

SUPPLEMENTARY 1

THE EXECUTIVE

Tuesday, 10 March 2009

Agenda Item 9. Establishment of a Skills Centre in Barking Town Centre (Pages 1 - 12)

Agenda Item 10. Contract for the Supply of Wheelie Bins (Pages 13 - 18)

Contact Officer: Sola Odusina
Telephone: 020 8227 3103
Fax: 020 8227 2171
Minicom: 020 8227 2685
E-mail: sola.odusina@lbbd.gov.uk

This page is intentionally left blank

EXECUTIVE**10 MARCH 2009****REPORT OF THE CORPORATE DIRECTOR OF CHILDREN'S SERVICES**

The Chair will be asked to determine whether this report can be considered at the meeting under the provisions of Section 100B(4)(b) of the Local Government Act 1972 as a matter of urgency in order to avoid unnecessary delay in progressing proposals for a Skills Centre.

Title: Establishment of a Skills Centre in Barking Town Centre	For Decision
<p>Summary:</p> <p>This report deals with the establishment of a Skills Centre in Barking and Dagenham.</p> <p>Specifically it describes:</p> <ul style="list-style-type: none"> a. a proposed location b. the positive impact to be achieved in reducing the numbers of young people aged 16-19 who are not in education, employment or training (NEET) c. a proposed curriculum with a high level of wraparound support in order to maximise levels of achievement and progression d. how young people will be recruited to the Skills Centre e. the potential for adult residents to acquire work relevant skills f. the role of the private sector g. potential links with other providers of learning programmes h. capital funding options <p>Wards Affected: Abbey</p>	
<p>Recommendation(s)</p> <p>The Executive is asked to agree:</p> <ol style="list-style-type: none"> 1. The proposed location on the London Road/North Street site as part of the first phase of that development; 2. Partnership arrangements with Barking College as the main delivery partner in the project; 3. The proposed funding arrangements for the capital element of the Centre, subject to a further report to the Executive if the bid applications are unsuccessful; 4. To authorise the Corporate Director of Resources, on the advice of the Legal Partner, to conclude the legal agreements with the relevant parties that are required to establish the Skills Centre; and 5. To authorise the Corporate Director of Resources to implement such governance arrangements as are appropriate to establish the Skills Centre. 	

Reason(s)

To assist the Council to achieve its Community Priority of 'Better Education and Learning For All'.

Implications:**Financial:**

Capital requirements

Capital expenditure for the design and development of the Skills Centre is estimated to be (at current prices) £12.5m upon a floor area of 4500m² based upon a construction cost of £2,000 m². Construction costs would be around £9m with the balance being for remediation works and fees. Access to capital funding sources is through applications made separately for young people pre-16, and post-16.

It has not been possible to fund the pre-16 element of the capital scheme through existing Building Schools for the Future sources, without prejudicial effects on levels of funding already allocated to the schools. Barking College would wish to be the key delivery partner to the Local Authority in a bid to the Learning and Skills Council for the post-16 element of capital funding.

For the pre-16 component, a bid has been made to a central government funding source (Department for Children, Schools and Families) to create 'World Class Facilities' based upon the delivery of the specialised Diploma qualification, with LBBB one of only 35 local authorities from a total of 220 nationally to be successful at the second stage of the bidding process. The outcome of our proposal to secure the maximum value of £5.0m will be known in April.

It is intended that the balance of the capital funding required (£7.5m) will be secured through the Learning and Skills Council (LSC). The LSC has indicated that they support the principle of an additional further education provider presence in Barking, as this provides good strategic coverage with other providers, and particularly with Newham. The funding application would be made jointly with Barking College who are keen to have a Barking campus in order to offer education and training programmes to young people in sectors which are complementary to their existing curricular provision, and to provide education and training opportunities in additional key employment areas in partnership with the private sector.

However, there is a currently a national freeze on the allocation of LSC funds for the further education sector, the duration of which is uncertain. An interim position should be known at the time this report is presented to the Executive. (Outcome of capital review due from the LSC on 4th March).

If the applications to the Department for Children, Schools and Families and the Learning and Skills Council prove to be unsuccessful, or limited in the level of funding they are able to attract, a part of the redevelopment of the London Road / North Street site will be the new large supermarket that should result in a net capital receipt of between £3-5m. This funding could be used as match funding for any bids being made to Central Government or elsewhere and could help meet any potential shortfalls in the scheme.

The London Thames Gateway Development Corporation and the London Development

Agency have provided sustained and positive support to the principle of a Skills Centre. The level of any financial investment has as yet to be confirmed but could also contribute to the overall funding of the scheme.

