



Cabinet
16 January 2023

**Report from the Corporate
Director Resident Services**

**Authority to Award the Integrated Street Cleansing,
Waste Collections and Winter Maintenance Services
Contract**

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Part Exempt - Appendices 1 and 3 are exempt as they contain the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"
No. of Appendices:	Five Appendix 1: Names of tenderers (exempt) Appendix 2: Tenderer's scores Appendix 3: Social value commitments (exempt) Appendix 4: Equalities Impact Assessment Appendix 5: Future waste collections and street cleansing services – consultation findings
Background Papers:	None
Contact Officer(s):	Oliver Myers, Head of Environmental Strategy, Commissioning & Climate Change Tel:020 8937 5323 Email: oliver.myers@brent.gov.uk

1.0 Purpose of the Report

1.1 This report concerns the contract award for the Integrated Street Cleansing, Waste Collections and Winter Maintenance Services Contract ("the Integrated

Contract'). This report requests authority to award contracts as required by Contract Standing Order 88. The report summarises the process undertaken in tendering this contract and, following the completion of the evaluation of the tenders, recommends to whom the contract should be awarded.

- 1.2 The report also includes the proposed service changes to be included in the Integrated Contract. These service changes have emerged through dialogue with the market during the procurement process and have been informed by the results of community engagement, including the public consultation, held in summer 2022, on future waste collections and street cleansing services, and the alternate weekly twin stream recycling trial, which took place in autumn 2022.
- 1.3 The proposed services to be delivered through the Integrated Contract will enable the council to continue to deliver efficient, affordable street cleansing, waste collections and winter maintenance services that are fit for the future and better for the environment and the climate.

2.0 Recommendation(s)

That Cabinet:

- 2.1 Notes the results of the public consultation on future waste collections and street cleansing services held in summer 2022 and the results of the alternate weekly twin stream recycling trial held in autumn 2022.
- 2.2 Agrees the introduction of an intelligence-led approach to street cleansing from 1 July 2023 and an alternate weekly twin stream recycling collection service for street level households from 1 October 2023, together with other specification changes as set out in section 7 of this report.
- 2.3 Notes that modelling will be undertaken in the new year to determine whether any alternate weekly twin stream recycling collection rounds might be better served using an additional wheelie bin for the storing of paper/card rather than a sack; and notes that such changes to specific rounds can be introduced subject to a proven business case once the new service goes live, as the collection arrangement provides flexibility.
- 2.4 Approves the award of the Integrated Contract to Veolia Environmental Services UK Ltd for an initial contract period of eight (8) years, with an option to extend for a further eight (8) year contract period in the estimated sum of £17.13m for 2023/24, circa £137m over the initial 8-year term of the contract or circa £274m over the full 16-year contract period.
- 2.5 Approves the allocation of capital through prudential borrowing of a sum of £21m, comprising £10.8m to finance the purchase of the fleet (including Public Realm Contract rollover assets) required for Year 1 of the contract and a further in principle allocation of £10.2m for vehicle replacements over the

remaining term of the contract; and notes that the costs of deployment and maintaining the fleet are included in the contract price.

- 2.6 Approves the allocation of capital through prudential borrowing of up to £1.52m for the purchase and roll out of wheelie bins on alternate weekly twin stream collection rounds where a business case can be made (in line with recommendation 2.3 above).
- 2.7 Agrees that the Council enters into a Pension Admission Agreement and a Risk Share Agreement or such other Pensions arrangement as appropriate, in respect of any ex-Brent Council staff who TUPE transferred to the current contractor in respect of the Public Realm Contract who may be entitled to retain access to the Local Government Pension Scheme under the Integrated Contract.
- 2.8 Delegates the resolution of any outstanding Pension issues referred to at 2.7 above in respect to the Integrated Contract to the Corporate Director, Resident Services in consultation with the Cabinet Member for Environment, Infrastructure and Climate Action.

3.0 Context

- 3.1 Street Cleansing, Waste Collections and Winter Maintenance Services currently form part of the Public Realm Contract (together with recyclates reprocessing and grounds maintenance) which comes to an end on 31 March 2023.
- 3.2 The recommissioning of the Integrated Contract was part of the wider Redefining Local Services (RLS) programme, the aim of which has been to design and implement a better, more integrated and flexible local services delivery model that improves the look and feel of Brent's public realm.
- 3.3 The overarching RLS delivery model was agreed by Cabinet on 16 August 2021 as a 'specialist contracts delivery model with low to moderate levels of insourcing', subsequently confirmed by Cabinet on 7 February 2022 as a 'specialist contracts delivery model with low level insourcing'. This model offered the benefits of specialist contracts together with targeted insourcing where this could achieve the greatest improvement on service outcomes for the money invested.
- 3.4 At its 16 August 2021 meeting, Cabinet also approved inviting tenders for the Integrated Contract, based on the procurement strategy set out in section 6 of that report and including the pre - tender considerations set out in paragraph 6.7 therein.
- 3.5 As part of the 'specialist contracts' model, street cleansing, waste collections and winter maintenance services were agreed to be kept as an integrated service on the grounds of economies of scale, operational efficiency and value for money. It was also agreed that recyclates reprocessing would be procured

as a separate contract from waste collections to provide the Council with the opportunity to change providers on a more frequent basis (for instance two yearly, to allow adjustment for market changes). Grounds maintenance services were also to be procured as a standalone contract, giving specialist green space providers the opportunity to bid directly for the contract. The Authority to Award the new Grounds Maintenance Contract is on the same Cabinet agenda as this report.

