

**Council Meeting 1 August 2016****Requisition****Environment and Neighbourhood Committee held on 27 June 2016****45. AWARD OF PREFERRED BIDDER STATUS FOR WASTE COLLECTION AND RELATED ENVIRONMENT SERVICES**

Councillor Tony Shields raised concerns before the start of the presentation that due to the recent vote to leave the European Union, that there would be potential changes in the current EU legislation in regards to waste collection and disposal, and questioned how appropriate it was to vote on an 8 year contract at this time of uncertainty.

Matt Clubb, Executive Head of Environment Commissioning gave a presentation on the overview of the Lot 1 and Lot 2 service bids. The Executive Head of Environment Commissioning advised that the 8 years would commence from 2017, with an option to extend for another 8 years after that, and then again, bringing the total to 24 years. It was advised that Kingston Council had agreed the proposal at their Committee Meeting, and it had been endorsed by the South London Waste Partnership Joint Committee, with decisions going to Merton Council on 4 July (*post meeting note: this was called in*), and Croydon Council on 11 July (*post meeting note: this was agreed*).

An overview was given of the proposed changes, as well as the benefits of the proposal. Service changes were planned for April 2017 for the London Borough of Sutton.

Councillor Nighat Piracha asked if there was anything that would remain in-house, and who should councillors contact with issues they received from residents. The Executive Head of Environment Commissioning advised that there would be a client team responsible for managing both contracts, and any issues would be directed to that team.

Councillor Tony Shields expressed concern that the waste handling regulations were from the EU and therefore may change.

The Strategic Director of Environment, Housing and Regeneration advised that officer had received specialist legal advice, there can be clauses to allow for changes in legislation, and a lot of the current legislation is enacted in UK law.

Councillor Manuel Abellan asked how the performance of the contractor would be monitored, and asked what could be done to reassure those residents who were concerned about the increase in the number of bins required at their property.

The Executive Head of Environment Commissioning responded that the proposed preferred bidder Veolia manages over 40 contracts within the UK and approximately a dozen within London, as a large company who regularly deliver these services in a number of places. There would be a clienting team who would ensure that standards are met, and monetary deductions would be made if these standards were not met. If the standards were not met, the contract could be ceased.

The Executive Head of Environment Commissioning advised that the service would continue to work flexibly with residents for example in those areas who did not use wheeled bins.

Councillor Joyce Melican asked what would happen in those houses with reduced space for wheeled bin storage. There was also concern expressed in regards to the communications plan as this was a big change. Councillor Melican asked how this would be communicated to residents.

The Executive Head of Environment Commissioning answered that the communications plan is currently around the decision, which would then be fine-tuned, and then a detailed communications plan could be devised, whilst ensuring the timing was correct.

Councillor Hanna Zuchowska raised concern about space given the increase in bins and asked if the boxes were stackable. Councillor Zuchowska also asked if there was anything in place regarding nappies.

The Executive Head of Environment Commissioning advised that the recycling boxes are stackable, and that neighbouring boroughs with fortnightly collections had not experienced significant problems with nappies, and reminded the committee that the council did run a cloth nappy scheme.

Councillor Neil Garratt asked why there had been no consultation with residents.

The Executive Head of Environment Commissioning answered that there was a consultation in 2012 in regards to the food waste service, the results of which reflected that a large percentage of residents wanted a food waste service, but that figure decreased significantly when asked if they would pay for that service.

Councillor Paul Wingfield asked what would happen with residents with mobility issues. The Executive Head of Environment Commissioning advised that the 1300 residents currently receiving an assisted collection would be reviewed through the process.

Councillor Tony Shields raised concern at the lack of attempt to save the weekly collections, and raised concerns with due diligence for the lot 2 contract.

The Executive Head of Environment Commissioning outlined the process for selecting the preferred bidders.

Councillor Tony Shields asked what value would be handed over to the preferred bidder in relation to vehicles.

The Executive Head of Environment Commissioning advised that the existing bins would be continue to be used plus the additional bins required, the costing of which is already included. The current vehicles will also be used, but are coming to the end of their useful life, and split-body vehicles would be required for the new services. The Local Authority would be providing the capital for this, which is included in the costings provided.

Councillor Neil Garratt asked what would happen if the contractor experienced financial difficulty, giving concern that LBS staff and vehicles would then be with the contractor.

The Executive Head of Environment Commissioning responded that in the unlikely event that this happened, they must provide the council with a parent company guarantee to run the service for a set period of time (usually 12 months) to give the council time to either bring the service back in-house or to re-procure. All current staff would be TUPE'd over to help with the continuity of providing the services.

**APPENDIX A**

## RESOLVED:

- 2.1 Agree to award Preferred Bidder status to Veolia (ES) UK Limited for the provision of the Lot 1 services (waste collection, street cleaning, winter maintenance and vehicle procurement and maintenance) for a period of eight years with the option to extend for two further periods of eight years (twenty four in total) to commence from April 2017.
- 2.2 Agree to award Preferred Bidder status to The Landscape Group Limited for the provision of Lot 2 services (parks, grounds maintenance, cemeteries, verges and tree maintenance) for a period of eight years with the option to extend for a two further periods of eight years (twenty four in total) to commence from February 2017.
- 2.3 Agree that Amey LG Limited is appointed as the Reserve Bidder for the Lot 1 services and Veolia (ES) UK Limited is appointed as the Reserve Bidder for the Lot 2 services.
- 2.4 Agree delegation to the Strategic Director of Environment, Housing and Regeneration, based on the principles at 4.33 of this report and following fine tuning, to agree the Inter Authority Agreement (IAA) and the arrangements relating to the management of the contracts.
- 2.5 Note the service changes detailed in paras 4.9 - 4.21.
- 2.6 Approve the charge for the Green Garden Waste service, as detailed at para 4.13 of this report, from April 2017.
- 2.7 Note the requirement to advertise the Council's intention to grant leases for those LBS properties (which include open space) within scope as detailed at Appendix 9 of this report.
- 2.8 Agree that the Preferred Bidders are permitted to start consultation with staff and union representatives, prior to contract award, about any proposed changes to employment terms and conditions.

(Note for Council: the requisition relates to resolutions recommendations 2.1, 2.3 and 2.5)

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