

SUBJECT:	HOUSEHOLD WASTE RECYCLING CENTRES (HWRC) – PERMITS, PROCUREMENT AND PROVISION
MEETING:	STRONG COMMUNITIES SELECT
DATE:	6th DECEMBER, 2018
DIVISION/WARDS AFFECTED:	ALL

1. PURPOSE:

This report seeks Members views on the procurement activity in relation to the management of our Household Waste & Recycling Centres HWRC, future provision of the sites and the introduction of a permit scheme for Monmouthshire residents.

2. RECOMMENDATIONS:

- 2.1 To approve the introduction of a resident permit scheme for use at the HWRC sites
- 2.2 To approve the day closures as set out in report
- 2.3 To approve the continued procurement and related activities in relation to the HWRC sites and to present the options to Council for decision following full analysis.
- 2.4 To consider options for full closure of HWRC sites (in particular the Usk HWRC given operational issues and usage),acknowledging that the authority is legally required to only offer one site within the county, and to agree what proposals to recommend to the Cabinet Member for Operations.

3. KEY ISSUES:

- 3.1 Council budgets are under increasing pressure and services must look to innovative and new ways to achieve savings or deliver services with reduced funding. Monmouthshire has an excellent recycling rate record but we must be aware of changes in markets, public perception and the political landscape as well as innovation and legislative context when considering service changes.

- 3.2 Under the Environmental Protection Act 1990 local authorities have a legislative duty to provide one Civic Amenity Site in county for the disposal of bulky waste items. MCC have four sites across the county, Five Lanes Caldicot, Llanfoist Abergavenny, Usk and Mitchel Troy Monmouth. The four sites provide excellent coverage for our residents. This is at significant cost to MCC and our existing contractor Viridor have indicated that the contract is not financially sustainable for them at the current price.
- 3.3 Of the four sites both Llanfoist and 5 Lanes offer a modern HWRC facility with capacity to manage a wide range of materials recycled at the sites. Troy is a popular site but it is not a suitable site for a modern HWRC. The actual size of the site is small and vehicular movement is constricted. It also requires some investment (a new compactor) to remain 'as is'. The temporary closure of the site to allow containers to be changed causes frustration for users who arrive to find the site temporarily closed. Usk is the least suitable for a HWRC site being situated in a car park requiring HGV movements within the car park. There is also some concern that the drainage is not up to date (requiring investment) and the platforms are failing and need replacing. The site occupies valuable parking space which is at a premium in Usk close to the commercial streets.
- 3.4 For almost 30 years the sites have been managed by Dragon Waste under a partnership agreement between MCC and Viridor. The original contract price and subsequent profit was based on landfill disposal plus recycling. Over the years there have been numerous contract variations to support more recycling and regional contracts i.e. Prosiect Gwyrdd and Heads of Valley Food Waste have removed the landfill reliance and reduced profitability of the contract.
- 3.5 Viridor have worked closely with MCC to facilitate these new contractual arrangements but have highlighted that the management contract for the sites is not economically viable without the landfill and organics elements. Viridor have provided MCC with revised costs for the management of the facilities for 2019 on. The early indications are that costs will increase from just over £1 million to £1.5 million although this also includes a profit sharing mechanism for recyclables rebate estimated at £100,000. Viridor have also provided a range of service provision reductions that could help to reduce the net effect of these cost increases but do not mitigate them completely.
- 3.6 It should be noted that the move from landfill and the regional contracts for food waste and garden waste have and will continue to save MCC over £700,000 per year on disposal of waste through Energy from Waste and £160,000 for food and garden waste processing. These savings have previously been built into MTFPs and mandates and the budget benefits taken.

- 3.7 In addition to management costs there has also been a rise in tonnages through the HWRCs during the last 18 months. This will be partly down to increased house building in the County but there are also historic cross border waste issues that have been identified.
- 3.8 Neighbouring counties have significantly reduced service provision at their HWRCs or introduced intervention schemes to increase recycling on site e.g. Black bag opening. This has increased the amount of cross border waste and in the most recent survey of site users over 15% gave out of county postcodes as their home addresses. The sites take almost 20,000 tonnes of domestic bulky waste per annum meaning 3000 tonnes of this waste could be from cross border traffic. It is difficult to provide an accurate value for this waste as there is no compositional analysis information but at the average estimated cost of £50 per tonne for treatment this equates to £150,000.

4. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):

- 4.1 Household waste recycling centres provide a well-used and highly regarded service to our residents. They are a critical element in a sustainable waste management service and provide opportunities to increase the recycling of bulky waste. The sites are open for the longest hours in South East Wales and make the disposal of waste items very easy for residents.
- 4.2 The proximity of Monmouthshire's HWRCs to the borders mean the sites are also well used by residents of neighbouring counties. From a site users perspective, taking waste to the nearest facility makes the most environmental sense. In the past we have discussed neighbouring authorities contributing towards the costs of these facilities but there hasn't been an appetite for these arrangements as most counties cite cross border waste as an issue.
- 4.3 The proposals within this report will impact all MCC residents in a fair and transparent way but should closures of HWRC sites be contemplated then, dependent upon which might be closed, residents may have to travel further to use a HWRC site.
- 4.4 There will be concerns of increased fly tipping that are raised with any waste service change but feedback from neighbouring authorities suggests they have not reported increases in fly tipping following these types of interventions. This may be due to the waste being transferred to MCC sites but this is unlikely to be a determining factor in fly tipping behaviour.

5. OPTIONS APPRAISAL: Permit Scheme

Option	Benefit	Risk	Comments
Do Nothing	No change for the public.	Cross border waste tonnages continue to grow.	MCC residents are negatively impacted with extended waiting times on site and additional closures for skip movements
Ask residents to bring a form of identity to sites on each visit	No additional cost to MCC in administering permits.	Difficult to check every vehicle effectively. Stopping every car will slow down throughput and increase waiting times on site.	Would need two forms of ID e.g. Utility bill, driving license to ensure MCC resident
Issue permits to every household	Permits are easily visible to site staff. Only residents in MCC will receive the permit	Residents pass permits on to friends and family outside of county. Residents lose permits and increase in admin	Lost permits can be reissued through MCS process. Residents can bring 2 forms of ID whilst waiting for replacement permit

Day Closures

Do nothing.	No changes for the public	No savings	
Close the sites as proposed by Viridor in Table 1 below	Savings achieved without full closures of sites. Impact on residents is limited, easy to advertise and understand.	Fly tipping increases. Sites become busier during peak times.	Viridor have provided data and these closures offer the greatest saving with no impact on Viridor staff working hours. Neighbouring authorities have not reported increases in fly tipping following these types of closures.
Seasonal closures, changes to opening hours, close sites	Savings increase.	Difficult to advertise, public become confused, increased fly tipping, public backlash, Viridor staff affected financially	Full savings in staff costs will not be realised as Viridor overheads on shorter days are the same.

Procurement

Do nothing. Remain in contract extension	No changes for the public	Costs continue to rise unchecked	
Go out to market with current provision	Contract tender is ready to issue, market	Tenders may exceed affordability envelope,	Viridor have provided data and these closures

	will tender best price, fair and transparent	market wants assurance of provision for contract term	offer the greatest saving with no impact on Viridor staff working hours.
Review contract affordability through shadow bid - cost the contract for in-sourcing	More accurate data on affordability envelope – potential to in-source will allow potential savings in the future and more adaptable to changes in service provision	Delays tendering process, TUPE implications, HWRC material marketability is reduced, limited knowledge in-house on managing HWRC and Transfer station provision	In-house provision gives greatest flexibility whilst reviewing service provision needs over coming years. TUPE of staff will bring a level of understanding and expertise.

Full Closure (one or more HWRC sites – at least 1 to remain open)

Do nothing. Maintain 4 HWRC sites (Llanfoist, 5 Lanes, Troy and Usk)	No changes for the public	Opportunity to reduce service costs is lost.	Greater provision than legislative duty
Close Usk HWRC	Releases additional car parking, removes an unsuitable site, reduces cost	Negative feedback from users who have to travel further to a HWRC site.	Usk is highlighted due to the problems associated with keeping the site open. Operation of the site is of H&S concern (Viridor and NRW) and to facilitate HGV movements several car parking bays are lost. The site requires investment to retain as is and it doesn't reflect a modern HWRC site.
Close Usk and Troy HWRC sites retaining only Llanfoist and 5 Lanes (where transfer stations are also sited)	Usk in particular but also Troy require investment to keep them operational. Closure would remove the need to invest and reduce operating costs whilst HWRC sites remain available in the North and South of the county.	Negative feedback from users who have to travel further to a HWRC site	The Troy site is busier than Usk and offers a wider range of materials that may be recycled but the more modern sites are located at Llanfoist and 5 Lanes.

6. EVALUATION CRITERIA:

We continually monitor the contract and provision of HWRC sites. Bi annual customer satisfaction surveys.

7. REASONS:

The costs of operating the HWRC provision is increasing year on year and is now at a point where budget pressure requires consideration of what level of service might be provided in the future. The proposals would allow us to reduce out of county waste traffic, keep sites open all year and reduce costs and/or close certain sites.

