

Committee: Cabinet

Date: 17 May 2023

Wards: ALL

Subject: Waste and Street Cleansing Commissioning: Specification for Recycling & Waste Service Procurement

Lead officer: Dan Jones, Executive Director Environment, Civic Pride & Climate

Lead member: Cllr Natasha Irons, Cabinet Member for Local Environment, Green Spaces and Climate

Contact officer: John Bosley, Assistant Director of Public Space

The following paragraph of Part 4b Section 10 of the constitution applies in respect of information within the appendix and it is therefore exempt from publication:

Information relating to the financial or business affairs of any particular person (including the Authority holding that information).

Members and officers are advised not to disclose the contents of the Exempt appendix.

Recommendations:

That Cabinet:

- A. Agree the proposed enhancements to the waste and recycling service specification in order that the specification can be finalised for submission to the Greater London Assembly as required by the Greater London Authority Act 1999.
 - B. Note the estimated costs associated with each of the proposed enhancements and agree that final costs for the agreed enhancements be allowed for in the Council's Medium Term Financial Strategy from 2025/26.
 - C. Note the rationale and intended benefits of each of the proposed enhancements.
 - D. Note that the final version of the specification for submission to the Greater London Authority will be signed off by the Executive Director for Environment, Civic Pride and Climate in consultation with the Cabinet Member for Local Environment, Green Spaces and Climate.
 - E. Note the possible impacts on the collection service that will need to be accommodated due to government plans for the potential standardisation of recycling and waste collections across England, the application of Extended Producer Responsibility (EPR) for packaging and the adoption of a Deposit Return Scheme (DRS) nationally.
 - F. Note that proposed enhancements to the specification for the street cleansing service will be reported to Cabinet for decision at a later date.
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1. At the meeting of the 20 February 2023, Cabinet agreed, based on the Best Value Assessment and Resident Engagement findings, to a model of securing service delivery that disaggregates the street cleansing service from the waste and recycling service¹.

1.2. Cabinet also agreed that a competitive procurement offers the Best Value approach to securing a waste and recycling service, authorising the Waste and Street Cleansing Project Board to undertake further detailed work on a service specification that delivers a high quality and responsive waste service to residents².

1.3. Cabinet noted that further Cabinet decisions will be sought as necessary with regards to the various components of the proposed service specifications for the waste and recycling, and street cleansing services³.

1.4. Following these acknowledgements, and in line with section 2.32 of the 20 February Cabinet report, the Waste and Street Cleansing Project Board have prioritised the development of the specification for waste and recycling collections to ensure submission to the Greater London Authority (GLA) pursuant to its responsibilities under the Greater London Authority Act 1999.

1.5. The Council intends to publish a Prior Information Notice (PIN). The GLA will have 56 days from the date of submission to respond with any directions it deems necessary.

1.6. An extensive borough-wide consultation on residents' views on waste & street-cleaning, ran from early October to mid-November 2023 and generated a successful return-rate of around 2,500 overall responses. Based on these responses a service specification has been developed to address and respond to resident's needs, reflect our communities, react to challenges, and support the Council's environmental commitments

1.7. The purpose of this paper is to introduce the recycling and waste specification, drawing attention to the developments and improvements, as compared to the current contract specification operated through the South London Waste Partnership.

1.8. A specification for the Street Cleansing service is being developed separately to this report and will aim to improve service outcomes by enhancing the provision of services across areas where the current service does not perform adequately.

2 DETAILS

2.1. Table 1 shows the overall trend of residents' experiences of waste collection and recycling facilities since the current contract was put in place. Figures in the last column are from the most recent consultation.

Table 1 Resident Experiences of Refuse & Recycling Collections

¹ Recommendation C: Cabinet Report, Waste and Street Cleansing Commissioning: Preferred model for securing service delivery

² Recommendation D: Cabinet Report, Waste and Street Cleansing Commissioning: Preferred model for securing service delivery

³ Recommendation I: Cabinet Report, Waste and Street Cleansing Commissioning: Preferred model for securing service delivery

Service	% Satisfied 2017	% Satisfied 2019	% Satisfied 2021	% Satisfied 2022
<i>Refuse collection</i>	69%	48%	62%	63%
<i>Recycling facilities⁴</i>	71%	56%	56%	63%

2.2. As detailed in the February Cabinet Report, following a drop in 2019, resident experiences have steadily improved around waste collections & recycling as service improvements have been made.

2.3. When we asked those residents who have had a poor experience of collections what their concerns were, the top three issues were: missed collections (49%), frequency of collections (49%) and putting their bins back properly (49%).

2.4. However, it should also be noted that there is a very high level of support for residents around recycling too – 74% of residents want to recycle more, and 55% said more recycling is critical to help the local environment. Collection frequencies (of both recyclables and residual waste) are also relevant to encouraging higher recycling rates.

2.5. This feedback, along with the evidential base from our current service, has formed the basis for how to develop the specification and which elements of the current service provision to enhance for the new specification.

