

HAMPSHIRE COUNTY COUNCIL**Decision Report**

Decision Maker:	Executive Member for Environment and Transport
Date:	22 January 2013
Title:	Household Waste Recycling Centre Cross Border Charging
Reference:	4634
Report From:	Director of Economy, Transport and Environment

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1. Executive Summary

1.1. The purpose of this paper is to seek approval to:

- (a) settle claims arising from negotiations between Hampshire County Council, West Berkshire Council and Dorset Waste Partnership regarding the use of their respective Household Waste Recycling Centres (HWRCs) by residents from outside the Authority's area.
- (b) include provision for future annualised claims in the Waste & Resource Management contract budget setting process.

This work has been undertaken following approvals given in June 2012 as part of the HWRC Service Provision Review (SPR)¹.

1.2. The paper seeks to:

- set out the historical context of the relationship between Hampshire County Council and West Berkshire Council;
- summarise the negotiations that have taken place between Hampshire County Council and West Berkshire Council, and between Hampshire County Council and Dorset Waste Partnership;
- summarise the user surveys undertaken to determine cross border usage at the identified sites;
- outline the projected level of cost exposure to this authority; and
- outline the benefits of pursuing this course of action.

2. Contextual information

- 2.1. Hampshire County Council has an aspiration to provide a HWRC within 5 miles or 20 minutes drive for all residents in Hampshire and has long identified a service gap in the area north of Andover and Basingstoke up to the county boundary with West Berkshire
- 2.2. This has previously led to Hampshire County Council supporting West Berkshire Council in keeping open its previous Recycling Centre at Paices Hill, near Tadley by supplying staff and containers for green garden waste and other recyclables between 2001 and 2008, when the site finally closed.
- 2.3. Hampshire County Council was, and still is, under no statutory obligation to enter into these arrangements, but did so in order to provide residents in the Tadley Area with access to a facility for the disposal of their green garden waste and other recyclables.
- 2.4. Following the closure of the Paices Hill Recycling Centre, there have been a number of exchanges of correspondence between Hampshire County Council and both residents and councillors in the Tadley Area; these have enquired about and requested that the County Council consider replacing the closed site and thereby address the service gap.
- 2.5. As part of its 25 year PFI contract with Veolia Environmental Services (VES), signed in 2008, West Berkshire Council has recently opened two new HWRCs (Newtown Road, Newbury and Padworth, near Aldermaston - See attached map) both of which are within 5 miles of the Hampshire and West Berkshire boundary.
- 2.6. In August 2011 West Berkshire Council approached Hampshire County Council with regards to the latter's contributing to the operations and waste disposal costs of these new sites.
- 2.7. Based on the historical relationship, Hampshire County Council agreed to consider this, subject to agreement on a formula that would be based on surveyed user percentages, thus ensuring that Hampshire County Council only contributed for Hampshire resident usage.
- 2.8. Hampshire County Council, subsequently, approached the Dorset Waste Partnership with regards to the cross border usage at Somerley HWRC in the west of Hampshire, where usage by Dorset residents from Verwood and the surrounds was estimated to be about 50% of throughput.
- 2.9. Dorset agreed to consider this and contribute to the user surveys that were undertaken in June 2012, as long as usage by Hampshire residents at Dorset Waste Partnership's Christchurch HWRC was also taken into account.
- 2.10. These cross border negotiations were included as part of HWRC Service Provision Review and have been reported at intervals along with the other elements of this project.

2.11. As agreed between the three Authorities, a user survey was conducted to identify where sites users had come from. This was taken as a percentage for inclusion in cost apportioning formulas, the results of which are shown in Table 1 below:

Table 1

Authority	Site	% of Hampshire residents	% of West Berkshire residents	% of Dorset residents	% of residents from other Authorities*
West Berkshire	Newtown Road	22%	75%	N/A	3%
	Padworth	35%	51%	N/A	14%
Hampshire	Somerley	46%	N/A	50%	4%
Dorset	Christchurch	14%	N/A	67%	19%

*i.e. Reading Borough Council, Wiltshire Council, Bournemouth Borough Council

2.12. A number of other options were considered prior to entering into these negotiations which include:

- residents permits to access HWRCs;
- charging out of county residents;
- banning out of county residents;
 - All of which were discounted on the grounds of the likely reaction from residents and the establishment cost.
- Hampshire County Council taking on the management responsibility for West Berkshire Council's HWRCs;
 - This is not feasible as both HWRCs are an integral part of West Berkshire Council's 25yr contract with VES.
- providing a new site for Hampshire residents to fill the North Hampshire service gap (at least in the short / medium term);
 - cost modelling identified that the costs of providing and operating a new HWRC within Hampshire were greater than contributing to the costs of West Berkshire Council's HWRCs (see Appendix 1).

