

**Decision Report – Executive Director
Decision**

Forward Plan Reference: FP/23/01/12

Decision Date – 3 May 2023

Key Decision – Yes



Refuse and Recycling Containers

Executive Member(s): Cllr Sarah Dyke

Local Member(s) and Division: All

Lead Officer: Mike Cowdell – Strategic Manager – Waste Services

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Summary / Background

1. To establish a contract for the purchase of waste containers to supply new and replacement stocks as required for 2023/2024. The supply of waste recycling containers is a business as usual activity and its supply comprises a statutory duty to service users.
2. Following the roll-out of the Recycle More service change which completed in October 2022 we will need continue to purchase waste containers for new households and to replace obsolete, damaged or lost stock as a continuation of service provision across the county from the roll out of Recycle More. We are expecting demand to slow for containers as we are now through the roll-out period reverting to previous levels of 2019/20. We have calculated through normal attrition, new builds and changing behaviours Somerset currently spends approx. £400k per year in normal circumstances, but due to increased inflation and cost of raw materials involved in production, costs of container provision have increased substantially in the last year.

We are now expecting to spend approx. £850 - £950K for container provision during 2023/24. Delivery costs to residents are on top of these purchase costs.

This decision paper will be used to cover a one-year contract and we will look to retender again in 24/25 when we expect that external factors will have

stabilised, and the marketplace will be more competitive. A one-year contract also allows greater flexibility to identify cheaper alternatives something we are actively exploring as well as the possibility of charging housing developers.

Volume of container demand for 2023/24 is based on demand from 2019/20 (i.e., the last 'normal' year). More recent demand for containers is not representative of future demand as the roll out of Recycle More significant increased demand for recycling and food waste containers. Since the end of the Recycle More implementation, demand for containers have decreased to 2019/20 levels.

The table below shows the expected demand for 2023/24 and associated estimated cost. 2019/20 demand has been increased by housing growth

	Expected Annual Demand (based on 2019/20 Pre-Recycle Figures + Housing Growth)
140 Refuse Bin	1000
180 Refuse Bin	9000
240 Refuse Bin	1300
660 Refuse Bin	100
1100 Refuse Bin	150
Green Garden Bin	4500
Brown Garden Bin	1000
44L Recycling Box (Green)	21000
55L Recycling Box (Black)	21000
5L Food Waste Caddy	13500
23L Food Waste Bin	21000
Total	93550

Recommendations

3.
 - a. That the Executive Director (Climate and Place) approve the award of contracts following on from the mini tendering exercise that was supervised by SCC commercial procurement team under ESPO 860 V22.
 - b. That Appendix A be treated in confidence, as the case for the public interest in maintaining the exemption outweighs the public interest in disclosing that information.

Reasons for recommendations

4. It is a statutory obligation that the Somerset Council provide the waste collection service to the residents of Somerset. As part of this, the provision of containers to accommodate this service will be required. To deliver better value for money Somerset Council are now purchasing containers directly (through framework contracts) rather than through their collection contractor as they previously did (as it is standard commercial practice that if containers are purchased through a collection contractor a mark-up is applied). The costs of the containers are budgeted for and is also the subject of a capital bid (capitalising the costs enables us to spread them over a number of years). This document was approved at the FCB board on the 23rd of January 2023.
5. To agree that Appendix A should be treated as exempt information and to be treated in confidence on the ground that it contains information relating to the financial or business affairs of the tenderers and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
6. Any proposals seeking to use urgency provisions must set out their case with the support of the relevant Director to the Monitoring Officer initially before any approval is sought from the Chair of relevant Scrutiny Committee and the Leader of the Council.

Other options considered

7. In our previous contract our service provider purchased the containers at a pass-through cost only. We considered continuing with this approach but the

cost only option was not available - it is now standard commercial practice in the waste sector that if containers are purchased through a collection contractor a mark-up is applied. This option was rejected as it means that Somerset Council (and hence the public purse) avoids unnecessary additional management, admin and on costs, by instead sourcing direct from manufacturers.

