

**Wiltshire Council**

**Cabinet**

**23 July 2013**

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**Subject: Future Service Delivery Model for Waste Management**

**Cabinet Member: Councillor Toby Sturgis – Strategic Planning, Development Management, Strategic Housing, Waste**

**Key Decision: Yes**

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**Executive Summary**

As reported to Cabinet on 6 November 2012, considerable progress has been made on delivery of the Wiltshire Municipal Waste Management Strategy. A harmonised service of waste and recycling collection which will enable the council to achieve 50% recycling by 2014 is operating county-wide. Contracts awarded for the treatment of non-recycled waste at the Lakeside energy from waste plant and the mechanical biological treatment plant in Westbury, currently being commissioned, will enable the Council to reduce the waste sent to landfill to less than 25%.

The contract for collection of non-recycled waste, plastic bottles and cardboard and garden waste for the west Wiltshire area could terminate in 2014 or be extended by up to seven years. The contract for the collection of glass, paper, cans and textiles, the provision of landfill capacity, the provision of material recovery facilities and markets for dry recyclable materials, waste transfer stations, composting facilities, treatment of wood waste and management of the household recycling centres and mini recycling centres will terminate in 2016 with no option to extend.

It continues to prove difficult to obtain robust financial data to inform a decision about whether the collection service would be delivered more cost effectively in-house or by the private sector. Almost every collection service has some unique local issue which it has been designed to address making it difficult to benchmark our costs against those of other councils, regardless of whether the service is delivered in-house or by a contractor.

Further work remains to be done with Finance to decide which overheads should be added to the cost of the service. If costs are included that would not be saved if the service were to be outsourced, then the possible savings would be misrepresented. In any event, if the council decides capital investment would be needed from the private sector this would be key to informing this decision. Given the cost of borrowing for the private sector compared to the public sector, such a decision would help inform the length of contract periods to make the service as affordable as possible, given the increasing pressure on the revenue budget.

Landfill is now a much smaller and reducing area of the council's waste management service. The quantity of waste sent to landfill should continue to reduce. This is a specialist area of waste management. The ability to provide landfill capacity might prohibit some potential contractors from tendering for other service areas, thus limiting competition for delivery of wider waste management services.

Given the geography and nature of Wiltshire it may be possible to develop a network of smaller, open windrow composting facilities. The garden waste collected in the south of the county has been successfully managed in this way for several years. There is an opportunity to build on this experience and, should this prove feasible, reduce the distances over which our garden waste is transported.

Provision of a materials recovery facility continues to be difficult to specify at present. The level of sophistication required (and therefore the cost) varies depending on the method used to collect dry recyclable materials. If the recycling is separated at the kerbside, relatively little processing is required before the materials are bulked up and sent to re-processors. If the materials are co-mingled when collected, any materials recovery facility would have to achieve adequate separation of the recycling to ensure the council could deliver materials of an acceptable quality to the re-processors. Defra is currently consulting on a materials recovery facility code of practice which will set quality standards for the materials produced, but this is not yet available. Guidance should be issued to councils later this year. Further work to inform this decision is therefore required.

The location of transfer stations is key to the efficient delivery of the collection service which will increasingly focus on recyclable materials as well as residual waste. A facility is also required for chipping and bulking up wood waste for onward transportation to ensure we continue to keep this biodegradable waste stream out of landfill.

Servicing the household recycling centres and mini recycling sites also underpins our recycling performance so these elements of the service are working to deliver a common purpose.

In recent years the markets for recyclable materials have been relatively stable. Historically the council has transferred the risk for such markets to our contractor and taken less income for the sale of recyclables as a consequence (£800k for paper and £895k for other materials in 2012-13). The benefit has been that as recently as 2007 the council maintained its recycling performance when some other authorities without secure long term contracts had to landfill recyclable materials. Given the stability of the markets tenders could be invited for providing a service at a gate fee to be paid by the council with a percentage share of the income generated from the sale of recyclables. This would build on the approach taken under the existing contract and reflect that taken under the contract for the mechanical biological treatment plant being commissioned in Westbury.

In light of the above, decisions are sought from Cabinet on the delivery of the waste and recycling collection service and to invite tenders for those elements of the wider waste management service identified above.

