

Part A

Report to: Cabinet

Date of meeting: Monday, 4 May 2020

Report author: Group Head of Community and Environmental Services

Title: Waste & Recycling Contract Variations – revised implementation date as a result of the impacts of Covid-19

1.0 Summary

1.1 The report approved at Cabinet on 6 January 2020 contained the following recommendations:

1. That the contract with Veolia be varied with effect from 1 July 2020 in relation to waste and recycling services provided in Watford as set out below:

- a) The introduction of a weekly collection of food waste (with a new 23 litre kerbside brown bin provided to all households identified)
- b) Retention of a weekly collection of fully commingled recycling (using a blue-lidded bin)
- c) The introduction of a fortnightly collection of non-recyclable waste (using existing black bin)
- d) The introduction of a chargeable fortnightly collection of garden waste (using existing green bins), which is accessed via a yearly subscription.

2. That the charges for the fortnightly collection of garden waste is as set out below, the same charges also apply to each additional green bin. Residents are able to have up to a maximum of seven green bins per household:

- Standard annual charge of £45.00
- Standard annual charge reduced to £40.00 if paid by direct debit
- Customers in receipt of certain income based benefits will be entitled to a concessionary rate of £35 (no further reduction if paid by direct debit).

3. That agreement of the detailed operational changes required and agreement to the final terms relating to the variation of the contract with Veolia and all other matters arising from this service change be delegated to the Group Head of Community and Environmental Services.

1.2 This report seeks to revise the implementation date for the service changes to 7 September 2020 and the annual payment date for the garden waste service to 1 September in light of the current national situation with regards to the coronavirus and associated impacts but leave all other agreed resolutions as set out above.

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)
Reputational risk to the council linked to service changes	Failure to understand the reasons for the change linked to the need to improve recycling rates, reduce waste sent for disposal and landfill (particularly food waste) and secure the council's financial model by ensuring the waste and recycling service is affordable.	Effective and robust communications to explain the changes to residents and ensure responsive and timely responses to any resident enquiry or issue.	Treat	Unlikely (3) x High (3) = rating of 9
Contractor does not deliver to the contract and service specification	The service is not available for residents and customers to use	Regular contract monitoring by the council to review the contract and KPI's requirements are being met by the contractor alongside and scrutiny by elected members	Treat	Unlikely (2) x High (3) = rating of 6
Contractor goes into administration	As above	As above Regular review of contractors accounts	Tolerate	Unlikely (2) x High (3) = rating of 6

Nature of risk	Consequence	Suggested Control Measures	Response (treat, tolerate, terminate or transfer)	Risk Rating (combination of severity and likelihood)
Contractor is taken over by another company	Could have no impact on the service Or New company tries to alter the management fee, contract/SLA and KPI's which impacts on the service	As above Option to terminate the contract early	Tolerate	Unlikely (2) x High (3) = rating of 6
Implementation of new contract arrangements and service specification requirements not fully understood or comprehended by the council and operator	The existing staff and partnership team continue following the old contract arrangements	Officers to set up a series of workshops for WBC and operator to develop the practical translation and implementation of the contract, service specification and KPI's framework before the start of the new service	Treat	Unlikely (2) x High (3) = rating of 6
The revised implementation date cannot be met due to the national impacts of a prolonged coronavirus situation or a second wave of impacts once the current crisis has reduced	The revised implementation date needs to be revised	Revise the revised implementation date	Treat	Very likely (4) x High (3) = rating of 12

3.0 Recommendations

- 3.1 That the contract with Veolia be varied with effect from 7 September 2020 in relation to waste and recycling services provided in Watford as set out below:
- a) The introduction of a weekly collection of food waste (with a new 23 litre kerbside brown bin provided to all households identified).
 - b) Retention of a weekly collection of fully commingled recycling (using a blue-lidded bin).
 - c) The introduction of a fortnightly collection of non-recyclable waste (using existing black bin)
 - d) The introduction of a chargeable fortnightly collection of garden waste (using existing green bins), which is accessed via a yearly subscription.
- 3.2 That the charges for the fortnightly collection of garden waste is as set out below, the same charges also apply to each additional green bin. The charges apply from 1st September 2020 to 31st August 2021 and are applied on these anniversary dates on an annual basis. Residents are able to have up to a maximum of seven green bins per household:
- Standard annual charge of £45.00 (per bin)
 - Standard annual charge reduced to £40.00 (per bin) if paid by direct debit
 - Customers in receipt of certain income based benefits will be entitled to a concessionary rate of £35 (per bin) (no further reduction if paid by direct debit)
- 3.3 That agreement of the detailed operational changes required and agreement to the final terms relating to the variation of the contract with Veolia and all other matters arising from this service change be delegated to the Group Head of Community and Environmental Services.