- 3.6 As part of the agreed insourcing within the RLS Delivery Model, it is expected that the Education, Outreach and Communication (ECO) team will TUPE transfer from Veolia to the Council on 1 April 2023. This change gives the Council direct responsibility for communication, education and outreach to help address our considerable waste, climate emergency and circular economy objectives and challenges. It is important to note that with this transfer, the responsibility for the volume and quality of recycle and levels of contamination now sit firmly with the Council, whilst still supported with some ongoing responsibilities remaining with the contractor such as effective recycling collections services and checks by crews for contamination during collections.
- 3.7 The Integrated Contract has been procured at a time of great financial uncertainty for the council. Council budgets have been stretched by the pandemic, rising prices, a growing population and a reduction in the funding we receive from government. In addition, there were significant anticipated pressures on waste collection and disposal costs upon recommissioning these services. These pressures were linked to the increase in waste tonnages and the significant fall in income for recycling since the last contract was let in 2014. Through the procurement exercise for the Integrated Contract during 2022, there have been further economic pressures arising from inflation on labour and fuel costs linked principally to the economic impacts from the war in Ukraine. This financial context has meant that we have had to think differently about how these services are delivered in the future.
- 3.8 Several service delivery options emerged during the Integrated Contract procurement process, which led to the Council issuing its 'Preferred Service' for public consultation in summer 2022, presented alongside some alternative options that were not favoured.
- 3.9 The Preferred Service principally involved the move from i) a frequency-led to an intelligence-led approach to street cleansing, and ii) the switch from weekly comingled recycling collections to an alternate weekly twin stream recycling collection for street level households, with the separation of paper and card from containers.
- 3.10 The changes to street cleansing were in line with other recent local authorities' procurements, while the changes to recycling collections are aligned with the changes to national waste policy contained in the Environment Act 2021; Government intends to change the way it asks local authorities to provide recycling services over the next few years, with a move

to greater materials separation at source. The separation of paper and card from containers, and glass in particular, is the most beneficial first step toward materials separation, as this will reduce contamination of paper and card, which in turn will increase the amount of material recycled and consequentially the income that the council receives from those materials.

- 3.11 As part of the procurement strategy for the Integrated Contract, it was agreed that the Council rather than the contractor would finance the cost of the fleet, as this would provide better value for money to the Council.

4.0 The Tender Process

- 4.1 The Integrated Contract was tendered using the Competitive Dialogue Procedure. This procurement has been conducted in accordance with The Public Contracts Regulations 2015 (the Regulations).
- 4.2 Interested parties were invited to submit a Selection Questionnaire (SQ), followed by receiving an Invitation to Participate in Dialogue (ITPD), incorporating an Invitation to Submit Detailed Solutions (ISDS) and finally an Invitation to Submit Final Tender (ISFT).

Stage 1 – Selection Questionnaire (SQ)

- 4.3 Invitations to Tender were advertised on the London Tenders Portal on Wednesday 3 November 2021 to seek initial expressions of interest. A Contract Notice was placed on the Find a Tender Service, Contracts Finder service and the London Tenders Portal also on 3 November 2021. Bidders were provided with details of the tender approach and invited to complete the published Selection Questionnaire (SQ) using the Council's Electronic Tendering Facility. Bidders were also provided a selection of draft tender document relevant to the ISDS stage such as quality/method statements, payment mechanism, a social value action plan, contract terms and other data room information. Three valid SQs were received.
- 4.4 Shortlisting was carried out on 13, 14 and 15 December 2021 on the basis of the contractors' financial viability, technical ability, and a selection of Project Specific Questions focusing on Health and Safety, Quality Assurance, Equality, Business Continuity, Environmental, Resources and Experience. Three contractors were invited to the Invitation to Submit Detailed Solutions (ISDS) stage.

Stage 2 - Invitation to Participate in Dialogue (ITPD), incorporating the Invitation to Submit Detailed Solutions (ISDS)

- 4.5 The tendering instructions stated that the contract would be awarded on the basis of the most economically advantageous offer to the Council and that in evaluating tenders, the Council would have regard to the following criteria:

Award criteria	Weighting
Mobilisation Plan	2.50%
Contract Management Plan	2.00%
Quality, Health & Safety and Environmental Management Plan	1.50%
ICT, MIS and Customer Care Plan	3.00%
Plant & Resourcing Plan	3.00%
Premises Plan	2.00%
Maintenance Plan	2.00%
Collection Services Plan	11.00%
Street Cleansing Services Plan	11.00%
Winter Maintenance Services Plan	2.00%
Commercial and Risk	5.00%
Social value	10.00%
Price	45.00%

- 4.6 All Detailed Solutions tenders had to be submitted electronically no later than 11 March 2022, 2pm. One valid tender was received. A Pricing Schedule was also required at this stage which was essential in assisting the Council to understand whether tenders were affordable.
- 4.7 The Detailed Solutions tender evaluation was carried out by a panel of officers from Environment Services. The panel met on 11, 12 and 13 April 2022 and the single Detailed Solution submission was marked by the whole panel against the published award criteria in the ITPD. Each member of the evaluation panel read the tenders and carried out an initial evaluation of how well they considered that each of the award criteria was addressed in the tender. The evaluation panel was supported by technical advisors from across the Council including Finance, Legal, and an external consultancy company.

Stage 3 – Dialogue rounds

- 4.8 Following the evaluation of Detailed Solutions, the ITPD advised the Council would invite up to 3 Bidders to progress through to the Dialogue Process, based on the highest-ranking compliant response. Given a single Detailed Solution was received for this procurement process, only one Bidder was invited to dialogue.
- 4.9 The Council's intention was to hold a minimum of two rounds of meetings with shortlisted Tenderers, following the evaluation of Detailed Solutions. The Council reserved the right to add additional rounds of meetings where it considered it necessary to do so. This stage was not evaluated.

Dialogue round 1	27 - 28 April 2022
Dialogue round 2	18 May 2022
Dialogue round 3	22 –23 June 2022
Dialogue round 4	15 September 2022
Dialogue round 5	20 September 2022
Dialogue round 6	27 September 2022

Stage 4 – Invitation to Submit Final Tender (ISFT)

- 4.10 Invitation to Submit Final Tender was published on 7 October 2022. The new contract will be let using Contract Terms issued with the ISFT. ISFT tender responses had to be submitted electronically no later than Monday 31st October 2022, 12pm. One valid tender was received.
- 4.11 The tender evaluation for this stage was also carried out by a panel of officers from Environment Services. The evaluation panel was supported by technical advisors from across the Council including Finance, Legal, and an external consultancy company. The panel met on 9 and 10 November for moderation and the submission was marked by the whole panel against the award criteria to reach a final consensus score.
- 4.12 The names of the tenderers are contained in Appendix 1. The scores received by the tenderers are included in Appendix 2. Officers recommend the award of the contract to Veolia Environmental Services UK Ltd.
- 4.13 The contract will commence on 1 April 2023.