## Proposals

- (i) That Cabinet resolves to either:
  - (a) deliver the waste and recycling collection service in-house
  - or
  - (b) invite tenders for the delivery of the waste and recycling collection service (including the chargeable waste collection service) for two options:
    - 1. to include provision of a co-mingled collection of dry recyclable material with separate collection of glass
    - 2. to include provision of a kerbside sort collection of dry recyclable material.
- (ii) Should Cabinet resolve to deliver the waste and recycling collection service in-house (proposal (i) (a) above), that Cabinet subsequently resolves to:
  - (a) deliver the chargeable waste collection service in-house
  - or
  - (b) invite tenders for the delivery of the chargeable waste collection service (excluding second garden waste bins).
- (iii) That Cabinet resolves to invite tenders for the following waste management services as three lots (at the same time as inviting tenders for the relevant collection service should Cabinet resolve to implement proposal (i) (b) or proposal (ii) (b)):
  - (a) landfill capacity or landfill diversion capacity for residual waste (excluding the treatment of residual waste under the contracts with Hills Waste Solutions for diversion of waste from landfill to the Lakeside Energy from Waste plant and the Northacre mechanical biological treatment plant)
  - (b) garden waste composting capacity
  - (c) transfer stations, wood waste treatment, servicing household recycling centres and materials (including plastic) recovery facility capacity for two options:
    - 1. the sorting of co-mingled dry recyclable material
    - 2. the sorting of co-mingled plastic and the bulking of other dry recyclable materials(to include a percentage share of income from the sale of recyclable materials).

**Reason for Proposals**

To enable the council to maintain service delivery for residents and chargeable waste customers, to comply with its statutory duties to collect and dispose of waste and to continue to progress towards achieving statutory targets once existing contracts expire.

**Tracy Carter**

Service Director – Waste Management Services

**Wiltshire Council**

**Cabinet**

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**Subject: Future Service Delivery Model for Waste Management**

**Cabinet Member: Councillor Toby Sturgis – Strategic Planning, Development Management, Strategic Housing, Waste**

**Key Decision: Yes**

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### **Purpose of Report**

1. To:
  - (i) Seek a decision from Cabinet on whether to:
    - (a) deliver the waste and recycling collection service in-house
    - or
    - (b) invite tenders for the delivery of the waste and recycling collection service (including the chargeable waste collection service) for two options:
      1. to include provision of a co-mingled collection of dry recyclable material with separate collection of glass
      2. to include provision of a kerbside sort collection of dry recyclable material.
  - (ii) Should Cabinet resolve to deliver the waste and recycling collection service in-house (proposal (i) (a) above), to seek a subsequent decision from Cabinet to:
    - (a) deliver the chargeable waste collection service in-house
    - or
    - (b) invite tenders for the delivery of the chargeable waste collection service (excluding second garden waste bins).
  - (iii) To seek Cabinet approval to invite tenders for the following waste management services as three lots (at the same time as inviting tenders

for the relevant collection service should Cabinet decide to implement proposal (i) (b) or proposal (ii) (b)):

- (a) landfill capacity or landfill diversion capacity for residual waste (excluding the treatment of residual waste under the contracts with Hills Waste Solutions for diversion of waste from landfill to the Lakeside Energy from Waste plant and the Northacre mechanical biological treatment plant)
- (b) garden waste composting capacity
- (c) transfer stations, wood waste treatment, servicing household recycling centres and materials (including plastic) recovery facility capacity for two options:
  1. the sorting of co-mingled dry recyclable material
  2. the sorting of co-mingled plastic and the bulking of other dry recyclable materials

(to include a percentage share of income from the sale of recyclable materials).

## **Background**

2. The collection service previously delivered by West Wiltshire District Council was first outsourced on 1 July 1991 following the award of a contract to Waste Management (who became UK Waste). At the end of this contract, following a procurement exercise, the service was brought back in-house. The service was again outsourced under a contract awarded to Cleanaway which ran from 1 February 2002 until 31 March 2007. During this period the non-chargeable garden waste service and alternate weekly collections of residual waste were introduced in phases between 2004 and 2006. The contract with Focsa Services (UK) Ltd. runs from 1 April 2007 until 31 March 2014 with provision for an extension to the contract period. Focsa Services became FCC Environment, part of the FCC Group, in 2012.
3. In 1996 Wiltshire County Council commenced delivery of waste management services through a contract with Hills Waste Solutions. This contract covers landfill, waste transfer station and materials recovery facility operations, kerbside collection of dry recycling, composting facilities, household recycling centres, mini recycling sites and sale of dry recyclable materials. This contract ends on 31 July 2016, with no option for a contract extension.
4. In 2004 Wiltshire County Council commenced a procurement process for the diversion of residual (non-recycled) waste from landfill. This resulted in the award of two contracts. The first was awarded to Hills Waste Solutions for the delivery of 50,000 tonnes per year of residual waste to the Lakeside Energy from Waste facility at Colnbrook, Slough. The council delivers residual waste for this contract to waste transfer stations at Amesbury and Lower Compton. Waste is then bulked and hauled to Lakeside by Hills Waste Solutions. The contract commenced on 1 February 2009 and runs for 25 years.

