


<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">7 OCTOBER 2019</p>	
<p>STRATEGY AND OPTIONS FOR PROCURING THE WASTE, RECYCLING AND STREET CLEANSING CONTRACT</p>	
<p>Report of the Cabinet Member for the Environment – Councillor Wesley Harcourt</p>	
<p>Exempt Report Open Report with exempt Appendix. The Appendix is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Consultation Finance, Commercial, Risk, Equality, Legal, IT</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Sharon Lea, Strategic Director of Environment</p>	
<p>Report Author: Adrian Ash – Interim Head of Waste Management Sukvinder Kalsi – Interim Head of Finance and Projects (ED)</p>	<p>Contact Details: adrian.ash@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. The Waste, Recycling and Street Cleansing Contract is currently carried out by Serco and has been in place since 2008. The original contract was extended by deed of variation in 2014 and is due to expire in June 2021. There is provision in the current contract to extend the contract, but this is only exercisable by agreement with the current contractor.

- 1.2. There have been many major developments in legislation, regulation and environmental awareness since the original contract was awarded. In particular, this includes the National Environmental Plan (January 2018), the Mayor of London's Environment Strategy (May 2018) and the Mayor's Ultra Low Emission Zone.
- 1.3. In addition, the Council has set out its own ambition to be the greenest and cleanest Borough and to ensure that value for money is provided to local residents.
- 1.4. With the above in mind, the Council has considered and evaluated a range of options for the future service after June 2021. The service options and the associated legal, procurement, commercial and financial implications are set out in more detail in the Exempt Appendix for consideration by Members and Cabinet.
- 1.5. The Council is also proposing to introduce a limited prototype container service for the collection of a domestic, recyclates and food (estimated at 7% of all properties). This will be undertaken in collaboration with residents and is intended to support the council's environmental ambitions and to inform the future development of the new future service contract. The details including the financial implications are also set out in the attached Exempt Appendix.

2. RECOMMENDATIONS

- 2.1 That Cabinet delegates to the Strategic Director of Environment, in consultation with the Cabinet Member for the Environment, the decision to either extend the existing Waste, Recycling and Street Cleansing Contract or to procure a new contract.
- 2.2 That Cabinet commits council reserves to fund the options proposed in this report. The funds required are set out in the exempt appendix.

3. REASONS FOR DECISION

- 3.1 Environmental improvements are a key priority for Hammersmith and Fulham. The Council will work with residents, businesses and visitors to encourage pride in the environment and to enable ways of dealing with waste that will reduce costs and be more environmentally sustainable.
- 3.2 The Council has a statutory obligation for the collection and disposal of household domestic waste. These proposals will also support the delivery of the Council's ambitions on the environment including reducing the amount of waste created and increase the percentage that is re-used and recycled.
- 3.3 The Mayor's Ultra Low Emissions Zone (ULEZ) and changes to the Low Emission Zone (LEZ) for London will require a new fleet of vehicles to be procured to provide waste collection and street cleansing services. This is required by 26th October 2020 for LEZ and 25th October 2021 for ULEZ otherwise significant ULEZ and LEZ payments will be required (£100 to £300 per non-compliant vehicle per day).

4. PROPOSAL AND ISSUES

4.1. The Council states in its vision that residents deserve a place that is safe, clean and green and its priorities are;

- Being ruthlessly financially efficient
- Doing things with residents, not to them
- Taking pride in Hammersmith & Fulham

4.2. In January 2018 the Government issued its 25-year Environment Plan with a key focus on increasing resource efficiency and reducing waste through the following objectives;

- Ambitions of zero avoidable waste by 2050
- Achieving zero avoidable plastics by 2042
- Seeking to eliminate waste crime by 2043

4.3. In addition, the publication of the Mayor of London's, Environmental Strategy (May 2018) identifies that new approaches are required to deliver how we deal with waste and includes targets such as;

- 65% municipal waste recycled by 2030
- 50% reduction in food waste and associated packaging by 2030

4.4. Within the document, boroughs are encouraged to consider a range of measures to restrict residual waste;

- 6 main dry recycling material collections from all properties i.e. glass, cans, paper, card, plastic bottles and mixed rigid plastics (tubs, pots and trays)
- Cut out the use of single use plastic
- Separate food waste collections (including from flats where practical and cost efficient)
- Improving collections from flats
- Changes to collection frequency
- Garden waste collections (or supporting community or home composting)

5. OPTIONS - FUTURE PROCUREMENT OF THE WASTE, RECYCLING AND STREET CLEANSING CONTRACT

5.1. The purpose of this report is to provide Cabinet with the various options on the future procurement of the contract which include;

- Do nothing
- Extension of the existing contract
- Bringing services in house
- Procurement of a new contract

5.2. The advantages and disadvantages of each option are considered in detail in Exempt Appendix.

6. CONSULTATION

6.1. Consultation and Engagement in relation to the prototype solution

- 6.2. A critical success factor for the proposed changes will be how effectively we engage with the residents throughout the process to raise awareness, seek support for the service changes. A high level of adoption will inevitably help us improve the recycling rate and reduce disposal costs.
- 6.3. As part of the delivery of the proposals for the prototype solution, we will be undertaking door-to-door engagement and consultation with every householder.
- 6.4. All residents will be fully supported throughout the process with specific communications about the benefits of food waste collections and containerisation.
- 6.5. There will also be a consultation and engagement with local communities, residents' associations and social clubs. This may also include recycling demonstrations and using the social media platforms to support the campaign.
- 6.6. Each householder will be offered the opportunity to give feedback during the consultation exercise and this feedback will help redesign an improved service going forward.

7. EQUALITY IMPLICATIONS

- 7.1. It is not anticipated that there will be any direct negative impacts on any groups with protected characteristics, under the terms of the Equality Act 2010, from the extension of the Serco contract or the procurement of a new waste, recycling and street cleansing service from 2021.
- 7.2. Implications completed by Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

8. IT IMPLICATIONS

- 8.1. No IT implications are considered to arise from the proposal in this report. However, if the contract with Serco (or a new contract with a different supplier) results in a requirement for new systems to be procured, existing systems to be modified, or IT enhancements to be considered (such as the use of IoT sensors for waste management) IT Services should be consulted.
- 8.2. IM Implications: If Serco is processing sensitive data on behalf of H&F - and if not already covered by the existing Privacy Impact Assessment (PIA) - a PIA will need to be completed and kept up to date, to ensure all potential data protection risks around the contract with Serco (or a new supplier) are properly assessed with mitigating actions agreed and implemented
- 8.3. Serco (or the new supplier) will be expected to have a GDPR policy in place and all staff will be expected to have received GDPR training.

- 8.4. Any contracts will need to include H&F's data protection and processing schedule – which is compliant with the General Data Protection Regulation (GDPR).
- 8.5. Implications completed by: Karen Barry, Strategic Relationship Manager, tel: 020 8753 3481.

BACKGROUND PAPERS USED IN THIS REPORT

None

LIST OF APPENDICES:

Exempt Appendix