

Cabinet Member Decision.

Notice of:	Cabinet Member for Environment and Climate Change
Decision Number:	PH34/2020
Relevant Officer:	John Blackledge, Director of Community and Environmental Services
Relevant Cabinet Member:	Councillor Jim Hobson, Cabinet Member for Environment and Climate Change
Date of Decision:	6 July 2020

ENVECO – PHASE 2 DEVELOPMENT

1.0 Purpose of the report:

- 1.1 To consider the future development of the Council's wholly owned waste company, Blackpool Waste Services Limited, which trades as ENVECO NW Environmental Services Limited, through the potential to expand its operational base by further incorporating additional frontline waste and other associated operational services delivered from Layton Depot.

2.0 Recommendation(s):

- 2.1 To agree to explore the potential to further develop the operational capability of ENVECO in delivering additional related services currently managed by the Council, which provides the opportunity for a more integrated and coordinated delivery, with improved levels of services and better environmental outcomes for the residents of Blackpool.
- 2.2 To authorise the Director of Community and Environmental Services to form a Project Board, including representation from ENVECO and also to form a corporate multi-disciplinary project team to focus on exploring the scope and potential benefits, including TUPE and Financial implications of ENVECO delivering a wider range of waste related services, with the Waste Policy and Partnerships Manager taking a project lead role.

3.0 Reasons for recommendation(s):

- 3.1 The reason for exploring how the various waste functions are delivered is to further increase the quality and benefit of the services being delivered to the residents of the

town through a more joined-up and co-ordinated approach to delivering waste and associated frontline services.

- 3.2 As the town strives to increase its recycling rate and move towards a more sustainable circular economy model, the integration of services is central to effective delivery.
- 3.3 In addition, the scope of this project will potentially assist the Council in delivering efficiencies and savings while at the same time protecting jobs within the Council. This model also frees up the waste operating company from the potentially restrictive conditions imposed by central government upon local authority commercial operations, allowing for a more agile service delivery function.
- 3.3a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No
- 3.3b Is the recommendation in accordance with the Council's approved budget? Yes
- 3.4 Other alternative options to be considered:
- 3.4a To not consider the integration the associated services and maintain the status-quo without exploring

4.0 Council Priority:

- 4.1 The relevant Council Priority is: "The economy: Maximising growth and opportunity across Blackpool".

5.0 Background Information

- 5.1 Following the Cabinet Member Report approved on the 12 January 2018, it was agreed for the Director of Community and Environmental Services to formally explore the options for the delivery of the waste collection service under the broad control of the Council, and the associated benefits of the different delivery models.
- 5.2 After a due diligence exercise considering the various models was undertaken, a report to the Executive was submitted on 16 July 2018 with the recommendation to deliver the service via a wholly owned Council Trading Company.
- 5.3 The formation and subsequent implementation of the Council's wholly owned waste company, ENVECO NW Environmental Services Limited, was a seamless transfer of operations and well received by both residents of the town and the workforce alike.

- 5.4 Over the course of the last ten months, ENVECO has already begun work on an extensive Service Improvement Programme moving more households from weekly sack collections on to wheeled bins and a three-stream recycling collection thereby improving environmental quality for residents and increasing recycling.
- 5.5 In addition to the above, since ENVECO began operations, it has allowed the business unit to establish robust governance, scrutiny and oversight processes by the Board and has enabled the organisational culture to develop its Blackpool focused approach. The operational performance during this period has been steady and further initiatives, such as absorbing core elements of the service previously delivered by Calico, have been realised (wheeled bin management, paper/card collections).
- 5.6 The ENVECO Board is comprised of a number of non-executive directors with a range of skills and experience within the waste sector including community, commercial, legal and financial, as well as the deputy CEO of Keep Britain Tidy. This presents ENVECO and Blackpool with a wealth of experience and expertise to draw upon in any future developments of the company, helping to drive service and improves operational efficiency.
- 5.7 The ENVECO Board has discussed the potential development of the service and are very supportive. If the report is agreed, then it would be important to have representatives on the steering group/board that is formed.
- 5.8 There is much in terms of potential benefits to realise from the further integration of the services, particularly around service elements relating to waste minimisation and communications, operational efficiencies and bin management. The formal commercial relationship between the Council and the previous contractor Veolia limited opportunities for collaborative working to be effectively progressed and deliver savings opportunities that will be possible to now explore more fully. In addition to the Service Improvement Programme already being delivered, ENVECO is also planning to undertake various trials and pilot schemes in relation to utilising new technology and different ways of working in order to further raise environmental standards across the town.
- 5.9 Consolidation of the additional waste related services with the wider ENVECO operation could strengthen the overall ability of the company to deliver integrated and co-ordinated frontline waste services, particularly in relation to Street Cleansing. A wider, more agile and multi-skilled labour pool would assist in being able to flex delivery in relation to the changing environment with regards to local and national conditions, regulations and legislation.

