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Date: 17 May 2024

Dear Member

ENVIRONMENT & TRANSPORT CABINET COMMITTEE - TUESDAY, 21 MAY 2024

I am now able to enclose, for consideration at next Tuesday, 21 May 2024 meeting of the Environment & Transport Cabinet Committee, the following report(s) that were unavailable when the agenda was published.

Agenda Item No

7 **24/00038 - Kent Bus Service Improvement Plan (BSIP) - 2024 Refresh – Appendix (Pages 1 - 14)**

12 **Household Waste and Recycling Centres Contracts (Pages 15 - 38)**

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ben Watts', is written over a faint, circular watermark or stamp.

Benjamin Watts
General Counsel

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Chapter 4: Improvement Programme 2025-29 Subject to External Government Funding

The below table details a high-level initiative programme for buses which KCC and operators would look to deliver during the 2025-29 period, should additional external funding be made available by Government through the National Bus Strategy process. The initiatives seek to build on the current position detailed in chapters 2 and 3 and follow on from Kent’s funded BSIP programme for 23/24 and 24/25.

A series of initiatives are proposed for a range of key areas and seek to be pragmatic with respect to the current industry position but to also highlight the ambition Kent has for buses should a long-term funding solution be forthcoming from Government. Included costs are high level and estimations and would be subject to full analysis and business case production should funding become available.

The initiatives would offer significant benefit to passengers and align with the Government’s vision set out in the National Bus Strategy and subsequent 2024 BSIP guidance.

Network Development – Network Planning and Improvements to Bus Services

Reference	Initiative Description	External Funding Required?	Estimated Capital Funding Required	Estimated Revenue Funding Required (Per Annum)
NDI1	KCC will secure ongoing funding that will enable the Council to work in conjunction with bus operators to protect the existing network, sustaining services currently supported through BSIP and BSIP+ funding.	YES	£0	£4.5m
NDI2	KCC will work in conjunction with network operators to review the possibility of growing the rebased bus network, reintroducing services and improving frequencies, and introducing a more expansive evening and weekend network of buses on identified strategic bus corridors where	YES	£0	£3m

	there is new optimism for patronage growth and future sustainability.			
NDI3	KCC will use the results of the Bus Connectivity Assessment complimented by analysis of outputs from the Network Planning tool to increase the proportion of Kent households with access to; business, healthcare, work, education, retail and leisure destinations within 30 minutes of bus travel.	YES	£0	£10m
NDI4	KCC will look to use its BSIP and any associated funding to support the key aspirations of more localized bus strategies and sustainable transport strategies forming part of District Council's Local Plans such as the Canterbury Bus Strategy, the Ebbsfleet Sustainable Travel Strategy and the Tunbridge Wells Bus Strategy.	YES	£0	£5m
NDI5	Secure the long-term access and use of a Network planning tool to continue to inform future BSIP reviews and responses to Bus Connectivity Audits.	YES	£0	£50k
NDI6	Strengthen data collection tools and processes to improve reporting, analysis, evaluation, and monitoring of network changes & improvements.	YES	£250k	£50k

Bus Priority and Highways Management

Reference	Initiative Description	External Funding Required?	Estimated Capital Funding Required	Estimated Revenue Funding Required (Per Annum)
BP1	<p>To progress detailed feasibility reviews and subsequent delivery of bus priority schemes on bus corridors identified in <i>Chapter 2 – Current Offer to Bus Passengers</i>. Many of these sites were also in Kent’s 2021 BSIP but do not yet have funding.</p> <p>A detailed review will be required to ensure the sites provide practical support in line with The Plan for Drivers and DfT guidance.</p> <p>Identified corridors include: (Gravesend- Chalk, Swanscombe- Horns Cross, Dartford East Hill, Tonbridge (Southborough), Maidstone- Loose Road, Maidstone- Sandling, Canterbury- Sturry, Ashford Town Centre)</p>	YES	£2.5m per corridor	£500k per corridor one off funding for feasibility
BP2	<p>To identify and deliver a further package of minor highway improvements which may be beneficial to operators (and provide reciprocal benefit) following feedback from existing Punctuality Improvement Partnership meetings.</p>	YES	£400k (£100k to support PIPs per annum)	£30k
BP3	<p>Work with Kent Borough Councils to use district Local Transport Plans and Strategies to identify additional locations (to BP1) for bus priority. Ensuring a well-rounded approach to transport</p>	YES	£2.5m per bus priority site	£0

	which increases efficiency and impact. (e.g. Canterbury Bus Led Strategy)			
BP4	Develop understanding of alternative methods of innovative data capture (such as mobile network data, real time sensors and BODS reliability outputs) to identify additional bus priority locations to BP1 & BP 3. Focus on those areas where delays exist but may be underrepresented by those experiencing delays and areas which improve bus operating speed and punctuality – i.e. addressing BSIP Targets	YES	£520k (£130k pa)	£0
BP5	Using the Traffic Management Act 2006 Part 6 powers to continue carrying out ANPR enforcement to ensure effective and safe bus priority. Investigating ways other traffic restrictions may improve bus priority, such as yellow box junction enforcement.	YES	£400k	£100k
BP6	Increasing the inspection regime for temporary streetworks on bus routes to ensure works are completed without undue delay. Supporting the New Roads and Street Works Act 1991 and managing pressures roadworks place on punctual bus movement.	YES	£100k	£100k
BP7	Installation of countywide RTIGXML Traffic Priority system. Enables bus ticket machines to provide our traffic light signals with real time location data to ensure priority through traffic light corridors.	YES	£600k Countywide	£200k
BP8	Explore innovative methods of enforcement of parking restrictions to promote compliance.	YES	£400k	£200k

