

Part A

Report to: Cabinet

Date of meeting: 12 November 2018

Report author: Head of Community & Environmental Services

Title: Extension of Waste, Recycling, Streets & Parks Contract

1.0 Summary

- 1.1 The waste, recycling, streets and parks contract was awarded to Veolia 1 July 2013 on the basis of 7 years + the option to extend for a further 8 years. The initial 7 years is due to expire on 30.06.20. If WBC wishes to take up the option to extend it has to give Veolia 12 months notice. Veolia then has to agree to extend the contract.
- 1.2 Overall the contract has been very successful with most performance indicators achieved, original savings made and a true responsive partnership formed. To this end it is recommended that notice is given to Veolia that Watford would like to take up the option to extend.
- 1.3 There will be a budget impact of extending the contract which will be brought forward as part of the 2019/2020 budget process.

2.0 Risks

2.1

Nature of risk	Consequence	Suggested Control Measures	Response (treat, tolerate, terminate or transfer)	Risk Rating (combination of severity and likelihood)
WBC does not agree to extend the contract	The delivery of the contracted services between now and July 2020 deteriorates	Enhanced contract monitoring and management	Treat	4
Veolia does not agree to extend the contract	The contract has to be re-tendered	Additional WBC resource to re-tender the contract	Treat	6

The price from Veolia of the extended contract is too high	The contract has to be re-tendered	Additional WBC resource to re-tender the contract	Treat	6
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3.0 Recommendations

- 3.1 That Cabinet approves requesting a contract extension with Veolia for a further 8 years from 01.07.20 subject to detailed discussions on the contract and all other related matters, including the budget implications.
- 3.2 That Cabinet delegates the detailed discussions on any variations to the contract and all other related matters to the Head of Community & Environmental Services in consultation with the Portfolio Holder.
- 3.3 That Cabinet delegates the approval of the final varied contract terms and all other related matters to the Head of Community & Environmental Services in consultation with the Portfolio Holder.

Further information:

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4.0 Detailed proposal

- 4.1 The original waste, recycling, streets and parks contract was awarded on a 7 years + 8 years basis starting from 1 July 2013, with Veolia being the successful company. Since 2013 there have been many improvements to the services provided, including increasing the number of Green Flags for our parks and open spaces from three to 12 and introducing weekly simple co-mingled recycling collections in place of fortnightly separate box collections.
- 4.2 The current contract is governed by a six monthly Strategic Partnership Board (SPB), along with monthly contract meetings covering everything from operational performance to financial liabilities both ways. The monthly invoice contains payments by the council to Veolia as well as payments from Veolia to the council. Regular performance indicator reports are taken to Outsourced Services Scrutiny Panel, the council's Leadership Team as well as to the SPB. This governance

partnership model has proven to be so successful it has been adopted for the new Leisure Centres Management Contract.

4.3 Veolia have responded well to the high quality requirements of the council's contract and are keen to ensure that Watford's residents receive high quality services and a clean and green environment. There is always room for improvement and there are always 'hot-spots' that need to be tackled and the positive partnership approach means that any concerns or opportunities are discussed and actioned accordingly.

5.0 **Implications**

5.1 **Financial**

5.1.1 The Shared Director of Finance comments that the forecast budget implications of the contract extension will be brought forward as part of the 2019/2020 budget process.

5.2 **Legal Issues** (Monitoring Officer)

5.2.1 The Head of Democracy and Governance comments that should an extension be agreed other agreements such as leases will also have to be extended.

5.3 **Equalities, Human Rights and Data Protection**

5.3.1 Having had regard to the council's obligations under s149, it is considered that no EIA is required in relation to the contract extension decision and there will be no detrimental effects on Human rights.

Having had regard to the council's obligations under the General Data Protection Regulation (GDPR) 2018, it is considered that officers are not required to undertake a Data Processing Impact Assessment (DPIA) for this report.

5.4 **Staffing**

5.4.1 No staffing impacts identified in this report.

5.5 **Accommodation**

5.5.1 No additional requirements identified in this report

5.6 Community Safety/Crime and Disorder

5.6.1 Having had regard to the council's obligations under Section 17 of the Crime and Disorder Act 1998 it is considered that there will be no effect on crime and disorder in its area due to extending the contract. Veolia have been key partners in dealing with the re-securing of WBC sites where unauthorised traveller encampments have been set up. This partnership approach is key to improving the feeling of community safety / reducing the fear of crime and disorder.

5.7 Sustainability

5.7.1 Veolia are a key partner in the achievement of a very good recycling rate, for an urban area, and this would need to continue in the extended contract term

Appendices

None

Background papers

No papers were used in the preparation of this report.