5. A second 25 year diversion contract with Hills Waste Solutions was signed in April 2011 for the treatment of 60,000 tonnes of residual waste per year in Wiltshire's first mechanical biological treatment plant. The facility at Northacre Park, Westbury is currently being commissioned and should be fully operational by September 2013. It is expected that the majority of the residual waste to be treated at this plant will be delivered directly by refuse collection vehicles operating in the west of the county, with any balance coming from waste transfer stations.
6. On 1 April 2009 Wiltshire Council inherited four different waste collection services from the former district councils. Since 1 April 2012 a harmonised waste collection service has been in operation across the county. This comprises fortnightly collections of:
  - (i) Residual waste (in a wheeled bin);
  - (ii) Plastic bottles and cardboard (co-mingled in a wheeled bin);
  - (iii) Paper, glass, cans, foil and textiles (kerbside sort in a black box);
  - (iv) Garden waste (opt-in, non-chargeable service in a wheeled bin).
7. At a meeting held on 19 October 2010, Cabinet resolved to introduce a non-chargeable garden waste collection service. Composition surveys suggested that 12,000 tonnes each year of garden waste were being landfilled. This material is 100% biodegradable and, when landfilled, attracts Landfill Tax which in 2013-14 is £72 per tonne. Charges to households for garden waste collection services were approximately £30 per annum in 2009-10 except in west Wiltshire where there was no charge for this service. The council incurs the costs of producing and sending invoices to residents who sign up for chargeable schemes. Costs are also incurred for processing payments and, in the event of failure to pay, sending further letters to remind residents that payment remains outstanding. The EU and Defra are considering further landfill bans and have indicated this would focus on biodegradable materials. The provision of a non-chargeable garden waste service enables the council to implement such a ban in Wiltshire. The service was already in place in west Wiltshire and the council did not want to remove it.
8. Collection services are provided through a combination of in-house and contracted out service delivery. Hills Waste Solutions delivers the black box service countywide, under the contract described in paragraph 3 above. In the east, north and south of the county the residual waste, plastic bottle and cardboard and garden waste collection services are delivered by the Wiltshire Council in-house service.
9. In the west of the county, residual waste, plastic bottles and cardboard and garden waste are collected by FCC Environment (formerly Focsa) under the collection contract referred to in paragraph 2 above, which runs until 31 March 2014, with the option of extending by up to seven years.

10. The in-house service collects residual waste from commercial waste producers across the county. Over 3,000 customers use the service at the current time. There is an ongoing review of this service which resulted in an increase in fees and charges for the current financial year. This was to ensure that council tax payers are not subsidising delivery of this service. There are limited trials of commercial recycling in parts of the county which are being operated as pilot schemes. The council also has a number of customers who produce household waste for which there are powers to charge for collection only (and not disposal). These are collectively referred to as chargeable waste services.
11. The council also provides the following collection services:
  - (i) A free of charge collection of clinical waste from domestic households, including sharps boxes and sacks of clinical waste;
  - (ii) A charged bulky waste collection of items from domestic households.
12. Wiltshire Council's recycling rate achieved in 2012/13 is 46.85%. Measures to improve this figure were implemented during 2012/13, including the continuation of the rollout of communal recycling facilities to flats and further phases in our rollout of non-chargeable garden waste bins. However, it should be noted that the Environment Agency has advised councils they can no longer include composted street sweepings in national recycling performance but instead count them only as land-filled waste. As the council required a baseline for assessment of the impact of service changes, the same method of measurement as previously used was maintained during 2012-13. As the full effects of the service changes are realised, together with the mechanical biological treatment plant coming on-line during 2013-14, this will drive further improvement and should lead to the achievement of the council's target of 50% recycling.
13. The percentage of local authority collected solid waste sent to landfill in 2012/13 was 31.68%. As above, when the mechanical biological treatment plant in Westbury is operational, our performance will improve further with waste to landfill forecast to reduce to about 20% per year. At the very least, by 2014 we expect our waste to landfill to reduce to 25%, reflecting the council's commitment to this target in its corporate plan.
14. The council's future service must enable us to meet both national and local targets. Any model of service delivery will be evaluated against how it will contribute to achieving the targets set out below.

**Table 1**

<b>Target</b>	<b>Source</b>
Reducing waste to landfill to 25% of the total collected by 2014	Wiltshire Council Business Plan 2011-15
Increase recycling to 50% by 2014	Wiltshire Council Business Plan 2011-15 (modifying the target in the Waste Framework Directive)



Reduce biodegradable municipal waste to landfill to 35% of 1995 levels by 2020	EU Landfill Directive
Maintain separate collections of at least the following materials from the household waste stream: paper, metal, plastic and glass	EU revised Waste Framework Directive and the Waste (England and Wales) (Amendment) Regulations 2012

The council also has a particular interest in encouraging waste prevention. A history of working closely with the Wiltshire Wildlife Trust to promote messages about reducing garden and food waste in particular, to spread waste prevention and recycling messages in schools and to promote council recycling services has evolved into the current joint venture arrangement. This enables council and Wiltshire Wildlife Trust staff to work closely together to an agreed business plan and annual work programme, funded in part by the council and partly by grants secured by the Wiltshire Wildlife Trust.