3 SPECIFICATION STRUCTURE

3.1. The specification for the new waste and recycling services is of strategic importance as it outlines the requirements for the contracted service provider. It serves as a benchmark for measuring their performance and ensuring that the services are aligned with the council's climate strategy, which is detailed in the documentation. A well-designed specification is crucial for achieving the desired outcome and maximising the value of the services. It defines the necessary services and enables potential suppliers to propose accurate solutions that align with the best value objectives. Furthermore, the specification is legally binding and can be used for contract management and dispute resolution.

3.2. The council is committed to fulfilling its statutory obligations for household waste collection, while also being a leader in supporting and delivering improvements to the local environment and meeting our climate change objectives.

3.3. The council aims to be net zero carbon by 2030 and as borough by 2050. Waste minimisation and increased reuse, recycling and composting, are a significant contributor to achieving this goal. The environmental benefits of recycling and reducing waste are considerable, as are the financial benefits of disposing of less waste in non-renewable processing facilities.

3.4. The service aims to become an exemplary borough in mitigating and adapting to climate change, reducing pollution, developing a low-carbon economy, consuming fewer resources, and using them more effectively. Key to these aims will be the decarbonisation of the operational fleet vehicles and this will be a key consideration when deciding the most suitable Service Provider.

⁴ Including Recycling collections, provisions at Garth Road HRRC and the Borough's on-street Neighbourhood Recycling Sites

3.5. The drafting of the specification for the new recycling and waste services has defined the needs of the service in terms of functions, outputs, and essential inputs that the potential Service Provider must deliver to achieve the services' goals. The specification also considers the council's current service and activity levels to provide insight for bidders to ensure accuracy and that new services can be designed to accommodate both current and emerging priorities.

3.6. The Specification for the new recycling and waste services is organised into several sections that outline the Council's requirements for the Service Provider.

3.7. The first section, Service Requirements, is further divided into three parts. Part 1, Waste Collection Services, outlines the outputs and essential inputs necessary to deliver the household and commercial waste collection services. This section specifies the requirements for waste collection, including the types of waste to be collected, the frequency of collections, and the current requirements for containment of materials.

3.8. Part 2 of the Service Requirements pertains to the Integrated use of Waste Sites within the scope of the Services. Waste Sites refer to Household Waste & Recycling Centres and Waste Transfer Stations within existing contracts operated through the South London Waste Partnership. This section details the use of processing destinations, as well as the direct delivery of materials to prescribed Waste Sites. It also covers the handling and sale of waste and recyclates, including food waste, garden waste, hazardous waste, and contaminated waste. In responding to developments in the marketplace and potential suppliers risk models, recyclate material sales are to be governed through outlets managed by the South London Waste Partnership.

3.9. Part 3 of the Service Requirements covers the Interface and Interaction with the Council's Services for Street Cleansing Operations. Day-to-day operations and services may have an impact on, and will require liaison with, the Council's Street Cleansing Operations. This section outlines the essential interfaces and interactions required to ensure all services are delivered to the customer through collaboration and teamwork of all suppliers and internal teams, minimising the impact of the operations of street cleansing and to ensure, as far as practical, street cleansing activities follow recycling and waste operations.

3.10. Section 2 of the Specification focuses on ICT Requirements. This section identifies the required outputs, inputs, and interfaces that the Service Provider's ICT systems must produce or accommodate to effectively work within the council's overarching network. The Council shall expect the Service Provider's ICT systems to integrate with existing systems and to meet the Council's specific requirements to enable customer access and reporting into new systems.

3.11. Section 3 of the Specification outlines the Property Requirements. This section identifies the property that the Council can make available to the Service Provider to deliver the requirements in this specification. This includes premises, vehicles, and plant and equipment. The section also outlines the basis on which the property is made available, with reference to the applicable contract schedules.

3.12. Section 4 of the Specification covers Corporate Requirements. This section identifies general requirements that the Council has on its contractors. These requirements include compliance with relevant laws and regulations, adherence to ethical business practices, and the provision of insurance and indemnity arrangements.

3.13. Finally, Section 5 of the Specification covers Communications. This section identifies the general requirements of the supplier and how to work collaboratively with

the Council's in-house communications team to support the delivery of services. Effective communication is critical to the success of the service delivery, and this section highlights the need for clear, concise, and timely communication between the Service Provider and the Council.

3.14. The specification differs from the current specification, as the new specification will not be an output-based specification. The new specification is comprised of minimum requirements that shall be delivered, and further requirements are outlined within each part of the specification as a service function.

3.15. Each function details specific service requirements that need to be maintained during the contracted period and provides the potential Service Provider with the current service activity level of the function. Background information and reference to appendices is provided, where applicable, for each function.

3.16. The additional detail and specific requirements for each function is designed to ensure that the objectives are clear and there is no ambiguity in the future performance of the functions. In providing detailed information of what is expected and the current service activity levels, potential Service Providers can ensure that suitable and adequate resources are available and detailed within proposed Service Delivery Plans.

