

MINUTES OF OVERVIEW AND SCRUTINY COMMITTEE

MEETING DATE Tuesday, 24 October 2017

MEMBERS PRESENT: Councillor John Walker (Chair), Councillor (Vice-Chair) and Councillors Jane Fitzsimons, Zara Khan, Paul Leadbetter, Matthew Lynch, June Molyneaux, Greg Morgan and Alistair Morwood

OFFICERS: Rebecca Huddleston (Director (Policy and Governance)), Asim Khan (Director (Customer and Digital)), Jo Oliver (Waste and Streetscene Manager) and Cathryn Filbin (Democratic and Member Services Officer)

APOLOGIES: Councillor Roy Lees, Paul Clark and Kim Snape

OTHER MEMBERS: Councillor Adrian Lowe

17.OS.44 Declarations of Any Interests

There were no declarations of interest raised.

17.OS.45 Options for the new Waste Collection Contract

Members of the Committee received a report by the Director (Customer and Digital) which listed a number of options for the Committee to consider for the new waste contract.

The Council's waste collection contract, currently being delivered by Veolia, was worth £33m over a ten year period. The contract, which was due to expire on 31 March 2019, was the largest the Council had procured. Due to this high risk procurement in terms of value and reputational risk, Ricardo Energy and Environment had been appointed (following a procurement exercise) to provide consultancy support.

It was noted that the Medium Term Financial Strategy had identified a £250,000 saving target for this contract for the 2019/20 budget. Depending on the outcome of the tendering process, the savings may exceed this figure.

It was reported that Ricardo Energy and Environment had been instructed to model a number of options for the new waste contract. Work had begun to identify the potential options, risks and priorities for the new contract. There were a number of unknowns which included what disposal facilities would be available, changes to legislation as a result of the Great Britain coming out of the European Union and the likely costs of the new contract.

The report listed three ways in which the household waste collection service could be delivered -

- Continue as is with an externally provided service – waste collection has been outsourced for over 25 years at Chorley. The contractor is responsible for providing the whole service including staff management and performance.
- Deliver the service in house - the council may wish to consider operating waste collection services in-house. This could allow more operational flexibility, but would mean a significant increase in workforce with corresponding resource implications and demands in terms of staff management and HR. The council does not own a depot of a suitable size to house waste collection vehicles and staff, the Bengal St depot could not accommodate both waste and streetscene services.
- Joint or partnership working with other councils - we will seek to align contract end dates with other Lancashire authorities if possible. Other opportunities may exist to co-ordinate or share service elements such as sharing a waste depot, fleet maintenance etc. Issues may exist if collection services are different between authorities.

The consultants would model and cost up the three options based on the council's data along with the existing model. The consultants were considering three models –

- Option A - Four weekly blue bin collections (plastic bottles, cans and glass), other streams as now.
- Option B - Three weekly collections of refuse, blue bins (plastic bottles, cans and glass) and brown bins (paper and card), garden waste to remain fortnightly.
- Options C - Three weekly collection of refuse other streams to remain as current.

An example of a schedule setting out the three options was also included in the report and is set out below -

	Week 1	Week 2	Week 3	Week 4
Current service	Refuse (green bin)	Dry recycling (blue bin), opt in garden waste (grey bin)	Refuse (green bin)	Dry recycling (blue bin), opt in garden waste (grey bin), paper & card (brown bin)
Option A, 4 weekly recycling	Refuse (green bin)	Dry recycling (blue bin), opt in garden waste (grey bin)	Refuse (green bin)	Paper & card (brown bin), opt in garden waste (grey bin)
Option B, three weekly refuse & recycling	Refuse (green bin)	Dry recycling (blue bin), opt in garden waste (grey bin)	Paper & card (brown bin)	Refuse (green bin), opt in garden waste (grey bin)
Option C, three weekly refuse,	Refuse (green bin)	Dry recycling (blue bin), opt	No collections	Refuse (green

fortnightly blue bin, 4 weekly paper & card		in garden waste (grey bin)		bin), dry recycling (blue bin), opt in garden waste (grey bin), paper & card (brown bin)
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It was reported that the three models chosen could be delivered cheaper than the current service and fit with the delivery requirements of the waste disposal authority (Lancashire County Council) on the combination of waste and recycling for processing.

Members of the Committee were informed that the modelling options did not commit the Council to making changes. It would however, provide senior officers and members with indicative costs based on the consultants' knowledge of the market. Other factors would impact on the overall cost of providing the services. These factors would include depot costs, pension liabilities and labour costs.

During debate, members of the Committee raised a number of concerns relating to the content of the report, which included –

- The suggestion that the cycle of household waste collection be increased to a three weekly collection service instead of a fortnightly collection at present; in response the Committee was informed that it was Government policy to encourage and improve waste recycling figures, and by extending the cycle of waste collection was one way of encouraging residents to try to recycle more;
- Confirmation that the £250,000 savings target identified in the Medium Term Financial Strategy was an annual saving. Although the saving identified appeared modest when compared to the size of the contract it was considered that the true saving would only be known following the results of the tender process;
- The difficulties and expense of bringing the services in-house;
- The take up of garden waste collection, which was due to be suspended for the winter, had been significantly greater than anticipated.
- It was confirmed that once the indicative costs of each model had been identified, a report would be submitted to the Executive Cabinet for their consideration. Once the preferred model had been identified, it would be that model which would be advertised for tender.
- Consideration had been given for the contract to include waste bin collection. It was reported that some local authorities include emptying litter bins as part of the waste contract. However, it was not clear what the impact would be in regards to cost and service level agreements.
- It was noted that there potential shared working with South Ribble Borough Council was a possibility that could be investigated if the same contractor won both tenders and dependent on the shared service agreement with South Ribble Borough Council being extended.
- Some Committee members indicated that their preferred option was Option C as it offered consistency and continuity of having, at a minimum, one collection services each week to avoid confusion with residents.

The Executive Member (Customer, Advice and Streetscene Services) informed the Committee that the consultant's findings and any recommendations identified by the

Committee would be reported to the Executive Cabinet at its meeting on 14 December 2017.

Members of the Committee considered that they were unable to make any recommendation without having sight of the consultant's findings including indicative costs. As a result the Chair put forward a recommendation that a further meeting should take place to consider the consultant's report.

AGREED – That the consultant's findings be reported to a meeting of the Overview and Scrutiny Committee on 30 November 2017 for consideration.

Chair

Date