

**PORTFOLIO HOLDER FOR FINANCE AND GOVERNANCE AND PORTFOLIO HOLDER
FOR ENVIRONMENT**

7TH DECEMBER 2023

REPORT OF CORPORATE DIRECTOR - OPERATIONS AND DELIVERY

- A. NEW WASTE CONTRACT – Proposed engagement of East of England Local Government Association to support the renewal of the Waste and Street Sweeping contracts in 2026.**

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To seek approval to engage the East of England Local Government Association (EELGA) in a consultancy capacity to provide project management support and independent expert advice in relation to the preparation of the business plan, specification, and implementation of the renewal of the waste and street sweeping contracts in 2026 and to seek an exemption from the Council's Procurement Procedure Rules in order to facilitate that engagement.

EXECUTIVE SUMMARY

The Council's waste and recycling and street cleaning contracts both expire in early in 2026:

The current street sweeping contract commenced on 1st January 2012 on a 7-year contract with an option to extend for a further 7 years, which was undertaken, and consequently is set to expire on 31st December 2025.

Likewise, the kerbside waste and recycling contract commenced on 1st February 2012 and is set to expire on 31st January 2026.

Both contracts were awarded to Veolia Environmental Services and operate out of the TDC owned Fowler Road depot.

In order to ensure that a new contract to provide these services is in place by Autumn 2025 in time for commencement of delivery in early 2026, a Waste Contract Project Board has been set up to manage this process. The board is comprised of officers and the Portfolio Holders for Environment and Assets. This board has now met on three occasions and will meet monthly going forwards.

A member working group has been set up by Cllr Bush as the Environment Portfolio Holder. This group has membership from almost all political groups and has now met on two occasions. This group will meet again as part of a consultative approach to the decisions that must be made through the project.

The Project Board agreed to the commissioning of the East of England Local Government Association to provide the Council with some initial independent advice in respect of the current services and the options for future services. Using experts from their talent bank they

have now completed the first phase of their work and produced an options appraisal. This has been delivered and funded from within existing budgets. This was carried out to ensure that the project had focus and a high-quality options appraisal produced to enable an informed decision to be made. The scope for this initial phase was as follows:

Phase 1: Options Appraisal

To provide a robust appraisal of the options available for the Waste Board to consider and decide which option was the most advantageous to the Council.

EELGA looked at five potential models for future service delivery, focussing mainly on who the service could be delivered by. Out of the five options considered the highest scoring is the one that will see the Council seeking a contractor to deliver both the services on the Council's behalf.

A further outcome from this initial phase of work undertaken by EELGAs is a project plan to assist the Council with delivering the new waste contract and is split into the following additional phases:

Phase 2: Business Plan

After identifying a preferred option, a formal business case will be required to support the development and delivery of the new delivery arrangements. The HM Treasury approved 'Five Case' model, covering Strategic, Economic, Commercial, Financial and Management/Operational cases, will be used. This format is proven in use and provides a comprehensive framework to take a holistic view of the delivery model.

Phase 3: Transition Project Plan

Once the preferred option has been identified a high-level Project Plan to support the transition from the current delivery arrangements to the new delivery model will be produced. This stage will also provide additional input to the Council's staff to support them in developing and delivering this Plan.

Phase 4: Mobilisation Project Plan

Once the transitional period has concluded, a further high-level Project Plan will be produced to support the mobilisation of the new delivery model.

To date, EELGA have played a major part in the production of the options appraisal and this has confirmed the view that it is appropriate to continue with EELGA to provide the consultancy support to ensure the successful delivery of the renewal of the waste and street sweeping contracts

To continue with the project and adhere to a tight timescale, approval and funding to proceed with EELGA is required. Therefore, as part of the approval process an exemption from the Council's Procurement Procedure Rules is required.

RECOMMENDATION(S)

It is recommended that the Portfolio Holder for Finance and Governance:

- a) Approves the exemption from Procurement Procedure Rules to enable the engagement of consultancy support from EELGA up to a value of £100,000.**

That subject to a) above, it is recommended that the Portfolio Holder for Environment:

- b) Concurs with the proposal to engage EELGA to carry out the next phases of the procurement process as set out elsewhere in this report, funded from the associated budget of £100,000 that was agreed by Cabinet at its 6 October 2023 meeting; and
- c) requests Officers to set out the outcome from each phase of the procurement process before any subsequent phase is commenced, which would be subject to a separate Officer decision and concurrence from the Portfolio Holder for Environment.

REASON(S) FOR THE RECOMMENDATION(S)

The engagement of EELGA to provides consultancy capacity that will significantly support officers and the Waste Board to ensure the successful delivery of the renewal of the waste and street sweeping contracts by 2026. This will be achieved by providing project management support as well as independent expert advice.

ALTERNATIVE OPTIONS CONSIDERED

Given the timescale and the volume of work that would need to be carried out, it would not be feasible for the existing Waste Team to deliver this project as well as carry out all their day-to-day duties. Therefore, no other alternative was considered.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The recommendations in this report will contribute to delivering the following priorities within the Council's Corporate Plan 2020-24:

- Minimise waste; maximise recycling
- Public spaces to be proud of in urban and rural areas
- Vibrant Town Centres

OUTCOME OF CONSULTATION AND ENGAGEMENT (including with the relevant Overview and Scrutiny Committee and other stakeholders where the item concerns proposals relating to the Budget and Policy Framework)

N/A

LEGAL REQUIREMENTS (including legislation & constitutional powers)

