

Cheltenham Borough Council
Cabinet – 18 December 2018

Procurement of vehicles for the delivery of environmental services

Accountable member	Councillor Chris Coleman, Cabinet Member – Clean and Green Environment
Accountable officer	Karen Watson, Client Manager – Environmental Services (interim)
Ward(s) affected	All
Key/Significant Decision	Yes
Executive summary	<p>Following the introduction of an enhanced recycling service in October 2017, total household recycling collected has increased by 4.42% to 52.72% of the total waste stream, 2.42% higher than expected. The additional amount of recycling collected at the end of this year (2018/19) is expected to be approximately 1,600 tonnes more than the previous year. Following a procurement exercise, the vehicles chosen for the kerbside recycling service, were Romaquip kerbside recycling vehicles requiring kerbside sorting by residents and operatives of recycling materials collected on a fortnightly basis in green boxes.</p> <p>A fleet of 10 vehicles and a spare (11 in total) was purchased for the new service launch in October 2017, however the much greater take up in participation by the residents in Cheltenham than forecast required the use of the spare vehicle every day and another vehicle hired in from Cotswold District Council. In total, following round changes to ensure all collections could be completed on the scheduled collection day, 12 vehicles are in use every day although no spare vehicle is available to cover servicing and repairs.</p> <p>To overcome the operational difficulties as a result of operating a service without a spare vehicle, a refuse style vehicle is used every time a recycling vehicle is off the road. However these vehicles can only collect mixed recycling, and cannot collect separated recycling materials which has proved unpopular with residents who have presented sorted recycling in their boxes. The mixed recycling collected in this way is sorted when tipped but generates less income for the council.</p> <p>This report seeks approval for the purchase of 2 additional recycling vehicles to maintain the existing recycling service to residents and provide resilience when one of the fleet of 12 vehicles is off the road for servicing resulting in a fleet of 13 vehicles in total. The purchase of these vehicles will be funded from within the existing 2018/19 capital budget.</p>

Recommendations	<p>That Cabinet approve the purchase of 2 Romaquip recycling vehicles funded from within existing capital budgets to maintain the existing service and provide operational resilience, resulting in a total fleet size of 13 vehicles:</p> <p>(1) The Romaquip recycling vehicle (currently in use by Cheltenham Borough Council) on hire from Cotswold District Council for the sum of £138,644.02;</p> <p>(2) One new Romaquip recycling vehicle for the sum of £139,178.79, as a spare vehicle to avoid the need for mixed recycling collections when a recycling vehicle from the current fleet is out of service for any reason.</p>
------------------------	--

Financial implications	<p>The purchase of these vehicles, at 2017/18 prices, will be funded from within existing capital budgets previously approved by members as part of the 2018/19 budget setting process.</p> <p>Contact officer:</p> <p>Jon Whitlock, Jon.Whitlock@publicagroup.uk , 01242 264354</p>
Legal implications	<p>The executive summary indicates that there are two procurements: One of the vehicle currently on hire, the other a new purchase. The value of each procurement is below the relevant EU threshold for goods and services (which does not include VAT). Thus it is permissible for the Council to waive the requirement contained in its contract procedure rules for advertisement and open completion in order to make a direct purchase of each vehicle.</p> <p>The relevant ground for waiver is contained in paragraph 6.1.1 of the contract procedure rules i.e. “Where the goods, materials, works or services are of a unique or specialised nature...so as to render only one or two sources of supply appropriate,”</p> <p>The Council is required to publish a contract award notice on the central government “Contract Finder” website subsequent to each purchase. The award notice should contain the following information:</p> <ul style="list-style-type: none"> a) Name of contractor b) Date on which the contract was entered into c) The value of the contract d) Whether the contractor is an small/medium sized enterprise or a voluntary community and social enterprise <p>Contact officer: linden.dunham @teWKesbury.gov.uk, 01242</p>
HR implications (including learning and organisational development)	<p>None identified</p> <p>Contact officer: Clare.Jones@cheltenham.gov.uk</p>