If the Borough is unsuccessful in its bid applications, the Executive will receive a further report back on the outcome and the proposed way forward.

Ongoing revenue considerations

The Skills Centre will accommodate 440 full-time equivalent students, generating a staffing requirement of 40 teachers and 10 support staff, the current costs of which are calculated to be £1.9m. Based upon current Learning and Skills Council's figures, the revenue generated by pre-16 and post-16 students equates to £2.1m.

Additional funding could be generated from the 'social enterprise' businesses based on the ground floor with all income being directed to the running of the facility. Relevant discussions will be undertaken to negotiate this position.

In terms of student demand, the borough's thorough analysis, undertaken as part of the 'dry-run' 16-19 planning and commissioning exercise, has indicated that there will be a substantial increase in the number of 16-18 year olds involved in education as we approach the raising of the participation age in 2013. The Skills Centre will provide a vital part of Barking and Dagenham's 14-19 offer – providing as it will a unique educational experience.

Legal:

It is intended that governance arrangements will be based upon a partnership principle between the Local Authority, and specifically the Children's Services Department, and Barking College of Further and Higher Education. For young people aged 14-16, the arrangement with Barking College will be such that learners from the borough's schools will be prioritised in terms of access.

Further work needs to be undertaken on governance issues if the Executive approves this proposal.

Comments of the Legal Partner

Location - Subject to the option approved by Members, the council might need to acquire an interest (either leasehold or freehold) in the site identified for the location of the Skills Centre if it does not already have an interest in that site.

The Legal Partner should be instructed to act in the acquisition of such interest.

Partnership Arrangements - The Council in partnership with Barking College The Council will be required to enter into a partnership agreement with Barking College, the key delivery partner. The agreement will set out the terms of the partnership arrangement.

Funding Arrangements - If the funding application by the Council and Barking College to the LSC is successful, both partners will be asked to enter into a Funding Agreement with the LSC.

Governance Arrangements - The Legal Partner should be consulted in putting the

appropriate governance arrangements in place to establish the Skills Centre.

There may be additional legal agreements to be concluded with other funders of the scheme.

The Legal Partner should be consulted to agree the terms of these legal agreements.

Risk Management:

Details of risks are those essentially connected with sufficient financial resources to establish and maintain this training facility.

Social Inclusion and Diversity:

The Skills Centre will raise the aspirations and levels of achievement of some of the more excluded and marginalised members of the community, and equip them with a range of key employment skills. It is also intended that the facilities of the Skills Centre will be made available to adult members of the community at evenings and weekends to provide pre-employment training and opportunities to learn new work-related skills.

Crime and Disorder:

No specific implications. It is proposed that the Skills Centre will accommodate 400 full time equivalent students. This will have an impact on the numbers of young people accessing services in the town centre.

Options Appraisal:

Option 1 - Build similar facilities at another location in the Borough

Reason Rejected - This site provides an important opportunity to make the 'landmark' statement to young people and adults about the importance of high quality education and training. It also enables key connections to be made to other principal education and training facilities at Barking Foyer; the Barking Enterprise Business Centre at The William Street Quarter; the BLC, the Malthouse and the performing arts space at The Broadway

Option 2 - Build similar facilities at another location on the London Road development site

Reason Rejected - The need to significantly reduce the numbers of young people not in education, employment or training (NEET) is an urgent one. This location on the development site is immediately available; access to the remainder of the London Road / North Street site will not be achieved until 2011/12. It is considered that this delay is unacceptable given the pressing need to ensure more young people are positively engaged in education and training

Option 3 - Secure an alternative delivery partner to Barking College

Reason rejected - Where a new education institution recruiting additional 200+ learners is needed, the Learning and Skills Council (LSC) requires that a competitive process to identify the learning provider is required. This process takes between 6 to 9 months, and places an unnecessary delay on this key project. In the general educational arena it is essential that effective partnered arrangements are in place between Barking College and the Borough's secondary schools in order that young people are able to access a full range of education and training opportunities matched to their aspirations and prior levels of attainment.

Option 4 - Offer a different range of vocational training courses at this location

Reason rejected - It is essential that the curriculum of the proposed Skills Centre provides

engaging and progressive learning opportunities for young people who are disenfranchised from the mainstream learning offer in schools. The proposed sectors of construction, automotive engineering, hairdressing and hospitality / catering are proven as effective in engaging these particular young people.