3. Finance

3.1. Based on the information set out above it is concluded that making a contribution to the operating costs of West Berkshire Council's two new HWRCs is a cost effective way for Hampshire County Council to provide

access for residents in the north of Hampshire to facilities allowing them to dispose of their green garden waste, other recyclables and bulky household wastes.

- 3.2. It is also concluded that, based on a user percentage of 50%, Dorset Waste Partnership should be asked to make a reasonable contribution to the costs of the provision of the Somerley HWRC with the Hampshire residents usage of Christchurch being discounted from this.
- 3.3. The formula agreed with West Berkshire Council and proposed to Dorset Waste Partnership is based on that used to share costs with the County Council's Waste Disposal Authority partners, Portsmouth and Southampton City Councils. This means an apportioning of costs based on the user percentages, shown in Table 1, multiplied by the percentages below:
 - 25% Management fee;
 - 50% Business rates;
 - 50% haulage; and
 - 100% disposal costs.
- 3.4. Based on estimated tonnage the projected costs/income from these negotiations are:
 - Hampshire County Council to West Berkshire Council - £188,000
 - Dorset Waste Partnership to Hampshire County Council - £44,000
- 3.5. This will be an annual payment that will be drawn from the HWRC Contract budget. Whilst this has not be budgeted for, the DFU have confirmed that for the current and next financial years (12/13; 13/14), these costs can be meet from additional income from the HWRC Service. Going forward from year 2014/15 these costs will need to be included within the contract budget.
- 3.6. It is expected that annual payments will be made retrospectively in April/May based on reconciled actual tonnages with regular user surveys to ensure that the site user apportionment is up to date and justified. The arrangements will also be subject to any future infrastructure changes that any of the authorities may make.

4. Performance

- 4.1. As part of these negotiations it has been agreed with West Berkshire Council that the performance information (landfill diversion etc) at both the West Berkshire Council HWRCs will be shared with Hampshire County Council, on a quarterly basis. This will enable an apportionment of these sites performance to be included within Hampshire County Council's performance data sets and as part of its statutory reporting obligations.

5. Future Direction

- 5.1. Following the conclusion of the HWRC Service Provision Review, with the tender process for a new HWRC contract imminent and with the limited capital budget available for new and improved facilities already earmarked, it is unlikely a new HWRC in the Northern Hampshire area is a realistic option in the near future.
- 5.2. Therefore, this joint working with West Berkshire Council and with Dorset Waste Partnership, is a way of ensuring locally provided services are available to residents, in all three authorities.

6. Recommendations

- 6.1. That approval be given to conclude negotiations leading to the settlement of presented claims based on forecast tonnages.
- 6.2. That, based on forecast tonnages, these claims be included in the annual approved budgeting process for Waste and Resource Management's contract budgets going forward.

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:	yes
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.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1 The proposals in this report have been developed with due regard to the requirements of the Equality Act 2010, including the Public Sector Equality Duty and the Council's equality objectives. An assessment of the impacts in this service area can be found at <http://documents.hants.gov.uk/equality-impact-assessments/equality-impact-assessment-obj21.doc>

It is considered that the issues covered by this report will not have impacts requiring further specific actions by the Council above those already established in its existing policies and working procedures.

2. Impact on Crime and Disorder:

- 2.1. The lack of a service for the reception of bulky Household wastes in the North of Hampshire could potentially lead to residents fly tipping their waste in the countryside.
- 2.2. By entering into these proposed arrangements a service option will be available to Hampshire residents and therefore should negate this potential.

3. Climate Change:

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

The access to local Household Waste Amenity services, even if in a neighbouring authority, will reduce the distance travelled by the residents to deposit their material, in comparison to the next nearest available facility and therefore will bring about savings in carbon emission and fuel usage.

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

The treatment of wastes when discarded by residents needs to be conducted in line with the waste hierarchy. The availability of Recycling Centres ensures that these materials are disposed of appropriately and where possible recycled. This means that these material resources can be returned to use thereby reducing the need for new virgin materials to be extracted, which constitutes a more sustainable use of resources. Frequently the recycling of secondary materials is more energy efficient than the extraction of new virgin materials e.g. aluminium or glass. This therefore helps reduce the emission of greenhouse gases, and therefore will assist in the mitigation of climate change too.

Estimated costs of providing an HWRC in North Hampshire

Capital Costs

Land	£ 500,000
Site construction	£1,000,000

Operational Costs

Total Annual Management costs	£ 340,000
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