5.0 Community engagement and public consultation on Integrated Contract services

- 5.1 There have been three phases of community engagement within the RLS programme that have included a focus on the services in scope of the Integrated Contract. The first phase in summer 2021 involved a statutory consultation on the proposed overarching delivery model for the RLS programme, with the results of this phase of engagement detailed in the 16 August 2021 Cabinet report.
- 5.2 In that same report, Cabinet agreed to a second phase of engagement, which was subsequently entitled ‘Let’s Talk Climate: Waste and Green Space’ and undertaken in late 2021-early 2022. This engagement gathered the views of local communities to inform the re-procurement process for the Integrated Contract, the Grounds Maintenance Contract and the development of the 2022-2024 delivery plan for Brent’s Climate & Ecological Emergency Strategy.
- 5.3 In this second phase of engagement, the Council made the case that a growing population and the climate emergency meant that we needed to think differently about how local services are delivered in the future so that they can

go further within increasingly stretched budgets. If people could take more responsibility for their rubbish and help to keep Brent a little tidier, we could spend more time delivering the services people need. The resident feedback received during that engagement was taken into account when selecting the Preferred Service for the Integrated Contract. Residents wanted:

- Better information and guidance about how to recycle and why it is important
- More frequent bin and recycling collections and for the council to collect different kinds of items
- Better recycling facilities for people living in flats
- New item swap, donation and reuse programmes so people don't have to buy 'new'
- Stronger enforcement against those who litter or dump rubbish on the streets
- More bins on streets
- Better education and guidance to encourage people to take more responsibility for keeping the streets clean
- Improved street cleaning
- More community skips and places to take bulky waste for free
- A cheaper or free bulky waste collection service

5.4 Following on from this second phase of engagement, on 8 July 2022, the Cabinet Member for Environment, Infrastructure and Climate Action, in consultation with the Leader of the Council, approved a third phase of engagement entitled 'Consultation on Future Waste Collections and Street Cleansing Services'.

5.5 This consultation included information on the Preferred Service which included the following proposed service changes that would directly impact the existing level of service received by residents in Brent:

- A shift from weekly, commingled (single stream) dry recycling collections to alternate weekly, twin-stream dry recycling collections (whereby containers are collected one week and mixed paper and card are collected the next) for street level households
- A shift from a frequency-based to an intelligence-led approach to street cleansing across the whole borough

5.6 It was necessary to consult with the public on the Preferred Service while future proposals were at the formative stage. The consultation ran for a period of six weeks from 11 July to 21 August 2022. The Council consulted at the earliest opportunity once the Preferred Service became known through the procurement process, and for the maximum period while allowing time for responses to be considered and feedback incorporated within the Invitation to Submit Final Tenders documentation (where appropriate) for the Integrated Contract procurement.

- 5.7 During the consultation, an information document was made available to download from the Council's engagement portal which contained relevant detail on the Preferred Service and its anticipated benefits. This also included information on the alternative delivery options that were considered less favourable on affordability and environmental grounds. These alternative delivery options are included in section 8 of this report.
- 5.8 The full methodology and results of the consultation are detailed in Appendix 5. The key engagement methods used were an online survey included on the Council's Citizen Lab Portal, a direct mail letter sent to all households receiving assisted collections, and advertised roadshows held across the borough in a variety of locations.
- 5.9 Respondents overall, when the results of all three methods were combined, were slightly in favour of the council's proposals for the change to an intelligence-led approach to street cleansing (42% agreed compared to 38% disagreed).
- 5.10 The results for the proposed alternate weekly twin stream recycling service were more mixed, however. Whilst a significant majority of the online respondents disagreed with the proposals for recycling (72% disagreed compared to 18% agreed), those respondents who attended the roadshows (68% agreed compared to 20% disagreed) and those residents who receive assisted collections (44% agreed compared to 37.5% disagreed) were in favour of the proposals.
- 5.11 Residents attending the roadshows were shown the new sacks for paper and card and the service changes were explained to them by officers, and this may have had a bearing on the much more positive response received from that group.
- 5.12 It is also considered instructive that residents who receive assisted collections were in favour of the recycling proposals, given that this group could be a group most likely to be disadvantaged by any changes to the service that could be perceived to be more difficult than existing arrangements.
- 5.13 The disagreement with the proposed changes to recycling collections from the group that completed the online survey has been noted and considered. However, it is encouraging though that the positive response from both assisted collection respondents and those who had the proposed services explained to them face to face and could physically see the bags are more aligned to the real live results of the pilot which saw participation with the new service at 71% of households (see section 6 below).
- 5.14 Nevertheless, there were some residents who stated a preference for a wheelie bin to store paper/card rather than a sack and this option will be modelled in the new year, as set out in recommendation 2.3 and section 7 of this report.

6.0 Alternate Weekly Twin Stream Recycling trial

- 6.1 An eight-week trial was undertaken from 3 October 2022 to 25 November 2022 involving 5,371 street level households across five existing 'rounds' in Harlesden, Kenton, Queens Park, Stonebridge and Wembley. The eight-week trial comprised four, fortnightly cycles in which the sack for paper/card was collected one week and the bin with containers collected the second, repeated four times.
- 6.2 Communications were issued to these households by post on three occasions in advance of the trial. They were issued with a blue sack to put their paper and card in and a calendar showing them on which day of each week during the trial to present their sack with paper and card, and which day to present their blue-lidded recycling bin with their other dry recycling (containers).
- 6.3 After the sacks were delivered at the end of September, Veolia's ECO Team ran eight pop-up information stalls across the five trial rounds. As well as providing information on the trial with a member of Brent Council's Neighbourhood Management Team, the team carried out door knocking with properties to advise them on the changes during the trial. In total, 544 residents were engaged across the five rounds, approximately 10% of the total addresses involved.
- 6.4 Over the course of the eight weeks, Veolia processed 123 additional or replacement sack delivery requests, which is 2% of the total number of properties that participated in the trial.
- 6.5 The results from the eight-week trial have been analysed and the trial is considered to have been a success when measured against the following key critical success factors:
- The set out % for the sacks (the number of households putting their blue sack out with paper and card)
 - Contamination levels within the sacks
 - Contamination in the existing, blue-lidded recycling bin (including levels of paper/card)
- 6.6 Results for the paper/card collection days were as follows:
- By the end of the trial, 71% of properties were presenting sacks (the same % as in Fortnight 3, with an increasing trend over the course of the trial (62% in Fortnight 2 and 51% in Fortnight 1)
 - By the end of the trial, the average weight tipped per day was 2.56 tonnes, up from 0.94 tonnes in Fortnight 1, 2.08t in Fortnight 2 and 2.76t in Fortnight 3)
 - By the end of the trial, visual inspections estimated a 1% contamination rate in the blue sacks (Fortnight 1: 1%; Fortnight 2: 3%; Fortnight 3: 3%)