15. The council's approach to managing food waste to date has been to work with residents and the voluntary and community sector to encourage prevention and reduction. The council currently offers residents the opportunity to purchase subsidised food waste digesters to treat cooked and uncooked food waste at home. There is significant potential to manage food waste in this way in Wiltshire as a high proportion of households have access to a garden. There are financial benefits for residents as well as the council in preventing food waste. The government's Waste and Resources Action Programme (WRAP) suggests that a typical household could save on average £50 per month by reducing the food waste it produces. In October 2010 Cabinet agreed the introduction of the current waste and recycling collection service. At that time the council reviewed an option which included provision of a separate collection of food waste. It was recognised that this would improve the council's recycling performance but would cost significantly more and require provision of a facility to manage this waste. However WRAP suggests that by March 2013, 55% of UK local authorities were collecting household food waste, an increase of 8% since May 2011.
16. In a previous report to Cabinet on 6 November 2012 on Future Delivery of the Waste Management Service the following points were noted:
  - (i) While there are no proposals to change the collection service or the materials that residents separate for recycling at present, this provides an opportunity to review these services and the way in which they are delivered. To inform the review the strategy should be updated to reflect progress and confirm targets. Approval was sought of the draft Wiltshire Council Waste Management Strategy 2012, attached at **Appendix 1**.
  - (ii) More work should be done with Finance to decide which overheads should be added to the cost of the service. If costs are included that would not be saved if the service were to be outsourced, then the possible savings would be misrepresented. In any event, if the council decides capital investment would be needed from the private sector, this would be key to informing this decision. Such a decision would help inform the length of contract periods to make the service as affordable as possible, given the increasing pressure on the revenue budget.

- (iii) Having a single provider of waste and recycling collection services enables the delivery of an efficient and cost-effective service. This removes any artificial geographical boundaries and offers the service provider the greatest flexibility for deployment of fleet and crews. This view was strongly supported by the early engagement with private sector suppliers who noted that the current mixed economy of collection service provision is a weakness in Wiltshire's current delivery model.
17. At the meeting Cabinet resolved to approve:
- (i) The draft, updated Wiltshire Council Waste Management Strategy 2012.
  - (ii) The commencement of formal consultation with staff, and relevant trade unions, on the adoption of new working patterns for the waste collection service.
  - (iii) Development of a business case for the waste collection service for:
    - (a) In-house service delivery
    - (b) An out-sourced service
  - (iv) Development of a business case for:
    - (a) Terminating the FCC Environment waste collection contract in 2014
    - (b) Extending the FCC Environment contract to be co-terminus with the Hills contract in 2016
  - (v) Use of a single service provider to deliver an integrated collection service from 2016.
  - (vi) Development of the detailed business case to tender the provision of the following waste management services as three lots:
    - (a) Landfill capacity
    - (b) Garden waste composting facility
    - (c) Materials recovery facility, transfer stations, wood waste and servicing household recycling centres (rates to be invited for tender and a percentage share of income from sale of recyclable materials).
18. Resolutions (ii) and (iv) will be addressed by later reports to Cabinet. An update on resolutions (iii) and (vi) will be provided within this report.
19. To improve our knowledge and understanding of the wider waste management industry a service delivery review was carried out in June and July of 2012. The review took the form of a series of individual meetings with a range of local, national and international service suppliers, together with an online questionnaire that could secure responses from a wider audience. This was supplemented by a further exercise carried out during April 2013. A comprehensive questionnaire was published online. To ensure the market was aware of the consultation over 50 suppliers of waste services were directly notified of the opportunity to

contribute to the exercise. In addition, over 15 local and national voluntary and community sector organisations were contacted directly about the consultation. This generated a significant amount of detailed information from the waste management market, which could be used to shape procurement and specification documents. Details of these exercises and their findings are set out in **Appendix 2**.