Contact Officer: Alan Lazell	Title: Head of Skills, Learning & Employment	Contact Details: Tel: 020 8724 8038 Fax: 020 8724 8093 E-mail: alan.lazell@lbbd.gov.uk
--	--	--

1. Introduction and Background

Whilst good progress is being made in reducing the numbers of our young people aged 16-19 not in education, employment or training (NEET), the numbers remain unacceptably high with on average 550 young people in this cohort at any one point in the year.

The vision for the Skills Centre is that Barking and Dagenham's young people will be taught in world class, real-work settings, within the heart of the Barking business community.

The learning environment will be one that resembles a workplace rather than a school or college classroom. As such the involvement of the private sector in the design of accommodation and the delivery of teaching and learning is essential to the Centre's success that prepares young people for future employment.

In essence, the learning offer will be in those sectors that enable young people to acquire generic employability skills and foster attributes that promote enterprise and entrepreneurship.

Specifically the Skills Centre will:

- Appeal to all levels of 'ability' because under-achievement is apparent at all levels of prior attainment.
- Provide access to personal coaches and mentors to create and maintain trust and support for the young person in and outside school
- Equip students in the longer term to earn substantially more than minimum wage if they are to make significant gains to work, and therefore prefer work to benefit in both the short term and long term.
- Raise aspirations and levels of attainment through a high-quality work-relevant learning environment. Securing good gains to work in London depends on holding Level 3 (A Level equivalent) qualifications, even though Level 2 (5 good GCSEs) may represent good 'added value' for many students. The Skills Centre will engender an expectation that every student with the capacity should attain a Level 3 qualification
- Equip students for the local labour market, and secondarily the central London market - without neglecting those young people whose interests lie elsewhere, for instance in higher education. This includes using the additional time and flexibilities of the Skills Centre to develop those qualities in demand from employers - these include

qualifications at the highest possible level and communications skills, work ethic and 'personality'

- Provide opportunities for learners to work in a 'business' environment, with frequent opportunities to practice high quality technical and vocational skills.
- Offer high quality and realistic guidance to students on labour market prospects. This should include the expectation of travel to work outside their immediate area.
- Complement provision already made or planned elsewhere in the borough – with the borough's schools, local further education and work-based learning providers

2. Current Position

The Borough has gained excellent levels of success in the national assessment processes needed to introduce the government's new specialised Diploma qualification.

Diplomas in Engineering, Creative & Media, and Society, Health & Development are now being taught in schools and at Barking College from September of this year; from 2009 these will be joined by diplomas in Hair & Beauty, Hospitality & Catering and ICT, and from 2010 in Public Sector Services; Construction and the Built Environment; Business Administration; Sports & Active Leisure, and Land Based Industries.

These diplomas have been developed by teams of specialist teachers from schools and by lecturers at Barking, Redbridge and Havering Colleges. It is intended that the Skills Centre will make a central and significant additional contribution to the teaching of these qualifications, and act as a principal source of supply to the council's Apprenticeship Programme.

Despite a wide variety of academic, vocational and applied courses and qualifications, a number of our young people become disaffected from what is available to them at school or college, or make the wrong choices, and as a result become either NEET, or in short-term low paid employment. The Skills Centre is a major element of provision to address this situation by providing specialist resources to develop work-related skills and attributes, together with high levels of wraparound pastoral support.

3. Report Detail

(a) A proposed location.

It is proposed that the Skills Centre will be located on the London Road / North Street site, as part of the first phase of development. It is proposed to create 4,500 m² of training facilities distributed over 5 floors in order to accommodate the priority vocational skill areas and provide general teaching accommodation.

In this location the Skills Centre will be sited directly behind no. 41 East Street (McDonald's) stretching along the eastern edge of the phase 1 site. It will occupy a prominent location, facing directly onto the market square. It will contain 2 training retail outlets in the forms of a bistro, and a hairdressing and beauty salon. It will also provide training facilities in the construction sector.

The proposed location creates the opportunity to establish a landmark building for young people and enables key connections to other related provision to be achieved, namely the:

- Digital and media arts enterprise and the integrated advice and guidance (IAG) and young people's health spaces at Barking Foyer
- LEGI Barking Business Enterprise Centre at The William Street Quarter
- Performing arts centre at The Broadway, and
- Access to the learning programmes at Barking Learning Centre.

(b) Impact upon the numbers of young people not in education, employment or training.

Despite a large number of newly-arrived families in the borough (there are over 300 more young people aged 16-19 in the borough than there were 12 months ago), good progress is being made in reducing the size of the NEET cohort. However, at any one point in the year there are over 550+ young people in this cohort, which is clearly unacceptable.

