

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Economy, Transport and Environment
Date:	4 November 2014
Title:	Household Waste Recycling Centres Contract
Reference:	6031
Report From:	Director of Economy, Transport and Environment

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1. Executive Summary

1.1. The purpose of this paper is to recommend policy changes to the household waste recycling centre (HWRC) service, both in the short term for the remainder of the existing management contract and in the longer term as part of the new management contract currently being procured.

1.2. This paper seeks to:

- set out the context of the HWRC contract work programme
- summarise the findings of the HWRC public consultation
- identify key issues and outline the proposed solutions
- make recommendations for the future direction of the HWRC contract.

2. Contextual information

2.1. This paper follows the paper presented in June 2012 outlining the outcomes of the HWRC Service Provision Review and outlining the next steps in developing them in line with the timetable for the next management contract, including the need to consult on the proposals.

2.2. Procurement of the new contract follows a strategic review of the service aimed at improving its effectiveness, efficiency and economy. The review considered who uses the sites, when they are used, and what waste types are brought in, as well as researching best practice operating models from other local authorities. The review process identified the following policy options for potential inclusion in the next contract:

- Closing one or more sites that do not represent good value for money, where there are nearby alternatives within easy access, alongside the existing programme of site redevelopment and accounting for planned housing growth.

- Introducing tighter trade waste controls such as height barriers or dedicated onsite enforcement officers, to reduce the amount of trade waste wrongfully disposed of at sites.
 - Accepting waste and recyclable material from small businesses for a fee.
 - Looking to recover the cost of disposing of DIY waste such as soil, rubble, plasterboard and asbestos through charging. These wastes are not classified as household waste and are expensive to dispose of.
 - Reviewing site opening times to reduce overall operating costs, while maintaining the service at busier times.
 - Working with charities or communities to increase reuse of furniture and other items, to further reduce the amount of waste disposed of.
- 2.3. The County Council faces the challenge of transforming its services while ensuring they meet the needs of Hampshire residents. In light of the required savings targets across the County Council, delivering cost savings from the contract has become a key driver for the procurement process.
- 2.4. Between 2 June and 22 August 2014 the County Council consulted the public and appropriate interested parties on the proposed policy changes. The consultation was available online and in paper format from: county libraries, local district and borough council offices and on request via Hantsdirect or a dedicated email account. A full promotional campaign took place using the HWRCs themselves, press releases, Hantsweb, social media and direct email. The consultation was not proactively promoted in Portsmouth or Southampton unitary areas as they already have, or are planning to, carry out their own processes.
- 2.5. The consultation followed a series of focus groups with HWRC users in 2013, two County Councillor workshops in late 2013 and early 2014, and briefings with the district and borough council Members and officers in early 2014.
- 2.6. There were 6,478 responses to the consultation: 6,394 from residents, 61 from businesses and 23 from “other organisations” such as district and parish councils and community groups. The County Council also received 45 representations through direct email and letters which have been counted separately, but their content taken into due consideration for this report.
- 2.7. The consultation asked respondents to agree or disagree with the principles of the identified policy options. Respondents were also asked how the proposals could be operated to best suit them, thus providing both quantitative and qualitative feedback. The full consultation report and a copy of the questionnaire are provided as background documents to this paper.
- 2.8. This report sets out recommendations for the HWRC service based on the findings of the SPR and the results of the public consultation. To maintain the HWRC service and to minimise potential for site closures in the future, the County Council will need to continue to review its options to deliver savings through the life of the HWRC contract, for example, charging for

cross border usage, along with other options to minimise costs and maximise efficiencies.

3 Consultation findings

3.1 Site closures

Hampshire has 24 HWRCs across the county. The majority of Hampshire residents are within 25 minutes drive time of one HWRC, and almost 85% of the population are within 5 miles of one HWRC. The network has developed over many years and access to the sites is not equal across the county, with some parts of Hampshire within the 5 mile catchment area of more than one site. Hampshire provides more HWRCs than many other county authorities. Closing one or more less cost effective sites where there are nearby alternatives would deliver ongoing savings in the new contract.

Principle	Agree (%)	Neutral (%)	Disagree (%)
Closing sites	19	16	63
Redirection to alternative sites	19	16	58
Site closures			
Key comments 2,988 received (46% of total)	<ul style="list-style-type: none"> • Opposition to site closures • Concerns regarding increased queuing times at remaining sites • Concerns of increased fly-tipping 		

3.1.3 Taking into account the consultation response it is recommended that no HWRCs are closed as part of the new HWRC management contract.

