

<b>Council Meeting</b>	
<b>Meeting Date</b>	24 July 2024
<b>Report Title</b>	Swale Waste Contract and Service
<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>	Martyn Cassell, Head of Environment and Leisure
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	1. To debate and note the contents of the report.

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

- 1.1 This report summarises the mobilisation phase of the new Waste and Street Cleansing service for Swale.
- 1.2 It follows a request under rule 3.1.4 to hold an Extraordinary Council meeting; 'To receive an update and progress report, to be presented by the Chair of the Environment Committee, on the waste collection service and the problems that have arisen since its introduction. This to include measures to address the issues. See appendix I for full submission.

## **2 Background**

- 2.1 The previous Waste and Street Cleansing contract expired on 23 March 2024. The Mid Kent Waste partners (Swale, Ashford and Maidstone Borough Councils) undertook a joint tender process to find a contractor for an 8 year contract.
- 2.2 In June 2021 Cabinet agreed the following recommendations and Strategic objectives;
1. To remain within the Mid Kent Waste Partnership (MKWP).
  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.
  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.

<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).

2.3 In December 2022 following an extensive tender process, the Environment Committee agreed to award the contract to SUEZ Recycling and Recovery UK Ltd for 8 years.

2.4 The request for an Extraordinary Council meeting asked specific questions, the answers to which can be found below. Some of the items requested could not be answered fully in an open report or meeting, due to their commercial sensitivity. Follow conversation with the requestor, it was agreed that the meeting should stay in open session and therefore these questions have been omitted.

<b>Question</b>	<b>Answer</b>
Explanation of why only one company submitted a tender for the contract. Were procurement rules adhered to?	<p>Four companies initially expressed an interest in the Mid Kent Waste tender.</p> <p>Two companies submitted initial bids at the first stage and then proceeded to the competitive dialogue stage. One of the reasons given for others not submitting an initial bid were a lack of resource in their bid teams due to other larger contracts being open at the same time.</p> <p>Two companies took part in all stages of competitive dialogue and helped to form the final tender specification for the services.</p> <p>Both companies presented a very challenging set of industry impacts during the dialogue sessions. Bidders cited global factors such as Brexit, the Pandemic, the war in Ukraine and the resultant economic climate causing concerns in terms of staffing availability (particularly driver shortages) and the increasing costs of meeting staff wage demands. Fuel and other utility cost increases also adversely impact the waste and street cleansing industry. There was also a need to</p>

	<p>retain flexibility in the delivery of the service with the yet to be fully released Government changes to waste legislation.</p> <p>The result was a cautious approach from bidders and a reluctance to carry as much risk as contractors previously had. This fragile nature of the market at the current time meant that one bidder did not submit a final submission, leaving one final bid for the services. This bid was evaluated and verified using strict criteria set out from the start and the bid was fully compliant.</p> <p>The procurement was operated under SBC's Commissioning and Procurement Strategy guidelines and national procurement regulations. It met the requirements of our Constitution and Financial Regulations.</p>
<p>What governance and oversight has the Environment Committee had of the new contract over the past 18 months?</p>	<p>Since the award of contract report on 19 December 2022 the Environment committee has not had a specific report about the contract mobilisation. The report on 19 December set out the next steps at 3.11 of the report and referenced future Member engagement.</p> <p><i>'Following these two committees, officers will complete the contract letting process. A "mobilisation" phase will begin with regular specific working groups planned for the partners and the successful contractor e.g. building of IT systems, resident communications on the changes, HR arrangements, depot provision, purchasing the fleet. The intention is to hold further 'All Member briefings' throughout the mobilisation phase.'</i></p> <p>Despite that there have been eight cross party Member Waste Working groups between the tender award and service start. This group oversaw updates on the mobilisation of the new contract, government legislation updates and decisions on the resident communications.</p> <p>Two 'All Member' briefings were held on 25 September 2023 and 26 February 2024 in the run up to the new contract, which updated all Members including those on the Environment committee.</p>
<p>Route planning</p> <ul style="list-style-type: none"> <li>• How they were created</li> <li>• Were any tests</li> </ul>	<p>Route planning is the responsibility of the contractor. The routes in Swale had not changed dramatically in over 10 years. During that time, new developments and changes to highways had made the rounds imbalanced and service rarely completed in the working week.</p>

