
EXTRAORDINARY ENVIRONMENT COMMITTEE

MINUTES of the Meeting held in The Sapling Room, The Appleyard, Avenue of Remembrance, Sittingbourne, Kent, ME10 4DE on Monday, 19 December 2022 from 7.00 pm - 8.54 pm.

PRESENT: Councillors Richard Darby, Steve Davey, Oliver Eakin, James Hall, Ann Hampshire, Nicholas Hampshire, Pete Neal, Julian Saunders (Chair), David Simmons, Sarah Stephen, Eddie Thomas, Roger Truelove, Tim Valentine (Vice-Chair), Tony Winckless and Corrie Woodford.

OFFICERS PRESENT: Alister Andrews, Martyn Cassell and Philippa Davies.

OFFICERS PRESENT (Virtually): Billy Attaway, Duncan Ellis, Claire Stanbury and Emma Wiggins.

ALSO IN ATTENDANCE (Virtually): Councillor Angela Harrison.

544 **Emergency Evacuation Procedure**

The Chair outlined the emergency evacuation procedure.

545 **Declarations of Interest**

No interests were declared.

Part B Minutes for Information

546 **Procurement of Waste and Street Cleansing Services**

The Head of Environment and Leisure Services introduced the report which summarised the procurement process and its results and sought the Committee's approval of the recommended contractor. He highlighted the timeline of events as set out in the report. Cabinet agreed in June 2021, that the Council would remain within the Mid-Kent Waste Partnership (MKWP); the tender process for the new contract went live in November 2021, with four robust stages; the Extraordinary Environment Committee in August 2022 approved a contract extension until March 2024, following bidders raising issues of price increases and difficulties in sourcing the fleet of vehicles in time; and the new contract would now commence on 24 March 2024. He added that the MKWP, after an extensive process, proposed to enter into a contract with Company A for eight years.

The Head of Environment and Leisure highlighted the large number of positive initiatives included in the bid from Company A, as set out in paragraph 3.3 of the report. He said the contract would put significant pressure on the Medium-Term Financial Strategy (MTFS). If the contract was agreed by the Environment Committee, further decision on funding the vehicle fleet would be considered at the Extraordinary Policy and Resources Committee and Extraordinary Council meetings on 4 January 2023.

Members were invited to make comments and ask questions on the open report, as below:

- This was a clear and well-presented report and showed there had been a robust process in place;

- wished to thank officers for their hard work;
- disappointed that there was only one bidder;
- concerned that the loss of collection of textiles and batteries could result in these items being added to the green bin;
- acknowledged the positive aspects of the new contract;
- it was difficult to make constructive comments on the contract as Members had not been privy to all the conversations;
- difficult to comment on depot recommendation;
- considered paragraph 4.5 in the report summed up that there was no other choice but to accept the appointment of Company A;
- with a lack of bidders and any competition, there was no incentive for Company A to provide the best price;
- batteries could end up causing damage to the refuse lorries;
- more clarification needed on ownership of the fleet of vehicles and any risk to the Council;
- considered the fleet should be made up of electric vehicles (EVs);
- the new contract looked more reliable and environmentally friendly than the current contract;
- this was a fragile time for contracts in the current cost-of-living crisis;
- it was not helpful that Kent County Council (KCC) were changing where waste was being tipped, meaning that refuse/recycling was being tipped in one place and food waste at a different site;
- Central Government could do more to aid further carbon reduction;
- there were many positive aspects to the contract;
- proposed improvement in street cleansing was commendable;
- there was a risk in borrowing money for this contract, more detail was needed;
- there would be a cost implication if contractors were used if there was an issue with the workforce employed by the Council;
- could the diesel fleet be converted to EVs?;
- what was the rejection rate for blue bins?; and
- satisfied that the tender process had led to a competitive bid.

In response, the Head of Environment and Leisure acknowledged the thanks to officers and he spoke on the difficult decision to not include textile and battery collection in the contract. He explained that there were better alternatives for collecting these items and said the service had been sporadic in the current contract. There were proposals to hold roadshows throughout the year where residents could take their items for disposal.

The Head of Environment and Leisure said the report had set out that there had been more than one bidder throughout most of the tender process, and Company A would have bid on a competitive basis. He explained that the refuse industry was quite a small industry in any case and there had been a number of key players at first, but their involvement had been dependent on external factors. He acknowledged the issue of batteries being deposited in green bins, but hoped the campaign to show alternative means of disposal would limit this issue. The fleet of vehicles would be bought by the Council and not leased and he outlined the advantages of owning them outright. In terms of using EVs for the contract, the Head of Environment and Leisure said the bidders had confirmed these were not suitable for the Swale area, as much of it was rural. The vehicles that would be purchased would in any case be more efficient and have improved emissions than the current fleet. The bin lift on the new vehicles would be operated by

battery, rather than diesel. The new contract offered improved, more efficient rounds for the vehicles which would result in a 5 – 15% decrease in carbon emissions.

