

5. The existing strategy for a single supplier framework for the County was approved by the Executive Member for Policy and Resources in 2016 and the contract was let in 2017 on an initial three-year basis with four one-year extensions. The final one-year extension expires 3rd July 2024.
6. The contract is for the collection, disposal, and re-cycling of commercial waste from Hampshire County Council properties, schools, and partner authorities (currently Hampshire and Isle of Wight Fire and Rescue service, Hampshire Constabulary and Portsmouth City Council). There are 15 categories of waste collected which is paid based on tonnes collected. The amalgamation of all waste streams into a single contract provides efficiencies from aggregation and streamlined contract administration processes.
7. The contract currently requires waste to be collected from 829 properties in total, of which 164 are Hampshire County Council corporate properties.
8. The centrally managed framework approach has meant that there is a focus on performance of the contract as a whole and has allowed communication with stakeholders on a range of waste collection, finance and quality issues.
9. The team has consulted with stakeholders around a range of options including other frameworks, integration with other FM contracts, fixed term contracts, multi supplier or geographic lotting, and has concluded that the existing single supplier best suits the needs of Hampshire County Council for the collection and disposal of commercial waste. Other arrangements do not cover the full range of waste categories required, and lotting the arrangement would lead to different contractors, different waste bins, and different management regimes across the estate. The current single supplier maximises efficiency of management, reporting and purchase to pay systems.
10. In the current contract, for the year 2022 – 2023, the contractor, Suez collected, disposed of, and recycled a total of 8,902.88 tonnes of waste. The table below summarises the waste collected by Hampshire County Council, or partner for the year 2022 / 2023:

Customer	Tonnes Collected 2022 / 2023
Hampshire County Council	1,858.31
Schools	5756.543
Hampshire and Isle of Wight Fire and Rescue service	178.33
Hampshire Constabulary	361.818
Portsmouth City Council	747.879
Total	8,902.88

11. Hampshire County Council's corporate buildings account for approximately 20% of the waste collected.
12. Schools account for around 50% of the waste collected and the contract spend.
13. Partner authorities are Hampshire and Isle of Wight Fire and Rescue service, Hampshire and Isle of Wight Constabulary/OPCC, and Portsmouth City Council. These partners collectively account for around 20% of the contract value.
14. There is scope to include further partners in the contract, and indeed the County Council has been asked to name other authorities in and bordering Hampshire

in the contract notice. The consultation to date has asked district and unitary authorities if they might be interested in joining the contract, and those who agree will be named in the contract notice. There is however, no obligation at this stage for any authority to commit. Those who have currently asked to be named over and above the existing authorities are Basingstoke and Deane Borough Council, Eastleigh Borough Council, Reading Borough Council, and Southampton City Council.

15. Mobilisation of the new contract and the potential transfer of staff and obligations will be critical to the successful implementation from June 2024.

Contextual information

16. Waste collection, disposal and re-cycling is one of the contracts within the Soft FM category which includes Cleaning, Security, and Grounds Maintenance of the Hampshire estate schools (except for cleaning), and in the buildings of partner organisations such as Hampshire and Isle of Wight Fire and Rescue service, Hampshire Constabulary and Portsmouth City Council. There is a dedicated category management team in Property Services looking after the Soft FM contracts to ensure that they meet the business need, continuously improve, and react to emerging strategy and policy.
17. Current contract key objectives to be taken forward into the tender for the replacement include:
 - maximise consolidation across client organisations to achieve economy of scale;
 - transparent pricing structure that provides value for money to all budget holder clients without cross subsidy;
 - incentivise recycling and re-use, to reduce waste ending up in landfill and costs of disposal;
 - robust KPIs to enable good contract management;
 - flexibility to allow for changes to buildings covered by the contract, and for new partners to join the arrangement;
 - social responsibility through engagement with schools on recycling initiatives;
 - ease of access to the arrangement for internal budget holders, schools and other external organisations;
 - high quality management information to enable informed decisions on cost reduction strategies;
 - collaboration between Supplier and Authority to simplify the payment process;
 - pricing structure consistent with the wider commercial waste market to facilitate benchmarking and like for like comparisons;
 - improved stakeholder engagement and management; and
 - objectives to be fully cognisant of the complete supply chain and the commercial implications of changes to waste strategies.
18. Corporate Social Responsibility Objectives - A strategic objective of this framework is to reduce total waste volumes and increase the proportion of waste that is reused and recycled to achieve environmental benefits and reduce costs to the Contracting Authorities. Hampshire County Council has an agreed