8. RESOURCE IMPLICATIONS:

Permits

Issuing permits to every household could result in gross savings of approximately £150,000 from reduced tonnages. There will be initial costs of permit production and postage of £40,000 and there would need to be security/meet and greet staff employed for the first six months on each site estimated at £80,000. Giving £30,000 saving in yr. 1. Subsequent years will see intermittent use of meet and greet staff and reduction in permit costs with estimated saving from second year of £80,000.

Procurement

Initial estimate from Eunomia of £10-15k to carry out shadow bid and in-sourcing review. Little capacity within WSS to carry out this work with Recycling Review implementation pending and tendering for MHA contract.

Day Closures

The proposed day closures in the table 1 below will give an annual saving of £72,000

Table 1 – Proposed Closure days

Site	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Llanfoist	0800-1800	Closed	0800-1800	0800-1800	0800-1800	0800-1800	0800-1800
Troy	0800-1800	0800-1800	0800-1800	Closed	Closed	0800-1800	0800-1800
Usk	Closed	Closed	0800-1800	0800-1800	0800-1800	0800-1800	0800-1800
Five Lanes	0800-1800	0800-1800	Closed	0800-1800	0800-1800	0800-1800	0800-1800

Table 2 - Other options reviewed and estimated savings

MCC Proposals		Cost Savings					Staff Impact		
References	No. of Hours	Reduction of Hours	Current Staff	Temp Staff	Less Cost of Addition Mileage	Total Savings	Staff Pay Reduction %	No. of Staff Allocated	Average Reduction/ Persons
Table 1 Current Service Provisions	14,440								
Table 2 Closure of Usk & Troy 2 days per week	12,360	(2,080)	£0	(£48,781)	£1,086	(£47,696)	0%	0	£0
Table 3 Closure of Usk	10,830	(3,610)	£0	(£70,209)	£955	(£69,254)	0%	0	£0
Table 4 Standardised seasonal hours	11,576	(2,864)	(£38,866)	(£14,618)	£0	(£53,484)	-15.60%	11	(£3,137)
Table 5 Seasonal Opening & Closure of Usk 2 days/4 days summer/winter & closure of Troy 3 days winter*	9,728	(4,712)	(£39,270)	(£70,888)	£623	(£129,535)	-15.78%	11	(£3,171)
*Amended to extend Troy/Usk winter hours to 8 hours/day									

Alternative Proposals		Cost Savings					Staff Impact		
Alternative Proposals	No. of Hours	Reduction of Hours	Current Staff	Temp Staff	Less Cost of Additional Mileage	Total	Staff Pay Reduction %	No. of Staff Affected	Average Reduction/ Persons
Alt 1 Close Usk & Troy 2 days and FL & LL 1 day (TS open 7 days)	11,340	(3,100)	£0	(£72,061)	£0	(£72,061)	0%	0	£0
Alt 2 Close Usk, Close TR, FL & LL 1 day (TS open 7 days)	9,270	(5,170)	0	(93,634)	2,401	(£91,233)	0%	0	0
Alt 3 Close Usk, Close TR 2 days, FL & LL 1 day (TS open 7 days)	8,760	(5,680)	0	(99,629)	2,401	(£97,228)	0%	0	0
Alt 4 Close Usk, Close TR, FL, & LL 2 days (TS open 7 days)	7,740	(6,700)	0	(101,705)	2,401	(£89,304)	0%	0	0

Full Closure – Usk

As is shown in Table 2 it is estimated that closure of Usk HWRC site will provide a service costs reduction of approximately £59,000 but equally the site will require significant investment to keep it open and at an acceptable standard. There are concerns that the drainage is insufficient and requires a modern interceptor system and the platforms beside the containers are failing and require replacement. The range of materials that are accommodated at the site is limited and even after investment it will not resemble a modern HWRC site.

Full Closure – Usk and Troy

It is estimated that full closure of Usk and Troy will offer a revenue saving of approximately £125,000 as staffing levels are similar. It avoids the investment demands for Usk (mentioned above) and investment required at Troy (new compactor). Neither site is particularly well situated to offer a modern HWRC facility with the Usk problems previously described and Troy being extremely small requiring frequent site closure for vehicles to change containers with resulting delay and frustration for users.

Full Closure Usk – 1 Day Closure Troy, Five Lanes, Llanfoist

Closure of Usk along with 1 day closures at the other facilities will give a saving of £93,000. This option gives greatest savings whilst retaining coverage across the County.

