

## Report to Cabinet

22 July 2021

By the Cabinet Member for Environment, Waste,  
Recycling & Cleansing

**DECISION REQUIRED**



**Horsham  
District  
Council**

Not Exempt

Collection of Business Waste from West Sussex schools

### Executive Summary

West Sussex County Council (WSSC) are running a tender exercise for the collection of business waste from schools and other WSSC premises from 1 October 2021. The Council has been invited to bid for the work in the Horsham, Crawley and Mid Sussex districts and due to the tight timescales set out by WSSC, submitted a bid on 7 July 2021 to tender for this work.

If successful, the opportunity could grow the business waste collection service and make a contribution to other services. This report recommends that we bid for the opportunity and sets out the consequences of committing to this.

As the revenue impact will depend on which areas the Council might win in the tender bid, we will return at a later date to request the revenue budgets as needed.

### Recommendations

That the Cabinet is recommended to:

- i) Approve the decision to bid for the collection of school's waste contract.
- ii) Recommend to Council that if successful in the bid, a capital budget of £110k be approved in 2021/22 for the purchase of the bins needed to service the contract.

### Reasons for Recommendations

- i) Winning the bid will help grow the business and fill in the gaps on existing rounds, helping to make the service more efficient.
- ii) A capital budget is required before the procurement and expenditure on bins can be made. This needs to be done as soon as possible following the award of the tender contract. Revenue budgets will be requested in due course once areas and numbers are defined from any successful award.

**Background Papers:** None

**Wards affected:** All

**Contact:** Adam Chalmers, Director of Community Services

## **Background Information**

### **1 Introduction and background**

- 1.1 At the end of June 2021, West Sussex County Council (WSCC) invited the Council to tender for the collection of business waste from WSCC premises including schools and libraries starting in October 2021.
- 1.2 The bid is split into three lots for the districts of Horsham, Mid Sussex and Crawley and also across refuse and mixed dry recycling. The contract is for three years with a two-year extension.
- 1.3 The tender presents an opportunity to grow the business, filling in gaps on existing rounds, helping to make the whole service more efficient and doing this without the associated costs of a marketing campaign or discounting services to attract new customers.

### **2 Relevant Council policy**

- 2.1 Corporate Plan 4.3: Minimise waste, increase re-use and recycling  
Corporate Plan 5.3: continue to provide the quality, value for money services that people need throughout the 2020s.

### **3 Details**

- 3.1 At the end of June 2021, West Sussex County Council (WSCC) invited the Council to tender for the collection of business waste from WSCC sites including schools and libraries starting in October 2021.
- 3.2 The precise numbers of bins of each type are not currently known, because although WSCC recommend the winning bidder's service, schools can opt out of the WSCC contract and schools also take a varying number of bins. However, using key assumptions, a model has been built that predicts the revenue outcome with income higher than costs, even when hiring a waste collection vehicle in the short term.
- 3.3 The business case has been based on estimated volumes, and stress and scenario tested. Efficiencies for the overall service will also feed through when gaps on current rounds are filled.
- 3.4 The modelled costs include hiring a waste collection vehicle until the full extent of the number of school collections are known. Data for the first two months will be analysed and a more informed decision can be made on whether to buy a second-hand vehicle. This will also tie in to any future decisions being made on the collection of food waste and any further carbon reduction plans for waste collection vehicles. Any change to the capital budget will go through the normal Council approval process at a later date.
- 3.5 As any mixture of lots would vary the income and costs of the contract, revenue income and cost budgets have not been included as a recommendation for Council

approval until the outcome of the exercise is known and there is more certainty on the numbers.

#### **4 Next steps**

- 4.1 The outcome of the tender exercise will not be known until the end of July 2021. Council approval of the budget is required before any expenditure can be

#### **5 Views of the Policy Development Advisory Group and outcome of consultations**

- 5.1 The views from the Environment, Waste, Recycling & Cleansing PDAG are included in this report. The PDAG were updated on the bid and the bidding process. They were broadly supportive that we completed the tender exercise.
- 5.2 The Chairman of Overview and Scrutiny Committee was also informed of the bid and bidding process, and understood that the very tight timescales for the bid and drafting of the report meant that it was not possible for the Committee to review the report in full in advance of the paper being published for Cabinet.
- 5.3 The Head of Finance and Performance has been involved in stress testing the financial models. The views of the Head of Finance and Performance are included in the report in his role as deputy S151 officer. The views of the Monitoring Officer are incorporated in this report.
- 5.4 If the bid is successful, one driver and one loader will be recruited. The Head of Human Resources & Organisational Development comments that current recruitment difficulties for LGV drivers are widely reported, but that the service has scale to provide some cover internally until new recruits have been inducted. The Head of Procurement has also been consulted and comments that she is satisfied that any requirements can be met in a compliant way. Further comments are included in the procurement implications section of the report.

#### **6 Other courses of action considered but rejected**

- 6.1 Not bidding puts at risk the income from a number of schools that the Council already collects business waste from within the district, who may decide to use the West Sussex County Council contract. This could jeopardise up to £100k of income per year.

#### **7 Resource consequences**

- 7.1 The estimated capital cost of nearly 1,000 bins is approximately £110k and a recommendation to Council for this additional capital budget has been requested in advance, subject to notification a successful bid, such that the order can be placed to reduce any potential risk of delay with longer lead in times.
- 7.2 The estimated additional revenue income from winning the refuse tender contract across all three areas is approximately £250k and the revenue cost approximately £225k for the part year to 31 March 2022. A further report to Council requesting revenue budgets for the remainder of 2021/22 will be made when the outcome and

extent of the tender bid is known. Future full year budgets would be approved through the normal budget process.

- 7.3 An additional driver and loader will be recruited in time for the commencement of the contract in October 2021. The cost is built into the cost projections.

## **8 Legal considerations and implications**

- 8.1 The council has general authority under the Local Government Act 2003 to undertake commercial activities and the Council's general power of competence in section 1 Localism Act 2011.
- 8.2 A full procurement process will be undertaken, and the Procurement code will be adhered to.

## **9 Risk assessment**

- 9.1 The risks are listed as:
- Logistics for 1,000 bins; procurement, availability, metal or plastic, lead times, distribution.
  - Rate of opt outs higher
  - Capacity of team to deliver in one go
  - Route re-optimisation
  - Costs increase more than inflation over the period

## **10 Procurement implications**

- 10.1 The additional bins required can be secured either via a direct award option through an ESPO framework agreement (best option), or through a variation of the existing contract with a supplier. There are currently supply issues for plastic and steel and lead in times are longer than normal. We are awaiting reassurance from the supplier that the timescales could be met if required, along with options for plastic bins with recycled content.

## **11. Equalities and Human Rights implications / Public Sector Equality Duty**

- 11.1 There are no equalities or Human Rights implications from this business decision report.

## **12 Environmental implications**

- 12.1 The Council's direct carbon emissions would increase as a result of winning this bid as another vehicle would be in use. Note that as the waste collection vehicles are already passing many of the schools on their rounds already, then the impact is not

anticipated to be large. The Council would liaise with the schools to maximise recycling opportunities and promote greener disposal, rather than landfill.

### **13 Other considerations**

- 13.1 We do not anticipate any consequences of any action proposed in respect of GDPR / Data Protection or Crime & Disorder.