BP9	Parking policy and countywide strategy between district councils. Supporting district councils in retaining civil enforcement officers and attracting strong employment.	YES	£0	£480k
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Fares and Ticketing

Reference	Initiative Description	External Funding Required?	Estimated Capital Funding Required	Estimated Revenue Funding Required (Per Annum)
FT1	Develop a network of multi-operator ticketing zones in the County using the Project Coral back office and EMV cards or M-ticketing with bar codes. Would need some expert resource if setup is not part of the Project Coral package. Assumes pricing at commercial fare levels if funding to reduce prices is not available. See below for funded offers.	YES	£0	£150k
FT1A	Introduce a maximum day ticket fare across the County. This could replace the Discovery Ticket for travel within Kent and would affect top end single fares if the fare cap ceases.	YES	£0	£850k
FT1B	Introduce local daily fare zones around Kent's major towns. Potential for flat fares if the fare cap ceases. The level of fare discount will depend on future stability and the level of support available. Priority for Thanet (Superbus) and West Kent (larger number of operators).	YES	£0	£1m

FT2	Support Home to School travel on the bus network with innovative ticketing pricing solutions.	YES	£0	£2.5m
FT3	MaaS expansion to the rest of Kent if it is sustainable or cost neutral after the set up and introductory period.	YES	£800k	£750k
FT4	Ticketing provision trial in Bus / Travel Hubs to speed bus boarding times. Simple EMV purchase of most popular tickets.	YES	£500k	£50k
FT5	Expand the successful bus/ rail plus bus ticket scheme to include, for example, stations in Swale and to relaunch the scheme to enhance its promotion.	YES	£0	£50k

Waiting and Interchange Facilities

Reference	Initiative Description	External Funding Required?	Estimated Capital Funding Required	Estimated Revenue Funding Required (Per Annum)
WI1	Using the bus stop hierarchy produced in 23/24 as a base, build on information currently available to produce a full asset database for each marked bus stop in the county. Subsequently seek to deliver improvements using this hierarchy as a base, including improvements to	YES	£1.5m	£75k (one off cost for survey) £100k (ongoing maintenance for

	overall accessibility to the bus network, facility levels in terms of information, connectivity with other travel modes etc. Consider locations for upgrade to Travel Hubs under this analysis.			any identified travel hubs
WI2	KCC will seek to roll out successful technology trials introduced at bus stops using 24/25 BSIP funding at locations across Kent, utilising the bus stop hierarchy to inform this. Further technology trials will be pursued as new advancements are made.	YES	£1m	£200k £100k per annum for further trials
WI 3	Work collaboratively with Parish Councils to Improve passenger experience and safety in rural villages through technological innovation. This will include the provision of battery powered real-time information and solar-powered lighting at key rural locations.	YES	£500k	£120k
WI 4	KCC will look to identify and engage with key tourist destinations to improve the infrastructure offer at these locations, increasing attractiveness of using sustainable travel to these locations and raising awareness through branding.	YES	£1.2m	£300k
WI 5	Following the rollout of a number Real-Time Information screens in 23/24 and 24/25, KCC will continue the rollout of improved passenger digital information utilising its 'Bus Stop Hierarchy'. Consideration will be given to how integration can be maximised through this work – e.g. potential for screens at rail stations / health care centres etc.	YES	£1.5m	£200k
WI 6	KCC will engage with Kent Police to identify crime hotspots in the county. KCC will conduct a			

	feasibility study identifying potential improvements to passenger safety, and the perception of passenger safety. This may include increased stop relocation, improved lighting in the area, working with District Councils to provide CCTV etc	YES	£500k	£100k
WI7	Continue to work in partnership with Southeastern, bus operators, Active Travel Schemes and local groups to improve Kent's transport cohesion. KCC will aim to create one travel hub for each EP area over the 25-29 BSIP period.	YES	£4.5m	£300k

Bus Information and Network Identity

Reference	Initiative Description	External Funding Required?	Estimated Capital Funding Required	Estimated Revenue Funding Required (Per Annum)
PTII 1	KCC and Kent's bus operators will proactively promote the bus network and the role of buses in supporting strategic priorities and other activity such as tourism, environmental benefits, road safety etc. We will work with key partners to ensure public transport is publicised. KCC will work with organisations such as Visit Kent, National Trust and Kent Country Parks to produce publicity informing the public of the sites of interest in Kent which can be accessed by bus.	YES	£0	£500k
PTII 2	KCC will Improve on street wayfinding signage between Bus, Rail and Ferry services to improve the ease of interchange between different modes.	YES	£400k	£0

	This will include arrows and maps detailing the public transport infrastructure located nearby.			
PTII 3	KCC recognises that a significant number of residents are not able to access the improved digital journey information. KCC will look to utilise paper-based materials to support the publicity of BSIP funded initiatives and campaigns to encourage the use of the bus.	YES	£0	£50k
PTII 4	KCC will continue to provide and develop the interactive bus map provided with 23/24 BSIP funding (e.g. explore how fares information can be included from BODs)	YES	£0	£50k