Key risks	Risks are identified in appendix 1
Corporate and community plan Implications	Supporting the Council's 2018/19 corporate strategy - <i>Culture and creativity thrive</i> CBC Business as usual that supports the vision: <input type="checkbox"/> Environmental cleanliness, maintenance and enforcement;
Environmental and climate change implications	These vehicles are new/current model and will therefore be manufactured to the latest environmental standards. The vehicles are designed to be able to collect every type of recycling currently collected by the authority in one pass thereby reducing the need for separate food waste vehicles. Utilising these vehicles to cover periods when other fleet vehicles are taken off the road, rather than hiring in potentially older vehicles with lower environmental standards will deliver a benefit. Contact officer: Gill.morris@cheltenham.gov.uk
Property/Asset Implications	None identified – these vehicles will operate out of Swindon Road Depot within the existing Operator licensing permissions Contact officer: Garrie.Dowling@cheltenham.gov.uk

1. Background

- 1.1 In 2016, in conjunction with the Joint Waste Team, Cheltenham Borough Council reviewed the waste and recycling service available to residents. Following detailed analysis of a range of options, a shortlist of options was chosen and reported to Cabinet on 6 December 2016. An enhanced fortnightly recycling service with weekly food waste, fortnightly residual waste collections and a paid for fortnightly garden waste collection was approved for introduction in October 2017.
- 1.2 The redesigned recycling service launched in October 2017 was modelled to operate with 10 vehicles and a spare. The new enhanced service enabled residents to recycle more materials at kerbside: all plastic pots, tubs and black plastic, more cardboard, textiles and shoes, batteries and small electrical items. However, whilst an increase in recycling was forecast, the scale of the increase in recycling presented at kerbside was not foreseen and, although this represents a success for the recycling service, it has also required additional resource.
- 1.3 In early 2018, a spare recycling vehicle from Cotswold District Council was hired to provide additional recycling capacity to ensure all collections could be completed on the scheduled collection day. This additional resource, along with some adjustments to rounds, has successfully enabled the extra recycling presented at kerbside to be reliably collected on the scheduled collection day.
- 1.4 The recycling service is currently operating without a spare vehicle causing difficulties in completing rounds particularly when more than one vehicle is off the road at any one time, for example, for a scheduled service, puncture or other minor defect. To date a refuse vehicle has been used to collect recycling, in the absence of a spare recycling vehicle, resulting in the need to collect mixed recycling materials in the vehicle which is then sorted into separate recycling materials when tipped. This method of collection, whilst it has been the only option available in the absence of a spare recycling vehicle, has caused negative feedback from the public and results in less income received by the council than the standard method of collection.

