

MIDDLESBROUGH COUNCIL

Report of:	Director of Environment and Community Services
Relevant Executive Member:	Executive Member of Environment Services
Submitted to:	Executive
Date:	1 May 2024
Title:	Garden Waste Subscription Service – Additional Bin Purchase
Report for:	Decision
Status:	Public
Council Plan priority:	A successful and ambitious town
Key decision:	Yes
Why:	Decision(s) will incur expenditure or savings above £250,000 and have a significant impact in two or more wards
Subject to call in?:	No
Why:	<u>Urgent decision</u>

Proposed decision(s)

That Executive approves:

- The purchase of an additional 12,000 brown garden waste bins in accordance with the procurement arrangements set out at paragraph 6.6
- The virement of capital resource from the Traffic Signals scheme to fund the purchase and delivery of the additional bins.
- That Delegated Decision is awarded to the Director of Environment and Community Services for any future required purchasing of waste bins, in line with service demand.

Executive summary

- This report sets out the recommendation to Executive to approve the purchase of an additional 12,000 brown garden waste bins, the virement of capital resource from the Traffic Signals scheme to fund the purchase and delivery of the additional bins and that Delegated Decision is awarded to the Director of Environment and Community Services for any future required purchasing of waste bins, in line with service demand.

- The recommended decision needs to be taken by Executive as additional capital expenditure of £0.376m will be incurred and is therefore a key decision because the amount involved is over the key decision threshold of £0.250m.
- The decision is required as demand for the service has surpassed expectations and as a result additional brown garden bins are required to meet with the increased demand.
- If the bins were not ordered urgently, then the Council would not be able to fulfil the orders of all residents who have signed up to the subscription service, would not be able to enable any additional residents to sign up for the service from this point forward or enable any future subscriptions at a later date. The order of the additional bins is urgent as the garden waste subscription service commenced from 1st April however not all residents who have signed up to the service have received a new garden waste bin due to the increased demand and therefore are at risk of missing numerous garden waste collections when they have paid for the service.
- The decision is unable to comply with the notice periods in part 6.22 or the forward work programme requirements in part 6.32 of the Constitution. The general exception in 6.35 cannot be followed as the decision must be made urgently to fulfil orders, enable additional orders to be made and to ensure waste collection is carried out to subscribers.
- The request is made for an exemption for special urgency for the decision under Part 6.36 of the Constitution.
- The recommendation decision will enable the Council to fulfil its obligation to residents / customers who have already subscribed to the service and will also enable more residents who wish to sign up to be able to do so and participate in the service.
- The recommended decision is the best option as the only other option is do nothing and not order additional brown garden waste bins which would result in the service not being available to all residents who wish to subscribe to it and the Council not meeting its obligation to some residents who have recently subscribed to the service.
- The implications of the recommendation have been considered by the appropriate officers of the Council and are set out in the main body of the report.

1. Purpose

1.1 To seek approval of the purchase of an additional 12,000 bins to respond to the increased demand for the garden waste subscription service, the virement of capital resource from the Traffic Signals scheme to fund the purchase and delivery of the additional bins and that Delegated Decision is awarded to the Director of Environment and Community Services for any future required purchasing of waste bins, in line with service demand.

2. Recommendations

2.1 That Executive approve the purchase and delivery of an additional 12,000 brown garden waste bins at a capital cost of £0.376m.

2.2 That Executive approve the expenditure will be met from Council resources within the Capital programme through £0.065m of remaining budget and a virement of £0.311m capital resource from the Traffic Signals scheme to fund the purchase and delivery of the additional bins.

2.3 That Executive approve delegated authority to the Director of Environment and Community Services in consultation with the s151 Officer for any future required purchasing of waste bins, in line with service demand and subject to an identified approved budget.

3. Rationale for the recommended decision(s)

3.1 Demand for the garden waste subscription service as vastly surpassed expectations and as a result more brown garden waste bins are required to respond to the increased demand. It is recommended that Executive approve the purchase of an additional 12,000 brown garden waste bins as this will enable the Council to fulfil obligations to customers / residents who have subscribed to the service and also will enable the Council to offer the new service to all residents who still wish to subscribe to it. The only other option would be to do nothing and not order additional bins and the reason why this is not the recommended option is detailed in paragraph 5.1.

4. Background and relevant information

4.1 Following the Executive Report of 21 November 2023 the Council required purchase of 30,000 residual waste bins and 14,000 garden waste bins at a cost of £1.2m as part of the overall Waste Strategy Review, a total of £1.135m has been spent on new bins so far. The reason for replacing bins was to move green waste collection off diamond lift bins and on to comb lift bins reducing vehicle costs and increasing resilience within the service. This would also support the movement to a more sustainable waste collection service through the reduction of side waste and other ancillary issues, promoting recycling rates.

4.2 On the 8th March the Council decided to introduce a chargeable green waste service and introduce fortnightly collection for residual waste. The Council expected 9,300 subscribers. The 14,000 bins the Council had purchased was expected to cover subscribers to the service and had a contingency level of bins following the Council's decision to implement a chargeable service. The demand for the garden waste subscription service has increased significantly over anticipated demand modelling. The service currently has over 19,000 subscriptions which is 9,000 more than anticipated and this has resulted in more brown garden waste bins required to be ordered urgently to meet demand. In order to meet this additional demand and further potential increased demand throughout the year an additional 12,000 brown garden bins are required to be purchased at an additional cost of £0.376m.

