

Merton Council Overview and Scrutiny Commission



Date: 2 August 2016

Time: 7.15 pm

Venue: Committee rooms C, D & E - Merton Civic Centre, London Road, Morden
SM4 5DX

AGENDA

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| 1 | Apologies for absence | |
| 2 | Declarations of pecuniary interest | |
| 3 | Call in: South London Waste Partnership - Procurement of Waste Collection and Related Environmental Services (LOT 1 - waste collection) | 1 - 106 |
| 4 | Call in: South London Waste Partnership - Procurement of Waste Collection and Related Environmental Services (LOT 2 - parks maintenance) | 107 - 116 |

Please note: appendices 2 to 6 are the same for both LOT 1 and LOT 2 call-ins. They are therefore only provided once under item 3.

**This is a public meeting – members of the public are very welcome to attend.
The meeting room will be open to members of the public from 7.00 p.m.**

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Overview and Scrutiny Commission membership

Councillors:

Peter Southgate (Chair)
Hamish Badenoch
Abigail Jones
Oonagh Moulton
David Williams
Mike Brunt
John Dehaney
Sally Kenny
Dennis Pearce
Imran Uddin

Substitute Members:

John Sargeant
Michael Bull
Agatha Mary Akyigyina
Joan Henry

Co-opted Representatives

Helen Forbes, Parent Governor
Representative - Secondary and Special
Sector
Colin Powell, Church of England diocese
Geoffrey Newman (Co-opted member,
non-voting)

Note on declarations of interest

Members are advised to declare any Disclosable Pecuniary Interest in any matter to be considered at the meeting. If a pecuniary interest is declared they should withdraw from the meeting room during the whole of the consideration of that matter and must not participate in any vote on that matter. If members consider they should not participate because of a non-pecuniary interest which may give rise to a perception of bias, they should declare this, withdraw and not participate in consideration of the item. For further advice please speak with the Assistant Director of Corporate Governance.

What is Overview and Scrutiny?

Overview and Scrutiny describes the way Merton's scrutiny councillors hold the Council's Executive (the Cabinet) to account to make sure that they take the right decisions for the Borough. Scrutiny panels also carry out reviews of Council services or issues to identify ways the Council can improve or develop new policy to meet the needs of local people. From May 2008, the Overview & Scrutiny Commission and Panels have been restructured and the Panels renamed to reflect the Local Area Agreement strategic themes.

Scrutiny's work falls into four broad areas:

- ⇒ **Call-in:** If three (non-executive) councillors feel that a decision made by the Cabinet is inappropriate they can 'call the decision in' after it has been made to prevent the decision taking immediate effect. They can then interview the Cabinet Member or Council Officers and make recommendations to the decision-maker suggesting improvements.
- ⇒ **Policy Reviews:** The panels carry out detailed, evidence-based assessments of Council services or issues that affect the lives of local people. At the end of the review the panels issue a report setting out their findings and recommendations for improvement and present it to Cabinet and other partner agencies. During the reviews, panels will gather information, evidence and opinions from Council officers, external bodies and organisations and members of the public to help them understand the key issues relating to the review topic.
- ⇒ **One-Off Reviews:** Panels often want to have a quick, one-off review of a topic and will ask Council officers to come and speak to them about a particular service or issue before making recommendations to the Cabinet.
- ⇒ **Scrutiny of Council Documents:** Panels also examine key Council documents, such as the budget, the Business Plan and the Best Value Performance Plan.

Scrutiny panels need the help of local people, partners and community groups to make sure that Merton delivers effective services. If you think there is something that scrutiny should look at, or have views on current reviews being carried out by scrutiny, let us know.

For more information, please contact the Scrutiny Team on 020 8545 3864 or by e-mail on scrutiny@merton.gov.uk. Alternatively, visit www.merton.gov.uk/scrutiny

Committee: Overview and Scrutiny Commission

Date: 2 August 2016

Wards: Borough wide implications

Subject: Call-in of South London Waste Partnership – Procurement of Waste Collection and Related Environmental Services (LOT1 services – waste collection)

Lead officer: Chris Lee – Director of Environment and Regeneration

Lead member: Councillor Ross Garrod – Cabinet Member for Cleanliness and Parking

Contact officers: Cormac Stokes – Head of Head of Street Scene and Waste and Charles Baker - Waste Strategy and Commissioning Manager

Recommendations:

- A. That the Overview and Scrutiny Commission consider the information provided in response to the call-in request and decide whether to:
- Refer the decision back to Cabinet for reconsideration; or
 - Determine that the matter is contrary to the policy and/or budget framework and refer the matter to Full Council; or
 - Decide not to refer the matter back to Cabinet, in which case the decision shall take effect immediately.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report provides a response to the points raised in the call-in request relating to Cabinet's decision regarding the South London Waste Partnership – Procurement of Waste Collection and Related Environmental Services (LOT1 services – waste collection) taken on 4 July 2016.

2 DETAILS

- 2.1. The call-in request and documents provided in response to this are appended to this report.

3 ALTERNATIVE OPTIONS

- 3.1. The Council's constitution requires the Commission to select one of the options listed in recommendation A.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. None for the purposes of this covering report.

5 TIMETABLE

- 5.1. None for the purposes of this covering report.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. None for the purposes of this covering report.

7 LEGAL AND STATUTORY IMPLICATIONS

7.1. The Council's constitution requires the Commission to select one of the options listed in recommendation A.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1. None for the purposes of this covering report.

9 CRIME AND DISORDER IMPLICATIONS

9.1. None for the purposes of this covering report.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1. None for the purposes of this covering report.

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

Appendix 1: LOT 1 call-in request form

Appendix 2: Report to the Sustainable Communities Overview and Scrutiny Panel, 9 June 2016

Appendix 3: Report to Cabinet Report, 4 July 2016 (appendices A to C are exempt/confidential)

Appendix 4: Reference from Scrutiny to Cabinet, 4 July 2016

Appendix 5: Officers' response to the call-in

Appendix 6: Minutes of the Sustainable Communities Overview and Scrutiny Panel, 9 June 2016

Please note: appendices 2 to 6 are the same for both LOT 1 and LOT 2 call-ins. They are therefore only provided once.

12 BACKGROUND PAPERS

12.1. None for the purposes of this covering report.

Merton Council - call-in request form

1. Decision to be called in: (required)

South London Waste Partnership - Procurement of Waste Collection and Related Environmental Services (LOT 1 services)

2. Which of the principles of decision making in Article 13 of the constitution has not been applied? (required)

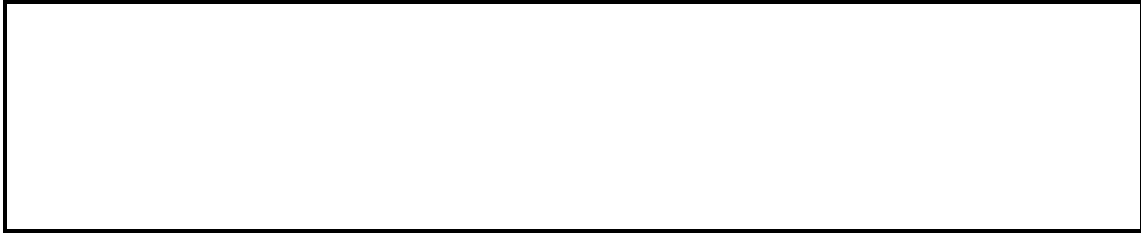
Required by part 4E Section 16(c)(a)(ii) of the constitution - tick all that apply:

(a) proportionality (i.e. the action must be proportionate to the desired outcome);	X
(b) due consultation and the taking of professional advice from officers;	X
(c) respect for human rights and equalities;	X
(d) a presumption in favour of openness;	X
(e) clarity of aims and desired outcomes;	X
(f) consideration and evaluation of alternatives;	X
(g) irrelevant matters must be ignored.	

3. Desired outcome

Part 4E Section 16(f) of the constitution- select one:

(a) The Panel/Commission to refer the decision back to the decision making person or body for reconsideration, setting out in writing the nature of its concerns.	X
(b) To refer the matter to full Council where the Commission/Panel determines that the decision is contrary to the Policy and/or Budget Framework	
(c) The Panel/Commission to decide not to refer the matter back to the decision making person or body *	
* If you select (c) please explain the purpose of calling in the decision.	



4. Evidence which demonstrates the alleged breach(es) indicated in 2 above (required)

Required by part 4E Section 16(c)(a)(ii) of the constitution:

(a) proportionality (i.e. the action must be proportionate to the desired outcome);

It is unclear from the report how the decision to end the weekly rubbish collection can be justified given that this constitutes a significant degradation of the service currently provided to residents. It is also in direct contradiction of national government policy.

Nor does the report fully justify the decision to impose two large wheelie bins on residents. Under the scheme proposed by the Preferred Bidder, each household will potentially need to have five different containers as follows:

- One large wheelie bin for non-recyclable household waste;
- One large wheelie bin for paper and card;
- One box or reusable bag for plastics, glass and cans;
- One food waste caddy; and
- One green waste wheelie bin (if residents opt to pay for this service)

Given that recyclables are currently co-mingled i.e. sorted only after collection, it is unclear from the report how this huge increase in the number of containers residents will be obliged to store is proportionate. Currently residents only have to store:

- One plastic sack for non-recyclable household waste;
- One box for paper, card, plastics, glass and cans;
- One food waste caddy; and
- One green waste wheelie bin (if residents opt to pay for this service)

As such, if adopted, the new system would mean residents' kitchens, front gardens and street fronts being clogged up with up to five different containers.

Similarly, one of the findings of the 2015 pilot in Lavender Fields ward was an increase in the amount of residual waste being collected during the trial

period. Given that the Council is aiming to reduce the amount of waste sent to landfill, it is difficult to see how this decision aligns with that goal.

Moreover, serious doubt has been cast on whether the Cabinet's proposals will in fact lead to improved street cleanliness by the Merton Matters group, which was established locally to campaign specifically for a cleaner borough. Founder Dan Goode has made clear that wheelie bins will not solve the "intrinsic littering culture" in Merton, stating to the Wimbledon Guardian as follows:

"We have a service now, which they are contracting out, which is not coping. My concern, and a lot of people's concern, is that the council is aiming for a service that's the same as the one they are getting now.

"For a borough that's already struggling with waste, having fewer collections is just madness. There's a fundamental issue with cleanliness in Merton.

"Bins are already overflowing in the streets and in the parks, and with dog poo added into them now as well. To add to that fortnightly bin collection is just utter madness."

(b) due consultation and the taking of professional advice from officers;

There has been no consultation with residents thus far about the LOT 1 proposals as the Cabinet report itself admits at section 5. Yet these are clearly radical changes to the waste collection service and ones that will affect almost all residents across the borough. There is no evidence presented in the report that residents support these changes.

Proposals for wheeled bins were not mentioned once in Labour's 2014 manifesto for the local elections. This would have been the proper time to gain a public mandate or otherwise for what is now proposed yet no such consultation with residents took place. Instead, by the time of the next election in 2018, the change will already have been agreed and in process.

Nor is there any evidence provided to demonstrate that the Lavender Fields pilot conducted in 2015 was representative of the borough as a whole in terms of the mix of different types of housing stock. There were only 1200 households in the trial area compared to 75,000 across Merton so it seems unlikely that every type of different housing type in the borough was consulted via the pilot.

Moreover the pilot itself used a different waste collection system from that which is now proposed. There was a weekly – rather than fortnightly –

rubbish collection during the trial period and recyclables were collected together rather than being separated out into paper and card and then plastic, glass and cans as is now planned under the latest proposals. This means the results of the consultation on the pilot cannot be regarded as representative of the views of residents in Lavender Fields about the system that has now been brought forward.

(c) respect for human rights and equalities;

There is no analysis provided in the report on the impact of wheeled bins and/or a fortnightly collection service for disabled and elderly residents living in Merton despite concerns having been raised about this previously. Whilst the report states that one will be needed, no Equality Impact Assessment has been published alongside the report to enable Cabinet members to give this due consideration when making their decision on the preferred bidder.

Similarly 9.4 of the report states that current Merton staff members may be affected by the Preferred Bidder proposal including potentially through a change in their terms and conditions. Yet there is no breakdown of the demographics of those staff members who will be impacted e.g. age, ethnicity, gender.

(d) a presumption in favour of openness;

There has been a lack of openness throughout this process. Prior to the Lavender Fields pilot, both officers and Cabinet Members were asked time and again by Opposition councillors and residents whether wheeled bins were again being considered and this was denied. Likewise with a move to fortnightly rubbish collections.

This suggests that officers were either not aware of the administration's proposals prior to the pilot and therefore very little, if any, proper preparatory or exploratory work can have been undertaken or else important information was being withheld from elected Opposition Members.

With regard to the move to fortnightly rubbish collections, there has been an utter lack of transparency by the administration towards the electorate of Merton. During the 2014 local election campaign, leaflets from prospective Labour councillors stated precisely the opposite to what is now proposed, explicitly pledging "a weekly rubbish collection with Labour". Indeed one of Merton Labour's 5 'promises for the next 4 years' stated:

"We will collect your rubbish each week and fight off the pressure to move to fortnightly or monthly collections".

As per (b) above, the 2015 pilot was not conducted using a fortnightly collection or multiple wheeled bins and containers as is now being proposed.

Only in the week commencing 23rd May 2016 were the actual proposals on the number of containers and on fortnightly collections shared with both Opposition councillors and residents.

(e) clarity of aims and desired outcomes;

It is not altogether clear what the desired outcomes of this decision are. Is improving street cleanliness the primary driving factor or is it the need to make cost savings? The report is contradictory in this respect.

As the 2014 Annual Residents' Survey showed (the last one to be conducted in Merton), street cleaning is the top priority for Merton's residents with falling levels of satisfaction with how the council tackles litter and dirt in the streets. Clearly all councillors and residents wish to see cleaner streets in Merton. Yet there is no convincing empirical evidence provided in the report as to how the proposed scheme will deliver improvements with regard to this shared aim and what level of improvements can be expected.

As per (b) and (d) above, the Lavender Fields pilot can not be relied upon as it was conducted using a different and more frequent collection system than what is now proposed. Plus, as stated previously, the Merton Matters campaign group does not believe the proposals will materially improve the cleanliness of the streets.

If the main driver is to make cost savings, there was a real lack of clarity from officers and Cabinet members regarding the financial savings these proposals might deliver for council taxpayers when pre-decision scrutiny was undertaken by the Sustainable Communities scrutiny panel on 9th June despite considerable probing by Opposition councillors. Nothing in the Cabinet report has provided reassurance around this point.

It is also not clear where the cost of the capital investment is coming from to purchase the new wheeled bins and refuse vehicles. This point is particularly striking in light of the comments published in the Wimbledon and Mitcham & Morden Guardian from Cllr Andrew Judge (then Cabinet Member for Environmental Sustainability and Regeneration) on 22nd January 2015. In a letter to that newspaper, he stated that "there are no plans to roll out wheeled bins to the rest of the borough and given our

financial position, we could not afford to do so if we wanted to.”

This begs the obvious question then as to how the council’s financial position has now changed during the intervening period to make this affordable. Again, the report offers no explanation.

Furthermore, there are unanswered questions around the financial probity of the Cabinet’s decision to use £67,000 set aside from the WCSS (Weekly Collection Support scheme) fund administered by the DCLG for the Lavender Fields pilot that is now being cited in support of this decision on the Preferred Bidder. This fund is designed to be used to support initiatives to retain weekly collections and incentivise recycling. Yet, in no way does the Cabinet’s decision on a Preferred Bidder support either of these aims, given that the amount of waste sent to landfill is predicted to rise and the proposal is to move to a fortnightly rubbish collection. There are therefore questions to be asked about whether this is an appropriate use of the government’s money.

(f) consideration and evaluation of alternatives;

There doesn’t seem to have been any proper consideration by the Cabinet of other waste collection methods and their impact on street cleanliness e.g. the provision of lids for recycling boxes. It is therefore impossible to judge the merits and comparable cost of these other methods.

There is also no evidence that the Cabinet has given any consideration to the cross-party Sustainable Communities scrutiny task group review of efficient household waste management and the environment which published its report and recommendations in May 2011. This task group looked at this issue in extensive detail and concluded by rejecting the introduction of wheeled bins. It is not clear what has changed since then.

In November 2015 a report was presented to Cabinet by the Sustainable Communities Scrutiny Panel setting out four key considerations that the Panel would wish to be addressed in advance of any roll out of wheeled bins across the borough:

- That Cabinet undertake a more detailed analysis of detailed costs and projected savings of the wider roll out of the scheme before making a decision;
- That should the scheme be rolled out, Cabinet considers choice for residents in the size of wheeled bins and if they wish to participate in the scheme;
- That Cabinet considers the impact of wheeled bins outside homes on the street scene;

- That Cabinet consider the impact on disabled users if wheeled bins are used in terms of accessing pavements and homes.

Yet, there is not clear evidence from the report that Cabinet has given these points detailed consideration, particularly around greater choice of container for residents.

The impression given at the 9th June Sustainable Communities panel meeting and by the Cabinet report is that the council is being shoehorned into the proposed system of waste collection i.e. fortnightly rubbish collections and multiple wheeled bins by the bidding process. It seems that, rather than looking at what alternatives may be most appropriate for Merton and its residents, the council is being dictated to by the Preferred Bidder and what works best for them across all of the four boroughs forming the South London Waste Partnership.

In particular, the option of retaining an in house waste collection service does not appear to have been fairly evaluated and staff members in the relevant E&R team have raised concerns about the lack of a level playing field to enable them to bid for the contract. They argue for example that had it been known that the council would accept the collection of rubbish every fortnight rather than every week then this would have meant a considerably reduced workload for an in house service. This would have brought the in house cost price down for providing an equivalent waste service and would have achieved the 10% saving and more.

Merton's own staff have also questioned the projected economies of scale, efficiency levels and experience of the contract provider. If equivalent savings could be found within the current in house provider the question arises as to whether the Cabinet has fully evaluated the alternatives to what is being proposed.

Similarly, during the pre-decision scrutiny meeting, Cabinet members and officers were asked to identify alternative savings that would enable the council to retain a weekly rubbish collection yet there is no evidence in the Cabinet report or decision notice that this has been explored in detail.

Finally, the Cabinet appears not to have considered the impact of the EU Referendum result when reaching its decision, particularly in regard to the number of containers in which waste is to be collected. Para 3.4.2 of the Cabinet report refers to EU Directive 2008/98/EC yet of course, it is quite possible given the UK's recent vote to leave the EU, that this directive will no longer apply by the time of the roll out of this new waste collection system. This suggests that there would be no reason why co-mingling of recyclables could not continue in Merton and there would therefore be no

reason to move to two separate containers per household for recyclables. Yet there is no evidence this was discussed by Cabinet at its meeting on 4th July when taking its decision.

5. Documents requested

All papers provided to the Director of Environment and Regeneration/Director of Corporate Services and relevant Cabinet Members prior to, during and subsequent to the decision making process on the outsourcing of LOT 1 services through the South London Waste Partnership.

All emails, reports and associated documentation relating to the decision to introduce wheeled bins provided to the relevant Cabinet Members, Leader of the Council, Chief Executive, Director of Environment and Regeneration, Director of Corporate Services and other council officers.

All emails, reports and associated documentation relating to the decision to move to a fortnightly waste collection provided to the relevant Cabinet Members, Leader of the Council, Chief Executive, Director of Environment and Regeneration, Director of Corporate Services and other council officers.

The detailed financial analysis of the projected costs of implementing the LOT 1 proposals.

The detailed financial analysis of the projected savings to be delivered through implementation of the LOT 1 proposals.

Minutes of all the SLWP meetings when proposed savings from this procurement were discussed.

The detailed risk analysis in relation to the implementation of the LOT 1 proposals, including both financial and reputational risks.

The detailed analysis of the impact of the LOT 1 proposals on the cleanliness of Merton's streets.

The Equality Impact Assessment (or any other equalities analysis carried out) in relation to the LOT 1 proposals.

All correspondence between the relevant Cabinet Members, Leader of the Council, Chief Executive, Director of Environment and Regeneration, Director of Corporate Services, other council officers and the SLWP on the LOT 1 proposals, including in relation to the introduction of wheeled bins across the borough and the move to a fortnightly waste collection service.

All correspondence between the relevant Cabinet Members, Leader of the Council, Chief Executive, Director of Environment and Regeneration, Director of Corporate Services, other council officers and DEFRA on the LOT 1 proposals, including in relation to the introduction of wheeled bins across the borough and the move to a fortnightly waste collection service.

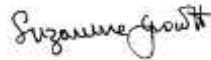
6. Witnesses requested

Cllr Ross Garrod, Cabinet Member for Street Cleanliness and Parking
Chris Lee, Director of Environment and Regeneration
Cormac Stokes, Head of Street Scene and Waste
Staffside representative on behalf of staff at Garth Road
Terry Downes, GMB (or another GMB representative)
Dan Goode, Merton Matters founder
Representatives from local disabled groups and groups representing elderly residents e.g. Merton Centre for Independent Living, Merton Seniors Forum
Annie Baker, Strategic Partnership Manager, South London Waste Partnership

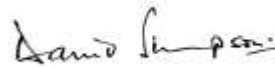
7. Signed (not required if sent by email):



Cllr Daniel Holden



Cllr Suzanne Grocott



Cllr David Simpson

8. Notes – see part 4E section 16 of the constitution

Call-ins must be supported by at least three members of the Council.

The call in form and supporting requests must be received by 12 Noon on the third working day following the publication of the decision.

The form and/or supporting requests must be sent:

- **EITHER** by email from a Councillor's email account (no signature required) to democratic.services@merton.gov.uk
- **OR** as a signed paper copy to the Head of Democracy Services, 7th floor, Civic Centre, London Road, Morden SM4 5DX.

