

Notice of:	EXECUTIVE
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 Next Meeting:	22 March 2021

BLACKPOOL WASTE SERVICES – 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, 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 authorise and approve the integration of the depot-delivered Waste and Street Cleansing services (see scope of services below) in to the Council’s wholly owned waste company, Blackpool Waste Services Limited, in delivering additional related services currently managed by the Council. This will provide the opportunity for a more integrated, joined up and coordinated delivery, with improved levels of services and better environmental outcomes for the residents of Blackpool, in addition allowing the opportunity to create efficiencies with a target saving of £350,000 to contribute to the Council’s ongoing financial position. (See the Strategic Environmental Assessment Plan (SEAP) attached at **Appendix 4a**).
- 2.2 To authorise and delegate to the Director of Community and Environmental Services responsibility for the smooth transfer of the services identified in this report by 1September 2021 to Blackpool Waste Services Ltd. He will work with the existing Project Board and the Blackpool Waste Services Board in facilitating the transfer. Council department specialists will provide support to ensure all appropriate legal and financial due diligence is undertaken prior to the transfer of services. Particular regard will be given to ensuring staff terms and conditions are protected.

3.0 Reasons for recommendation(s):

- 3.1 To improve 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 staff and services is central to effective delivery of these outcomes.

In addition, the scope of this transfer has the potential to assist the Council in delivering efficiencies and savings while at the same time protecting jobs within the Council. Service integration 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.

- 3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

- 3.3 Is the recommendation in accordance with the Council's approved budget? Yes

- 4.0 Other alternative options to be considered:

- 4.1 To continue to deliver the services in a separate and uncoordinated manner between the Council and Blackpool Waste Services Limited.

5.0 Council Priority:

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

6.0 Background Information

- 6.1 Following the Cabinet Member Decision 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.

- 6.2 After a due diligence exercise exploring the various delivery 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.

- 6.3 The formation and subsequent implementation of the Council's wholly owned waste company, Blackpool Waste Services Limited, was a seamless transfer of operations from Veolia and well received by both residents of the town and the workforce alike.
- 6.4 Since Blackpool Waste Services Limited 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 unprecedented and challenging period has been excellent and further initiatives, such as the Service Improvement Programme including bags to bins and absorbing core elements of the service previously delivered by third sector partners have been realised.
- 6.5 The Blackpool Waste Services Board is comprised of a number of Non-Executive Directors with a wide range of skills and experience within the waste sector including community, environmental, commercial, legal and financial, as well as the deputy Chief Executive Officer of Keep Britain Tidy. This presents Blackpool Waste Services and Blackpool with a wealth of experience and expertise to draw upon in any future developments of the company helping to drive service improvement and increase operational efficiency. The Blackpool Waste Services Board has been kept briefed and consulted in relation to the proposal and are excited and keen to progress the integration of services and ultimately improve environmental outcomes for residents and visitors to the town alike.
- 6.6 The Blackpool Waste Services Board has oversight of the potential integration of the services and are very supportive. Crucially, if the transfer were agreed, the knowledge, skills and expertise of the Board would prove beneficial to ensuring a successful transfer and implementation.
- 6.7 A specialist project working group has been assembled and already undertaken a significant amount of preliminary groundwork over the last 12 months to review the benefits of integration, which has determined that the integration provides the opportunity for a more integrated, joined up and co-ordinated delivery, with improved levels of services and better environmental outcomes for the residents of Blackpool (see Strategic Environmental Assessment Plan documents at Appendix 4a), in particular service improvements relating to waste minimisation, recycling, communication with residents, operational effectiveness and bin management. In addition to the Service Improvement Programme being delivered, Blackpool Waste Services is also planning to undertake various trials and pilot schemes in relation to utilising new technology and different ways of working, which would be more effective and of greater impact if it included all waste related services, in raising environmental standards across the town.