Is the recommendation a Key Decision (see the criteria stated here)	NO	If Yes, indicate which by which criteria it is a Key Decision	☐ Significant effect on two or more wards ☐ Involves £100,000 expenditure/income ☐ Is otherwise significant for the service budget
		And when was the proposed decision	

		published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	
☐	The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:		
FINANCE AND OTHER RESOURCE IMPLICATIONS			
At this stage, the fee proposal for Phase 2 is in the sum of £26,500. However, a fee proposal has identified a fixed, hourly rate that would enable the Council to determine the cost based upon the hours needed to deliver the remaining two stages of the project. An associated budget of £100,000, was approved by Cabinet at its meeting on 6 October 2023 as part of the Q1 Financial Performance Report 2023/24. As set out in the recommendations above, each additional phase will require Portfolio Holder concurrence to proceed, which will include an on-going summary of the expenditure to date and the estimated cost of the next phase of the process as necessary.			
☐	The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:		
USE OF RESOURCES AND VALUE FOR MONEY			
The following are submitted in respect of the indicated use of resources and value for money indicators:			
A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;			
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and			
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.			
MILESTONES AND DELIVERY			
As set out above, it is essential that work gets underway in a as timely a fashion as possible due to the tight timescale and volume of work that needs to be undertaken and that sufficient			

time is given to prepare detailed specifications and tender documents.

If the recommendations are agreed, arrangements will be made within the Department to commission EELGA As soon as possible. An indicative timescale for the delivery of the project is shown below.

- February / March Cabinet – report setting out a detailed business case supporting the decision to go out to tender for both services along with further information about the procurement process.
- April/May Cabinet – report setting out the service specification that will be used in the contract documentation sent out for tender as part of the procurement process.
- May / June 2024 – tender documentation prepared and first market engagement
- July 2025 – contract award

ASSOCIATED RISKS AND MITIGATION

Compliance with “Simpler Recycling” / Environment Act 2021 requirements for collection of recyclable materials – the service will be designed to comply with what we know about the future requirements from 2026

Additional costs – additional costs are expected, especially in relation to the collection of recyclable materials from the kerbside. Development of an efficient collection service will mitigate these costs to an extent and the Council will seek to maximise any claims for new burdens funding in respect of the Environment Act 2021 requirements.

Readiness for current contract expiry – the broad timeframes set out in the milestones and delivery section above must be adhered to such that a contract award can be made leaving sufficient time for the successful contractor to procure necessary vehicles and any additional bins that are required. With the likelihood that service changes will be taking place across the country at the same time there will be increased lead times for vehicles and bins.

EQUALITY IMPLICATIONS

There are no equality implications associated with this particular decision, however, a full equality impact assessment will be undertaken in respect of the design of the replacement services.

SOCIAL VALUE CONSIDERATIONS

This will be taken into account as part of the procurement process. Ultimately the proposals seek to maintain / improve the overall wellbeing of our tenants and enhance the service currently provided to them by the Council as their landlord.

IMPLICATIONS FOR THE COUNCIL’S AIM TO BE NET ZERO BY 2030

Not directly applicable at this stage, although it is recognised that the actions set out in this report e.g. preparation of a waste specification, will inform a number of associated actions, which will include those that support the Councils net zero aspirations.

OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder	
Health Inequalities	
Subsidy Control (the requirements of the Subsidy Control Act 2022 and the related Statutory Guidance)	
Area or Ward affected	All wards are affected

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The Council's waste and recycling and street cleaning contracts both expire in 2026:

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Likewise, the kerbside waste and recycling contract commenced on 1st February 2012 and is set to expire on 31st January 2026.

Both contracts were awarded to Veolia Environmental Services and operate out of the TDC owned Fowler Road depot.

Given the time required for the scoping out of options, procurement and formal decision making work commenced earlier in 2023 on preparing for the future services.

A Waste Contract Project Board has been set up that is comprised of officers and the Portfolio Holders for Environment and Assets. This board has now met on three occasions and will meet monthly going forwards.

A member working group has been set up by Cllr Bush as the Environment Portfolio Holder. This group has membership from almost all political groups and has now met on two occasions. This group will meet again as part of a consultative approach to the decisions that must be made through the project.

The Project Board agreed to the commissioning of the East of England Local Government Association to provide the Council with some independent advice in respect of the current services and the options for future services. Using experts from their talent bank they have now completed the first phase of their work and produced an options appraisal.

EELGA looked at five potential models for future service delivery, focussing mainly on who the service could be delivered by. Out of the five options considered the highest scoring is the one that will see the Council seeking a contractor to deliver both the services on the Council's behalf.

In respect of the kerbside waste and recycling collection service the Council must have regard to the Environment Act 2021 and the Government's announcement in November of a "Simpler Recycling" scheme, expected to be a requirement for waste collection authorities from 2026 onwards. Simpler Recycling will see a requirement for a wider range of recyclable materials, including glass, to be collected from kerbside and so the Council will seek to design the future service in order to comply with this.

Recent public consultation undertaken by Mackman Research on behalf of the Council in respect of the draft Corporate Plan has provided some useful feedback on the Council's waste services. Feedback indicated that residents would like to see a wider range of recyclable materials collected and for services levels not to be reduced. In view of this members of the Waste Board are working on the basis of continuing with fortnightly collections of residual (black bin) waste.

Taking the relative urgency of the work required to inform the more detailed procurement process that will need to get underway in 2024/25 along with the work that EELGA have undertaken so far to date and the various specialised resources that EELGA have access to such as their Talent Bank, the proposed approach set out in this report is will provide value for money that will in turn support the Council in effectively procuring one of the key services it provides to residents.

PREVIOUS RELEVANT DECISIONS

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

APPENDICES

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