- 5.10 Staff integration presents the single greatest risk in integrating services. Extensive engagement and consultation with both staff and Union representatives is key to effectively managing the impact and challenges of a multi-tier workforce.
- 5.11 In order to successfully mitigate the challenges of a multi-tier workforce the terms and conditions of the existing council staff transferring to the company will be fully considered and taken account of as part of the process. As would be expected the Trade Unions will be involved throughout the process.
- 5.12 IT realignment between the company and the Council is also a potential high-risk area and early engagement with IT colleagues has been factored into the project plan.
- 5.13 The project would also seek to explore what impact other areas would have on the integration of services, namely: Property recharge for Layton Depot, responsibility for Health and Safety and Central Support Services.
- 5.14 Does the information submitted include any exempt information? No
- 5.15 **List of Appendices:**
- None.
- 6.0 Legal considerations:**
- 6.1 TUPE and pension related processes.
- 7.0 Human Resources considerations:**
- 7.1 TUPE conditions would apply, with a requirement for significant staff and Trade Union engagement throughout the process.
- 8.0 Equalities considerations:**
- 8.1 In the course of developing this proposal, the Council have considered whether there could be unintended adverse impacts on people because of shared characteristics protected by the Equality Act. The Council believes this proposal will not have any indirectly discriminatory effects.

9.0 Financial considerations:

9.1 The initial costs of undertaking the review will be borne by the service. A further report will identify whether there is a business case to support consolidation of additional waste related services within ENVECO and identifying costs and savings necessary to pursue this option if feasible.

10.0 Risk management considerations:

10.1 Good project management would be critical to mitigate risks and ensure that the transition of services and management of the multi-tier workforce is as seamless as possible.

11.0 Ethical considerations:

11.1 None

12.0 Internal/ External Consultation undertaken:

12.1 Cross-departmental working in relation to consideration of the matter and external professional support.

13.0 Background Papers

13.1 None.

14.0 Key decision information:

14.1 Is this a key decision? No

14.2 If so, Forward Plan reference number:

14.3 If a key decision, is the decision required in less than five days? No

14.4 If **yes**, please describe the reason for urgency:

15.0 Call-in information:

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

15.2 If **yes**, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

16.0 Scrutiny Committee Chairman (where appropriate):

Date informed:

Date approved:

17.0 Declarations of interest (if applicable):

17.1 None.

18.0 Executive decision:

18.1 The Cabinet Member agreed the recommendations as outlined above namely:

1. To agree to explore the potential to further develop the operational capability of ENVECO in delivering additional related services currently managed by the Council, which provides the opportunity for a more integrated and coordinated delivery, with improved levels of services and better environmental outcomes for the residents of Blackpool.
2. To authorise the Director of Community and Environmental Services to form a Project Board, including representation from ENVECO and also to form a corporate multi-disciplinary project team to focus on exploring the scope and potential benefits, including TUPE and Financial implications of ENVECO delivering a wider range of waste related services, with the Waste Policy and Partnerships Manager taking a project lead role.

18.2 Date of Decision:

6 July 2020

19.0 Reason(s) for decision:

The reason for exploring how the various waste functions are delivered is to further increase the quality and benefit of the services being delivered to the residents of the town through a more joined-up and co-ordinated approach to delivering waste and associated frontline services.

As the town strives to increase its recycling rate and move towards a more sustainable circular economy model, the integration of services is central to effective delivery.

In addition, the scope of this project will potentially assist the Council in delivering efficiencies and savings while at the same time protecting jobs within the Council. This model also frees up the waste operating company from the potentially restrictive conditions imposed by central government upon local authority commercial operations, allowing for a more agile service delivery function.

19.1 Date Decision published:

6 July 2020

20.0 Executive Members in attendance:

20.1

21.0 Call-in:

21.1

22.0 Notes:

22.1