## **Main Considerations for the Council**

### **Waste Management Strategy**

20. The Wiltshire Council Waste Management Strategy 2012, (attached at **Appendix 1**), highlights four guiding principles to pursue in order to achieve continuous service improvement. These guiding principles, together with related policies and targets, cover a wide range of sustainable waste management practices with the overall aim of managing more waste towards the top of the waste hierarchy and prioritising waste prevention, re-use, recycling and composting.
21. The key principles identified in the updated strategy are set out below
  - (i) Waste prevention and re-use - To provide advice, education and where possible incentives to encourage waste prevention and re-use by Wiltshire's residents. The council will pursue a target of reducing waste after recycling and composting from 606 kilos per household achieved in 2011-12 to 545 kilos per household by 2015-16.
  - (ii) Recycling and composting – To carry out the separate collection of recyclable and compostable waste materials from all accessible households, supported by comprehensive communications campaigns to encourage the use of these services by householders to achieve a recycling rate of 50% of household waste by 2014.
  - (iii) Further diversion from landfill – To recover energy or otherwise divert from landfill sufficient tonnage of Local Authority Collected Municipal Waste in addition to that diverted by recycling and composting to achieve
    - a landfill rate of 25% or less of total Local Authority Collected Municipal Waste by 2014
    - a landfill rate equivalent to less than 35% of the biodegradable municipal waste tonnage landfilled in 1995 by 2019-20.
  - (iv) Waste Treatment Capacity – To monitor available capacity for diversion of Local Authority Collected Municipal Waste from landfill and, subject to the requirements of planning policies and procedures, to support any additional proposals required to meet targets and policies for landfill reduction.
22. In the longer term, the council will pursue the goal of zero untreated waste to landfill and reduction of the environmental impact of waste treatment, by continuous improvement to waste collection and treatment services.

23. The EU revised Waste Framework Directive and the Waste (England and Wales) (Amendment) Regulations 2012 include a requirement by 2015 to maintain separate collections of at least the following materials from the household waste stream: paper, metal, plastic and glass. This requirement is reflected in the Wiltshire Council Waste Management Strategy. In respect of plastic, at present Wiltshire Council collects plastic bottles only at the kerbside and other rigid plastics at the household recycling centres. There is a requirement for the council to provide a collection of a wider range of plastics beyond 2015. In recent years there have been significant developments in the technology available for sorting a wide range of plastics. This procurement process provides Wiltshire Council with the opportunity to extend the range of plastics collected at the kerbside, utilising the blue lidded bins, in order to comply with the requirements of the revised Waste Framework Directive.
24. Any new contracts resulting from changes to the delivery of waste collection and management services will reflect the overall aims and key principles highlighted in the updated Waste Strategy (2012). There are, however, elements of the strategy which will not be included within the scope of new contracts, including the existing landfill diversion contracts (energy from waste and mechanical biological treatment) and the council's work on waste prevention.
25. Article 29 of the revised Waste Framework Directive (2008/98/EC) highlights the importance of waste prevention activities, by introducing an obligation for all member states to develop a comprehensive national waste prevention programme by 2013. The Government is planning to consult on the development of a national prevention programme over the summer. It is not yet understood what implications this programme will have for the council; however, it is anticipated that councils will have a role in delivering local waste prevention plans. This current uncertainty, along with the success of the council's current waste prevention joint venture, suggests that the delivery of waste prevention activities should continue to be a service delivered direct by the council.

### **Collection Service**

26. The waste collection service encompasses the following:
- Household (kerbside) recycling collections (spanning the co-mingled collection of mixed rigid plastic packaging<sup>1</sup> and cardboard and the current kerbside sort black box service)
  - Household (kerbside) garden waste collections
  - Household (kerbside) residual waste collections<sup>2</sup>
  - Household clinical waste collection and disposal
  - Household bulky waste collections
  - Container procurement, delivery, repair and retrieval

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<sup>1</sup>The term 'mixed rigid plastic packaging' includes the following plastic containers (as set out in the WRAP report 'Collection and Sorting of Household Rigid Plastic Packaging – May 2012'): bottles, tubs (e.g. margarine), trays (meat, ready meals, fruit and bakery goods), containers for household cleaning items and pots (yoghurt, sauce, fruit, spread).

<sup>2</sup> This will not include any streetscene services such as litter bin collection and fly tipping collection because these functions are the responsibility of the local highways and streetscene team.

