

Title of meeting:	Cabinet Member for Environmental Services
Date of meeting:	14 th December 2023
Subject:	Waste Collection Service Transfer & Changes to the Garden Waste Collection Service
Cabinet Member	Cllr Ashmore - Cabinet Member for Environmental Services
Report by:	James Hill - Director of Housing, Neighbourhood and Building Services
Report Authors:	Ashleigh Moore - Project Manager (Waste Management) David Emmett - Head of Waste Management
Wards affected:	ALL
Key decision:	No
Full Council decision:	No

1. Purpose of report

1.1. To update the Cabinet Member for Environmental Services on the progress of work to transfer and mobilise the waste collection service.

2. Recommendations

2.1. The Cabinet Member for Environmental Services notes the progress to transfer and mobilise the waste collection service, and places on record a note of thanks to the project team for the significant work to date to bring the service in house.

2.2. The Cabinet Member for Environmental Services approves the pricing schedule for the 'Leaf it Out' garden waste collection scheme.

2.3. The Cabinet Member for Environmental Services delegates authority for future price changes to the garden waste collection scheme to the Director of Housing, Neighbourhood and Building Services in conjunction with the Section 151 Officer and consultation with the Cabinet Member for Environmental Services.

3. Background

- 3.1. On 21st June 2022, the cabinet took the decision to bring the waste collection service in house and noted that work to transfer and mobilise the service should start immediately to ensure service continuity at the end of the contract date.
- 3.2. Biffa Municipal have been contracted to operate the waste collection service on behalf of Portsmouth City Council ('the Council') since 2011, and the contract will end on 31st March 2024. From Monday 1st April 2024, the waste collection service will be delivered by the Council.
- 3.3. There are a number of work streams underway to ensure that the transfer of the service happens in a way that ensures service continuity. Updates for each are noted in the section below.
- 3.4. Overall, each work stream is on schedule to be delivered by 1st April 2024 and significant milestones have already been achieved.

4. Work Streams to bring the service in house

4.1. Staff

- 4.1.1. Work is progressing with HR teams at both the Council and Biffa to understand the implications of TUPE and ensure a successful transfer.
- 4.1.2. Work to engage with Biffa staff will be undertaken closer to the transfer date.

4.2. Vehicles

- 4.2.1. A new fleet of 21 refuse collection vehicles (RCVs) has been procured to replace the existing fleet. Two RCVs will remain in service as spare vehicles - these vehicles were purchased later than the rest of the fleet and are Council assets.
- 4.2.2. Dennis Eagle was awarded the contract to manufacture and supply the 21 26 tonne narrow track RCVs - vehicles have been ordered and are being manufactured. The new RCVs will be fitted with Euro 6 engines, operate using HVO fuel and electric lifters (reduce fuel consumption by up to 9.7%) - the service has opted to continue use of HVO fuel as it reduces carbon emissions by 90%, particulates by 85% and NOx by 30%, improving the green credentials of a sector challenging to decarbonise.
- 4.2.3. Vehicles will be delivered to Portsmouth during February and March 2024, ready for the start of the in-house service on 1st April 2024.
- 4.2.4. The current fleet of 7 food waste vehicles (FWVs) has been procured as the separate food waste collection service has expanded and as these vehicles



are in good condition and are the Councils assets, will continue to be in service.

- 4.2.5. In addition, Dennis Eagle was awarded the Service & Maintenance contract for the RCVs and FWVs. As the incumbent contractor, they will continue to be serviced at the Dennis Eagle garage on Fitzherbert Spur, Farlington.

4.3. IT

- 4.3.1. A fully integrated IT system for the waste collection system has been procured. The contract to supply the IT system has been awarded to Bartec Municipal Technologies.
- 4.3.2. The IT system will provide a new customer facing portal for the reporting of waste collection issues, a new in-cab reporting and routing system for collection crews and associated hardware and a new back-office system. It will also provide a subscription element for the management of the garden waste collection service.
- 4.3.3. Procurement of a fleet management system, fuel management system and digital tachographs is underway - the fleet management system and digital tachographs will lead to earned recognition from the Driver Vehicle Standards Agency (DVSA).
- 4.3.4. Procurement of a bolt-on to the existing corporate payment system is underway to ensure reoccurring payments can be offered to customers signed up to the garden waste collection service.

