

DECISION-MAKER:	CABINET		
SUBJECT:	CITY DEPOT HOUSEHOLD WASTE RECYCLING CENTRE (HWRC) NEW OPERATING CONTRACT		
DATE OF DECISION:	21 APRIL 2015		
REPORT OF:	CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY	
None	
BRIEF SUMMARY	
The purpose of this paper is to seek approval for the operation of the Council's City Depot HWRC to form part of a joint HWRC operating contract let by Hampshire County Council for all 26 HWRC sites in Hampshire; from 1 April 2016.	
This paper seeks to: <ul style="list-style-type: none"> • Provide details on the current HWRC operating arrangements; • Provide details on the proposed new operating contract. 	
RECOMMENDATIONS:	
(i)	that the contract for the operation of the City Depot HWRC is retendered as part of the Hampshire retender procedure for all 26 HWRC sites in Hampshire;
(ii)	that the contract allows flexibility for Southampton to operate the City Depot HWRC in a way that suits local requirements; and,.
(iii)	to delegate authority 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 enter into and agree the terms of the new HWRC contract.
REASONS FOR REPORT RECOMMENDATIONS	
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.	<p>Procuring a separate contract for the management of the City Depot HWRC from 1 April 2016. This was discounted due to:</p> <ul style="list-style-type: none"> • 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.	<p>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.</p>
5.	<p>The provision of HWRC facilities for Southampton residents to dispose of their bulky waste costs the Council close to £1 million per year; of which approx. 20% of this is site management costs and 80% are costs related to disposing of the waste deposited by residents. This equates to 12% of the Council's overall annual waste disposal budget.</p>
6.	<p>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 3 years to enable accurate recharges to be made between the authorities.</p>
7.	<p>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.</p>
8.	<p>Hampshire County Council will be using 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. The main areas of site operations that are being subject to competitive dialogue are:</p> <ul style="list-style-type: none"> • Increasing the range of materials that can be recycled, such as carpets and mattresses, to maximise landfill diversion thereby reducing costs; • Working in partnership with the voluntary sector to maximise the amount of material that can be diverted to reuse; • The option of accepting business waste from SMEs (Small and Medium Enterprises) at the HWRC to help them increase opportunities to recycle their waste. This would be for a reasonable charge generating the Council an income stream and maximise the use of its HWRC site whilst minimising any impact on the public. • Working with Portsmouth and Hampshire on developing a range of options for residents who are looking to deliver in large amounts of DIY type wastes.

	It will be up to the Council as to which of the above options it wishes to take forward for its City Depot HWRC site.
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RESOURCE IMPLICATIONS

Capital/Revenue

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.

Property/Other

11.	None
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LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

12.	The Council's waste disposal functions are carried out in accordance with 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).
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Other Legal Implications:

13.	All relevant procurement legislation must be complied with in entering into joint contract arrangements.
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POLICY FRAMEWORK IMPLICATIONS

14.	The proposals are not contrary to the Council's policy framework.
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KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	ALL

SUPPORTING DOCUMENTATION

Appendices

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| 1. | Proposed Procurement Process |
| 2. | Equality and Safety Impact Assessment |

Documents In Members' Rooms

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| 1. | None |
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Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	Yes
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Other Background Documents

Equality Impact Assessment and 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	