

Birmingham City Council

Report to Cabinet

26th March 2019



Subject: Waste Management – Commission of an independent Review of Waste Services within Birmingham

Report of: Assistant Chief Executive and Acting Director Neighbourhoods

Relevant Cabinet Member: Councillor Ian Ward, Leader of the Council

Relevant O & S Chair(s): Councillor Brett O'Reilly, Cabinet Member, Clean Streets, Waste and Recycling

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Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential :		
Appendix 2 is exempt for the reasons set out in paragraph 3 (as amended) schedule 12A Local Government Act 1972		

1 Executive Summary

- 1.1 On 15th March 2019 Cabinet approved the commissioning of an Independent Review to look at the future service options for the Waste Management Service.

This was in response to the recent ACAS talks and settling the ongoing waste dispute

- 1.2 The purpose of the review is to help the City to provide the most effective and sustainable solution(s) to reduce, reuse and recycle of waste. The review will be an in depth analysis of the service, best practice and options to ensure that the optimum service delivery model is implemented.
- 1.3 The Council aspires to provide an efficient, cost effective, best in class service to the citizens of Birmingham.
- 1.4 Appendix 2 is exempt from public disclosure under paragraph 3 S12A local Government Act 1972: the exemption and reasons for non-disclosure of this Appendix are as follows:
 - a) Paragraph 3; Information relating to financial or business affairs of any particular person (including the authority holding the information).
 - b) The reason for the exemption is that disclosure of the likely financial provision from the Policy Contingency could adversely an objective procurement exercise in a competitive market.

2 Recommendations

Cabinet is asked to:

- 2.1 Approve the specification as set out at Appendix 1.
- 2.2 Authorise the Acting Director, Neighbourhoods in conjunction with the Assistant Director Development & Commercial (or their delegate) and in consultation with the Cabinet Member Clean Streets, Waste and Recycling to commission an independent review of the Council's Waste collection and disposal Services in accordance with Appendix 1.
- 2.3 Authorise an allocation from the Policy Contingency with authority to determine the final value delegated to Chief Finance Officer in consultation with Acting Director Neighbourhoods and Cabinet Member Clean Streets, Waste and Recycling
- 2.4 To note that the outcome of the review will be reported back to Cabinet when complete.

3 Background

- 3.1 Cabinet approved the Waste Management – Industrial Action Update Report on the 15th March 2019. This authorised a series of actions to end the disputes with both Unite the Union and UNISON.

4 The Review

- 4.1 Against the background for the need for significant change and significant improvement in service delivery for both waste collection and disposal, historic

and recent industrial action, an independent external review of Birmingham City Council's waste management service needs to be undertaken in order to determine the future optimum operating model for the Waste and disposal services from 2019/20. In order to progress this, a specification has been developed (Appendix 1) covering :

- The current Memorandum of Understanding which commenced on 24th September 2018
- Previous collective agreements as they stand against corporate policy
- Consolidated improvements and lessons learned
- Reasons for industrial action and the responses to industrial action
- Trade/Container collection services and income related services
- Governance of the waste management service as it relates to refuse collection
- Decision making and operational management
- Corporate support and advice to Waste management
- Best practice and best in class examples across other Councils
- Best financial model taking into account size, complexities and challenges

4.2 The review will consist of 2 Phases; Phase 1 will consist of the service review and options appraisal with Phase 2 being implementation. It is proposed to access the ESPO consultancy framework 664 and conduct a mini-competition that will result in a contract award for both phases of the review.

4.3 Although the specification focuses on the requirements for Phase 1 of the project, it should be recognised that the requirements and support needed for Phase 2 will need to be scoped out as part of Phase 1.

5 Consultation

5.1 The Leader, and Cabinet Member Clean Streets, Waste and Recycling have been briefed on the contents of this report.

5.2 The Joint Service Improvement Board will be consulted on the Project Specification of the Review at its meeting on 22 March 2019. Any comments from this meeting will be reported to Cabinet at the meeting on 26th March 2019. However in advance of this meeting the Project Specification has been discussed with representatives from each of the recognised Trade Unions. One minor amendment to the specification was requested and this has been accepted.

6 Risk Management

7 Compliance Issues

- 7.1 These proposals support the City Council priority of being a great city to live in by keeping the streets free from unnecessary domestic waste and meeting its statutory responsibilities.

8 Legal implications

- 8.1 The Council has the power under section 1 of the Localism Act 2011 to undertake the activities set out in this report.
- 8.2 The Council must comply with its Contract Standing Orders and the Public Contracts Regulations 2015 when procuring services. The ESPO framework has been legitimately procured in accordance with the Public Contract Regulations 2015. Legal Services will provide advice and support to ensure the rules of the ESPO framework and the Public Contracts Regulations are adhered to.
- 8.3 The Council must ensure that the review complies with the Equalities Act 2010 and any general or legal requirement or consideration to consult. Legal Services will provide ongoing support and advice throughout the review.
- 8.4 The Council is a best value authority within the meaning of Part 1 of the Local Government Act 1999. Under Section 3 of the Local Government Act 1999, the Council is under a general Duty to secure Best Value services. The duty is to "make arrangements to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness". The use of the framework and holding a mini-competition support Best Value as set out in Local Government Act 2000. The review also supports the duty under Section 3 of the 1990 Act.

9 Financial Implications

- 9.1 The estimated value of this work is detailed in the exempt information appendix to this report. It is proposed that funding is made available through an allocation from the Policy Contingency.

10 Procurement Implications

- 10.1 The Contract for the Independent Waste Review will be award following mini-competition under the ESPO Consultancy Framework 664, specifically Lot 8H Waste and Recycling. This Lot consists of 12 providers who are waste experts and consultants. The mini-competition will ensure that the Council meets its duty under best value and will be launched in May with a planned commencement date of 27th May 2019. Given these timescales, early engagement with bidders will be undertaken to ensure they are primed for the launch of this mini-competition enabling them to meet the planned submission

deadline of the 10th May 2019. The mini competition will assess providers' prior experience and track record in delivering and implementing similar reviews as well as an evaluation of their proposed method statements for delivering the requirements of the specification. Submissions will be evaluated using a 50% Quality, 40% Price and 10% Social Value model.

- 10.2 The delegated award report will include a detailed cost breakdown to enable the Acting Director of Neighbourhoods in conjunction with the Chief Finance Officer to make a final determination as to the affordability of the project.

11 Public Sector Equality Duty

- 11.1 The requirements of the Council's Equality Policy and the Equality Act 2010 policy will be specifically included as part of any implementation of any decision.

12 Appendices

- 12.1 Appendix 1 – Review Specification
- 12.2 Appendix 2 – Exempt Information