<p>conducted prior to the service commencing?</p>	<p>Suez used an industry recognised computer package called WebAspx to start the process of designing new rounds. This included assessing the data from previous rounds first. The routes were then designed in a 'zonal pattern' to allow for more vehicles to be in close proximity to each other on each day. This aids the process of missed collections to be recovered in the most efficient pattern, with the distance from the depot reducing throughout the week to provide the best opportunity to complete and catch up where required. The rounds themselves were based on an evidenced industry pass rate of 1000-1200 properties given the borough make up.</p> <p>Formal physical testing of routes is hard prior to service commencement. The majority of the staffing transfer from the old contract to the new, so they are completing service right up until the day before switchover. However, route designers did drive a range of roads as part of their assessments and conversations were held with drivers at the Suez training days. Further learning is that a lot of the special circumstances are held in the heads of crews and it is crucial we get these documented.</p> <p>Since implementation, changes to the original rounds have formed a critical part of our recovery actions and continue to make progress. We have recognised issues with communal collection rounds, narrow rounds and slight imbalance on certain days. Learning from this means that Rounds will need constant review throughout the contract period, to avoid similar issues in the future and better data records of changes.</p>
<p>Data management</p> <ul style="list-style-type: none"> <li>• How was data collected, checked and passed to Suez?</li> </ul>	<p>As with any tender of this size, a huge amount of work goes into preparing the information for bidders to look at. This included taking information from the existing contractor, checking it against information held in our own Council records and then releasing it to the bidders. Throughout the tender process we had the support of external consultants who checked and collated data from all three Boroughs. The 'data' packs were presented to bidders at the start and updated throughout as bidders made queries. This culminated in final uploads in the month before mobilisation.</p>

	<p>The previous contract was not particularly strong in requiring the exchange of information between the contractor and SBC, so there were likely gaps when presenting the data. It was known that some new gathering of data would need to be collected throughout the start of the new contract. One of the key changes in the tender specification for this contract was to require full access to the contractor's system and a 'data warehouse' has been set up to allow SBC to better scrutinise the key information and avoid this data challenge in future tenders.</p> <p>We have been working with Suez to improve the data held throughout these early mobilisation months.</p>
<p>Measures to compensate garden waste subscribers?</p>	<p>The administration has been discussing the correct measures to take in regard to this. Completion rates for the garden waste service have been stronger than refuse and recycling and so we feel the impact of these customers has been reduced. However, where people have made us aware of issues, we have extended their subscriptions. We have been waiting to get to the business as normal position before deciding on any compensation measures.</p>
<p>Budget implications arising as a result of the issues including council policy on residents' non payment of council tax?</p>	<p>Council tax legislation does not create a service contract between local authorities and residents. Instead, the law provides that council tax is a way of funding local authorities – and therefore there is no requirement to provide any service in return for payment. So a reduction in services, such as refuse collection, does not entitle you to a reduction in your council tax bill.</p> <p>Council Tax is collected on behalf of Kent County Council, Kent Police, Kent Fire and Swale Borough Council. It is a tax that is payable for all services such as schools, the police, the fire service, adult social care, children services, parks, playgrounds and waste collections. The charge is payable for all services, whether they are used or not, for example not all residents have children at school.</p> <p>The charge for waste collection is a small proportion of the total Council Tax charge and payments should be paid as per the residents' Council Tax bill.</p> <p>The Council would pursue non-payment of Council in the normal manner and therefore there should be no implication on the council's budget position.</p>