The Skills Centre will target those young people who are already NEET, or who are assessed by schools as vulnerable to becoming NEET. It will provide them with high quality learning environments that resemble a place of work rather than a traditional school or college classroom. Advice and sponsorship from the private sector (through the Barking and Dagenham Enterprise Board, the Chamber of Commerce and local businesses) will inform the design of workspaces.

The provision made at the Skills Centre will ensure high levels of wraparound services for these young people, many of whom are dealing with complex issues in other areas of their lives. This support crucially will also be available at the key transitions made by students from the Skills Centre on to further education, training or employment. It is expected that many of these young people will progress to the Borough's Apprenticeship Programme.

The current level of young people NEET is approximately 9% of the 16-19 age group of young people. It is expected that within its first 3 years of operation that this figure will reduce to at least 5%.

The specialist facilities of the Skills Centre will also be made available to adult residents when not being used by young people. The target groups of beneficiaries will be those residents out of work, or seeking to upgrade their skills.

(c) A proposed curriculum.

Barking College has expressed a desire to be the principal delivery partner in this project. The proposed set of courses and associated qualifications are as follows:

- A multi-skills training environment to include complementary provision in the construction sector to that provided at the college's main campus in areas such as painting and decorating and dry lining and tiling. This training provision is clearly a key component of work-relevant skills training for adults.
- The delivery of the Hospitality and Catering and Hair and Beauty diplomas and Young Apprenticeships through retail settings of The Bistro and The Salon. Its location within the town centre and the proximity of the Centre to the hotels on the A406 will enable significant work related added-value to be achieved for the young people. There are again training opportunities for adults to gain a vocational qualification in these employment sectors or progressing to self employment.

- Programmes of learning will be underpinned by Functional Skills in literacy, numeracy and ICT together with enhanced curricular provision in core areas such as financial literacy, financial management, customer care, team working and 'starting your own business' - with the move-on potential to the LEGI Business Centres at William Street Quarter or Frizlands. Where appropriate, these courses will lead to additional trades qualifications in (for example), Events Management, Customer Services/Care and Retail at Barking College or with other local further education providers

(d) Recruitment to the Skills Centre

The Skills Centre will be the hub of a borough-wide network of alternative and additional learning programmes designed for young people who would not achieve fully in full-time mainstream schooling settings.

It is proposed that the Skills Centre will recruit approximately twenty Year 10 students from each of the borough's 9 secondary schools, giving an indicative roll of 440 (full time and part time) students aged 14-19 overall.

Students aged 14-16 attending the Centre will remain on the roll of their host school. Students will attend on a full-time or part-time basis, dependent upon their needs, and will be admitted on application and recommendation from their schools. Interviews with parents and carers will be an essential element of the commitment to be shown by all parties – schools, students and their families. A summary of the groups of young people to be recruited to the Skills Centre appears as Appendix 1

At aged 16 it is envisaged that many students will remain at the Skills Centre, others will leave for employment, to apprenticeships or to general further education; some will join the Centre for full-time post-16 study. Students attending full-time at the Skills Centre will be joined by Key Stage 4 and post-16 students attending on a part-time basis.

(e). The potential for adult residents to acquire work relevant skills

At times when the Skills Centre is not being used by young people, its specialist facilities will be made available to adults wishing to improve their job skills. The proposed selection of training sectors represents employment opportunities:

- In the construction sector where increasingly modern manufacturing techniques are based upon dry-lining and then tiling techniques. The multi-skilled sector also will provide training opportunities in the painting and decorating sector
- In the hospitality and catering sector with the opportunity to gain hygiene standards food preparation, and other sector-related qualifications
- 'Recreational' and accredited learning opportunities in the hairdressing and beauty therapy sectors, and the potential to create self-employment opportunities
- Other employment related opportunities for example linked to the retail sector through the use of standard accommodation for training purposes at the Centre

(f) The role of the private sector

At the time of drafting this report, initial discussions have taken place with Bouygues (UK) Ltd who have expressed a desire to make 'significant investments' in this facility by way of providing work placements and apprenticeship opportunities for young people learning at the Centre, and inputs as required to the design of teaching and learning materials. Key local employers have also indicated their commitment to support the Hair and Beauty and Hospitality and Catering (Morrisons and Training For Life) sectors.

(g) Potential links with other providers of learning programmes

It is proposed that the Skills Centre becomes the hub for all learning programmes for young people designed to develop workplace skills. These include the Flexi-Learning Programme; Young Apprenticeships; the School Engagement Programme, and the Foundation Learning Tier Progression Pathway. All of these programmes have common elements that include skills focussed training,

(h) Capital funding options

The principal sources of capital for this project are as follows:

1. For the 14-16 element through the Department for Children, Schools and Families' 'Diploma Exemplar' funding opportunity, worth up to £5.0m.
2. For the post-16 component, through the Learning and Skills Council (LSC). The LSC has been involved at all stages of the development of this project, and are wholly supportive.
3. The London Thames Gateway Development Corporation have also been involved in this project from the outset, and again have given positive indications in terms of providing financial support. The same principle of support has been gained from recent meetings held with the London Development Agency.