3.17. An example of how this has been drafted is supplied below and outlines the function requirements for assisted collections.

Figure 1: Excerpt of Draft Specification Layout and Content for Assisted Collections

Reference:	HWC2
Function:	Assisted Collections – <i>Special Requirements List</i>
Service Requirement:	Service / Activity Level:
<p>1. The Service Provider shall:</p> <ul style="list-style-type: none"> A. Ensure the removal of all presented waste materials as outlined within HWC1 and HWC4. B. Ensure that collected containers are repositioned following collection to the same point from where they were presented by the resident. C. Comply with the Council's Assisted Collection Policy & Procedure. D. Maintain and update the Special Requirements List in accordance with the said Procedure as outlined in the Service Delivery Plan, providing a suitable ICT system to which the Council's Authorised Officer has real time access. <p>2. For the avoidance of doubt, the Service Provider shall not receive any additional payment for providing Assisted Collections.</p> <p>3. Assisted Collections apply to all types of Household Waste Collections, including Garden Waste.</p>	<ul style="list-style-type: none"> i. The properties, currently 1082, that receive Assisted Collections are held in the Special Requirements List. These properties are exempt from presenting containers at the Edge of Curtilage. The Service Provider is responsible for maintaining this list and providing it to the Council on request. ii. Households that receive Assisted Collections have waste and/or recyclables collected from an agreed Point of Storage which must be visible from the public Highway, where it is practical to do so. iii. The primary reasons for households receiving Assisted Collections are: <ul style="list-style-type: none"> A. The resident and all occupants of the property are unable to routinely place Household Waste at Edge of Curtilage. B. The property itself has a special requirement because Household Waste cannot be placed at Edge of Curtilage because this would prevent access to the property. iv. Service Users can apply for Assisted Collections by contacting the Council. Applicants are placed on the Special Requirements List temporarily until an Officer can determine the request. Properties which are validated for Assisted Collections will remain on the Special Requirements List for two years after which time an application for renewal is sent to the Service Users.
Background Information:	
The Council's procedure for Assisted Collections and the current list of properties is contained within Appendix E1 .	

3.18. For comparison purposes, the current specification requirement for Assisted Collections is as follows;

Figure 2: Excerpt of Current Specification Layout and Content for Assisted Collections

Assisted Collections

8.13.3 The Contractor shall undertake Assisted Collections, as directed by the Authorised Officer.

8.13.4 Further to paragraph 8.13.3, if the Contractor reasonably considers that such direction from the Authorised Officer will contravene its Health and Safety Plan, the Parties shall agree an appropriate methodology to achieve the Assisted Collection.

8.13.5 The Contractor will manage Assisted Collections in accordance with the procedure set out in Schedule 4 (Services Delivery Plan) and Schedule 6 (Reporting Requirements).

8.13.6 For the avoidance of doubt, the Contractor shall provide Assisted Collections as part of the Waste Collection Services and shall not receive any additional payment for providing such Assisted Collections

4 LEGISLATIVE CHANGES

4.1. The Government's Resources and Waste Strategy, which was released in 2018 (and due to be revised in 2023/24), outlined several intentions regarding packaging and recycling, including Recycling Consistency, mandatory separate food waste collections, Extended Producer Responsibility (EPR) for packaging to come into force in 2023, and a Deposit Return Scheme (DRS) from 2023.

4.2. Despite these intentions, there is still considerable uncertainty about their implementation. As a result, it is crucial for the Council to continue assessing the impact of these legislative changes on the specification for the future services.

4.2.1 The Deposit Return Scheme is expected to have a significant impact on the amount and quality of recycling and waste collected under the scope of the new specification.

4.3. Given the potential impact of the changes in legislation, there is a need to further explore how they will affect service delivery through proposed solutions. This is important as it could alter the current collection methodology, impacting the service delivery plans of potential bidders, and potentially placing further financial pressures on the service.

4.4. Although the specific impact of the legislative changes is not yet known, it is likely that they will affect the types and quantities of waste and recyclables being collected, the number and arrangement of the vehicles utilised for the service, the level of income from sales of recyclables and the financial impacts on the statutory service. Under the Extended Producer Responsibility requirements based on the 'polluter pays principle', it is intended that manufacturers will fund Local Authorities operations, via scheme administrators, for managing waste they produce. However, the details of how this will work have yet to be provided.

4.5. Considering the uncertainty surrounding the implementation of the Resources and Waste Strategy, it is essential for the Council to monitor and evaluate the impact of the changes on waste services. This will help to ensure that the service can adapt to any changes and continue to provide high-quality waste management services to the borough.

4.6. Officers are aware of the challenges in meeting future recycling targets set by government and the need to achieve the London Environment Strategy objectives of recycling 65% of all municipal waste by 2030.

4.7. Officers have therefore, placed focus on emphasising the importance of commercial waste services, especially for small and medium size businesses, as the smaller bagged business waste has the potential to impact the cleanliness of our streets.

4.8. Improvement in business waste management, as part of local authority collected waste, will also enable our service to improve the recycling of these materials and achieve the set objectives established in the London Environment Strategy.