3.1.4 The consultation showed that residents value their local sites, with many comments supporting nearby provision. Any consideration of cost savings should be balanced by the needs and desires of local residents and particularly their ability to easily access HWRCs. It is therefore recommended that if site closures are implemented in the longer term, these should be solely on the basis of re-provisioning the HWRC service based on future population needs and material flows within the county: for example, developing a large, modern, strategic facility to replace two smaller and outdated sites.

3.1.5 It is recommended that any future closures in this scenario would require a separate formal member decision which should be based on a full robust business case in terms of cost savings and taking into account impact on service users through further local consultation.

3.2 Enhanced trade waste controls

Hampshire's HWRCs are not licensed to accept commercial or trade waste and in 2008 measures were introduced to control such material coming into the sites. However it is estimated that between 400 and 900 tonnes continue

to be wrongfully disposed of at each site per year. Further restricting this waste type would provide disposal cost savings.

Principle	Agree (%)	Neutral (%)	Disagree (%)
Enforcement officers	44	30	22
Height barriers	57	24	17
Enhanced trade waste controls			
Key comments 2,214 received (34% of total)	<ul style="list-style-type: none"> • Suggestions of specific opening times for allowing access to larger vehicles • Concerns from householders using larger vehicles to dispose of their waste • Opposed to the proposal • Concerns that enhanced trade waste controls could lead to increased fly-tipping 		

3.2.5 Taking into account the consultation feedback, it is recommended that enhanced trade waste controls are introduced under the new management contract. In line with the qualitative feedback, the preferred method would be enforcement officers in a “meet and greet” role to allow access to householders in larger vehicles and to ensure that all non-household waste is identified and charged for.

3.2.6 Introduction of height barriers may be considered as an option for HWRCs which continue to be misused by traders trying to avoid paying for waste disposal as outlined in section 3.3.

3.3 Providing a chargeable business waste service

Changing HWRC licences to accept business waste on a chargeable basis could generate income to the County Council while helping small local businesses to recycle their waste. There are approximately 46,500 SMEs (1-5 employees) in Hampshire including Portsmouth and Southampton. A 2012 survey of SMEs in Hampshire found that 46% would be interested in using the HWRC for a competitive fee, and 51% of these respondents stated they would be willing to travel up to five miles to use the service.¹ Other local authorities already operate profitable business waste services at their HWRCs, for example, Staffordshire and Warwickshire County Councils.

Principle	Agree (%)	Neutral (%)	Disagree (%)
Businesses paying	69	14	15
Sharing sites with businesses	50	23	25
Chargeable business waste service			
Key	<ul style="list-style-type: none"> • Support for the proposal 		

¹ 2012 survey by Hampshire County Council - 262 responses, self selecting participants.

Comments 2,214 received (34% of total)	<ul style="list-style-type: none"> Concerns of potential for conflict with the household service (e.g. capacity, increased queues etc.) Suggestions to restrict the times when businesses can use the sites – particularly that weekends should be reserved for householders
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Principle	Likely (%)	Unsure (%)	Unlikely (%)
Businesses likely to use service	89	7	5
Business responses			
Key Comments 24 received	<ul style="list-style-type: none"> Suggestions that businesses should be able to use the sites for free, particularly for recyclable material Comments on preferred payment types Comments on preferred access times Comments on preferred charging structures 		

3.3.1 Based on the consultation response, it is recommended that waste from small businesses is accepted at suitable HWRCs, subject to the mitigations outlined in section 4, as part of the next management contract.

3.3.2 The operating model and charging mechanism will be decided by the appointed contractor following completion of the procurement process.

3.4 Charging for DIY waste

DIY waste such as soil, rubble, plasterboard and cement bonded asbestos is not classified as household waste and Hampshire County Council is not required to accept it at HWRCs. There are existing limitations on the amounts accepted at HWRCs. However, processing this waste type continues to cost around £1million a year². Charging householders a nominal fee for this waste type would deliver significant savings.

Principle	Agree (%)	Neutral (%)	Disagree (%)
Charge for DIY waste	17	15	66
Charging for DIY waste			
Key comments 2,509 received (39% of total)	<ul style="list-style-type: none"> Concerns of increased fly-tipping Concerns that householders would effectively be charged twice for a service paid for by council tax Not supportive of the proposal Suggestions of how the scheme could operate onsite 		

3.4.1 In order to meet the required budget savings while ensuring that HWRCs are not closed in the short to medium term, it is recommended that

² Subject to tonnage throughput and material treatment and disposal prices.

charging for disposal of DIY waste is introduced as part of the new HWRC contract, subject to the mitigations outlined in section 4.