Bus Passenger Experience – Passenger Charter

Page 9

Reference	Initiative Description	External Funding Required?	Estimated Capital Funding Required	Estimated Revenue Funding Required (Per Annum)
BPE1	Using the principles of the Kent Bus Passenger Charter, develop the means in which feedback can be provided online by passengers to KCC and operators. Consider whether this can be aligned with KCC's Bus Information Portal (delivered with 23-24 BSIP funding)	YES	£50k	£20k
BPE2	Develop other physical means for passengers to provide feedback in line with the passenger charter – e.g. potential trial of feedback buttons on buses and ability to feedback issues / concerns	YES	£100k	£20k

	with infrastructure at travel hubs.			
BPE3	The support of an annual survey of passengers (and non-passengers) to understand levels of satisfaction and areas for development.	YES	£0	£50k

On Bus Accessibility, Inclusion, personal safety and security

The areas of accessibility, inclusion, safety and security including walking routes to bus stops and waiting facilities are covered within other initiative categories.

Reference	Initiative Description	External Funding Required?	Estimated Capital Funding Required	Estimated Revenue Funding Required (Per Annum)
OB1	Bus Driver Training – Work with SME operators to develop the training school and associated training materials, with an emphasis on passenger safety training and customer service.	YES	£100K	£100k

Environment and Improvements to the bus fleet

The estimated cost (when taking into account EAQI 1 below) of decarbonizing the rest of the all-day bus fleet (approx. 350 vehicles) and for moving to Euro 6 standard for peak only / school buses (approx. 250 vehicles) is £195m.

The related cost of electrification of operator depots is approximately £1.5m per site for larger operators and £0.7m per site for smaller / medium operators.

Reference	Initiative Description	External Funding Required?	Estimated Capital Funding Required	Estimated Revenue Funding Required (Per Annum)
EAQI 1	The introduction of zero emission buses (for all day workings) on priority corridors identified through KCC's Air Quality Management Area Hierarchy:			
	Upper Stone Street, Maidstone	YES	£13.8m	£0
	A2, Sittingbourne	YES	£10.6m	£0
	Dartford Town Centre	YES	£10.6m	£0
EAQI 2	Tendered services will invite bids for differing levels of emission standards, so that costs can be clearly identified.	YES	£0	£750k

Longer Term Transformation of the network – Alternative Delivery Models

Reference	Initiative Description	External Funding Required?	Estimated Capital Funding Required	Estimated Revenue Funding Required (Per Annum)
LTT1	Dynamic Scheduling. Use Fastrack and another high frequency service in the east of the county to test London style dynamic scheduling for one year outside of London on High Frequency services to improve reliability. Approval needed by the Traffic Commissioner. GAL will be able to do this easily as they already have the software and experience from TfL contracts.	YES	£60k	£100k
LTT2	£1 Bus Travel for Amazon Prime Members. Using the Fastrack network as a testbed, work with our partners at Amazon to measure the propensity for increased bus use with such app-based membership discounts.	YES	£100k	£500k
LTT4	Bus Specific Town Planner / Developer Training Design and implement a short training course for town planners and housing developers demonstrating the positive impact and necessary role buses must play in future design. With the ambition of future national adoption and mandatory status. With input from bus operators on optimal design.	YES	N/A	£100k

LTT5	Growth of Fastrack BRT Concept: Through utilising recommendations within the commissioned Fastrack Expansion Feasibility Study, seek to develop and introduce the Fastrack model to other viable areas across the county.	YES	£15m	£2.5m
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From: Rob Thomas , Cabinet Member for Environment
 Simon Jones, Corporate Director of Growth, Environment and Transport

To: Environment and Transport Cabinet Committee – 21st May 2024

Subject: **Delivery of household waste recycling centre and waste transfer station operation, management and haulage contracts in Mid, East and West Kent (SC18031 and SC18031 WK)**

Decision Number: **TBA**

Decision Title: Approval to reprocure contractual arrangements for the operation, management and haulage services at household waste recycling centres (HWRCs) and co-located waste transfer stations (WTS) in Mid, East and West Kent (SC18031 and SC18031WK).

Classification: **Part 1: Report -Unrestricted**
Part 2: Confidential Appendix - Appendix A is Confidential - Paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972

Past Pathway of report: N/A

Future Pathway of report: For Cabinet Member Decision

Electoral Division: Ashford, Canterbury, Dartford, Dover, Swale, Folkestone & Hythe, Maidstone, Sevenoaks, Swale, Tonbridge & Malling & Tunbridge Wells.

Summary: KCC has contracts for the operation, management and haulage services of household waste recycling centres (HWRCs) and co-located waste transfer stations (WTS) in East, Mid and West Kent, which are due to expire on 31 October 2025. An options appraisal has been carried out and the Cabinet Member for Environment’s preferred option is to reprocure new contractual arrangements for the management of the sites from November 2025.

Recommendation(s): Cabinet Committee is asked to consider and endorse or make recommendations to the Cabinet Member for Environment on his recommendation to:

(i) REPROCURE contracts for the operation of 17 HWRCs and co-located WTS;

And subsequently,

(ii) DELEGATE authority to the Director for Environment and Circular Economy, to take relevant actions to facilitate the required procurement activity; and

(iii) DELEGATE authority to the Director for Environment and Circular Economy in consultation with the Cabinet Member for Environment, to take relevant actions, including but not limited to, awarding, finalising the terms of and entering into the

relevant contracts or other legal agreements, as necessary, to implement the decision as shown at Appendix A.