4.4. Ancillary contracts

- 4.4.1. The new fleet of RCVs will run on hydrotreated vegetable oil (HVO) fuel, in the same way the existing fleet is fuelled. HVO is made entirely from waste oil. Currently the HVO fuel is procured by Biffa and bunkered at the waste collection depot at Alchorne Place. Biffa have secured the current supplier and fixed price. Procurement of HVO fuel for the RCVs and FWVs is currently at the soft market engagement stage. The procurement will also include purchase of fuel for PCC Green & Clean.
- 4.4.2. Procurement for a contract to supply & service tyres to the RCVs, including roadside assistance and repairs is in progress. A local supplier will be used where possible.
- 4.4.3. Both contracts will be in place for the 1st April 2024.

4.5. Uniform

- 4.5.1. Procurement of industry standard uniform with Portsmouth City Council branding is underway, and staff have been measured up for sizing.

4.6. Health & Safety

4.6.1. On 1st April and beyond, the Council will be wholly responsible for Health & Safety in the service.

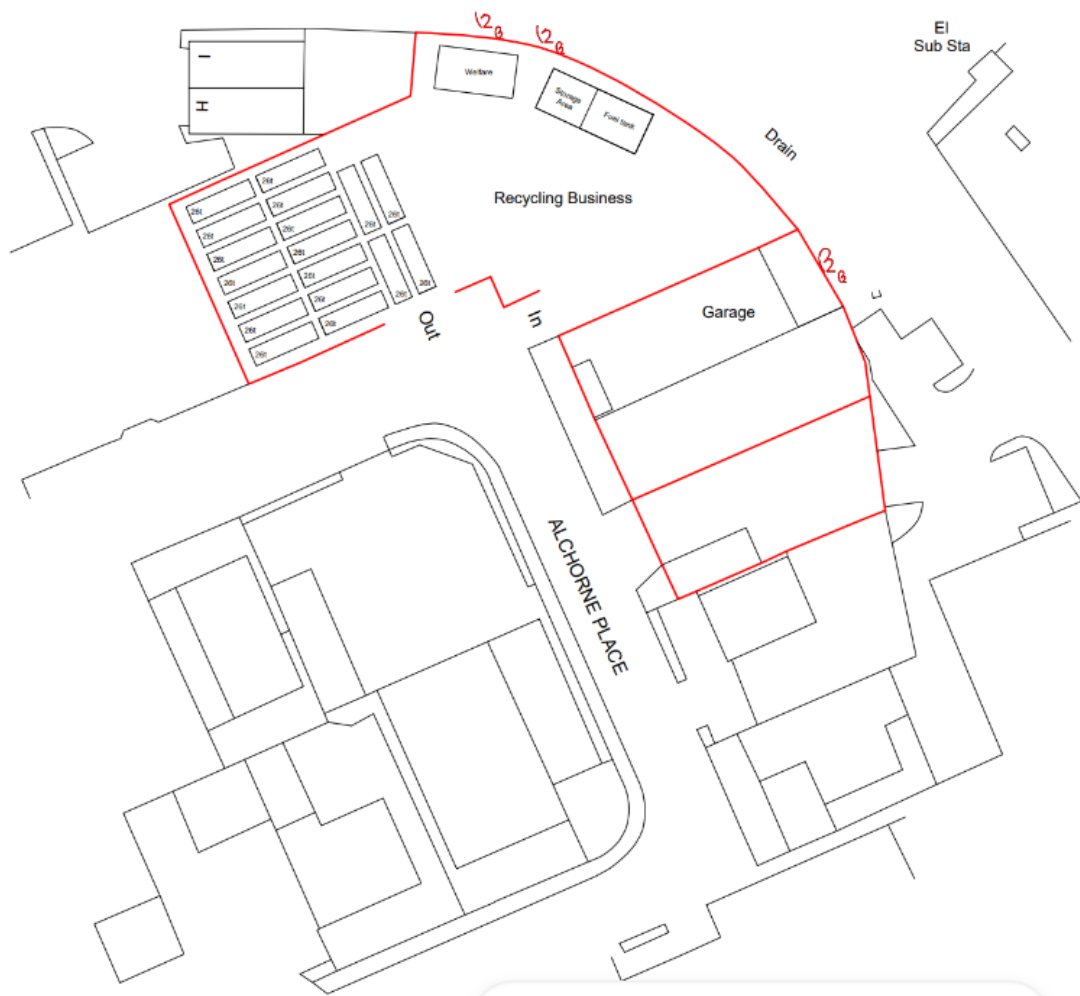
4.6.2. Risk assessments, safe systems of work, training requirements and inductions are being completed in conjunction with the Councils health and safety team and Biffa.

