



Doncaster Council

26 July, 2021

To Councillor Mark Houlbrook

Supplier Relief and Support for the Waste and Recycling Contractor.

Relevant Member(s)	Cabinet	Wards Affected	Key Decision
Cllr Mark Houlbrook		All	Yes

EXECUTIVE SUMMARY

1. The purpose of this report is to outline the financial support being provided to the Waste and Recycling service contractor because of the coronavirus pandemic to ensure that the service continues with the minimum amount of disruption.

EXEMPT REPORT

2. Whilst this report is not exempt, it does contain an exempt Appendix 1. Appendix 1 is NOT for publication because it contains exempt information within the meaning of Paragraph 3 of Part 1 of Schedule 12 (a) of the Local Government Act 1972 (as amended) as it contains exempt information relating to the financial or business affairs of any particular person (including the authority holding that information).

RECOMMENDATIONS

3. To continue to make a Covid relief payment to the contractor, where the contractor can demonstrate that they have suffered a covid related hardship. The amount available is up to a maximum amount of £465,826 and related to the period between 21 December 2020 and 31 July 2021.
4. To delegate to the Director, Economy and Environment and Chief Finance Officer in consultation with relevant portfolio holder approval to negotiate the terms of a variation to the contract with the collection contractor for the period 1 August 2021 and the 31 March 2022.

REASONS FOR URGENCY

5. This decision is being taken in accordance with the Council's Access to Information Procedure Rule 15 (General Exception) as it has not been practical to provide the 28 days' notice normally required for a key decision.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

6. Citizens will receive consistent waste and recycling services which helps to increase the aspirations of the resident's and reduce the impact on public health relating from waste activities.

BACKGROUND

7. The Council entered in to a contract, for the provision of a recycling and waste management service together with vehicles and receptacles, with Suez Recycling and Recovery UK Limited (Suez) on 5 March 2018. The contract is for a period of 10 years. The recycling and waste management service involves the collection of black bins (household waste/refuse), green bins (garden waste), blue bins (mixed dry recyclables excluding glass) and green boxes (glass) and the management of Doncaster Waste Transfer Station. To provide this service, the core number of resources required by Suez are:

- 13 x vehicles for black bins;
- 12 x vehicles for blue bins/green boxes; and
- a minimum of 6 x vehicles (up to approx. 12) for green bins.

Since the COVID19 lockdown, there have been a series of changes to the 'normal' collection arrangements, as set out below:

- The government has advised public bodies (PPN 02/2020 Supplier Relief due to COVID19 for the period 20 March 2020 to 30 June 2020 and PPN 04/20 Recovery and Transition from COVID19 for the period 1 July 2020 to 31 October 2020) to help ensure supplier sustainability through period of the COVID19 epidemic and through a recovery phase. Financial support can continue after this date, if it is deemed necessary.
- As a result of the government announcing 'lockdown' due to COVID19, an urgent management decision was taken to cease green bin collections from 24 March 2020 and to divert vehicle and staffing resources to maintain statutory services (refuse and recycling collections) whilst introducing social distancing and permitting self-isolation absences for waste collection crews.
- This decision was made as part of the whole organisation's approach to determining services to be stopped or continued in line with the COVID19 lockdown regulations and guidance. Green waste had been classified as a non-essential service by the Government. This decision was in line with the majority of other local authorities and was consistent with the approach being taken on other local authority contracts delivered by Suez.
- Contract payments for the whole service were maintained in full throughout this initial 'Covid relief period' (to 22 June 2020) to cover the cost of the redeployed resources to ensure statutory collection of residual and recycling tonnages were maintained, increased tonnages and additional health and safety measures.