- Commercial waste and non-domestic household waste collections, including recycling options (referred to as the chargeable waste service in paragraphs 40 to 42 below.
27. The council's Business Plan 2011-2015 states that our direction of travel is to become a smaller, more strategic commissioning body, working with a multiplicity of providers in Wiltshire – enabling and facilitating, with fewer staff and more providers. The new Business Plan will look at doing things differently for less, which means fundamentally rethinking all the services we provide. The draft medium term financial strategy 2013-14 to 2018-19 sets out the need to save £124 million based on current projections of growth and central government spending reductions. There will be challenges for specific services which will impact on how we operate. Wiltshire County Council's highways service was outsourced in 1998 and Wiltshire Council's street scene service was outsourced in June 2013 suggesting a direction of travel for the organisation.
  28. The council's capital programme set out in the draft Business Plan 2013-17 at present does not include any funding for a vehicle replacement programme. The draft fleet strategy refers to creating a smaller, more holistic fleet service and substantially reducing the size of the vehicle asset. There is capital funding identified for a new replacement depot but not for short term investment in smaller scale improvements and expansion to the current depots. This would be required to enable the council to bring the FCC and Hills collection services in-house. The council would need to review corporate priorities for capital investment to achieve this. Outsourcing the service would ensure private sector capital investment and would enable better and more flexible management of vehicles to the benefit of the service.
  29. Following guidance received from Strategic Property, there are no near-term changes proposed to the availability of suitable depots for the waste collection service. If the decision is made to outsource waste collection, the guidance received is that current depot locations can be offered to a future service supplier. Any contract would contain a requirement that the successful contractor engage with the council during the life of the contract to explore the options for rationalising depots as part of the council's transformation programme. The service has highlighted to Strategic Property the enhanced requirement for depot space from 2016 to accommodate vehicles for the collection of dry recyclable materials, irrespective of whether that service will be delivered in-house or outsourced.
  30. As mentioned above, the EU revised Waste Framework Directive and the Waste (England and Wales) (Amendment) Regulations 2012 include a requirement by 2015 to maintain separate collections of at least the following materials from the household waste stream: paper, metal, plastic and glass. There are two types of collection system for dry recyclable materials. A co-mingled collection is the collection of mixed recyclable materials collected in one bin, emptied into the back of a refuse collection vehicle with subsequent separation at a materials recovery facility with a high technical specification. This system does not meet the requirement for separate collections. A collection of recyclable materials from a box with separation of the materials at the kerbside with each material placed in a separate compartment of a specially designed vehicle does meet the definition of separate collection. This may suggest that the council's current

black box system for collection of recyclable materials should continue. However, there are qualifications to the requirement for separate collection. If the necessary quality of dry recyclable materials can be achieved from a co-mingled collection system then separate collection is not required. In addition, the separate collection has to be technically, environmentally and economically practicable.

31. Work has been done to assess the financial implications and review the options for collecting dry recyclables using a kerbside sort (black box) system and a co-mingled (wheeled bin) system. This has been inconclusive in terms of cost and performance. If the decision is made to invite tenders for the waste collection service, asking contractors to price specifications for both kerbside sort and co-mingled systems would enable us to determine what the market would charge for each collection system. This information, coupled with the cost of providing a materials recovery facility with a sufficiently high technical specification to either separate all dry recyclable materials or to separate mixed plastics and enable the bulking up of other dry recyclable materials, would enable the council to evaluate which system would provide best value. Defra has advised that it appears to be common ground that glass is a well-recognised potential contaminant. In particular, paper and glass should be kept apart. However, industry is divided on this issue, with half of the organisations surveyed by Defra stating that they could sort glass collected in a co-mingled system and produce high quality recyclable materials. There are health and safety concerns about the noise levels generated when emptying glass from a box into a separate compartment on a vehicle collecting recyclable materials.
32. Defra was subject to a judicial review in 2012 over the way in which the government had transposed the requirements of the revised Waste Framework Directive into UK law. This was brought by a group, including some of the major UK re-processors of recyclable material, on the basis that co-mingled collections do not deliver the highest quality recyclable materials.
33. The judicial process was deferred to enable Defra to lay new regulations which removed reference to co-mingled collections and more closely reflect the wording of the revised Waste Framework Directive. As a consequence, the challenge was not upheld. Defra has said that it hopes to minimise the risk of councils being challenged over the use of co-mingled systems. It is currently consulting on a code of practice for materials recovery facilities and intends to issue guidance to councils later this year on the meaning of 'technically, environmentally and economically practicable'. This service, and the way in which it should be delivered, may therefore be subject to further change.
34. There is a risk of judicial review against this council if we change the service from a kerbside sort system to a co-mingled collection. Legal advice is that the likelihood of this is low. Inviting tenders through the Official Journal of the European Union would prompt such a challenge at an early stage. Inviting tenders for two options, one based on a co-mingled system and one on kerbside sort, would enable the council to progress the procurement process and ensure that arrangements are in place for 2016 should further developments result in a decision that a co-mingled system in Wiltshire would not enable the council to comply with its obligations. Further detail on both collection methods and on the judicial review are set out in **Appendix 3**.