For further information or advice contact the Head of Democracy Services on 020 8545 3864

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Committee: Sustainable Communities Overview and Scrutiny

Date: 9th June 2016

Wards: ALL

Subject: South London Waste Partnership – Procurement of Waste Collection and Related Environment Services

Lead officer: Chris Lee, Director of Environment and Regeneration

Lead member: Councillor Ross Garrod, Cabinet Member for Street Cleanliness and Parking and Councillor Nick Draper, Cabinet Member for Community and Culture

Contact officer: Cormac Stokes, Head of Street Scene and Waste

Recommendations:

- A. To note the Content of the draft Cabinet Report on South London Waste Partnership – Procurement of Waste Collection and Related Environment Services.
 - B. To note and consider the proposal of the preferred bidders technical solution and required changes to Merton.
 - C. To identify any areas of further work for Cabinet consideration.
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report follows on from a report brought to this Scrutiny Panel in February 2016 which provided an update and opportunity to scrutinise the procurement process immediately before the Invitation to Final Tender stage of the Procurement of Waste Collection and Related Environmental Services (Phase C) project.
- 1.2. The SLWP was formed in 2003 and has a proven record of providing improved and more cost-effective waste management services through the procurement of complex waste disposal, treatment, recycling and Household Reuse and Recycling Centre contracts.
- 1.3. Officers from the four partner boroughs explored opportunities for future delivery of a range of high quality environmental services. An options analysis was undertaken to assess the merits of procuring services in partnership, as opposed to procuring alone, or retaining existing arrangements. The boroughs made an assessment of delivery, procurement options and modelling savings based on joint procurement by all boroughs. The modelling suggested savings in the region of 10% from procuring jointly with the potential to achieve savings in excess of this if the partner boroughs harmonised these services.
- 1.4. On this basis a business case for a joint procurement exercise for the following services was agreed in each of the boroughs between November 2014 and January 2015:

Lot 1 (All boroughs)	Lot 2 (Sutton & Merton only with options for other boroughs to join later)
Waste collection	Parks and grounds maintenance
Street cleaning	Cemeteries
Commercial waste	Highway verge maintenance
Winter Maintenance	Tree maintenance (excluding inspections)
Vehicle maintenance and procurement	Sports and play facilities management

2 DETAILS

- 2.1. During the life of the contract Veolia will introduce a harmonised waste collection service across the Partnership boroughs. The recommendations would mean the continuation of weekly food waste and recycling collections; paper and card being collected one week and glass, tins and plastic the next. The remaining non-recyclable rubbish would be collected on alternate weeks encouraging behaviour change promoting recycling and food waste and making the solution affordable to Merton. This recommendation would also see the introduction of wheeled bins.
- 2.2. Other services are also harmonised across the Partnership area. The street cleaning service proposals operate on a neighbourhood basis. Parks and grounds maintenance resources are flexible with dedicated staff at key locations. Boroughs are able to share depot space, enabling the services to operate more efficiently

3 ALTERNATIVE OPTIONS

- 3.1. Alternative options were considered by Cabinet in November 2014. The agreed options was to undertake a joint procurement through the South London waste Partnership using complete dialogue.
- 3.2. The only alternative option available to the Council is to not appoint preferred bidders and withdraw from the procurement process. This would potentially expose the Council to claims from partner boroughs if the procurement was unable to proceed and potentially from bidders. The Council would also still face the need to make budget savings already built into the MTFS.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. The current level of consultation undertaken to date can be seen in Section 5 of the draft Cabinet report attached as Appendix 1.

5 TIMETABLE

5.1. The indicative timetable leading to contract commencement is as follows

WORK STREAM	DATE
Boroughs approval for Preferred Bidder and Reserve Bidder	June – 3 August 2016
Preferred Bidder Fine tuning	August – November 2016
Advertising intention to lease properties	August/September 2016
Contract Award (includes 10 working days standstill period following notification of contract award)	Dec 2016
Mobilisation period (includes TUPE transfer of relevant staff)	LOT 1 - January – March 2017 LOT 2 - January 2017
Contract commencement	Lot 1 – April 2017 Lot 2 – February 2017

5.2. The final report setting out the outcome of the procurement process so far, together with recommendations will be reported to Cabinet on 4th July 2016.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1. It is anticipated, based on current analysis of the financial submissions from both preferred bidders that savings in excess of that required in the original business case have been achieved. Further details are contained within the draft Cabinet Report Appendix 1.

7 LEGAL AND STATUTORY IMPLICATIONS

7.1. None for the purposes of this report

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1. None for the purposes of this report

9 CRIME AND DISORDER IMPLICATIONS

9.1. None for the purposes of this report

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1. None for the purposes of this report

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

- APPENDIX 1 – Draft Cabinet Report July 4th 2016

12 BACKGROUND PAPERS – HELD BY CORMAC STOKES

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Committee: Cabinet

Date: 4th July

Wards: ALL

Subject: South London Waste Partnership – Procurement of Waste Collection and Related Environment Services

Lead officer: Chris Lee, Director of Environment and Regeneration

Lead member: Councillor Ross Garrod, Cabinet Member for Street Cleanliness and Parking and Councillor Nick Draper, Cabinet Member for Community and Culture

Contact officer: Cormac Stokes, Head of Street Scene and Waste

Recommendations:

- A. That Cabinet recognises the Administration's desire, in the context of Merton's continually decreasing funding from Central Government, to maintain and enhance the borough's public realm, open spaces and parks; noting the results of the wheeled bin pilot in Lavender Fields ward and the Administration's desire to introduce wheeled bins to ensure cleaner streets and the need for any solution to be affordable
- B. Following the endorsement from the Joint Waste Committee (7 June 2016) it is recommended that Cabinet approves the appointment of Veolia ES (UK) Ltd as Preferred Bidder for LOT 1 services including waste collection, street cleaning, commercial waste collection, winter maintenance and vehicle procurement and fleet maintenance in relation to the procurement exercise undertaken by the South London Waste Partnership (SLWP) for Waste Collection and Related Services. This is for a period of 8 years with the option to extend for two further periods of 8 years, a maximum total of 24 years.
- C. Approve the appointment of The Landscape Group Ltd as Preferred Bidder for LOT 2 services (including Parks, Grounds maintenance, Cemeteries, Verges and Tree maintenance) . This is for a period of 8 years with the option to extend for two further periods of 8 years, a maximum total of 24 years.
- D. Approve the appointment of Amey LG Ltd. as Reserve Bidder for LOT 1 services and Veolia ES (UK) Ltd as Reserve Bidder for LOT 2 services.
- E. Following fine tuning discussions with the Preferred Bidders and there being no material changes to the proposed solution beyond the scope of the proposed solution set out in this report, delegate authority to the Director of Environment and Regeneration in consultation with Cabinet Members to authorise the London Borough of Croydon to award the contract for both Lots, on behalf of the four boroughs of Sutton, Merton, Kingston and Croydon (the SLWP).
- F. Based on the principles of the Inter Authority Agreement (IAA), delegate authority to the Director of Environment and Regeneration in consultation with Cabinet Members to agree the IAA and the arrangements relating to the management of the contracts.

- G. To note the statutory requirement under section 123 of the Local Government Act 1972 requiring the Council to advertise its intention to grant leases of areas of Public Open Space for those depots and staff facilities within parks and open spaces required to facilitate the operation of the contract(s).
- H. Note the work in hand to establish fit for purpose contract management and Clienting functions and delegates this to the Director of E&R to finalise
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. In November 2014 Cabinet agreed to jointly procure through London Borough of Croydon a range of environmental services as part of the South London Waste Partnership, using the competitive dialogue procurement route.
- 1.2. This report provides a summary of the outcome of the procurement exercise and seeks approval to the selection of Preferred Bidder and Reserve Bidder for both Lot 1 (waste collection, street cleaning, winter maintenance, vehicle procurement and fleet maintenance) and Lot 2 (parks, arboriculture, cemeteries and grass verges and tree maintenance services) each as set out in the table below (section 2.2).
- 1.3. The report details the implications of the Preferred Bidder's proposals on Merton's current existing in house services, the work progressing on establishing effective governance arrangements for the new contracts and outlines the timetable for the remainder of the procurement exercise through fine tuning and contract award in Dec 2016.
- 1.4. It is envisaged that the contract will start on 1st April 2017 for LOT 1 services and 1 Feb 2017 for LOT 2 services.

2 DETAILS

- 2.1. The South London Waste Partnership was formed in 2003 and has a proven record of providing improved and more cost-effective waste management services through the procurement of complex waste disposal treatment, recycling and Household Reuse and Recycling Centre contracts. The success of the Partnership was recognised in 2013 when it received the International Public Private Sector Partnerships award for its Residual Waste Disposal Project, where an innovative contracting structure saved over £200m against existing budgets and was praised for its 'optimum risk transfer'.
- 2.2. As part of the drive for even greater efficiency, SLWP Management Group and Officers explored opportunities for the future delivery of a range of high quality environmental services. An options analysis was undertaken to assess the merits of procuring services in partnership, rather than continuing with existing arrangements or procuring services alone. The four boroughs made an assessment of delivery, procurement options and modelled savings based on joint procurement by all boroughs. The financial modelling suggested potential savings in the region of 10% through such a joint procurement. It is important to note that procuring in partnership does

not necessarily require that all partners need or receive the same service. It was on this basis that the business case for the joint procurement of these services was approved by Cabinet in November 2014.

Lot 1 (All boroughs)	Lot 2 (Sutton & Merton only with options for other boroughs to join later)
Waste collection	Parks and grounds maintenance
Street cleaning	Cemeteries
Commercial waste	Highway verge maintenance
Winter Maintenance	Tree maintenance (excluding inspections)
Vehicle maintenance and procurement	Sports and play facilities management

2.3. Considering the scale, scope and complexity of the services being procured and feedback from two separate market engagement exercises, a procurement strategy was developed that recommended Competitive Dialogue (CD) as the most appropriate procurement route.

2.4. The CD process involves pre-qualifying bidders and then de-selecting bidders through iterative stages, which are shown in the flow diagram at Appendix 1. The key determinants of the decision to use Competitive Dialogue were:

- The complexity of the requirement and the need to explore various options and service developments with bidders;
- The costs of the Partnership’s services which is estimated to be in the region of £50m per annum, and the requirement for skilled dialogue to take place with bidders, particularly given the scale of spend and that making significant savings is a core requirement of the project.
- At the Market Engagement events prospective bidders confirmed they favoured this approach.

2.5. One of the key benefits of using Competitive Dialogue is that it allows both the authorities and bidders to enhance and adapt the scope of the requirements throughout the commissioning process, including the final specification. This route has highlighted further efficiencies, in demonstrating the benefits of incorporating the administration function for

both the Waste and Cemeteries services, along with the sports bookings function for Parks, within the scope of the contract.

2.6. In addition, it has been possible for Merton and Sutton to review the timescale and contract start date and in consultation with the bidders, to bring forward the contract start date for Lot 2 services from 1st April 2017 to 1st February 2017, to ensure that the contractor is in place prior to the start of the peak demands of the horticultural season.

2.7. The following objectives, agreed prior to the commencement of the procurement were:

- to target optimum savings on the costs of service provision through lower service costs and increasing recycle income;
- to deliver residents a high performing service, achieving high levels of customer satisfaction;
- to provide improved environmental and carbon outcomes in the way we deliver environmental services; and
- to ensure the community remain engaged and involved in the management, maintenance and oversight of parks, cemeteries and open spaces in Merton and Sutton.

2.8. **Evaluation Criteria**

2.8.1 The evaluation criteria were agreed at the beginning of the procurement process. A detailed report on the procurement process and key milestones was shared with the Sustainable Communities, Overview and Scrutiny in February 2016. Full details of the tender evaluation is contained within Appendix A.

2.8.2 The individual weightings for the four distinct quality categories for the final tender stage are as follows.

(i) Technical Evaluation: LOT 1 (35%) LOT 2 (40%)

This evaluates bidders approach to service delivery, their technical solution, their approach to the contract specification and the robustness of their resource plan.

(ii) Financial: LOT 1 (25%) LOT 2 (20%)

This evaluates the bidders approach to the contract payment mechanism approach to financing solution and the robustness of their pricing. In addition it covers the bidders response to take in the requirement for transparency and auditing of the contract. The overall bid price is evaluated separately (see para 2.8.3).

(iii) Legal and Commercial: LOT 1 (35%) LOT 2 (35%)

This evaluates the bidder's response and approach to the contract as a whole. Bidders proposed organisational structure for managing and delivering the services is evaluated within this section. A key area for consideration is the approach to staff and issues relating to the Transfer of

Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246) (TUPE) and pensions.

(iv) Bid Coherence: Both LOT1 and LOT 2 (5%)

This element examines the bids in their completeness to ensure there is consistency across all the above elements.

- 2.8.3 The price of the bids was evaluated as a Net Present Value (NPV) of the annual contract payments. This is calculated in accordance with the Payment Mechanism from the contract commencement to the anticipated first Contract breakpoint (Year 8). The flow diagram Appendix 2 (Decision Tree) sets out the evaluation decision to determine the ranking of each of the bids received at the final tender stage with regards to ensuring the most economically advantageous tender is identified.

2.9. **Evaluation Process**

- 2.9.1 The procurement process covered three stage of dialogue with bidders in each Lot; Outline Solutions Stage (ISOS), Detailed Solutions Stage (ISDS) and Final Tender Stage (ISFT). Please see Appendix 1 which describes the process in greater detail.
- 2.9.2 Following the PQQ evaluation 5 bidders were invited to submit outlined solutions (ISOS) for LOT 1 services and 6 bidders were invited for LOT 2.
- 2.9.3 At the end of the ISOS stage all submissions were assessed to be of good quality. The bidders' 'New Service' proposals were all considered to meet the boroughs' requirements and offered savings against the current budget.
- 2.9.4 Going forward as part of the next round of Dialogue, 4 bidders from each LOT were invited to take part in the next stage. Invitations to Submit Detailed Solutions began in September 2015.
- 2.9.5 Following the evaluation of all bids received as part of ISDS the number of bidders was reduced, with 3 bidders for LOT 1 being invited to tender for final solutions (ISFT) along with 2 bidders for LOT 2. Final submissions were received on the 1st April 2016.
- 2.9.6 Bidders have been advised of the need for technical submissions to include a Waste Flow Model, a Resource Model and a Service Delivery Plan setting out how each element of the service would be performed. These are deliverables that provide the operational evidence base upon which the financial information will ultimately be based.
- 2.9.7 At the end of each stage of the procurement the SLWP has retained the option to deselect bidders based on an overall evaluation of their proposed bid.

2.10. **Evaluation Outcome**

- 2.10.1 Final tenders from the three remaining bidders at the final stage for Lot 1 (AMEY, Biffa and Veolia ES (UK) Limited) and for Lot 2 (The Landscape Group and Veolia ES (UK) Limited) were received on 1 April 2016. The

tenders for both Lots were reviewed and assessed by officers and the SLWP advisers in accordance with the evaluation criteria.

- 2.10.2 On 7 June 2016 the Joint Waste Committee (JWC) considered a report setting out the results of the evaluation of final tenders, including the prices offered by each bidder and their bid quality scores. Members of the JWC endorse the outcome of the procurement.
- 2.10.3 As a result Veolia ES (UK) Ltd was evaluated to have submitted the most economically advantageous tender (having the highest quality score and the lowest price for Lot 1, resulting in the recommendation to appoint them as Preferred Bidder and Amey LG Ltd. as Reserve Bidder.
- 2.10.4 The Landscape Group were evaluated as having submitted the most economically advantageous tender having assessed tenders in accordance with the Price Evaluation Method (decision tree diagram) set out at Appendix 2 resulting in the recommendation to appoint them as Preferred Bidder and Veolia ES (UK) Ltd. as Reserve Bidder.

3 FACTORS FOR CONSIDERATION

- 3.1. The procurement process has been driven with four objectives as set out at 2.7
 - a) Value for money / cost effectiveness in light of the financial challenge
 - b) High quality services that maintain good levels of resident satisfaction
 - c) Environmental sustainability.
 - d) Ensuring the community remain engaged and involved in management / maintenance and oversight of parks , cemeteries and open spaces etc..
- 3.2. With these objectives in mind the Competitive Dialogue process has allowed the opportunity to seek optimal solutions and to harness the experience and economies of scale of bidders in delivering the right solution for the 4 boroughs
- 3.3. Competitive dialogue allows flexibility in agreeing the service specification throughout the process. This enabled the partner boroughs to engage with bidders regarding the solution they considered to meet the objectives of the procurement. The outcome of these discussions and subsequent submissions results in optimal solutions being put forward which will deliver service changes for Merton which are set out below.
- 3.4. **Waste Collection Services**
- 3.4.1 All proposed service redesigns and financial models in waste collection have been modelled on the assumption that the proposed changes will be implemented in Merton in October 2018,maintaining the current service from April 2017. Final details will be confirmed during fine tuning.

- 3.4.2 From 2015 there is a legal issue with collecting materials in a commingled form. (Mertons current methodology for collecting recycling material) The European Union Directive 2008/98/EC on waste, the Revised Waste Framework, has specified that by January 2015 there is a requirement to collect glass, paper, metal and plastics separately, unless it can be shown that the current collection method is the most Technologically, Environmentally and Economically Practicable (TEEP)
- 3.4.3 It has been clarified in EU guidance notes that 'Technically practicable' means that the separate collection may be implemented through a system which has been technically developed and proven to function in practice. 'Environmentally practicable' should be understood such that the added value of ecological benefits justifies possible negative environmental effects of the separate collection (e.g. additional emissions from transport). 'Economically practicable' refers to a separate collection which does not cause excessive costs in comparison with the treatment of a non-separated waste stream, considering the added value of recovery and recycling and the principle of proportionality.
- 3.4.4 As part of the procurement exercise each bidder was required to undertake a TEEP analysis in order to ensure that their technical solution was compliant with the new legislation. During Final Tender stage of dialogue all bidders confirmed that the best proposed collection methodology which meets the most Technically, Environmentally and Economically practicable method is a twin stream collection which segregates the paper and card from the glass and plastics.
- 3.4.5 During the life of the contract Veolia will introduce a harmonised waste collection service across the Partnership boroughs. The recommendations would mean the continuation of weekly food waste and recycling collections; paper and card being collected one week and glass, tins and plastic the next. The remaining non-recyclable rubbish would be collected on alternate weeks encouraging behaviour change promoting recycling and food waste and making the solution affordable to Merton. This recommendation would also see the introduction of wheeled bins.
- 3.4.6 There are a number of expected advantages associated with the use of wheelie bins which were confirmed following the recent wheelie bin pilot in Lavender Fields.
- There were significant improvements in standards of cleanliness of the roads within the trial area through less wind blown litter and reduced risk of animal attack and spillage from sacks;
 - There were positive environmental impacts through increased recycling resulting from increased container capacity for recyclables;
 - Improved street scene appearance: neater curtilage with single bin rather than multiple black sacks;
 - Improved recycle quality resulting from protection from adverse weather
 - Improved working conditions for collection operatives (less heavy lifting, manual handling and limited hazards from sharp objects in black sacks).

- 3.4.7 In addition to the monitoring of cleanliness and impacts on waste diversion, the service commissioned an independent survey of residents living within the trial area. The detailed findings are set out in Appendix 3. However, the key highlights include:
- 89% of residents were happy with the wheeled bins
 - 95% found them easier to use than the current sack and box collection;
 - 81% of residents felt that the streets were cleaner as a result of proper containerisation of the waste.
- 3.4.8 Veolia is proposing a change in the waste collection operational times, The proposed times of collection will be between 6:00am – 16:00 Monday to Friday. This deviates away from the current operating times of Monday to Friday 6am – 2pm. In addition Saturday collections will be introduced with Saturday collections starting from 7am through to 17:00, to minimise the disruption to residents.
- 3.4.9 Recycling and the value of the material will be maximised by introducing a twin stream collection, with paper and card collected separately from the remaining dry mixed recyclates – glass, plastics, cans (DMR). With the contractor guaranteeing the council revenue from the sale of these two waste streams. To ensure the quality of the material is maximised a wheelie bin collection service will be implemented for the paper and card with the DMR being collected using either the current 55 litre box system or a reusable bag.
- 3.4.10 The collection of all waste streams from communal properties in Merton will be on an output basis where the bins will be emptied before they become full on a minimum weekly bases. The frequency of communal bins will be tailored per site following an initial monitoring period and survey of containers at communal properties to ensure there is appropriate provision of food and recycling bins. This flexible approach is a service enhancement for those in flatted properties currently receiving fixed scheduled collection. This will enable the contractor to manage the demand for collections in these properties better and contribute to achieving the Service Performance Indicators.
- 3.4.11 Veolia will work in partnership with the third sector organisation to provide the Bulky Waste collection service to maximise the full potential of the re use markets for items collected at the kerbside. Merton will continue to subsidise this service until at least October 2018 so that it remains free of charge to residents until this time.
- 3.4.12 Garden waste will remain a fortnightly chargeable service, with the contractor responsible for the administration of the service and agree in conjunction with the Council the annual subscription rate. .
- 3.4.13 The table below illustrates the frequency of collection and the container

				Number of Collections Per week
Week 1	Food (Caddie)	Residual (240ltr Wheelie	DMR* (reusable bag /55ltr	3

		bin)	Box)	
Week 2	Food		Paper & Card (240ltr wheelie Bin)	2
Week 3	Food	Residual	DMR	3
Week 4	Food		Paper Card	2

DMR* Dry Mixed Recyclables – Glass, Plastic, Cans etc.

3.4.14 It is recognised that the approach to waste collection cannot necessarily be a “one size fits all” approach and that different container types and sizes may be most appropriate depending on household types and sizes. Appendix 4 illustrates the type of households which might not be suitable for a wheelie bin service. However, in order for collection processes to be as lean and efficient as possible standardisation will be required to a large extent and any variation from the standard process would require justifiable reasons. Acceptable criteria to vary from the “norm” will be agreed in advance of any service being rolled out. In terms of a wheeled bin service it is important that the bin is of an appropriate height to be lifted by standard bin lifting equipment at the rear of the collection vehicle without the need for any repetitive re-adjustments to the bin lifting equipment.

3.4.15 Merton’s commercial waste service will be operated by Veolia who propose to integrate its existing commercial waste portfolio with that of the partnership boroughs. Whilst there will be no change to the pricing mechanism for existing customers for 2017/18, Veolia will have the flexibility to adjust customer prices in consultation with the SLWP Authorised Officer.

3.5. **Street Cleaning services**

3.5.1 The benefits of a wheeled bin service set out above include the effective containerisation of waste: less wind blown litter and reduced spillage. This enables an alternative approach to resourcing street cleaning provides a higher quality and more efficient service.

3.5.2 Veolia propose to implement a Neighbourhood approach to deliver the street cleaning operations which will allow the needs of the local area to be understood and addressed directly by accountable area Environmental Managers. This allows the staff to be fully integrated as part of the local community in which they are responsible for.

3.5.3 The proposal is to establish 3 Neighbourhoods aligned to ward boundaries to facilitate this integration and provide local Members with clear visibility of the resources and points of contact for their ward.

3.5.4 The street cleaning services will be provided seven days a week, 365 days a year. The core activity will be undertaken during the day shift, operating from 06:00 to 14:00 Monday to Friday. This will be supplemented by an evening shift operating from 14:00 to 22:00. The Saturday shifts will operate over seven hours, working from 06:00 to 13:30 and the evening shift from 13:00 until 20:30. The Sunday shifts will operate over six hours, working from 06:00 to 12:30 and the evening shift from 12:30 until 18:30.