4. Other Issues

4.1 Diversity Considerations

The Skills Centre will be fully inclusive in its recruitment policy. It will pay particular attention to the following priorities, in recognition of the following factors:

- Young white males are the single largest underachieving group of young people at aged 16
- Young mothers comprise approximately 8.0% of the NEET cohort. Learning programmes (together with associated provision such as crèche facilities) will be designed to allow maximum participation of this group of young people
- Construction and engineering courses currently fail to attract many female learners; the same principle is largely for hairdressing and hospitality courses for young males. The marketing of these training opportunities at the Centre together with specialist advice (given perhaps by positive role models) will be essential in addressing these gender stereotypes
- Young people with learning difficulties and disabilities (LDD) are disproportionately over-represented within the NEET cohort. The design of learning programmes will be tailored to meet the needs of these young people, together with appropriate levels of pastoral and other forms of support.

4.2. Sustainability

- For young people aged 14-16, schools will purchase provision in the forms of education and training from the Skills Centre. This is already an established principle with a range of programmes such as Compass (full-time provision at Barking College for young people at risk of exclusion) and Flexi-Learning (part-time programmes for over two hundred young people displaying measures of disaffection from schools, which benefit from a work-related curriculum).
- At post-16 – commissioned through the Local Authority (as the successor to the Learning and Skills Council) and the Skills Funding Agency

5. Consultees

5.1 The following were consulted in the preparation of this report:

- Cllr M. McCarthy - Lead Member for Regeneration
- Cllr J. Alexander - Lead Member for Children's Services
- Cllr G. Bramley – Abbey Ward Member
- Cllr M. Fani – Abbey Ward Member
- Roger Luxton – Corporate Director of Children's Services
- Yinka Owa – Legal Partner
- David Tully – Group Manager Children's Services
- Barking College
- London Thames Gateway Development Corporation
- London East Learning and Skills Council

Background Papers Used in the Preparation of the Report:

MeridienPure (external consultancy) feasibility study

Appendix 1 Profile of young people attending the Skills Centre

Type of Student	A Potential 'NEETs'	B Students without specific vocational aspirations	C Students with clear vocational aspirations	D 'External' Diploma students
Student characteristics	KS4/Post16 - Typically, very poor attendance in prior schooling. Low prior attainment, although not necessarily low ability	Post 16 - Unable to access A level courses and not committed to a sector specific FE based vocational course	KS4 level 1/2 and Post 16 level 3 – Students with clear aspirations in a limited range of sectors	KS4/ Post 16 – Students who are on Diploma courses in Schools/FE
Curriculum	Based around existing IFP and re-engagement structures. Students would be off-site in a variety of FE and work based learning for a large proportion of the week, accessing generic skills (Part of Diploma and FLT programmes) and 'wrap-around' support at the Skills Centre.	Students would follow a level 2/1 Diploma course in an area such as Hair and Beauty or Hospitality. They would undertake the majority of their studies at the Skills Centre with opportunities of dealing directly with the local community.	Students would follow Hair and Beauty or Hospitality Diplomas. Advanced- Typically these students would have achieved 5A*-Cs inc. En & Ma at KS4 and already gained some components of the Diploma qualification. Foundation/Higher- Typically KS3 NC level 4 or 5/6 respect.	Students would access 'state of the art' facilities at the Skills Centre that are unavailable in their own institutions. Typically, this might be including the use of a Mac based digital media suite which could enhance a Creative and Media Diploma.
Skills Centre Timetable	2 Years (KS4) – (5 hours) A very limited amount of time actually on site at the Skills Centre. This provision might include functional skills sessions, mentoring, PCT and IAG interviews coordinated by a team of staff who would also oversee their placements in FE, WBL or work experience.	1 Year - (20 - 25 hours) 15 hours per week of principal learning. 5 hours of functional skills. Additional 5 hours of extra tuition based around appropriate additional/specialist courses for those students who have not achieved these at KS4.	2 Years – (20 - 25 hours) Post 16 Advanced – 10 hours principal learning (PL) + 5 hours ASL e.g. BTEC Nat. Award or GCE A/AS + 5 hrs Functional Skills if necessary. KS4 Foundation/Higher – 8 hours PL, 3 hours ASL + statutory curriculum	2/4 hour blocks School/FE partners would gain access to the Skills Centre's facilities for their students through an online bookable service. (This provision would fit around the Skills Centre's home students' use of the spaces).
Progression Pathways	Post 16 – <ul style="list-style-type: none"> Level 1/2 Diploma courses at the Skills Centre (Students will have started gaining accreditation in generic elements in the previous years) Apprenticeship or Diploma course at an FE of WBL provider 	Students would be able to access : <ul style="list-style-type: none"> Level 2/3 Diploma within the Skills Centre Level 2/3 Diploma or Apprenticeship at an FE provider Employment 	Advanced Students could progress to: <ul style="list-style-type: none"> Foundation Degrees with FE providers HE undergraduate courses Employment Foundation/Higher progress to: <ul style="list-style-type: none"> FE Skills Centre 	NA
Outcomes (Linked with National/Borough priorities)	<ul style="list-style-type: none"> Reduction in number of Neets Reduction in number of workless adults Reduction in the local dependency culture Improved health levels 	<ul style="list-style-type: none"> Responds to the raising of the participation age in 2013 and 2015. Increase in the number of young people reaching L2@19 	<ul style="list-style-type: none"> Increase in the number of young people reaching L3@19 and L2@19 Increase in local students accessing HE Increase in local earnings 	<ul style="list-style-type: none"> Higher quality delivery of our local Diplomas resulting in increased numbers reaching L2 and L3@19.
Projected numbers / Hours	50 young people attending for one day per week 9000 hours pa (Assuming 36 week year)	64 Students – 1600 total hours on site per week inc. private study 57600 hours pa (Assuming 36 week year)	304 Students – 7600 total hours on site per week inc. private study 273600 hours pa (Assuming 36 week year)	60 students at any time during the week – 1500 per week 54000 hours pa (Assuming 36 week year)