- There were an average 6 sacks per day reported containing other dry recycling contamination in Fortnight 4, down from an average 8 sacks in Fortnight 3, and 13 sacks in Fortnights 1 and 2
- Whilst the tonnage of paper/card collected for recycling varied across each round, it followed a strong positive correlation with the level of participation for each round. This confirms that the higher the collective participation level, the greater the tonnage of paper/card that was collected for recycling. Therefore, to increase the tonnage of paper/card recycling collected for future programmes will require a large campaign to encourage all residents to take part, and not rely on individual properties to over produce to compensate for low or non-participation from other properties.

6.7 Results for the containers' collection days (existing blue lidded recycling bin):

- Overall average weight tipped for each round over the eight-week period was 5.96 tonnes (Fortnight 1 average: 5.44t, Fortnight 2 average: 6.03t, Fortnight 3 average: 6.11t; week Fortnight 4: 6.26t)
- On average 29 bins per day were contaminated in Fortnight 4, continuing a downward trend across the eight-week trial (Fortnight 1 average: 75, Fortnight 2 average: 57; Fortnight 3: 53).
- In Fortnight 4, the number of bins containing paper/card contamination per day dropped to 262, also continuing a downward trend across the eight-week trial (Fortnight 1 average: 382, Fortnight 2 average: 437; Fortnight 3: 294)
- Visual inspections estimated that, on average, in Fortnight 4, 19% of the resulting dry recycling was contaminated (Fortnight 1 average: 19%, Fortnight 2 average: 21%; Fortnight 3 average: 21%)

6.8 In parallel to the above, the Council organised two sample loads of the recycling collected from blue-lidded recycling bins to be collected from the Waste Transfer Station by West London Waste Authority (WLWA), to be assessed for contamination. A pre-trial load collected on 5th October showed contamination of 17.8% compared to a subsequent load collected during week 5 of the trial on 4th November, which contained a reduced contamination rate of 16.8%.

6.9 Direct correspondence was received by the Council from 87 residents during the trial, representing 1.6% of all households involved in the trial. 50 of these contacts were from direct correspondence received to the RLS mailbox. The vast majority of these were from the south of the borough - Queens Park, Harlesden & Kensal Green wards in particular. An additional 37 calls were received by the Council's Customer Contact Centre during the trial.

6.10 The main issues reported were as follows:

- In early weeks: sacks not received; not aware in trial/communications not received; unhappy about being in the trial; missing sack after collection
- concerns about the capacity of the sack
- concerns about the sack and paper/card getting wet
- concern about the space to store the sack
- confusion about the collection cycle with other recycling waste
- Having more “other” recycling wasted than paper/card, so bins were full, or excess was wasted

6.11 Mitigations for these concerns have been given due consideration in the final design of the service and these are described in section 7 below.

7.0 The final Integrated Contract specification and associated other workstreams

7.1 Having given due regard to the results of the public consultation and the results of the alternate weekly twin stream recycling trial, officers recommend that the Preferred Service that was issued for consultation, with some modifications in relation to the Alternate Weekly Twin Stream recycling collection, is included in the final Integrated Contract.

7.2 The proposed specification for the Integrated Contract offers an efficient, affordable service that is fit for the future and better for the environment and climate.

7.3 The new intelligence-led approach to street cleansing would start on 1 July 2023 and the new recycling collection service would start on 1 October 2023.

Alternate Weekly Twin Stream recycling collections

7.4 The alternate weekly twin stream recycling service can be delivered within contract budget, with significant benefits to the climate emergency agenda and in accordance with the National Resource and Waste Strategy that provides the future direction of related services, and which focuses on reducing waste and promoting recycling and the circular economy.

7.5 Separating paper and card from containers is the most beneficial service change the Council can take to align itself with the changes that will be mandated by Government over the coming years.

7.6 The Council has not introduced a major service change to the waste service for over a decade. Significant service changes such as the one proposed tend to provide a major opportunity for a step change in the level and quality of recycling by the community, when accompanied by a major communication campaign.

7.7 Alternate weekly twin stream recycling collections is the only option that can bring the cost of the next contract in line with Council budgets without requiring significant cuts to be made to other Council services. The benefits of switching from comingled weekly recycling to alternate weekly twin stream recycling include:

- Improvement in the quality of recycled material due to lower contamination, with greater income generated from the material
- An increase in the recycling rate and the diversion of waste from the residual stream through a refresh of the service, accompanied by comprehensive communications, would result in an increase in the diversion of food waste, with reduced waste disposal costs, making a significant contribution to the Council's work to tackle the climate emergency
- Residents will still receive a weekly recycling collection, albeit with different materials collected each week
- No requirement for significant round changes meaning that most residents will not experience any day changes to their collections
- Existing crews are familiar with the rounds and the collection methodology
- Shorter lead time to introduction of the service change compared to fortnightly twin stream collections
- Use of the existing fleet to minimise new vehicle purchase lead-time delays

7.8 As a result of the feedback from the alternate weekly twin stream trial and the results of the equalities assessment, the following modifications to the service will be adopted:

- A fully sealable sack lid on all sides to keep the paper and card dry
- A more durable sack (to be explored with the contractor)
- An additional sack to be given to residents requesting one
- Inclusion of a white square on the sack for residents to mark their house number
- Steps to be taken at the Waste Transfer Station to allow paper/card to dry out to maximise its value

7.9 In addition, in response to concerns received from some residents during both the public consultation and the alternate weekly twin stream recycling trial, the Council will commission modelling in the new year to determine whether any alternate weekly twin stream recycling collection rounds might be better served using an additional wheelie bin for the storing of paper/card rather than a sack. A hybrid option is possible as the Contractor's collection arrangements are flexible, but individual rounds would have to be either all bins or all sacks, as sacks require a feeder bin to tip the contents into the lorry, which would need to be removed to tip the contents of wheelie bins.