3.5.5 The Neighbourhood based resource will be supported by mechanical sweepers operating throughout the borough. The mechanical sweepers will work across Neighbourhood areas to ensure their routes are effectively optimised.

3.5.6 In addition to this there will be several cross borough teams providing the following services on a reactive basis.

- Graffiti/ Fly post removal
- Emptying of litter bins and collection of street sweepers sacks
- Gully Cleaning
- Weed removal
- Litter bin repair and maintenance team
- Emergency response team when required.

This approach effectively places the resources at the point where most required and enables greater cross boundary efficiencies, delivering further savings as a result of the procurement.

3.5.7 An alternating manual sweep and litter pick schedule has been modelled for the residential areas. This ensures areas receive a thorough clean at the frequencies required to maintain the agreed standard of cleanliness

3.5.8 The contractor will be required to ensure that on the completion of any cleaning activity i.e. manual sweeping , litter picking and mechanical sweeping the relevant area of land has been cleaned to a Grade 'A' standard as reported in line with the guidelines set as part of Ni 195 , the National Indicators for local Authorities. Photos of this standard are shown at Appendix 5. In addition to this the frequency of cleaning needs to ensure that town and district centres and residential roads meet a Grade 'B' standard as a minimum. This is in line within the measures used in Ni 195. Please refer to Appendix 5 which highlights the different level of litter as measured in the Service Performance Framework.

3.6. **Greenspaces**

3.6.1 The nature of the service procured in Lot 2 meant that the specification was more prescriptive in its requirements of bidders. The specification has been developed and refined throughout the dialogue process, with emphasis being placed on outcomes rather than inputs insofar as possible. Both bidders within this lot sought to consolidate the existing delivery model that relies substantially upon mobile teams, providing flexibility within the service.

3.6.2 The Preferred Bidder will continue to provide dedicated teams at some of the borough's key parks: Wimbledon Park; John Innes Park; and Cannizaro Park, but will be able to respond through the mobilisation of roving teams to demands, reflecting the seasonal nature of the service.

3.6.3 Tree inspections and management of outdoor events in parks will remain the responsibility of the Council.

3.6.4 The Preferred Bidder has proposed a revised charging schedule for a range of paid-for services within the Greenspaces management portfolio. The Council will, however, retain control over all of its fees and charges for facility hires and other services, including sports pitches, ball courts and burials.

3.6.5 The scope of the services to be delivered within Lot 2 includes:

Horticulture	Parks and highways grass cutting Hedge maintenance Herbaceous, shrub & rose beds Annual bedding, bulbs, planters & troughs Meadows Allotments War memorials & memorial gardens
Sports pitches	Pitch management, repairs & renovations Pitch bookings
Play & leisure facilities	Children’s playgrounds management, servicing, repairs and inspection Management and inspection of outdoor gyms, ball courts and , skate parks .
Cleaning and general maintenance	Litter, waste and leaf collection Toilet and pavilion cleaning Parks furniture and signage maintenance and cleaning Removal of fly tips Maintenance of waterways and water features, gullies and drains Emergency response service
Outdoor events	Event support including litter clearance and stewarding Grounds reinstatement
Arboriculture	Tree planting, pruning and maintenance 24 hour emergency tree works cover
Cemeteries	Burials and exhumations Grounds maintenance Administration
Nature conservation	Management of woodlands, hedgerows, and meadows . Working with community volunteers and conservation groups

3.6.6 Relevant services currently delivered by the Council on behalf of the Merton & Sutton Joint Cemetery Board and the Mitcham Common Conservators have been included within the contract with the approval of these two external bodies.

- 3.6.7 Some key services and functions currently delivered by the Greenspaces team, specifically the borough's tree inspections and tree works commissioning, management of outdoor events and annual capital investment programme, will be retained by the Council.
- 3.6.8 The introduction of new field-based technology and annualised working hours for Merton grounds maintenance staff are an integral part of the Preferred Bidder's proposals for achieving greater operational efficiencies within the contract.
- 3.7. **Customer experience**
- 3.7.1 Customers will continue to make contact with the council through the existing channels to make enquiries, report problems and subscribe/pay for services. The preferred bidder(s) solution will update the Council's CRM system, enabling the provision of real time information and transactions to be made.
- 3.7.2 **Clienting / Contract management**
- 3.7.3 Work is in hand to develop clienting / contract management arrangements. The SLWP will carry out some contract management functions, specifically those necessary at pan-borough level including payment arrangements. Day to day contract monitoring, liaison and enforcement will take place at a borough level. These functions will in the main be carried out by a limited number of newly created Client Officer posts which will be established and filled before the contract commences. These, and the SLWP client function, will be funded from savings delivered from this procurement.
- 3.8. **Communications Strategy**
- 3.8.1 The Partnership has created an overarching Communications plan which has been directly contributed to by the Head of Communications in each of the partner boroughs.
- 3.8.2 The key objectives of the SLWP Environmental Services Procurement (Preferred Bidder) Communications Plan are to: Provide residents, elected Members, council staff and other stakeholders with clear, factual and timely information about the SLWP Environmental Services contracts; fill the seven-month 'information void' that would otherwise exist between the identity of the recommended Preferred Bidders entering the public domain on 27 May 2016 and contracts being signed in December 2016; help mitigate the risk of commercially sensitive information entering the public domain whilst the Preferred Bidder recommendations are being endorsed by the Joint Waste Committee and ratified by the four boroughs.
- 3.8.3 During Fine Tuning (August – November 2016) the Partnership's Communications Advisor will work with the Preferred Bidders to develop joint Communications and Engagement Strategies and Plans that take effect once contracts are signed.
- 3.8.4 Given the different implications of the contract award for each borough, Merton will need to compile a service specific communications plan which

incorporates the strategic drivers and acknowledges the local impact on residents and staff.

3.9. **Partnership Governance and clienting arrangements**

3.9.1 The boroughs have worked closely on a range of joint procurement activities since 2003. In order to deliver successful and sustainable procurements the partner boroughs of the SLWP continue to manage their commitments through a series of inter-Authority Agreements (IAA).

3.9.2 When approving the business case and procurement strategy for this project, Cabinet considered and agreed the requirements for a revised IAA to cover the procurement phase of the project and was made aware of a future need for a supplemental IAA to cover the service or contract management phase of the project. This IAA will cover the period from Contract Award to ensure continuity during the phasing of service commencement and service changes through the term of the contract and will cover both Lot 1 and Lot 2 services.

3.9.3 This “service phase” IAA is being drafted by the South London Legal Partnership in consultation with borough officers and the SLWP Legal Advisors. The main principles remain consistent with existing agreements. The main elements of the proposed agreement will include:

- (i) No savings achieved during the life of the contract shall lead to increased costs for any of the other partnership boroughs;
- (ii) No changes to the scope of the contract shall add to any borough’s costs without that borough’s agreement;
- (iii) The split of costs and income by borough has been agreed with bidders and will be the basis for the individual borough charges. These will be the starting point for negotiations in how any changes to payments should be apportioned through the life of the contract;
- (iv) the governance and contract management structure for the contracts, including timescales for review.

3.9.4 The contract will be managed by the SLWP in conjunction with each of the boroughs, with a centralised client function sitting in the SLWP team and a borough-led client team in each borough, in accordance with the reporting requirements developed through dialogue with bidders and agreed with the Preferred Bidder during fine tuning. The key objective will be to ensure a consistent approach to contract management across the partnership area whilst appreciating the diverse requirements of individual boroughs.

3.9.5 For both LOTS 1 & 2 the respective contracts will be measured against a Service Performance Framework with a robust set of ‘performance indicators which have been accepted by all bidders and will be contractualised by all bidders at fine tuning stage as outlined in Appendix B and C Service Performance Framework.

3.10. **SUMMARY**

- 3.10.1 The preferred bidder proposals for both Lot 1 and 2 effectively meet the agreed objectives of the procurement project as set out in section 2.
- 3.10.2 For both LOTS the respective contractors will be bound by the agreed Service Charter as illustrated in Appendix 6 and 7.
- 3.10.3 The proposals represent the optimum solution in terms of service performance quality and financial savings and with respect to Lot 2 services are very strong in terms of stakeholder engagement.
- 3.10.4 Veolia's proposals will result in the introduction of wheeled bins for residual waste and for Pare and Card. The main benefit of this approach will be the effective containerisation of waste and associated street cleansing benefits, as demonstrated by the wheeled bin pilot in Lavender Fields ward. Furthermore it is anticipated that the solution will lead to increased participation in both food waste and recycling collection services, driving up the borough's recycling rates and reducing our reliance on costly waste disposal/treatment options.
- 3.10.5 Veolia's proposals include guaranteed levels of income with respect to commercial waste, and through the sale of recyclates. The twin stream approach to recycling enables both the contractor and the councils to secure maximum value from these materials.
- 3.10.6 All operations across the four boroughs will be operated out of three main waste depots, rather than four, effectively rationalising and making best use of depot facilities. There is not expected to be a change to depot use in Merton with Garth Road being a preferred depot for Lot 1 along with Hillcross Road for Lot 2.
- 3.10.7 The eventual harmonisation of services across the partnership area provides procurement efficiencies for the contract and delivers greater resilience across the region.
- 3.10.8 The main focus across all services will be to deliver high quality outputs: contractor performance will be judged not on the resources being employed but the outcomes being enjoyed by service users.

4 ALTERNATIVE OPTIONS

- 4.1. The only alternative option available to the Council is to not appoint preferred bidders and withdraw from the procurement process. This would potentially expose the Council to claims from partner boroughs if the procurement was unable to proceed and potentially from bidders. The Council would also still face the need to make budget savings already built into the MTFs.
- 4.2. The Council has faced a significant reduction to its Government funding since 2010 and to address this, the Council has consistently identified savings through its Medium Term Financial Strategy.
- 4.3. Despite this, further savings are required to address the funding gap, the Council initiated a service transformation programme to drive through the transformation of council services and deliver savings.

4.4. Although Merton has a number of potential routes in which they can provide these services in the future it was concluded that a joint procurement of a single, integrated contract using competitive dialogue was the preferred option. This is for the following reasons:

- Joint procurement would allow for aggregation of valuable materials, producing a high volume tonnage into recycle markets.
- Procurement efficiencies derived from procuring a range of services across four boroughs
- SLWP commissioned commercial expertise, derived from significant previous commercial negotiation with the providers within these markets
- A single contract across a range of services allows the partnership to benefit from the economies of scale
- Contractors are able to achieve savings across staff, depot, vehicles, routing and new software.

While efficiencies may be achievable by individual authority procurements a number of these might not be realisable if an individual authority procured alone. This was confirmed in feedback from the market testing ,where it was reported that a higher priority was given to the bidding to the sub regional approach than that for individual boroughs.

5 CONSULTATION UNDERTAKEN OR PROPOSED

5.1. Members

5.1.1 Members of the JWC have been consulted regularly and at the natural points in the procurement process, when proposals and potential interim prices made available. Workshops with Lead Members across all partnership Boroughs have been undertaken with a focus on developing the specification principles, the Service Charters and evaluation framework.

5.1.2 Further member consultation has been undertaken within the individual boroughs at key points in the procurement process.

5.1.3 This has allowed the opportunity to track the progress of negotiations and shape services through the course of the dialogue process, and to agree the approach to public and staff consultation as applicable to each borough.

5.1.4 In February 2016 a report was presented to Sustainable Communities Overview and Scrutiny Panel providing an update and opportunity to scrutinise the process to date which at that time was just about to enter into the Invitation to submit Final Tender stage. Members noted the report and the intention to report back for Pre-decision Scrutiny in June.

5.2. Staff

5.2.1 Monthly engagement and progress updates have been provided to all impacted staff. This has been achieved through alternate monthly Newsletters, supported with alternate monthly staff engagement sessions with the Director of Environment and Heads of Service.

- 5.2.2 Trade Unions have been separately updated on progress through the monthly Departmental Consultative Committee meetings.
- 5.2.3 It is currently anticipated that approximately 309 directly managed staff are involved in delivering the services in scope of the procurement. These staff will be transferred to the new contractors on the date of commencement of each contract under the TUPE Regulations. A TUPE transfer plan will be refined by the Preferred Bidders during the fine tuning stage for agreement by the Partnership and individual boroughs. Resources to support the plan have been identified and secured through the Merton Improvement Board. Staff and Trade Unions will be fully consulted throughout this process.
- 5.2.4 In addition to the finalisation of the list of staff likely to transfer to the new contractor under TUPE, work has commenced on reviewing the required internal structure to manage these contracts as well as services retained within the council and out of scope of the new contract. Affected staff will be consulted on proposals as part of the Council's Managing Change process and procedures.
- 5.3. Friends of Parks
- 5.3.1 There have been two separate meetings with key open spaces stakeholders, principally the parks friends groups, during the procurement process: one in March 2015 to announce and outline the project; and a second in January 2016 to update local groups on progress. The Director of Environment & Regeneration and Cabinet Member has also written to a wide range of parks users and friends groups in order to update them on relevant matters most recently at the end of May to advise them of the preferred bidder recommendation . Further meetings are currently planned with stakeholders groups, firstly, following the appointment of the Preferred Bidder and, later, during the contract mobilisation phase and in advance of the contract commencement. It is hoped that a meeting with the preferred bidder will be arranged before Contract Award.

6 TIMETABLE

- 6.1. Subject to each partner borough executive's approval of the recommendations within this report, the contract will commence on 1 April 2017 for Lot 1 and 1 February 2017 for Lot 2. A mobilisation plan has been submitted by the Preferred Bidder in accordance with the submission requirements and will be subject to further discussion and agreement with Partnership officers during contract fine tuning.
- 6.2. The indicative timetable leading to contract commencement is as follows

WORK STREAM	DATE
Boroughs approval for Preferred Bidder and Reserve Bidder	June – 3 August 2016
Preferred Bidder Fine tuning	August – November 2016
Advertising intention to lease properties	August/September 2016

Contract Award (includes 10 working days standstill period following notification of contract award)	December 2016
Mobilisation period (includes TUPE transfer of relevant staff)	LOT 1 - January – March 2017 LOT 2 - January 2017
Contract commencement	Lot 1 – April 2017 Lot 2 – February 2017

7 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 7.1 The cost to the SLWP of this procurement is forecast to be £1,640,000, of which Merton's share is £410,000. In addition to the Partnerships cost Merton incurred the cost of additional project management support along with HR resource at a cost of c£216k over the three years. Transformation Challenge Award funding of £1,330,500 was successfully bid for and received from the Department for Communities and Local Government, of which Merton's share is £332,625, resulting in a net cost for Merton of c£293k.
- 7.2 For the purposes of comparison it has been assumed that existing budgets will be inflated by 1.5% annually and benchmarked against the Preferred Bidders 2.5% inflation cap within the contract.
- 7.3 Preliminary work undertaken by Waste Services indicates that the award of the contract to the Preferred Bidder for Lot 1 could potentially result in revenue savings of up to £1.3m in year 1. In year 2 following the implementation of the new harmonised service the revenue savings could potentially increase to up to £2.2m per annum. Please note that these savings currently excludes the cost of Capital for new Vehicles and containers.
- 7.4 The award of the contract to the Preferred Bidder for Lot 2 could potentially result in revenue savings of up to £650k in year 1 decreasing to c£540k in Year 2.
- 7.5 It is important to stress that these savings figures are indicative and will be subject to change throughout the fine tuning stage of the process.
- 7.6 In addition, work has now advanced within the Finance section to further analyse the Preferred Bidder's tender in finer detail in order to fully understand the scope of their tender and comparison with individual budget expenditure and income lines . Further comparison with existing budgets at detailed level will clarify more thoroughly the savings figure before any Contract Award in December .
- 7.7 This work will also involve analysing the potential impact on internal overheads, remaining Fleet Services budgets, Capital borrowing, and the impact on other sections within the Authority, which may impact on the final savings figure.

CAPITAL

- 7.8 The Preferred Bidder for Lot 1 has indicated that it would be financially preferable and beneficial to the public purse if the Councils funded the capital cost of new Refuse collection vehicles and containers. For Merton this amounts to c£5.8m over 8 years. The majority of the capital cost £4.190m (72%) is for new refuse vehicles followed by the cost of new containers £1.512m (26%) This financing cost would be met by Merton Council.
- 7.9 The Table below shows the impact on revenue of borrowing the estimated capital required for the contract. These costs will need to be offset against any savings identified by the contract.:

Calculation of Debt Charges to Revenue - Internal Borrowing

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
MRP @ 7 years - Vehicles	0	599	599	599	599	599	599	599
Reduction in Vehicle Replacement Programme *	0	0	(150)	(150)	(150)	(150)	(150)	(150)
MRP @ 15 Years - Containers	0	101	101	101	101	101	101	101
Internal Interest in Model @ 1.25%	71	71	63	54	45	36	28	19
Total	71	771	612	603	594	586	577	568

- 7.10 The assets will be owned by the Authority. They will be purchased by the contractor who will also be liable to maintain the assets. In the event of termination all assets will revert back to the authority
- 7.11 At the end of the 8 years the assets will be reviewed. If the contract is extended the contractor will need to justify any future capital requirement for new / additional assets. In the case of an extension any residual value left on the asset will be used to offset any replacement cost. Whilst 8 years is the expected useful life of refuse trucks it is expected that the containers will have a longer useful life.
- 7.12 At this stage officers are recommending a preferred bidder based on a technical solution. If agreed a 6 month period of fine tuning prior to awarding any contract. It is currently envisaged that the estimated capital requirement for this scheme will be progressed by a separate report to Council.
- 7.13 The costs associated with the integration of Merton's ICT systems referred will need to be fully funded by the council. This will need to be quantified and classified as to whether it is capital or revenue expenditure.

8 LEGAL AND STATUTORY IMPLICATIONS

- 8.1. The London Borough of Croydon has acted as legal lead for the procurement and in this role has taken advice from Gowling WLG (previously known as Wragge & Co) throughout the process. The SLWP has chosen to conduct a competitive dialogue procedure in accordance with the provisions of the Public Contracts Regulations 2015 (SI 102/2015) (the "Regulations"), for the procurement of these services.

- 8.2. The partner boroughs are parties to an Inter Authority Agreement (IAA) to govern the relationship and obligations in respect of the procurement of Lots 1 and 2 services. The partner boroughs shall enter into a further IAA to govern the contract management of these services.
- 8.3. No legal issues are anticipated because legal advice has been taken throughout the process. This has comprised advice on the Regulations, the procurement and dialogue process, the tender documents and the contract documents.
- 8.4. Once approval has been given to appoint the Preferred Bidders and Reserve Bidders all bidders will be notified of that decision.
- 8.5. Legal advice will continue to be sought throughout the fine tuning period and prior to entering into the contracts to ensure continued compliance with the Regulations.
- 8.6. Once the fine tuning period has ended and the final form of contracts have been agreed, all bidders will be notified of the decision to enter into the contracts and a 10 day stand still period will apply before the contracts are entered into..
- 8.7. Staff currently working in Merton on both Lot 1 and Lot 2 services are directly employed by the borough and will be transferred (under TUPE) to the new service providers for Lot 1 or Lot 2 as relevant. Staff who transfer under TUPE will leave the Local Government Pension Scheme administered by the Council and become deferred members of the Scheme. This transfer of staff will need to be made according to the TUPE regulations and staff representatives will need to be fully informed and consulted.
- 8.8. It should also be noted that there would need to be due consultation with staff (and potentially with staff representatives) in respect of staff who will be managing the contracts and those who work in retained service (see paragraph 5.2.4 above.)
- 8.9. Asset Management/Property
- 8.9.1 There are a number of areas where the service currently operates from which the Preferred Bidder may wish continue to use to provide the service. Some of these have been identified as Public Open Space. Under section 123 of the Local Government Act 1972 the Council has a duty to advertise its intention to grant a lease and to consider any objections.
- 8.9.2 An advertisement must be placed in a local newspaper circulating in the area in which the property is situate for two consecutive weeks allowing a period for objections to be made. These must then be considered by the Council.
- 8.9.3 Provided no valid objections have been received the council can then grant a lease of the area to the Preferred Bidder. The lease will be on standard lease terms (at a market rental). If after considering the objections the council considers they should be upheld the council will be prevented from granting leases for the public open space areas.

9 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 9.1. An Equality Impact Assessment will need to be completed for these universal services, assessing the impact of these changes on all stakeholders. All households access these services and the staff in scope, third sector organisations and managing agents will be affected by the change.
- 9.2. Changes to the waste collection service have the potential to impact on all households especially those who rely on the assisted collection service, and it will be important to ensure these residents are provided with an uninterrupted service throughout the period of change. The proposals will require households to have additional containers which may impact those with limited space. However, by offering a flexible approach in the provision of containers, the Council and the contractor will seek to mitigate the impact.
- 9.3. In mitigating the impact of the proposed changes the Council and contractor will ensure that all residents and stakeholders receive information about the service through a variety of channels as part of the communications plan.
- 9.4. Staff may be affected by the Preferred Bidder proposal to change services if this results in a change in their terms and conditions. These include changes to shift patterns, working hours, pay, location and duties. The contractors will be required under TUPE to carry out a full consultation with relevant staff.

10 CRIME AND DISORDER IMPLICATIONS

- 10.1. None specific to this report

11 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 11.1. In order for the boroughs to realise the potential benefits associated with this joint procurement a firm commitment from all 4 boroughs is required prior to any contract award. Each of the partners is seeking that approval to appoint the Preferred Bidder through their appropriate decision making processes. It is anticipated that this approval will be finalised in July/ August 2016 subject to any required 'Call In' process and Alcatel.
- 11.2. A risk register for the procurement exercise has been well established and monitored by Management Group Officers on a monthly basis and reported to the Strategic Steering Group. This risk register capture the risks in 6 categories, strategic, commercial, financial, legal, technical and engagement activities.