9. CONSULTEES:

Members waste workshop 2018
Public consultation 2018

10. BACKGROUND PAPERS:

Public consultation papers
Viridor costing analysis

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Well-being and Future Generations Assessment

<p>Name of the Officer Carl Touhig, (Interim) Head of Waste & Street Services</p> <p>Phone no: 07580362121/ 01633 644135</p> <p>E-mail: carltouhig@monmouthshire.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>To review the existing HWRC provision, introduce residents permits, re-procure the service following review of affordability envelope.</p>
<p>Name of Service</p> <p>Waste & Street Services</p>	<p>Date Future Generations Evaluation October 2020</p>

Does your proposal deliver any of the well-being goals below? Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal.





Well Being Goal	How does the proposal contribute to this goal? (positive and negative)	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A prosperous Wales</p> <p>Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>Reviewing the affordability envelop and service provision will provide cost savings for MCC. This will ensure the long term viability of the facilities and continue to provide local employment opportunities.</p>	


Well Being Goal	How does the proposal contribute to this goal? (positive and negative)	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A resilient Wales</p> <p>Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>Provision of quality HWRC sites ensures waste material is managed sustainably.</p>	
<p>A healthier Wales</p> <p>People's physical and mental wellbeing is maximized and health impacts are understood</p>		
<p>A Wales of cohesive communities</p> <p>Communities are attractive, viable, safe and well connected</p>	<p>Ensuring HWRC facilities are only used by residents of MCC will reduce waiting times.</p>	
<p>A globally responsible Wales</p> <p>Taking account of impact on global well-being when considering local</p>	<p>Providing high quality HWRC services for residents to increase recycling and sustainable waste management.</p>	

Well Being Goal	How does the proposal contribute to this goal? (positive and negative)	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
social, economic and environmental wellbeing		
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation		
A more equal Wales People can fulfil their potential no matter what their background or circumstances	The sites are accessible to all the community.	

8.1 How has your proposal embedded and prioritised the sustainable governance principles in its development?

Sustainable Development Principle	How does your proposal demonstrate you have met this principle?	What has been done to better to meet this principle?

Sustainable Development Principle	How does your proposal demonstrate you have met this principle?	What has been done to better to meet this principle?
 <p>Long-term Balancing short term need with long term and planning for the future</p>	<p>To ensure the long term viability of HWRC provision a full review of costs and reduction in tonnages is required.</p>	<p>Working closely with Viridor to identify savings.</p>
 <p>Collaboration Working together with other partners to deliver objectives</p>	<p>Working with Viridor to understand the impact on them and how we can ensure residents continue to receive a high quality service.</p>	<p>Contacted neighbouring authorities to discuss shared use of sites but limited appetite for this type of arrangement.</p>
 <p>Involvement Involving those with an interest and seeking their views</p>	<p>Discussed options with Members and senior managers at the Waste Workshop. Developed resident survey to gauge public opinion on this and list of other waste services options.</p>	<p>Ensure residents, Members and Viridor have opportunity to share views on the service changes at every stage</p>
 <p>Prevention Putting resources into preventing problems occurring or getting worse</p>	<p>The long-term viability of HWRC provision is essential in meeting recycling targets going forward.</p>	<p>Ensuring that HWRC provision meets the needs of the communities now and going forward.</p>

Sustainable Development Principle	How does your proposal demonstrate you have met this principle?	What has been done to better to meet this principle?
 <p data-bbox="237 443 383 475">Integration</p> <p data-bbox="412 312 566 560">Positively impacting on people, economy and environment and trying to benefit all three</p>	<p data-bbox="589 312 1308 432">HWRCs are an essential part of sustainable waste management and provide opportunities to reuse and recycle a wide range of items.</p>	<p data-bbox="1330 312 2033 392">Exceeding our legislative duty to provide a single site in the County.</p>

Are your proposals going to affect any people or groups of people with protected characteristics? Please explain the impact, the evidence you have used and any action you are taking below.

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	None	None	
Disability	None	None	
Gender reassignment	None	None	
Marriage or civil partnership	None	None	
Race	None	None	

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Religion or Belief	None	None	
Sex	None	None	
Sexual Orientation	None	None	
Welsh Language	All signage will be bilingual Welsh/English	None	

Council has agreed the need to consider the impact its decisions has on important responsibilities of Corporate Parenting and safeguarding. Are your proposals going to affect either of these responsibilities? For more information please see the guidance note

<http://hub/corporatedocs/Democratic%20Services/Equality%20impact%20assessment%20and%20safeguarding.docx> and for more on Monmouthshire's Corporate Parenting Strategy see <http://hub/corporatedocs/SitePages/Corporate%20Parenting%20Strategy.aspx>

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	Describe any negative impacts your proposal has on safeguarding and corporate parenting	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	Not applicable	None	
Corporate Parenting	The proposals do not affect individuals and thereby do not affect or impact on the Council's corporate parenting and safeguarding duties.	None	