



Agenda item:

[No.]

Cabinet

On October 13th 2009

Report Title: Cabinet response to Scrutiny review of recycling – source separated and commingled collection methods in Haringey

Report of Niall Bolger, Director of Urban Environment

Signed :

N Bolger 13th October 2009

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Wards(s) affected: **All**

Report for: **Non Key Decision**

1. Purpose of the report (That is, the decision required)

- 1.1 To present the Cabinet's response to the recommendations of the Scrutiny review of recycling, on source separated and commingled collection methods in Haringey.

2. Introduction by Cabinet Member (if necessary)

- 2.1. The competitive dialogue process for both our own Waste Management Contract and the North London's Waste Authority Procurement will address the objectives of both of these recommendations.

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

- 3.1. The work of the Scrutiny Review is linked to the Council priority of a Greener Haringey, and the strategy in place to carry forward this priority, the Greenest Borough Strategy. In addition, it links to the Recycling Strategy for Haringey, 2006-2020.

4. Recommendations

4.1. This paper sets out the response to the revised recommendations of the Scrutiny Committee Review of Recycling. The revised recommendations from the Overview & Scrutiny Committee meeting on 29th July 2009, along with the Cabinet response are set out below.

1. The Panel recommends that the Council commission a report on commingled and source separation collection methods, including separate glass and paper collection, as part of the procurement process for the new Waste Services Contract. The report should consider the costs and benefits, environmental impacts and carbon dioxide emissions of both collection systems. The report should be creative in its approach and explore and provide options that could reduce the need for additional vehicles and staff.

Response

The procurement of the integrated waste management contract is utilising the competitive dialogue process. This will involve engaging with short-listed bidders to identify detailed solutions for the provision of recycling services, with the objective of delivering the most cost-effective and environmentally beneficial service possible within the Council's affordability envelope.

The competitive dialogue process will therefore achieve the objectives of this recommendation, and by its nature, facilitate detailed and critical analysis and evaluation of different collection systems, taking into account cost benefits (including through the rationalisation of waste services), carbon footprint, and wider environmental objectives related to the sustainable management of waste.

Progress of the dialogue will be reported through quarterly Procurement Committee meetings and to the cross-party member steering group in place to oversee the procurement process.

2. The Panel recommends that a report is produced on the impact of the North London Waste Authority's procurement process on Haringey, with regard to commingled and source separated collection methods. The report should include analysis of the impact of a crash in the recycle markets owing to the global economic crisis.

Response

The NLWA's procurement strategy sets out that the current mix of collection systems employed by the constituent boroughs will be retained into the future, especially with regards to boroughs' preference for either the source separated or commingled collection of dry recyclates.

As a result, the disposal arrangements available to Haringey will be capable of

catering for the collection method opted for as a result of Haringey's own waste services procurement.

In addition, the NLWA procurement will employ competitive dialogue with the objective of enabling the market to present the most effective solutions in terms of both price, including the risk on price related to material values, which may fluctuate, and environmental and place shaping objectives.

The Council, and our own waste management procurement, will remain fully informed of the progress of NLWA's procurement through the existing NLWA governance and liaison arrangements, and would seek to achieve the objectives of this recommendation through these means.

The Scrutiny Committee will be appraised of the progress of both procurements, in relation to the issue of recycling collection systems, at appropriate points in the course of the procurement projects.

5. Reason for recommendation(s)

5.1. As outlined in section 4, the competitive dialogue process of the waste contract procurement will achieve the objectives of the first recommendation by requiring short-listed bidders to submit detailed solutions for the provision of recycling services, which will be the subject of dialogue with the Council.

This will enable rigorous evaluation of the merits of different collection systems, taking into account cost, carbon footprint, and other environmental objectives related to the sustainable management of waste, and allow the Council to be informed by the expertise of the market in considering the benefits of different solutions .

5.2. The NLWA's procurement strategy (i.e. the Reference Project that forms part of the Outline Business Case for PFI funding) states that the current mix of collection systems employed by the constituent boroughs, including the boroughs' preference for either the source separated or commingled collection of dry recyclates, will be retained into the future and will therefore be supported by future NLWA disposal facilities.

6. Other options considered

6.1. The option to commission specific reports on the recycling collection system employed by the Council and the impact of the NLWA procurement have been given due consideration, but for the reasons outlined in Section 5, it is believed that the objectives of these recommendations will be achieved as part of the procurement processes underway.

7. Summary

7.1. Whilst recognising the rationale for the revised recommendations of the Scrutiny Review, this paper sets out how the objectives of these recommendations will be achieved, firstly through the procurement of the integrated waste contract through competitive dialogue, and secondly, through on-going engagement with the NLWA procurement process for disposal facilities, as a constituent borough, for which NLWA have stated that source-separated and commingled collection methods will be retained into the future.

8. Chief Financial Officer Comments

8.1. The recommendations of the scrutiny committee are being picked up by existing procurement processes and therefore it is expected there will be no additional costs beyond those already budgeted for as part of the procurement process.

9. Head of Legal Services Comments

9.1. The Head of Legal Services notes the contents of this report.

9.2. Legal Services have been consulted on the legal aspects of the procurement process pursuant to the Council's policy.

9.3. The EU Directive on Public Procurement (Directive 2004/18/EC) as implemented in the UK by the Public Contracts Regulations 2006 ("the EU Regulations") empowers local authorities to engage with short-listed bidders to take environmental and social factors into consideration in the procurement process.

9.4. In exercising the above powers however, regard must be had to the fundamental procurement principles of transparency, non-discrimination and procedural fairness embodied in the Council's Contract Standing Orders and the EU Regulations. In addition, care must be taken in incorporating sustainability considerations into procurement exercises to ensure that these considerations are only applied to the extent that they are relevant to and proportionate to the subject matter of the contracts procured.

10. Head of Procurement Comments – [Required for Procurement Committee]

10.1. The preferred option demonstrates value for money as it does not require additional resource and revenue to be expended on additional commissions that would duplicate information already provided for under the competitive dialogue process.

10.2. The competitive dialogue process will ensure supplier evaluations of Council requirements are accessible. This ensures that the information required by the Scrutiny Review is readily available to Council officers although the inclusion of this agenda should be made explicit in future competitive dialogue agendas and communicated back to the Scrutiny Committee. It should be noted that supplier reports are confidential and not for wider circulation.

- 10.3. Existing precedent is that the NLWA consults constituent boroughs under a memorandum of understanding upon which PFI credits are dependent. This should be sufficient to ensure the NLWA provide the Council with ongoing commentary on their procurement processes. However, there is no legal recourse to ensuring this is enforced.
- 10.4. The competitive dialogue process is fully compliant with the procurement code of practise.

11. Equalities & Community Cohesion Comments

- 11.1. The waste contract procurement will take into account equalities and the diversity of communities in Haringey in producing an appropriate solution for the provision of recycling services.

12. Consultation

- 12.1. A consultation survey of residents views on refuse, recycling and street cleansing services has been undertaken as part of the waste contract procurement.

13. Service Financial Comments

- 13.1. Awaiting comments (to be input before submission of report on Wed 30th Sept)

14. Use of appendices /Tables and photographs

None

15. Local Government (Access to Information) Act 1985

- 15.1. Scrutiny Report into Recycling Part 2
15.2. Overview & Scrutiny Work Programme 2009/10

