

HAMPSHIRE COUNTY COUNCIL**Decision Report**

Decision Maker:	Executive Member – Environment and Transport
Date:	12 June 2012
Title:	Household Waste Recycling Centre Service Provision Review
Reference:	3799
Report From:	Director of Economy, Transport and Environment

Contact name: Sam Horne

Tel: 01962 832268

Email: sam.horne@hants.gov.uk

1. Executive Summary

1.1. The purpose of this paper is to seek approval to implement the recommendations that have been produced from the Household Waste Recycling Centre (HWRC) Service Provision Review Project and approve the long term strategy both in terms of re-tendering and the ongoing operation.

1.2. This paper seeks to;

- (i) provide a background to the HWRC Service Provision Review and provide an update on progress to date;
- (ii) consider key work areas identified by the review;
- (iii) outline the consultation process planned as part of the implementation programme;
- (iv) set out the contract renewal and retender strategy for HWRCs; and
- (v) set out the long term strategy for the HWRC Service.

2. Contextual information

2.1. HWRCs provide an integral service to Hampshire's waste management network. The services provided at the sites complement Waste Collection Authorities (WCA) collections and other bring site activities, and they contribute almost 50% of the present PI recycling achievement within the County. They provide places at which persons resident in the area may dispose of their household waste and, in doing so, fulfil the County Council's statutory obligation under the Environmental Protection Act 1990 and contribute to enhancing the County's Quality of Place.

2.2. There are a network of 26 HWRCs in Hampshire provided by Hampshire County Council (24), Portsmouth City Council (1) and Southampton City Council (1). They are currently managed and operated on behalf of the three councils by Hopkins Recycling Ltd, under contract until 31 January 2013, with

the option for two one year extensions till 31 January 2015 (see section 6 below). The 26 sites received over 230,000 tonnes of material in 2010/11 and diverted an average of 72.2% from landfill with over 4.5 million people visiting the sites.

- 2.3. In July 2009, the HWRC Service Provision Review was commissioned to undertake a comprehensive value for money (VfM) review of the 26 civic amenity facilities in Hampshire, including those of both Portsmouth and Southampton Unitary Authorities.
- 2.4. The aim of the review was to undertake a VfM assessment of the current (and proposed) HWRC service provision in terms of economy, efficiency and effectiveness.

3. 2012/2013 Savings

- 3.1. A number of projects were developed and implemented during 2011/2012 in order to meet a target of £500,000 of full year savings during 2012/13. These projects are:
 - (i) Mixed Wood Processing - £10 per tonne saving through negotiation of an improved rate per tonne for processing of the material;
 - (ii) Cardboard Income – Improved income stream through negotiation of a better price for cardboard with material markets;
 - (iii) Combustible Amenity Bins– Diversion of residual material (e.g. material that would normally be found in kerbside bins) from landfill to Energy from Waste, saving on disposal costs; and
 - (iv) new WEEE Contract – Income share negotiated for ferrous metal within new contract.
- 3.2. Most of these have been fully implemented, with the exception of the combustible amenity bins whose roll out is being carried out in two phases during the year.
- 3.3. Based on the actual data from the start of 2012/2013, and forecast forward for the remainder of the year, it is expected that the target will be achieved with a final annual saving of £575,000 – 720,000.

3.4. The breakdown for the savings is shown in the table below

Project	2012/13 Projected Savings	Budget Impacted
Mixed Wood Processing	£250,000 - £300,000	Disposal Contract
Cardboard Income	£25,000 - £50,000	HWRC Contract
Combustible Bins	£100,000 - £120,000	Disposal Contract
WEEE Contract	£200,000 - £250,000	HWRC Contract
Total	£575,000 - £720,000	

3.5 The use of a range of savings above reflects the fact that the figures are subject to market prices and the tonnage received into the HWRCs. The position within the range will become clear as the year progresses and further information is known.

4. Key Work Stream Trials

- 4.1. Having completed the background research and developed options a series of business cases are being developed to establish which work streams are recommended to take forward for implementation as on site trials.
- 4.2. The business cases will assess the potential for each of work stream to deliver either a direct saving or an income stream that can be used to offset the overall cost of delivering the overall HWRC Service.
- 4.3. The key work streams and the details of the trials that are planned are shown in the table below. A detailed implementation plan is being developed for each of these in consultation with the management contractor, Hopkins Recycling, and the Operations team within Waste & Resource Management. These plans will determine the location and timing of the trials as well as setting out a full communications plan to manage how the various messages are communicated to the public.
- 4.4. The implementation plans will be presented for approval prior to roll out on site and subject to a valid business case being demonstrated.