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

- Appendix 1 - Competitive Dialogue Process
- Appendix 2 - Decision Tree
- Appendix 3 – MEL Resident Survey
- Appendix 4 – House Hold Types (suitability)
- Appendix 5 – Street Cleaning Measurements
- Appendix 6 - Service Charter (LOT 1)
- Appendix 7 - Service Charter (LOT 2)

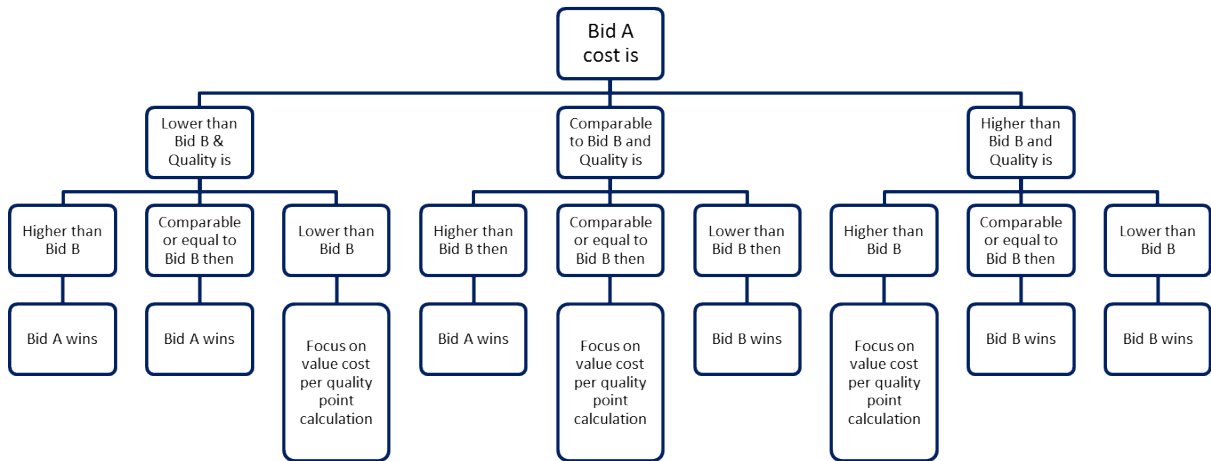
Confidential Appendices

- Appendix A - Evaluation report
- Appendix B - Service Performance Framework (LOT 1)
- Appendix C - Service Performance Framework (LOT 2)

13 BACKGROUND PAPERS

- 13.1. Held by Cormac Stokes, Head of Street Scene and Waste

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Appendix 1

Competitive Dialogue Procurement Process



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Wheelie Bin Trial Residents Feedback Consultation

London Borough of Merton

October 2015

FINAL REPORT

Wastes &
resources
management



Community
safety &
neighbourhood
policing



Sure Start
& Children's
Centres



Affordable
housing



Healthy
communities



Active citizens
& customer
research



Local
Authority
research &
evaluation



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1) Project details and acknowledgements

Title	Wheelie Bin Trial Residents Feedback Consultation
Client	London Borough of Merton
Project number	PR15120
Author	Sophi Dangerfield
Contract Manager	Sophi Dangerfield

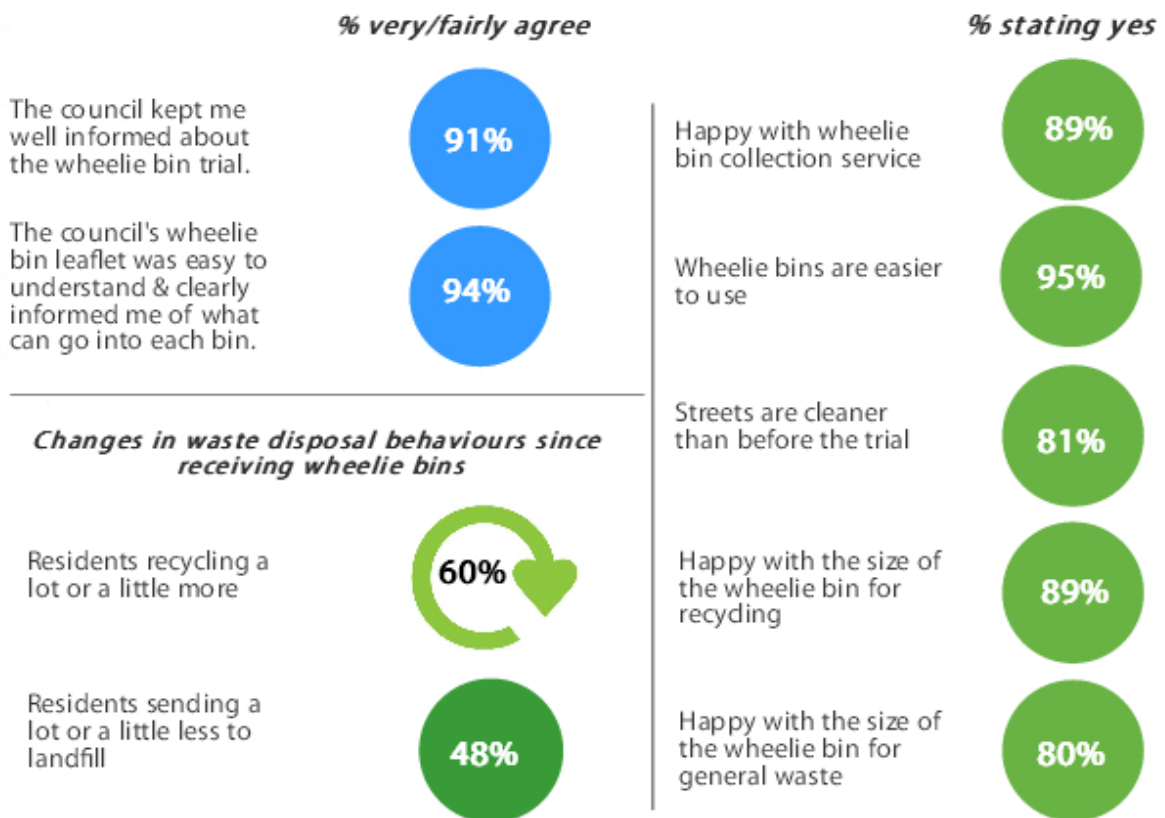
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2) Executive Summary

During April and September 2015 Merton Council provided residents in the Lavender Fields area with trial wheelie bins for general rubbish and commingled dry recycling which temporarily replaced the existing sack and box collection containers. The trial was funded by the Department of Communities and Local Government (DCLG). M·E·L Research were commissioned to carry out a face to face consultation with residents to gain feedback on the trial. The fieldwork was carried out just before the trial ended at the beginning of September 2015. Overall 350 face to face surveys were completed out of 1,035 households taking part in the trial. The key indicators of the consultation are presented below, further detail can be found in the main body of the report.



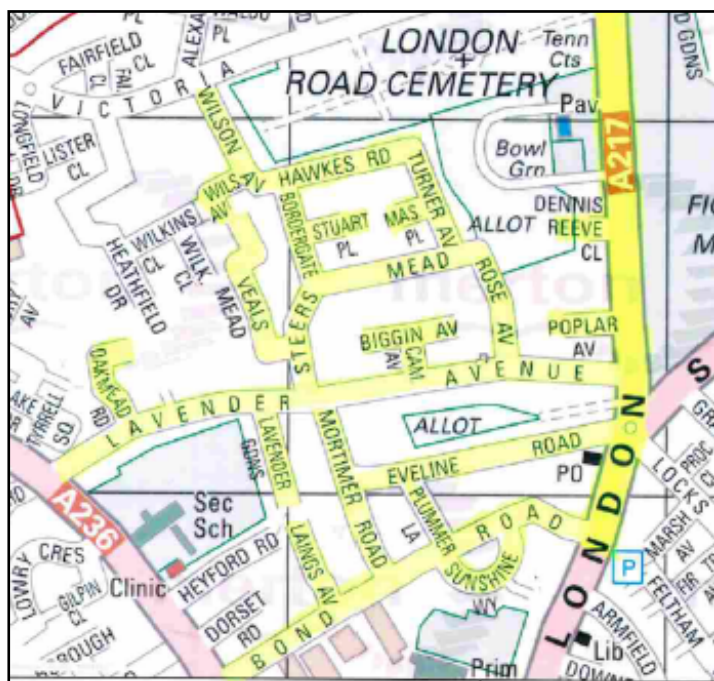
3) Background

Overview

During April and September 2015 the council provided residents in the Lavender Fields area with trial wheelie bins for general rubbish and commingled dry recycling which temporarily replaced the existing sack and box collection containers. Other than the containers provided no other aspect of the service changed during the trial period. The council's main aim of running the trial was to measure any changes in street cleanliness, the cost effectiveness of collecting waste in the wheeled bins rather than the sacks/boxes and to measure the environmental impact i.e. has recycling increased. The trial was funded by the Department of Communities and Local Government (DCLG). To gain feedback from residents in the trial area; during August 2015 M·E·L Research was commissioned to undertake a doorstep resident consultation. The main objectives of the project were to:

- ◆ Understanding residents perceptions of the wheelie bins opposed to the sacks/boxes i.e. ease of use, size of bins
- ◆ Perceived environmental improvements i.e. street cleanliness
- ◆ Perceived changes in residents waste disposal behaviour i.e. recycling more
- ◆ Satisfaction with the way the council communicated to residents about the trial

The trial area consisted of approximately 1,035 households (please see map of the trial area below). All households within the trial area received an introductory letter about the wheelie bin trial. Residents were then provided with a 240 litre green wheelie bin for commingled dry recycling and a 180 litre grey wheelie bin for non-recyclable waste as well as an informative leaflet about how to use the service.



Sampling Method

During 8th and 12th of September 2015 experienced M·E·L Research surveyors were deployed to carry out the doorstep face to face consultation. The Surveyors called at different occasions spread over daytime and evenings to ensure maximum opportunity to contact residents. The Surveyors worked on a two-knock approach; if no one was home on the second approach then a postal version of the survey was left. The face to face questionnaire can be viewed in Appendix C. In total 350 face to face surveys were completed by M·E·L Research and 675 households were provided with a postal survey.

This report covers only the face to face results as the postal survey responses were collected and analysed by the Council. For information purposes, the postal survey results are presented in a tabulated format in Appendix B, overall 201 surveys were returned.

Confidence intervals

It is necessary to take account of sampling errors when assessing the accuracy of any sample base. It is therefore possible to be more specific about how accurate each percentage value is from a survey. The confidence intervals shown in Table 3.1 below are reported to give an indication for the precision of the results and are not an absolute measure. With 350 completed surveys, this means that at a confidence level of 95% the results are within +/- 3.1% of the calculated response. For example, a figure where 50% of residents were satisfied with the collections could in reality lie within the range of 46.9% to 53.1%.

Table 3.1: Confidence intervals at 95%

Size of sample	Approximate sampling tolerances		
	10% or 90%	30% or 70%	50%
	±	±	±
350 surveys (Face to face sample)	3.14	4.79	5.23
201 surveys (Postal sample)	4.15	6.34	6.91

Reporting conventions

The output from the survey is in the form of conventional cross-tabulations. These provide results for the total sample and various sub-groups of the resident profile (e.g. gender, age, household size and housing stock).

Within the main body of the report, where percentages do not sum to 100 per cent, this is due to computer rounding. The 'base' figure referred to in each chart and table is the total number of residents responding to the question with a valid response.

In addition, percentage levels for satisfaction are reported for valid responses only, meaning that this excludes respondents who were unable to rate their level of satisfaction i.e. 'don't know' or 'don't use service' were both deemed to be invalid responses. As an additional reference, the count of respondents citing an invalid response is highlighted for each indicator.

4) Findings

This section sets out the results for the face to face resident's consultation in both tabular and graphical form. Data tables for all of the results presented in graphical form can be viewed in Appendix A.

Demographics

The tables below present the socio-demographic characteristics for the survey respondents and are compared with Merton as a whole. It should be noted that no demographic quotas were set by age, household size, gender or housing stock and are presented for information purposes only. Table 4.1, shows that the sample surveyed was broadly representative by age relative to the adult population of Merton, although the 25-34 age groups was under represented and the older age groups (65+) have been over represented. This is due to the nature of the activity, whereby older people are generally more likely to be at home and more willing to take part when Surveyors call.

Table 4.1: Age group of respondents surveyed compared to Merton as a whole

	Merton profile		Survey profile	
	Count	%	Count	%
18-24	16301	10%	26	7%
25-34	40781	26%	44	13%
35-44	32759	21%	78	22%
45-54	25333	16%	68	19%
55-64	18126	12%	48	14%
65-74	11880	8%	45	13%
75+	11242	7%	36	10%
Prefer not to say	0	0%	5	1%
Total	156422	100%	350	100%

Table 4.2 shows that one person households were under represented and the larger household sizes (4+) were over represented.

Table 4.2: Household size of respondents surveyed compared to Merton as a whole

	Merton profile		Survey profile	
	Count	%	Count	%
1 Person in Household	22294	28%	46	13%
2 People in Household	23958	30%	85	24%
3 People in Household	13311	17%	48	14%
4 People in Household	11747	15%	73	21%
5+ People in Household	7447	9%	97	28%
Prefer not to say	0	0%	1	0%
Total	78757	100%	350	100%

When comparing gender, females were slightly over represented.

Table 4.3: Gender of respondents surveyed compared to Merton as a whole

	Merton profile		Survey profile	
	Count	%	Count	%
Males	98515	49%	140	41%
Females	101178	51%	203	59%

Total	199693	100%	343	100%
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Table 4.4 shows that the housing stock surveyed was fairly representative to Merton as a whole. The trial area was selected as it provided a good representation of housing types compared to the council area.

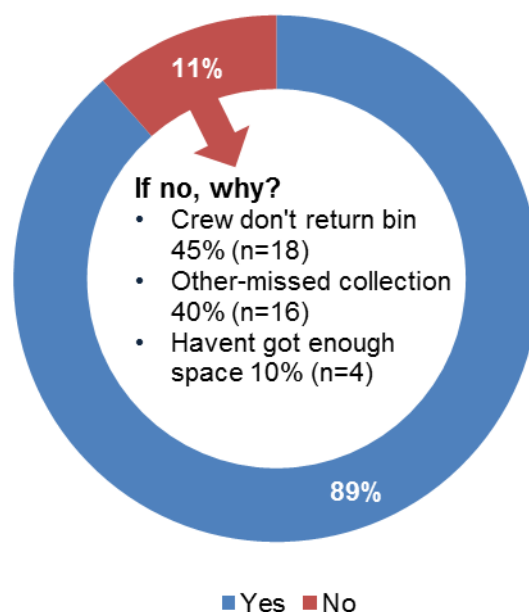
Table 4.4: Housing stock of respondents surveyed compared to Merton as a whole

	Merton profile		Survey profile	
	Count	%	Count	%
House or Bungalow: Detached	4807	9%	12	4%
Detached with front garden over 6ft in length			7	2%
Detached with front garden less than 6ft in length			5	1%
House or Bungalow: Semi-detached	14661	28%	71	21%
Semi-detached with front garden over 6ft in length			67	20%
Semi-detached with front garden less than 6ft in length			4	1%
House or Bungalow: Terraced (including end-terrace)	32882	63%	251	71%
Terraced with front garden over 6ft in length			226	62%
Terraced with front garden less than 6ft in length			25	9%
Other			15	4%
Total	52350	100%	349	100%

Results

Respondents were first asked if they were happy with the council’s wheelie bin collection service. Almost nine out of ten (89%) said they were. The 11% who said that they weren’t were then asked why; most commonly cited reason was that the collection crew don’t return the bin to the place of origin. This was followed by ‘missed collections’ which was not on the pre-coded list of reasons. When comparing satisfaction with the wheelie bin collection by different age groups, the results showed that as age increased satisfaction with the service decreased.

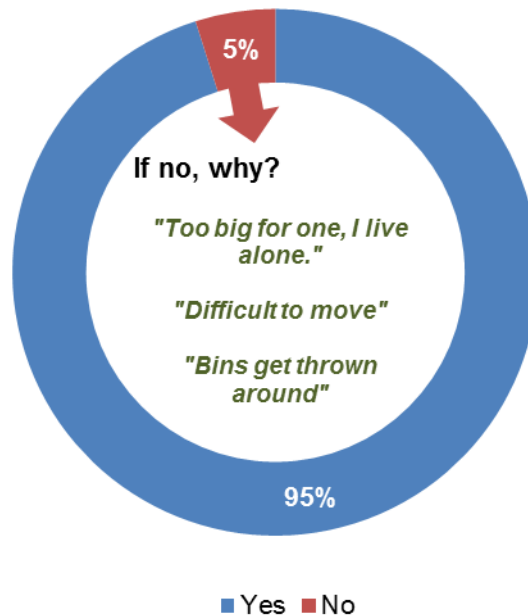
Figure 4.1: Are you happy with the council’s wheelie bin collection service, if not why? Base = 349



Respondents were then asked if they found using the wheelie bin easier when compared to the sacks and boxes. The vast majority (95%) of respondents agreed that it was the case. Of the 5% (n=17) who didn't

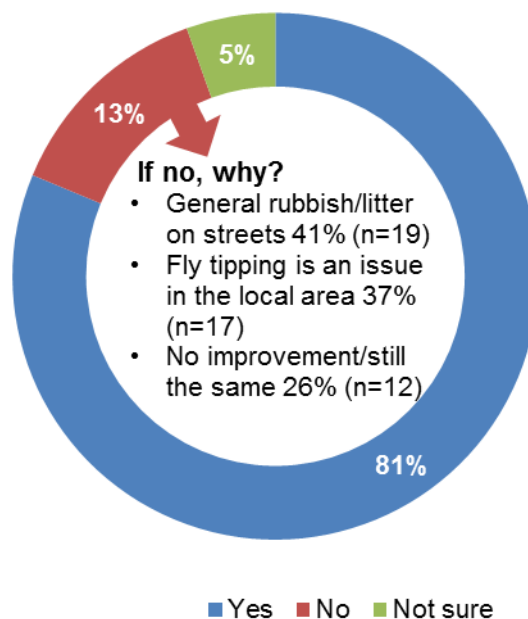
find the wheelie bins easier to use were then asked why, common responses were the bins are too big and are difficult to move, bins get thrown around and bins get in the way i.e. space issues.

Figure 4.2: Have you found using the wheelie bins easier to use than the sacks and boxes, if not why? Base = 346



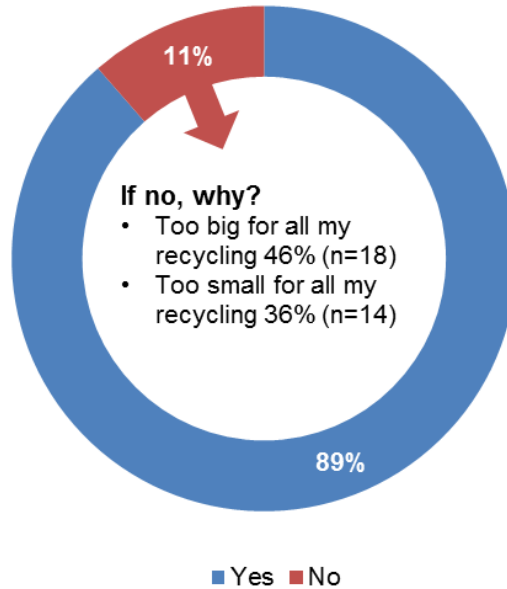
To assess any changes in the local area respondents were asked if their street was cleaner than before the wheelie bin trial started. Around eight out of ten (81%) said yes, 13% said no and 5% were unsure. Respondents who said no were asked why, most commonly cited reasons were that there is still general rubbish and litter around the local area with some respondents commenting that the road sweeper didn't come or clean properly (n=19). This was followed by concerns with fly tipping (n=17) and 12 respondents felt there had been no change in the condition of the local area since the introduction.

Figure 4.3: Is your street cleaner than before the wheelie bin trial started, if not why? Base = 347



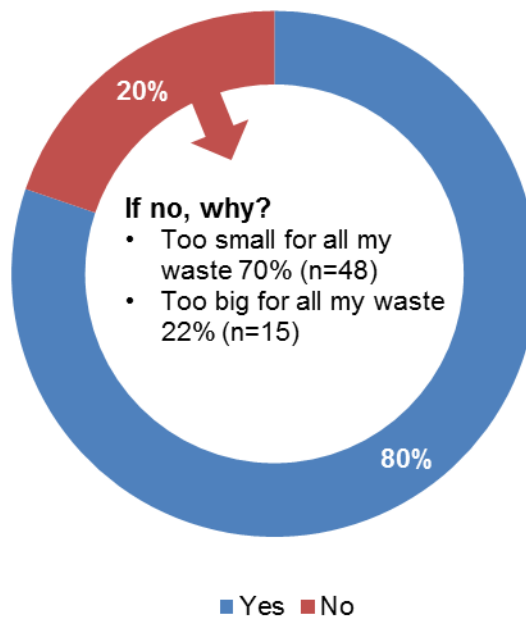
Almost nine out of ten (89%) respondents were happy with the size of the recycling wheelie bin provided. Of those who weren't (11%) when asked why, 18 respondents said the bin is too big for all their recycling; this is more so with older residents and smaller households. This was followed by 14 respondents stating the recycling wheelie bin was too small for all the recycling.

Figure 4.4: Are you happy with the size of the wheelie bins for recycling, if not why? Base = 350



Respondents were then asked if they were happy with the size of the general rubbish wheelie bin provided. Slightly fewer respondents were satisfied with this aspect when compared with the results of the recycling wheelie bin, with eight out of ten (80%) stating yes, whilst a fifth (20%) stated no. Respondents who weren't happy were asked why; 70% (n=48) felt the wheelie bin was too small for all their waste and 22% (n=22) felt it was too big for all their waste.

Figure 4.5: Are you happy with the size of the wheelie bins for general rubbish, if not why? Base = 349

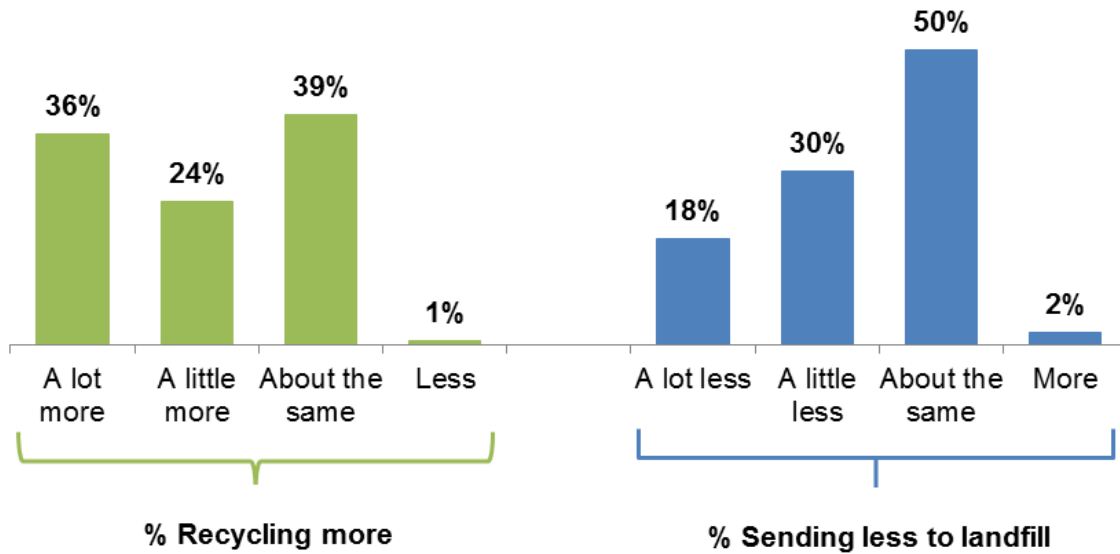


To assess any changes in residents perceived waste disposal behaviours, residents were firstly asked if since receiving the wheelie bins if they now recycle more. Almost two thirds (60%) said they now recycle a

little (24%) or a lot (36%) more since receiving the bins. When analysing the result by age, respondents falling into the middle age group (25-34) were most likely to have positively changed their recycling behaviours. When compared by household size, respondents recycling a little or a lot more increased as household size increased.

