

Cabinet

Date of Meeting: 10th November 2020

Report Title: Household Waste Recycling Centre New Contract Service Provision

Portfolio Holder: Cllr Laura Crane – Highways and Waste

Senior Officer: Frank Jordan – Executive Director Place and Deputy Chief Executive

1. Report Summary

- 1.1. Councils are required to provide Household Waste Recycling Centres, and these provide an important service to enable householders to dispose of and recycle their waste responsibly.
- 1.2. The current contract for the delivery of these services ends in 2023. In anticipation of this, the Council has commissioned a review of the current service provision in the Borough (Appendix 1 and 2).
- 1.3. In developing the future model for the delivery of these services the national and international changes in the waste sector have been considered. The volatility of the recycling market has severely affected the planned income from these materials, and therefore future contracts are expected to incur higher costs. These are anticipated to be in the region of £800,000 – £1million above current annual contract costs in the financial year 2023-24.
- 1.4. The review has made it clear that the present provision compares favourably with neighbouring and similar authorities. However, with the contract due for renewal there is a need to ensure that the service is fit for purpose and delivers value for money and to seek to minimise the future cost of providing these services.
- 1.5. This report therefore seeks approval to commence a consultation exercise to inform the future service provision pattern.

2. Recommendations

2.1. That Cabinet

2.1.1. Note the contents of this report and Authorises the Executive Director - Place, in consultation with the Portfolio Holder for Highways and Waste, to take all necessary actions to consult on the future service provision of household waste recycling centres, including the four options outlined in the appended report.

2.1.2. Note that a further report will be presented to Cabinet to outline the results of the consultation and to seek approval for the preferred model, and also to seek approval to commence procurement for a new contract.

3. Reasons for Recommendations

3.1. It is important that a full consultation exercise is undertaken to inform the future service provision for household waste and recycling centres in the Borough.

3.2. Once service provision has been determined then soft market testing, of all the available options, will guide the procurement process to then enable the council to secure a contract provider that will deliver value for money for the Council.

4. Other Options Considered

4.1. No other options were considered as it is important that the Council consults on the future service provision of the household waste recycling centres and that we prepare for contract procurement.

4.2. The option for an in-house service provision has not been discounted but will be assessed as part of soft market testing of all available options.

5. Background

5.1. The household waste recycling centre contract will end in 2023. A 5-year extension was actioned in 2018 and therefore there is no option to extend further.

5.2. An extensive review of the service in 2016 led to measures that improved the efficiency of the service through the closure of a site, a reduction in the opening hours, the introduction of a charge for disposing of rubble/construction waste and the opportunity for small traders to use our sites.

5.3. In order to prepare for the procurement process the Council has engaged specialists who have:

- Reviewed the existing service, comparing it with neighbouring and similar authorities
- Review the wider waste management market to examine existing contracts and delivery arrangements

- Model a range of scenarios that examined the possibility of a new contract functioning with fewer sites. See Appendix 1
- 5.4. The review clearly shows that the service compares favourably with neighbouring and similar authorities.
- 5.5. The attached report considers four scenarios. Scenario 4 represents the least impact option. It should be noted however, the savings associated with this option are unlikely to cover the anticipated increase in contract costs and investment is still likely to be required in the remaining sites to maintain them over the next contract period. Scenarios 1, 2 or 3 may therefore offer better value, while maintaining an acceptable level of service under national guidelines. Therefore, a consultation exercise on these four scenarios will be undertaken to inform the decision regarding the future service provision pattern for HWRCs. Any changes would not be implemented until the new contract is in place in 2023.

The diagram below outlines the anticipated key milestones in taking this review forward.



6. Implications of the Recommendations

6.1. Legal Implications

- 6.1.1. A public consultation will allow the Council to canvas a range of views and make an informed decision on the future service provision of household waste recycling centres.
- 6.1.2. Councils have to provide Household Waste Recycling Centres. Under [Section 51 of the Environmental Protection Act 1990](#).. it shall be the duty of each waste disposal authority to arrange ... for places to be provided at which *persons resident in its area* may deposit *their* household waste (1) (b).
- They must be reasonably accessible to persons resident in its area (2) (a), open at reasonable times, including Saturday and available *free of charge by persons resident in the area* (2) (c)
- 6.1.3. Although there are no statutory levels of Household Waste Recycling Centre provision, national guidance recommends that the maximum number of inhabitants per Household Waste Recycling Centre is 120,000 and the maximum number of households per Household Waste Recycling Centre is 50,000.

6.2. Finance Implications

6.2.1. It is anticipated that the current contract value will not be replicated, due to the significant changes in waste management nationally and globally. It is estimated that any new contract let on the same basis may incur a cost increase of between £800,000 – £1million and hence the review will seek to reduce costs. The Councils medium term financial strategy will need to reflect the anticipated increase in costs for 2023 but will be updated in the next financial cycle once service provision has been finalised.

6.2.2. If all eight centres were to remain open there is a need for significant investment in the infrastructure,

- The Congleton site is not owned by the authority and the landlord has only agreed a short lease. Early work has suggested a cost of around £4 million for a new purpose-built site, not including land purchase
- Each site has planned works for their improvement, this £1 million investment has been delayed due to the contractor going into administration. These works are anticipated in 2021
- In addition there is significant, as yet un-costed, works required at the Macclesfield site.

6.3. Policy Implications

6.3.1. By preparing thoroughly for this contract we are ensuring that we take decisions for the long-term, investing in the future and responding to changing circumstances.

6.4. Equality Implications

6.4.1. The potential of site reduction will impact those residents that were nearer the closed sites, but this will not be dependent on any specific characteristics.

6.5. Human Resources Implications

6.5.1. The introduction of a new contract will have TUPE implications for site staff who will be transferred to the new operator.

6.6. Risk Management Implications

6.6.1. There is always the risk that following soft market testing that an open market procurement will not deliver the quality of contractor that we are seeking but we will address this through a thorough procurement process that will ensure a quality service.

6.7. Rural Communities Implications

6.7.1. Although travel times may be increased the review still considers them acceptable in line with national guidance.

6.8. Implications for Children & Young People/Cared for Children

6.8.1. There are no direct implications for children and young people.

6.9. Public Health Implications

6.9.1. There are no direct implications for public health.

6.10. Climate Change Implications

6.10.1. We are aware that a small minority of residents will be making longer journeys but anticipate that because of the greater distances that residents will make fewer journeys and think more carefully about their travelling.

6.10.2. Given the significant change in recycling since the previous contract was procured, we anticipate that site performance will be improved and the opportunity to reuse and recycle enhanced.

7. Ward Members Affected

7.1. Wards affected dependent on the preferred scenario.

8. Consultation & Engagement

8.1. A full borough wide consultation will be carried out with regard to the proposed scenarios.

9. Access to Information

9.1. Full report is available in Appendix 2 of this document.

10. Contact Information

10.1. Any questions relating to this report should be directed to the following officer:

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