- In June 2020, the Council agreed to re-implement green bin collections on a reduced frequency (monthly basis), from 23 June 2020 to 31 August 2020. The reduced frequency green waste collection service required a number of additional resources which the council funded in addition to the normal contract payments during a period of excessively high demand to clear the backlog of green waste.
 - Fortnightly collections of green waste resumed on the 1 September 2020. It was acknowledged that there continued to be increased levels of all types of waste presented at the kerbside resultant of the government decision to implement lockdown in March 2020 and with the compliance with social distancing measures. Suez did not believe that they could maintain a fortnightly collection across all three areas of the service (residual waste, recycling, green waste) with the normal contract resources. Therefore, to re-implement green waste collections on 1st September 2020 and to maintain the residual and recycling waste collections during this period of high demand the Council agreed to fund a number of additional resources over and above normal contract payments. The Council agreed with Suez that there would be reducing level of resources and corresponding support payment from the Council going forwards.
 - On 5 November 2020, a second national lockdown came into force. Green bins were ceased on 2 November 2020. This was one month ahead of the winter schedule (green bins are not collected in December, January and February) to enable Suez to divert vehicle and staffing resources to maintain statutory services (refuse and recycling collections).
8. For the period up to and including the 20 December 2020 payment of £499,173 has been made to covered additional resources and measures due to COVID19, including additional vehicles, crews and health and safety measures. This has ensured service delivery has been maintained during a challenging period given the impact of Covid on staff resources and working practices.
 9. The effect of COVID19 still having an impact and is still impacting on SUEZ, the Council recommend that a further covid relief payment be made to SUEZ, where SUEZ can demonstrate that they have suffered a covid related hardship. The maximum amount available is £465,826 for the period between 21 December 2020 and 31 July 2021. This is to cover additional resources to maintain collections and has been subject to weekly dialogue with SUEZ and analysis of tonnages to substantiate the additional need.
 10. It is important to note that during this time SUEZ have maintained a high level of successful collection rates of over 99% despite having to collect additional tonnages, the average highest tonnage increase for the period between 21 December 2020 and 31 July 2021 compared to the previous year is as follows; recycling – 37%, refuse – 18% and green – 34%.
 11. This increase in tonnages compared to the previous year cannot be sustained with the core number of vehicles as previously outlined. Therefore additional resources (vehicles and crews) have been required to continue with the collection of increased tonnages and to ensure a successful collection rate.
 12. SUEZ have been working very close with the council to provide regular updates, attended weekly meetings and have worked very hard with us to ensure service continuity and an excellent collection rate. If spare resources become available, SUEZ have committed to assisting our Street Scene Teams, this has happened on 14 occasions in February 2021 and March 2021.

13. In addition to the above SUEZ have also internally funded (in lieu of WEEE collections in 2020) £15,000 for projects - yet to be determined and committed to 6 external apprentices (maximum 9), in addition to the 4 they have created internally.
14. **OPTIONS CONSIDERED**
 1. Agree to make payment if up to a maximum amount of £465,826 for the period between 21 December 2020 and 31 July 2021.
 2. Agree to delegate to the Assistant Director (Environment) and Chief Finance Officer in consultation with relevant portfolio holder any variation to the agreement from between the period 1 August 2021 and the 31 March 2022.
 3. Ceasing green collections altogether onwards (as in March 2020).
 4. Not providing further financial support to the contractor for any of the services.
15. Option 3 and Option 4 have been rejected due to the potential impact on public health as a result of increased waste and recycling tonnages that would lead to containers not being emptied on the scheduled collection day. The impact of these alternatives would be increasing delays in collections which will also attract significant reputational damage for the Authority.

REASONS FOR RECOMMENDED OPTION

16. The impact of coronavirus on residents' living and ways of life has resulted in additional waste tonnages being generated and hence requiring collection from households. Throughout the pandemic the contractor has previously diverted resources from the non-statutory green waste collections to ensure the statutory residual and recycling collections are maintained. Now the green waste collections have been re-instated to fortnightly (normal collections) additional resources are required for all three services.
17. The tonnages are varying weekly and it is estimated that the additional resources will be required or if necessary resources will need to be repurposed to maintain the delivery of statutory services in relation to refuse and recycling collections.

IMPACT ON THE COUNCIL’S KEY OUTCOMES

18.

	Outcomes	Implications
	<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	<p>Having an attractive borough that is free from waste and fly tipped material will help to attract and retain inward investment.</p>
	<p>Doncaster Living: Our vision is for Doncaster’s people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	<p>Accessible, safe and well maintained public land (free from waste and fly tipping) provide valuable opportunities for people of all abilities and age to become physically active.</p>
	<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	<p>Well managed land that is clear from waste offers an interesting and vibrant environment for all ages</p>

	<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	
	<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	<p>Ensuring consistent waste and recycling service helps to increase the aspirations of the resident's.</p>

RISKS AND ASSUMPTIONS

19. It has been assumed for this paper that the tonnages resulting from the coronavirus impact will continue on a slight downward trend and that infection rates will lessen alongside the impact on staff availability. However, further lockdowns or increased restrictions from the Government may make these assumptions invalid. At the time of drafting this report, the rate of infection in Doncaster is dramatically increasing alongside an increase in people having to self-isolate.
20. This current rise in COVID19 impacts may require changes to services (suspension/partial suspension of green waste) to provide enough resources to protect statutory resources especially as there is a national shortage of HGV drivers for waste collection contractors to call upon. These issues are having an impact for other Local Authorities who are experiencing severe service disruption/cessation of services. If this were to be the case then existing contractual payments for green waste would continue, but that staff and vehicle resource would be repurposed to ensure refuse and recycling collections were maintained. Consequently no additional payment amounts would be made and the repurposing of the green waste collection resource would be regularly analysed to ensure any impact was for a short a period as possible.

LEGAL IMPLICATIONS [Officer Initials NJD Date ...14th July 2021 .]

