

Agenda Item 11

Executive Member	Cllr Dave Mir – Executive Member for Environment and Parking		
Strategic Management Team Lead Officer	Paul Anderson - Interim Corporate Head of Service		
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Date	6 February 2018		
Ward (s) affected	All	Key Decision	Yes
Subject	Potential Expansion of the Joint Waste Collection Contract		
Recommendations			
<ol style="list-style-type: none"> 1. That Tandridge District Council be admitted to the Joint Waste Collection Contract on the basis that no existing partner is financially disadvantaged. 2. That the final decision be delegated to the relevant Corporate Head of Service to agree, once the financial mechanisms under the Inter Authority Agreement have been finalised, in Consultation with the Executive Member and S151 Officer. 			
Environment			
A highly attractive area with housing that meets local need			
<ul style="list-style-type: none"> • Protect and enhance the natural and built environment and ensure our areas of natural beauty are well looked after. • Encourage our communities to take care of their environment, and support them by tackling fly-tipping, littering and dog fouling. 			
The Executive has the authority to determine the Recommendations			

1. Introduction

- 1.1 At its meeting on 15 January 2018, the Joint Waste Collection Services Committee considered the potential expansion of the Joint Waste Collection Contract to include Tandridge District Council. The Partner Authorities currently in the contract are Elmbridge Borough Council, Mole Valley District Council, Surrey Heath Borough Council and Woking Borough Council.
- 1.2 A detailed report prepared by Joint Waste Solutions is attached to this covering report. In accordance with the requirements of the current Inter Authority Agreement (IAA), the JWCSC unanimously resolved to recommend to the Partner Authorities that on the basis no existing partner shall be financially disadvantaged, should Tandridge District Council's Stage 3 price demonstrate good value and it requests admission to the Joint Contract, then the request should be approved.

- 1.3 Given that the admission of Tandridge District Council would have no adverse financial impacts, and the possibility of there being medium to longer term benefits, it is recommended that the proposition be agreed. It is recommended that this decision be delegated to the relevant Corporate Head of Service, in consultation with the Executive Member and S151 Officer, once the financial mechanisms under the Inter Authority Agreement have been developed.

2. Options

- 2.1 The decision to admit a new authority to the Joint Contract rests with the existing Partner Authorities. The Executive may therefore agree or refuse to admit Tandridge District Council to the Joint Contract. All four Partner Authorities need to agree to Tandridge District Council being admitted.

3. Corporate Implications

Property implications

- 3.1. There are no known implications for MVDC's premises or assets as a result of the recommendation.

Finance Implications

- 3.2. The recommendation from the Joint Waste Collection Services Committee is based on no existing partner being financially disadvantaged from the recommendation.
- 3.3. Amey has advised that if Tandridge District Council join the Joint Contract Amey will allocate £25,000 per year on an environmental fund that can be used to tackle particular issues or improving performance across the Joint Waste Contract Services area.

Legal Implications

- 3.4. It was envisaged during the procurement planning process that other districts and boroughs in Surrey might wish to receive waste collections and/or street cleaning services from the service provider. As a result those authorities, including Tandridge District Council, were cited in the OJEU notice advertising the procurement opportunity, and a mechanism was provided in both the Joint Contract and the IAA to permit this explicitly as required by, and in accordance with, the Public Contract Regulations 2015.
- 3.5. Should Tandridge District Council join the Contract, it will also become a member of the Joint Waste Collection Services Committee (JWCSC) and this will necessitate an amendment to the JWCSC constitution. As the JWCSC constitution is set out in the MVDC constitution, these changes will require approval by Full Council at the appropriate time.
- 3.6 Any changes to the IAA arising out of the accession of Tandridge District Council will need to be assessed by each of the Partner Authorities to confirm that MVDC will not be financially disadvantaged (taking all relevant matters into consideration) prior to executing the legal documentation.

Monitoring Officer Commentary

- 3.7 The Monitoring Officer confirms that all the relevant legal implications have been taken into account.

S151 Officer Commentary

3.8 The S151 is satisfied with the financial implications of this report.

Risk Implications

3.9 There are no risks to existing partners. Tandridge District Council would commence their new service in February 2019 and therefore there would be no impact on the mobilisation of the waste contract in Mole Valley in August 2018 or the Street Cleansing Contract in April 2019.

Equalities Implications

3.10 There are no equalities implications in Mole Valley as a consequence of this report.

Employment Issues

3.11 There are no specific employment issues as a direct consequence of this report.

Sustainability Issues

3.12 There are likely medium to long term benefits as the admission of Tandridge District Council would enable a further step to be taken in the creation of a single waste entity to deliver all of Surrey's waste.

Reputational Implications

3.13 The Joint Waste Contract is an innovative service that as it develops may have positive reputational benefits for all partners and the Surrey Waste Partnership..

Consultation Issues

3.14 None.

Communication Implications

3.15 None.

Appendices

3.16 Report to Joint Waste Collection Services Committee – 15 January 2018

Background Docs

3.17 Confidential.

Potential Expansion of the Joint Waste Collection Contract

Author: Matt Smyth, Director

Date: 15 January 2018



Executive Summary

This report to the Joint Committee seeks approval to proceed with the potential admission of Tandridge District Council into the existing joint waste collection arrangements of Elmbridge Borough Council, Mole Valley District Council, Surrey Heath Borough Council and Woking Borough Council (the Partner Authorities). In the context of this request, the report describes the background to the joint arrangements, the process undertaken so far and the steps to be taken next.

