

Committee Name and Date of Committee Meeting

Cabinet – 11 July 2022

Report Title

Household Waste Recycling Centre (HWRC) Options Paper

Is this a Key Decision and has it been included on the Forward Plan?

Yes

Strategic Director Approving Submission of the Report

Paul Woodcock, Strategic Director of Regeneration and Environment

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Ward(s) Affected

Borough-Wide

Report Summary

The current Household Waste Recycling Centre (HWRC) contract has been in place since October 2018 and is delivered in partnership with Barnsley and Doncaster Councils. In October 2023 the current contract expires. Waste officers from Rotherham have been exploring the options available for future service delivery.

Barnsley, Doncaster, and Rotherham (BDR) Council officers have worked on improving the current provision through a potential new contract, should that option be selected, by aligning operational policies where possible. These could be opening times, vehicles access, material acceptance or permitting conditions. This report seeks approval of changes to the operational practices within the service.

This report seeks approval to enter a joint procurement with Barnsley and Doncaster Councils for HWRCs.

Recommendations

That Cabinet:

1. Approve the option of undertaking a collaborative procurement and award a contract for the provision of Household Waste Recycling Centres in the borough using the Contract Procedure Rules of Doncaster Metropolitan Borough Council and approve the leasing of the 4 HWRCs to the successful provider.
2. Receive a further update on the Household Waste Recycling service offer before the new contract commences.
3. Approve the changes to the practice at the HWRCs to align with DEFRA's final national proposals, following its consultation on household DIY waste.

List of Appendices Included

Appendix 1 Equality Screening Assessment

Appendix 2 Carbon Impact Assessment

Background Papers

None.

Consideration by any other Council Committee, Scrutiny or Advisory Panel

None

Council Approval Required

No

Exempt from the Press and Public

No

Household Waste Recycling Centre (HWRC) Options Paper

1. Background

- 1.1 The Current Household Waste Recycling Centre (HWRC) Contract is due to terminate on 28 October 2023. The Council has a statutory obligation to provide HWRC's to residents within the borough. Rotherham has 4 sites:
- Greasbrough - Car Hill, S61 4QL
 - Bramley - Lidget Lane, S65 4LY
 - Rawmarsh - Warren Vale, S62 7SS
 - North Anston - Magilla, Common Road, S25 4AH
- 1.2 The current contract is delivered in partnership with Barnsley Council and Doncaster Council. However, consideration has been given to the options available to the Council in delivering this service, which are as follows:
- **Option 1** - Collaborative procurement of the Household Waste Recycling Centre Management Contract, working with Barnsley and Doncaster Councils
 - **Option 1a** - Seek to tender for a contract for Rotherham Council alone
 - **Option 1b** - Bring the services in-house
- 1.3 A borough wide consultation across Barnsley, Doncaster and Rotherham commenced in June 2022 and will run for eight weeks. Two online consultations are currently live:
- one aimed at residents to ascertain improvements that can be made to the service; and
 - the other aimed at businesses to scope commercial waste demand and acceptance.
- 1.4 A robust soft market testing document has also been prepared to send to potential service providers. This will be complimented by the option of a site visit to one of their contracted areas. Both the market testing and consultation will help to inform the Council's future service under any of the options presented in this report.
- 1.5 The soft market testing document includes options on the implementation and delivery of the services, such as:
- Automatic Number Plate Recognition (ANPR)
 - Hosting and managing a permit system(s) including a residents permit scheme to enable cross border use of HWRCs within the areas of the three Councils involved
 - Implementation of acceptance of commercial waste
 - Increased re-use
 - Hard to recycle materials
 - Contractual changes such as inflation indexation, Key Performance Indicators (KPIs), performance standards and changes as a result of the national Environment Act 2021.