- 7.10 The maximum one-off extra cost of wheelie bins compared to a sack for all street level households would be £1.52m. There would be a neutral impact on the Integrated Contract price.
- 7.11 There are potential disadvantages to using a wheelie bin rather than a sack for paper/card. Firstly, future waste arrangements outlined in the Environment Act 2021 may lead to a higher volume of paper/card requiring collection than containers, in which case the better option at the appropriate point in the future would be to switch the existing 240l recycling bin to paper/card, with the sack used for containers. This would avoid incurring capital for an extra wheelie bin. Secondly, and most significantly given that a reduction in contamination is critical to making the service financially sustainable, there is a risk of increased contamination as full checking of wheelie bins is not possible.
- 7.12 The modelling will be commissioned in January 2023 and involve a boroughwide survey to capture and analyse information on external household storage space for containers and areas of high historic contamination levels.
- 7.13 As stated in Section 6, less than 2% of the households included in the trial contacted the Council during the trial. Officers will therefore commission a survey of households included in the trial in January 2023 to understand their experience and to find out any further ways the alternate weekly twin stream recycling collection could be improved in advance of its introduction on 1 October 2023.
- 7.14 It should be noted that under the Integrated Contract, general waste would continue to be collected fortnightly and food waste weekly – remaining as they are now - with no changes proposed for garden waste collections.

Intelligence-led approach to street cleansing

- 7.15 The switch from a frequency-led to an intelligence-led approach to street cleansing was always intended as a key service improvement in the Cabinet Authority to Tender report (16 August 2021).
- 7.16 As part of the Dialogue during the procurement process, officers conducted a detailed review with Veolia on the locations in the borough where resources are most needed to determine the most efficient allocation of staff under the new regime. New Zone Classifications and road splitting will ensure each road receives right level of cleanse at the right frequency.
- 7.17 The approach will include six new, dedicated rapid response teams in each Brent Connect Area (with two in Wembley) which the council will be able to task directly to address any ad hoc issues arising and to target hotspots.
- 7.18 Data management will also be improved within the new contract with a new dedicated Digital Manager post sitting with the contractor and a live

dashboard shared with the Council's client team which we will jointly monitor daily and which the council will analyse for trends to determine locations which require changing levels of resource. The new regime will therefore be flexible allowing resources to be reallocated where required across the borough.

7.19 Joint regular inspections on NI 195 standards between contractor and client staff will continue in line with the current contract.

7.20 In line with the new intelligence-led approach, fixed manual cleansing frequencies will be adjusted as per the table below, mitigated by more mobile and flexible resources to address hot spots from developing. It should be noted that there are no changes proposed to the existing frequencies in Zones A, B, C and DH.

Zones	Manual Cleansing - Minimum Frequency	
	Current	New
A - Town Centre	Daily	Daily
B - Secondary Retail & Commercial	Daily	Daily
C – Industrial/Warehousing	Twice per Week	Twice per Week
DH - Residential High Obstruction	Weekly	Weekly
DM - Residential Medium Obstruction	Weekly	Fortnightly
DL - Residential Low Obstruction	Fortnightly	Every 4 Weeks
North Circular Road	Three per Week	Weekly

Small items collection services

7.21 A new free, bookable small items collection service would be introduced. The service would collect:

- Textiles
- Small electrical appliances
- Household batteries
- Paint
- Used coffee pods

Mixed Aged Fleet Strategy

7.22 During dialogue within the procurement process for the Integrated Contract, a mixed-aged fleet strategy emerged as a more cost-effective solution than the Council financing the cost of the whole fleet at the start of the contract.

7.23 Under the mixed-aged fleet strategy, the existing contractor fleet deployed on the Public Realm contract will be purchased by the Council and 'rolled over'

for use on the Integrated Contract from 1 April 2023. The advantages of the mixed-aged fleet strategy are that it will enable a seamless transition to the new contract and enable the phased introduction of more efficient vehicles, such as electric vehicles, over the life of the contract as technology improves and becomes more cost-effective compared to diesel.

- 7.24 The capital required in Year 1 is £10.8m, comprising new vehicles and the potential purchase of public realm contract rollover vehicles. A further £10.2m would be required to fund replacement vehicles over the remaining term of the main contract period. An updated capital profile will be submitted to Capital Programme Board in future years reflecting any changing costs to vehicle fuel types, prices and interest rates, at the point that the drawing down of this capital funding is required. The costs of deployment and maintaining the fleet are included in the contract price.

Summary of the benefits of the new Integrated Contract

- 7.25 General benefits of the new Integrated Contract include:

- Retention of a majority share of future service efficiencies (70%)
- Nine new electric vehicles funded by the council in Year 1, with opportunity to phase in more during the main contract term, due to the mixed aged fleet strategy
- A reduction in sub-contractors (clinical waste to be delivered directly by Veolia)
- Commitment by Veolia to work proactively with the Council's ECO Team and Grounds Maintenance and recycling processing providers

- 7.26 Benefits from the new collection services include:

- A forecast increase in recycling and income - projected contamination rate of 11.7% compared to existing 23.6%; increased street level household recycling rates by ~8%
- Separation of communal recycling rounds from street level households recycling rounds
- A free bookable, small items collection service for small electrical appliances, batteries, textiles, paint and coffee pods
- A bespoke contractor recycling improvement strategy
- 100 bin sensors to measure communal bin fill rates to gauge recycling rates in poor performing areas
- Design and delivery of a bespoke contractor contamination plan
- Comprehensive review of signage at communal bin stores, with improvements for layout of containers at collection points to be presented with business case
- 12 new trial communal bins with better content visibility and smaller apertures to deter flytipping