1. Introduction

- 1.1. As the Waste Disposal Authority, KCC has a statutory responsibility to arrange for the disposal of the controlled waste collected in its area by the waste collection authorities, and to provide places at which persons resident in its area may deposit their household waste and for the disposal of waste so deposited.
- 1.2. KCC currently contracts out the management and haulage service of 19 household waste recycling centres (HWRCs) and co-located waste transfer station (WTS) sites across the county.
- 1.3. This report provides information concerning the future of contractual arrangements for the management and haulage services required at HWRCs and co-located WTS across sites in Mid, East and West Kent, which includes 17 of the 19 KCC sites. The remaining two contracts are in place until 2035 and 2047 and are therefore out of scope.
- 1.4. Of these 17 sites, 12 are in Mid and East Kent and are currently contracted to FCC Environment Ltd (FCC), and 5 are in West Kent and are currently contracted to Commercial Services Kent Limited (CSKL).
- 1.5. The expiry date for the Mid and East Kent contracts is 1 November 2025, with May 2024 being the contractual notice period for a decision on whether to extend the contracts. FCC agreed to extend this date to 30 June 2024 to assist KCC with our decision-making process.
- 1.6. There is no contractual notification period for the CSKL sites, however for good working relationships, it is assumed that notifications would be made at the same time.
- 1.7. Both contracts have a 5-year extension option, which was costed as part of the original contract.

2. Relevant history

- 2.1. KCC contracted with FCC in November 2020 to operate and manage 12 sites in Mid and East Kent for an initial 5- year period, with the potential for a further 5-year extension based on performance.
- 2.2. When tendering, FCC depreciated the cost of the fleet required to deliver the service over the full potential 10-year period of the contract to make the annual service cost more affordable to KCC. This means that if the Council does not trigger the contract extension, then KCC is contractually liable to pay an exit fee as noted in Part 2 Confidential Appendix. If the contract is extended, this cost is nullified.
- 2.3. KCC contracted with CSKL in February 2021, for a 4 year and 8-month contract, to align with the FCC arrangement. This arrangement also has a 5-year extension option.

- 2.4. CSKL operates as a Teckal company for the Authority, where financial benefit is paid as a dividend to KCC.
- 2.5. Recycling levels at HWRCs average 47% across the CSKL operated sites and 44% across the FCC sites. Further improvements to these will be sought over the next period in line with Government targets.

3. Options

- 3.1. An options appraisal has been carried out to identify the legal and procurement implications, financial implications and other considerations associated with each option.
- 3.2. The options identified are:
 1. Do nothing
 2. Extend with FCC and CSKL for 5 years, as per the current contractual terms
 3. Offer received from with incumbent to extend further 2 years beyond 5-year option
 4. CSKL to operate all sites
 5. FCC to operate all sites
 6. Allow the current contracts to expire and reprocure for the management of all sites

3.3. The options appraisal is provided below:

Option	Legal and procurement implications	Financial implications	Other considerations
<p>1. Do nothing</p> <p>Discounted due to failure to meet statutory duties.</p>	<p>Failure of statutory duties</p>	<p>Not applicable</p>	<p>Reputational damage as unable to dispose of waste</p>
<p>2. Extend with FCC and CSKL for 5 years</p>	<p>Allowed under current contract</p> <p>Contract length and contract size fixed.</p> <p>No opportunity for associated economies of scale or synergies arising from extending contract length.</p> <p>Option has not been market tested via competitive process</p> <p>Due to formal notice milestone becoming due in June 2024 not possible to undertake market analysis to assess rates provided under this option against prevailing market position.</p>	<p>No exit fees arising.</p> <p>Potential to increase recycling across FCC run sites which could save KCC c£80k pa. if fully delivered.</p> <p>Provides continuity of activities contained within £408k MTFP target over the period of the extension. This includes :</p> <ul style="list-style-type: none"> • commercial recycling at HWRCs • provision/operation of reuse facilities and, • increase black bag splitting. <p>No procurement, demobilisation or remobilisation costs.</p> <p>KCC would continue to receive dividend from CSKL but CSKL currently more expensive than FCC.</p>	<p>Allow for service continuity</p> <p>Known budget position</p> <p>Mandatory COTC (certificate of technical competence) requirements are already met</p> <p>Avoids potential need to TUPE staff</p> <p>Opportunity to explore whether shorter term extension (subject to incumbent supplier approval) which could allow market analysis to be undertaken.</p>
<p>3. Offer received from incumbent to further extend for 2 years beyond 5-year option</p> <p>Discounted due to legal and procurement risk</p>	<p>Significant legal procurement risk arising under Public Contracts Regulations 2015 if this offer taken up.</p>		
<p>4. Direct award to CSKL of all sites</p> <p>Discounted due to technical and operational risk and unable to demonstrate best value</p>	<p>Regulation 12 in the Public Contract Regulations 2015, the Teckal exemption, enables the Direct award to a Teckal company.</p> <p>Not market tested through competitive process</p>	<p>Exit fees payable but may be able to explore whether potential to offset these fleet costs in new contract.</p> <p>Potential delay in realising benefits of increased recycling – £80k pa if delivered.</p> <p>Some risk to timing and delivery of the FCC element of £408k MTFP target in regard:</p> <ul style="list-style-type: none"> • commercial recycling at HWRCs 	<p>Additional Mandatory COTC (certificate of technical competence) requirements must be met</p> <p>TUPE potentially required for 120-140 staff</p> <p>Potential overall operational efficiencies in management overheads</p> <p>Consistency of approach with regards to site and contract</p>