- 3.4.2 Due to the concerns voiced through the consultation and residents' concerns regarding affordability, the charging structure will be well-researched and communicated to minimise any adverse impacts.
- 3.4.3 The charging mechanism and details will be developed with the appointed contractor once the contract costs are known.
- 3.4.4 The income from the charging scheme will cover the cost of handling and treating/disposing of this waste and will not be profit making to either the County Council or the contractor.

3.5 Changes to opening hours

The majority of HWRCs operate standard opening hours of 8am to 7pm from April to September, 8am to 4pm from October to February, and 8am to 5pm in March. Based on visitor number data, closing the sites at non-peak times could deliver savings in operational costs without affecting the majority of users.

Principle	Agree (%)	Neutral (%)	Disagree (%)
Revised opening hours	43	22	31
Opening hours			
Key comments 2,988 received (46% of total)	<ul style="list-style-type: none"> • Opening hours should stay the same or increase • Expressing a preference for a particular opening time • Supportive of maintaining later evening opening hours • Supportive of maintaining weekend opening hours 		

Preferred option	Later morning opening	Earlier evening opening	Winter opening hours all year	Day closures
% of responses	37	6	22	24

3.5.1 Whilst reduced opening hours as a stand alone option are unpopular, in the context of ensuring that sites remain open it is recommended that HWRCs opening times are reduced. Implementing this change within the remaining term of the existing contract will deliver operational cost savings and discussions are underway with the contractor to determine the most financially advantageous option whilst trying to ensure minimal impact on site users.

3.5.2 In addition to the later opening, it is recommended that HWRCs are divided into 'full time' and 'part time' sites with full day closures implemented at the

'part time' sites on the quietest day of the week. The larger 'full time' sites would remain open seven days a week and the closure would be the same day across Hampshire to keep the communications message as clear as possible. Further work is needed to categorise the HWRCs and to confirm on which day it would be most appropriate to close. It is recommended that this change is implemented at the start of the new contract.

3.6 Working with charities

Working with charities or community organisations to increase reuse both on and off site could reduce the county's disposal costs while also delivering social benefits such as work and training placements and support for low income households.

Principle	Agree (%)	Neutral (%)	Disagree (%)
Working with charities on site	89	7	3
Branded charity presence on site	74	14	10
Charities taking material off site	84	9	6
Working with charities			
Key comments 1,637 received (25% of total)	<ul style="list-style-type: none"> • Supportive of the proposal • Comments about the existing resale area arrangements, including where the money goes and lack of awareness of how it operates • Suggestions for how the proposal could work onsite • Concerns about increased parking and congestion onsite 		

3.6.1 Based on the consultation response, it is recommended that the new HWRC management contractor works with charities and community organisations to increase reuse.

3.6.2 This policy will need greater promotion as qualitative feedback showed a low awareness of current resale areas. There is the opportunity to maximise links between this work and Hampshire County Council's waste prevention plan, which includes communications to promote reuse of second hand items.

4 Operational risk management (issues and mitigations)

4.1 Fly-tipping

As outlined in section 3, increased fly-tipping has been identified by consultation respondents as a potential outcome of changes to the HWRC service such as charging, changes to opening hours, and enhanced trade waste controls. It is vital that Hampshire County Council is proactive in managing any potential risks in this area.

- 4.1.1 Previous research has shown that historically fly-tipping levels in Hampshire tend to fluctuate and that in more recent years tonnages have declined. Recent experience when sites have been temporarily closed (for example, when Casbrook HWRC was closed for eight weeks for redevelopment in 2011), no impact on fly-tipping was observed. Nor was there any significant long term evidence of an increase in fly-tipping as a result of the introduction and enforcement of the permit scheme that was implemented in early 2008.
- 4.1.2 Experience from other county authorities which have introduced similar measures at their HWRCs supports this. In the case of changes to opening hours and site closures, Greater Manchester Waste Disposal Authority reported small numbers of localised incidents of fly-tipped material immediately outside HWRC gates in the short term, which were not sustained. In addition, the respective collection authorities did not report any impact on overall tonnages for fly-tipped material in their boroughs. In the case of charging for DIY waste, Devon County Council reported increased fly-tipping within the first year of implementation which has since returned to pre-introduction levels. The cost of dealing with the fly-tipping in this instance was felt to be minimal in light of the savings generated: £20,000 costs across the county compared to £1.8million saved through all service changes.³
- 4.1.3 In order to manage this issue, Hampshire County Council will work with its partner authorities to establish a baseline for fly-tipping and undertake regular reviews to monitor any changes. Liaison with the Environment Agency may also be required.
- 4.1.4 Hampshire County Council will allocate a set amount of funding to support waste collection authorities in dealing with any increase in fly-tipping during the first twelve months which is caused by changes to the HWRC policies.
- 4.2 Additional “tax”
Qualitative feedback on the proposal to charge for DIY waste suggests a perception that any charge for waste disposal would be a “stealth tax”, effectively charging householders for a service they already pay for through their council tax payments.
- 4.2.1 It is vital that any introduction of charges is communicated appropriately to engage householders with the need for budget savings and the need to protect council services. Messages should balance the cost of disposing of DIY waste in Hampshire in the context of the overall cost of waste management in Hampshire
- 4.2.2 To minimise the negative impacts of charging for DIY waste, the charges should be nominal. The details of the charging structure will be decided in consultation with the appointed contractor. However, other authorities such

