

Subject:	Changes to Textile Collections from Bring Sites Securing Revenue for Brighton & Hove City Council and Local Charities		
Date of Meeting:	7 July 2015		
Report of:	Executive Director of Environment Development & Housing		
Contact Officer:	Name:	Jan Jonker	Tel: 29-4722
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report seeks approval to procure a contract for the installation, maintenance and servicing of textile banks with Brighton & Hove to enable textiles to be recycled with the rising revenue ring fenced to local charities and groups and to service improvements.

2. RECOMMENDATIONS:

- 2.1 That the Environment Transport and Sustainability Committee:
- 2.1.1 authorises the procurement of the contract for the installation, maintenance and servicing of textile banks in Brighton & Hove, following the timeline and evaluation criteria set out in the report with a contract term of 3 years from November 2015 with the option of a two year extension;
 - 2.1.2 authorises the re-investment of 90% of the net income from the contract in service improvements such as maintenance of on-street recycling bins and investment in wheelie bins for recycling;
 - 2.1.3 authorises the ring-fencing of 10% of the net income from the contract to the incentive fund formally agreed by the Committee in March 2014;
 - 2.1.4 agrees to the review of the scheme after six months to assess income generated and its allocation within the service and to the incentive fund; and
 - 2.1.5 authorises all necessary measures to remove the unregulated textile banks from council-owned land so that they can be replaced by those authorised under the contract;
- 2.2 Grants delegated authority to the Executive Director Environment, Development & Housing:

- 2.2.1 to award the contract for 3 years following the recommendations of the evaluation panel and the results of the tendering process; and
- 2.2.2 to extend the contract for 2 years subject to satisfactory performance of the provider in respect of the initial 3 year period.
- 2.3 Notes that the contract will be awarded as soon as practicable allowing for the procurement process.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 There are 74 'bring sites' in Brighton and Hove (excluding communal recycling bins introduced last year). Most of these sites have recycling bins for paper, card, cans, plastic bottles, glass and a range of other materials including, at some sites, drinks cartons, textiles and electronic equipment. Of the 74 sites 64 are located on council land, the remainder are located on private land such as supermarket car parks.
- 3.2 64 of the 74 sites include 'textile banks' where residents can take unwanted textiles, and in some cases shoes, to be re-used or recycled. The majority of these banks have been installed on council-owned land by national charities, companies acting on behalf of charities or companies who donate a proportion of their income to charities, with no formal approval or agreement from the council. The charities operate the recycling service independently from the council and currently any revenue achieved from recycling is retained by the national charities.
- 3.3 Textiles have a relatively high value but currently none of the revenue benefits local charities or groups nor does the council see any return. The proposals in this report seek to secure some of the funds raised from textiles for local charities and groups. The tonnages collected are reported to the council and included in recycling statistics.
- 3.4 The 64 textile banks are broken down as follows in terms of number of sites and tonnage:
- The Salvation Army (23 sites, 233 tonnes in 2013/14)
 - TRAIID (21 sites, 93 tonnes in 2013/14)
 - Oxfam (23 tonnes in 2013/14)
 - European Recycling Company (29 sites, 23 tonnes in 2013/14)
 - BCR (3 tonnes in 2013/14)
- 3.5 All the charities currently operating textile banks are national or international, although some do also operate locally, for example the Salvation Army and TRAIID have retail outlets in the city.
- 3.6 Most of these textile banks have been in place for many years and were put in place without knowledge of the council and without any formal agreement in place. This situation is not unusual to Brighton & Hove, and many local authorities being in a similar position, have taken, or are taking, similar steps to those proposed in this report.

- 3.7 Collected textiles are taken to facilities where they are sorted in to different grades. Wearable items are sold on either in the UK or abroad. The remainder of the textiles are sold to the 'flocking industry' for shredding and re-spinning. The charities benefit by receiving a proportion of the income generated, or to a lesser degree, by generating income through sale of clothes through their own retail outlets. The current situation benefits a small number of national charities but does not benefit any charities which only operate locally. The council does not receive any income through the current scheme but the tonnage collected does contribute to the city's recycling figures. In 2013/14 375 tonnes of textiles were collected in Brighton & Hove.
- 3.8 It should be noted that the value of textiles has increased significantly over recent years. The average price in 2014/15 was between £240 and £310 per tonne. On this basis the value of textiles collected in Brighton & Hove ranges between £90,000 and £116,000. The values of materials do fluctuate and there is no guarantee what future income levels will be.

The proposed contract and tender process

- 3.9 This report seeks approval to procure and award a concession contract for the installation, maintenance and servicing of textile banks in the city for a duration of 3 years with the option to extend by a further 2 years, to replace the current ad hoc, unregulated system.
- 3.10 The Council will undertake its own robust two-stage tender process in relation this contract, scoring each tender return on a combination of price and quality.