THE EXECUTIVE**10 MARCH 2009****REPORT OF THE CORPORATE DIRECTOR OF CUSTOMER SERVICES**

The Chair will be asked to determine whether this report can be considered at the meeting under the provisions of Section 100B(4)(b) of the Local Government Act 1972 as a matter of urgency to enable the proposed wheelie bin delivery schedule to be met and prevent the Council from incurring further costs.

Title: Contract for the Supply of Wheelie Bins	For Decision
<p>Summary:</p> <p>It was agreed at Executive on the 25 February 2009, to roll out wheeled refuse bins (wheelie bins) to all households in the borough based on a successful scheme that was piloted on 8,500 properties between June – December 2008.</p> <p>To this end 50,000 grey 140 litre wheelie bins for non-recyclable (residual) waste and 41,000 green 140 litre wheelie bins are required to supply the remaining households in the borough. Additionally 1,750 grey 240 litre wheelie bins are required for those properties with 5 or more family members that request additional bin capacity.</p> <p>This report discusses the procurement options available to the Council with a recommendation to utilise a pre-existing consortium arrangement with the final decision to award the supply contract delegated to the Corporate Director of Customer Services together with the Divisional Director of Corporate Finance on the advice of the Legal partner.</p> <p>Wards Affected: All</p>	
<p>Recommendation(s)</p> <p>The Executive is asked to agree :</p> <ol style="list-style-type: none"> 1. to the procurement of wheelie bins via a public body consortium framework and 2. that the final decision to award the supply contract is delegated to the Corporate Director of Customer Services together with the Divisional Director of Corporate Finance and on the advice of the Legal Partner. 	
<p>Reason(s)</p> <p>To assist the Council to achieve its Community Priority of 'Making Barking and Dagenham Cleaner, Greener and Safer'.</p>	

Implications:

Financial:

Rolling out the system borough-wide will require additional capital investment of £2,110,000 with an additional on-going net revenue investment of £375,000 due to borrowing costs, increased vehicle and staff costs offset by savings in the non-supply of black bags and efficiencies within the service.

The additional sum of £2,110,000m has been approved by Members as part of the capital programme 2009/10 however this is still subject to approval through the EPO appraisal process. Provision for the additional net revenue costs of the scheme of £375,000 has been absorbed into the 2009/10 budget through budget and efficiency savings and was approved by Members as part of the 2009/10 budget process.

In the event of the recommended procurement method not being approved, the Council is obligated to procure these bins in accordance with the EU public procurement regulations which could delay the delivery of wheelie bins to households by up to 4 months or more.

Legal:

The Council has power to enter into contracts for the provision of wheelie bin supplies under section 1 of the Local Government (Contracts) Act 1997 on the basis that such supplies are properly required for the discharge of the Council's duties.