- 1.6 In preparation for the potential of a new partnership contract to deliver the service, officers are exploring opportunities to harmonise the operational policies across Barnsley, Doncaster and Rotherham whilst also maintaining the ability to offer different elements of service as required locally. The current operational policies in Rotherham are as follows:
- 1.7 **Construction Type Waste** – Accepted at all sites. Residents can dispose of up to 5 items of DIY waste OR 5 sacks (80ltr/25kg) of DIY waste OR a mixture of both to a total of 5 items from small internal DIY projects which have carried out themselves. Residents are permitted one DIY visit every 6 months. The Department for Environment, Food and Rural Affairs (DEFRA) are currently consulting on a legal change to require local authorities to accept certain types of construction material as DIY waste. The change is being suggested in order to reduce the potential risk of fly tipping, littering and backyard burning, which create additional costs and environmental impacts. There will be a national criterion which any local policy change would be based upon.
- 1.8 **Asbestos** – Accepted at Car Hill only. Asbestos is accepted from residents who have undertaken DIY work at their own home. A maximum of two sheets or bags are accepted, each visit must be pre-booked and an appointment made at prescribed times. This material must also be prepared correctly prior to acceptance at site. Residents are restricted to one asbestos visit every 6 months.
- 1.9 **Van Permits** – Permitted at all sites, with the exception of vehicles e.g. over 6ft/1.83m high which can only access Car Hill and North Anston. The permits allow 6 visits to the HWRC's in a 12-month period, but with no expiry date.
- 1.10 **Trailer Permits** – Permitted at all sites. The permits allow 6 visits to the HWRC's in a 12-month period, but with no expiry date.
- 1.11 **One-Off Tips** – Permitted at all sites. One-off tips are designed for residents who need to hire a vehicle, or who own a vehicle which cannot be granted a permit, to dispose of their household waste. Each visit must be pre-booked. All one-off tips are at the discretion of the council and only one visit per year, will be allowed from any domestic property within the borough.
- 1.12 **Pedestrian Permits** – Not permitted at any site due to health and safety risks.
- 1.13 **Sign Written Vans** – Not permitted at any site to protect the sites from commercial waste abuse.
- 1.14 **Opening Hours**
- All sites are open 7 days a week
 - 1 April to 30 September (summer hours) – 10:00 to 18:30
 - 1 October to 31 March (winter hours) – 10:00 to 16:00
 - All sites are closed on 25, 26 December and 1 January

2. Key Issues

- 2.1 The four Household Waste Recycling Centres are available for residents to dispose of their household waste and recycling. In considering options for future delivery of the services, officers have examined the relevant costs and benefits of in-house delivery versus delivery through joint procurement, in partnership with Barnsley and Doncaster Councils.
- 2.2 From a cost perspective, modelling shows that developing an in-house service would likely increase costs significantly. The modelling compares current costs within the partnership arrangement compared to the likely best- and worst-case scenarios of bringing the service in-house. Due to the decreased general efficiencies of operating alone alongside a reduction in the tonnages of waste and recyclables, there would be a significant increase in annual costs of between 34 and 47%.
- 2.3 In any event, the Council would need to procure some services as a minimum in terms of collection, haulage and disposal of waste and recyclables. There would likely be more interest in a larger contract, as a result of working in partnership, from potential suppliers which increases competition and may also provide a network of national contacts to call upon when required and the ability to be flexible in their disposal outlets.
- 2.4 HWRCs require specific site permitting, health and safety, and legal compliance, which in the event of a contracted service, would be with the contractor, removing an element of risk from the Council. Under the joint procurement option, a single procurement exercise would take place, with Doncaster Council acting as the lead Contracting Authority.
- 2.5 The Council is seeking to embrace new technology to improve the service experience for residents, with an improved offer including:
- Enhanced use of modern technology allowing a more streamline user friendly permit system, real time information and monitoring
 - Commercial waste offering at some sites, potentially including:
 - Inert/Rubble
 - Asbestos
 - Plasterboard
 - Wood
 - Green Waste
 - Cardboard
 - WEEE
 - Mixed Waste (Residual waste)
 - Community Skips
- 2.6 Officers anticipate a new joint contract would provide a modern and efficient service whilst also ensuring that social value requirements are delivered, for example appropriate weighting of the contract evaluation and ensuring the living wage is paid to employees. The contractual term is yet to be determined and will be subject to further negotiations within the partnership structures and informed by market sounding. The duration of the contract must be reasonable, fair, and proportionate, delivering value for money whilst

also providing sufficient scope for the Council to adjust or reshape service delivery as per local needs or in response to national change, such as the Waste and Resources Strategy. Any contract period will ensure appropriate break clauses alongside ensuring strong terms and conditions which will allow poor performance to be appropriately managed, including termination where necessary.