4.9. There is, however, uncertainty on the potential requirement to harmonise recycling and waste services as indicated by the government. Officers have endeavoured to make provision in the specification for potential changes, and it is intended that the procurement approach will have the necessary flexibility to consider these potential requirements.

5 SPECIFICATION IMPROVEMENTS

5.1. The drafting of the new specification has been informed by the extensive consultation undertaken last autumn and reviewing the performance of the current service to determine where improvement will need to be made. The three (3) areas of most concern identified by residents within our recent survey are outlined in 2.3.

5.2. The following elements have been drafted to improve the service in these key areas through:

- increases in the collection frequency in target locations,
- the addition of new and modified services to provide easier and reliable access to services

5.3. In addition, the newly enhanced twice weekly collection of recycling and waste at our time-banded properties across the borough, has also been updated within the new requirements to ensure that the right service is provided to residents and that we design solutions that can minimise negative impacts to our street environment.

5.4. Each element has detailed requirements and a supporting performance management framework has been developed to improve the service standards delivered.

5.5. With reference to communal flats, waste will be collected at least once a week with additional collections added if there are specific locations where the bins tend to overflow. Any added collections requirements will be based on officer assessments and evidenced based, to ensure that the additional resourcing requirement is warranted. This means that people living in these flats will not have to worry about their waste bins overflowing and creating a mess in the communal areas.

5.6. For larger estates with more than 175 properties, waste will be collected twice a week to manage storage and capacity issues. This change will make it easier for people in these areas to dispose of their waste and will help keep the surrounding areas clean.

5.7. To further support recycling efforts, it is intended to expand our current high-performing food waste recycling services, by supplying residents in flats above shops locations with food waste housing units and installing them at agreed-upon locations. Therefore, making it easier for people living in these locations to recycle their food waste. These units will be serviced with a minimum weekly collection, and residents will not be provided with outside storage containers. This change will help encourage people to recycle their food waste and reduce the amount of waste going to landfill.

5.7.1 The cost for the introduction of the food waste collection service for flats above shops will be offset by the introduction of a paid-for commercial food waste recycling service as outlined in 5.10.

5.8. Finally, garden waste collection services will be provided on a zonal collection service based on Wards. This means that specific areas will have dedicated resources to collect garden waste. It is intended that two Wards will be collected per day using a dedicated resource. This change will ensure that garden waste is collected efficiently and effectively, making it easier for people to maintain their gardens without worrying about waste disposal.

5.9. Currently, the garden waste collection service has developed as membership has grown. The collection days do not align with the overall recycling and waste collection days, which can lead into inconsistency for the customer on when collections are and may cause missed collections. In addition, the annual Christmas tree removal service can be improved as outlined above, improving the customer experience and consistency of collections.

5.10. The Service Provider will also be required to provide a commercial waste collection service within the borough according to their proposed service delivery plan. They will collect commercial waste from customers and deliver it to the council's disposal and recycling facilities. To improve waste recycling, the Service Provider will offer a separate recycling and food waste commercial collection service. The Service Provider will handle all administration of the commercial waste collection service, including directing customers to make payments to the council and marketing the service.

5.11. The council's existing contracts for waste disposal will be used to dispose of the collected commercial waste. All receptacles for the provision of the commercial waste service must be approved by the council and operated by the Service Provider. The Service Provider will be responsible for benchmarking and proposing annual charges for the service. This will align with the council's budgetary process during the annual budget setting process.

5.12. The Service Provider will also gather evidence of breaches of contract in relation to the service and other offenses to support enforcement investigations or action that may be taken by the council's enforcement team.

5.13. An overview of the specific service requirements is provided in Appendix A.

6 CONTRACT GOVERNANCE

6.1. Contract management is a critical requisite to ensure the success of a contract of this size and importance. A comprehensive Partnering Governance Schedule has been developed, highlighting the framework that will be adopted to manage the contract.

6.2. This Schedule outlines the strategic and operational governance arrangements and structures that will be in place to ensure rigorous contract management and standards of the service. This includes the regularity and expected content of contractual meetings and reports.

6.3. Structure of contract management: The Service Provider will attend regular meetings and provide regular reports, the structure, frequency and expected content of which are outlined in the Partnering Governance Schedule. The Schedule also outlines the performance management framework that will be adopted to ensure that standards are maintained over the life of the contract and that robust structures are in place to address any areas of concern.

6.4. There are five (5) contract management meetings outlined within the Partnering Governance Framework:

- Service Operations Board (monthly)
- Annual Review Meeting (annually)
- Service Provider and Collaboration Board (3 times per year)
- Strategic Partnership Board (at least bi-annually)
- Strategic Environment Board (as and when required)

6.5. Each of the meetings has required attendees and is to be informed by requisite reports and minutes / actions from previous meetings.

6.6. Further detail of the meetings, frequency, reporting requirements and required attendees can be found in Appendix B.