Further information:

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Report approved by: Donna Nolan, Managing Director

4.0 Detailed proposal

- 4.1 The detailed proposals behind the approved service changes are as set out in the approved Cabinet report on 6 January 2020, report and appendices attached. These service changes to the waste and recycling services are being introduced for the benefit of the environment, encouraging recycling and sending less waste to landfill and other less environmentally beneficial disposal routes, and also to assist the council to be able to balance its budget. This report just seeks to change the date from when these changes commence and also the date when payment for collection of garden waste will commence.

4.2 The new implementation date for the service changes will be 7 September 2020 and the annual payment date for the garden waste service will be 1 September in light of the current national situation with regards to the coronavirus and associated impacts, all other agreed resolutions remain as in the original report. Please see report on this Cabinet Agenda about the coronavirus situation and impacts. The key delay for these service changes are related to the delivery to all households of the new food waste bins.

4.3 Based on bringing in charging for garden waste collections from 1 July 2020 the original report included an estimated net income of £295k in 2020/2021 and £445k in 2021/2022. The delay in bringing in the service changes is likely to result in the annual net income for 2020/2021 not being fully met and this will be picked up as part of the normal budget monitoring process.

5.0 **Implications**

5.1 **Financial**

5.1.1 The Shared Director of Finance comments that there is likely to be shortfall in the income projected for 2020/21 which will be picked up through the budget monitoring process. Implementation in 1st September, will however, be significant in ensuring that income targets for 2021/22 can be met.

5.2 **Legal Issues (Monitoring Officer)**

5.2.1 The Group Head of Democracy and Governance comments that as previously stated in the 6 January report the contract with Veolia allows for an extension for a further 8 years with effect from 1 July 2020. As the Waste Collection Authority the council is under a statutory duty to make suitable arrangements to collect household waste free of charge. Household waste does not include waste from gardens and as such the council can, if it wishes, seek to charge for the collection of garden waste.

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

5.3.1 An EIA was included in the original report and formed part of the comprehensive documents considered by cabinet when making its original decisions. There is not a new EIA in relation to this report as only the date of implementation has changed.

5.3.2 Data Protection Impact Assessment - as this is a new policy regarding the green waste service and a change to an existing policy delivery involving processing likely to result in a high risk to the rights and freedoms of individuals, a Data Protection Impact Assessment (DPIA) will be undertaken. The analysis of this assessment will be published on the council website before the commencement of the service changes on 7 September 2020.

5.4 **Staffing**

5.4.1 The introduction of a chargeable garden waste service will require additional staff to manage these arrangements. This has been factored into the estimated net income from the garden waste service.

5.5 **Accommodation**

5.5.1 There are no accommodation issues arising from this report

5.6 **Community Safety/Crime and Disorder**

5.6.1 Having had due regard to Section 17 of the Crime and Disorder Act 1998 it is considered there is likely to be a potential minor negative impact on crime and disorder in Watford due to these service changes e.g. possible increase in fly tipping incidents of garden waste across the borough. The council and its partner (Veolia) will monitor the reporting of fly tipping linked to garden waste over the next 12 months and put appropriate plans in place to mitigate these events.

5.7 **Sustainability**

5.7.1 The introduction of a weekly food waste collection and the encouragement to make the recycling bin the bin of choice can only be beneficial for the environment.

Appendices

Appendix 1. Waste and Recycling contract variations, report to Cabinet – 6 January 2020

Appendix 2. Watford: Waste Service Changes - Veolia

Appendix 3. Watford Waste Analysis - MEL

Appendix 4. Waste and recycling engagement overview. September 2019

Appendix 5. Waste and recycling contract variations EIA

Background papers

No papers were used in the preparation of this report.