Respondents were then asked if they felt that since receiving the wheelie bins if they send less of their waste to landfill. Almost half (48%) said they now send a lot (18%) or a little (30%) less to landfill. When comparing the result by household size, those claiming to send less to landfill increased as households size increased.

Figure 4.6: Changes in waste disposal behaviour since receiving the wheelie bins? Base = 349



To assess how well the council communicated with residents about the trial, respondents were firstly asked how much they agree that the council kept them well informed about the wheelie bin trial. The majority (91%) either strongly (57%) or fairly (34%) agreed with this statement. Secondly, respondents were asked how much they agree that the council’s wheelie bin leaflet was easy to understand and clearly informed them of what can go in each bin. Again the majority (94%) either strongly (70%) or fairly (24%) agreed with this statement.

Image 4.1: Respondents stating they strongly or fairly agree Base = 321 (don’t know responses removed)



The council kept me well informed about the wheelie bin trial.



The council's wheelie bin leaflet was easy to understand & clearly informed me of what can go into each bin.

5) Conclusion

In summary the consultation results show that the majority of the respondents were happy with the wheelie bin collection and found the bins easier to use than the boxes and sacks. Although happiness with the wheelie bin collection decreases as age increases, with crews not returning bins to the place of origin and missed collections being the most common issues cited by respondents aged 55+. These issues could possibly be overcome by communicating residents' grievances to the collections crews.

Respondents were more satisfied with the size of the recycling wheelie bin when compared to the size of the general rubbish wheelie bin although both bins scored 80% or above. When comparing satisfaction by demographics, older respondents and smaller households were most likely to cite that the recycling bins are too big, whilst younger respondents and larger households were most likely to state the recycling bins are too small. A possible suggestion for this would be to offer larger households bigger recycling wheelie bins if the service was rolled out and the opposite for smaller households.

In terms of street cleanliness eight out of ten respondents surveyed felt that there had been a positive change in the condition of their street since the introduction of the wheelie trial. This satisfaction decreased as age increased, although when asked why they felt this way fly tipping was most commonly cited. This could potentially be an existing neighbourhood problem or linked to the reduction in general rubbish bin capacity; these are both out of scope of this consultation but further research could be carried out, such as a street scene/cleanliness survey, to investigate the degree of the issues.

When assessing the impact the wheelie bins have had on waste disposal behaviours, around two thirds felt they recycle a lot or a little more since the introduction of the trial. When comparing this by age and household size, the 25-34 age group and larger household sizes were most likely to have positively changed their recycling behaviours. Just under half of respondents felt that they are also sending a lot or a little less to landfill.

Finally, the majority of respondents were satisfied with the way the council communicated with them about the wheelie bin trial and the information about how the service operates.

Appendices

Appendix A: Data tables (face to face survey)

Appendix B: Postal survey results

Appendix C: Questionnaire

Appendix A: Data tables (face to face survey)

Table A1: Are you happy with the council's wheelie bin collection service?

	Count	%
Yes	309	89%
No	40	11%
Total	349	100%

Table A2: If no, why aren't you happy with the council's wheelie bin collection service?

	Count	%
Looks less visually pleasing	1	3%
Hard to manoeuvre	3	8%
Crews do not return to property/where left	18	45%
Haven't got enough space to store bins	4	10%
Don't need such a big bin, box/bags were adequate	1	3%
Other	18	45%
Total respondents	40	100%

Table A3: Have you found using the wheelie bins easier to use than the sacks and boxes?

	Count	%
Yes	329	95%
No	17	5%
Total	346	100%

Table A6: Is your street cleaner than before the wheelie bin trial started?

	Count	%
Yes	282	81%
No	46	13%
Not sure	19	5%
Total	347	100%

Table A7: If no, why do you think that your street isn't cleaner than before the wheelie bin trial?

	Count	%
No improvement	12	26%
Still lots of fly tipping	17	37%
General rubbish on streets	19	41%
Other	4	9%
Total respondents	46	

Table A8: Are you happy with the size of the wheelie bins for recycling and general rubbish?

	Recycling wheelie bins		General rubbish wheelie bins	
	Count	%	Count	%
Yes	310	89%	280	80%
No	40	11%	69	20%
Total	350	100%	349	100%

Table A9: If no, why aren't you happy with the size of the wheelie bins for recycling and general rubbish?

	Recycling wheelie bin		General rubbish wheelie bin	
	Count	%	Count	%
Find it hard to manoeuvre	2	5%	2	3%
Too big for all my recycling/waste	18	46%	15	22%
Too small for all my recycling/waste	14	36%	48	70%
Too big, I don't have adequate storage space	3	8%	2	3%
Other	3	8%	6	9%
Total	39	100%	69	100%

Table A10: Do you recycle more or less since receiving the wheelie bins?

	Count	%
A lot more	125	36%
A little more	85	24%
About the same	137	39%
Less	2	1%
Total	349	100%

Table A11: Do you have less waste going to landfill since receiving the wheelie bins?

	Count	%
A lot less	63	18%
A little less	103	30%
About the same	175	50%
More	7	2%
Total	348	100%

Table A12: Overall, on a scale of 1 to 4 where 1 is strongly agree and 4 is strongly disagree, how much do you agree with the following statements (excluding don't knows)

	The council kept me well informed about the wheelie bin trial.		The council's wheelie bin leaflet was easy to understand and clearly informed me of what can go into each bin.	
	Count	%	Count	%
Strongly agree	182	57%	212	70%
Fairly agree	111	35%	72	24%
Disagree	20	6%	11	4%
Strongly disagree	8	2%	7	2%
Total	321	100%	302	100%

Appendix B: Postal survey results

The tables below present the results from the postal survey. All data was processed by Merton Council.

Table B1: Are you happy with the council's wheelie bin collection service?

	Count	%
Yes	183	91.0%
No	13	6.5%
blank	5	2.5%
Total	201	100.0%

Table B2: Have you found using wheelie bins easier than sacks and boxes?

	Count	%
Yes	187	93%
No	12	6.0%
Blank	2	1.0%
Total	201	100.0%

Table B3: Is your street cleaner than before the wheelie bin trial started?

	Count	%
Yes	161	80.1%
No	35	17.4%
Not Sure	5	2.5%
Total	201	100.0%

Table B4: Are you happy with the size of the bins

	Count	%
Yes	172	85.6%
No	24	11.9%
No response	5	2.5%
Total	201	100.0%

Table B5: How well did the council tell you about the trial?

	Count	%
Very well	132	65.7%
Satisfactory	57	28.4%
Not well	6	3.0%
No response	6	3.0%
Total	201	100.0%

Table B6: In the council's wheelie bin leaflet, how easy was it to understand what to put in each wheelie bin?

	Count	%
Very easy	161	80.1%
Satisfactory	34	16.9%
Not easy	4	2.0%
no response	2	1.0%
Total	201	100.0%

Table B7: Is it easier to recycle using a wheelie bin?

	Count	%
Yes	187	93.0%
No	12	6.0%
Blank	2	1.0%
Total	201	100.0%

Table B8: Are you recycling more of your waste using wheelie bins?

	Count	%
A lot more	110	54.7%
A little more	43	21.4%
The same	44	21.9%
Less	2	1.0%
Blank	2	1.0%
Total	201	100.00%

Table B9: Do you have less waste going to landfill using wheelie bins?

	Count	%
A lot less	96	47.8%
A little less	42	20.9%
The same	55	27.4%
More	4	2.0%
Not sure	4	2.0%
Total	201	100.0%

Table B10: Gender

	Count	%
Male	124	61.7%
Female	66	32.8%
No response	11	5.5%
Total	201	100.0%

Table B11: What is your age group?

	Count	%
Under 16	0	0.0%
16-24	0	0.0%
25-34	15	7.5%
35-44	44	21.9%
45-54	47	23.4%
55-64	37	18.4%
65-74	25	12.4%
75 or over	22	10.9%
No response	11	5.5%
Total	201	100.0%

Table B12: Do you consider that you have a disability?

	Count	%
Yes	21	10.4%
No	164	81.6%
No Response	16	8.0%
Total	201	100.0%

Table B13: How many people live in your house?

	Count	%
1	45	22.4%
2	47	23.4%
3	26	12.9%
4	39	19.4%
5	23	11.4%
6	0	0.0%
7	1	0.5%
No Response	20	10.0%
Total	201	100.0%

Table B14: Please tick which property type best describes your house.

	count	%
Detached with front garden over 6 foot in length	10	5.0%
Detached with front garden less than 6 foot in length	6	3.0%
Semi-detached with front garden over 6 foot in length	48	23.9%
Semi-detached with front garden less than 6 foot in length	20	10.0%
Terraced with front garden over 6 foot in length	51	25.4%
Terraced with front garden less than 6 foot in length	29	14.4%
Other, please specify	16	8.0%
blank	21	10.4%
Total	201	100.0%

Table B15: Other specified to be as follows:

	Count
end of terrace	8
block of flats	4
maisonette	2
terraced with no front garden	1
terraced with rear garden over 6 foot	1

Appendix C: Questionnaire



15120 Merton Wheelie Bin Trial survey

Good morning/afternoon, my name is _____ and I am working for M·E·L Research on behalf of Merton Council to carry out a survey to gain residents feedback on the wheelie bin trial. Do you have 5 minutes to spare to answer a few quick questions?

Interviewer details:

Interviewer Name _____

Date of Interview _____

ID number _____

Q1. Are you happy with the council's wheelie bin collection service? [SINGLE CODE]

<input type="checkbox"/> 1	Yes [GO TO Q3]	<input type="checkbox"/> 2	No [GO TO Q2]
----------------------------	----------------	----------------------------	---------------

Q2. If no, why is this? [TICK ALL THAT APPLY / DO NOT READ OUT]

<input type="checkbox"/> 1	Looks less visually pleasing	<input type="checkbox"/> 4	Haven't got enough space to store bins
<input type="checkbox"/> 2	Hard to manoeuvre	<input type="checkbox"/> 5	Don't need such a big bin, box/bags were adequate
<input type="checkbox"/> 3	Crews do not return to property/where left	<input type="checkbox"/> 6	Other (specify)

Q3. Have you found using the wheelie bins easier to use than the sacks and boxes? [SINGLE CODE]

<input type="checkbox"/> 1	Yes [GO TO Q5]	<input type="checkbox"/> 2	No [GO TO Q4]
----------------------------	----------------	----------------------------	---------------

Q4. If no, why is this? [OPEN ENDED]

--

Q5. Is your street cleaner than before the wheelie bin trial started? [SINGLE CODE]

<input type="checkbox"/> 1	Yes [GO TO Q7]	<input type="checkbox"/> 2	No [GO TO Q6]	<input type="checkbox"/> 3	Not sure [GO TO Q7]
----------------------------	----------------	----------------------------	---------------	----------------------------	---------------------

Q6. If no, why is this? [OPEN ENDED]

--

Q7. Are you happy with the size of the wheelie bins for recycling and general rubbish? [SINGLE CODE FOR EACH OPTION]

	Yes	No
Recycling bins	<input type="checkbox"/> 1 (GO TO Q9)	<input type="checkbox"/> 2 (GO TO Q8a)
General rubbish bins	<input type="checkbox"/> 1 (GO TO Q9)	<input type="checkbox"/> 2 (GO TO Q8b)

Q8. If no, why is this? [TICK ALL THAT APPLY FOR EACH WASTE TYPE]

Q8a. Recycling wheelie bin		Q8b. General waste wheelie bin	
<input type="checkbox"/> 1	Find it hard to manoeuvre	<input type="checkbox"/> 1	Find it hard to manoeuvre
<input type="checkbox"/> 2	Too big for all my recycling	<input type="checkbox"/> 2	Too big for all my waste
<input type="checkbox"/> 3	Too small for all my recycling	<input type="checkbox"/> 3	Too small for all my waste
<input type="checkbox"/> 4	Too big, I don't have adequate storage space	<input type="checkbox"/> 4	Too big, I don't have adequate storage space
<input type="checkbox"/> 5	Other (specify below)	<input type="checkbox"/> 5	Other (specify below)

Q9. Do you recycle more or less since receiving the wheelie bins [SINGLE CODE]

<input type="checkbox"/> 1	A lot more	<input type="checkbox"/> 3	About the same
<input type="checkbox"/> 2	A little more	<input type="checkbox"/> 4	Less

Q10. Do you have less waste going to landfill since receiving the wheelie bins? [SINGLE CODE]

<input type="checkbox"/> 1	A lot less	<input type="checkbox"/> 3	About the same
<input type="checkbox"/> 2	A little less	<input type="checkbox"/> 4	More

Q11. [SHOW CARD A] Overall, on a scale of 1 to 4 where 1 is strongly agree and 4 is strongly disagree, how much to you agree with the following statements? [TICK ONE FOR EACH OPTION]

	1 – Strongly agree	2 – Fairly agree	3 – Disagree	4 – Strongly disagree	[DON'T PROMPT] Don't know
The council kept me well informed about the wheelie bin trial.	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
The council's wheelie bin leaflet was easy to understand and clearly informed me of what can go into each bin.	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

And now I'd just like to ask some questions about you and your household

Q12. [SHOWCARD B] What age group do you fall into? [SINGLE CODE ONLY]

<input type="checkbox"/> 1	18-24	<input type="checkbox"/> 4	45-54	<input type="checkbox"/> 7	75+
<input type="checkbox"/> 2	25-34	<input type="checkbox"/> 5	55-64	<input type="checkbox"/> 8	Prefer not to say
<input type="checkbox"/> 3	35-44	<input type="checkbox"/> 6	65-74		

Q13. Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months? [SINGLE CODE ONLY]

<input type="checkbox"/> 1	Yes	<input type="checkbox"/> 2	No	<input type="checkbox"/> 3	Prefer not to say
----------------------------	-----	----------------------------	----	----------------------------	-------------------

Q14. How many people live in your household including yourself?

Adults Children 18 and under 1 Prefer not to say

Q15. INTERVIEWER TO CODE GENDER [SINGLE CODE ONLY]

<input type="checkbox"/> 1	Male	<input type="checkbox"/> 2	Female
----------------------------	------	----------------------------	--------

Q16. INTERVIEWER TO RECORD HOUSETYPE [SINGLE CODE ONLY]

<input type="checkbox"/> 1	Detached with front garden over 6 foot in length	<input type="checkbox"/> 5	Terraced with front garden over 6 foot in length
<input type="checkbox"/> 2	Detached with front garden less than 6 foot in length	<input type="checkbox"/> 6	Terraced with front garden less than 6 foot in length
<input type="checkbox"/> 3	Semi-detached with front garden over 6 foot in length	<input type="checkbox"/> 7	Other (specify below)
<input type="checkbox"/> 4	Semi-detached with front garden less than 6 foot in length		

Q17. INTERVIEWER: Do you think English is respondent's first language [DO NOT DIRECTLY ASK RESIDENT]

<input type="checkbox"/> 1	Yes	<input type="checkbox"/> 2	No
----------------------------	-----	----------------------------	----

Q18. As part of our quality checking process, some of the people who answered the survey will be selected at random to check that they really were interviewed. Could I please take your name and telephone number so that you can be called if necessary? This will not be passed to anyone else.

Respondent name:	<input type="text"/>
Telephone no:	<input type="text"/>

Q19. Thank you, that is all the questions I have. The answers you have provided, including your number, street and postcode, will be passed back to Merton Council so that they can improve services. This does not include your name or contact details. Are you happy for us to do this?

<input type="checkbox"/> 1	Yes	<input type="checkbox"/> 2	No
----------------------------	-----	----------------------------	----

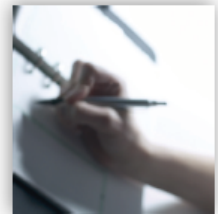
<input type="checkbox"/> 1	Interviewer: Please tick if resident asked what was going to happen to the wheelie bin once trial ends
----------------------------	--

That's all the questions, thank you for participating!

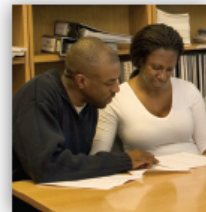
Using evidence to shape better services



Research



Public Consultation



Evaluation



Surveys



Consultancy Evaluation



Skillbuilding



M·E·L Research Ltd
8 Holt Court Aston Science Park Birmingham B7 4AX
T: 0121 604 4664 F: 0121 604 6776 W: www.m-e-l.co.uk

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Appendix 4

How is street Cleanliness measured

Local authorities measure the standard of cleanliness through an agreed set of industry standard measures previously known as Ni 195. Please note that for the purposes of NI195, recent leaf and blossom falls are excluded from the definition of litter

The four elements of NI 195 – litter (NI 195a.), detritus (NI 195b.), graffiti (NI 195c.) and flyposting (NI 195d.) – are measured separately. Each site is given a grading assessment based on the 4-point scale set out in the Code of Practice on Litter and Refuse ranging from Grade A (clean) to Grade D (heavily affected).

Definitions of Litter Grades

GRADE A - no litter or refuse



GRADE B - predominantly free of litter and refuse except for some small items



GRADE C - widespread distribution of litter and refuse, with minor accumulations



GRADE D - heavily littered, with significant accumulations



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APPENDIX 5

DRAFT SERVICE CHARTERS The Service Charters are provided for information and shall be shared with the public and used by the Council in order to describe the delivery of the Services. For the avoidance of doubt, the Service Charters shall not be treated as confidential. Draft Service Charters will be finalised at Preferred Bidder stage].

Draft Service Charter for Waste Collection Services

Recycling and Refuse Collection

Our service to residents:

- Recycling and refuse is collected from all homes on the scheduled collection day
- Receptacles are returned to the point of collection and left in such a manner as to cause minimum inconvenience to residents and customers
- Any missed collections are collected within [24] hours of being reported.
- Recycling and refuse containers are delivered within [5] days of request
- Assisted collections are available for all residents who need them.
- Bulky Waste is collected from the outside of all homes within [to be discussed in dialogue] [X] days of request.
- Spillages caused by the Contractor's Staff are cleared immediately or as soon as is practicable before the end of the day.
- All work is carried out safely and Staff are always polite and courteous, behave professionally and do not seek or accept tips, rewards or payment from the public or businesses.
- Collections are managed to cause the minimum possible level of disruption whilst maintaining an efficient service.
- All public and/or communal waste and recycling sites are kept clean and tidy.

- Public and/or communal waste and recycling sites are always available for use and are emptied frequently enough to prevent them being full or overflowing.
- Full communal waste sites are cleared within [x] hours of being reported as full.
- Staff leave information for residents if containers cannot be emptied because they have the wrong things in them [note to bidders, crews will be expected to carry out an agreed level of sorting if this means the container can then be emptied at the time of collection. A process for managing repeat contamination problems will be agreed and delivered].
- Requests for information are answered within [x] working days.
- Crews will report any faults and issues they observe whilst carrying out their work within the Boroughs, regardless of whether it is for them to fix (e.g. potholes, street lights, graffiti)

We ask Service Users to help us by:

- Placing recycling and refuse containers out for collection by [6] am on collection day and in the designated location.
- Reducing waste wherever possible.
- Sorting as much material as possible for recycling.
- Placing the right materials in the right containers
- Letting us know if a collection has been missed, at the end of the same day if possible.
- Treating staff in a polite and courteous manner and not offering tips, reward or payment.
- Rinsing out bottles, jars and recyclable plastic containers if they contain food residues.
- Keeping food waste containers clean?

- Wrapping up any sharp items like knives, broken glass or crockery in newspaper before they go into the refuse container.
- Not placing hazardous items like paint or oil in the refuse or recycling containers.

Draft Service Charter for Street Cleaning Services

Our service:

- Streets and paths are kept clean. We aim to keep all roads free from litter, rubbish, weeds and animal faeces and we use the standards set out in the Code of Practice on Litter and Refuse to measure cleanliness.
- Road drains on the public highway are kept free from detritus and free flowing to prevent flooding.
- We will support Community Clean-up Initiatives to help residents look after their local area.
- Streets are kept clear of accumulations of weeds.
- Litter bins are kept clean, well maintained and always available for use, never full or overflowing.
- Bagged waste collected from litter bins is cleared by the end of the same working day.
- Fly-tipping on public land is cleared pro-actively when identified by our staff (unless enforcement activity is being undertaken) and always within [x] working day(s) of being reported. A chargeable service is available to private landowners for fly-tip clearance.
- Graffiti and fly-posting on public property is cleared pro-actively when identified by our staff and always within 5 days of being reported. Offensive graffiti is removed within 24 hours of being reported.
- Dead animals, drug litter, and debris and spillages from road traffic or other accidents, are all cleared within [x] hours of notification.

- All work is carried out safely and staff are always polite and courteous, behave professionally and do not accept tips, rewards or payment from the public.
- Spillage of waste by street litter bins is cleared at the time of emptying the street litter bins.

We ask Service Users to help us by:

- Not dropping litter or dumping rubbish.
- Cleaning up after their dog.
- Only using litter bins for litter and dog waste, and not for commercial or household waste.
- Reporting any fly-tipping and/or fly-tippers, noting time date and vehicle registration wherever possible.
- Quickly removing graffiti from their own property if they are able to do so and reporting to the police anyone that they see causing criminal damage by fly-posting or graffiti.
- Reporting street cleaning issues to us, including any spillages, dead animals and drug litter.
- Removing weeds along their property's boundary with the footpath.

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Appendix 6

Draft Service Charter for Parks and Grounds Maintenance (Lot 2)

We aim to maintain our high level of resident satisfaction with our parks, cemeteries and allotments; we will do this by:

- Ensuring grass areas, shrub beds, flower beds and hedges, and all horticultural features are well looked after and regularly maintained.
- Promoting and maintaining our wildlife and nature conservation areas.
- Using environmentally sustainable methods in our parks maintenance, as set out in Sutton's Environmental Policy and One Planet themes
- Recycling all of our green waste, and other litter and waste streams insofar as practical.
- Keeping parks free from litter, rubbish and animal faeces.
- Ensuring litter bins in parks are kept clean and are always available for use.
- Clearing fly-tipping and graffiti on public land at the earliest opportunity.
- Ensuring trees are inspected regularly and maintained to the appropriate British Standards.
- Providing sports facilities which are safe to use and appropriate for the customer.
- Working collaboratively with sports clubs and sports governing bodies...
- Ensuring our play areas are welcoming, clean, with well-maintained equipment and inspected regularly to the appropriate British Standards.
- Working closely with and supporting our friends groups to help us maintain and improve our open spaces.