35. Further consideration should be given to the introduction of food waste collection. A national waste composition analysis produced by Defra in 2009 shows an average of 17% of food waste in household waste. This would equate to 37,000 tonnes of food waste generated each year by households in Wiltshire. National trials carried out by the government's Waste and Resources Action Programme suggest that 38% of this food waste would be captured by a separate food waste collection, which equates to 14,000 tonnes per annum. Anaerobic digestion is the treatment of organic waste in a controlled environment to ensure that the waste is stabilised and fermented. In order to treat collected food waste the council would need to procure capacity at an anaerobic digestion plant. The process produces biogas which can be used to generate electricity to power the plant with any surplus distributed via the national grid. On average, the weight of the waste reduces by 7% to 10% through the production of biogas. Depending on the source of the waste 20% to 50% of the weight of input waste remains as a digestate for which a market must be found. In order to provide the council with the flexibility to introduce such a service part way through a contract period, tenderers could be invited to submit prices for implementing this change. If the collection service is delivered in-house capital investment would be required in the collection fleet to enable food waste collections to be introduced.
36. If the decision is made to outsource the service, the contract specification would contain defined performance standards. Over 40% of the council's collection service is delivered by private sector contractors, Hills and FCC. As at present, any contract would specify the branding for the service (vehicles and uniforms for staff employed) so the public would still perceive that the service is delivered by the council. The specification would include the council's behaviours framework to define performance standards for the culture of the contractor's organisation and the behaviour expected of the staff employed in delivering services in Wiltshire. The contract would have flexibility to enable it to be varied to meet new challenges facing the service in future. Such flexibility may require the council to compensate the contractor for any additional costs incurred. There would also be flexibility to redirect the contractor's staff in the event of bad weather or other emergency. The council would retain a small client team to manage the contract and ensure that services would be delivered to the required standards. This would be necessary to ensure that performance standards are maintained and improved, protecting and enhancing the council's reputation. Systems would be put in place by any contractor to enable the council to monitor performance. Details of key terms and conditions, specification and performance measures, as well as the principles of proposed tender evaluation models, would be reported to Cabinet before the council issues invitations to tender for the services concerned.
37. Should the council decide to outsource the collection service, the procurement should be carried out at the same time as that for other waste management services. This would enable the council to make a better informed decision about the costs of the collection and management of dry recyclable materials. To do this, information is needed about the total cost of collecting mixed recyclable materials from a wheeled bin and sorting them at a materials recovery facility with a high technical specification. Inviting tenders for a collection of recyclable materials from a box with separation of the materials at the kerbside and collection of mixed plastic from a wheeled bin as well as provision of a

plastic recovery facility to sort the plastic would enable the council to directly compare the costs of both systems. Carrying out the procurement processes at the same time would enable larger companies to tender for all four contracts and demonstrate any efficiencies of scale this would provide.

38. The council commissioned independent technical advice and support in this work from Improvement and Efficiency Social Enterprise, a local government owned organisation in receipt of government funding to provide assistance to local authorities undertaking service reviews. Initial research showed there was no straightforward, direct comparison available between in-house and outsourced service delivery. Case studies are available in favour of both models and many claimed savings were the result of a change in specification and not the mere fact of outsourcing.
39. Improvement and Efficiency Social Enterprise acted as the council's critical friend and used its industry knowledge to help identify those aspects of service delivery that would be more cost-effectively delivered by either the private sector or an in-house organisation. It also identified the non-financial factors that serve to differentiate in-house and outsourced delivery of waste collection services. As part of this Improvement and Efficiency Social Enterprise independently facilitated workshop sessions that captured informed opinions from a wide range of staff, both within the Waste Management Service, and in other internal service areas such as Finance, Fleet Management, Strategic Property, Legal, and Procurement. A summary of the process and an overview of the results of this work are set out in **Appendix 4**.

#### Chargeable Waste and Recycling Collection Services

40. Household waste collections are carried out on a fortnightly cycle. The majority of the council's chargeable waste customers require more frequent collections than could be provided using the domestic household waste collection rounds. In addition, to minimise the risk of commercial waste abuse of the household waste collection service and to provide accurate information about the tonnes of waste collected, the commercial waste service is delivered by separate crews and vehicles to those used for household collections.
41. At present, the council provides commercial waste services in accordance with its statutory duty. This needs to be reviewed in the context of the council's plans with regard to delivery of traded services. There is no reference in the draft Wiltshire Council Business Plan 2013-17 to expanding or developing traded services. During 2012-13 income to the service was £300,000 less than the original budget requirement. The council has been operating two pilot schemes for the collection of commercial recyclable material. Since the introduction of charges for these services a considerable number of customers, who had previously received these services free of charge from the ex-district councils, have chosen not to renew their contracts with the council. The council's policy on setting fees and charges is to ensure that reasonable costs are recovered. As the costs of waste management continue to rise, this suggests that the council's chargeable waste service is not sustainable.