- Retention of a commercial waste service with a graduated increasing rebate
- Assisted collections will benefit from a proximity alarm system alerting driver/crews when approaching properties, with enhanced contractor supervision to prevent missed assisted collections

7.27 Benefits of the new street cleansing services include:

- Intelligent-led approach to cleansing with proactive, targeted management of hotspots through the six new rapid response teams
- A more dynamic 'Clear as You Go' approach from increased flexible mobile resources
- All routes will be time sensitive locations, for instance to account for schools and train stations
- 10 mobile devices to be deployed with mobile cleansing and evaluated for the benefits
- Contractor support in establishing Community Improvement Groups and Business Improvements Groups

7.28 In respect of winter maintenance services, the contractor rather than the council will be responsible for administering the snow wardens scheme, which provides tools to volunteers to clear snow and grit on routes that are non-priority for the winter maintenance service.

Other changes to the existing public realm contract specification

7.29 Some minor reductions to the current specification are proposed to ensure the contract will be affordable:

- Back to standard by 08.30am instead of 8.00am in Zones A & B
- Zone A 'headers' (side roads) reduced from 50m to 20m
- Instances of obstruction to be returned to on two further occasions within following 24 hours, rather than returned to on a limitless basis
- Offensive waste (i.e. soiled waste) to be collected within Residual rather than Clinical Waste
- Boxing Day and New Year's Day will formally be non-working days
- Rectification of overflowing Litter Bins will be within 2 hours rather than 1 hour
- Public Conveniences cleansed once rather than twice per day, but with reactive response and monthly deep cleansing
- Zone C daily mechanical sweeping in Wembley reduced from daily to weekly, mitigated by reclassification of some roads
- Winter Service Operations training limited to one rather than all drivers

Associated commissioning and other RLS workstreams

- 7.30 The following services were included as 'provisional items' within the initial Integrated Contract specification and it is proposed that these are omitted from the final Contract and commissioned separately as indicated below:
- Confidential waste disposal from Council buildings is to be brought in house from 1 April 2023
 - Household bulky waste collections are to be commissioned separately in partnership with WLWA to start 1 April 2023
 - The transfer of waste and recycling in parks (other than green waste which will be treated on park sites) will be included as a requirement in the Grounds Maintenance contract from 1 August 2023.
- 7.31 New recyclates reprocessing contracts for the comingled dry recycling from communal properties and the new separate streams for paper/card and containers from street level households collected through the Integrated Contract are being procured separately via the WLWA's Dynamic Purchasing System Framework, with decision on this to be sought following the appropriate council governance procedure in the new year. The cost for Veolia's handling of all recycling materials at Veolia's Marsh Road, Alperton waste transfer station, prior to haulage and reprocessing under the WLWA framework, are included within the Integrated Contract.
- 7.32 Household bulky waste collections arrangements will also be procured in partnership with the WLWA. The service currently runs at a deficit of £100k per annum and an assessment has shown that a new service would pay for itself without having to increase bulky waste charges to residents. In addition, more bulky waste would be diverted for reuse with less waste disposal.
- 7.33 Officers are developing a new online reporting tool for residents for cleansing, waste and highways issues, to be launched in April 2023. This will replace Love Clean Streets which only focuses on cleansing reporting. Other services will be added to the new reporting tool in the future, so that in time, the Council will have a comprehensive, integrated reporting tool for public realm issues.

New Council contract management and client-side arrangements

- 7.34 As agreed in the Final RLS Delivery Model, it is expected that the Education, Communication and Outreach (ECO) team (up to 6 staff) will TUPE transfer from Veolia to the Council on 1 April 2023. This will give the Council direct responsibility for communication, education and outreach to help address our considerable waste, climate emergency and circular economy objectives and challenges and help manage the risk that will in future sit with the council rather than the contractor in respect of waste diversion and maximising recycling.
- 7.35 The team will be integrated into a new host service which will oversee performance of the Integrated Contract and enable a more integrated and

coordinated education and enforcement function across the public realm. It will also enable a more strategic and holistic approach to stakeholder management and community engagement.

Preparing a new information campaign and recycling engagement plan

- 7.36 In January 2023, officers will begin the development of a comprehensive information campaign and a recycling engagement plan, with a particular focus on tackling contamination, so that this is ready in good time for the introduction of the new contract and the new recycling services to be introduced in October 2023.
- 7.37 This will include a refreshed approach to engaging with other housing providers, landlords and managing agents.
- 7.38 Officers will review best practice from across London and further afield in putting together plans with Veolia and partners to reduce the risk of contaminated waste arising from the new service.
- 7.39 A key priority will be to continue to encourage the correct separation of food waste from other streams. As a start, over the next few months, the Council will be rolling out free kitchen caddies to all flats in the borough that receive a communal food waste collection.

Depot refurbishment and improvement programme

- 7.40 There are 11 council depots serving both the Integrated Contract and the new Grounds Maintenance (GM) Contract, which are all currently occupied by Veolia.
- 7.41 Officers will be developing a comprehensive programme to refurbish and improve these facilities so that they provide modern workplace standards and are fit for the future in respect of electric vehicle charging infrastructure. This programme involves: finalising dilapidations on current leases with Veolia; holding discussions with the new GM contractor once that contract is awarded in March 2023, to agree park depot requirements for the start of the new GM contract in August 2023; holding discussions with the Integrated Contract and GM contractors on agreements for shared use of park depots by both contractors; developing a depot works programme for all sites, including installation of electric vehicle charging infrastructure; plans to provide Veolia exclusive use of Unit 2 Marsh Road by April 2025, and to secure alternative accommodation for the existing council operations based there.
- 7.42 Indications from initial site surveys undertaken for all depot sites are that the total cost of the depot refurbishment programme, including sufficient electric vehicle charging infrastructure sufficient to power a wholly electric fleet by 2030, would cost an estimated £2.3m. This includes an estimated circa £0.8m cost for a new electricity sub-station in Marsh Road.

