

Subject:	Bulky waste collection services		
Date of Meeting:	24 March 2020		
Report of:	Executive Director, Economy, Environment & Culture		
Contact Officer:	Name:	Lynsay Cook	Tel: 01273 292448
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1 PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 Brighton & Hove City Council provides a service to residents for the collection of bulky waste items – items too large or otherwise inappropriate for the council's kerbside or communal refuse and recycling bins. This might include mattresses, domestic electrical items, furniture and so on. The service is currently provided by an outsourced contractor which takes the fees from services users.
- 1.2 This report seeks committee approval to change the service delivery model for bulky waste collection services in Brighton & Hove.

2 RECOMMENDATIONS:

That the Urgency Sub-Committee:

- 2.1 Approves the bringing in-house, within Cityclean, of the bulky waste collection services at the end of the current contract on 18 June 2020.
- 2.2 Agrees for charges to remain the same while a complete review is undertaken, once the service is brought in-house to determine the pricing model moving forward.

3 CONTEXT/ BACKGROUND INFORMATION

- 3.1 As a local authority, Brighton & Hove City Council has a duty to provide for the collection and disposal of household waste items. The council currently provides services to residents for the collection of bulky waste items – items too large or otherwise inappropriate for the council's domestic waste collection service. This might include mattresses, domestic electrical items, furniture etc. The collection service allows residents to have bulky items picked up and legally disposed of, rather than having to transport the items to one of the city's Household Waste Recycling Sites or be illegally fly-tipped. The council is permitted to charge fees for these collections.
- 3.2 At present, the collection service is provided by an outsourced contractor, which directly takes the fees from service users. The contractor keeps 100% of fees

collected from residents in exchange for providing the collection service. The current fees for the service are available in Appendix 2.

- 3.3 There are currently over 300 collections a month with a total monthly value of around £10-£11k, approximately £130k per annum.

Current challenges

- 3.4 The contractor is KSD Environmental which was awarded the contract in August 2013 following a successful tender process. The contract has been extended on a rolling basis without further competition to the present date. The contract is currently under a waiver until 22 June 2020.
- 3.5 At present, all collected items are sent as residual waste to the Energy Recovery facility; nothing is reused or recycled.

4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 Please see appendix 1 for a consideration of the options available.
- 4.2 The preferred option is to bring the service in-house to be directly managed by Cityclean. At the Procurement Advisory Board meeting on 27 January 2020, the Board were supportive of the proposal for the service to be brought in-house at the end of the current waiver.
- 4.3 Benefits of bringing the service in-house include:
- Potential surplus income can be invested in refuse, recycling and street cleaning services
 - Opportunities to reuse and recycle the bulky items collected
 - Flexibility of service delivery to respond to issues e.g. potential initiatives with universities to reduce the instance of fly-tipping at the end of term
 - Improved assurance in relation to health and safety and customer service
- 4.4 Based on current costs and demand, insourcing the service is estimated to cost £119,164 per annum and will generate an income of £130,000, leading to a potential annual surplus of around £11k to be invested into refuse, recycling and street cleansing services. The costs include:
- Staffing costs: £101,364
 - Uniform and other materials: £2,400
 - Vehicle costs (initial purchase and borrowing costs): £5,400
 - Vehicle running costs: £10,000 a year.
- 4.5 If Members agree for the service to be brought in-house, the service will sit within the Commercial Team and will not impact on Cityclean's business as usual activities. The Commercial Team has successfully improved the financial viability of the trade waste and garden waste services and has significantly improved customer service. Therefore, there is confidence that the service will be able to successfully manage bulky waste.
- 4.6 Bringing this service inhouse will involve the TUPE transfer of staff from KSD. During due diligence the final list of staff will be agreed but could involve the TUPE of both operational and office staff. These staff will transfer on their own

terms and conditions, and this may result in some risks where staff who have TUPE'd to the council are on different conditions to our staff. If the due diligence process identifies challenges in terms of the business case for bringing the service in-house a further report will be brought back to committee to advise on this.

- 4.7 The current waiver expires on 22 June 2020 and the service will be delivered directly by the council from 23 June 2020. The service model, including fees, will stay the same while a complete review is undertaken to determine the model moving forward.

5 COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The Procurement Advisory Board are supportive of the proposal for the service to be brought in-house at the end of the current waiver.
- 5.2 If Members agree for the service to be brought in-house, there will be a review of the service which will include identifying opportunities to work more closely with the community in relation to service delivery. For example, working with students to reduce the instance of fly-tipping at the end of term.

6 CONCLUSION

- 6.1 The council has a duty to provide for the collection and disposal of household waste items such as mattresses, domestic electrical items, furniture. The current arrangements have been in place since August 2013 following a successful tender process. The contract has been extended on a rolling basis without any further competition to the present day.
- 6.2 This report is seeking approval to bring the service in-house within Cityclean when the current waiver ends on 22 June 2020. The Procurement Advisory Board are supportive of proposal for the service to be brought in-house.

7 FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The bulky waste collection service has been delivered by an external contractor for a number of years at no cost to the council. Based on the information available, the cost of running the service in-house is expected to be, as a minimum, cost neutral (breakeven) and might generate net additional income (the initial assumption is a surplus of £11k). As acknowledged in Appendix 1 (Option 2, Projected cost), there will be initial upfront costs as part of setting up the in-house version of the existing service. It is anticipated that these will be covered by the income generated.
- 7.2 Any future changes to fees and charges will be subject to the council's fees and charges policy. The financial position will be reviewed as part of monthly budget monitoring and annual budget setting.

Finance Officer Consulted: Jess Laing

Date: 28/02/2020

Legal Implications:

- 7.3 Section 45 of the Environmental Protection Act 1990 provides that waste collection authorities have a duty to collect household waste, save in limited circumstances. Section 45(3) of the Act allows a reasonable charge to be made for the collection of certain household waste. The types of household waste for which a collection charge can be made are found in the Controlled Waste (England and Wales) Regulations 2012, and include bulky waste.

Lawyer Consulted: Hilary Woodward

Date: 21/2/2020

Sustainability Implications:

- 7.4 Through bringing the service in-house, Cityclean has more control over what happens to the items. This means action can be taken to reuse as many items as possible, and where this is not an option, send the items for recycling. Placing the item in the residual waste stream will be the last option.
- 7.5 If Members agree for the service to be brought in-house, applicable items will be sent to the council's Housing team to be used by residents who do not have their own furniture. Other options include donating items to charities and other organisations which re-sell or upcycle applicable items.

SUPPORTING DOCUMENTATION

Appendices

1. Options for collecting and disposing of bulky waste
2. Current bulky waste charges

Background Documents

1. None