		<ul style="list-style-type: none"> • provision/operation of reuse facilities and, • increase black bag splitting. <p>Demobilisation and remobilisation cost.</p> <p>KCC could increase dividend from CSKL but CSKL currently more expensive than FCC.</p>	<p>management</p> <p>Does not market test so cannot be assured that KCC is paying market rate for the service</p>
<p>5. Direct award to FCC of all sites</p> <p>Discounted due to legal risk.</p>	<p>Under both the PCR Regulations 2015 and the forthcoming Procurement Act 2023, we are unable to direct award due to the size and value of this contract.</p>	<p>No exit fees</p> <p>Commitment to increase recycling across FCC sites will save KCC c£80k pa if delivered</p> <p>Some risk to timing and delivery of the CSKL element of £408k MTFP target in regard:</p> <ul style="list-style-type: none"> • commercial recycling at HWRCs • provision/operation of reuse facilities and, • increase black bag splitting. <p>CKSL related demobilisation and remobilisation costs</p> <p>CKSL costs currently higher than FCC, potential for further savings.</p> <p>KCC would lose dividend from CSKL</p>	<p>Mandatory COTC (certificate of technical competence) requirements are already met</p> <p>TUPE risk 75-85 members of staff</p> <p>Potential overall efficiencies in management overheads</p> <p>Consistency of approach with regards to overall site and contract management</p> <p>Does not market test so cannot be assured that KCC is paying market rate for the service</p>
<p>6 Allow the current contracts to expire and reprocure the management of all 17 sites.</p>	<p>Fully compliant procurement route under current regulations.</p>	<p>Exit fees payable but may be able to explore whether potential to offset these fleet costs in new contract.</p> <p>Possible delay in realising benefits of increased recycling but could be embedded in new specification</p> <p>Risk to timing and delivery of the £408k MTFP target but could be embedded within new contract specification which would allow options to be market tested in open competition:</p> <ul style="list-style-type: none"> • commercial recycling at HWRCs • provision/operation of reuse facilities and, • increase black bag splitting. <p>Some sites likely to require modernisation. This work will be inevitable but this option may potentially bring forward these</p>	<p>Mandatory COTC (certificate of technical competence) requirements must be met.</p> <p>Potential TUPE required for successful tendered to address circa 255+ staff</p> <p>Opportunity exists to rescale the size and length of the contract to gain synergies and other associated commercial economies.</p> <p>Tender process ensures that KCC has secured market tested rates and prices for the service through open competition.</p> <p>No guarantee that the tender returned will be more attractive than the current</p>

		<p>works (circa £450k). Opportunity exists to negotiate provision with new provider through competitive process.</p> <p>Procurement costs in region of £250k potentially arising to undertake full re-procurement. Such costs would be inevitable in future but this would advance the timing of the expenditure.</p> <p>Future tender specification will incorporate service improvements which can be priced in open competitive tender rather than through local negotiation under the current contracts.</p> <p>Demobilisation and remobilisation costs . These could be explored during tender negotiation stage.</p>	
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- 3.4. Option 1 (do nothing) was discounted on the grounds that KCC is the waste disposal authority for Kent and as such has a statutory duty to provide these services. **DISCOUNTED**
- 3.5. Option 3 (7-year extension) would provide additional financial benefit to KCC as FCC is able to reduce the annual cost of delivering the service for a longer contract extension period. However, this option was discounted as it presents a high procurement risk to the authority arising from the 2015 Public Contracts Regulations. **DISCOUNTED**
- 3.6. Option 4 (direct award to CSKL) is technically possible as CSKL is a Teckal company owned by KCC, however it would be a significant increase in the scale and operational complexity and would require further mandatory certification to demonstrate service delivery competence. It would mean exit fees and costs associated with demobilisation and remobilisation would arise and it would be outside of an open competitive procurement process. It would not ensure that KCC was paying rates equivalent to those currently available in the prevailing market. **DISCOUNTED**
- 3.7. Option 5 (direct award to FCC) is not possible to directly award a service of this size and value to a contractor. **DISCOUNTED**
- 3.8. Of the remaining two options, each have their own pros and cons, namely:
- 3.8.1. Option 2 (5-year extension)
- Provides service continuity and a known budget. It would encourage the incumbent contractor to invest in improvements to the recycling rates which would provide mutual benefit to both the supplier and the

authority. This will also support the extended delivery of the activities within the £408k MTFP target.

- It would avoid exit fees and costs associated with undertaking a full procurement, demobilisation and remobilisation.
- It does not allow the service to be market tested to compare contracted rates and prices to that which could be secured at this time.
- It also does not allow the length of contract nor the size/scale of service to be modified which could provide additional operational value and commercial benefit.

3.8.2. Option 6 (re-procure)

- It would provide KCC with an opportunity to rescale the service and to increase the length of the contract to provide greater investment longevity which could amongst other benefits could allow operational fleet costs to be efficiently amortised.
- Opportunity exists for reduced overheads when compared to the current two contracts as synergies may be possible from one overhead across a larger number (17) of sites.
- It will allow the service specification to be updated to include known service improvements and if possible consider impending legislative changes. By undertaking an open competitive tender KCC can be assured that it is securing market tested rates and prices available at the time of tender.
- This option will, however, lead to exit fees and costs associated with procurement, demobilisation and remobilisation
- There are risks associated with a full tender because the market response is unknown, and while there could be a more cost-effective offer, the waste market remains challenging and increased costs could be returned. That said, there are ways for the authority to potentially mitigate/defer such risks.
- For example, the exit costs for fleet depreciation could be dealt with as part of the tender negotiation and similarly the mobilisation process may allow discussions to determine the timing of and extent to which certain costs and liabilities could be considered. Any such established costs incurred could be shared/deferred across the life of any new contract which could reduce the initial impact.