Waste Prevention Action Plan which provides an approach to preventing waste locally and should assist with reducing service delivery costs, the environmental impact of waste, and boosting the local economy. Materials such as furniture and electrical appliances that are diverted to reuse charities and away from landfill have a direct positive, social and economic benefit for Hampshire residents.

Finance

19. The current contract spends a total of around £2million/annum across Hampshire County Council, Schools and Partners, which has been consistent for the last two years. However, experience of other contracts has seen inflationary uplifts of between 15% and 20%. The proposed framework value includes a top end estimate of £3million per annum for the eight-year contract for approval. The final cost will be within this figure for all users of the contract and will be determined by the actual tonnage of waste collected based on the tendered rates. The table below summarises the spend by Hampshire County Council or partner for the year 2022 / 2023:

20. The County Council's corporate buildings account for 28% of the total spend.

Customer	Spend 2022 / 2023
Hampshire County Council	£560,952.72
Schools	1018499.73
Hampshire and Isle of Wight Fire and Rescue service	£74,603.22
Hampshire Constabulary	£127,410.39
Portsmouth City Council	£228,748.79
Total	£2,010,214.85

21. Within the tender, the contractor is asked to include a 3% levy on the contract to cover Hampshire County Council's cost of the procurement and management of the contract. This is collected annually.

Performance

22. During the current contract, there has been a review of possible performance measures which can be built into the new contract. These will be developed in the tender.

Consultation and Equalities

23. Internal and external stakeholders, including Hampshire and Isle of Wight Fire and Rescue service, Hampshire Constabulary, and Portsmouth City Council, and other Hampshire authorities have been engaged throughout to help inform the proposal.

24. A market engagement event with potential suppliers has been held to take on board market suggestions and ideas, and to test our contract strategy.

25. The County Council recently held a social value workshop for suppliers across all categories including construction, consultancy, hard and soft FM to develop

ideas around embedding further social value in all of our contracts and not just employment opportunities on major construction contracts. The output from the workshop, which included colleagues from 2050 (Skills and Participation) and Hampshire Futures requires further work, but this contract includes reference to Hampshire Futures, and quality questions are being developed to invite some fixed commitments around employment opportunities for young people and adults in Hampshire.

26. An EIA has found that the impacts of these proposals are neutral, as they will ensure the continuation of the existing waste disposal service without any direct impacts on service users.

Climate Change Impact Assessments

27. The recent workshop on social value with a wider supply chain identified opportunities for more common reporting of carbon emissions which could in future lead to more accurate assessment of the County Council's own carbon emissions. This will be included in the tender.
28. As a service contract, there is a key requirement for the environmental priorities to be detailed in the specification. These will include targets for recycling, reduction in overall waste, and avoidance of landfill.
29. The Council held a market engagement event with potential suppliers at which the point was raised that bin lorries based on sustainable fuels/electric were not reliable at the present moment. The specification will allow for the introduction of sustainable vehicles as they become viable.
30. There will be a requirement for the supplier, and other suppliers and contractors on other contracts to report on their carbon emissions, to enable the County Council to better understand the indirect carbon emissions of its suppliers and contractors.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	yes
People in Hampshire enjoy being part of strong, inclusive communities:	yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

An EIA has found that the impacts of these proposals are neutral, as they will ensure the continuation of the existing waste disposal service without any direct impacts on service users.