7.43 In addition to seeking dilapidations contributions from the existing contractor and support that could be provided from our contractors, officers are keen to identify one off funding sources to fund this depot programme, rather than incurring additional capital borrowing that would need to be repaid from the contract budget. We have therefore identified the predicted surpluses accruing to the Council in financial years 2023-24 and 2024-25 from the WLWA's generation of additional income for this purpose.

8.0 Alternative Options Considered

8.1 The alternative options that were included in the public consultation as not favoured in summer 2022 are included in the table below.

Service Option	Additional cost per year compared to the 'Preferred Service'	Not favoured because...
Maintaining the service specification in the current Public Realm contract, including weekly single stream (commingled) recycling collections	£3.5 Million	<ul style="list-style-type: none"> • We cannot afford this service without making significant cuts to other council services. • Alongside a fortnightly residual collection service, can encourage contamination of material going into recycling bins
Introducing fortnightly single stream (comingled) recycling collections	£1.8 M	<ul style="list-style-type: none"> • Would mean residents could only recycle once every fortnight • Benefits of improving material quality by separating 'paper/card' from 'containers' would not be realised • Additional cost over the 'Preferred Service' would require cuts elsewhere to other council services
Introducing a fortnightly twin stream recycling collection service <i>(i.e. 'containers' and 'paper/card' separate, but collected at the</i>	£0.6 M	<ul style="list-style-type: none"> • Would mean residents could only recycle once every fortnight. • Similar to the 'Preferred Service', but would require separate vehicles to collect food waste which comes at

<i>same time every fortnight)</i>		an increased cost
Introducing a weekly twin stream recycling collection service (<i>i.e. 'containers' and 'paper/card' separate, but collected at the same time each week</i>)	£1.4m	<ul style="list-style-type: none"> Additional costs are prohibitive without greatly impacting the likely return from material income or improved recycling rates compared to the 'Preferred Service'
Moving from a two weekly to a three weekly residual waste collection	Not costed	<ul style="list-style-type: none"> This was considered as a potential saving option, however, it is not considered to be viable for an inner London Borough such as Brent due to the density of our housing, concerns over space for storing waste over that period, and the potential negative impact on street cleanliness. No other London boroughs have or are planning to have a three weekly residual waste collection

9.0 Financial Implications

- 9.1 Part 3 of the Council's Constitution states that contracts for services exceeding £5 million shall be referred to the Cabinet for approval of the award of the contract. The value of the Integrated Contract is estimated to be significantly over this threshold.
- 9.2 The annual value of this contract is currently estimated to be circa £17.13m at today's prices, after removing the provisional items but including the costs of fleet financing which will not be payable to Veolia.
- 9.3 The award of the contract is for an initial period of eight years, with an option to extend for further eight years. This makes a total contact cost of £136m over eight years at today's prices. The contract is subject to inflationary increases which will need to be considered as part of the Council's Medium Term Financial Planning.
- 9.4 The Integrated Contract will be funded largely from the existing Public Realm budget. The current Public Realm budget covers the grounds maintenance and recycles reprocessing which will no longer be part of the Integrated Contract. The budget was therefore apportioned to cover all these elements.

The final RLS delivery model also recognised additional costs with £3.2m of savings identified to cover these costs.

- 9.5 Financial pressures are predicted in Years 1 and 2 of the contract due to one off costs and additional costs whilst the contract is embedded. These will be mitigated through identified reserves, including the predicted surpluses accruing to the Council in financial years 2023-24 and 2024-25 from the WLWA's generation of additional income.
- 9.6 By year 3 it is forecast that the contract will become financially sustainable as a result of additional income received from the sale of recyclates and avoided waste disposal fees arising from the recycling collection service changes.
- 9.7 The mixed-aged fleet strategy has been assessed against acquiring an entirely new fleet in Year 1 of the Integrated Contract. Lower borrowing costs will be incurred as a result of acquiring vehicles throughout the contract rather than purchasing a new fleet upfront in Year 1, saving £0.3m in interest charges.
- 9.8 Further savings will be achieved by acquiring the existing fleet at the start of new contract rather than paying Veolia for the use of the existing assets over subsequent years. This is expected to save a further £0.3m.
- 9.9 The £21.0m cost of the new and acquired assets includes a £1.8m inflationary uplift on current list prices, reflecting that the replacement costs for new vehicles in future years are likely to be higher than current list prices.
- 9.10 A business case will need to be established for the conversion of any alternate weekly twin stream recycling rounds to the use of wheelie bins after the new service is live. This could potentially require an additional one-off capital sum of up to £1.52m if all rounds were converted. There are no revenue implications from switching from sacks to wheelie bins.

10.0 Legal Implications

- 10.1 The value of the Integrated Contract over its lifetime is in excess of the threshold for Services under the Public Contracts Regulations 2015 (PCR 2015) and the procurement and award of the contract is therefore governed by the PCR 2015. As detailed in paragraph 4 of this report, a procurement process in compliance with the PCR 2015 has been conducted.
- 10.2 The award is subject to the Council's own Standing Orders and Financial Regulations in respect of High Value Contracts given the procurement is valued at more than £2 million. Part 3 of the Council's Constitution state that contracts for services exceeding £5 million shall be referred to the Cabinet for approval of the award of the contract.
- 10.3 The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE 2006) are likely to apply to the current proposal as this involves some

service provision change. So, although this service is currently provided by an external contractor and there are no implications for council staff, the insourcing of ECO team for the service will result in the TUPE transfer of up to 6 members of the current contractor's staff to the Council.

- 10.4 These members of staff are dedicated to the service. The Council is advised to undertake due diligence to ensure only the requisite staff are transferred in to the Council's employment.
- 10.5 Any ex-Brent Council staff who TUPE transferred to the current contractor in respect of the Public Realm Contract will be entitled to retain access to the Local Government Pension Scheme under the new contract if they continue to work on delivery of the services. The Council may be required to enter into a Pension Admission Agreement and a Risk Share Agreement or any other arrangement as might be deemed appropriate in respect of such staff. This may include obtaining insurance rather than a Risk Share Agreement.
- 10.6 Where consultation is carried out, it must comply with the following 'Gunning' Principles, which were initially cited in the High Court case of R v Brent LBC ex parte Gunning (1985) and were subsequently approved by the Supreme Court in the case of Moseley v Haringey LBC [2014]:
- Consultation must be undertaken at a time when proposals are still at a formative stage
 - Sufficient reasons for any proposal must be provided in order to allow proper and intelligent consideration and response
 - Adequate time must be given for consideration and response
 - The decision maker must give conscientious consideration to the responses.
- 10.7 Following the decision of the Supreme Court in the case of Moseley v Haringey LBC [2014], it has been recognised that there are certain circumstances where it is prudent for a public authority to set out, during a consultation process on a preferred proposal or option, what alternative proposals which were considered and discarded and the reasons for rejecting such alternative proposals.

