

Report to: **Special Council**
Date: **31 October 2017**
Title: **Waste and Cleansing Commissioning – Service Scope**
Portfolio Area: **Commercial services**
Cllr R Sampson

Wards Affected: **All**

Relevant Scrutiny Committee: Overview and Scrutiny Committee

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: Immediately

Author: **Helen Dobby** Role: **Commercial Services – Group Manager**

Contact: **helen.dobby@swdevon.gov.uk**
Telephone – 01803 861272

Recommendations:

It is **RECOMMENDED** that the Council endorse the service scope principles proposed by the Board for consideration during the commissioning process for waste collection, recycling and cleansing services.

Key areas are highlighted in paragraphs 2.2, 2.3, 3.3, 3.4, 3.5, 3.6 and 3.7.

1 Background

- 1.1 Following the Council meetings for West Devon and South Hams on the 26/28 September 2017 respectively, a number of recommendations were agreed which allowed for the commissioning test of front line waste and cleansing services to take place in both West Devon and South Hams.

- 1.2 To ensure legal compliance in West Devon the timeframe for commissioning is a key factor. Any procurement must be completed and ready for a service commencement date of the 1st April 2019. South Hams are testing the market within the same timeframe to take advantage of a shared procurement which has advantages both in terms of procurement costs and economies of scale should a contract option be chosen.
- 1.3 It was requested that key gateway decisions during the process would be brought before Council for consideration. Recommendations at key points in the procurement process will come from the Board who have full access to all procurement information.
- 1.4 The reason for the endorsement of gateway recommendations is to ensure that all Members have an overview of the work of the Board given its reputational and financial significance to both South Hams and West Devon Councils.
- 1.5 Procurement information in relation to specific named bidders will not be shared to ensure that confidentiality of the process is maintained. Members of the board (and waste working groups) have signed confidentiality agreements to ensure that commercial information and information relating to the procurement process is protected.
- 1.6 The current work of the waste working groups has been to consider the service scopes to be tested in order that the market place can be approached with documents which are relevant to key Council priorities and service objectives and are designed to encourage value for money options being presented.

2 Key service objectives

- 2.1 The service specifications are guided by the outline principles for bidders shown below. The service objectives and targets shown in 2.2 are supported by both working groups and the Board.
- 2.2 The Councils' key objectives and targets are to employ waste minimisation, reuse and recycling schemes which will:
 - Provide competitive, high quality waste and cleansing services infrastructure for residents and visitors;
 - Ensure that value for money on whole service costs taking into account the lot differences is achieved including a focus on maximising income;
 - Improve the quality of service through greater use of technology which better meets the requirements of

- customers and integrates with existing systems where necessary, subject to affordability;
 - Address specific priority issues and aspirations identified by internal and external stakeholders, subject to affordability
 - Aim to maintain and incrementally improve customer satisfaction through the solution offered
 - Achieve the current and future aims of The Waste and Resource Management Strategy for Devon including working towards the 'aligned service' for Devon; (See Appendix A)
 - Provide Services that are flexible enough to meet the changing needs of evolving waste legislation.
 - Deliver improvement on current recycling rates;
 - Deliver a reduction on current weight of residual waste per household;
 - Minimise carbon emissions
 - Ensure the number of missed collections per 100,000 potential collections is within the target of 60;
 - Reduce the cost of Household Waste collection per household during the life of the Contract and:
 - Deliver an equitable service for all households
- 2.3 The market place will be asked to cost services 'as existing' as well as optimum service solutions. Service solutions costed during the market test will be designed to meet the above objectives.
- 2.4 Services costs will be assessed against both cost and quality. The split will be 60% measured against cost and 40% measured against quality. There is flexibility within the process to allow for the qualitative element to be increased to up to 50%.
- ### **3 Service scope by geographic council area**
- 3.1 Service specifications will naturally vary by Council area to recognise differences in collection regimes and the starting base for each service. Council services will be tested individually as well as asking bidders to propose a service solution for the combined area. This will allow all Members to consider individual and joint working costs in order to make fully informed decisions. This is vital given both the scale of the services and the need to compare current costs against the market.
- 3.2 Both working groups considered current working arrangements and service parameters in order to consider what market tests were pertinent for a best value test. In order to encourage innovation and commerciality from the market place the best way to achieve this is by stating alongside the service scope what is out of scope, or 'a red line', and what is desirable. Having set out the desirable general scope in 2.2 local conditions are set out below.