2. Reasons for recommendations

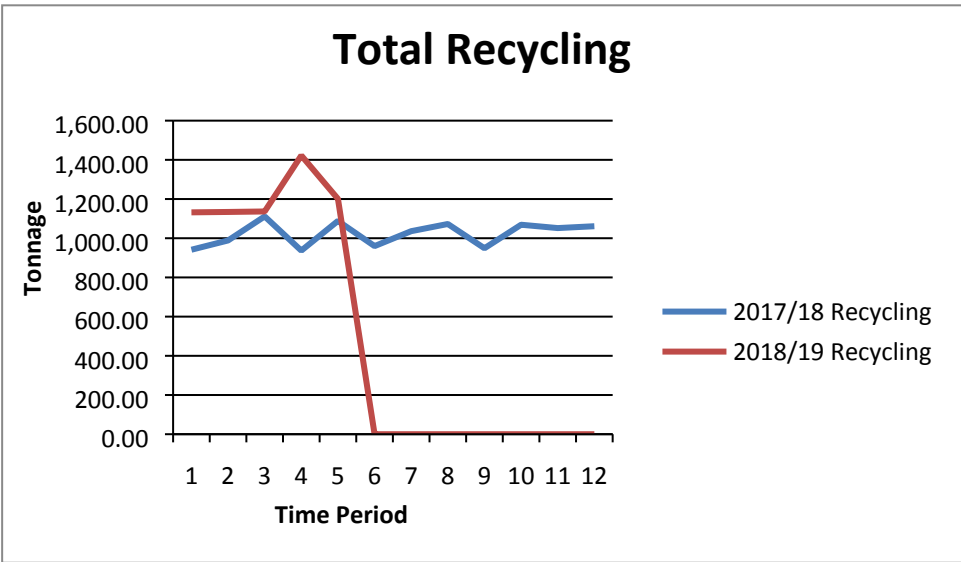
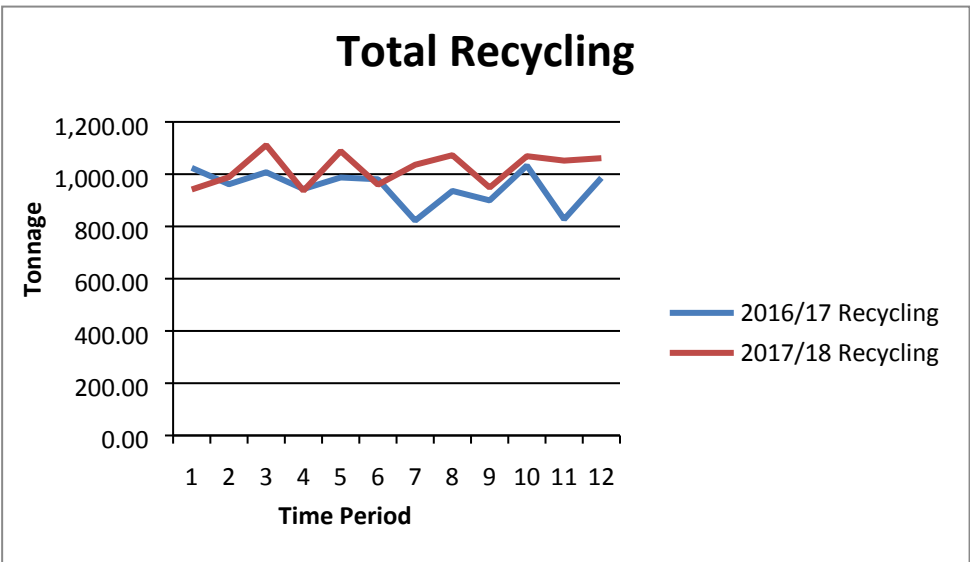
- 2.1 In 2016, when cabinet approved the introduction of the new service, the new service, when it was launched in October 2017, was expected to deliver a 2% increase in recycling performance however performance has been significantly better, delivering a 4.42% increase and, as shown below, this has resulted in 52.72% of the total waste stream now being recycled in Cheltenham.

Year	Total Household Recycling Performance % (NI 192)
1 April 2016 - 31 March 2017	47.30%
1 April 2017 - 31 March 2018	48.30% (new service launched October 2017)
1 April 2018 – 31 August 2018	52.72%

Whilst performance data is only available for part of the current financial year (April through August 2018), the data demonstrates that increased levels of recycling, higher than a 2% improvement, have been sustained since the new service was launched in October 2017. Investment is now required to support the existing level service and improve on the increased recycling rate of 4.42% achieved. The additional amount of recycling collected at the end of 2017/18 amounted to 804 tonnes with the new service being launched part way through the year in October 2017. The additional amount of recycling collected at the end of this year (2018/19) is expected to be double this figure, approximately 1,600 tonnes.

2.2 Due to the difference in the number of collection days during any given month, the estimated commodity weights from the bulking facility and seasonal effects, commodities have not been compared individually but this will be done at year end when data is available (in May 2019). However, whilst the data shows that refuse is higher year on year reflecting the national trend and work is required to help residents and business reduce the amount of waste put into residual bins, not only for environmental reasons but also to reduce the cost of collection and disposal, recycling is also higher year on year (see graphs in 2.3 below).

2.3 The first graph below shows total recycling performance (kerbside, bring sites and HRC) in tonnes per month for 2016/17 compared with 2017/18. The top line in red is the 2017/18 improved performance line. The second graph below shows total recycling performance (kerbside, bring sites and HRC) in tonnes per month for 2017/18 compared with 2018/19 (April to August). The top line in red is the 2018/19 improved performance line which drops off at the end of period 5 (August) after which there is no data available.



3. Alternative options considered

3.1 Do nothing

3.2 The authority has already trialed a fleet of 12 vehicles with no spare since early 2018 which has attracted negative feedback from residents and reduced the income received from the recycling service for those days when mixed recycling collections are necessary due to a recycling vehicle being off the road. Maintaining the status quo and doing nothing is therefore not recommended as an appropriate way forward. Residents who support the recycling service by sorting out their recycling into separate boxes at kerbside are demotivated when they see a mixed collection by a refuse style vehicle. Over time it is likely this will reduce the overall level of sorting and participation in the recycling service.

