

DECISION-MAKER:	DIRECTOR, PLACE		
SUBJECT:	HOUSEHOLD WASTE RECYCLING CENTRE – CONTRACT AWARD		
DATE OF DECISION:	30 NOVEMBER 2015		
REPORT OF:	Head of Regulatory and City Services		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY

None.

BRIEF SUMMARY

To accept the contract awarded for the operation of the City Depot Household Waste Recycling Centre (HWRC) as part of the Hampshire retender procedure for all 26 HWRC sites in Hampshire. Authority was delegated by Cabinet in April 2015 to the Director, Place following consultation with the Head of Legal and Democratic Services and the Cabinet Member for Environment and Transport to finalise and enter into all legal documentation necessary to accept and agree the terms of the new HWRC contract.

This paper seeks to provide a summary of the proposed new contract.

RECOMMENDATIONS:

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| | (i) | That the contract for the operation of the City Depot HWRC is accepted as part of the Hampshire retender procedure for all 26 HWRC sites in Hampshire. |
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REASONS FOR REPORT RECOMMENDATIONS

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| 1. | The Council will benefit from economy of scale savings with the City Depot HWRC site being part of a joint contract for all 26 HWRC sites in Hampshire; whilst still retaining flexibility to have its site operated as it prefers. |
| 2. | Hampshire County Council will meet all procurement costs for the new contract; with the cost of contract management already covered under the current waste Tripartite arrangement between Southampton, Hampshire and Portsmouth. |

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. Procuring a separate contract for the management of the City Depot HWRC from 1 April 2016. This was discounted due to:
- The Council would have to meet contract procurement costs itself;
 - The Council would not benefit from economies of scale savings within the day to day management costs of running the site;
 - The Council would not benefit from sharing investment costs of new initiatives which would be shared across 26 HWRC sites in a joint contract.

DETAIL (Including consultation carried out)

4. Under Section 51 of the Environmental Protection Act 1990, Southampton City Council has a legal duty to provide residents with a free bulky waste disposal route through an HWRC. The HWRC must be reasonably accessible and available at reasonable times for residents to deposit their bulky waste. Under section 1 of the Refuse Disposal (Amenity) Act 1978 the Council has a legal duty to provide places (whether called civic amenity sites or HWRC's) where the public can, at all reasonable times, dispose of household waste free of charge or (where legislation allows) on such charges as they think fit.
5. The provision of HWRC facilities for Southampton residents to dispose of their household and bulky waste costs the Council close to £1 million per year; approx. 20% site management costs and 80% waste disposal costs. This equates to 12% of the Council's overall annual waste disposal budget.
6. Southampton residents are able to use any of the 26 HWRC sites in Hampshire, as are Portsmouth and Hampshire residents, with costs being re-apportioned amongst the three authorities via the waste Tripartite agreement. A postcode site user survey is carried out every three years to enable accurate recharges to be made between the authorities.
7. The operation of the Council's HWRC site has always been as part of a joint arrangement for the operation of all 26 HWRC sites in Hampshire since the opening of the original HWRC site at Town Depot on 16 December 1992. This continued when the current HWRC located at City Depot was opened on 7 December 2011. The current operating contract is with Hopkins Recycling Ltd and expires on 31 March 2016.
8. Hampshire County Council have used a competitive dialogue process for part of the procurement to enable the bidders to bring forward examples of best practice within the operation of HWRC's nationally which will support the Council's aim of providing good value services at less cost.
9. The Contract duration will be for 14 years and 9 months (177 months), until 31 December 2030. It includes a performance related break clause at the end of year seven. This contract would not tie us to a particular site if we were required to relocate.

RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
9.	Capital – There are no capital implications.
10.	Revenue – The new contract will enable the core HWRC service to operate within existing budgets whilst bringing forward a range of savings options for consideration by the Council. In particular, on 18 th November 2015 Council approved savings of £60,000 per annum in 2016/17 and 2017/18, rising to £80,000 per annum in subsequent years, from the management of the HWRC contract.
<u>Property/Other</u>	
11.	None.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
12.	The Council's waste disposal functions are carried out in accordance with the Refuse Disposal (Amenity) Act 1978 and the Environmental Protection Act 1990 and associated secondary legislation. Power to enter into joint arrangements, as set out in the report, derives from s.111 Local Government Act 1972 (power to do anything calculated to facilitate, conducive to or necessary for the carrying out of any of the Council's functions) and s.1 Localism Act 2011 (general power of competence).
<u>Other Legal Implications:</u>	
13.	All relevant procurement legislation must be complied with in entering into joint contract arrangements.
POLICY FRAMEWORK IMPLICATIONS	
14.	The proposals are not contrary to the Council's policy framework.
KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All wards

SUPPORTING DOCUMENTATION

Appendices

1. None.

Documents In Members' Rooms

1. None.

Equality and Safety Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
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Privacy Impact Assessment

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Other Background Documents

Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1. None.	