4.5. The proposed work streams and trials are:

Work Stream	Trial Details
Commercial & Industrial Waste	<p>Trial use of an existing HWRC to accept C&I waste for one day a week with the site being closed to the public on that day.</p> <p>Develop a purpose built combined household and commercial site / stand alone commercial site located to address an existing service gap for the public as well as enabling SMEs to recycle their waste.</p>
Opening Hours	<p>Trial amending the opening hours to reflect hours that sites are actually accessed by the public this will potentially involve an earlier closing time during summer months.</p> <p>Close a site(s) to the public on the least busy day of the week and allow C&I waste in. This is a combination of the commercial and industrial waste trial outlined above and a change to public opening hours.</p>
Trade Waste Controls	<p>Introduce height barriers at newly developed sites (Waterlooville and Havant) to further reduce the trade waste entering the sites illegally. This would be done on a trial basis initially and monitored to assess the impacts. It is expected that there could be a significant financial saving in the region of £100,000 per annum.</p>
Charging	<p>Investigate charging for disposal of non-household DIY related waste e.g. mixed soil and rubble from construction activities, plasterboard and asbestos.</p>
Advertising	<p>Trial advertising at a selection of HWRCs for a period of six months using existing in house experience to deliver. Assessment of interest and income generated to establish long term potential.</p>
On-Site Sales	<p>Undertake trial at 3 HWRCs to establish potential income stream from sales of environmentally based products and impact on the day to day operation of the facility. Full assessment of trial ahead of any roll out. Examples of products could include; Hippo Bags, recycling sacks, home composters, etc.</p>
Maximising Landfill Diversion	<p>Undertake a trial to divert carpets and mattresses from the residual bin and capture them for recycling via Greenbank Recycling/other recycling outlets.</p> <p>Divert remaining residual waste at a selected HWRC to alternative treatment/disposal utilising new technologies to</p>

	establish potential for landfill diversion and energy generation.
Cross Border Negotiations	Undertake surveys at County Council and non County Council border sites to establish true user percentages and agree cost of site provision with West Berkshire and Dorset to ensure free access of Hampshire residents to sites outside its borders. Agree percentages and make payments to/ receive payments from neighbouring authorities according to the percentages agreed from the surveys.
Third Sector Engagement	WRAP are producing a series of business cases into the potential to develop on site re-use shops or 'take-off' systems to try to increase re-use at HWRCs and support the third sector. These will be assessed for viability and impact on the service ahead of any on site activity.

4.6. The delivery of the trials outlined above will provide the detailed and factual evidence that is required to determine the long term potential for the work streams identified. As will be discussed later in the report this evidence is key to our ability to procure the next HWRC Management Contract.

4.7. A key element of delivering these trials will be the communication with the public about what is taking place, where, when and why. There is likely to be a significant amount of public and commercial interest in the work outlined and a communication plan to deliver this is being developed in conjunction with the implementation plans.

5. Public Consultation

5.1. The HWRC network receives about 4.5 million visits a year and is the main element of the service delivered that the public interact with. In addition officers know from experience that the public are very interested in what happens to their local HWRC and how it is managed.

5.2. Officers have also seen, from the example of other authorities, that if changes are made to the HWRC service that are seen as a reduction or cut these result in a significant reaction. One authority's residents organised petitions and public demonstrations over plans to close some of their sites to deliver cost savings.

5.3. Whilst there are no proposals to make any site closures it is likely that the public will have an opinion about many of the proposals and as such it is key to undertake a process to capture this, as the service is provided for the public and they are the key stakeholders.

5.4. Recently a County Council undertook a public consultation process to assess the public opinion of their intention to undertake a range of activities to reduce the cost of the service, which included closure of 6 sites. They received 9,000

responses in reaction to the proposals and as a result reviewed their plans in light of the public feedback and developed an alternative proposal that delivered a cost saving that was reduced but did not impact as greatly on the service to the public.

- 5.5. In light of the importance of the public in the continued success, in performance terms, of the HWRC Service and the experience of other authorities it is important that the opinion of the general public is sought on the areas where the County Council is proposing to make changes.
- 5.6. This public consultation process will be timed with the on-site trials so that the public have some experience on site on which to base their comments.