3.3 Hire in spare vehicles

3.4 The Romaquip recycling vehicles are not generally available for short term hire to cover MOTs, servicing or repairs. There is an alternative vehicle which is similar that can be hired in however the reliability of these vehicles has been proven to be operationally problematic and this solution cannot collect food waste on the same vehicles (as the Romaquips can). A separate food waste collection is required every time this alternative vehicle is used and therefore this is not the most operationally, financially or environmentally advantageous solution.

3.5 Purchasing the recommended two Romaquip vehicles will improve the current level of service by increasing the operational resilience and avoiding mixed recycling collections as much as possible and maximising income levels.

4. Consultation and feedback

4.1 Since the public consultation carried out in 2016, no separate consultation has been carried out however it is intended to consult on a range of issues connected with environmental services in the next few months, including waste and recycling.

4.2 The authority is keen to understand the public's views around weekly recycling collections going forward, which is the service currently operated by Gloucester City Council. It may be possible to operate weekly recycling services using the existing fleet, including the 2 vehicles recommended for purchase in this report, (a total of 13 vehicles) however further analysis is required as part of a business case to support this to be certain.

5. Performance management –monitoring and review

5.1 Waste and recycling performance is reported monthly to Gloucestershire County Council as waste disposal authority. In addition to day to day performance monitoring, performance is managed by monthly and quarterly meetings between Ubico as the service provider and the council.

5.2 A strengthened in-house client team will further improve the monitoring and management of performance.

Report author	Contact officer: Karen Watson, Karen.watson@Cheltenham.gov.uk, 01242 264397
Appendices	1. Risk Assessment
Background information	1. Cabinet report, 6 December 2016

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the authority does not improve operational resilience, reputational damage and non completion of rounds may result.	Tim Atkins	29/11/18	4	4	16	Reduce	Maintain current service ensuring optimisation and improve communication with the public.	31/3/2019	Karen Watson	
	If the authority does not minimise mixed recycling collections, there will be a greater negative impact on the MTFS as a result of lower recycling income.	Tim Atkins	29/11/18	4	5	20	Reduce	Maximise recycling collected at kerbside using a fleet of 13 vehicles purchased or hired.	31/3/2019	Karen Watson	
	If the new waste and resources strategy leads to lower kerbside recycling volumes the additional vehicles may not be needed however any measures are unlikely to take full effect until the end of the life of the vehicles in this report.	Tim Atkins	29/11/18	2	2	4	Accept	The new in-house client team will keep abreast of new developments and will be positioned to be more proactive with promotional activity.	31/3/2019	Karen Watson	
Explanatory notes											
<p>Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)</p> <p>Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)</p> <p>Control - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											



Guidance

Types of risks could include the following:

- Potential reputation risks from the decision in terms of bad publicity, impact on the community or on partners;
- Financial risks associated with the decision;
- Political risks that the decision might not have cross-party support;
- Environmental risks associated with the decision;
- Potential adverse equality impacts from the decision;
- Capacity risks in terms of the ability of the organisation to ensure the effective delivery of the decision
- Legal risks arising from the decision

Remember to highlight risks which may impact on the strategy and actions which are being followed to deliver the objectives, so that members can identify the need to review objectives, options and decisions on a timely basis should these risks arise.

Risk ref

If the risk is already recorded, note either the corporate risk register or TEN reference

Risk Description

Please use “If xx happens then xx will be the consequence” (cause and effect). For example “If the council’s business continuity planning does not deliver effective responses to the predicted flu pandemic then council services will be significantly impacted.”

Risk owner

Please identify the lead officer who has identified the risk and will be responsible for it.

Risk score

Impact on a scale from 1 to 5 multiplied by likelihood on a scale from 1 to 6. Please see risk [scorecard](#) for more information on how to score a risk

Control

Either: Reduce / Accept / Transfer to 3rd party / Close

Action

There are usually things the council can do to reduce either the likelihood or impact of the risk. Controls may already be in place, such as budget monitoring or new controls or actions may also be needed.

Responsible officer

Please identify the lead officer who will be responsible for the action to control the risk.

For further guidance, please refer to the [risk management policy](#)

Transferred to risk register

Please ensure that the risk is transferred to a live risk register. This could be a team, divisional or corporate risk register depending on the nature of the risk and what level of objective it is impacting on