4.7. Insurance

4.7.1. The corporate insurance team have been engaged throughout to ensure all elements of the service, public liability, vehicles and staff are covered from 1st April 2024 with the Councils current incumbent insurance provider Zurich.

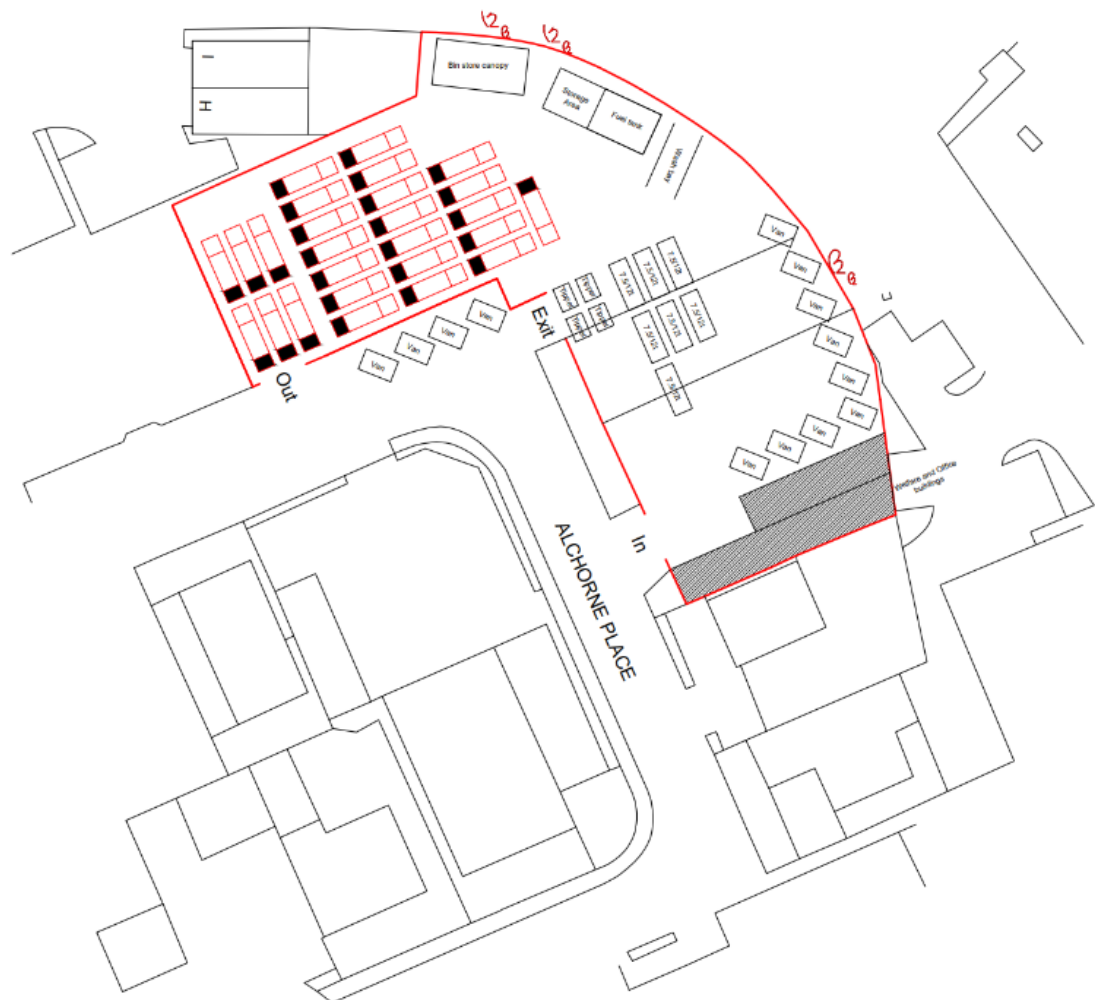
4.8. Depot

4.8.1. The waste collection depot located at Alchorne Place was in need of improvement work before the decision was made to transfer the service to the Council. It also needed to be expanded to accommodate a larger fleet of RCVs in the future. The existing depot site plan is shown below.