4.3 The decision is required by Executive as the order for the additional brown garden bins is £0.376m and is therefore a key decision because the amount involved is over the key decision threshold of £0.250m. This is a new Executive decision to give approval to place an order for the additional brown garden bins, following the initial Council approval to implement the garden waste subscription service.

4.4 This decision does not require engagement or consultation with local communities, scrutiny or any other stakeholders. The garden waste subscription service affects all wards and Members are aware of the new subscription service.

5. Other potential alternative(s) and why these have not been recommended

5.1 The only other alternative is to do nothing and not order the additional 12,000 garden waste bins however this is not recommended as it would mean the Council is unable to offer the new service to all residents who still wish to subscribe to it and we would also not be able to fulfil obligations to residents who have already subscribed to the service.

6. Impact(s) of the recommended decision(s)

Financial (including procurement and Social Value)

6.1 As part of the Revenue and Capital Budget Forecast Outturn position at Quarter Two 2023/24 report to Executive on 21 November 2023, Executive approved the allocation of £1.2m in the Capital Programme in order to fund wheeled bin replacements as part of a comprehensive Waste Strategy Review.

6.2 The additional 12,000 green waste bins will cost £0.376m and that is proposed to be funded by the remaining budget of £0.065m and a virement of £0.311m from the traffic signals capital budget that is funded from Council resource which may be decommitted due to the receipt of unplanned grant from TVCA as explained below.

6.3 Subsequent to the approved Capital Programme by Council on 8 March 2024, TVCA have announced a total of £2.5m in grant funding for the upgrade of traffic signals across the Tees Valley, for which Middlesbrough is the lead authority. This includes £0.5m of this which is allocated to Middlesbrough. This grant funding can replace some of the Council capital resource previously set aside to fund this work. It is therefore

recommended that £0.311m be vired from the Traffic Signals scheme to fund the purchase and delivery of the additional bins.

- 6.4 The table below shows the expected total capital cost of implementing the council's waste strategy:

	£m
Purchase of 30,000 240ltr black bins at £22.50 per unit	0.675
Purchase of 14,000 brown bins (garden waste) at £25.50 per unit	0.375
Delivery Costs	0.085
Total programmed capital cost	1.135
Additional Purchase of 12,000 brown bins at £25.50 per unit	0.306
Delivery of Additional bins	0.070
Total Additional Capital Cost	0.376
Total Revised Capital Cost	1.511
To be funded by:	
Current approved Capital Programme	1.200
Virement of council capital resource from Traffic Signals scheme	0.311
Total Capital Funding	1.511

- 6.5 The increase in the demand for the garden waste collection service will result in revenue income being higher than originally anticipated at budget setting. The table below shows the expected revenue income to be received from garden waste collection.

	£m
Target Income based on 9,300 brown bins at £40 per unit	(0.372)
Target Income based on 1,700 brown bins at £20 per unit	(0.034)
Total Target Income (Saving)	(0.406)
Total projected income based on 22,000 brown bins at £40 per unit	(0.880)
Total projected income based on 4,000 brown bins at £20 per unit	(0.080)
Additional revenue saving due to reduction of annual purchase of bins	(0.100)
Total Projected Revenue Income	(1.060)
Total Revenue Income above target	(0.654)

- 6.6 The procurement of the additional bins will be progressed in accordance with the ESPO framework 860_22 Refuse and Recycling Products. Framework agreements are a compliant route to market without the Council having to undertake a full tender process. The procurement is compliant in accordance with The Public Contract Regulations 2015 as the Purchasing Organisation (in this instance ESPO) has already carried out a prior tender process to put the framework in place. Directions attached to the frameworks will stipulate if direct award or a mini competition against the framework is required. In this instance a direct award is an applicable option, the initial cohort of bins were sourced correctly through this framework and it is therefore appropriate to source this additional bins following the same procurement route.

Legal

- 6.7 The decision is required by Executive as the order for the additional brown garden bins is £376,000 and is therefore a key decision because the amount involved is over the key decision threshold of £250,000.

Risk

- 6.8 There is no risk on the corporate risk register for this specific decision, however the risk of not being able to provide the garden waste subscription service to all residents who wish to participate in it is addressed and removed as a result, as is the risk that the Council would not meet its obligations to some residents who have recently subscribed to the service.

Human Rights, Public Sector Equality Duty and Community Cohesion

- 6.9 Not applicable – no human rights affected, Public Sector Equality Duty is not relevant and Community Cohesion is not impacted.

Climate Change / Environmental

- 6.10 Not applicable – the decision does not impact on the Council's climate change and environmental aspirations.

Children and Young People Cared for by the Authority and Care Leavers

- 6.11 Not applicable – decision does not impact upon children and young people cared for by the Authority and Care leavers.

Data Protection

- 6.12 No personal data is collected as part of the decision.

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Place order for 12,000 bins	Katie Bargewell, Environment and Central Operations Manager	1 May 2024

Appendices

1	None
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Background papers

Body	Report title	Date
Executive Report	Revenue and Capital Budget – Forecast Outturn position at Quarter Two 2023/24	21 November 2023
Council Report	2024/25 Revenue Budget, Medium Term Financial Plan, Council Tax Setting, and Treasury Management Strategy 2024/25	8 March 2024

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