³ Including changes to opening hours, charging for DIY waste and vehicle size restrictions.

as Devon and North Yorkshire currently charge £1.10 and £2.50 per 30 litre bag respectively, which is likely to be considered minimal compared with the overall costs of a DIY project.

4.2.3 Consultation feedback suggests that most respondents deposit this waste type on a relatively infrequent basis: 25% at least every 3-6 months, 22% at least once a year and 21% less than once a year. Only 17% dispose of this waste type at least once a month, suggesting that for many people the cost would be manageable.

4.3 Impact on householders with large vehicles

Qualitative feedback identified that householders driving people carriers, 4x4s, and vans to dispose of their waste felt they would be penalised by restrictions on large vehicles intended to control trade waste.

4.3.1 Introducing enforcement officers will ensure that the trade waste controls are flexible to ensure householders driving large vehicles are permitted access and that businesses using the chargeable service are identified as such.

4.3.2 The use of enforcement officers will also mean that drivers of larger vehicles are not restricted to certain days or times to dispose of their waste, reducing the risk of increased congestion and queues at such times. Enforcement officers would also support the chargeable business waste service, as 60% of businesses which responded to the consultation use or sometimes use a larger vehicle to dispose of their waste.

4.3.3 In line with the attached equalities impact assessment, introducing enforcement officers will also ensure that site users with disabilities who need to use larger or modified vehicles to dispose of their waste are not unduly affected by physical height restrictions.

4.4 Loss of service

The qualitative feedback identified the loss of the HWRC service as it is currently operated as a concern resulting from new policies. Transformation of services will be necessary in order to achieve the required savings targets. However the impact on householders can be minimised as far as possible.

4.4.1 Electing not to close HWRCs in the short to medium term and introducing enforcement officers in the first instance will ensure that householders still have reasonable access to HWRCs.

4.4.2 Changes to opening hours should also ensure that site users have reasonable access, including maintaining later evening opening in the summer and maintaining weekend opening. The same principle should apply for any future introduction of height barriers.

4.5 Conflict with household service

Consultation respondents voiced concerns that use of HWRCs by

businesses and the introduction of charities working on sites could conflict with the household service, for example potentially causing queues, congestion onsite, and bins filling up more quickly with increased need for bin changeovers and resulting temporary closures and queues. Introduction of these policy changes will therefore require careful management to minimise disruption to the household service.

4.5.1 This could include limiting the business waste service to larger sites only and/or only accepting business waste on weekdays to ensure that householders have priority access to the service on weekends.

4.5.2 Future HWRC redevelopments and relocations should prioritise split level facilities where possible and incorporate the potential for accepting business waste at the design stage.

5 Finance

5.1 These proposals form part of the overall savings target for Waste and Resource Management, of which the review of the HWRC service is required to deliver just under £1M. Savings through other initiatives linked to the wider waste disposal function, some of which are covered in the exempt report also contribute to the overall target.

5.2 The table below sets out the estimated savings for the proposals within the recommendations:

Proposal	Saving (£)
Enhanced trade waste controls	40,000 – 80,000
Chargeable commercial & industrial waste service	20,000 – 70,000
Charge for non domestic (DIY) waste	350,000 – 650,000
Maximise reuse through third sector	15,000 – 45,000
Reduced opening hours	100,000 – 180,000
Day closures at selected sites	10,000 – 60,000
Total	535,000 – 1,085,000

