

# Gloucester City Council

<b>Meeting:</b>	<b>Cabinet</b>	<b>Date:</b>	<b>17 June 2020</b>
<b>Subject:</b>	<b>Waste, Streetscene and Grounds Maintenance Services Options Report</b>		
<b>Report Of:</b>	<b>Leader of the Council and Cabinet Member for Environment</b>		
<b>Wards Affected:</b>	<b>All</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
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<b>Appendices:</b>	<b>1. Options Report from WYG</b>		
	<b>2. Appendix A Confidential Material</b>		

## EXEMPTIONS

The Report is available for General Release. However, the Appendix to the report (Appendix A) contains commercially confidential information obtained through discussions with waste services operating companies.

The public are likely to be excluded from the meeting during consideration of any of the information contained in the exempt appendix to the report as it contains exempt information as defined in paragraph (3) of schedule 12A to the Local Government Act 1972 (as amended).

### 1.0 Purpose of Report

1.1 To provide an assessment of the options available to the Council as a consequence of the current contract for the delivery of Waste, Street scene and Grounds Maintenance Services coming to an end in March 2022 and to recommend the next steps.

### 2.0 Recommendations

2.2 Cabinet is asked to **RESOLVE** that:

- (1) The Options Report is noted.
- (2) In the period June to mid-September 2020 both Ubico and Amey are invited to submit proposals for service delivery beyond March 2022.
- (3) A Best Value Review is undertaken to provide a benchmark against which to assess the proposals identified above in early October.

- (4) If neither of the options presents a suitable proposition the Council shall move to commence a formal procurement exercise to secure an external service delivery partner having first determined whether to offer a fully or partially integrated service.
- (5) Delegated authority be given to the Corporate Director (after consultation with the Cabinet Lead for the Environment) to implement these decisions.

### **3.0 Background and Key Issues**

- 3.1 The Council's contract for Waste, Street scene and Grounds Maintenance Services comes to an end in March 2022.
- 3.2 The Council commissioned WYG to undertake an independent assessment of the options available to the Council as a consequence of the ending of the Contract. The brief given to WYG was broad. They were asked to consider, assess and make recommendations which would:-
  1. Provide commentary on the current state of the waste, recycling, street scene and grounds maintenance market regionally, nationally and internationally;
  2. Provide commentary as to the uncertainties/opportunities of the Government's Waste Strategy and other potential policy impacts on the services delivered at Gloucester;
  3. Provide commentary on any Gloucester(shire) specific issues, including the Waste Partnership, UBICO, aligned waste procurement opportunities with other authorities.
  4. Analyse the Gloucester City Council's requirement for its services including examination of the current specification / contract terms and any gaps in GCC client/service data etc (e.g. GIS).
  5. Comment on any changes to the existing contract documentation that the market might demand, expect or seek;
  6. Identify any changes to the existing spec that the City Council might want (e.g. separation of Grounds Maintenance; any service reductions or enhancements that might be required; and changes in service including options for collecting dry recycling on a different basis);
  7. Interview and collate the views of the Council's political groups (Conservative/ Liberal Democrat/ Labour);
  8. Undertake a critical assessment of the service delivery options to include:
    - a. In house service delivery (as a whole or in parts)
    - b. Undertaking a new procurement to market (as a whole or in parts) of our service(s) as stand-alone GCC arrangements;
    - c. Undertaking a new procurement to market (as a whole or in parts) of our service(s) in partnership with others;
    - d. Delivery through a Teckal organisation (new or UBICO);
    - e. Extension of the existing arrangement;
    - f. Any other delivery options not covered above.

9. Summarise the results of each option in terms of project delivery method, route, timescale, costs and risk assessment and make recommendations.

3.2 The Options Report is attached at Appendix 1. The Report contains a confidential appendix which sets out commercially confidential information obtained during interviews/discussions with waste service operators. If Cabinet wishes to discuss the information set out in the confidential appendix it will be necessary to exclude the press and public.

#### **4.0 Social Value Considerations**

4.1 Part 6 of the Options Report addresses the City's approach to community-based service delivery and the social value derived from that approach.

#### **5.0 Environmental Implications**

5.1 Part 4 of the Options Report addresses the environmental implications of the options available to the Council

#### **6.0 Alternative Options Considered**

6.1 The Options Report addresses a range of options as set out in the list at 3.2 (8) a-f above.

#### **7.0 Reasons for Recommendations**

7.1 Part 2 of the Options Report summarises the reasons for the recommendations

#### **8.0 Future Work and Conclusions**

8.1 Parts 2.0.3 and 9.2.10 of the Options Report set out the future work arising from this report.

#### **9.0 Financial Implications**

9.1 The Options Report sets out some details of the financial implications attached to the various options. There are no significant financial implications arising directly from the content of this report which seeks to recommend a way forward to consider and assess the merits of the available options. If the recommendations are accepted there is likely to be some additional consultancy costs associated with a Best Value Review to provide a benchmark against which to assess the recommended options. The cost of this consultancy is likely to be around £15,000

(Financial Services have been consulted in the preparation of this report.)

#### **10.0 Legal Implications**

10.1 There are differing legal implications depending on which option the Council decides to pursue:

- (a) A contract with Ubico Ltd will enable the Council to benefit from the “Teckal” exemption and award directly to the company without a procurement exercise. The Council will have to become a shareholder in Ubico Ltd prior to award.
- (b) Clause 6.1 of the present contract with Amey/Enterprise AOL Ltd permits extension of its term, subject to the matters detailed in the Options report. Also any extension should be of at least five years duration. A lesser period will require the agreement of the contractor and formal variation of the contract terms.
- (c) If the Council wishes to procure a new contractor for the services its likely value will require a full procurement exercise compliant with the Public Contracts Regulations 2015 (or such legislation as may replace the regulations following the United Kingdom’s exit from the European Union).

10.2 As noted in paragraph 12.1 of this report the TUPE regulations will apply in the event of an award to Ubico Ltd, or a new third-party contractor.

(One Legal have been consulted in the preparation of this report.)

### **11.0 Risk & Opportunity Management Implications**

11.1 These are set out within the Options Report

### **12.0 People Impact Assessment (PIA) and Safeguarding:**

12.1 There are none arising directly from this report. Future decisions about which option to take forward will impact on staff engaged in delivering the service and the TUPE Regulations will apply and a PIA will be undertaken in respect of each option.

### **13.0 Community Safety Implications**

13.1 N/A

### **14.0 Staffing & Trade Union Implications**

14.1 None at this stage see 12 above

**Background Documents:** None