6.7. The Performance Management Framework, as outlined in the Partnering Governance Schedule will include a suite of KPIs that cover a range of objectives that will be monitored and reviewed through the Performance Management Framework to ensure that a high standard of service is delivered and that the objectives of the contract are met. Final agreement of the KPIs will be agreed during the procurement phase between the council and the potential provider, however they will be based on industry best practice and focused on the service standards to be delivered by the Service Provider.

6.8. A Corrective Action Plan (CAP) procedure is included as part of the governance arrangements within the drafted specification. This process has been designed to address performance issues that may arise during the undertaking of the services. The trigger point to initiate this process is well defined within the performance management framework and is designed to address inadequate service delivery rather than being reliant on contract conditions or issuing service improvement notices. If triggered, the Service Provider will be required to provide an action plan to highlight how they intend to improve performance to the minimum set level (as noted in the KPIs). Progress against these plans will be reviewed and monitored during the monthly Service Operations Board meetings.

7 CONTAINERISATION

7.1. The specification has established specific requirements for the containment of waste and recyclables, detailing the size and container types to be used to facilitate collections.

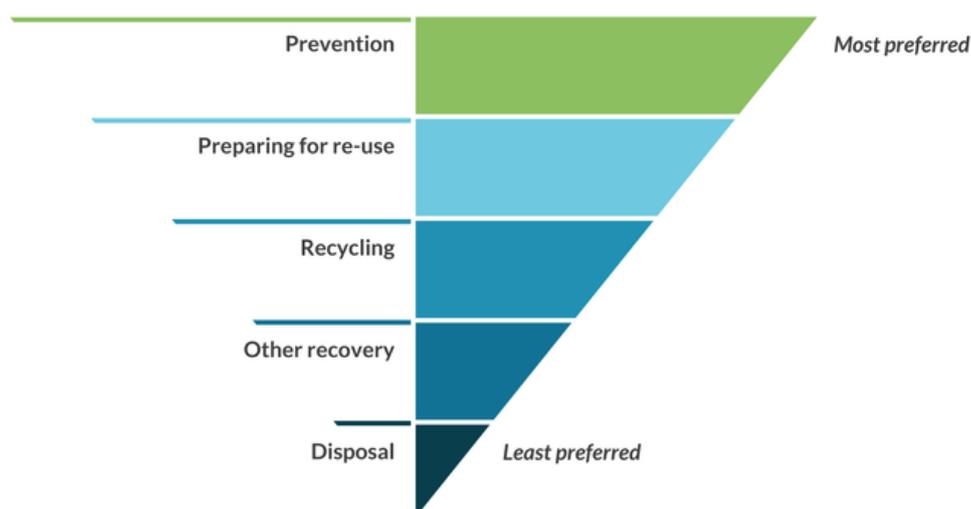
7.2. During the drafting stage, officers have reviewed potential options for using our existing containers in different ways to improve the customer experience and minimise the occurrences of recyclables being blown into the streets. This included the possible use of wheeled bins to provide a future mixed recycling collection service where all dry recycling materials are combined in one container.

7.3. The decision not to mix all recycling in one wheeled bin as part of the initial specification was made based on the Waste (England and Wales) Regulations 2011. These regulations require separate collection of paper, metal, plastic, and glass to ensure waste undergoes recovery operation in accordance with the Waste Framework Directive and is compliant when tested against the Waste Regulations route map. By mixing all recycling in one bin, this would not be an improvement in terms of the quality of the recycling collected. Unless there are further environmental mitigations that ultimately improve outcomes, officers could not recommend this option at this time and the Board agreed in this decision.

7.4. It is important to apply the waste hierarchy, as per our statutory requirements⁵ outlined above in 7.3, to each material collected and consider whether departure from the hierarchy is reasonable in the circumstances or will achieve the best overall environmental outcome. Officers intend to further address this service delivery solution at the dialogue stage of the procurement to determine if suitable efficiencies and mitigations to be compliant can be achieved.

7.5. The waste hierarchy applied to the further evaluation and decision making on determining the most favourable solutions for the containerisation, presentation and collection of recycling and waste items is shown below.

Figure 3: The Waste Hierarchy



⁵ [Waste hierarchy guidance, DEFRA 2011](#)

7.6. For residual waste, service users must secure their waste within council-issued receptacles. Most customers use wheeled bins with capacities of either 180L or 240L. Residual waste presented in wheeled bins must be secured to enable the safe collection of the waste. Residential locations without access to a curtilage storage point, primarily in the time-banded collection locations, will be asked to use standard size refuse bags to contain their waste on collections days.

7.7. For dry mixed recycling, customers use a combination of 55L kerbside boxes and wheeled bins. There are few properties that currently utilise 240L wheeled bins to store dry mixed recycling for collection and this is an area we would like to explore with potential Service Providers to determine possible improvements to the quality and quantity of recyclable material that can be gained through better containment.

7.8. For paper and card waste, customers use wheeled bins with capacities of either 180L or 240L. Single use recycling bags are to be delivered to enable recycling at time-banded properties and to households with frontages opening directly onto the public highway.

