

Committee(s):	Date(s):
Port Health and Environmental Services	18 November 2014
Subject: Five year extension of London Wide Hazardous Waste Collection and Disposal Service.	Public
Report of: Director of the Built Environment	For Decision
Summary	
<p>The City currently acts as the lead authority for the London-wide Hazardous Waste Collection and Disposal Service, which is delivered through a contract with PHS Waste Management.</p> <p>The current contract commenced on 1 October 2010 for five years, with the option to extend by a further five years subject to satisfactory performance and further authority being obtained from your Committee and the participating boroughs.</p> <p>The service has been increasing usage over the contract period, and online facilities have been improved. Officers have reviewed the contract and concluded that it is performing well and provides good value for money. The contractor has indicated their willingness to extend the contract on the present terms.</p> <p>It is therefore recommended that a five-year extension to the contract be agreed, subject to the agreement of the participating boroughs, which is currently being sought.</p>	
Recommendation(s)	
Members are asked to agree that:	
<ul style="list-style-type: none"> • The City continues to act as lead authority for the provision of a London-wide Hazardous Waste Collection and Disposal Service. • The City seeks formal agreement with PHS Waste Management for a five year extension to the existing contract subject to such amendments as may be agreed by the Comptroller & City Solicitor subject to participating Borough agreement of contract extension. 	

Main Report.

Background

1. The City currently acts as the lead authority for the provision of a London-wide Hazardous Waste Collection and Disposal Service. This service is used by all of the London Boroughs, with the exception of Hillingdon, and provides a mechanism for the collection of small quantities of asbestos and chemical wastes from members of the public, registered charities, schools, local authority offices and the Emergency Services.

2. The City has acted as lead authority for this service since 1 April 1998. Prior to this it was administered by the Environment Agency from 1 April 1996 to 31 March 1998. They in turn succeeded the former London Waste Regulation Authority and the Greater London Council respectively. It is believed that this particular service has been provided within London since 1966.
3. In 2010 a tendering exercise was carried out for the provision of a Hazardous Waste Collection and Disposal Service. Your Committee agreed to award a five year contract to PHS Waste Management for the collection and disposal of chemicals and asbestos which commenced on 01 October 2010. The contract was for an initial five year period, with an option to extend by a further five years subject to satisfactory performance and further authority being obtained from the participating boroughs and this Committee.

Current Position

4. As part of its responsibilities for administering this service, the City employs two full time officers to co-ordinate the various requirements of the contracts. These include taking telephone calls from residents, processing on-line applications and making arrangements with the specialist contractor.
5. The relationship between the City and each participating authority is governed by the existence of individual Borough Agreements made under Section 5 of the London Government Act 1963 and Section 101 of the Local Government Act 1972. These Agreements allow for the City to charge each participating authority for the costs associated with the provision of the service, namely an apportionment of the administrative and fixed charges of both the City and the contractors, paid in advance at the start of each contract year, together with the costs of the actual collections carried out within that particular authority's area, paid at the end of each quarter. The estimated total cost of the contract for the present financial year is £363,000. The residual charge to the City for the last financial year was less than £3,000 (its proportion of the fixed costs plus collection costs).
6. The existing arrangements for the service have proved popular with the participating authorities and there has been a steady year on year increase in its usage. During the first four years of the present contract the amount of collections carried out has risen from 2,500 in 2010/11 to 3,200 in 2013/14, when the service was responsible for the collection of 240 tonnes of asbestos and 35 tonnes of chemicals from within the London area. During this period the service has also evolved with an improved facility for residents to make applications for the service online, which has resulted in the percentage of collections made from online requests rising from less than 5% in 2010/11 to over 25% in 2013/14.

The Future

7. The existing contract with PHS Waste Management ends on 30 September 2015. Your officers have looked at options post 2015 and consulted with the Greater London Authority and the London Waste and Recycling Board during September of this year. Following this exercise it was concluded that the existing arrangements worked well and that the contract provides value for money for Boroughs due to the administration of one contract for 32 participating Boroughs. This exercise resulted in the contractor being approached regarding a possible extension to the existing contracts for a period of 5 years, for which there is provision within the existing Agreements.
8. The contractor has expressed a willingness to extend the existing contract on the present terms, although they have expressed concerns regarding possible increases to landfill tax regarding the disposal of asbestos. This type of increase is already provided for within the existing Borough Agreements and any additional costs involved would be passed on to the participating authorities.
9. Agreement is currently being sought by Comptrollers and City Solicitors from the existing participating authorities for their formal acceptance of these arrangements in parallel with seeking Committee approval.

Financial Implications

10. Due to the increase in usage of this service there may be a need to increase staffing in the future depending on demand. This initially would be on a part time basis during the peak spring/summer period and cover would be provided on an agency basis although it is hoped that with more applications being made on line this need may be reduced. This type of scenario is already provided for within the existing Borough Agreements and any additional costs involved would be shared amongst the participating authorities, and the impact on the City would be minimal.

Environmental Implications

11. The contract provides an invaluable service for the collection and disposal of an increasing amount of hazardous wastes. This has been recognised by the Greater London Authority within the Mayor's Municipal Waste Management Strategy and the Mayor's Hazardous Waste Strategy. Without this type of service for London, hazardous wastes could be disposed of through less environmentally friendly means such as fly-tipping, via the drainage system or hidden in the general waste stream.

Value for Money

12. The present arrangement within London is unique and cannot be compared with any other hazardous waste service that is carried out within the rest of the UK. It is therefore difficult to compare like for like costs, however a single contract administered by the City on behalf of another 31 other Boroughs is seen as a role model for joint procurement by the GLA.

Conclusions

13. The present contractual and administrative arrangements have provided an essential and reliable service to the participating London authorities. The service has also gained praise from other bodies and other local authorities have used it as a model on which to base their own schemes. The existence of the service has meant a significant amount of hazardous waste generated in London has been managed properly.
14. The City acts as lead authority on behalf of all London boroughs (with the exception of Hillingdon) for the provision of this service which provides an excellent example of joined up partnership working on a London-wide scale. It also reinforces the City's position of providing services or amenities for the benefit of London as a whole.

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