

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview and Scrutiny Committee

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PART I **FOR COMMENT AND CONSIDERATION**

PROCUREMENT OF ENVIRONMENTAL SERVICES CONTRACT

1. **Purpose of Report**

This report advises members of progress made in the re-commissioning the future service provision for the following; waste collection, waste management, waste treatment, public realm (street cleaning and green estate), highways reactive works, highways and transport capital works and professional services. It advises and outlines the preferred route for the procurement of these services and the scopes of the potential contracts.

2. **Recommendation**

The Overview and Scrutiny Committee is requested to take note and comment on the proposed and preferred contract vehicles and services scopes.

That following completion of an options appraisal, the Overview and Scrutiny Committee is requested to note progress on the outcomes of the commissioning process, soft market testing and support the proposed procurement of the preferred contract vehicles.

3. **The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

3.1 **Slough Joint Wellbeing Strategy Priorities**

Slough Borough Council has stated through the Sustainable Community Strategy in the Environment and Regeneration section that it will pursue steps to:

- Move up the waste hierarchy and increase the amount of waste recycled;
- Reduce the overall amount of waste produced; and
- Reduce dependency on landfill for final waste disposal.

The primary environmental commitment and statement made by the Council through the Slough Sustainable Community Strategy is that the council has set itself the target of recycling 60% of its waste by 2028. This is a core driver behind the Waste Strategy in development and defines the strategic horizon period.

3.2 **Five Year Plan Outcomes**

The Five Year Plan's outcomes the proposal will help to deliver are:

- *Slough will be the premier location in the south east for businesses of all sizes to locate, start, grow, and stay*

Ensure that the gateways to the town, prominent places and green spaces are clean and well maintained

A fully functioning and dedicated public realm service is a key deliverable working towards keeping the gateways to the town, prominent places, parks, memorial gardens, cemeteries, roads and pavements clean. It improves the visual amenity of the town, prevents additional waste being flytipped and is a fundamental component of civic pride in the area.

- *The Council's income and the value of its assets will be maximised*

**Ensure that a revolutionised approach to household waste collection is in place
Ensure that no household waste will be disposed of in landfill sites**

Residents play an important part in the sustainable management of the borough's waste and ensuring that any waste that is produced is placed in the correct receptacle for disposal. Most commonly this relates to placing waste in the kerbside residual and recycling bins. However, this relates to other facilities available to residents to enable them to dispose of items in a civically minded and environmentally responsible manner including litter bins, Bring Banks and the Household Waste Recycling Centre at Chalvey in a civically minded and environmentally responsible manner.

4. **Other Implications**

(a) Financial

This report does not recommend expenditure or commit budgets over and beyond those already adopted. However, subsequent reports which recommend final decisions upon future budgets and changes to their structure and allocation and will commit the council to sums of capital and revenue expenditure potentially over an extended period will be published in line with the various undertakings of the procurement exercise(s). These will be considered in light of the value for money offered through the future service route adopted through the procurement of the respective contractors for their service delivery areas.

(b) Risk Management

Risk	Mitigating action	Opportunities
Legal	N/A	N/A
Property	N/A	N/A
Human Rights	N/A	N/A
Health and Safety	N/A	N/A
Employment Issues	N/A	N/A

Equalities Issues	N/A	N/A
Community Support	N/A	N/A
Communications	N/A	N/A
Community Safety	N/A	N/A
Financial	N/A	N/A
Timetable for delivery	N/A	N/A
Project Capacity	N/A	N/A
Other	N/A	N/A

(c) Human Rights Act and Other Legal Implications

There are no direct legal implications. The specific activity in the plan and outcome plans may have legal implications which will be considered when required. There are no Human Rights Act Implications.