6. Household Waste Recycling Centre Contract Renewal and Retender

- 6.1. The current HWRC contract is a five year contract which commenced on 01 February 2008. It has the option of two one-year extensions, the first commencing at the end of January 2013 and the second at the end of January 2014. When the final extension expires at the end of January 2015 a new contract will be required.
- 6.2. The specification for the next HWRC Contract will be heavily influenced by the outcomes of the HWRC SPR and subsequent trials. It is, therefore, logical to ensure that as much information as possible is available prior to drafting the contract specification.
- 6.3. As shown in the table above, it is important that trials are undertaken on site to establish the deliverability of the proposed projects and understand the full implications of doing so. To take account of seasonal variations and gain a robust set of data these trials would need to be at least six months in duration.
- 6.4. The lead in time for delivery of the new HWRC contract, including the requirements for community right to challenge, is 20 months requiring a start in June this year if only the first one-year extension was taken. This would only provide two months for trials, making them uninformative in terms of the contract specification.
- 6.5. Utilising the second one-year extension provides the County Council with a further 12 months in which to undertake both trials and a public consultation to ensure that the specification is robust and is able to deliver a contract that maximises the potential for cost reduction and income generation opportunities.

7. Long Term Household Waste Recycling Centre Service Strategy

- 7.1. The overall aim of the strategy is to develop the role of the HWRC network in providing convenient, accessible and high value for money reuse, recycling and composting, recovery and disposal services for the whole Hampshire community.

7.2. Whilst the full strategy is still in draft form and continues to be developed and influenced by the work currently underway, which includes the on site trials outlined in section 4 above, the aims at present are:

- (i) discharge legislative and regulatory framework duties of environmental protection and sustainable waste management;
- (ii) enhance Hampshire's quality of place by ensuring excellent HWRC facilities and planning proactively for the future;
- (iii) better value for money (VfM) service provision (economy, efficiency, and effectiveness);
- (iv) continue to increase the percentage of household waste which is reused and recycled via HWRCs;
- (v) actively seek to bring about increased householder awareness and expectations;
- (vi) provide commercial and industrial waste recycling services for small to medium sized enterprises at HWRCs (or similar sites);
- (vii) endeavour to bring about the wider application of producer responsibility obligations i.e. material disposal at no cost to the County Council;
- (viii) take a more commercially orientated, in part market driven, approach towards income sharing arrangements from the value of secondary materials;
- (ix) progress towards a zero cost to the County Council HWRC service provision;
- (x) re-align material ownership and financial mechanisms across both the HWRC service contract and the main Waste Disposal contract; and
- (xi) support the transformational approach that SE7 is proposing that seeks to maximise the value of materials.

7.3. During the time it will take to realise these aims, the service can still be improving value for money by implementing, where appropriate, the initiatives that the HWRC Service Provision Review has identified and is beginning to set out for trial and implementation.

8. Recommendations

8.1. That the draft long term strategy for the Household Waste Recycling Centre Service be approved.

- 8.2. That the award of the two one-year extensions to the current Household Waste Recycling Centre contract with Hopkins Recycling Ltd be approved.
- 8.3. That Waste and Resource Management commence the retender process to deliver a new Household Waste Recycling Centre Contract to start on 1 February 2015.
- 8.4. That the update on the current position of 2012/13 budget savings against the £500,000 target be noted.
- 8.5. That approval be given to undertake a public consultation exercise to test the detailed proposals for changes to the Household Waste Recycling Centre Service stemming from the review and, where appropriate trial them on site in accordance with the table in section 4 subject to approval of each individual business case prior to implementation.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	no
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	no
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Improvement plan link number (if appropriate):	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1 A full equalities impact assessment is set to be developed ahead of the public consultation process to ensure that we take account of the views of and do not exclude any customer groups.

2. Impact on Crime and Disorder:

- 2.1 It is expected that the potential provision of facilities to enable businesses to dispose of their waste and recycle it at a competitive rate will offer an alternative to illegal fly tipping and waste disposal.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

The Waste and Resources Action Programme estimated that current UK recycling saves between 10-15 million tonnes of CO₂ equivalent greenhouse gases a year. This is equivalent to taking 3.5 million cars off the road.

As part of the HWRC Service Provision Review work is being undertaken on the carbon impact of the HWRC network and the output will be used to develop an action plan. This will aim to reduce the carbon impact of the HWRC Service.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Increased recycling will help Hampshire by reducing the amount of waste that goes to landfill, cutting down on energy use and combating climate change.

A work package assessing the impact of the HWRC Service on climate change as well as ensuring it is climate change resilient is being completed as a part of the HWRC Service Provision Review. The outputs from this work will be implemented across the HWRC network.