

Committee(s)	Dated:
Port Health and Environmental Services	20 September 2016
Subject: Novation of Hazardous Waste Collection and Disposal Contract	Public
Report of: Director of the Built Environment	For Decision
Report author: Jim Graham, Department of the Built Environment	

Summary

To seek your Committee's approval for the City to novate the Hazardous Waste Collection and Disposal Service contract to Biffa Waste Services Limited following the acquisition of PHS Chemical Waste Ltd (formally PHS Waste Management).

Recommendation(s)

Members are asked to agree that:

- Approval be given to the contract originally let to PHS Waste Management Ltd being novated to Biffa Waste Services Ltd.

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.

4. Authority was obtained from your Committee on 18th November 2014 and subsequently all 32 of the participating boroughs, including the City agreed to the contract extension and therefore the contract with PHS Waste Management was extended for five years commencing 01 October 2015.
5. Officers were informed in October 2015 that Biffa Waste Services had acquired PHS Chemical Waste Ltd (formally PHS Waste Management) with effect from 29 September 2015.
6. Comptroller & City Solicitors were informed of the acquisition and the contacted Chamberlain's Department asking them to undertake a financial appraisal of Biffa Waste Services. The assessment was undertaken and Biffa waste Services were assessed as being financially satisfactory to undertake the hazardous waste contract.
7. Comptroller and City Solicitors then proceeded in November 2015 to obtain consent for the novation to Biffa Waste Services from all of the authorities participating in the pan-London Agreement. This turned out to be a lengthy exercise with the final consent not received until June 2016.

Current Position

8. Consent for the contract Novation has been received from all participating boroughs of the London Wide Hazardous Waste Collection & Disposal Service.
9. Comptroller & City Solicitors have obtained signed Novation agreements have from Personal Hygiene Services Ltd and Biffa Waste Services Ltd.

Proposals

10. That approval is given to the contract originally let to PHS Waste Management Ltd being novated to Biffa Waste Services Ltd.

Implications

11. Biffa waste Services were assessed by Chamberlain's Department as being financially satisfactory to undertake the hazardous waste contract.
12. All current contract prices including schedule of rates will continue as agreed in the existing contract with no additional costs associated to the Novation being incurred.
13. 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 beginning of each anniversary of the contract, 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 cost of the contract for the present financial year is £383,000. The charge to the City for the last financial year was less than £3,000 (equivalent to its proportion of the fixed costs plus collection costs).

14. The service 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.
15. 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.

Conclusion

16. 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.
17. 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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