

Agenda Item 11

BRISTOL CITY COUNCIL

Neighbourhoods Scrutiny Commission

21 March 2016

Report of: *Alison Comley, Strategic Director Neighbourhoods*

Title: Decision making Process for Waste (Options appraisal)

Ward: *Citywide*

Officer Presenting Report: *Pam Jones, Service Manager, Clean and Green*

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Recommendations:

For the contents of this report to be considered and commented on.

Summary:

The purpose of this report is to share with Scrutiny the approach being taken with the Options Appraisal Report (for waste) going to cabinet in July this year.

The following background is provided to give context to the reason why the options appraisal is needed.

Background

On 12th June 2015 Bristol City Council (BCC) Cabinet approved the early termination of the Waste Collection, Street Cleansing and Winter Maintenance contract with Kier Environmental Services. This was mutually agreed with Kier via a Settlement Agreement signed on 11th June 2015 between Kier and BCC. Following the Cabinet decision the services were handed over on an interim basis to a new council owned company, Bristol Waste Company (BWC) to enable start-up of the transferred service on 8th August 2015. This interim arrangement with BWC was originally scheduled for 12 months allowing the Council to consider the best long-term service model. This was extended to November 2018 to allow time more for BWC to settle delivery of the waste service and to allow time for an alternative procurement to take place, if the decision was made not to progress with BWC.

As BWC has been running for seven months we are now able to start to pull together data about how they are doing. They are also producing a business plan (April) which we will use to help inform the comparisons with the market. The outcome of the options appraisal will be that we will recommend to cabinet whether to continue with BWC or whether to procure with another provider.

Scoping of the Review

The options appraisal will focus on two phases; phase one will be to consider the advantages and disadvantages of having the existing BWC Teckal company.

Phase two will then be a market review, to compare what is available in the market with BWC. As well as data from the market, this will also include information from Bristol Waste Company regarding what their targets and ambitions are, and what cost reductions they can achieve.

Examples of areas to cover are:

Stage 1 – Advantages and Disadvantages of our existing BWC teckal company

1. Tax efficiency
2. Control over performance
3. Procurement costs
4. Assessment of all benefits and potential future benefits for the council in having the current teckal company
5. Potential for improvement and innovation, eg new technology, new developments
6. Disadvantages of our teckal arrangement

Stage 2 - Market Review

1. Information from BWC regarding targets, ambitions, anticipated cost reductions
2. Broad comparison of costs of similar services
3. Broad comparison of quality of similar services

This review will conclude with a clear recommendation and outline plan (with timescales) to deliver the recommendation.

Outline Timetable for Cabinet

Week commencing	Item	Completion Date	Action by
9 May 16	Papers to SLT (19 th May)	19 May 16	PJ
30 May 16	Cabinet Agenda Conference (3 rd Jun)	3 Jun 16	AC/PJ
tbc	Neighbourhood Scrutiny	tbc	PJ
4 Jul 16	Report to Cabinet (6 th Jul)	6 Jul 16	AC/PJ
4 Jul 16	Implementation of decision	1 Aug 16	PJ