It is anticipated that the estimated value of the supply contract will be in excess of the threshold for application of the Public Contracts Regulations 2006 (PCR) of £139,893 and therefore subject to the full application of the PCR as set out in Option 1 of this report. However, the report recommends that Option 2 of the report is adopted which would allow the Council to enter into contractual arrangements under one of two existing framework agreements established by separate purchasing bodies and avoid the need for a full procurement exercise.

The report confirms that the existing framework agreements established by Eastern Shires Purchasing Organisation (ESPO) and Yorkshire Purchasing Organisation (YPO) were procured in accordance with European Procurement Directives. On that basis, it is assumed that the framework suppliers have been formally assessed and approved by both purchasing bodies.

The report also confirms that a mini-competition exercise will be carried out by the Council inviting the panel of suppliers from both framework agreements to tender. Regulation 19.7(b) of the PCR allows the selection of a supplier from a framework agreement by way of mini-competition.

In order to meet to its obligations under the PCR, it is advised that a competition exercise is conducted by the Council to demonstrate that it has tested the market (through seeking competitive bids from a range of suppliers) to secure best value.

It is further advised that the successful tenderer should be selected on the basis of the most economically advantageous tender submitted, in accordance with Regulation 30 of the PCR.

The conditions of contract to be entered into between the Council and the successful tenderer are yet to be agreed and the Legal Practice should be consulted on their implications in deciding whether to award contract, the Council must comply with the principles of

administrative law including taking into account all relevant considerations, the outcome of the valuation of each of the tenders and their financial implications. In particular in order to comply with the Council's fiduciary duty and duty to ensure Best Value, the Council must be satisfied that the tenders represent value for money for the Council.

Social Inclusion and Diversity:

The initial equalities impact assessment highlighted the following issues:-

Wheelie bins potentially present problems for our residents with mobility issues. The publicity surrounding the scheme highlighted the Council's assisted collection scheme that adapts the collection to meet the needs of the residents. Assisted collections will be granted to who require them (the elderly or disabled). In the pilot areas, 160 assisted collections have been granted to date.

In order to cater to the needs of larger families who are more likely to put out larger quantities of waste, extra bin capacity will be offered to those families with five or more in the household on request. In the pilot areas, 298 families have been given an extra or larger bin for non-recyclable waste.

The 5 pilot areas were selected by taking a number of factors into consideration in order to represent all of the Borough's property types and demographic characteristics evenly. Therefore, we are confident that the population of disabled residents and households with larger families is comparable in the pilot areas as against the Borough's population as a whole.

Due to the success of the pilot scheme the same mitigating measures will be transferred across and used in the full borough roll out.

In order to assist those residents whose first language is not English, a number of measures will be put in place. Containerisation Advice Leaflets (with a tear off request for translations in 10 different languages) will be distributed by Recycling Promoters prior to the delivery of wheeled bins. In addition, the Recycling Promoters and Waste Education Officers will be able to speak various languages between them so many language barriers can be overcome this way.

The results from the pilot scheme indicated that the level of satisfaction remains at a similar level regardless of family size, age or physical ability. 90% of pilot residents stated they have had enough support from the Council in adjusting to the scheme. 41 residents from the remaining 10% requested a visit from a Waste Education Officer who have been able to alleviate those remaining concerns.

In some areas of the borough, wheelie bins are not suitable as residents do not have the room to store the bins effectively. Waste Education Officers will carry out reassessments of most properties (when appropriate) where residents state they do not have space for wheelie bins and/or they have access issues. 107 properties were exempted from the scheme in the pilot areas on the grounds of the factors mentioned.

Crime and Disorder:

The neat storage of refuse awaiting collection would improve environmental aspects, and so increase perception of an environmentally safe area. There is in direct correlation between safety and good environmental management.

Options Appraisal:

There are two main options available to the Council for the procurement of these bins namely, a full tender process to be undertaken in accordance with EU public procurement rules or a procurement exercise utilising a pre-existing public body consortium framework. This reports sets out the benefits and disadvantages of each and recommends the consortium approach as being the most expedient and costs effective option for the Council.

Risk Management:

The risks of procuring using the recommended method have been identified by Corporate Procurement as low.