7.9. For Food waste, customers use lidded 23L bins or lidded 7L internal kitchen caddies, supplied by the council. Garden waste is collected using 240L lidded wheeled bins or 140L wheeled bins if space is limited. Garden waste sacks (25 X 75L) are also offered as an alternative service for locations where suitable private space for housing containers is not available to the customer.

7.10. Container colours include Anthracite Grey/Black for Residual Waste, Purple/Green for Dry Mixed Recyclates, Blue for Paper and Card waste, Brown for Food and Garden waste. The containers are currently embossed with the South London Waste Partnership branding. It shall be a future requirement for any new containers to be supplied through the services to have the London Borough of Merton branding.

7.11. Recycling container options can have a significant impact on the efficiency and effectiveness of collection operations. One key factor impacted by container choice is the size and type of collection vehicle required. Larger containers may require larger collection vehicles, which may increase operational efficiency. Additionally, the choice of recycling container can impact the efficiency of the collection crew.

7.12. Contamination in the recycling stream can also be impacted by the type of recycling container utilised. Containers that are not appropriate for the type of waste being collected or are difficult to use may increase the risk of contamination. Furthermore, the cost of collection operations can be impacted by the choice of recycling container. Larger containers may be more expensive to purchase and maintain but may improve the quality of the recyclables collected and minimise residual littering of our neighbourhood streets.

7.13. Due to the significant impacts that recycling and waste containers have on the operation of the service, we intend to have detailed discussion, during the dialogue phase of the procurement, with potential service suppliers on possible innovations that may be developed to improve recycling for our residents while ensuring our collection services remain technically, environmentally and economically compliant with current legislative requirements.

7.14. The final specification will include the requirement for the potential provider to detail costed options for waste & recycling container solutions. Officers will ensure that the final drafted specification is detailed and specific on the range of options that bidders shall need to consider. This will include new containment solutions for dry mixed

recycling based on both wheeled bin and boxes with affixed (i.e. hinged) lids to better contain recyclables between collections, reducing the impacts on street cleansing.

7.15. Potential suppliers will also be required to consider the suitability of any proposed container in comparison to the property types in the borough to ensure compatibility for the storage of containers by the resident.

7.16. In the interim to minimise the impact of overflowing recycling in our streets, we have added the option for residents to order recycling nets for existing kerbside boxes. Recycling nets can be fastened using the drainage holes on the container handle and after collection this functionality ensures the net remains affixed to the box.

7.17. Additionally, we have reconfirmed with our Service Provider that new recycling box orders shall be delivered with a secure box lid to secure recycling that is placed out in the containers.

8 ROUTE TO PROCUREMENT

8.1. The Competitive Procedure with Negotiation (CPN) has been suggested as the procurement process to secure the new contract because it allows for negotiation between the Council and the bidders, which can result in maximising value for money and minimising risks. Both the Council and bidders can benefit from CPN, including testing the deliverability of solutions, exploring opportunities for innovation, ensuring alignment with corporate and departmental policy and strategic goals, and building and testing client/supplier relationships.

8.2. CPN allows for negotiation on tenders to confirm financial commitments or other terms, if this does not materially modify essential aspects of the procurement. However, specific reference is made to clarification, specification, and optimisation of final tenders. CPN also allows for greater flexibility on time limits for receipt of requests to participate and receipt of initial tenders.

9 ALTERNATIVE OPTIONS

9.1. As part of the Waste and Street Cleansing Project Board work, officers have considered a range of options for the possible reconfiguration of services operated through both the street cleansing and recycling and waste collection services.

9.2. With specific reference to the services covered within this report, there were 80 alternatives options that were reviewed and considered as part of the development of the specification. Options were reviewed for effectiveness in potential service improvement, impact, practicality and affordability and the Waste and Street Cleansing Project Board determined the agreed service functions to consider within the project.

9.3. It is noted that the recycling and waste services covered within this report are heavily prescribed through legislation and are a statutory requirement. In addition, the service specification will need to be in general conformity with the London Environment Strategy. As an example of meeting these aims, the provision of food waste recycling services that are accessible to residents in flats above shops, has been adopted by the Board through this process.

9.4. In respect to alternative options to deliver these services, this was considered as part of the service delivery design decision that was decided at the Cabinet meeting on 20th February 2023.

10 CONSULTATION UNDERTAKEN OR PROPOSED

10.1. To inform the design of the new service, we undertook an extensive borough-wide consultation on residents' views on waste & street-cleaning, which ran from early October to mid-November 2023 and generated a successful return-rate of around 2,500 overall responses.

10.2. It should be noted that the telephone survey (400 responses) generally showed higher levels of satisfaction compared to the online/papers survey. This data is available in the full consultation analysis – however, we have used the combined online and paper responses as a guide for two reasons.

- Firstly, the online & paper surveys are reflective of residents' lived experience of using the service and contacting us;
- Secondly the volume on the online and printed responses is significantly higher (2,100 responses), and well above the benchmark required for a representative analysis.