Advantages of the proposed scheme

- 3.11 The contract would generate a net income for the council. Research suggests the scheme could generate in excess of £90,000 per year based on tonnages collected in 2013/14 and based on current textile values. To incentivise people to use the scheme, a proportion of the income (10%) would be ring-fenced to a recycling reward fund that local charities and organisations could apply to for grants. The reward scheme would be integrated to the scheme which was agreed by this committee in March 2014. The incentive scheme will advertised on the recycling banks.
- 3.12 Recycling is cheaper than disposal of waste through energy recover or landfill and the approved incentive scheme ring fences £15 to a community fund for every tonne of additional material recycled over and above the 2012/13 baseline. A 1% increase in recycling will on this basis generate approximately £16,000 for the fund.
- 3.13 Local charities and groups will be eligible to apply to the fund provided their application will be of benefit to the city and its residents. The fund will be administered by the council.
- 3.14 Ring fencing 10% of the net income from textiles will help boost the scheme with guaranteed income estimated at £9,000 per year based on current textile prices in addition to any funds raised through other recycling increases.

- 3.15 The proposed roll-out of wheelie bins for recycling, to be considered by this committee, is also expected to result in an increase in the tonnage of material collected for recycling which will provide further contributions to the incentive fund.
- 3.16 Under a formal contract, the council could install more textile banks in addition to replacing existing ones. Schools for example could be asked by the council if they would want a bank to be used by their pupils.
- 3.17 It is proposed to review the scheme after six months to assess the amount of income generated and its allocation within the service and the community fund.

Removal of the unregulated textile banks

- 3.18 The owners of the existing, unregulated banks would be given appropriate notice to remove them, so that textile banks procured under the contract could be placed on the council's land instead.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The current arrangements for the collection of textiles could be left in place. This would mean that the existing charities would retain their income. However this would also mean that the council would not receive any revenue from the scheme that could be invested in frontline recycling operations as well as local charities not having the opportunity to bid for any funds.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 No formal consultation has taken place on these proposals. Local charities have contacted the Cityclean in the past seeking opportunities to benefit from textile recycling. The proposed scheme would be transparent and provide all local charities with the opportunity to bid for funds from the incentive scheme.
- 5.2 No formal discussions have been held with the current providers of textile banks about the proposed changes. Subject to the decision of this committee they will be given three months' notice to remove their banks from council owned sites.

6. CONCLUSION

- 6.1 Currently arrangements for collection of textiles from bring banks in the city are ad hoc and unregulated. The council has no control over the current arrangements and receives no income for the materials collected. Local charities do not benefit from the current arrangements, with most of the income generated by national charities. There are no formal agreements in place for the current textile banks.
- 6.2 The proposed contract to be procured by the council would formalise collections of textiles from council-owned sites, with the net income reinvested in the service. In addition, ten per cent of the income will be allocated to the previously agreed incentive scheme to encourage residents to use the service.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

The proposed procurement process is subject to compliance with the council's Contract Standing Orders and Financial Regulations.

It is anticipated that expenditure related to the proposed procurement of installations, maintenance and servicing of textile banks will be funded by the income generated from the sales of materials collected. It has been forecasted that the scheme could generate in excess of £90,000 per annum based on current available data. It is proposed that ten per cent net of income generated would be ring-fenced to a recycling reward fund that local charities and organisations could apply to for grants.

The potential net revenue is not assumed within the council's approved budget at present, but could be incorporated when information on the costs and income becomes more robust and can be accurately forecast.

Finance Officer Consulted: Steven Bedford

Date: 04/06/15

Legal Implications:

- 7.1 The proposals in this report fall within the Council's powers as a Waste Collection Authority pursuant to the Environmental Protection Act 1990 to reduce waste and to increase recycling.
- 7.2 The Council will need to ensure that an appropriate process is followed in order to terminate existing arrangements. The approach taken will ensure that reasonable notice is given and that, where, applicable, licences or other agreements are formally terminated in accordance with any contractual provisions.
- 7.3 The service must be procured via a competitive, fair and transparent tender process which complies with the council's Contract Standing Orders. As it is a concession arrangement, the payment provisions and details of the way in which income may be generated will need to be clearly set out in the contract. Contract terms may grant exclusivity to a textile trader to locate only their 'bring bank' containers on land as directed by the Council.

Lawyer Consulted: Elizabeth Culbert

Date: 03/06/15

Equalities Implications:

- 7.4 There are no equalities implications.

Sustainability Implications:

- 7.5 The promotion of the scheme, potential roll out to more sites, including schools and community centres and introduction of incentives is expected to encourage more people to recycle textiles.

SUPPORTING DOCUMENTATION

Appendices:

1. None

Documents in Members' Rooms

1. None

Background Documents

1. None