no further privacy or data protection implications resulting from decisions in this report that were not considered in the Cabinet report June 2021. The review process has considered how we use data from the contractor to update residents on the service, but SBC maintain the complaints reporting and monitoring function through our customer services and back office teams.
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**7 Appendices**

7.1 n/a

**8 Background Papers**

Cabinet report 9 June 2021 can be found [here](#).

Link to contract documents on the Procurement Portal [here](#).