- 6.8 Consolidation of the additional waste related services with the wider Blackpool Waste Services Limited operation would strengthen the overall ability of the company to deliver integrated and co-ordinated frontline waste and environmental services, particularly in relation to Street Cleansing. A wider, more agile and multi-skilled labour pool would assist in being able to deliver more flexibly in relation to the changing environment with regards to local and national challenges, regulations and legislation
- 6.9 The scope of services to be included in the transfer are as follows and would include up to 160 Council staff:
WASTE - including:
- Street Cleansing
 - Household Waste Recycling Centre
 - Trade Waste
 - Park Operations
 - Building Cleaning and
 - Vehicle Maintenance.
- 6.10 The overall budgetary cost of the services in scope is in the region of £7.8m, which would take the company to an annual turnover of in excess of circa £10m, exclusive of any central support charges, which will be agreed separately under a service level agreement. In relation to the £7.8m, there is associated income which offsets the total cost of these services of £6.2m.
- 6.11 In conjunction with the Head of Cleansing and Operational Services and Blackpool Waste Service's Managing Director, operational efficiencies have been explored, which includes service and workforce integration, vehicle usage and effectiveness, review of externally contracted services and new technology, with target savings of £350,000 considered to be achievable and realistic (pro rata 2021/22 – full effect 2022/23).
- 6.12 The review project has also sought to explore what impact other areas would have on the integration of services; for example responsibility for Layton Depot transferring to Blackpool Waste Services as if the integration is approved Blackpool Waste Services would be the largest single organisation/service operating from the depot, which would ensure a single point of responsibility in terms of management and health and safety of the depot. In this circumstance the Council would lease back space on the depot as a base for the services that will remain under direct Council management.
- 6.13 Extensive early engagement and consultation with both staff and Union representatives has and is taking place, which is key to effectively managing the impact and challenges of a multi-tier workforce. TUPE conditions would apply with a

requirement for significant staff and Trade Union engagement throughout the process. As part of the TUPE process, all staff within scope would transfer to Blackpool Waste Services under protected existing terms and conditions. Please refer to the separate paper produced by the project Working Group's HR Support Officer relating to terms and conditions attached at **Appendix 4b**.

6.14 The proposed project implementation date for the transfer of services would be the 1 September 2021.

6.15 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 Appendix 4a: Strategic Environmental Assessment Plan (SEAP)
Appendix 4b: Paper on Terms and Conditions

8.0 Financial considerations:

8.1 The creation of Blackpool Waste Services realised a saving of around £750,000. The integration of Street Cleansing with Blackpool Waste Services requires a further £350,000 of savings to be achieved. The budget for 2020/21 assumes this saving will be made, should this not prove possible further savings will need to be found within Community and Environmental Services.

9.0 Legal considerations:

9.1 TUPE and pension related processes, lease of Layton Depot. Consideration of delegated powers to Blackpool Waste Services in the provision of environmental enforcement.

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. A comprehensive and robust risk register has been developed, which covers key risks including those related to Legal, Financial, Delays, ICT, Service Delivery, Premises, Vehicles and Insurance. The process and the risks are being managed and monitored regularly in conjunction with the Councils Head of Audit and Risk to ensure all identified operational and strategic risks are mitigated as far as reasonably practicable.

11.0 Equalities considerations:

11.1 In the course of developing this proposal, the Council has 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.

12.0 Sustainability, climate change and environmental considerations:

12.1 While there are no direct considerations, greater coordination in working between the Council and the Waste Company could help to ensure that the Council delivers services in the most sustainable way.

13.0 Internal/ External Consultation undertaken:

13.1 Briefing and consultation with Blackpool Waste Services Board, staff and Union briefings. Cross-departmental working in relation to consideration of the matter and external professional support.

14.0 Background Papers

14.1 None.

15.0 Key decision information:

15.1 Is this a key decision? Yes

15.2 If so, Forward Plan reference number: 5/2021

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

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

16.0 Call-in information:

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

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

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

17.0 Scrutiny Committee Chairman (where appropriate):

Date informed: 12 March 2021 Date approved:

18.0 Declarations of interest (if applicable):

18.1

19.0 Executive decision:

19.1

20.0 Date of Decision:

20.1

21.0 Reason(s) for decision:

21.1

22.0 Date Decision published:

22.1

23.0 Executive Members in attendance:

23.1

24.0 Call-in:

24.1

25.0 Notes:

25.1