2.7 In considering the potential for a renewed partnership provision for HWRCs, officers have considered areas for further development within the new service, such as:

2.8

Increased Recycling	Current measures are in place at site to assist residents with waste and increase recycling rates. The new contract will look to further increase recycling within the BDR authorities. This will be achieved by inserting new recycling targets into the contract, to further encourage operatives to maximise recycling at sites. These target requirements will be determined from the outcome of the soft market testing. New procedures can be added to the new contract specification such as bag splitting, a question that is being asked in the public consultation. This process is now common practice at many HWRC's nationwide and helps drive up recycling rates.
Innovate Re-use	Currently Re-use items are collected at sites and sold at the FCC Reuse shop in Conisbrough. The new contract would seek to improve this service either by offering a Reuse shop in each borough or working more closely with local charities in each authority.
New Equipment	Installation of new skips, ramps, signage, haulage vehicles and plant over the term of the contract. The contractor providing new vehicles and plant for the contract would reduce carbon emissions as the latest and most efficient technologies could be used. BDR officers have been made aware of increased lead times in steel, vehicle, and plant manufacturing and as such the contractor would be expected to introduce these up to six months after the contract starts.
Potential Commercial waste disposal offering	BDR officers could ask contractors to provide options for introducing a commercial waste offering at one or more site in each borough. This offering would be for small and medium businesses and could generate an income to the councils, or at least offset any additional costs for offering the service. Offering commercial waste could also reduce fly-tipping, although there is no evidence nationally of this being guaranteed.
Resident Permit/ ANPR	Introduction of a resident's permit using Automatic Number Plate Recognition (ANPR) This option is not yet fully understood both in terms of access to data and how that data would or could be used. If this

	could be effectively implemented then it would allow site staff to instantly determine that the vehicle is from Barnsley, Doncaster or Rotherham and allowed to use the sites. This could also highlight residents who are abusing the service by visiting multiple sites to dispose of their commercial waste for free. It would also allow site staff to prevent residents of other areas abusing BDR sites. This option would likely have cost implications for installation and management of information.
Allowing cross border site use between BDR residents	If ANPR is introduced, BDR could allow residents to use any site within the three boroughs, with a recharge system in place so each authority pays for their resident's disposal. Allowing this cross-border travel could help reduce carbon emissions as residents could use their closest site, particularly beneficial to Rotherham residents in the northwest of the borough who may find themselves closer to Barnsley's Goldthorpe or Worsbrough sites.
Aligning opening hours	Aligning opening hours would create an easier to understand service for all residents, especially if ANPR allowed cross border disposal. Even if hours cannot be aligned, there is the opportunity for RMBC to makes changes to opening hours. Winter hours could be extended to help residents dispose of their waste through the working week, rather than crowding sites at the weekends. This would also help with staff retention issues in Rotherham. Barnsley and Doncaster both have one site with longer opening hours, which demonstrates the ability to be flexible within the contract to meet local needs.
Social Value	The Council will work within the BDR partnership to ensure that social value is achieved through the contract award. Accepting there may be differing Policy positions across the Local Authorities, for example in Rotherham 20% of the overall score for tender bids is based on Social Value whereas this figure is 10% in Doncaster, Officers will advocate for maximum social value impact through assessment criteria. In all Councils the Living Wage is an expectation of contractors.

3. Options considered and recommended proposal

3.1 Option 1 – Recommended Option – Approve the collaborative procurement of the Household Waste Recycling Centre Management Contract

3.1.1 The procurement of a HWRC contract would come under the Public Contracts Regulations 2015 (as amended) and the Council's own Financial and Procurement Procedure Rules (FPPRs).

3.1.2 The Authority will lease the 4 HWRC's (or other number of sites if this is to change) to the successful provider, the terms on which the provider is allowed to occupy the sites, including the provider's obligation as to use of the site, will be clearly documented. The leases should therefore help to clarify when the Authority can seek to terminate the lease for breach of the provider's obligations under the lease or the HWRC Contract (subject to the contractor's right to apply to court for relief from forfeiture of the lease).

3.2 **Option 1a** – Seek to tender for a contract for Rotherham Council alone.

Withdrawing from the partnership to procure a contract for Rotherham alone would likely significantly increase contractual costs and the resources required for delivery as the same level of procurement activity and officer time would be required from one Council alone. In addition to the procedural costs, it is highly likely that the delivery of the contract would also be significantly more expensive as the contractor would be dealing with reduced levels of waste creating inefficiencies in collection and disposal costs. A single procurement would likely lead to delays and as there is no further extension available with the current service provider, any delay would result in a breach of procurement regulations.

3.3 **Option 1b** – Bring the services in-house.

Significant work has been undertaken to examine the cost and benefits of bringing the services in-house. In terms of costs, many of the issues referenced above would be replicated in terms of impacts on costs. Estimates suggest in-house delivery would increase costs by between £304k and £423k. Alongside cost increases, the anticipated benefits would be minimal as the contract delivered through the partnership would be built in such a way as to allow for local variations in areas such as opening hours.