1. Failure to procure wheelie bins via a consortium would result in a delayed bin delivery program. The earliest delivery could start is the beginning of August. However, it is possible that the start date of delivery will be pushed further back if wheelie bins production space is booked up
2. The logistics of rolling wheelie bins out into the winter months are more complicated in terms of educating the residents and training the refuse collectors.
3. A delay in bin delivery will also impact on the Borough's potential recycling and composting rates. Four or more months without wheelie bins throughout the summer would result in significant losses in composting tonnages, particularly due to the prevalence of garden waste at this time of year.
4. There are cost implications as well relating to the cost of disposing of the extra residual waste that will be put out for collection as a result of not having the wheelie bins for the extra months.

Contact Officer: Darren Henaghan	Title: Head of Environmental & Enforcement Services	Contact Details: Tel: 020 8227 5660 Fax: 020 8227 5699 E- mail:Darren.henaghan@lb bd.gov.uk
--	--	---

1. Introduction

Due to the success of the wheelie bins pilot scheme where 91% (from a sample size of 4,977) of residents stated they are in favour of wheelie bins, Members have voted to roll out wheelie bins to all households in the borough.

In the current project plan, wheelie bins are set to be delivered to households in five phases. Approximately 18,200 bins (grey and green) will be delivered during each phase which will last approximately 3 weeks each. The first phase of delivery is due to start on May 11 and the final phase is due to end on August 21. In order to give sufficient time for the refuse collectors to get used to the new method of waste collection, there will be 5 staggered 'go live' dates. The first will go ahead on June 1 and the final one is scheduled to take place on September 7. The purpose of this report is to look at the procurement options available to the council and to recommend the most cost effective and expedient solution, especially in light of the agreed programme for wheelie bin distribution.

2. Procurement Options

For the purposes of the pilot exercise 16,850 140 litre grey and green wheelie bins were procured in May 2008 via the Eastern Shires Purchasing Organisation (ESPO) framework contract. On that occasion an order was placed with SSI Shaefer based on their

competitive unit price, ability to meet the delivery deadlines and a ten year guarantee on their bins.

With regard to the full roll out there are two main options available to the council for the procurement of these bins namely, a full tender process to be undertaken in accordance with EU public procurement rules or a procurement exercise utilising a pre-existing public body consortium framework.

Option One - is to undertake a full procurement exercise which, given the value of this contract, will require the council to comply with the Public Contract Regulations 2006 and conduct the exercise in accordance with the EU public procurement rules. To complete this exercise will take approximately five to six months before orders can be issued, therefore the wheelie bins delivery schedule (May 11th – August 21st) would not be met. A more realistic delivery schedule would be between August 3rd – November 13th. Wheelie bin production increases in the summer months so a delayed order could result in a delivery schedule beginning even later than this.

Option Two - is to utilise an-existing public body framework agreement. Two such agreements have been identified namely ESPO and Yorkshire Purchasing Organisation. Both organisations have wheelie bin supply frameworks which are fully tendered and are EU compliant and have standard list prices available. However these prices are established on the basis of relatively small order quantities and given that the council is proposing to purchase in excess of 90,000 bins a reduction on list price has been called for. Environmental & Enforcement Services officers in liaison with Corporate Procurement officers have spoken to both organisations and they propose that a mini competition be conducted amongst the framework suppliers in order to achieve a lower unit price.

Conducting a mini-competition is likely to take no more than two to three weeks and preliminary work undertaken so far suggests that an estimated saving in excess of £100,000 against list prices could be achieved.

After considering both options, officers are recommending that the consortium procurement route be employed to procure the 91,000 plus wheelie bins required for the full roll out with a mini-competition undertaken. The final award of contract being based on the suitability and quality of product offered the supplier's ability to meet the Council's delivery programme and finally competitiveness of price.

3. Other Issues

Failure to procure wheelie bins via a consortium would result in a delayed bin delivery program. The earliest delivery could start is the beginning of August. However, it is possible that the start date of delivery will be pushed further back if wheelie bins production space is booked up.

The logistics of rolling wheelie bins out into the winter months are more complicated in terms of educating the residents and training the refuse collectors.

A delay in bin delivery will also impact on the borough's potential recycling and composting rates. Four or more months without wheelie bins throughout the summer would result in significant losses in composting tonnages, particularly due to the prevalence of garden waste at this time of year.

Consultees**Councillors**

Councillor Milton McKenzie, Lead Member for Street Scene and Sustainability.

Officers**Customer Services**

David Woods – Corporate Director Customer Services

Legal Services

Yinka Owa – Legal Partner

Debra Nicholls – Senior Lawyer Contracts and Procurement

Procurement

David Robins

Finance

Tony McNamara Interim Group Manager Customer Services Finance

Risk Management

Sharon Roots – Group Manager Risk Management

Background Papers

LBBB Municipal Waste Strategy 2006

Waste Strategy for England 2007 – Executive Summary