Background

At the beginning of 2017, the Partner Authorities entered into a Joint Contract for waste collection and street cleaning services (the Joint Contract) with Amey LG Limited (Amey). This means that the Partner Authorities are jointly and severally liable to Amey under the Joint Contract.

In addition to the Joint Contract, the Partner Authorities also agreed to enter into an Inter Authority Agreement (IAA), which sets out how liabilities, rights, duties, undertakings and responsibilities arising from or out of the Joint Contract will be shared and managed between them. It also provides the terms governing the Partner Authorities' joint working arrangements.

The Joint Contract was procured so as to enable all other Surrey district and borough councils to have the opportunity to join during the life of the contract should they so wish and there is a mechanism set out in the Joint Contract that governs how this happens. The IAA makes clear that the decision to admit a new authority rests with the existing Partner Authorities and should only occur where it is lawful to do so, there is a positive benefit to the Partner Authorities as a result of this, and the new joiner contributes towards the costs of the initial procurement, mobilisation and set up of the Joint Contract through a joining fee or other benefit.

Whilst the Joint Contract has been designed to provide each of the Partner Authorities with the same service specification, it makes some allowance for local choice and flexibility. For instance, each of the Partner Authorities may choose to buy some instead of all of the services included within the specification to suit its own requirements and circumstances. Furthermore, the specification for street cleaning enables each Partner Authority to tailor the quality of the street cleaning services in its area to reflect its needs and constraints.

Tandridge District Council

Tandridge District Council (Tandridge) has expressed interest in becoming a party to the Joint Contract and has followed the relevant "extension of agreement" mechanism at Clause 4 of the Joint Contract, the steps of which are briefly summarised as follows:

- 1) Amey is served with an initial notice which includes relevant background information about the potential new joiner
- 2) Amey responds with an initial response, including outline plans and an impact statement setting out any ways in which existing services to the Partner Authorities will require adjustment, an indication of costs to the new joiner, and Amey's fixed one-off fee for preparing a full response should this be required

- 3) The potential new joiner may then provide further “Services Information”, expanding on information previously provided in its initial notice
- 4) Amey must then provide a full response based on its initial response, but augmented, confirmed and comprising of an offer capable of acceptance to be incorporated into a formal agreement
- 5) Within 6 months of receipt of Amey’s full response, the Partner Authorities are required to either notify Amey that the new joiner wishes to proceed, in which case all parties and the new joiner shall execute the IAA and the Joining Agreement; or reject Amey’s response and pay the “Full Response Fee”.

Amey have now prepared a full “Stage 3” report in relation to the potential admission of Tandridge into the Joint Contract, which includes how the additional service will be delivered and the cost of delivering it. The report is subject to Amey Group Board approval in January 2018,

Tandridge District Council’s Committee will consider the Stage 3 report on 15 January 2018 [*it was confirmed in the meeting that the Committee meeting had been moved to 31 January and the recommendation would subsequently be considered by Full Council*] and resolve whether to request admission by the Partner Authorities to the Joint Contract or whether to procure a standalone contract of their own.

Legal advice confirms that it is lawful to admit Tandridge to the Joint Contract.

The geographical distance between Tandridge and the existing partnership area means that there would be no immediate contract savings for the existing Partner Authorities. However, there are medium term opportunities resulting in admitting a new member, including reducing contract costs, developing new services, reducing client overheads, as well as the strategic benefit of taking a further step towards creating a single waste entity to deliver all of Surrey’s waste services.

Most importantly, the Partner Authorities will be no worse off as a result of Tandridge joining – any increase in the blended rates in the Joint Contract payable by the Partner Authorities would be offset by direct payments made by Tandridge to the Partner Authorities. The mechanism for this principle would be similar to the guarantee in the first IAA signed in 2014 (Clause 7.4) that the initial Partner Authorities would save a set amount per year by reference to a base date. There will be a review of the unit costs in December 2018 based on actual costs and any changes would have to be mutually agreed (this is noted by Amey in the Impact Statement). The precise mechanism adopted and the way in which it is operated can be agreed between the Partner Authorities.

Joining Process

- Joint Committee makes a recommendation to the Partner Authorities
- Tandridge decide whether to request admission
- Partner Authorities decide whether to admit them
- Joining the Joint Contract: all existing parties to the Joint Contract and Tandridge execute the Joining Agreement (incorporating the “Service Provider Full Response” provided by Amey and the “Services Information” provided by Tandridge) within 30 days unless a later date is agreed between them
- Joining the IAA: all the existing Partner Authorities and Tandridge enter a Deed of Admission in a form set out in Schedule 5 of the IAA

Recommendation

The Joint Committee is asked to consider the case for extending the partnership and recommending to the Partner Authorities that should Tandridge District Council's Stage 3 price demonstrate good value and it requests admission to the Joint Contract, this request be approved.

Next steps

Each Partner Authority will need to seek its relevant approvals (by Executive or Council decision) before executing the Joining Agreement and Deed of Admission.