10.3. A full breakdown of the results of this consultation was provided in the February Cabinet Report, with relevant feedback referred to in Table 1 of this report.

10.4. In addition to this, the Waste and Street Cleansing Project Board is made up of key senior officers from across the Council and jointly chaired by the Cabinet Member for Local Environment, Green Spaces and Climate and the Interim Executive Director for Environment, Civic Pride and Climate. The Board assesses and approves project activity in alignment with Merton Council's strategy for waste collection and street cleaning.

11 TIMETABLE

11.1. The Greater London Authority (GLA), under the Greater London Authority Act 1999, has a responsibility to issue directions to London Boroughs in relation to waste management procurement.

11.2. Therefore, there is a requirement for the service specification to be reviewed by the Greater London Authority (GLA) pursuant to its responsibilities under the Act.

11.3. Table 2 highlights the key milestones and dates for the development of the specification and associated procurement process. Cabinet is requested to note the impact that the submission of the specification to the GLA has on the procurement timeline.

Table 2: Timetable for Specification Development and Procurement

Event	Date
Specification Complete	May 2023
Submission of Final Specification to the GLA for Review	June 2023
GLA review (56 days)	June 2023 to July 2023

Publish Prior Information Notice (PIN) - The PIN cannot be published until either the GLA responds with directions or the 56 days elapses	June 2023 to August 2023
Governance and Procurement process	August 2023 – March 2024

12 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

12.1. Please see **Exempt Appendix C** for the Financial, Resource and Property Implications.

13 LEGAL AND STATUTORY IMPLICATIONS

13.1. Best Value Assessments and Resident Engagement have been undertaken and taken into account in accordance with the Council's Best Value Duty.

13.2. There are no legal implications arising from the contents of this report.

14 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

14.1. There are no material equalities implications resulting from the recommendation(s) of this report.

15 CRIME AND DISORDER IMPLICATIONS

15.1. There are no material crime and disorder implications resulting from the recommendation(s) of this report.

16 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

16.1. The Board established a Risk Log at the outset of the project and this Risk Log is reviewed at every Board meeting. This ensures both that new risks are identified and added to the Risk Log in a timely fashion so that control measures can be developed. It also helps ensure responsive action to introduce mitigations where risk levels are identified to be increasing.

16.2. Costs could well be even higher than those currently modelled with changes in pay rates along with inflationary impacts on fuel costs as well as other cost of living factors.

16.3. The cost of delivering these services in line with any required enhancements to the minimum requirements will increase for the reasons set out in the report. Officers will continue to review service design, technology, and other market opportunities in order to minimise this increase wherever possible.

17 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

- Appendix A - Specification overview of Service Requirements

- Appendix B – Governance arrangement to be applied to the new service
- Appendix C - EXEMPT

18 BACKGROUND PAPERS

18.1. [Waste and Street Cleansing Commissioning: Preferred model](#)

Appendix A – Specification overview of Service Requirements

Table 1. Waste collection

					Residual Waste Collections			
					Residual - Kerbside Collections 'standard'	Residual - Flats above shops	Residual - Communal	Residual - Container Procurement, Delivery, repair and maintenance
Specification Service Requirement	Alternate weekly collection from wheeled bin, collected from curtilage of property	Twice weekly time banded collections (evening economy) - New service from 2023 and written into 2025 specification	Weekly collection from Euro-type containers & wheeled bins centrally located (bin storage area for flats) Minimum weekly collection with additional collections per identified location(s) to ensure bins do not overflow AND provide 2x weekly collections to all large estates identified by the service to manage capacity and storage issues. Large estate is >175 properties per estate - Improved service frequency	Containers procured by Service Provider, delivered within 10 working days free of charge to residents - all costs within core service payment				

Table 2. Recycling collections

					Dry Mixed Recycling (DMR) Collections			
					DMR Recycling - Kerbside Collections 'standard'	DMR Recycling - Flats above shops	DMR Recycling - Communal	DMR Recycling - Container Procurement, Delivery, repair and maintenance
Specification Service Requirement	Alternate weekly collection from 55 litre boxes with lids collected from curtilage of property	Fully comingled twice weekly time banded collections (evening economy)	Weekly collection from Euro-type containers & wheeled bins centrally located (bin storage area for flats) - Minimum collection with additional collections per identified location(s) to ensure bins do not overflow - Improved service frequency	Containers procured by Service Provider, delivered within 10 working days free of charge to residents - all costs within core service payment				

Paper and Card Recycling Collections			
Paper and Card Recycling - Kerbside Collections 'standard'	Paper and Card Recycling - Flats above shops	Paper and Card Recycling - Communal	Paper and Card Recycling - Container Procurement, Delivery, repair and maintenance