21. Section 1 of the Localism Act 2011 provides the Council with the power to do anything which an individual may do. Section 111 of the Local Government Act 1972 gives the Council the power to purchase goods and services.

Doncaster Council is a waste collection authority and must arrange for the collection of household waste pursuant to sections 45 – 48 of the Environmental Protection Act 1990.

Recognising the impact of Covid 19 on waste collection the Department for Environment, Food and Rural Affairs (DEFRA) issued guidance on the importance of prioritising waste collection services during the coronavirus pandemic. In a guidance note (updated in July 2020) DEFRA directed the following:

It is important that local authorities maintain collections of residual waste and food waste and prevent waste from building up so as to protect local amenity and public health. We recognise the pressures that the current coronavirus pandemic is placing upon local authorities, and that social distancing measures may mean councils are seeing more waste produced from households than normal.

The Procurement Practice Notes (PPN02/20 for the period March 2020 to 30 June 2020 and PPN04/20 for the period of June 2020 to 31 October 2020) set out measures that should be considered by local authorities to ensure critical services continue throughout the pandemic. It is important to note however that such measures, which include money and non-monetary assistance, were discretionary. Although PPN02/20 and PPN04/20 periods have ended, the Council can agree to make discretionary payments where Suez can demonstrate they are experiencing covid19 related hardship and the Council feels it is appropriate to make those payment.

Any payments or variation made must be permitted under the Public Contracts Regulations 2015. The following conditions must be fulfilled:

- the need for the modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;
- the modification does not alter the overall nature of the contract;
- any increase in price does not exceed 50% of the value of the original contract or framework agreement.

The proposal outlined within this report meets those conditions.

Further legal advice and assistance will be given to document the supplier relief provided.

This decision is being taken in accordance with the Council's access to information procedure rule 15, general exemption, as it has not been practical to provide the 28 days' notice normally required for a key decision without impacting on the Council's ability to secure this funding and deliver within the agreed timescales. The chair and members of the Overview and Scrutiny Committee have been informed of the reason for urgency.

FINANCIAL IMPLICATIONS [Officer Initials RT..... Date...14/07/21]

22. All Costs associated with this decision can be met from within existing Waste and Recycling budgets. The waste service were given additional budget as part of the 21/22 budget setting process to fund the anticipated additional costs associated with pandemic. The 2021/22 Costs currently known and any further costs incurred this year should be able to be maintained within the current waste service budget allocation. We will continue to monitor tonnages collected to ensure they are in line with the extra resources being provided.

There were £188,256 of costs incurred in 2020/21 and then a further £277,570 of expenditure in 2021/22 to take us to the end of July 2021.

Green waste collections will stop in November to February in line with normal arrangements meaning less financial support will be required over these months for this service.

HUMAN RESOURCES IMPLICATIONS [Officer Initials DK Date 14/07/20221]

23. There are no direct HR Imps in relation to this report, but if in future staff are affected or additional specialist resources are required then further consultation will need to take place with HR.

TECHNOLOGY IMPLICATIONS [Officer Initials...PW... Date...14/07/21]

24. There are no technology implications in relation to this report.

HEALTH IMPLICATIONS [Officer Initials ...RS.. Date 14/07/2021]

25. Effective waste management plays an important role in protecting public health. The financial support being proposed aims to maintain the residual and recycling waste collections during this period of high demand, this will ensure the public are still able to dispose of their waste in a responsible and sustainable way preventing a build-up of waste and helping to avoid an increase of fly-tipping. Responsible and sustainable waste disposal and recycling can have a positive impact on our local communities and the wider environment. Fly tipping imposes a direct financial cost to the Council, the public and to private landowners relating to the clearance, investigation and prosecution of fly-tipping incidents, as well as to prevention measures. Fly tipping can negatively affect the wider community; how it looks and how people feel about where they live. Where the composition of fly-tipped waste includes hazardous waste, fly-tipping can threaten our ecosystem and wildlife and may even depict a risk to human life. Fly-tipping also negatively impacts on the local landscape and enjoyment of green space for residents and visitors.

Research from Zero Waste Scotland (ZWS) study found that waste 8 weeks old and left due to missed collections, for example may lead to increased endotoxin concentrations. Endotoxin is linked to inflammation of the lungs and airways. Therefore, it is imperative that collections are able to continue on a regular basis to ensure there is no adverse effect on the population.

EQUALITY IMPLICATIONS [Officer Initials...LG..... Date 06/07/21..]

26. None

CONSULTATION

27. The previous Portfolio holder (due to Elections) Cllr Chris McGuinness and Mayor has been consulted with regard to this proposal. Cllr Mark Houlbrook, current Portfolio holder (as of May 2021) has also now been briefed on the proposals.

BACKGROUND PAPERS

28. None

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

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