The Head of Environment and Leisure acknowledged the fragile nature in terms of bidders entering into a contract at this time and companies would have had to make a decision as to whether they entered the tender process. He said that once a contract was in place, measures were taken to ensure that processes were followed, and performance mechanisms were in place if they were not. He added that the new contract was more stringent than before and there were more financial penalties included should they be needed. The Environmental Services Manager explained that there would be some resilience with the contractors able to pull in resource from other contracts so that they could deliver the service.

The Head of Environment and Leisure confirmed that a diesel vehicle could be converted to an EV in the future if deemed suitable and this was one of the advantages of the Council owning its own fleet. The rejection rate for blue bins was quite low as it was hard to spot contamination at kerbside, but there was a high rejection rate at the recycling facility. More communications were needed to educate the public on what could go in each bin, and he said Company A was happy to work with the Council on this.

The Head of Environment and Leisure commented that officers looking at depot options was a good thing as it would allow further control on the type of service the Council offered including investment in EV charging and solar panels, but each option would be looked at on its own merit and brought back for discussion.

There was further discussion in the closed session.

Councillor Roger Truelove proposed the recommendations, which were seconded by Councillor Tim Valentine.

Resolved:

(1) That the appointment of Company A as Waste and Street Cleansing Services provider from 24 March 2024 for a period of 8 years be approved.

(2) That it be recommended to the Policy and Resources Committee and Full Council that they approve the fleet funding as outlined in the exempt appendices and include in the capital programme within the Medium Term Financial Strategy (MTFS). Delegated authority be given to the Section 151 Officer to source the funding in the most economically advantageous method to the Council.

(3) That delegated authority be given to the Head of Environment and Leisure, Head of Legal and Director of Resources to let the contract to Bidder A and finalise the Inter-Agency Agreement (IAA) and Joint Working Agreement (JWA) between the Partners.

(4) That officers continue to develop plans for future depot provision and bring back plans to the relevant service committee.

547 **Exclusion of the Press and Public**

Resolved:

That under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 3 and 4.

- 3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).***
- 4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and any employees of, or office holders under, the authority.***

548 **Exempt appendices**

The meeting was held in closed session at this stage so that discussion on the exempt appendices could go ahead.

The Head of Environment and Leisure introduced the confidential appendices which provided information on the financial implications and a breakdown of pricing in comparison to alternative models including breakdown of fleet funding costs.

Members made the following comments:

- The Council wanted an improved contract, which was a priority, and so it was necessary to accept that it would cost more money;
- there needed to be a clear explanation why the Council could not operate the waste contract through a Local Authority Controlled Company or a Direct Service Organisation (in-house);
- Members were not aware of how the figures in the appendices were arrived at, and this was important in making their decision on the contract;
- clarity was needed on where the garden waste would be taken to;
- sought more information on the location of Company A's depot;
- was Company A aware that the Council was buying the fleet of vehicles?;
- concerned with the increased costs of the contract;
- considered income could be generated for the Council from the other two options; and
- concerned with the risk of the Council owning the vehicle fleet.

In response, the Head of Environment and Leisure explained that an external consultant, together with the Director of Resources, the Interim Head of Finance and Procurement and himself had scrutinised the figures and he outlined how they had been arrived at. He referred to the Cabinet report for June 2021 which went into detail on the two alternative options. He said that, after following advice from the Monitoring Officer, some generic information on the two options could be sent to Members. The two other options would mean that the Council would be 'doing it alone' and would not have the resilience that

would be in place if Company A had the contract, and this would mean the risk of non-delivery would increase.

The Head of Environment and Leisure said that the bidders were advised at the start to provide information for both the Council and the contractor providing the vehicles. Following discussion with the bidders in the competitive dialogue sessions, the MKWP made bidders aware in the final stage that the Councils would buy the fleet. The fleet would include all the vehicles required for the waste and street cleansing service. He explained that garden waste would be taken to Church Marshes in Sittingbourne, then on to Blaise Farm in West Malling, with KCC being the disposal authority. He was unable to give any details about the location of the depot as this would identify Company A, but confirmed it met all of the required criteria and would not impact operations/staffing.

The Head of Environment and Leisure said that all local authorities had seen increased costs and he considered Company A offered a good value contract, and the Council could not do it any cheaper. The Environmental Services Manager added that at the moment there was uncertainty within the waste industry, with a lot of unknowns.

The Head of Environment and Leisure explained that there was limited income possible from the other two delivery options as there were very few services the Council operated on that basis. One option was through commercial waste, but it was difficult to make a profit and the Council would be competing against other businesses with this type of experience.

The Interim Head of Finance and Procurement explained that everything was being done to minimise the cost of buying the fleet of vehicles and this would be by using a mixture of borrowing to minimise the cost to the Council. This would be by using capital receipts which would decrease borrowing costs; by offsetting the decision with the public works loans board; short-term borrowing from other local authorities and from cash reserves.

In terms of the risks and benefits to the Council, the Head of Environment and Leisure explained that there was a low cost of borrowing, and the Council would be in charge of its own destiny.

The Chair announced that the vote would be taken in open session.

Chair

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All minutes are draft until agreed at the next meeting of the Committee/Panel