Specification Service Requirement	Alternate weekly collection from wheeled bin, collected from curtilage of property	Service provision within DMR collection	Service provision within DMR collection	Containers procured by Service Provider, delivered within 10 working days free of charge to residents - all costs within core service payment
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Food waste collections				
	Food - Kerbside Collections 'standard'	Food - Flats above shops	Food - Communal	Food - Container Delivery, repair and maintenance
Specification Service Requirement	Weekly collection of 23L container from curtilage	Food waste housing units to be installed on street at agreed location points, serviced at a minimum weekly collection- no outside storage container for residents provided - New Service for 2025	Weekly collection from the point of storage and within housing units (as applicable)	Containers procured by Service Provider, delivered within 10 working days free of charge to residents - all costs within core service payment

Table 3. **Green waste services**

	Green waste collections		Seasonal Green Waste
	Green - Kerbside Collections 'standard'	Container Delivery, repair and maintenance	Provision for the collection of seasonal Christmas trees
Specification Service Requirement	Alternate weekly chargeable collection using 240 litre wheeled bins or compostable paper based single used sacks	Containers procured by Service Provider, delivered within 10 working days free of charge to residents - all costs within core service payment	Scheduled collection of real Christmas trees collected from kerbside properties within the curtilage over agreed two-week period commencing on an agreed date following 12th night. Following the 12th night or annually pre-determined date, to provide a zonal collection service based on Wards with two (2) Wards collected per operational day using a dedicated resource - Garden waste service suspended during this period. - Dedicated resources and collection day for each Ward – New provision for 2025

Table 4. **Commercial services**

Commercial Collection/Disposal		
Commercial Residual	Commercial Recycling	Commercial Food

Specification Service Requirement	Service Provider administers and delivers a collection Service based on varying frequencies as determined with the customer. Service costs include the disposal of any collected waste and full financial management including fees and charges processing	Service Provider administers and delivers a collection Service based on varying frequencies as determined with the customer. Service costs include the disposal of any collected waste and full financial management including fees and charges processing	Service Provider administers and delivers a collection Service based on varying frequencies as determined with the customer. Service costs include the disposal of any collected waste and full financial management including fees and charges processing Pricing up the minimum requirement New service for 2025 and income will offset development of food waste collections for flats above shops
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Table 5. **Additional material services**

	Clinical Healthcare Waste		Household Hazardous Waste
	Clinical Sharps	Clinical SANPRO	Domestic waste comprised of hazardous elements
Specification Service Requirement	Free sharps collected as requested, booked by Contact Centre (container provided by healthcare facility)	Free SANPRO waste collected from weekly sack collection	Residents self-fulfil through City of London provision. Service based on full cost recovery model

Subject: Waste and Street Cleansing Commissioning: Specification for Recycling & Waste Service Procurement

Appendix B: Governance Model

Partnering Governance and Monitoring Procedure

Meetings, attendees and reporting requirements

	PG03	PG04	PG05	PG02	PG01
	Service Operations Board	Annual Review Meeting	Service Provider Collaboration Board	Strategic Partnership Board	Strategic Environment Board
	Monthly	Annually	3 Times Per year	At Least Bi-Annually	As & When Required
	<p>Report(s): Monthly Report by Service Provider, to include:</p> <ul style="list-style-type: none"> Progress of mobilisation Performance against specification and KPIs Emergency (or out of hours) call outs received Incident / accident statistics including near misses Staffing issues Social Value delivery Invoices issued including any agreed deductions Change requests and progress on changes Progress of any projects 	<p>Report(s): Annual Report by Service Provider to include:</p> <ul style="list-style-type: none"> Annual summary of the monthly reports, and any updates Performance against specification and KPIs Annual benchmarking Service improvements and proposals for future development A review of Service Provider's insurance, performance bond and parent company guarantee Annual Indexation Adjustment 	<p>Report(s): Agenda and minutes of meeting. Action / Improvement Plans to support required outcomes.</p> <ul style="list-style-type: none"> The Board shall be empowered to make recommendations to relevant individuals for decision and action, where authority is required 	<p>Report(s): Written updates from the Service Operations Board to include:</p> <ul style="list-style-type: none"> Activities relating to objectives and priorities of the Strategic Partnership Board Identification of areas for potential development Progress on projects Performance reports Social Value reporting Annual Report Annual review of service finances, including savings proposals Any dispute escalation issues 	<p>Report(s): Agenda and minutes of meeting. Action / Improvement Plans to support support the delivery of service enhancements, improvements or developments.</p> <ul style="list-style-type: none"> This Strategic Board shall meet as required throughout the term of this Agreement to consider collaborative projects for the Council's environmental service.
	<p>Attendees: Council Authorised Officer & Heads of Service and Service Provider Contract Director(s) and Manager(s)</p>	<p>Attendees: Council Authorised Officer & Heads of Service and Service Provider Contract Director(s) and Manager(s)</p>	<p>Attendees: Council Authorised Officer & Head of Service, Council Services Managers and Service Provider Contract Manager(s)</p>	<p>Attendees: Council Executive Director, Senior Officers and Service Provider Contract Director(s) and Manager(s)</p>	<p>Attendees: The Council and two (2) or more Council's services (I.e., Street Cleansing Operations) and Agents (which may include the Service Provider)</p>