- Ensuring staff are always courteous, helpful, polite and professional.
- Listening to customer and resident feedback to help continuously improve our parks.
- Developing the service to promote social value as set out in Sutton's Asset Toolkit.

We ask residents to help us by:

- Not dropping litter, chewing gum or cigarette butts.
- Cleaning up after their dog.
- Not picking or otherwise damaging flowers and plants.
- Becoming involved with Friends of Parks groups.
- Giving us constructive feedback about the service.
- Leaving park facilities in the condition they would expect to find them

Committee: Cabinet

Date: 4 July 2016

Agenda item:

Wards: All

Subject: Reference from the Sustainable Communities Overview and Scrutiny Panel – Pre decision scrutiny of the South London Waste Partnership (procurement of waste collection and related environment services)

Lead officer: Annette Wiles, Scrutiny Officer, 0208 545 4035

Lead member: Councillor Abigail Jones, Chair of the Sustainable Communities Overview and Scrutiny Panel

Forward Plan
reference number:

Reason for urgency: The Chair has approved the urgent submission of this item in order that Cabinet may have regard to the outcome of scrutiny when considering the substantive item found elsewhere on this agenda.

Recommendation:

That Cabinet takes account of comments made by the Sustainable Communities Overview and Scrutiny Panel when taking decisions on South London Waste Partnership – procurement of waste collection and related environment services (set out in paragraph 2.2 below);

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1. To inform Cabinet of the recommendations and comments resulting from pre decision scrutiny of the South London Waste Partnership preferred bidder's technical solution at a Panel meeting on 9 June 2016.

2 DETAILS

2.1. Members received the draft Cabinet report with all accompanying appendices. The Cabinet Members for Community and Culture and Cleanliness and Parking in addition to the Director of Environment and Regeneration presented the report and answered questions.

2.2. Members acknowledged the officers' considerable work and effort in getting the proposed South London Waste Partnership to the stage of having selected preferred and reserve bidders for Lots 1 and 2. A comment on the recommendations in the draft Cabinet report was agreed as set out below:

Recommendation: Cabinet use the period of 'preferred bidder fine tuning' to determine how many households will experience significant difficulty in storage and/or presentation of wheeled bins for regular emptying.

Recommendation is endorsed

3 ALTERNATIVE OPTIONS

3.1. Cabinet is required under the terms of the constitution to receive, consider and respond to recommendations from Overview and Scrutiny.

4 CONSULTATION UNDERTAKEN OR PROPOSED.

4.1. None for the purposes of this report.

5 TIMETABLE

5.1. None for the purposes of this report.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1. None for the purposes of this report.

7 LEGAL AND STATUTORY IMPLICATIONS

7.1. None for the purposes of this report.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1. None for the purposes of this report.

9 CRIME AND DISORDER IMPLICATIONS

9.1. None for the purposes of this report.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1. None for the purposes of this report.

11 APPENDICES – NONE

12 BACKGROUND PAPERS

12.1. None

Committee: Overview and Scrutiny Commission

Date: 2 August 2016

Wards: All

Subject: South London Waste Partnership – Procurement of Waste Collection and Related Environmental Services

Lead officer: Chris Lee, Director of Environment & Regeneration

Lead members: Councillor Ross Garrod, Cabinet Member for Environmental Cleanliness and Parking

Councillor Nick Draper, Cabinet Member for Community and Culture

Contact officer: Cormac Stokes, Head of Street Scene and Waste

Recommendations:

- A. That the Overview and Scrutiny Commission consider the information provided in response to the call-in request and decide whether to:
- Refer the decision back to cabinet for reconsideration;
 - Determine that the matter is contrary to the policy and/or budget framework and refer the matter to Full Council; or
 - Decide not to refer the matter back to Cabinet, in which case the decision shall take effect immediately.
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report sets out the response to the issues raised in two separate call-in request forms (see Appendix 1). The Commission is asked to consider the call-in requests together with officer comments contained within this report and all papers attached as appendices.

2 DETAILS

- 2.1. Cabinet resolved at its meeting of 10 November 2014 to approve the recommendations to jointly procure through the London Borough of Croydon a range of environmental services as part of the South London Waste Partnership. Cabinet also resolved:
- To delegate authority to the Chair of Management Group in consultation with the Management Group, Strategic Steering Group, the SLWP Legal Lead and members of the Joint Waste Committee to deselect bidders and agree the specification at each stage up to and including the invitation to submit final tender and
 - To receive a report in Spring 2016 recommending Preferred Bidder and subject to approval, recommend that the London Borough of Croydon as lead procuring authority award the contract.
- 2.2. Following two separate call-ins of the above decision a special meeting of the Sustainable Communities Overview and Scrutiny Panel was held on 4

December 2014 to consider the matters raised in the call-in papers. Following detailed discussions and considerations the Panel voted in favour of upholding the original Cabinet decision. The Panel did not refer the decision back to Cabinet and as such the decision took immediate effect.

2.3. Following the completion of the Competitive Dialogue process and evaluation of Final Tenders a report was presented to the Sustainable Communities Overview and Scrutiny Panel on 9 June 2016 setting out the conclusions and recommendations arising out of this process. Following considered discussion the Panel resolved to note the draft report and agreed to forward a reference to Cabinet that as part of its final decision-making process, it should use the period of 'Preferred Bidder Fine Tuning' to determine how many households would experience significant difficulty in storage and/or presentation of wheeled bins for regular emptying.

2.4. On 4 July 2016 Cabinet received a further report setting out in full detail the outcome of the procurement project and the results of the evaluation process. Cabinet also received and considered the above reference from the Sustainable Communities Overview and Scrutiny Panel. Cabinet resolved that it:

- recognises the Administration's desire, in the context of Merton's continually decreasing funding from Central Government, to maintain and enhance the borough's public realm, open spaces and parks; noting the results of the wheeled bin pilot in Lavender Fields ward and the Administration's desire to introduce wheeled bins to ensure cleaner streets and the need for any solution to be affordable;
- having noted the endorsement from the Joint Waste Committee (7 June 2016) approves the appointment of Veolia ES (UK) Ltd as Preferred Bidder for LOT 1 services including waste collection, street cleaning, commercial waste collection, winter maintenance and vehicle procurement and fleet maintenance in relation to the procurement exercise undertaken by the South London Waste Partnership (SLWP) for Waste Collection and Related Services. This is for a period of 8 years with the option to extend for two further periods of 8 years, a maximum total of 24 years;
- approves the appointment of The Landscape Group Ltd as Preferred Bidder for LOT 2 services (including Parks, Grounds maintenance, Cemeteries, Verges and Tree maintenance) . This is for a period of 8 years with the option to extend for two further periods of 8 years, a maximum total of 24 years;
- approves the appointment of Amey LG Ltd. as Reserve Bidder for LOT 1 services and Veolia ES (UK) Ltd as Reserve Bidder for LOT 2 services;
- agrees to, following fine tuning discussions with the Preferred Bidders and there being no material changes to the proposed solution beyond the scope of the proposed solution set out in this report, delegate authority to the Director of Environment and Regeneration in consultation with Cabinet Members to authorise the London Borough of Croydon to award the contract for both Lots, on behalf of the four boroughs of Sutton, Merton, Kingston and Croydon (the SLWP);

- agrees to, based on the principles of the Inter Authority Agreement (IAA), delegate authority to the Director of Environment and Regeneration in consultation with appropriate Cabinet Members to agree the IAA and the arrangements relating to the management of the contracts;
 - notes the statutory requirement under section 123 of the Local Government Act 1972 requiring the Council to advertise its intention to grant leases of areas of Public Open Space for those depots and staff facilities within parks and open spaces required to facilitate the operation of the contract(s);
 - notes the work in hand to establish fit for purpose Contract Management and Clienting functions and delegates this to the Director of Environment and Regeneration to finalise.
- 2.5. The Cabinet decision has been called in for reasons set out in Part 4 of the call in request forms. The Council's procedure for dealing with call in requests is set out in paragraph 16 of Part 4E of the Constitution. One call-in request relates specifically to the Lot 1 aspect of the procurement decision and the other relates specifically to the Lot 2 decision.
- 2.6. The Monitoring Officer has accepted the two call-ins as valid and since the matter has already been considered through pre-decision scrutiny by the Sustainable Communities Overview and Scrutiny Panel, the Commission is required to consider the reasons for the call-ins and decide which of the options set out in the recommendation of this report to apply.
- 2.7. For ease of reference this report will deal with each of the Call-ins separately and refer to them as the Lot 1 Call-in and Lot 2 Call-in. Please refer to Appendix A (call-in request form for Lot 1) and Appendix B (call-in request form for Lot 2) to understand the rationale behind the call-in requests and to contextualise the responses set out below.

3 LOT 1 CALL-IN

3.1. Proportionality (i.e. that the action must be proportionate to the desired outcome)

- 3.1.1 There is no clearly defined government policy on how domestic waste should be collected. This approach complies with all legislation, particularly the Environmental Protection Act 1990 and all subsequent amendments.
- 3.1.2 The proposed service changes will continue to collect all materials currently collected and residents will be provided with more effective storage containers for these various waste streams. The proposed approach is likely to drive up participation in recycling and food waste services and improve the quality of the recyclable materials collected delivering both financial and environmental benefits. In all respects the proposed changes constitute a significant improvement on the current service.
- 3.1.3 At present the council provides a minimum of two recycling boxes (although there is no limit at present on how many boxes a household can obtain), one food waste caddy; a wheelie bin for garden waste (for subscribing households). The council does not provide containers for residual waste. However, these must be provided by householders currently and should be in the form of black sacks. There are currently no restrictions on the number

of black sacks that can be set out each week. In effect the current proposal is not adding any additional container types for waste and may be reducing the number of containers for many households.

- 3.1.4 All households in the borough (save for those using communal recycling facilities) have received at least two recycling boxes as one box has always been insufficient to store mixed recyclables. This is a legacy of the previous green and purple box system. In this respect there has not been a huge increase in the number of containers residents are being obliged to use.
- 3.1.5 There should be no impact on residents' kitchens as there are no changes planned to the current food waste service. All paper and card materials can be stored in the wheeled bin provided throughout the week and will reduce storage requirements within the property. This also applies to residual waste as the wheelie bin will provide protection from pests throughout the week. In effect residents' will have more effective and clean storage Bins will be presented and returned to the edge of the property and there will be, minimal impact on street fronts.
- 3.1.6 The increase in residual waste during the Lavender Fields pilot has been attributed primarily to the improved waste containment practices, reducing wind-blown litter and torn black sack waste. In effect, a proportion of the additional waste collected through the waste collection regime is not "new" or "additional" as it had previously been picked up as street cleaning litter. This will be further mitigated by the introduction of a fortnightly collection service which encourages an increase in recycling and food waste.
- 3.1.7 It also reflects the findings of the latest research on recycling performance carried out by the Waste and Resources Action Programme, "Analysis of recycling performance and waste arisings in the UK 2012/13" (WRAP, 2015). This research shows that effective container capacity (either through size or frequency of collection or a combination of both) is the most significant driver in recycling and food waste capture.
- 3.1.8 Research carried out by the Tidy Britain Group on behalf of the council in 2010 indicated that as much as 50% of all street waste arisings in residential roads can be attributed to the black sack and box collection schemes operated within Merton.
- 3.1.9 In April 2014 the service commissioned MEL Research Ltd to undertake a waste composition analysis of our kerb side collections. Significantly the findings suggest that 60% of Merton's residual waste is of a type that could have been recycled. This compares to only 23% in Sutton which operates a wheelie bin system.
- 3.1.10 In 2013 the authority commissioned Waste Watch (part of Keep Britain tidy) to monitor the Household participation of the kerbside recycling service. The aim of this survey was to establish the participation rate for the kerbside recycling and food collection service.
- 3.1.11 In total 26,301 households were monitored for the food waste collection and 27,486 properties monitored for dry recycling over three collection opportunities. The results showed that approximately 52.8% of households were engaged in setting out their food waste at least once over the three-week period and 79.6% of households set out dry recycling for collection.

- 3.1.12 Key conclusions that can be drawn from this research is that take up of the food waste service is very low. A high proportion of food waste continues to be put out for collection with other general waste in black sacks. As a result the food waste service is not providing a robust mitigation against vermin ripping open black sacks in search of food. Secondly, despite relatively high participation in the dry recycling service, a significant amount of targeted recyclable materials remain with black sacks, suggesting that whilst residents are willing to recycle the current receptacles used are not fit for purpose.
- 3.1.13 The issue of some people having little regard for their environment and continually littering and fly tipping will remain a concern. The council has commissioned an external enforcement organisation (Kingdom) to enforce against littering. This together with the council's well organised and continuous communications campaign will help to reduce the litter, debris and other obstructions through both education and awareness of the council's zero tolerance approach to littering.
- 3.2. Due consultation and the taking of professional advice from officers
- 3.2.1 There is no statutory duty to consult on changes to these services. The decisions have been made by Cabinet under the authority delegated to them. It is not usual to consult on this type of service before the specification is formed as there are often so many different opinions from a wide variety of stakeholders that it makes it very difficult to put a specification that satisfies everyone.
- 3.2.2 When comparing the Lavender Fields pilot to the proposed it is important to note that whilst the frequency of collection is different, the space required for the two bins is the same. The only additional container required compared to the pilot at Lavender Fields is the recycling box. The recycling boxes were not removed from houses in the pilot area.
- 3.2.3 The Lavender Fields ward was identified as part of the pilot primarily as this area consists of a range of different types of dwellings including terraced housing, flats and maisonettes and where there are minimal properties which would have a storage issue for wheeled bins. The area also reflects the need to consider levels of heavy footfall, outside of town centres and shopping areas which impacts on the level of street litter. Furthermore, in terms of recyclables captured, residual waste landfilled and participation levels in various collection schemes, Lavender Fields tended to reflect borough averages.
- 3.2.4 It is recognised that the approach to waste collection cannot necessarily be a "one size fits all" approach and that different container types and sizes will need to be appropriate for the property type. However, in order for collection processes to be as lean and efficient as possible standardisation will be required to a large extent and any variation from the standard process would require justifiable reasons. Acceptable criteria to vary from the "norm" should be agreed in advance of any service being rolled out.
- 3.2.5 Within the preferred bidders bid they acknowledge that not all households will be suitable for the use of wheelie bins. These not only include multi-occupancy dwellings or flats above shops but will also include households

with no frontage, steep access or stairs. As a Waste Collection Authority, the Council has the power to direct households on how and when to present waste, thereby determining the collection method to be adopted.

3.2.6 As part of the mobilisation process and the roll out of the new service a clear criteria will need to be agreed supported by an updated waste policy to account for different property types. This will take into account areas where there are steep slopes between the property and the kerb, or there are several steps between the property and the kerb, or areas where households have no front garden. Where this is the case, the Council will make alternative arrangements for appropriate containers.

3.3. Respect for Human rights and equalities

3.3.1 It is advised that any service rolled out utilising wheeled bins would maintain the current curtilage collection approach rather than introduce a kerbside collection system in order to address this issue. The former requires householders to set out waste bins within the confines of their property as close to the edge as possible. The latter requires bins to be set out on the pavement by the kerb. A key issue with the former approach will be to monitor and maintain high collection standards from waste crews with respect to returning waste containers back to the curtilage of properties in good order.

3.3.2 The council has a policy to provide assisted collections to residents with identified needs in this respect. This would help to prevent access problems when entering or exiting properties through the front gate. It is not envisaged that any potential service change would impact significantly on existing policies. However, the Council will take every opportunity to work with and consult various representative groups, including the Merton Centre for Independent Living to review and develop our policies for assisted collections as deemed appropriate.

3.3.3 With the proposed introduction of wheelie bins, Waste Services will work closely with the preferred bidder during fine tuning to recommend and update existing our 'Assisted Collection Policy'.

3.3.4 The recommended preferred bidder (Veolia) acknowledges that given the extra weight / size of the bin that there will be a need to review the assisted collection policy and ensure that all residents who meet the new criteria are provided with an assisted collection. Please note that those residents currently on the scheme will remain eligible for the assisted collection service.

3.3.5 Veolia would be required to undertake a waste capacity audit for all communal properties during the mobilisation period in which container provision will be reviewed and amended to allow an equivalent capacity for each household utilising the communal storage area to that of curtilage collection properties

3.3.6 They will be required to ensure that sufficient capacity is provided and a collection schedule is established to meet the requirements of delivering this capacity. Communal collections will be undertaken weekly as a minimum with additional collection frequency determined as part of the audit process. They will also consult with the crews that currently undertake these services

to ensure their local knowledge is incorporated as part of the scheduling process.

3.3.7 Until the list of staff affected (TUPE Transfer list) is finalised it is difficult to provide a breakdown of the demographic profile of staff affected and indeed how they will be affected.

3.3.8 What is understood for staff is that the provision of wheelie bins will reduce manual handling of black sacks and reduce levels of sickness absence due to musco-skeletal issues.

3.4. A presumption in favour of openness

3.4.1 The Lavender Fields ward wheelie bin trial commenced in April 2015. The Cabinet decision to approve the implementation of the pilot was taken following the consideration of a call-in request by the Sustainable Communities Overview and Scrutiny Panel on 3 February 2015. In terms of the development of detailed proposals for wheelie bins these were not fully apparent until Competitive Dialogue discussions commenced with bidders during the "Detailed Solutions" stage of the dialogue which did not commence until September 2015. The original Cabinet report (November 2014) recognised the complexity of the requirement and the need to explore various options and service developments with bidders was a key reason for using the Competitive Dialogue procurement route. It is important to note that competitive dialogue involves commercially sensitive discussions on bidder solutions and the associated financial implication. Such sensitivities mean that the dialogue sessions must remain confidential, otherwise the whole procurement could be jeopardised.

3.4.2 Households will continue to receive weekly collections, with two collections (food and recycling) one week and three collections (food, recycling and residual) on alternate weeks.

3.4.3 If residents wish to subscribe to the garden waste service they will continue to use their garden waste wheeled bin or bag. Such households will receive three collections every week, with food, recycling and garden one week and food, recycling and residual on alternate weeks.

3.5. Clarity of aims and desired outcomes

3.5.1 The objectives of the project have always been very clear and they are not contradictory but supporting objectives:

- to target optimum savings on the costs of service provision through lower service costs and increasing recycle income;
- to deliver residents a high performing service, achieving high levels of customer satisfaction;
- to provide improved environmental and carbon outcomes in the way we deliver environmental services; and
- to ensure the community remain engaged and involved in the management, maintenance and oversight of parks, cemeteries and open spaces in Merton and Sutton.

3.5.2 The report highlights in section 3.5.8 that the risk transfers to the contractor who is required to maintain a high level outcome based specification in

regards to street cleaning. The contractor will be required to ensure that on the completion of any cleaning activity i.e. manual sweeping , litter picking and mechanical sweeping the relevant area of land has been cleaned to a Grade 'A' standard as reported in line with the guidelines set as part of Ni 195 , the National Indicators for local Authorities. In addition to this the frequency of cleaning needs to ensure that town and district centres and residential roads meet a Grade 'B' standard as a minimum. This is in line within the measures used in NI 195.

- 3.5.3 Furthermore the Cabinet report of 4 July 2016 states that preliminary work undertaken by Waste Services indicates that the award of the contract to the Preferred Bidder for Lot 1 could potentially result in revenue savings of up to £1.3m in year 1. In year 2 following the implementation of the new harmonised service the revenue savings could potentially increase to up to £2.2m per annum. It should be noted that that these savings currently excludes the cost of capital for new vehicles or containers. The savings figures provided should be treated with a degree of caution as they are subject to fine tuning in advance of Contract award.
- 3.5.4 It was explained at the Sustainable Communities panel meeting that new refuse collection vehicles would have to be purchased whether or not the council moved to the new system as the current vehicles are now overdue for replacement. However, the service re-design requires fewer vehicles than currently on the fleet.
- 3.5.5 There is currently no provision within the Council's Capital Programme. Given the size of Capital required a separate report will be presented to Full Council seeking approval for the use of Capital.
- 3.5.6 Councillor Judge's comments were based on the affordability of rolling out a service similar to the Lavender Fields pilot across the whole borough. The SLWP Procurement has demonstrated that through the economies of scale established through working in partnership with local boroughs; through effective dialogue; through service re-design and the shifting of key risks to the contractor that a wheeled bin service can not only be affordable but can deliver significant savings.
- 3.5.7 The WCSS fund was awarded to Merton to incentivise and promote recycling along with a commitment to maintain a weekly collection. The implementation of the optimum solution including the provision of a wheelie bin collection supports this objective.
- 3.5.8 Households will continue to receive weekly collections, with two collections (food and recycling) one week and three collections (food, recycling and residual) on alternate weeks.
- 3.5.9 If residents wish to subscribe to the garden waste service they will continue to use their garden waste wheeled bin or bag. Such households will receive three collections every week, with food, recycling and garden one week and food, recycling and residual on alternate weeks.
- 3.5.10 It is clear that the government failed in its attempt to retain weekly collections and encourage boroughs with alternate weekly collections to revert. This approach and the funding that came with it has subsequently been dropped by the DCLG. The Government has not questioned local authorities that

have now moved to three weekly collections or are planning four weekly collections.

3.6. Consideration and evaluation of the alternatives

3.6.1 The Competitive Dialogue process has enabled five separate waste management companies to propose separate outline solutions. Of the four solutions submitted, they were compared to the council's own "as is" service. Each solution demonstrated improved value for money. As part of the competitive process, as set out in the Cabinet report, the proposed bidder's solution represents their optimal solution and has not been designed by the council. This has been determined by the market and waste management experts.

3.6.1 The provision of lids has been investigated by officers previously but based on the continued provision of a wholly commingled solution. Lids have been shown to restrict the capacity of the boxes, requiring additional boxes and can cause some minor operational difficulties. There can also be high replacement needs. However, as part of a twin stream approach there may be opportunities to explore further with respect to containing dry mixed recyclables. This can be discussed further with the Preferred Bidder during fine Tuning. Other alternatives such as the provision of non-returnable sacks for recycling have continuously shown that this option is significantly more expensive than the provision of wheeled bins. The ongoing annual cost of sacks and their distribution would only be financially more viable than wheeled bins if wheeled bins were replaced every four years. Furthermore, it is important for the council to promote re reusable rather than disposable waste containers. Officers will be exploring alternatives during the "Fine Tuning" process including the possible use of hard-wearing, reusable sacks designed specifically to contained dry mixed recyclables.