3.9. In conclusion there remain two compliant and viable options, namely Option 2, (5-year extension) and Option 6 (full re-procurement of whole network).

4. Recommended option

- 4.1 The Cabinet Member for Environment's recommendation is to proceed with Option 6 and undertake a full re-procurement of all 17 sites.
- 4.2 This seeks to exploit the economies of scale by retendering all 17 locations and secure the most economically advantageous contract duration. This approach will ensure the future contract has been fully market tested through an open and competitively tender process, mindful that there are one-off exit and mobilisation costs that would be considered as part of a financial evaluation.

5. Financial implications

- 5.1. The current budget for 2024/25 is £13,344,800 which covers operational 17 sites.
- 5.2. Payable Exit fees (refer to Part 2 Confidential Appendix) and costs associated with procurement (£250k), demobilisation and remobilisation (£450k) are unbudgeted pressures. This will bring several sites up to an ongoing serviceable standard which may be required before they are handed over to a new provider to maintain. The cost of this will be dependent on a condition surveys. This work will be required no matter which option is chosen; however the service re-procurement will accelerate the timing of when the work is done, but this could a matter for negotiation during the tender and mobilisation process.
- 5.3. To mitigate these financial risks, including the exit costs for fleet (which, if unmitigated, could be a one-off cost), will be explored during the re-procurement tender/negotiation process.
- 5.4. Future fleet use and deployment (especially those potentially arising from any Exit Fees) along with other added value initiatives/improvements arising from the current arrangements will be reviewed and where necessary, built into any new contract specification. This approach will seek to mitigate the financial impact and will secure market tested competitive rates and prices for these services..
- 5.5. It is also important to note that new contract procurement and demobilisation/mobilisation costs will be incurred eventually (irrespective of which option is chosen but this could be delayed by 5 years under option 2).
- 5.6. There is a risk to the delivery of MTFP savings during the procurement process, which will need to be managed with the incumbent contractors but it may be in both parties mutual interest to continue to deliver these improvements through to the end of the current contracts.
- 5.7. The extent and effectiveness of these actions may be somewhat limited as the payback period will only be over a period of 17 months to the close of the current contract. This presents a potential risk to the associated circa £408k saving target included in the current MTFP and will need to be managed accordingly.
- 5.8. Going forward these improvements may be included in the new contract specification and therefore can be priced and secured in open competition.
- 5.9. The continuation of this service is funded from existing revenue budgets.

6. Legal implications

- 6.1. Under Section 51 of the Environmental Protection Act 1990, KCC has a duty as the county's waste disposal authority to arrange for:
- a) the disposal of the controlled waste collected in its area by the waste collection authorities;
 - b) places to be provided at which persons resident in its area may deposit their household waste and for the disposal of waste so deposited.
- 6.2. Legal support was provided for the original procurement and if re-procurement is agreed then external legal support may need to be procured.

7. Equalities implications

- 7.1. As this service can affect those with protected characteristics, mitigations are recorded within the Equalities impact assessment that accompanies this decision.

8. Governance

- 8.1. The Service Director will inherit the main delegations via the Officer Scheme of Delegation due to the potential financial value of this contract.

9. Recommendation(s):

Cabinet Committee is asked to consider and endorse or make recommendations to the Cabinet Member for Environment on his recommendation to:

- (i) REPROCURE contracts for the operation of 17 HWRCs and co-located WTS;

And subsequently,

- (ii) DELEGATE authority to the Director for Environment and Circular Economy, to take relevant actions to facilitate the required procurement activity; and

- (iii) DELEGATE authority to the Director for Environment and Circular Economy in consultation with the Cabinet Member for Environment, to take relevant actions, including but not limited to, awarding, finalising the terms of and entering into the relevant contracts or other legal agreements, as necessary, to implement the decision as shown at Appendix A.

10. Appendices

- Appendix A – Proposed Record of Decision
- Appendix B - Procurement timetable

11. Contact details

Report Author:

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Director for Environment and Circular
Economy

Relevant Director:

Simon Jones
Corporate Director
Growth, Environment and Transport

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Appendix B – Procurement timetable

Activity	Indicative Dates
Commercial and Procurement Oversight Board (CPOB):	TBC
Preparation of documentation:	13 May – 28 June 2024
Notify FCC and CSKL	By 24 May 2024
Market Engagement	27 May – 14 June 2024
Incorporate Market Engagement feedback	17 – 28 June 2024
Publication of Call for Competition:	1 July 2024
Deadline for Selection Questionnaires:	30 July 2024
Evaluation of Selection Questionnaires:	31 July – 7 August 2024
QA Report and Panel, and Letters:	8 – 9 August 2024
Publication of Invitation to Tender (ITT):	12 August 2024
Deadline to submit Initial Tenders:	1 November 2024
Evaluation of Initial Tenders:	4 November – 15 November 2024
Clarification/Negotiation Sessions:	18 November – 6 December 2024
Publication of Invitation to Submit Final Tender (ISFT):	6 December 2024
Deadline to submit Final Tenders:	20 December 2024
Evaluation of Final Tenders:	2 – 10 January 2025
Governance to Award / Contract Award Decision / Standstill Period:	13 – 31 January 2025
<i>Mobilisation Period:</i>	<i>1 February 2025 – 31 October 2025</i>
Service Commencement:	1 November 2025

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KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TAKEN BY

Rob Thomas, Cabinet Member for Environment

DECISION NO:

For publication

Key decision*

Yes –

Subject: Delivery of household waste recycling centre and waste transfer station operation, management and haulage contracts in Mid, East and West Kent (SC18031 and SC18031 WK)

Decision: As Cabinet Member for environment I agree to:

(i) REPROCURE contracts for the operation of 17 Household Waste Recycling Centres and co-located Waste Transfer Services;

And subsequently,

(ii) DELEGATE authority to the Director for Environment and Circular Economy, to take relevant actions to facilitate the required procurement activity;

(iii) DELEGATE authority to the Director for Environment and Circular Economy in consultation with the Cabinet Member for Environment, to take relevant actions, including but not limited to, awarding, finalising the terms of and entering into the relevant contracts or other legal agreements, as necessary, to implement the decision

Reason(s) for decision:

The option to reprocure the service is recommended by the Cabinet Member for Environment as this option will enable KCC to drive savings through economies of scale and be assured that it is paying the current market price for the service

Cabinet Committee recommendations and other consultation:

The proposal is being considered by Members of the Environment and Transport at their meeting on 21 May 2024.

Any alternatives considered:

Option 1 - Do nothing. Discounted due to failure to meet statutory duties.

Option 2 – Extend with FCC and CSKL for 5 years, as per the current contractual terms. Discounted as this option is unable to demonstrate best value and does not test the market for potential economies of scale.

Option 3 – Extend with FCC and CSKL for 7 years. Discounted due to legal and procurement risk.

Option 4 - CSKL to operate all sites. Discounted due to technical and operational risk and unable to demonstrate best value.

Option 5 - FCC to operate all sites. Discounted due to legal risk.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

.....
signed

.....
date

Name:

Appendix B – Procurement timetable

Activity	Indicative Dates
Commercial and Procurement Oversight Board (CPOB):	TBC
Preparation of documentation:	13 May – 28 June 2024
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EQIA Submission – ID Number

Section A

EQIA Title

Household Waste Recycling Centres and Waste Transfer Station Operation and Management and Haulage services

Responsible Officer

Kay Groves - GT - ECE

Type of Activity

Service Change

No

Service Redesign

No

Project/Programme

No

Commissioning/Procurement

Commissioning/Procurement

Strategy/Policy

No

Details of other Service Activity

No

Accountability and Responsibility

Directorate

Growth Environment and Transport

Responsible Service

Resource Management and Circular Economy - Service Delivery

Responsible Head of Service

Susan Reddick - GT - ECE

Responsible Director

Matthew Smyth - GT - ECE

Aims and Objectives

The waste management service is carried out by KCC to meet the Statutory Obligation of Kent County Council as the Waste Disposal Authority.

It is intended to help people to manage their waste and encourages the use of waste as a resource in synergy with economic and housing growth in Kent plus ensure a robust, commercial approach to commissioning, performance and delivery throughout the service. The Service currently manage 19 Household Waste Recycling Centres (HWRCs) and 6 transfer stations and closed landfill sites across Kent. The sites are operated by contracting parties under the remit of Kent County Council.

This EQIA supports the proposals in the Cabinet Report for the HWRC and Waste Transfer Station contracts for Mid, East and West Kent sites.

HWRCs are open to all householders within the County (and cross border with a fee).

Customer Satisfaction surveys are carried out six monthly and customer feedback is gathered at that point.

The aims and objectives of the activity are to continue:

- To manage the disposal of waste in an effective and effective manner whilst minimising risk to the

environment;

- To increase recycling and reuse rates;
- To avoid landfill as a disposal method;
- To realise commodity values;
- To operate the sites within the permitting and legislative framework.

There are also a whole array of projects, policies and procedures undertaken at the HWRCs which are subject to their own specific EQIAs.

Recommendation - There is identified potential for discrimination against certain protective characteristics, although there are mitigating actions also noted. Overall, the judgement is that the HWRC staff are trained to treat their customers fairly irrespective of their age, disability, sex, gender identity, race, religion and belief, sexual orientation or pregnancy/maternity or marriage/civil partnerships.

Section B – Evidence

Do you have data related to the protected groups of the people impacted by this activity?

Yes

It is possible to get the data in a timely and cost effective way?

Yes

Is there national evidence/data that you can use?

Yes

Have you consulted with stakeholders?

Yes

Who have you involved, consulted and engaged with?

There is continual engagement with staff and managers on policies and practices on site. Contract Management Review Group with cross party Members and Senior Officers reviewed the contract proposals. Contract and Compliance Officers meet to discuss operations on a daily basis, and manage the customer engagement aspect of the service. Commissioning Colleagues and Senior Officers have reviewed the contract proposals. Customer surveys are conducted every six months to gauge their satisfaction with the booking system and their customer experience.

Has there been a previous Equality Analysis (EQIA) in the last 3 years?

Yes

Do you have evidence that can help you understand the potential impact of your activity?

Yes

Section C – Impact

Who may be impacted by the activity?

Service Users/clients

Service users/clients

Staff

Staff/Volunteers

Residents/Communities/Citizens

Residents/communities/citizens

Are there any positive impacts for all or any of the protected groups as a result of the activity that you are doing?

Yes

Details of Positive Impacts

Having an HWRC in every district reduces travel time for a number of residents, which could benefit many individuals who have a protective characteristic this could aid, such as disability, maternity, pregnancy or age.

Negative impacts and Mitigating Actions
19. Negative Impacts and Mitigating actions for Age
Are there negative impacts for age?
Yes
Details of negative impacts for Age
Data held about the HWRC customer base indicates that there are a significant number of people in the 55 year plus age brackets who utilise the HWRCs. Householders may struggle to dispose of waste over retaining walls or where steps are in place.
Mitigating Actions for Age
Older people may require assistance with unloading their vehicle, raising waste over a wall or navigating steps and site staff should be proactive in offering help.
Responsible Officer for Mitigating Actions – Age
Kay Groves
20. Negative impacts and Mitigating actions for Disability
Are there negative impacts for Disability?
Yes
Details of Negative Impacts for Disability
Customers with disabilities may require assistance to unload their vehicles. Customer may have difficulty communicating their needs or the help they require. Customers who are visually impaired may require careful direction or assistance.
Mitigating actions for Disability
Staff should be proactive in assisting people with a disability if they require help. Staff should be trained and skilled to communicate with customers who may have learning difficulties to ensure customer service standard is maintained for all visitors. KCC requires all its providers to ensure staff are adequately trained in Equality and Diversity to equip them to understand and respect differences without prejudice. KCC will not tolerate derogatory comments or actions.
Responsible Officer for Disability
Kay Groves
21. Negative Impacts and Mitigating actions for Sex
Are there negative impacts for Sex
Yes
Details of negative impacts for Sex
There is potential for prejudices and gender stereotype perspectives to be relayed by HWRC site staff, for example assumptions made about the customers abilities or access requirements based upon their assumed sex.
Mitigating actions for Sex
KCC Providers must ensure that site staff understand that they must not treat certain customers less favourably than others because of their sex.
Responsible Officer for Sex
Kay Groves
22. Negative Impacts and Mitigating actions for Gender identity/transgender
Are there negative impacts for Gender identity/transgender
Yes
Negative impacts for Gender identity/transgender
There is potential for prejudices and gender stereotype perspectives to be relayed by HWRC site staff, for example assumptions made about the customers abilities or access requirements based upon their assumed gender.

Mitigating actions for Gender identity/transgender
KCC Providers must ensure that site staff understand that they must not treat certain customers less favourably than others because of their gender.
Responsible Officer for mitigating actions for Gender identity/transgender
Kay Groves
23. Negative impacts and Mitigating actions for Race
Are there negative impacts for Race
Yes
Negative impacts for Race
Where individuals' accents (both customers, site staff colleagues and off-takers) may impact upon understanding and ability to meet the need of the individual,. E.g. understanding where to place an item, collect waste, site staff should communicate respectfully and with patience to meet the individual's needs where they have a low level of the English Language.
Mitigating actions for Race
KCC requires all its providers to ensure staff are adequately trained in Equality and Diversity to equip them to understand and respect differences without prejudice. KCC will not tolerate derogatory comments or actions.
Responsible Officer for mitigating actions for Race
Kay Groves
24. Negative impacts and Mitigating actions for Religion and belief
Are there negative impacts for Religion and belief
No
Negative impacts for Religion and belief
Not Applicable
Mitigating actions for Religion and belief
Not Applicable
Responsible Officer for mitigating actions for Religion and Belief
Not Applicable
25. Negative impacts and Mitigating actions for Sexual Orientation
Are there negative impacts for Sexual Orientation
No
Negative impacts for Sexual Orientation
Not Applicable
Mitigating actions for Sexual Orientation
Not Applicable
Responsible Officer for mitigating actions for Sexual Orientation
Not Applicable
26. Negative impacts and Mitigating actions for Pregnancy and Maternity
Are there negative impacts for Pregnancy and Maternity
Yes
Negative impacts for Pregnancy and Maternity
Depending on the stage of pregnancy, customers may require assistance with unloading their vehicle or navigating steps or over retaining walls.
Mitigating actions for Pregnancy and Maternity
Customers may require assistance with unloading their vehicle, raising waste over a wall or navigating steps and site staff should be proactive in offering help.
Responsible Officer for mitigating actions for Pregnancy and Maternity
Kay Groves
27. Negative impacts and Mitigating actions for Marriage and Civil Partnerships

Are there negative impacts for Marriage and Civil Partnerships
Yes
Negative impacts for Marriage and Civil Partnerships
There is potential for prejudices and stereotype perspectives to be relayed by HWRC site staff with regard to same sex marriage or civil partnerships which could negatively impact upon the customer experience.
Mitigating actions for Marriage and Civil Partnerships
KCC requires all its providers to ensure staff are adequately trained in Equality and Diversity to equip them to understand and respect differences without prejudice. KCC will not tolerate derogatory comments or actions
Responsible Officer for Marriage and Civil Partnerships
Kay Groves
28. Negative impacts and Mitigating actions for Carer's responsibilities
Are there negative impacts for Carer's responsibilities
No
Negative impacts for Carer's responsibilities
Not Applicable
Mitigating actions for Carer's responsibilities
Not Applicable
Responsible Officer for Carer's responsibilities
Not Applicable

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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