We are also considering using bags instead of recycling boxes as other options on our collections contract. If we could replace one or more of the recycling kerbside boxes, with recycling sacks then this would be a big saving. We are currently working with a manufacturer and our collections contractor as this potentially will have contractual and H&S implications that need to be worked through and resolved before this can be finalised and a potential saving realised (this is another reason why we are only tendering for a contract for a year). We are also exploring the option of charging housing developers for some of the costs associated with bins and boxes for new homes. A number of other authorities in the Southwest do this and we are exploring how best to align this with planning policy and the constraints from waste legislation of what we can charge for and what we cannot.

Links to Council Vision, Business Plan and Medium-Term Financial Strategy

8. Provision of suitable containers will allow the residents of Somerset to fully engage with the partnerships vision of ensuring our household waste is effectively collected, reused, recycled and treated.
9. By taking on this role Somerset Council will ensure the most cost-effective method of continuing to provide this vital aspect of the service.

Financial and Risk Implications

10. Somerset Waste Partnership (SWP) has historically purchased containers and recharged these to the Districts for the waste collection service. The containers are held at Evercreech Depot and are carried as stock on the balance sheet of Somerset County Council.

On 1 April 2023 the five Councils will be combining to form a new Unitary Council in Somerset, called Somerset Council. A capital bid was submitted for container purchases for the new Council from 1 April 2023. This was approved by Full Council in February 2023.

11. The main risks associated with this procurement if not completed is that we are unable to meet the demand from our residents to provide containers to store and present waste for collection. This would impact negatively on our contractor being able to collect our residents waste in the most efficient and safe manner to ensure it is reused, recycled and treated correctly.

Likelihood	3	Impact	2	Risk Score	6
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Legal Implications

12. Procurement has been carried out under the supervision of our procurement team at SCC and followed a recognised framework ESPO 860 and we are now able to award contracts subject to final approval.
13. All necessary Consultations have been undertaken

HR Implications

14. There are no HR implications resulting from this procurement

Other Implications:

Equalities Implications

15. On the advice of the Equalities Manager there are no equalities issues related to this procurement.

Community Safety Implications

16. No risks identified with this procurement, these are commonly used items and are in place across much of the country to contain and present recycling and refuse for collection.

Climate Change and Sustainability Implications

17. The procurement scoring process for the recycling containers included scoring criteria for the recyclable content of the container types and the recyclability of each container. Ensuring that the containers are as sustainable as possible formed a key component of the selection criteria.

Health and Safety Implications

18. Provision of these containers allow the residents of Somerset to contain waste between collections and present for collection in a uniform and controlled manner.

The risk of manual handling injuries to crews are significantly reduced by the provision of ergonomically designed containers. Needle stick injuries from loose waste in bags is also significantly reduced by the provision of wheeled refuse bins.

Health and Wellbeing Implications

19. There are no Health and Wellbeing implications associated with this procurement.

Social Value

20. No local manufacturers and providers of these products were available at the time of procurement. We will be exploring the market to see who can offer us the best price for our scrapped bins, to reduce costs in the tendering round as several national companies are now offering the service on a back load offer once they have been delivered.

We do have a local Somerset based company who can granulate these containers providing raw material back to the manufacturing industry supporting the circular economy. The company concerned are now working with one of the national suppliers, so this will need to be included in the tendering process.

Scrutiny comments / recommendations:

21. The report has not been to a Scrutiny Committee.

Background

22. During the procurement of a new service provider (collection contractor), the kerbside sort model for recycling continued to be the most economically and environmentally beneficial recycling service we can provide. Part of this service requirement will continue to be the provision of suitable containers to our residents in order that they can continue to ensure our household waste is effectively collected, reused, recycled and treated.

23. A new service model (Recycle More) has been rolled out to all residents of Somerset; this was completed in October 2022. The ability to recycle more products and a change to the schedule of residual waste collections to every 3 weeks will require increased capacity for residents to store the additional recycling. Going forward it is expected that containers being provided will be for natural attrition of damaged containers and housing growth.

Background Papers

24. Please e-mail gary.jones@somerset.gov.uk for any further information.