- 3.3. For both Councils it is intended that bidders shall propose services in such a way that it can be demonstrated to the Councils that continuous improvement is being achieved each year of any Contract across all Service elements. National targets relating to waste collection and Recycling must be met and exceeded. There will be additional targets in the Waste and Resource Management Strategy for Devon which is currently being updated.
- 3.4 Both Councils wish to continue to retain the reporting of all complaints and service issues such as missed collections, non-collections of litterbins bins etc. in-house.
- 3.5 West Devon Borough Council wishes to continue with a residual sack collection service. In addition, West Devon Borough Council would prefer to continue to use existing types of recycling containers unless a different type of containment is suggested which is shown to be more beneficial to meet other key objectives. West Devon also prefers to continue with a kerbside sort of dry recyclables to enable ease of storing/baling at the depot and ensure maximum returns on sale of materials.
- 3.6 Both Councils wish to continue with the current frequency of residual waste collections i.e. fortnightly. However, neither Council has rejected the possibility of testing the cost associated with delivering an improved recycling collection with less frequent residual waste collections during the life of this contract.
- 3.7 South Hams District Council wishes to consider, through the market test, a service closer the design of the 'aligned service', against the current service, with residual waste being collected from wheeled bins.
- 3.8 West Devon Borough Council already provides a service which is close to the design of the 'aligned service'.
- 3.9 The market test will allow Members to consider through costed solutions the point at which any service change might happen and the financial impact of that change.
- 3.10 Waste working groups have considered service scopes thoroughly and have recommended, through the Board, the parameters for the first phase of the commissioning test. The work of the groups has been informed by existing service knowledge and through the recent soft market testing. In order to achieve best levels of competition and credibility the market is being approached to consider feasible options for the lifetime of a service period for both areas.

4. Implications

Implications		
Legal/Governance		<p>This report is Part II as it considered that exemption paragraphs 3 and 4 of the Local Government Act 1972 Schedule 12A apply in that this report:</p> <ul style="list-style-type: none"> a) Directly affects the staff within the establishment or third party staff (FCC Environmental). b) Will disclose the financial affairs of the Council <p>Having applied the public interest test it is considered that that the report contains commercial information relating to the Council which it is not considered in the public interest to disclose at this time (exemption paragraph 3).</p>
Financial		The commissioning work is key in both testing current service costs and achieving best value solutions for the councils.
Risk		The significant risk at this point is not meeting the procurement timetable. Providing decisions are made as per the project timetable then these risks are mitigated and best value front line service provision can be achieved.
Comprehensive Impact Assessment Implications – Comprehensive Impact Assessments would be carried out during the procurement process in respect of service changes which affected delivery		
Equality and Diversity		Not applicable
Safeguarding		Not applicable
Community Safety, Crime and Disorder		None at this stage
Health, Safety and Wellbeing		None at this stage
Other implications		

Supporting Information

Appendices:

Appendix A – Outline of Devon Aligned Service

Background Papers:

Previous papers and appendices to Hub/Executive and Council

Previous papers and appendices to the Joint Steering Group

Notes and actions of the Waste Working groups

Appendix A

Devon Aligned Service

Fortnightly collection of residual waste

Weekly collection of food waste

Weekly collection of recycling

Food and garden waste collected separately

The Waste and Resources Strategy for Devon also recommends kerbside collection of mixed plastics, glass and textiles to harmonise types of materials collected across Devon