4.8.2. Negotiations to expand the depot have been completed and the Council will lease an additional unit at Alchorne Place. Refurbishment and improvement works will combine the three units to be occupied by the waste collection service into one single unit. The proposed site plan is shown above - this is subject to a future planning application.



4.8.3. The refurbishment and improvement work to the depot including the replacement of boundary walls, replacement of and improvement to welfare units and office space and improvements to the vehicle and pedestrian access and movements at the site.

4.8.4. Plans are progressing and the depot will be required to remain operational throughout the programme of works in order to maintain delivery of the waste collection service. The works will be phased in a way to ensure that this can happen with no disruption to the service,

4.8.5. In addition, the depot at Alchorne Place will be added to the Operating Licence held by the Council. The licence will be amended to reflect the changes, and this will require an application to the Traffic Commissioner.

5. Garden waste collection service

5.1. The current Green Waste Club is operated by Biffa, separate to the core waste collection contract. Biffa has operated this service since 2013 however this will end on 31st March 2024 and PCC will launch a new subscription-based garden waste collection service.

5.2. As the service is wholly operated and run by Biffa, they set the annual prices for the scheme. When the service was launched, Biffa were able to apply a discount for the duration of the contracts for the first 5,000 customers due to funding and resources that were awarded to the Council from central Government. There are currently 3,085 customers still signed up with this 'early bird' deal who receive a £10 annual discount each year they renew.

5.3. Biffa have offered customers one-, two- or three-year contracts - customers who signed up for two or three years received a small discount of 5-10% over the duration of their contract.

5.4. The current charges set by Biffa are:

Payment schedule	Price
One-year	£65.00
Two-year	£61.75 per year
Three-year	£58.50 per year
Monthly (12 months)	£5.42

Biffa review the charges annually and the charges shown above would increase from April 2024 to reflect inflated costs across the service.

5.5. The Council will launch a new subscription-based garden waste service from 1st April 2024 and work is underway to understand how customers will transfer from the Biffa service - this is being carried out in conjunction with Biffa to ensure a smooth transition.

5.6. Communications are being prepared to advise customers of the new service and any actions they may need to take in order for them to continue to receive the service - this will be dependent on how the final transfer happens between Biffa and the Council.

5.7. The Council propose to offer 12-month contracts to customers from 1st April 2024, and any customers joining mid-year will be pro-rated to take the service to the end of the contracted year.

5.8. The proposed pricing structure for the first year will be as follows, and the charges shown will apply to all existing and new customers:

Payment schedule	Price
One-year	£65.00
9 months (pro-rata)	£48.75
6 months (pro-rata)	£32.50
3 months (pro-rata)	£16.25
Monthly recurring payment	£5.41

The charges shown will be subject to annual increases applicable 1st April 2024 and will be agreed at the budget setting meeting.

5.9. It is proposed that approval for any future price increases in line with inflation is delegated to the Director of Housing, Neighbourhood and Building Services in conjunction with the Section 151 Officer and in consultation with the Cabinet Member for Environmental Services.

5.10. Branding for the new service, 'Leaf it Out', is underway and all customer information points being updated in readiness for 1st April 2024.

5.11. Existing bins in circulation at customer addresses will remain with clients, and customers will be sent a sticker with the new branding to place over the current logo on the bins.

6. Outline of the New Garden Waste Collection Service - 'Leaf it Out'

6.1. The Green Waste Club operated by Biffa will cease to operate from 31st March 2024, and 'Leaf it Out' will launch on 1st April 2024. Work is in progress to understand how customers will transfer from one service to the other.

6.2. Branding for the new service has been designed and shown below.



6.3. The Council run garden waste collection service will offer only 12-month contracts to customers, and the discount Biffa were able to apply previously due to external funding boosts will not apply - all customers will be charged the same rate for the service. This is due to the need to procure a new vehicle for the service. (Government funding paid for the vehicle when the green waste club started and therefore a discount was applied to the first 5000 customers).