(d) Equalities Impact Assessment

N/A

5. **Supporting Information**

- 5.1 As a Unitary Council Slough Borough Council is responsible for collection, management and disposal of all municipal waste generated within the borough and all street cleaning, gully and channel sweeping, litter picking and detritus sweeping operations within the borough. The Waste Collection / Management, Street Cleaning, Grounds Maintenance and Highways reactive work functions for Slough Borough Council is delivered by Amey under the Environmental Services contract which runs until November 2017
- 5.2 The waste management, street cleaning, green estate, highways and transport heads of service have been through a dedicated commissioning process whereby the preferred contract delivery vehicle and service batching has been appraised and assessed against critical criteria. This has included feedback from the market through a soft market testing day.
- 5.3 The PRETH (Public Realm, Environment, Transport and Highways) sub-commissioning group was formed in June and met fortnightly to discuss and create scopes for the respective services. This meant that some services were moved from one area to another to create improved synergies between service delivery and resolve issues that had been long standing within respective service areas.
- 5.4 June 2015 to January 2016 has seen a concentration on three key aspects of the commissioning programme, namely: definition of the 'scopes of services' that may be included within a new contract; consideration of potential combinations of services to meet the Council's requirements; and identification of potential delivery models.
- 5.5 The PRETH group reported to the Contract Re-provision Board in October that it did not recommend bringing the service in-house. However, it did state the second generation outsource would ensure that the client and contract management teams integrate to ensure succession planning in filling the gaps identified. This is

to ensure that an 'in-house bid' has greater potential after the conclusion of the second generation outsource term.

- 5.6 The Options Appraisal presented to the Contract Re-provision Board in February discussed the appraisal of two options for the delivery of all of the services represented by the PRETH commissioning group. These two options were either a strategic partner contract or a series of separate contracts refined by service area and their associated scopes. The options were aggregated across several key areas including risk, ability to deliver against finance (cost savings), risk, IT, data and information availability, collection monitoring and management, Innovation, complexity of the procurement process, market appetite, procurement route, social value and timetable.
- 5.7 The recommendation made by the PRETH group is to procure separate contracts for the services. The Environmental Services Contract will comprise of waste collection, waste management and the public realm services with the potential option to include the waste treatment services. The Infrastructure contract will comprise highways reactive engineering works and highways and transport capital works. The professional services contract will be potentially be a framework for the provision of professional services for Highways and Transport.
- 5.8 The market clearly indicated that the collation of all of the aforementioned services into one contract would impede competitiveness, innovation and would minimise flexibility, service enhancement and potential to deliver efficiencies and cost savings. A summary of the soft market testing can be found in 'Appendix A'.
- 5.9 The Environmental Services contract would be a services based contract that would deliver all of the public realm activities for the borough across all land owned by the Council including highways land, leisure land and Housing land (with some minor exceptions). The Public Realm approach encompasses a 'one town, one place' ideology which is a holistic approach to the management and maintenance of public spaces through (grey, green and blue) infrastructure throughout the borough managed through a single client.
- 5.10 The Environmental Services contract would be a services based contract that will deliver waste collection and waste management. It might also, subject to additional analysis include the waste treatment contract previously anticipated to go out as a separate contract.
- 5.11 The integrated Environmental Services contract will through integrated public realm and integrated waste management improve the Councils ability and opportunity to improve environmental performance.
- 5.12 The Infrastructure contract would be a services based contract that will deliver all minor schemes reactive based works for the highways in Slough. It will also be able to deliver all major schemes infrastructure related to highways and transport.
- 5.13 The Professional services contract would be a framework contract for the provision of professional services for highways and transport specialists.
- 5.14 It is intended that these contracts will be approved for procurement by Cabinet in March. An Environmental Services Board has been set up that will deliver the procurement of the contracts identified.

6. **Comments of Other Committees**

The procurement of the Environmental Services contract was presented at the Contracts Reprovision Board on the 27th January 2016.

7. **Conclusion**

The Public Realm, Environment, Transport and Highways (PRETH) sub-commissioning group have undertaken a dedicated commissioning program, scoping exercise, options appraisal and soft market testing exercise. These activities have rendered the recommendation for the procurement of contracts with the revised scopes. The summary of these contracts and their scopes are provided in 'Appendix B'.

The Overview and Scrutiny Committee is requested to take note and comment on the proposed and preferred procurement of these services and the preferred contract vehicles and service scopes.

8. **Appendices Attached**

'A' - Summary of the Soft Market Testing

'B' - Summary of the Environmental Services & Highways/ Transport contracts to be procured and headline scope

9. **Background Papers**

None.