

Information

for Somerset Waste Board and Partner Authority Members

From:	Mickey Green, Managing Director, Somerset Waste Partnership
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Date:	13 th November 2017
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To:	All Members of the Somerset Waste Board and Partner Authorities
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Early Expiry of Kier Waste Collection Service Contract: Making Recycle More happen

Embargoed Until Tuesday 14th November 9.00am

Summary

On Friday 3rd November the Somerset Waste Board agreed to end its kerbside waste and recycling collections contract with Kier 18 months early. Ending this contract in March 2020 rather than September 2021 enables Somerset Waste Partnership to implement Recycle More as requested by all partner authorities, and align the contract start with the procurement of a new fleet of vehicles.

Following signing of a Deed of Variation with Kier on Monday 13th November a procurement process will be launched to secure a new provider for Somerset's kerbside recycling and waste collection services. This will enable us to move to the Recycle More service from 2020, with the environmental and financial benefits that it will deliver.

This decision will not affect services contracted with Viridor, which include the operation of Recycling Centres, landfill sites, composting and food waste processing. It will not affect the day to day service that Somerset residents will continue to receive from Kier during the remaining life of the current collection contract.

Key Public messages:

- We are upgrading and aligning changes to create a new waste infrastructure for Somerset
- Changes will affect multi million pound contracts to refresh and reinvigorate kerbside collection; bring in around 180 collection vehicles; end landfill and turn rubbish into productive, energy producing fuel.
- To make this happen SWP and Kier have worked together to bring forward the end of the current collection contract to March 2020
- We remain committed to the Recycle More service and it will be phased in from 2020 (everyone will receive notification well before changes happen).

2020—Bringing Change Together

New collection contractor



+

Modern vehicle fleet



+

No more landfill



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Recycle More



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Improved local services, better for the environment and for Somerset's finances

Contractor changes but TUPE protection means crews, from Somerset and familiar with Somerset, will still be there.

Modern vehicles, equipped with technology to improve services and engineered specifically for the kind of waste Somerset produces will take to the streets.

No more of Somerset's household rubbish goes to costly and polluting landfill. Instead it becomes fuel to pump energy into the national grid.

Recycle More means even more gets picked up every week in kerbside collections, cutting costs for Somerset and driving recycling rates towards 60% and beyond.

Why is the contract being brought to early expiry?

Following agreement by all partner authorities of plans to adopt Recycle More (increased recycling services and 3 weekly refuse collections) a great deal of work has been carried out to plan the vehicle and site infrastructure changes required to deliver the new service. During the course of this work two things became apparent. First, the risk profile of migrating the current service to the new service changed, with increasing uncertainty of timing as well as both economic and environmental benefits. Second, it became clear that there was a more significant opportunity on the horizon to reinvigorate the totality of Somerset's waste services, with 2020 potentially offering alignment of kerbside service changes, the switch from landfill to energy from waste for refuse, and the complete refresh of the fleet of around 180 collection vehicles on Somerset's roads.

How has this decision been made?

The decision has been made by the Somerset Waste Board, using their delegated powers, following lengthy consideration and close liaison with the partner authorities. Strategically, Kier (for whom public environmental services are a minor part of their portfolio) have been supportive of early expiry and have signalled their intent to work closely with Somerset Waste Partnership to bring the contract to a successful conclusion. In November and December 2017 all partners are being consulted on the SWP Draft Business Plan 2018-2023, including the procurement approach.

What does this mean for Recycle More?

Recycle More is the future model for kerbside collections in Somerset agreed by all partner authorities. Recycle More will add a range of new materials to weekly kerbside collections, including plastic pots, tubs and trays; cartons; small electrical items and household batteries. This is on top of the dozen materials already collected at kerbside every week, including weekly food waste collections. With so little going in the rubbish bin, refuse collections will switch to three weekly (special arrangements will be made for certain circumstances - for example additional rubbish capacity will be made for nappy and adult hygiene waste). Recycle More will be phased in with the introduction of a new contractor, starting in 2020. No changes will happen without clear notification to householders.

What about staff?

As with all contract changes of this kind, employees of the contractor are protected under TUPE regulations. Kier will brief their employees on Tuesday 14th to minimise uncertainty. SWP will ensure staff and unions are engaged throughout the procurement process.

Why are we procuring a new contractor?

The key options considered were to procure an external service provider, establish a local authority own company or bring services in house. The Somerset Waste Board gave this a lot of thought and all the analysis, including independent consultants input, suggests procuring a service provided by an external waste services contractor will represent the best value for Somerset, while carrying lowest risk of service disruption and overspends.

Why don't we wait until the end of the current contract?

The current mis-match between the end of the contract and the expected life of the vehicle fleet means that there would be a high risk of service breakdown if we carried on as we are. The alternative would be to buy a new fleet of vehicles ahead of procuring a new contract. This would mean a multi-million pound investment in vehicles that may not be fit for purpose when a new contractor did come on board. Taking the decision to align the contract and the vehicle life expectancy means we should be protected from this issue.

How will this be communicated?

The Deed of Variation was signed and sealed on Monday 13th November. Kier staff will be briefed on Tuesday 14th and we have agreed to wait until that has happened before publicly announcing the change.

A joint communications plan has been agreed with Kier. An SWP press release (see appendix 1) has been prepared for local media (along with a separate one for trade media). These will be issued on Tuesday 14th. All relevant SWP and partner staff have been briefed and provided with a Q&A to ensure a consistent message is given to the public.

For more information please contact:	Name: Bruce Carpenter Email: bruce.carpenter@somersetwaste.gov.uk Tel No.: 01823 625710
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Appendix 1: Press release for local media to be published on Tuesday 14th November

Press Release: All change for Somerset's waste services

Upgrading Somerset's waste services is moving ahead fast to take even more materials in kerbside recycling and generate electricity from the smaller amounts of rubbish left over.

The changes will involve aligning three multi-million pound contracts; for waste collection, rubbish disposal and a new fleet of refuse and recycling vehicles, all of which currently begin and end completely separately. Lining them up will make services more efficient, helping drive recycling rates from 53% to 60% and beyond and cut waste costs by many millions of pounds.

To accelerate progress, Somerset Waste Partnership (SWP) and waste collections contractor Kier have jointly agreed to end their current contract 18 months early, on 27 March 2020.

That will allow timely replacement of the ageing fleet with newly-designed recycling and rubbish trucks that can collect more materials in future.

It will also bring forward tenders for the new "Recycle More" long-term kerbside waste collections contract, with extra recycling materials taken every week and three-weekly rubbish collections.

A phased introduction of Recycle More starting in 2020 aligns it closely with Somerset's switch from landfill rubbish burial to the better option of generating energy from waste at a facility being built in Avonmouth by contractor Viridor.

SWP is accountable to the Somerset Waste Board (SWB), whose 12 councillors – two from each partner authority – take all major decisions, including the timing of changes and contracts. SWB chair Cllr Derek Yeomans said: "Our services are a vital provision for every household; these coordinated changes will improve services for all residents in Somerset and are designed both to raise recycling rates and to ensure very significant economies of scale."

Somerset Waste Partnership managing director Mickey Green said: "This is a time to take major steps forward, improving services for Somerset residents, while also saving them money and improving the environment. "This timetable for investment, services and disposal ensures the maximum efficiency, greatest savings and the best possible waste solution for Somerset. It is a crucial part of our plan to support people in Somerset to waste far less and recycle even more."

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