7. Reasons for Recommendations

7.1. The decision taken on 21st June 2022 to bring the waste collection service in house recommended work towards this started immediately. The work to transfer and mobilise the service is underway, and a cross directorate project team have been overseeing the implementation work. The Environmental Services portfolio have been updated on the work and this report further provides an update on all the work areas.

7.2. The garden waste collection service will be solely run and operated by the Council, with the Council taking all risk and reward. The recommendation for the Cabinet Member to approve the new pricing schedule (12-month contracts only) is to

ensure the percentage customers who opt to sign up with the Council service is maximised as we understand the demand and needs of the service.

7.3. Delegation of approval for future price increases to the Director of Housing, Neighbourhood & Building Services in conjunction with the Section 151 Officer and in consultation with the Cabinet Member for Environmental Services, will ensure there is no lengthy approval process each year and any price increase can be communicated to customers as soon as possible.

7.4. Communications to the customer will be planned to ensure continuity of service and the change in service provider has no impact on the customer. There is a notification in the Autumn/Winter Flagship planned, the Garden Waste pages on the Council website will be updated and correspondence sent to each customer via email or letter with details on how to renew their current service or join if they are a new customer.

8. Integrated Impact Assessment

8.1. The integrated impact assessment from the decision to bring the service in house has been reviewed and is still applicable.

9. Legal Implications

9.1. The overarching waste collection service in-housing project entails multiple smaller projects and Legal Services are engaged and continue to provide legal support to the project team with regards to these projects.

9.2. With regards to projects that involve the purchase of services and/or goods, the project team is ensuring that any such purchases are being undertaken in accordance with public procurement rules as well as the Council's internal governance arrangements.

9.3. With regards to the new Garden Waste Collection Service, discussions are ongoing with Biffa to ensure a smooth transition for the customers from Biffa to the Council whilst ensuring that the proposed transition is carried out in accordance with the laws and the interests of the Council are protected.

9.4. With regards to charges for the new Garden Waste Collection Service, in accordance with section 45(3) of the Environmental Protection Act 1990 (as amended), the Council does not have the right to charge the customers for the collection of household waste (including garden waste) **except in cases**



prescribed in regulations made by the Secretary of State; and in any of those cases:

- (a) the duty to arrange for the collection of the waste shall not arise until a person who controls the waste requests the Council to collect it; and
- (b) the Council **may recover a reasonable charge for the collection of the waste** from the person who made the request.

9.5. In addition, paragraph 4 of Schedule 1 to The Controlled Waste (England and Wales) Regulations 2012 (as amended) prescribes that the Council may charge for the collection of garden waste, but not for the disposal, provided that the charge is reasonable as per section 45(3) of the Environmental Protection Act 1990.

10. Director of Finance's comments

- 10.1. Finance staff have been working, in consultation with the Waste Service, Human Resources and the Biffa local management team, to refine the financial forecast relating to the cost of the in-house provision of waste collection.
- 10.2. The underlying methodology has been to take the existing Biffa operations data for staffing in the waste collection service areas of Core, Food Waste and Garden Waste and model these parameters to nearest PCC pay scales and Terms & Conditions, as effective from 1 April 2024, whilst recognising TUPE implications and the requirement to maintain operational service with agency staff.
- 10.3. The modelling also considers other overheads, based on new contracts from April 2024. These include vehicle maintenance, collection software tools and fuel, along with depot rents. Income from the current operation has been restated to the equivalent value for an in-house service.
- 10.4. The income from the Garden Waste Service will offset the increased costs of in-house provision. The cost of acquiring the existing garden waste bins is being negotiated with Biffa and will be within the approved £100,000 capital programme budget, leaving a balance for any additional or replacement bins required.
- 10.5. It is anticipated that the cost of the in-house service provision will be within the range of projections, 21st June 2022 being the first year of the service in-house, there will be some risks. Most noteworthy of these would be sickness levels above historic norms, garden waste club subscriber losses reducing income and risks on vehicle fuel prices.

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Signed by: James Hill - Director of Housing, Neighbourhood and Building Services

Appendices: None

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
'Provision of Waste Collection Services'	Provision of waste collection services.pdf (portsmouth.gov.uk)

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by: