

AUTHORITY REPORT: STRATEGY – PREPARATIONS FOR FUTURE WASTES MANAGEMENT ARRANGEMENTS IN EAST LONDON - UPDATE

1. Confidential Report

1.1 No.

2. Recommendations

2.1 Members are asked to:

- a) note progress on the development of a new strategy;
- b) consider the Aims and Objectives for the East London Joint Resources and Waste Strategy.

3. Purpose

3.1 This report is an update on work on preparations for future resources and wastes management arrangements for East London.

4. Background

4.1 Members received a report at the June 2018 AGM, along with a subsequent update at the September 2018 Authority Meeting, setting out the basis and rationale for developing a new joint resources and waste strategy for East London.

4.2 A new Head of Strategy and Development role was subsequently created to lead on this work, with recruitment taking place during the autumn of 2018 and the successful candidate joining ELWA in January 2019.

5. East London Joint Resources and Wastes Strategy

Aims and Objectives

5.1 In order to define the scope of the East London Joint Resources and Wastes Strategy (ELJRS), a working draft set of Aims and Objectives has been drawn up.

5.2 The draft Aims of the strategy are:

- a) to promote and implement sustainable municipal resources and wastes management policies in East London;
- b) to minimise the overall environmental impacts of resources and wastes management;
- c) to engage residents, community groups, local business and any other interested parties in the development and implementation of the above resources and wastes management policies; and
- d) to provide customer-focused, best value services.

5.3 The draft Objectives of the strategy are:

- a) to minimise the amount of municipal wastes arising;
- b) to maximise recycling and composting rates;
- c) to maximise the diversion of resources and wastes from landfill, particularly organic wastes that would produce greenhouse gases;

- d) to co-ordinate and continuously improve municipal wastes minimisation and management policies in East London;
- e) to manage municipal wastes in the most environmentally benign and economically efficient ways possible through the provision and co-ordination of appropriate resources and wastes management facilities and services;
- f) to ensure that services and information are fully accessible to all members of the community;
- g) to maximise all opportunities for local regeneration; and
- h) to ensure an equitable distribution of costs, so that those who produce or manage the waste pay for it.

5.4 Members are asked to consider these draft Aims and Objectives.

Strategy Structure

5.5 The scope and scale of the strategy that East London will need to develop means it will be a large and complex piece of work that could take up to 2-3 years to complete. However, it is recognised that the Constituent Councils in particular would benefit from having some certainty over the future design of services at the earliest opportunity, in order to give as much time as possible to consider local procurement strategies for services, fleet, equipment etc.

5.6 The following approach for developing and approving the overall strategy in three parts has therefore been proposed:

Part A: Maximising Waste Reduction, Reuse and Recycling

Part B: Managing Residual Waste

Part C: Delivering Infrastructure

5.7 It is intended that each of these component strategies will be consulted on before going through the requisite processes for formal adoption by ELWA and the Constituent Councils.

5.8 The rationale for this approach is to enable key sections of the strategy to be developed and approved in more manageable stages. In particular, the Part A strategy will include both waste prevention work and the plans for the evolution of reuse and recycling collection services provided by the Constituent Councils; and gaining joint agreement amongst the partners on what those will look like in the future will enable the waste collection authorities to proceed with forming their own long-term service development/procurement plans against an approved strategic backdrop at the earliest possible stage.

5.9 This approach will also ensure that the approval processes for Part A focus on the scope of that strategy, and do not get unduly delayed because of any potentially more difficult or divisive issues related to the provision of waste treatment capacity (which will be handled at Parts B and C).

5.10 The stages of the strategy will follow on from one another, but it will not be necessary to wait for one to be fully completed before the next can begin. As an example, it will become apparent as work on Part A evolves how much residual waste ELWA is likely to need to manage in the future, enabling the preparation work for Part B to begin some time before Part A has been completed, consulted on and adopted.

Part A – Waste Reduction, Reuse and Recycling Strategy

- 5.11 Part A of the ELJRWs will incorporate the following:
- a) Appraisal of current position, in terms of waste tonnage and composition, household numbers, demographics etc.
 - b) Projections of how East London will change over the period of the strategy, including housing stock numbers/types.
 - c) Forecasts of how waste generation levels will change, taking into account anticipated growth in housing/population at a local level as well as broader national trends that will impact on waste. The latter will include impacts from the proposals contained within the national Resources and Waste Strategy, such as Extended Producer Responsibility and a national Deposit Return Scheme for drinks containers, as well as 'horizon-scanning' for other factors that may impact on waste generation, such as shifts in consumption patterns, advent of new technologies and other factors.
 - d) Estimate of potential impacts on waste generation levels from waste reduction interventions initiated by ELWA and/or the Constituent Councils, such as communications campaigns relating to, for example, food waste or junk mail or to product sharing/leasing options, or restrictions on waste collection capacity.
 - e) Modelling and assessment of options to divert waste materials to reuse services, such as improved Reuse & Recycling Centres, community-based reuse initiatives, 'give & take' days, clothes-swapping events, repair advice and/or workshops, promotion of non-municipal second-hand or reuse options, or dedicated reuse collection services.
 - f) Modelling and assessment of options to increase recycling levels through enhanced collection services, improved Reuse & Recycling Centres and other appropriate measures, bearing in mind Government proposals mentioned above in relation to Extended Producer Responsibility.
- 5.12 The data gathering, forecasting and modelling work that is undertaken at Part A will underpin the subsequent stages of the strategy development work. There will be a requirement to check assumptions against new information as Parts B and C are formally developed further down the line, but it is expected that these exercises will be significantly smaller in scale than what needs to be undertaken to start developing Part A now.
- 5.13 Given the potentially challenging circumstances that ELWA and the Constituent Councils may face in developing Parts B and C of the strategy, it is essential that the Part A work that underpins them is sufficiently robust that it can stand up to detailed scrutiny in the future, and that it is capable of being refreshed without undue expense when needed for subsequent procurements and facility development.

Pre-Procurement of Specialist Consultancy Services

- 5.14 It has been agreed that a consultancy firm will be employed to undertake the projections, forecasts and modelling for Part A.
- 5.15 The value of this work is expected to exceed EU procurement thresholds for services, and as such it has been agreed that a framework will be used to procure these services through a mini-competition.
- 5.16 Local Partnerships have been employed by ELWA to assist with the development of a suitable specification, evaluation approach and other necessary tender documents.
- 5.17 Two workshops have now been delivered by Local Partnerships and ELWA to engage the Constituent Councils on the background to the strategy development work and the scope of the specification. The second workshop was attended by a key officer from each of ELWA

and the Constituent Councils who will be working on the Project Team for Part A of the Strategy.

Principles of Part A Procurement Approach

- 5.18 The detailed tender documentation is in the process of being drafted. Documentation will include a specification and evaluation matrix, which will together provide bidders with details of the work required and how their proposals will be evaluated.
- 5.19 The specification will require that bidders provide details on how they will model future waste generation levels, and it is currently proposed that this is asked for at key milestone years such as 2025 (London Environment Strategy target year), 2035 (Circular Economy Package target year) and 2050 (when we expect we will need to be starting work on a new joint resources and waste strategy).
- 5.20 It is proposed that the modelling work includes the wider scope of waste types and potentially differing timescales required by the planning policy teams in the four Local Planning Authorities (LPAs), so that the data can be used to help develop a new Joint Waste Development Plan Document (JWDPD) for East London.
- 5.21 The bidders will be asked to propose methods and pricing for modelling work, including:
- a) the potential impacts of the proposals outlined in the recent Resources and Waste Strategy consultations, and where possible incorporating proposals from any further consultations that may be issued by the Government while the Part A work is being undertaken;
 - b) the effects of reduction and reuse initiatives that ELWA and/or the Constituent Councils could initiate to move the management of resources up the waste hierarchy;
 - c) appraising collection scenarios, to assess relative costs and performance. The scenarios are likely to be those set out in the Government's recently proposed Consistency Framework, with variations on container types, collection frequencies and local service policies; but ELWA and the Constituent Councils may agree a small number of additional scenarios if it is felt that the Government's proposals will not be ideal for our local demography; and
 - d) the impact of projected numbers of flats on performance.
- 5.22 Owing to the scope, complexity and importance of the work that is being commissioned, ELWA is proposing that the framework mini-competition tenders are evaluated against criteria that award 70% of points for quality and 30% for price. The criteria are being developed at present, but are likely to include:
- a) project management approach and suitability of project plan, including methods of working with Constituent Councils and liaising with other stakeholders;
 - b) method for undertaking forecasting of future waste tonnage levels, including modelling RWS impacts and horizon-scanning;
 - c) method for projecting impacts of waste reduction and reuse initiatives/services, including preferred metrics;
 - d) method for modelling collection scenarios, including impacts of flats;
 - e) qualifications and experience of personnel assigned to the project and ability to bring insights to our future options and to communicate these effectively; and
 - f) cost of principal work and cost of additional work.

- 5.23 The Intellectual Property associated with the model(s) used in the analysis is to be ELWA's, with all models, assumption sheets, supporting data etc. to be passed to the Authority.

6. Reduction and Recycling Plans

- 6.1 The London Environment Strategy (LES) requires that the London Boroughs provide the Mayor of London with Reduction and Recycling Plans (RRPs) that set out how they will deliver against the aims and objectives of the strategy.
- 6.2 The Constituent Councils are required to submit their RRP's to the Greater London Authority (GLA) by 30 June for comment. Final submission will be by 31 August, following a period of review by the GLA and subsequent amendment (as needed) by the Constituent Councils.
- 6.3 ELWA is assisting officers from the Constituent Councils as much as possible to complete the RRP's and get them submitted by the end of June. ELWA will also assist with any clarifications or amendments that may be required during August after the documents have had their initial review by the GLA.

7. Next Steps

- 7.1 It is proposed that the tender documentation for consultancy services will be finalised in consultation with the Project Team, with the aim of uploading to the framework in July. Comments received from Members will be incorporated.
- 7.2 The mini-competition will be live for 3-4 weeks, with evaluation taking place during the summer so that a contract award can take place by September. It is anticipated that the work to mobilise the consultancy support will be well underway by the September Authority Meeting.

8. Relevant officers:

- 8.1 Andrew Lappage, Managing Director / e-mail: andrew.lappage@eastlondonwaste.gov.uk / 020 8724 5614; and Jon Hastings, Head of Strategy & Development / 020 8724 3689/ email: jon.hastings@eastlondonwaste.gov.uk.

9. Appendices attached:

- 9.1 None.

10. Background papers:

- 10.1 29 June 2018 Preparations for Future Wastes Management Arrangements Report and Minute 13/2018
- 10.2 17 Sept 2018 Preparations for Future Wastes Management Arrangements – Update

11. Legal considerations:

- 11.1 As set out in the body of the report the Authority's emerging strategy will be composed of three parts A, B & C being Maximising Waste Reduction, Reuse and Recycling; Managing Residual Waste and Delivering the Infrastructure. These stages are not separate but will be co-dependant. Each step will be shaped by consultation and earlier steps and the need to balance flexibility to deal with greater expectations of innovation in tackling waste with long term investment, which presents unique challenges within the environment of a fast-moving waste management regulatory framework.

11.2 This strategy development work will require procurement of services and ensuring the Authority gets the right expertise, quality and capacity. Paragraph 5.22 sets out the procurement arrangements which will be consistent with the Authority's Contract Rules within part D1 of the Authority's Constitution.

11.3 These can be summarised as Contracts of a Net Value of up to £5,000 will require at least one written quotation and discretion as to whether additional quotations should be obtained having regard to relevant factors that should be taken into account together with a written record of the process. Where the Contracts are of a net value between £5,001 and £50,000 there should be at least three written quotations. In determining the appropriate organisations from which quotations are to be obtained, account shall be taken of the subject matter of the contract and any other considerations, which are appropriate. Where the contracts are of a net value of £50,001 up to £500,000 a publication of an appropriate advertisement and a subsequent competitive tendering process shall be carried out. Subject to where the contract exceeds the goods/services or works thresholds (as appropriate) set out in the EU Rules, the opportunity must be advertised in the Official Journal of the European Union (OJEU) and tendered in compliance. In making the award it must be on the basis of the 'most economically advantageous tender' (MEAT), which does not necessarily mean the cheapest but if the factors are not within the definition in the Constitutions of MEAT then it must be a decision of the authority. Furthermore, this should be undertaken with the advice of the Authority's Legal Adviser and Finance Director. Finally, the Authority shall award all contracts with a Net Value above £500,000 save where it has expressly delegated authority to award the contract.

12. Financial considerations:

12.1 The Authority has set up a Strategy Reserve to cover the costs arising out of the development and planning for post 2027 waste disposal arrangements. The reserve currently stands at £11.109m and will be drawn on as appropriate during the year; consequently, there is no separate strategy expenditure included in the budget and levy approved by the Authority on 4 February 2019.

13. Performance management considerations:

13.1 ELWA and Council officers will draw on their own experiences and will seek advice from peers and external advisers as necessary in order to develop recommended changes to local services in a way that meets the needs and aspirations of residents, local businesses and Members.

14. Risk management considerations:

14.1 Risk management will form a fundamental part of the development and delivery of new waste management arrangements, in terms of project management, technical and planning deliverability assessments, wider stakeholder management, and especially in relation to any potential impacts of the above on current services.

15. Equalities considerations:

15.1 The ELJRS will have an equalities impact assessment as part of its development. The engagement and management of external advisers will have full regard to equalities considerations.

16. Follow-up reports:

16.1 As required.

17. Websites and e-mail links for further information:

17.1 <http://eastlondonwaste.gov.uk/>

18. Glossary:

Constituent Councils / the Councils = London Borough Councils of Barking & Dagenham, Havering, Newham & Redbridge

ELJRS = East London Joint Resources and Wastes Strategy (to guide the development of waste facilities and services)

ELWA / the Authority = East London Waste Authority

GLA = Greater London Authority

HGV = Heavy Goods Vehicle

IWMS = Integrated Waste Management Services contract

JWDPD = Joint Waste Development Plan Document (a land-use allocations plan for planning applications for waste facilities being handled by the Constituent Councils to be assessed against)

LES = London Environment Strategy

LPA = Local Planning Authority

MBT = mechanical-biological treatment facilities at Jenkins Lane and Frog Island that process residual waste to recover recyclable materials and produce fuels for subsequent energy recovery

PFI = Private Finance Initiative

RRP = Reduction and Recycling Plan, which each London Borough is required to submit to the GLA

19. Reviewed by Management Board

19.1 14 June 2019.

20. Confidentiality:

20.1 Not Applicable.