6 Recommendations

- 6.1 That the Executive Member for Economy, Transport and Environment notes the key findings of the consultation on the future of the Household Waste Recycling Centre service as highlighted in this report.
- 6.2 That, taking into account the responses to the consultation, the Executive Member for Economy, Transport, and Environment approves the implementation of a number of changes to the HWRC service, namely;
- i. That enhanced trade waste controls, to complement those already in place, be implemented at all sites to minimise the illegal deposit of trade waste;
 - ii. That a chargeable business waste service be implemented, where appropriate, to offer an alternative option for SMEs to recycle and dispose of their waste;
 - iii. That a charge be made at all HWRCs for three non domestic waste types – asbestos, plasterboard (gypsum), and soil and rubble with the charge set at the minimum level to cover the cost of disposal;
 - iv. That reuse is maximised across sites by working with charities and the third sector to reduce the amount of material going for treatment and disposal;
 - v. That opening hours be reduced to reflect the peak user times on site with core hours maintained, with reduced availability later on in the day during summer months;
 - vi. That an option for a weekly closure on smaller, quieter sites one day per week be agreed, with the busier, larger sites staying open 7 days per week to enable further savings to be achieved through matching the service availability to core usage times.
- 6.3 That, in recognition of the response to the consultation, the Executive Member for Economy, Transport, and Environment approves the strategy to meet departmental savings targets to 2015 by not closing any HWRC sites and implementing the above changes.
- 6.4 That authority be delegated to the Director of Economy, Transport, and Environment, in conjunction with the Head of Legal services, to make all necessary contractual changes, operational and other actions to implement the proposals.

Rpt/6031/SH

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):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u> Household Waste Recycling Centre Service Provision Review	<u>Reference</u> 3799	<u>Date</u> 12 June 2012
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

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.)

<u>Document</u> Consultation on HWRCs	<u>Location</u> HWRC Consultation Report 2014
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IMPACT ASSESSMENTS:

1. Equality Duty

1.1 The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- (a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- (b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- (c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

The equalities impact assessment can be viewed here:

[HWRC Contract 2016 EIA 2014-10-08.](#)

Equalities statement:

Disability

What do you know about the breakdown of people with this characteristic who use your services compared to the community profile?	7% of consultation respondents described themselves as having a disability. Access to HWRCs is by car and often involves heavy lifting which may be more difficult for people with disabilities. Onsite mitigations (staff assistance, parking spaces) are in place.
What negative impacts might this project have on the characteristics?	People with disabilities who use larger, specially adapted vehicles, or who rely on others to dispose of their waste, may be unduly affected by height barriers.
What positive impacts might this project	Feedback from site users with disabilities

have on the characteristics?	or disability groups could be used to inform future site developments to ensure they better suit their requirements.
What action will be taken?	Trade waste controls will be flexible, for example, enforcement officers, to allow legitimate site users with larger vehicles easier access.

Geography

What do you know about the breakdown of people with this characteristic who use your services compared to the community profile?	Previous research showed that 17.1% of Hampshire residents are more than 5 miles from the nearest HWRC site. 85% of Hampshire is classified as “rural”, holding 23% of the county’s population.
What negative impacts might this project have on the characteristics?	Some consultation respondents identified that householders in rural areas relied on larger vehicles during adverse weather and would therefore be negatively impacted by trade waste controls which restricted larger vehicles.
What positive impacts might this project have on the characteristics?	By taking on board the findings of the consultation, and adapting the service changes appropriately, the contract procurement process will take on board the views of HWRC users across the county.
What action will be taken?	Trade waste controls will be flexible, for example, enforcement officers, to allow legitimate site users with larger vehicles easier access.

Poverty

What do you know about the breakdown of people with this characteristic who use your services compared to the community profile?	The majority of HWRC users are retired or in full time employment. Very few unemployed people use the HWRC service which may link to a lack of transport and means to purchase fuel to travel to sites as well as fewer bulky items to remove from the household due to a lower disposable income.
What negative impacts might this project have on the characteristics?	Charging for DIY waste may negatively affect householders with a lower disposable income who previously disposed of this waste free of charge. Households on low incomes may only have use of one vehicle; if this vehicle is larger they may be unduly impacted by the introduction of height barriers at sites.
What positive impacts might this project	Working with charities to increase reuse

have on the characteristics?	may mean more affordable household items are available for sale. Developing charities in the county through HWRC work can also provide social benefits such as local employment and training opportunities.
What action will be taken?	Charges for DIY waste will be well-researched and communicated to ensure they are not unreasonable and only cover HCC's costs. Trade waste controls will be flexible, for example, enforcement officers, to allow legitimate site users with larger vehicles easier access.

2 Impact on Crime and Disorder:

- 2.1 By providing small local businesses with access to recycling facilities, these proposals will expedite legal disposal of the commercial waste stream in Hampshire.

3 Climate Change:

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

There is no direct impact from this proposal. Improved resale facilities onsite may lead to increased energy consumption through lighting, for example, however changes to opening hours would likely counterbalance this.

Working with charities will increase the amount of waste diverted from landfill and maximise the value of resources within the economy, with associated environmental benefits.

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

The resilience of the HWRC service to climate change is not expected to be impacted by these proposals.