3.4 **Option 2 – Recommended Option** – Approve the changes to the operational procedures

The proposed changes are as follows:

Construction Type Waste – it is proposed to align with DEFRA's recent consultation proposals which is to permit this type of waste resulting from householder DIY home projects. The consultation refers to 300 litres (average car boot size) no more than once per week however any changes to local policy will mirror the final changes to be made nationally both in terms of specification and timing of any change.

3.5 **Option 2a** – Do not approve the changes to the operational procedures

If these operational changes are not approved, this may result in difficulties in implementing an effective and efficient service within BDR and would likely be implemented nationally in due course.

4. Consultation on proposal

- 4.1 As referred to within the body of this report, the proposals in relation to service delivery will be widely consulted upon and in addition, the provider market will be consulted through soft market testing.

5. Timetable and Accountability for Implementing this Decision

- 5.1 As noted within the body of the report the contract will end in October 2023 by which point a new provider must be in place. It is anticipated that the procurement will be formally launched in the autumn of 2022 with the contract award expected in the spring of 2023.
- 5.2 The Strategic Director for Regeneration and Environment will be accountable for the awarding of the contract. The Assistant Director for Community Safety and Street Scene will be accountable for engagement with the BDR partnership and implementation of procurement and delivery. Accountable officers will work closely with the Cabinet Member for Transport and Environment.

6. Financial and Procurement Advice and Implications

- 6.1 The Council's net budget 2022-23 for the HWRC Service is £1.023m. The budget covers the payment to maintain the joint service with Barnsley and Doncaster. The selection of the preferred option is expected to be the lowest cost option, even with service changes being proposed. Appraisal of the option of bringing the service in house found the cost if brought in house would increase by £0.4m or more.
- 6.2 The specification will be revised and updated. Under best value the revised cost of the new contract will require appraisal for comparison with the budget. Options for funding any gap, if there is one, will be considered in line with the expected timescale for re-letting by October 2023.
- 6.3 As included in the main body of the report, the procurement of the Household Waste Recycling Centres (HWRC) must be undertaken in compliance with the Public Contracts Regulations 2015 (as amended). As Doncaster will be acting as the lead Contracting Authority for this procurement, on behalf of the partnership, the procurement will be the subject of Doncaster Council's procurement governance arrangements.

7. Legal Advice and Implications

- 7.1 The Council has the power to undertake the procurement exercise proposed in this Report. If the Council is to be a party to any contract for services, the Council must conduct a relevant procurement procedure to comply with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015.
- 7.2 Officers may wish to consult with Legal Services to review (and if necessary, prepare) relevant legal documentation, in particular the partnership

agreement with Doncaster and Barnsley, the relevant services contract, and relevant leases.

8. Human Resources Advice and Implications

- 8.1 There are no direct human resource implications in relation to the recommended options.
- 8.2 Option 1b (which is not recommended) would be subject to the Transfer of Undertakings (Protection of Employment) Regulations (TUPE).

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 There are no specific implications arising from this report.

10. Equalities and Human Rights Advice and Implications

- 10.1 The Equality Impact Screening is attached as appendix one. There are no additional implications identified in relation to equality and diversity.

11. Implications for CO2 Emissions and Climate Change

- 11.1 The Carbon Impact Assessment is attached as Appendix 2. As this is a procurement of an existing service there are no increases in terms of carbon emissions however, the contract and procurement will seek to reduce emissions by the service provider over the lifetime of the contract. Until further market testing is complete the exact implications of this are unknown.

12. Implications for Partners

- 12.1 As noted within the body of the report, officers are recommending a joint procurement with Barnsley and Doncaster Councils. This has a positive impact on all three Councils by working collaboratively to reduce costs. Any decision to procure alone or bring the service in house would not only have financial implications for Rotherham Council but also for both Barnsley and Doncaster Councils.

13. Risks and Mitigation

- 13.1 There is the possible risk that no contractors bid for the joint HWRC contract due to an uncertain market and impending changes within the waste industry. This would leave the Council no option but to run the services themselves due to the statutory obligation to provide HWRC's to residents within the borough.
- 13.2 To mitigate this, BDR officers will undertake soft market testing to engage with the market to ensure an attractive tender is put out.

14. Accountable Officers

Sam Barstow, Acting Assistant Director for Community Safety and Street Scene

Barry Connolly, Head of Environmental Services

Andrew Horner, Waste Officer

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp	27/06/22
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	23/06/22
Assistant Director, Legal Services (Monitoring Officer)	Phil Horsfield	23/06/22

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