<p>Back office processes including communications, Swale Borough Council website tools and responses and if these were tested prior to the service commencing</p>	<p>As part of the mobilisation project, communications and reporting were a key consideration.</p> <p>A Mid Kent Waste Partnership communications group (three Boroughs plus Suez) met monthly to discuss the planning and implementation of activity for the new contract, and communications was a standing item on both the member waste working group and internal officer group agendas.</p> <p>The working group agreed a communications plan, with the objectives of making sure households:</p> <ul style="list-style-type: none"> <li>• were aware of any changes to their service</li> <li>• knew how to correctly recycle</li> <li>• understood the benefits of the contract</li> </ul> <p>Planned actions included:</p> <ul style="list-style-type: none"> <li>• new campaign pages on the website with key information, education messages, and signposting to key areas</li> <li>• updates to residents at area committees</li> <li>• letters to households informing them of collection days and sharing information about the new service</li> <li>• updating the bin day look up tool to integrate with Suez's system</li> <li>• using an updated forms package (as used by Maidstone) to replace all waste related forms (public facing and internal) with processes reviewed and revised by the service to reflect the new contract.</li> <li>• email bulletin to remind people of collection days and share service information and updates</li> </ul> <p>Delays receiving data meant the planned scenario testing of the bin day tool and forms could only use dummy data on Suez' test system, rather than quality assured real-world data.</p> <p>The look up tool went live in the week before the service came online. Traffic was high, and in the first days the volume of calls to the internal address database caused intermittent crashes. IT colleagues were able to resolve this, and the tool has remained online since. Issues with the data became apparent with errors being reported,</p>
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	<p>and a separate form was included with the tool to collect and fix these.</p> <p>Social media accounts received hundreds of comments and messages reporting issues. These were monitored by the communications team, collated, and passed onto the service for action.</p> <p>Testing and monitoring of the website tools continues. The missed collections reporting form has been rebuilt to ensure reports reflect the performance monitoring measures in the contract, and the bin look up tool display is being refreshed to be clearer, based on feedback from users.</p> <p>From 25 March to 2 July, use of the key tools was:</p> <ul style="list-style-type: none"> <li>• Bin day look up tool – 455,744 views</li> <li>• Online missed bin form – 28,248 submitted</li> <li>• Internal (call centre) missed bin form – 8,220 submitted</li> </ul> <p>Whilst demand on the website tools has fallen from initial highs, traffic is still high. The call centre remains busy, with the website going some way to helping reduce demand by accepting reports from people who can use the online form.</p>
Resourcing comparisons	<p>It is not possible to release exact details of resourcing comparing the old and new contract as this data is commercially sensitive. Furthermore, this is not directly comparable as the new service requested different requirements and had new challenges to overcome e.g. separate food waste tipping site, new government legislation to consider etc.</p> <p>This data where held, will be available to the Scrutiny Panel if agreed at Environment committee on 16 July.</p>

2.5 The request also made some recommendations;

- Council to debate the report,
- Agree any additional measures to address the issues,
- Instruct the environment committee to convene an extra ordinary meeting to scrutinise the issues further and invite representatives from Suez to attend,
- Council to agree compensatory measures for garden waste subscribers.

2.6 The Environment Committee discussed a proposal and scope for a full scrutiny review process at its meeting on 16 July 2024, but the outcome was not known at the time of writing this report.

### 3 Proposals

3.1 To debate and note the contents of the report.

### 4 Alternative Options Considered and Rejected

4.1 To not undertake this report – this was not an option due to the Council’s constitution.

4.2 To not undertake further scrutiny via the Environment committee. This is not recommended as all major projects should finish with an evaluation period. It helps record lessons learnt for the future and what went well.

### 5 Consultation Undertaken or Proposed

5.1 Ahead of the tender process significant consultation was undertaken with residents, councillors and staff. Residents were asked to respond to a waste survey in 2021, and we received an excellent return with themes that fed into the specification for all three Partners (highlighted in more detail in the June 2021 Cabinet report).

5.2 No direct consultation has been held for this report, but the contractor has fed into question responses.

### 6 Implications

Issue	Implications
Corporate Plan	<b>Environment</b> – to provide a cleaner, healthier, more sustainable and enjoyable environment, and to prepare our borough for the challenges ahead.
Financial, Resource and Property	There are no financial implications in holding a Scrutiny Review, however considerable officer resources will be required to support and feed into the review.
Legal, Statutory and Procurement	The Procurement process was completed in line with our regs and national legislation.  Contract clauses and the Performance mechanism allow for the management of failure of service delivery.
Crime and Disorder	Frustration of lack of service is understandable however we have seen incidents of verbal and physical abuse to staff at SBC and our contractor, which is completely unacceptable.



Environment and Climate/Ecological Emergency	One of the key benefits of the contract was the environmental gains we will make on the service's carbon footprint. It is too early to assess the impact of route changes and new vehicles, but this will be captured in end of year reports.
Health and Wellbeing	n/a
Safeguarding of Children, Young People and Vulnerable Adults	n/a
Risk Management and Health and Safety	Major contract failure or disruption risk is one of our corporate risks. This has been updated throughout the disruption period and reported to Audit committee. SBC enacted its business continuity plans to ensure the relevant resources were directed to the depts that needed it.
Equality and Diversity	The disruption will have impacted some of our more vulnerable residents – assisted and clinical collections. The administration made it clear that these needed to be prioritised throughout the disruption.
Privacy and Data Protection	n/a

## 7 Appendices

- 7.1 The following documents are to be published with this report and form part of the report:
- Appendix I: Full Swale Waste Contract and Service request

## 8 Background Papers

[Cabinet June 2021](#)

[Environment Committee Dec 2022](#)

[P+R January 2023](#)