3.6.2 Evidence from other boroughs suggests that wheeled bins have an average life of 10 years and in some areas up to 18 years. The proposal suggests that the provision of suitable containers with sufficient capacity will drive up levels of recycling as experienced in many boroughs introducing wheeled bins over the past five years.

3.6.3 Primarily the council's financial position has changed and there is an ongoing and continuous need to reduce spend in all service areas. The council is now working in partnership with neighbouring boroughs having previously demonstrated the benefits of such collaborative working through the South London Waste Partnership. There have also been technical changes that have increased the drivers for the proposed approach.

3.6.4 In total there were 22 recommendations arising from the Scrutiny Review of Efficient Household Waste management and the Environment. Although Recommendation 21 requested that the Council continues to collect landfill waste from plastic sacks and provides boxes for the collection of dry recyclables, the report included other recommendations that are reflected in outcome form the competitive dialogue process and the recommendation to award preferred bidder status to Veolia. These include:

- The Council should keep the recycling collection methods under review in order to identify the point at which the separate collection of individual

components becomes financially advantageous. The council should then change the service accordingly and should provide clear communication to residents, setting out the reasons for the change as well as the new collection requirements (Recommendation 9)

- Cabinet should ensure that future contracts relating to the collection, management or disposal of waste are sufficiently flexible to enable market conditions in relation to the value of raw materials (Recommendation 11)
- Cabinet should work towards establishing a common approach to the range of materials which can be recycled among the authorities within the South London Waste Partnership (Recommendation 13)
- The Director of E&R keeps abreast of technological developments in order to identify opportunities for changing waste collection and disposal methods so that greater value for money may be achieved, as well as meeting environmental and waste minimisation objectives (Recommendation 15);

3.6.5 All of these recommendations have been followed and developed through and as a result of the competitive dialogue process, working with the SLWP. Unfortunately, at this time it is not possible to follow recommendation 21, which is to maintain the status quo, as well as all of the above.

3.6.6 Consultation with key Cabinet members was timetabled for all key stages in the competitive dialogue process, including post-submission of outline solutions, detailed solutions and final tenders. This has ensured that officers making up the Partnership bid team are assured that the direction of the competitive dialogue discussions is appropriate and aimed at securing favourable outcomes as far as practicable.

3.6.7 The report to Cabinet on 10 November 2014 set out the rationale for the joint procurement of these services. The anticipated benefits of procuring jointly through the SLWP as set out in the Business Case far outweigh the potential benefits of an in house bid. These include:

- (i) Joint procurement would allow for aggregation of valuable materials, producing a high volume tonnage into recycle markets.
- (ii) Procurement efficiencies derived from procuring a range of services across four boroughs
- (iii) SLWP commissioned commercial expertise, derived from significant previous commercial negotiation with the providers within these markets
- (iv) A single contract across a range of services allows the partnership to benefit from the economies of scale
- (v) Contractors are able to achieve savings across staff, depot, vehicles, routing and new software.
- (vi) The attendees at the soft market testing event indicated that a sub-regional approach to waste collection and associated services in London would be extremely attractive and they would make this their top priority.

- 3.6.8 No single borough within the SLWP acting alone is likely to be able to generate the economies of scale and associated savings that derive from this joint procurement.
- 3.6.9 Feedback from soft market testing tended to demonstrate that the broader the scope of services, the greater opportunity there is of driving added value and finding management and operational efficiencies. This could conceivably lead to very lean margins on discrete services procured for the first time in a large integrated contract, and the Partnership would seek to drive greater savings from bidders during commercial negotiations.
- 3.6.10 The decision to commence this procurement is not irreversible. Should the outcome of the procurement provide the council with a robust reason for not awarding the contract, there is no obligation to award the contract. However, this could lead to a requirement to compensate partner boroughs in accordance with the provisions in the current Inter-Authority Agreement (IAA). It could also lead to a challenge from the preferred bidder and possibly the reserve bidder for the costs they have incurred in relation to their bid for Lot 1. Competitive dialogue is a long process with bidders incurring substantial costs. A decision to withdraw from Lot 1 may also have reputational issues for Merton.
- 3.6.11 Furthermore, if Merton withdraws at this late stage and the other boroughs enter into an agreement with the preferred bidder, the change to the original specification is potentially such that it is substantially different to what was advertised in the OJEU notice. This could lead to a legal challenge from the reserved bidder, failed bidder and other companies within the sector. If this happened Merton would be placed in a position under the current IAA to indemnify the other boroughs for legal costs and any damages awarded by the courts.
- 3.6.12 With respect to the four key issues for consideration raised by Scrutiny following its meeting in November 2015, these have all been outlined throughout the body of this response.
- 3.6.13 It is anticipated that the procurement will save at least 10% across all services and across all boroughs. The quantum of potential savings is relative to spend in each area. The Cabinet report sets out the current estimated savings but these will be subject to fine tuning.
- 3.6.14 With respect to the EU referendum result, whilst the proposed solution has been deemed TEEP compliant in terms of the European Union Directive 2008/98/EC on waste, it is important to note that the solution is based on optimum environmental and financial benefits. Furthermore, it is difficult at this stage to estimate the timescales for the UK exit from the EU as well as the time required to review UK legislation brought in to enact the EU Directives.

4 LOT 2 CALL-IN

- 4.1. Proportionality (i.e. that the action must be proportionate to the desired outcome)
- 4.1.1 The base assumption of the procurement exercise is that the current service standards will be maintained (with improvements implemented wherever possible) but at less cost overall.

4.1.2 The assertion that the funding available for parks in Merton is comparatively low is not borne out by the reality as the table below indicates.

Borough	Landholdings managed (ha)	Staff numbers (FTE)	Annual expenditure (£)	Annual Income (£)	Net expenditure (£)
Merton	391	56.85	5,621,380	2,754,200	2,867,180
Sutton	430	51.00	4,016,800	1,289,200	2,727,600

4.1.3 The Merton Greenspaces service is relatively stronger than others in the local area, Sutton for example, because Merton has retained much sport within the borough; it supports and delivers sports directly and has consequently preserved the income streams to support that provision.

4.1.4 Council officers are aware that the procurement process has generated some unease amongst the parks Friends groups, but this anxiety is by no means shared by all. All parties, the Council, the friends and the contractor, will be fully committed to delivering the very highest quality parks and to work together on, for example funding bids to secure investment in our open spaces. The recommended preferred bidder already works extensively with parks friends groups in the London Borough of Bromley, for example, and with similar groups within other local authority areas whose parks contracts they manage. The passion for open spaces and the experience of the Preferred Bidder in terms of open space management was evident throughout the procurement dialogue. There is some reassurance to be gained from the fact that the existing and locally experienced Greenspaces grounds team will transfer under TUPE to the new contractor, and thereby ensure that there is a substantial degree of continuity and retained knowledge.

4.1.5 There has been a focus on engaging with those stakeholders, most especially the parks friends groups, whose constituency already encompasses several hundreds of local people who have already expressed an interest in and, in many cases, have invested directly in either time and/or personal labour into the management of our parks.

4.2. Due consultation and the taking of professional advice from officers

4.2.1 The current procurement process was formally announced in November 2014 and there is already widespread awareness, most particularly amongst local open space stakeholder groups and amongst the wider community via the local press and Members since that time.

4.2.2 There have been two consultation meetings with parks friends groups to date (in March 2015 and January 2016) and two newsletters so far during 2016 to update the wider stakeholder community on progress.

4.2.3 The cornerstone of the procurement is to provide and maintain the current levels of service at a reduced cost and so the expectation is that the borough's residents should not notice any substantial changes post contract commencement and certainly nothing so substantial as to warrant the

commissioning of an expensive and time-consuming borough-wide community consultation which might prove inconclusive, regardless.

4.2.4 Following a decision by Cabinet in November 2014, there have been bi monthly meetings with greenspaces staff with trade union representatives. Alternate bi-monthly staff newsletters were also distributed to all staff affected. Newsletters contained a regularly updated frequently asked questions section that was informed by the questions raised at the staff meetings and in written submissions from staff.

4.3. Respect for Human rights and equalities

4.3.1 The basis of the procurement is to maintain the current service standards and so in advance of the Equality Impact Assessments (EIA) – to be developed during fine tuning – the council does not currently anticipate any substantial changes to occur.

4.3.2 The residents' experiences of the borough's open spaces will not change substantially; the current service standards will be preserved and enhanced wherever possible. The council team has looked for improvement as part of the procurement process wherever possible and anticipates that through the substantially greater experience and capacity of the preferred bidder improvements will be achieved.

4.4. A presumption in favour of openness

4.4.1 The SLWP is the procurement vehicle; the contract will be with the London Borough of Croydon on behalf of the partnership but the ongoing day to day client-side management will remain the responsibility of the London Borough of Merton.

4.4.2 The recommended preferred bidder has already committed to fully engage with all stakeholders and friends groups and is already familiar with the benefits and values that local stakeholders bring from the local authority contracts it already operates elsewhere in the country, and where there is already a strong friend's network.

4.4.3 The recommended preferred bidder is already looking to engage directly with and involve friends groups in assessing its performance through an established online performance management system linked to contract payments as part of Lot 2.

4.4.4 Friends and other stakeholders will clearly also be able to raise any specific concerns with members, senior management, and officers within the retained Greenspaces client team, who will oversee contract performance.

4.5. Clarity of aims and desired outcomes

4.5.1 Savings are a key driver, and our initial impressions are that these savings will be achieved by a variety of efficiency improvements, including the introduction of more flexible working patterns and new technology already employed by the contractor on a number of other contracts.

4.5.2 The annual savings target anticipated at the outset of the procurement process in the autumn of 2014, some £160k (or up to £3.84m over the course of the contract) is likely to be exceeded by the contractor.

- 4.5.3 Members of the Greenspaces team will either TUPE transfer to the contractor in Feb 2017 or form part of the borough's client-side team.. The contractor will be recruiting to any vacant positions at the beginning of the contract from February 2017.
- 4.5.4 The basis of the procurement process was to re-provide the current service, with improvements in areas at less cost overall.
- 4.5.5 The recommended preferred bidder has already shown a willingness to invest in the service where there is a reasonable prospect of a return on its investment either achieved through reduced operational costs or increased income. The operational efficiencies that can be achieved through the adoption of the preferred bidders' introduction of new technologies are likely to be significant.

4.6. Consideration and evaluation of the alternatives

- 4.6.1 The procurement for Lot 2 being part of the Phase C project was led by Croydon on behalf of Merton and Sutton. The contract will be held with Croydon for Lot 2 Services with the successful bidder.
- 4.6.2 Alternative options have been explored. However, the proposed approach to procure jointly and to seek integrated contracts is viewed as the optimum one, both in terms of delivering the financial savings required whilst protecting current services. The scale of the savings required means that this option has to be considered. Whilst alternative approaches may deliver some savings this would likely be at the expense of current service standards and resilience. In the current financial climate and the pressures being placed on existing budgets the proposed approach is clearly provides the best opportunity to secure a sustainable future for our parks and open spaces.
- 4.6.3 The procurement has been conducted on the basis of competitive dialogue which is fully compliant with the Public Contract Regulations 2015. Six separate bidders were shortlisted for this exercise and have been directly involved in that process. The contract and specification details have been refined through-out a period of 10 months with all parties contributing to shape the service proposals and documentation. During that process one bidder has emerged from that having been assessed as providing the best bid based on the cost and quality criteria. Only two boroughs are seeking to appointment the preferred bidder at this stage. There is an opportunity for a further two to do so at some point in the future but this is by no means certain.
- 4.6.4 If Merton Council was to withdraw at such a late stage then the following scenarios could arise:
- i. Sutton Council decides that Merton's decision not to go ahead impacts on them to such an extent they have to withdraw from Lot 2 .

The preferred bidder and the reserve bidder could claim from the Councils the costs they have incurred with regards Lot 2 during the competitive dialogue. Competitive dialogue is a long, costly and time intensive process. Notwithstanding the tender documents will include wording stating that the council reserves the right not to award a contract, because the competitive dialogue has been fully conducted, a court could be sympathetic to a bidder

trying to recover their costs, if the Councils were unable to provide a very good reason for not awarding the contract.

Under the existing Inter Authority Agreement (IAA) of Phase C covering the procurement stage and which was entered into by the four councils, Merton will be liable for Sutton and the other Council for costs they have incurred as a consequence of Merton's withdrawal from this Lot and the costs of a re-procurement if Sutton decide they need to go out to the market again.

- ii. Sutton decides not to withdraw from Lot 2 but the preferred bidder and/or the reserve decides it is not financially viable for them to enter into the agreement.

Once again Sutton and the other Councils under the IAA mentioned above will be able to recover their costs incurred by them as a consequence of this and Sutton may also want to claim the costs for re-procurement. The preferred bidder and reserved bidder may also claim their costs and the comments made above will apply in this scenario.

- iii. Sutton decides not to withdraw from Lot 2 and the preferred bidder agrees to provide services to Sutton.

In this scenario as the specification has been changed in that it is now only one council who requires the services, this may be construed by the reserve company, the unsuccessful bidders and other companies in the market as a substantial change and this could lead to legal challenge.

If this results in a legal challenge then under the IAA both Sutton and the other Councils may seek to recover from Merton their legal costs and any damages that have been awarded against them.

4.6.5 The contract is an 8 year contract with provision for two further extensions of 8 years meaning that overall the arrangements could last for up to 24 years. There is scope within the contract to break the agreement at any time should the contracting authorities agreed to do so based on poor performance.

4.6.6 The procurement costs have been funded through a grant of £1.5million the Government's Transformation Challenge Award. The decision to include grounds maintenance within the Phase C project was driven by the need to secure substantial savings within this service area. The wealth of experience offered by the SLWP in procuring major public service contracts offered an excellent opportunity both efficiently and effectively. The SLWP's experience and expertise was supplemented by technical experts from the parks and grounds maintenance industries provided by the two authorities. These parks professionals were integral to the procurement dialogue and the production of the specification and data production for each borough. Each borough provided its own technical leads to ensure data and information was robust and comprehensive.

4.6.7 Officers were aware at the start of 2015 that there was interest amongst the Greenspaces staff for an in-house bid. The staff team was at liberty to submit a PQQ from the outset of the process, and indeed we understand they were initially mobilising to do so, but ultimately failed to provide a satisfactory submission.

- 4.6.8 Officers have grave doubts that an in house service would have sufficient capacity and flexibility secure a contract across two, possibly four boroughs, and with access to sufficient investment, field tested technology, and pre-existing purchasing powers to realise the savings required. The preferred bidder currently manages a number of substantial grounds maintenance contracts across the south east of England and beyond, including several other London boroughs, as part of a larger consortium of landscape companies that collectively makes them the second largest grounds maintenance contractor in the World and the biggest in Europe.

5 CONSULTATION UNDERTAKEN OR PROPOSED

- 5.1. Contained within the body of the report

6 TIMETABLE

- 6.1. The timetable for the procurement is set out within the body of the original report.

7 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 7.1. None specific to this report

8 LEGAL AND STATUTORY IMPLICATIONS

- 8.1. The legal implications of Merton withdrawing from each Lot individually have been addressed in the main body of the report.
- 8.2. If Merton were to withdraw from both Lots then the same implications would apply but the costs incurred as a consequence of withdrawing from the entire procurement could be substantially greater.
- 8.3. Furthermore, there may be reputational implications for Merton if it decides to withdraw from either of the Lots or both of them.

9 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 9.1. None

10 CRIME AND DISORDER IMPLICATIONS

- 10.1. None

11 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 11.1. None

12 APPENDICES

- 12.1. None

13 BACKGROUND PAPERS

- 13.1. Held by Cormac Stokes, Head of Street Scene and Waste

All minutes are draft until agreed at the next meeting of the committee/panel. To find out the date of the next meeting please check the calendar of events at your local library or online at www.merton.gov.uk/committee.

SUSTAINABLE COMMUNITIES OVERVIEW AND SCRUTINY PANEL

9 JUNE 2016

(7.16 pm - 9.59 pm)

PRESENT: Councillors Councillor Abigail Jones (in the Chair),
Councillor Stan Anderson, Councillor Hamish Badenoch,
Councillor David Chung, Councillor Daniel Holden,
Councillor Russell Makin, Councillor John Sargeant and
Councillor Imran Uddin

ALSO PRESENT: Councillor Nick Draper, Councillor Ross Garrod and
Councillor Martin Whelton

Christine Parsloe (Leisure and Culture Development Manager),
Chris Lee (Director of Environment and Regeneration), Doug
Napier (Leisure and Culture Greenspaces Manager), John Hill
(Head of Public Protection), Cormac Stokes (Head of Street
Scene and Waste), Charles Baker (Waste Strategy and
Commissioning Manager), Terry Downes (GMB representative),
Annette Wiles (Scrutiny Officer)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

No apologies were received.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of pecuniary interests.

3 MINUTES OF PREVIOUS MEETING (Agenda Item 3)

The minutes of the previous meeting were approved as an accurate record.

4 MORDEN LEISURE CENTRE UPDATE (Agenda Item 4)

Christine Parsloe, Leisure and Culture Development Manager, provided an up-date on the Morden Leisure Centre development:

- Archaeological works have taken place on site with a number of trial pits. A report is anticipated. Some findings may be expected given Stane Street, the Roman Road, is known to run through the area.
- Seven Great Crested Newts have been found on site. This is a material finding requiring an extra two weeks of consultation for planning and a licence from the European Union. Pre-screening is now happening with Natural England to speed up the process of applying to the EU. Work is on-going with an ecologist to carry out the necessary procedures and to put in place any required mitigation;

- The development will go to the Planning Application Committee on Thursday 16 June 2016;
- Meetings are continuing to be held with the Morden Park Playing Fields Community Trust; and
- The contractor procurement is on-going which when finalised will be notified to residents and Councillors through another newsletter.

In response to Councillors' questions, Christine Parsloe clarified:

- An on-site turning circle for coaches will be provided and incorporated into the landscaping whilst retaining the barrier to the Registry Office;
- Meetings will be held with residents to discuss the treatment of the old site. This is currently being planned with ecologist and landscape architect expertise and will include an orchard; and
- The newts were found around pond one. Plans are on-going to enhance their environment and obtain an EU licence that will allow the development to continue undisrupted. This work is all achievable within the existing timeframe allowing works to start in September as planned, providing all progresses without any unforeseen issues.

5 PERFORMANCE MONITORING (Agenda Item 5)

Chris Lee (Director of Environment and Regeneration) introduced the Department's performance monitoring report by highlighting three key measures. It was noted that it is early in the municipal year meaning quarterly reporting isn't yet available:

- (SP414) volume of planning applications: this measure exceeded last year's target and is already 20% over the estimate for the year. This is putting pressure on a service that is already lean and is being considered for a shared service. Additionally highlighted the percentage of minor planning applications determined within eight weeks (CR052/SP115) where the target is not being achieved and is an area of concern. Noted the Government is considering setting two year retrospective targets for this measure and therefore it is an area of concern (no information is yet available on what this target might be);
- Street cleaning (page 11 of the agenda pack): measures are falling just short of the target. This is a key issue for resident happiness and therefore one which will be carefully monitored. Noted that payment of Fixed Penalty Notices is just ahead of target and that the contract with Kingdom to deliver the service started in April 2016; and
- Commercial waste (SP046): target has been exceeded by £150K reflecting the value of this business and that this is a growing success.

In response to Panel member questions, officers provided the following clarification on the Environment and Regeneration Department's performance report:

- Live in Wimbledon Park: the financial exposure on this event to the Council is £130K if no tickets are sold. This compares to an exposure of £120K last year that resulted in £78K loss. This year the event is bigger (spread over four days rather than one including during the day), is being held earlier in the year and in association with other events (ie: the food festival). Based on last year, the event

now has a track record meaning it is easier to promote to sponsors and for commercial opportunities. Also, the event will feature content targeted at a range of different audiences. Promotion has started three months earlier than last year and a professional marketing agency has been engaged. It is expected that the event will break even this year whilst it continues to become established. Ticket sales will be reviewed in July 2016. This is the last point when the event can be cancelled whilst incurring minimal costs;

- (SP407) percentage of Fixed Penalty Notices (FNP) that have been paid: these are part of the Kingdom contract. Those that want to challenge a notice firstly make a representation to Kingdom and it has the authority to review and quash. Subsequently, representations can be made to the Council (to the Department itself). It can uphold or decline notices. Subsequently, court action can be brought. It was noted this can be a costly route for those objecting to a FNP; if a judgement is found against them, they are liable for the FNP cost plus court costs in full which can be in excess of £1K.
- (SP380) the number of backlog enforcement cases: this backlog is reducing and it is hoped it will come down further. It was noted that there is no extra capacity; that the team is fully staffed; and
- (SP 398, 399 and 417) the percentage of cases won, lost and not contested at the Parking and Traffic Appeals Service (PATAS): lost PATAS are down to error or result from a decision being challenged but volumes are very small; cases going to PATAS are just 0.4% of all parking and traffic fines issued and means performance is above where it was during the previous quarter. It was also noted, that whether or not successful all PATAS cases cost the Council £80 each. It was highlighted that the introduction of an Automatic Number Plate Recognition (APNR) service will put the Council in a stronger position when issuing parking and traffic fines.

RESOLVED: to note the department's performance monitoring report.

6 AGREEING THE WORK PROGRAMME (Agenda Item 6)

The draft work programme presented to the meeting was agreed subject to the following comments:

- Air quality will be considered as the topic for the next task group. This will be considered further at the next meeting based on a scoping document;
- Consideration of the renewal of the highways maintenance contract is likely to need pre-decision scrutiny earlier than planned and will potentially be included on the agenda for the next meeting (September 2016)
- It was noted that this will make the agenda for the September meeting very full. It was therefore proposed to move the update report on town centre regeneration to November (and the subsequent update from February to March); and
- The meeting with representatives from Crossrail2 should happen as part of a Public Transport Liaison Committee meeting sometime in the autumn to coincide with the next round of Crossrail2 consultation being due in October 2016.

7 CIRCLE HOUSING: AGREEMENT OF QUESTIONS FOR MERGERS

MEETING (Agenda Item 7)

It was agreed at the topic selection workshop that in addition to regular performance monitoring (happening at the September and March meetings), Circle Housing representatives will be invited to attend Panel meetings in September and November to answer questions on the planned merger with Affinity Sutton (September) and repairs and regeneration (November).

