

OVERVIEW AND SCRUTINY REFERRAL FORM

Referral from: Neighbourhoods Scrutiny Commission

To: Cabinet

Date: 11th August 2016

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Subject: Bristol Waste Company and Integrated Waste Service Agreement

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Summary:

On 7th July 2016 the Neighbourhoods Scrutiny Commission received two draft reports on the Bristol Waste Company (BWC) and the proposed Integrated Waste Service Agreement.

The first paper set out *Proposals for future waste collection, street cleansing and winter maintenance service*, the second paper on the *Adoption of Bristol Waste Company Business Plan*.

Officers from Bristol City Council and BWC presented the reports: Gillian Douglas (BCC Service Director, Clean & Green) and Tracey Morgan (Managing Director) and Steve Ostler (Finance Director), both BWC.

This note sets out a formal referral of the reports from Neighbourhoods Scrutiny and a formal minority note from the Commission Chair.

Scrutiny Commission Referral:

- Six Commission members voted in favour (Cllrs Goggin, Johnson, Jones, Melias, Sergeant, Wellington) – Cllrs Threlfall and Fodor were not present (both submitted apologies for the meeting)
- The Commission resolved to support the recommendations in the reports and recommend Cabinet to immediately award BWC the Integrated Waste Service immediately from August 2016 to 31 July 2026

Summarised detail of draft reports and presentations received:

1. Proposals for future waste collection, street cleansing & winter maintenance service

This report set out the results of the review of BWC performance and provided options for how the service should be best delivered going forward.

The report recommended 1) that at Cabinet the Mayor award BWC the Integrated Waste Service from August 2016 to 31 July 2026 and to ensure that appropriate legal agreements are put in place and 2) That delegated authority is given to Netta Meadows (Service Director – Strategic Commissioning & Commercial Relations) to enter in to the necessary legal agreements.

- The background to the establishment of a wholly owned Teckal Company
- The scope of the service in re. statutory responsibilities regarding Waste Collection, Disposal and Litter
- The targets set out in the new waste and resources strategy
- The results from the market review of the current service including an evaluation of the service cost in relation to market estimates
- Feedback from the Independent Review on the Integrated Waste Service as proposed by Bristol Waste Company, including the financial and other benefits of the proposal

2. Adoption of Bristol Waste Company Business Plan

This report sought approval of a Business Plan for BWC (one of the wholly owned BCC trading companies with Teckal status). At Cabinet the Mayor will be asked to make a decision as Shareholder (advised by the Shareholder Group) on the adoption of the BWC Business Plan.

The adoption of the Business Plan is dependent on a Cabinet decision approving that BWC can continue to deliver waste services, including street cleansing and winter maintenance for a period of 10 years (details above). The report recommended that Mayor consider and approve the adoption of the proposed BWC Business Plan.

Summary of report / presentation:

- The current range of operational activities delivered by Waste Services
- Key achievements to date and the Vision for the future service
- Key aspects of the Business Plan and proposals going forward, including the timelines and desired outcomes
- The financial plan, key assumptions and dependencies - the Commission sought clarifications on the impact to the Council of not achieving income targets
- The relationship between the Customer, Provider and Council – the Commission emphasised that the relationship between Consumer, Council, and Provider would be key
- Governance Issues and BWC policy – the Commission raised the issue of governance and accountability in relation to the Companies structure and Shareholder relationship

Chair Minority Note:

- Minority statement from Cllr Anthony Negus, Chair of Neighbourhoods Scrutiny commission – text below

I am obliged to dissent from the blanket approval by commission members of the proposal to immediately grant a 10 year contract to Bristol Waste Company.

Although I can see little prospect of a viable alternative I cannot support this for the following reasons:

- This was not the only option available though no alternatives were presented, or even considered in the papers
- The overwhelming bulk of the supporting reports, and that containing the prime information, was in the form of exempt papers with restricted access over a short timescale which meant that it was read by only two members of the committee
- The exempt papers could have been presented, with redactions if necessary, in a more accessible form. These contained the business plan and the independent evaluation of the Bristol Waste Company's performance over the short 12 month period since its hurried inception
- It has been clear from the first emergency meeting last June that the most rapid incorporation of BWC was the only SLT plan. Timescales have been shortened to achieve this. Yet BWC has been working during that time only to the depleted standards inherited from the previous company. It has not yet worked up to the service levels set in 2009, has no experience of the huge transactions around waste disposal or plant renewal or trade waste business with which it must rapidly engage
- I am concerned that there is no clear statement on priority given to environmental disposal and, mysteriously, no reference to this essential relationship with the Bristol Energy Company despite this being the subject of a BCC-promoted Inquiry day only last year
- My preference, had there been one, would have been to give BWC a little time to prove itself operating in a higher gear. 6-8 months would permit a surer roll-out of improved service in answer to the independent report and time to better prepare for the challenges of vehicle purchase and taking on BCC's commercial contract
- I cannot support the restricted governance and scrutiny arrangements proposed under the Bristol Holding Company

I support the comprehensive scope proposed for BWC and recognise that its viability is unlikely to be testable in the current marketplace. But I do believe that it is the duty of Scrutiny to highlight potential weaknesses from detailed appraisal of all the available information, and to suggest mitigation. For that reason I could not support the majority decision.

Councillor Anthony Negus
Chair, Neighbourhoods Scrutiny Commission

3. Accompanying papers

- The submitted draft Cabinet Report papers are available on the BCC Neighbourhoods Scrutiny webpages <https://democracy.bristol.gov.uk/ieListMeetings.aspx?Committeed=149>
- Appendix 1 draft extract minute of Neighbourhoods Scrutiny Commission 7th July 2016