11.0 Equality Implications

- 11.1 The Council must, in the exercise of its functions, have due regard to the need to:
- (a) eliminate discrimination, harassment and victimisation
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it,

pursuant to s149 Equality Act 2010. This is known as the Public Sector Equality Duty.

- 11.2 Under the Public Sector Equality Duty, having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.
- 11.3 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 11.4 There is no prescribed manner in which the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary. Cabinet is referred to the contents of this report for information, in particular the Equality Analysis at Appendix 4.
- 11.5 An Equalities Impact Assessment has been undertaken and the one service change that is considered to have a potential negative impact on groups with a protected characteristic is the proposed alternative weekly twin stream recycling collection. There are several groups who could be negatively impacted by the change, relating to ethnicity, disability, age and pregnancy/maternity. The following mitigations are intended to alleviate these negative impacts:
- The Assisted collections service will still be in operation in the new service. With this service, the residents won't have to move the sacks to the front of their garden and the contractor can collect it from their front door or the specified location. This will support those with mobility issues.
 - We will discuss a solution with the supplier which makes the sacks for paper/card easier to use. For example, having hangars at the side of the bin to allow them to wheel it. This also would support residents with mobility issues.
 - To ensure that the changes are communicated properly across the borough it is imperative that we deliver a strong communication campaign that clearly details the changes. It is important to note that we have community champions across the borough who would be able to engage with and communicate the proposed changes to individuals who have English as an additional language. The community champions would be able to support with translating the information to their groups.

12.0 Consultation with Ward Members and Stakeholders

- 12.1 The consultation undertaken in summer 2022 is summarised in section 5 above and included in full at Appendix 5.
- 12.2 As stated at 7.13 above, a survey will be issued in January 2023 to households who participated in the alternate weekly twin stream recycling trial to find out more about their experiences and to learn how the service might be improved further before it is rolled out in the new contract.
- 12.3 Opportunities will be provided in the new year for ward councillors to be involved in the design and development of our new information campaign and recycling engagement plan.
- 12.4 The information campaign and communications on service changes will be issued in good time to residents before the service changes commence.
- 12.5 A report on the Integrated Contract procurement programme was considered by Resources and Public Realm Scrutiny Committee at its meeting on 13 December 2022. The Committee's recommendations are included below and these will be taken forward by officers in early 2023.
- i) Produce a diagram/flowchart detailing all milestones from May 2019 when the Redefining Local Services (RLS) programme was first initiated.
 - ii) Review household bulky waste collection charges, including consideration of a sliding scale of charges linked to the number of items to be collected, rather than the current fixed rate of £35 for up to five items.
 - iii) Undertake a feasibility study on the potential for introducing a mixed approach to paper/card recycling collections, to explore whether any recycling collection rounds in the borough would be more suited to the use of bins rather than sacks.
 - iv) Arrange a session with ward councillors and Neighbourhood Managers to inform the design and development of the new recycling engagement and communication plan that will accompany the roll out of the new recycling service.
 - v) Liaise with the West London Waste Authority to ensure access is reinstated for pedestrians and cyclists at the Abbey Road Household Reuse and Recycling Centre.
 - vi) Improve collaboration between in-house enforcement teams and collection operatives in identifying fly tipping hot spots and collating evidence, to remove the burden from residents.

13.0 Human Resources/Property Implications

- 13.1 This service is currently provided by an external contractor and there are no implications for Council staff arising from retendering the contract. However, as indicated in paragraph 7.34 above, the insourcing of ECO team will result

in the TUPE transfer of up to 6 members of the current contractor's staff to the Council as they are dedicated to the service.

- 13.2 There are three council-owned depots available for waste operations (Units 4-7 Marsh Road, Unit 2 Marsh Road and Victoria Road) and seven parks depots that are available for use by the Integrated Contractor, the latter in a shared capacity with the prospective Grounds Maintenance (GM) Contractor. The GM contractor will be the lead contractor and lead tenant for each of the park depot sites.
- 13.3 Discussions will take place between both the Grounds Maintenance Contractor and the Integrated Contractor, post contract award, with regards to the leases and a refurbishment programme including the installation of electric vehicle charging infrastructure.

14.0 Environmental Sustainability Implications

- 14.1 A green and clean environment has been a key priority for the RLS programme. Every opportunity has been explored to ensure the Integrated Contract is as sustainable as possible within the available budget for the service.
- 14.2 The proposed changes to the recycling services and bulky household waste collections will increase the amount of waste recycled and reused, including textiles and food which have the greatest climate impact if placed in the residual waste stream.
- 14.3 Nine new electric vehicles will be introduced when the contract starts, with the opportunity for further electric vehicles to be phased in over the course of the main contract term.

15.0 Public Services (Social Value) Act 2012

- 15.1 The Council is under duty pursuant to the Public Services (Social Value) Act 2012 ("the Social Value Act") to consider how services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the Council might act with a view to securing that improvement; and whether the Council should undertake consultation. Officers have had regard to considerations contained in the Social Value Act in relation to the procurement.
- 15.2 Social value had a weighting of 10% of the evaluation score and in evaluating tenders, the Council requested proposals address the following initiatives:
- Number of new apprentices and/or new jobs to be created for Brent residents as a result of this contract.

- Maximising opportunities for Brent organisations to participate in the council's supply chains and encouraging suppliers to make a social contribution to the local area of Brent
- Promoting greater environmental sustainability: Minimising waste and pollution, supporting carbon reduction initiatives, reduction of waste to landfill.

Report sign off:

Peter Gadsdon

Corporate Director, Residents' Services