Panel members took the opportunity to agree the questions to be put to Circle Housing representatives at the September meeting on the planned merger with Affinity Sutton:

1. What is the timetable for the merger?
2. What consultation is expected to happen on the merger; with which audiences and how will this be conducted?
3. How are current levels of resident satisfaction and the time taken on rectifying issues informing the merger and the service levels the new entity will aspire to achieve?
4. How will the integration be managed and what measures will be used to ensure that service levels are maintained during this process? The Panel is interested in how the satisfaction of staff and residents will be measured and managed during the integration.
5. Given the Panel's interest in maintaining and driving up levels of service, what performance management measures will be maintained after the merger?
6. Is the merger aiming to achieve cost reductions? Will this be achieved through redundancies? How will quality standards be sustained in the light of both of these eventualities?
7. Do the governance arrangements of the new entity include a commitment to attend this Panel every six months to discuss performance?
8. Will resident and Council representation be maintained through the governance structures of the new entity?
9. Will the new entity fulfil Circle's pre-existing commitments to the Council and its community grants programme?
10. How will the new entity accommodate the new waste collection service being achieved through the South London Waste Partnership procurement?

It was noted that there is still time to consider these questions further and that they should be agreed by the end of July 2016 and shared with Circle at this point allowing it time to prepare to ensure the session is informative.

RESOLVED: to review the questions before the end of July so that they can be despatched to Circle Housing in a timely way for its attendance at the Panel's September meeting.

- 8 SOUTH LONDON WASTE PARTNERSHIP (PROCUREMENT OF WASTE COLLECTION AND RELATED ENVIRONMENT SERVICES) PRE-DECISION SCRUTINY (Agenda Item 8)

Chris Lee provided an introduction:

- The report on the South London Waste Partnership is provided in two parts; a report for scrutiny and a draft Cabinet report;
- This process of decision making is happening across all four boroughs that comprise the partnership with the bidder selection having just been endorsed by the partnership board;
- Identification of the preferred and reserve bidders is a significant milestone but it isn't the end of the process; this will happen in December when contracts will be signed following a period of fine tuning;
- Pleased to be recommending two different preferred bidders for Lots 1 and 2 that have the relevant waste management and horticultural experience;
- The savings that will be realised from the shared service are currently greater than initially planned but these won't be confirmed until the contract is signed in December;
- The preferred and reserve bidders have been selected as part of a competitive dialogue process focused on agreeing the outcomes to be achieved through the contract;
- Noted that this builds on the success of the wheeled bin pilot which saw an increase in recycling and decline in street waste;
- Staff engagement in the process has been important. It is hoped that the preferred bidders will become approved bodies to the Local Government Pension Scheme. Once the contracts are in place, work will start on the TUPE process; and
- A client structure is being established to manage the contract.

Terry Downes of the GMB was then invited to address the Panel specifically on the implications of Lot 2;

- Thanked the Panel for allowing him to speak;
- Highlighted that the Council's negotiations with the bidders over reducing TUPE rights is in breach of regulations and that staff affected by Lot 2 are not happy to move to annualised hours;
- The new client contract structure means establishing three new positions costing £150K but it is not stated in the documentation whether the projected savings do or don't take this into account;
- Highlighted that other Councils (Croydon) have outsourced services to benefit from economies of scale but that this hasn't come to fruition and services have ended-up coming back in-house. This demonstrates that savings are not guaranteed;
- Noted that staff were not able to bid because they weren't able to be part of the competitive dialogue process but that proposed cost savings could have been achieved through the introduction of fortnightly waste collections and better utilisation of available transport; and
- Stated that staff satisfaction is very low and that the proposed solution by the preferred bidders represents a reduction in service to Merton residents.

EXEMPT SESSION

It was proposed by Councillor Sargeant, seconded by Councillor Makin and accepted by the other members of the Panel that it should start its discussions in exempt session given the need of Councillors to refer to information in the exempt agenda. As a result members of the public left the meeting.

Some members (Councillors Sargeant, Holden and Badenoch) expressed dissatisfaction because they hadn't been provided with the detailed scoring used to select the preferred and reserve bidders. Also, that the waste service currently offered in Merton hadn't been costed by bidders for comparative purposes and that the solution offered by the preferred bidder for Lot 1 is a diminution in waste services based on less frequent collections and the need for residents to sort and store waste in a greater number of containers. Specific concern was expressed regarding properties that don't provide sufficient storage for the increased number of waste containers and that a one size fits all approach will not be suitable for all residents.

In response, officers clarified:

- Total scores for all bidders are provided in the exempt agenda;
- The preferred bidders for Lots 1 and 2 had scored highest across price and quality; selection has not been determined solely on price;
- The objectives of the procurement are: to target optimal savings, deliver high customer satisfaction; improve environmental and carbon outcomes and develop community engagement in the maintenance and oversight of green spaces;
- The waste service proposed by the preferred bidder, specifically splitting paper and card from other recycling aims to address the fact that Merton is only recycling 37% of its waste compared to a target of 60% and to enable commercial income to be maximised;
- The proposed waste service is not a diminution in service; residents will benefit from collections every week (three and two collections on alternate weeks);
- All bidders proposed a two-weekly schedule for residual waste collections with only minor variations; and
- This is not a one size-fits-all solution; those properties for which the proposed solution is not suitable will be offered an alternative. This will be defined and agreed through consultation.

PUBLIC SESSION

At this point members of the public were invited back into the meeting.

Some members (Councillors Sargeant, Holden and Badenoch) highlighted that Cabinet had not yet responded to the Panel's reference made following the previous report on the wheeled bin pilot ([here](#)). Also, that the pilot couldn't be regarded as a successful trial of the waste service being proposed by the preferred bidder. Firstly, the pilot used a scheme that was different from the solution being proposed. Secondly, the properties involved in the pilot were not representative of all across the borough. Information was requested on available alternatives and what mechanism will be used to prevent dry mixed recyclables becoming litter when stored and collected from a box without a lid. Members enquired how the projected cost savings will be achieved.

In response, officers clarified:

- Having gone to the market for the optimal solution this is what has been provided. Also, this is already being used elsewhere;
- The solution offered by the preferred bidder splits the borough into three neighbourhoods (none go across ward boundaries). Each will have a contract manager who will be responsible for working in partnership with the local community including attending community forum meetings, workshops etc;
- Procurement through the South London Waste Partnership requires all four participating boroughs to act in unison. Merton could withdraw from the partnership but if the three remaining partners can't award at this stage, Merton would become financially liable and would effectively be starting again on a two year process;
- Planned savings are being achieved through economies of scale from both Lots;
- Between now and December, there will be a period of fine tuning. This will include consideration of how to prevent dry mixed recyclables becoming litter. Options currently being consider are a resealable sack for storage and a stretched cover to go over the box;
- For multi-occupancy dwellings, Eurobins will continue to be sited in designated collection points. Collection will happen a minimum of once a week but where lack of capacity is an issue, collections will happen more frequently;
- The price quoted by the preferred bidder has been based on its due diligence on property types. Any changes to the assumptions it has made in the costing will be to its detriment as the price cannot now be changed; and
- The new recycling code of conduct is shifting away from comingled recycling solutions in order to maximise economic value and benefit to the environment. Where a greater volume of recycling is achieved the contract provides a profit sharing mechanism benefiting the Council.

In response to member questions, officers clarified:

- The contractor will have responsibility to provide evidence for enforcement where the waste collection service is misused, (for example, for commercial waste) and the contractor will be responsible for street litter collections;
- TUPE has not yet been applied. There have been no negotiations with the preferred bidder regarding annualised hours. The preferred bidder suggested some of the changes required to meet our needs. Noted that if the service were continuing in-house, Merton would also be considering annualised hours as this is the best way to deliver a seasonal service;
- Planning policies are in the control of the Council and therefore it can specify that any new development accommodates the needs of the new waste service;
- The new waste service will link to the Council's new CRM system on which residents will have to register. This will link with technology in cabs which will have the ability to tell residents if their bins have been missed, are yet to be emptied or were incorrectly put out. This will also be used to provide feedback if rubbish is contaminated. The new CRM will go live shortly and meetings are starting between the preferred bidder and the Council's IT developers;

- It is intended that the same level of performance management information will be provided as currently with the additional ability to scrutinise this by the three neighbourhood areas;
- New bin lorries will be purchased to fulfil the contract. The Council needs new lorries and it is cheaper for the Council rather than the preferred bidder to borrow the money for the purchase with the difference in interest rates being reflected in the price of the contract;
- The needs of disabled residents have been explicitly considered in selecting the contractor; and
- The department can provide Panel members with an overview of the recycling schemes used in London and what rates of these achieve.

Councillor Garrod, Cabinet Member for Cleanliness and Parking stated the proposed solution is a fantastic opportunity to bring residential waste into the 21st Century including utilising the benefits of technology and committing to fulfil missed collections. This will bring Merton into line with the two thirds of the country that have wheeled bins and 70% that have collections every other week. This is built on a pilot that demonstrated high levels of resident satisfaction. The alternative is for the Council to find a £2m cost saving by some other means which could mean the introduction of pavement collections, residential charges, three weekly or even monthly collections as in Wales.

Four motions were proposed and voted on:

- Proposed by Councillor Sargeant (seconded by Councillor Holden) : The Panel noted the draft report and agreed to forward a reference to Cabinet that it should use the period of 'Preferred Bidder Fine Turning' to:
 1. Determine how many households would experience significant difficulty in storage and/or presentation of wheeled bins for regular emptying (five in favour and one against); and
 2. Reconsider the introduction of two separate containers for recyclable materials, since Merton currently has the technology to comingle all recyclables (three in favour and 5 against).
- Proposed by Councillor Holden (seconded by Councillor Badenoch):
 3. The proposed solution from the preferred bidder represents a significant change in service and as such it should be sent to Full Council to make the decision (three in favour and four against); and
 4. Cabinet should consider retention of a weekly service and find other ways to achieve the necessary cost savings (two in favour and four against).

RESOLVED: To make the following reference to Cabinet: the Panel noted the draft report and agreed to forward a reference to Cabinet that it should use the period of 'Preferred Bidder Fine Turning' to determine how many households would experience significant difficulty in storage and/or presentation of wheeled bins for regular emptying.

Committee: Overview and Scrutiny Commission

Date: 2 August 2016

Wards: Borough wide implications

Subject: Call-in of South London Waste Partnership – Procurement of Waste Collection and Related Environmental Services (LOT2 services – parks maintenance)

Lead officer: Chris Lee – Director of Environment and Regeneration

Lead member: Councillor Nick Draper – Cabinet Member for Community and Culture

Contact officers: James McGinlay – Head of Head of Sustainable Communities and Doug Napier - Leisure and Culture Greenspaces Manager

Recommendations:

- A. That the Overview and Scrutiny Commission consider the information provided in response to the call-in request and decide whether to:
- Refer the decision back to Cabinet for reconsideration; or
 - Determine that the matter is contrary to the policy and/or budget framework and refer the matter to Full Council; or
 - Decide not to refer the matter back to Cabinet, in which case the decision shall take effect immediately.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report provides a response to the points raised in the call-in request relating to Cabinet's decision regarding the South London Waste Partnership – Procurement of Waste Collection and Related Environmental Services (LOT2 services – parks and maintenance) taken on 4 July 2016.

2 DETAILS

- 2.1. The call-in request and documents provided in response to this are appended to this report.

3 ALTERNATIVE OPTIONS

- 3.1. The Council's constitution requires the Commission to select one of the options listed in recommendation A.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. None for the purposes of this covering report.

5 TIMETABLE

- 5.1. None for the purposes of this covering report.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. None for the purposes of this covering report.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. The Council's constitution requires the Commission to select one of the options listed in recommendation A.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. None for the purposes of this covering report.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1. None for the purposes of this covering report.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1. None for the purposes of this covering report.

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

Appendix 1: LOT 2 call-in request form

Appendix 2: Report to the Sustainable Communities Overview and Scrutiny Panel, 9 June 2016

Appendix 3: Report to Cabinet Report, 4 July 2016 (appendices A to C are exempt/confidential)

Appendix 4: Reference from Scrutiny to Cabinet, 4 July 2016

Appendix 5: Officers' response to the call-in

Appendix 6: Minutes of the Sustainable Communities Overview and Scrutiny Panel, 9 June 2016

Please note: appendices 2 to 6 are the same for both LOT 1 and LOT 2 call-ins. They are therefore only provided once.

12 BACKGROUND PAPERS

- 12.1. None for the purposes of this covering report.

Merton Council - call-in request form

1. Decision to be called in: (required)

South London Waste Partnership - Procurement of Waste Collection and Related Environmental Services (LOT 2 services)

2. Which of the principles of decision making in Article 13 of the constitution has not been applied? (required)

Required by part 4E Section 16(c)(a)(ii) of the constitution - tick all that apply:

(a) proportionality (i.e. the action must be proportionate to the desired outcome);	X
(b) due consultation and the taking of professional advice from officers;	X
(c) respect for human rights and equalities;	X
(d) a presumption in favour of openness;	X
(e) clarity of aims and desired outcomes;	X
(f) consideration and evaluation of alternatives;	X
(g) irrelevant matters must be ignored.	

3. Desired outcome

Part 4E Section 16(f) of the constitution- select one:

(a) The Panel/Commission to refer the decision back to the decision making person or body for reconsideration, setting out in writing the nature of its concerns.	X
(b) To refer the matter to full Council where the Commission/Panel determines that the decision is contrary to the Policy and/or Budget Framework	
(c) The Panel/Commission to decide not to refer the matter back to the decision making person or body *	
* If you select (c) please explain the purpose of calling in the decision.	



4. Evidence which demonstrates the alleged breach(es) indicated in 2 above (required)

Required by part 4E Section 16(c)(a)(ii) of the constitution:

(a) proportionality (i.e. the action must be proportionate to the desired outcome);

There are serious concerns and many unanswered questions about the Cabinet's decision, at its meeting on 4th July 2016, to press ahead with proposals to transfer responsibility for upkeep of the borough's green spaces to a third party as part of the South London Waste Partnership (SLWP) procurement process.

Doubt has been cast on whether the Cabinet's proposals will maintain the current level of maintenance service for parks and open spaces in the borough let alone enable some much needed improvements. As has been pointed out by local Friends of Parks groups, the overall funding for parks is already very low, compared to other boroughs in London, and their view is that reducing it further will harm the quality of Merton's open spaces.

Furthermore the Cabinet does not appear to have considered the effect that outsourcing to the Preferred Bidder will have on the motivation of existing Friends groups. These groups do a great deal to promote and maintain local parks as well as raising funds externally and through fundraising activities. The potential loss of this invaluable support as a result of the Cabinet's decision does not appear to have been factored into the calculations in relation to future funding and maintenance of Merton's green spaces.

(b) due consultation and the taking of professional advice from officers;

There has been no consultation with residents thus far about the LOT 2 proposals as the Cabinet report itself admits at section 5. Yet these are clearly radical changes to the maintenance of Merton's parks and open spaces and ones that could affect a majority of residents across the borough. There is no evidence presented in the report that residents support these changes.

Cabinet's current plans for Merton's parks and open spaces were not mentioned in Labour's 2014 manifesto for the local elections. This would have been the proper time to gain a public mandate or otherwise for what is now proposed yet no such consultation with residents took place. Instead, by the time of the next election in 2018, the change will already have been agreed and implemented.

It is also clear that consultation with Greenspaces staff, trade unions and Friends of Parks groups on the Cabinet's plans has been limited. Indeed there was no consultation at all prior to Cabinet's initial decision to engage in this procurement exercise in November 2014. Since then concerns have consistently been raised on a range of aspects by all three of the aforementioned groups, as well as by Opposition councillors as part of the scrutiny process, but there is negligible reference in the report to the issues that have been raised and they appear to have gone unheeded by the Cabinet.

This lack of consultation shows disdain for all those staff and Friends groups who work so hard to maintain the borough's precious open spaces.

(c) respect for human rights and equalities;

The Cabinet report demonstrates a lack of respect for human rights and equalities. There is no analysis provided on the impact of these changes on different groups within the community, including children and disabled/elderly residents living in Merton. Whilst the report states that one will be needed, no Equality Impact Assessment has been published alongside the report to enable Cabinet members to give this due consideration when making their decision on the preferred bidder.

Residents across the borough deserve to have easy access to green space which is safe, secure and well maintained yet there is nothing contained in the report to ensure this duty is properly fulfilled by the council in the future.

Similarly 9.4 of the report states that current Merton staff members may be affected by the Preferred Bidder proposal including potentially through a change in their terms and conditions. Yet there is no breakdown of the demographics of the members of the Greenspaces team who will be impacted e.g. age, ethnicity, gender.

(d) a presumption in favour of openness;

There has been no presumption in favour of openness and transparency in the decision making process. The report is thin on the details of the potential consequences for the maintenance of Merton's green spaces. Much of the report focuses on waste collection and processing. For

example there is no reference to parks and green spaces in the title of the report.

There are also serious and unanswered questions about the democratic accountability of the Preferred Bidder to Merton's residents, taxpayers or councillors should this body be granted responsibility for maintenance of the borough's parks. Whilst the procurement has been conducted via the SLWP, it is an external third party company which will be providing the maintenance service and Friends groups in particular are concerned that this will severely undermine the third party's accountability and communication with them.

(e) clarity of aims and desired outcomes;

It is not altogether clear what the desired outcomes of this decision are. The report heavily implies it is predominantly the need to make cost savings.

If that is the case, there was a real lack of clarity from officers and Cabinet members regarding the financial savings these proposals might deliver for council taxpayers when pre-decision scrutiny was undertaken by the Sustainable Communities scrutiny panel on 9th June despite considerable probing by Opposition councillors. Nothing in the Cabinet report has provided reassurance around this point.

There is also no convincing empirical evidence provided in the report as to how the proposed scheme will deliver improvements with regard to the maintenance of Merton's green spaces even though that is clearly the wish of residents, Friends groups and councillors.

Nor is there a detailed breakdown in the report of the impact on future staffing levels within the council's existing Greenspaces team.

(f) consideration and evaluation of alternatives;

Whilst there is a section in the Cabinet report on alternative options, there is no clear explanation as to why grounds maintenance in particular has been included in this joint procurement exercise. Trade union sources indicate that Merton's green spaces are the most efficiently managed in London with spend per acre at the lowest anywhere in the capital and spending of just 0.5% of Merton's revenue. Yet the Cabinet doesn't appear to have considered this. Nor has there been any published information provided to the Cabinet on previous unsuccessful attempts to outsource the parks maintenance service which we understand has been tried twice before and there is no benchmarking against other authorities which have

pursued this.

The impression given at the 9th June Sustainable Communities panel meeting and by the Cabinet report is that the council is being shoehorned into the proposed procurement of LOT 2 services by the bidding process. It seems that, rather than looking at what alternatives may be most appropriate for Merton's parks and its residents, the council is being dictated to by the Preferred Bidder and what works best for them across all of the four boroughs forming the South London Waste Partnership. For example, it is not clear what legal/cost implications, if any, there would be for the Council if the four partner boroughs were now to decide not to award the contract to the Preferred Bidder.

In particular, the option of retaining an in house waste collection service does not appear to have been fairly evaluated and staff members in the relevant E&R team have raised concerns about the lack of a level playing field to enable them to bid for the contract. This is illustrated by the various correspondence between GMB representatives and the Director of Environment and Regeneration which has been copied to all councillors.

There has clearly been a strong desire amongst Greenspaces staff to bid for the contract themselves, potentially via a social enterprise vehicle. Yet, they have been precluded from doing so in spite of national government policy promoting the Right to Bid. One obstacle, for example, was that Merton added a pre-qualified questionnaire to the terms of the outsourcing enabling them to remove or exclude certain bidders.

In terms of alternatives, concerns have also been raised by Staffside representatives and Friends Groups that a 24 year contract, even with break clauses, is too inflexible and that the procurement cost is very high, perhaps because it was conducted through the SLWP, a waste collection and processing body, with little experience in the grounds maintenance sector.

Merton's own staff have also questioned the projected economies of scale, efficiency levels and experience of the contract provider. If equivalent savings could be found within the current in house provider or via the establishment of a social enterprise by Greenspaces staff then the question arises as to whether the Cabinet has fully evaluated the alternatives to what is currently being proposed.

5. Documents requested

All papers provided to the Director of Environment and Regeneration/Director of Corporate Services and relevant Cabinet Members prior to, during and subsequent to the decision making process on the outsourcing of LOT 2 services through the South London Waste Partnership.

All emails, reports and associated documentation relating to the decision on the Preferred Bidder for LOT 2 services provided to the relevant Cabinet Members, Leader of the Council, Chief Executive, Director of Environment and Regeneration, Director of Corporate Services and other council officers.

The detailed financial analysis of the projected costs of implementing the LOT 2 proposals.

The detailed financial analysis of the projected savings to be delivered through implementation of the LOT 2 proposals.

The detailed analysis of what legal/cost implications, if any, could be incurred by a) the Council and b) the Preferred Bidder if the four partner boroughs were not to award the contract to the successful bidder.

The detailed risk analysis in relation to the implementation of the LOT 2 proposals, including both financial and reputational risks.

The detailed analysis of the impact of the LOT 2 proposals on the future maintenance and quality of Merton's green spaces.

The Equality Impact Assessment (or any other equalities analysis carried out) in relation to the LOT 2 proposals.

All correspondence between the relevant Cabinet Members, Leader of the Council, Chief Executive, Director of Environment and Regeneration, Director of Corporate Services, other council officers and the SLWP on the LOT 2 proposals.

All correspondence between the relevant Cabinet Members, Leader of the Council, Chief Executive, Director of Environment and Regeneration, Director of Corporate Services, other council officers and trade union/Staffside representatives on the LOT 2 proposals, including in relation to the possibility of an in house bid.

6. Witnesses requested

Cllr Nick Draper, Cabinet Member for Community and Culture

Chris Lee, Director of Environment and Regeneration

James McGinlay, Head of Sustainable Communities

Doug Napier, Greenspaces Manager

Staffside representative on behalf of Greenspaces staff

Terry Downes, GMB (or another GMB representative)

Tony Burton, Independent Merton Green Spaces Forum
Jane Plant, Independent Merton Green Spaces Forum
Annie Baker, Strategic Partnership Manager, South London Waste Partnership

7. Signed (not required if sent by email):



Cllr Najeeb Latif



Cllr Gilli Lewis-Lavender



Cllr David Dean

8. Notes – see part 4E section 16 of the constitution

Call-ins must be supported by at least three members of the Council.

The call in form and supporting requests must be received by 12 Noon on the third working day following the publication of the decision.

The form and/or supporting requests must be sent:

- **EITHER** by email from a Councillor's email account (no signature required) to democratic.services@merton.gov.uk
- **OR** as a signed paper copy to the Head of Democracy Services, 7th floor, Civic Centre, London Road, Morden SM4 5DX.

For further information or advice contact the Head of Democracy Services on 020 8545 3864

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