42. A private sector company would be able to expand the range of services offered and market these services, providing greater choice for the local business community. The council would still have an obligation to make arrangements for the collection of commercial waste where requested to do so. This could be delivered through a contract which would contain a cap on fees and charges to protect those businesses which seek a service from the council because there is no affordable alternative. A contract would also include a mechanism for the council to share in any profits made by a contractor as a consequence of expanding the commercial waste service. Such a contract would include commercial waste and household waste for which charges can be applied except for the collection of garden waste from second, chargeable garden waste bins.

#### Extension of the FCC Collection Contract for west Wiltshire

43. FCC has offered a discount on the price of its contract in return for extending the contract until 31 July 2016, the date until which the Hills Waste Solutions contract will run. This would offset some contract inflation and would enable the council to avoid the capital costs of new vehicles and additional depot space which would be incurred if the service was brought in-house from 1 April 2014. It would also enable the council to invite tenders for an integrated collection service to be delivered by a single service provider from 1 August 2016.
44. Performance by FCC under this contract is comparable with the performance standards achieved by the in-house service. There was the flexibility under the contract to introduce the new plastic bottle and cardboard collection service in west Wiltshire during 2011-12. FCC has agreed that it will work with the council to identify further savings, where possible, from changing the delivery point for its residual waste from the landfill site at Lower Compton to the mechanical biological treatment plant being commissioned at Westbury. FCC has also agreed to work with the council on the rounds redesign project to identify savings arising from the removal of the west Wiltshire district boundary as a constraint to designing more efficient collection rounds.
45. Extending this contract would enable the council to avoid the need to acquire vehicles and additional depot space and to transfer FCC staff into the council at a time when new collection rounds would be introduced, reducing the risk of any short-term fall in performance standards arising from the changes. The decision on whether to extend the contract will be the subject of a report to Cabinet on 24 September 2013.

#### Landfill and Recycling Service

46. The report to Cabinet on 6 November 2012 contained the following paragraphs:

*'Given the success of the Council's strategy, landfill is now a much smaller and reducing area of the waste management service. The quantity of waste we send to landfill should continue to reduce. This is a specialist area of waste management. The ability to provide landfill capacity might prohibit some potential contractors from tendering for other service areas, thus limiting competition for delivery of wider waste management services.'*

*'Given the geography and nature of Wiltshire it may be possible to develop a network of smaller, open windrow composting facilities. The garden waste collected in the south of the county has been successfully managed in this way for several years. There is an opportunity to build on this experience and, should this prove feasible, reduce the distances over which our garden waste is transported.'*

47. These arguments served to highlight some potential advantages in separating these elements of service delivery from those requiring the provision of infrastructure for the management of recyclable materials (transfer stations, materials recovery facility, household recycling centres and mini-recycling sites). The proposal is to invite tenders for these services as three separate contracts rather than one single waste management contract. Further work has been carried out to better understand the options available to the council.

#### Option 1

48. This would be to invite tenders for all elements of the services listed in the paragraph above under one contract. The main requirements would be based on those provided under the existing Hills contract with the exception of delivery of the kerbside sort service for the collection of dry recyclable materials. Another significant difference would be that this option would not prescribe landfill as the only solution for the treatment of the remaining non-recycled waste, but would extend the scope to include other non-landfill residual waste treatment processes, either from 2016 or at a future date. Given the nature of certain wastes it is likely that there would still be a requirement for some landfill capacity. There would be no guarantee of a minimum quantity of waste to be delivered under the contract. The intention would be to seek to further reduce the waste sent to landfill during the contract period, subject to this being cost effective and technically feasible.

#### Option 2

49. This option is to invite separate tenders with the potential to award three contracts for delivery of these services. The first proposed contract would be for recycling and transfer services and would include:
- The provision and operation of household recycling centres (including those owned by Wiltshire Council)
  - The provision and operation of waste and recycling transfer stations
  - The provision and operation of a materials recovery facility (to include capacity for recovery of mixed plastic) (MRF)
  - Operation of mini recycling sites
  - Sale of recyclable materials.

50. It should be noted that the sale of recyclable materials may be better managed by the collection service. This would provide an incentive for the collection contractor to minimise the quantity of contamination of dry recyclable materials collected, provided the contract contained a mechanism for the sharing of income between the council and the contractor. The decision on whether it should be the collection contractor or the materials recovery facility contractor which provides this service would be informed by the decision on whether the collection of dry recyclables should be carried out using a co-mingled (wheeled bin) or a kerbside sort (black box) collection system.
51. The second proposed contract would be for composting services and would include:
  - The provision and operation of a site or sites for composting of garden waste
  - Sale of compost.
52. The third proposed contract would be for the treatment and disposal of residual waste and would include:
  - Treatment and disposal of non-hazardous and inert residual waste, including the use of exempt sites for inert materials
  - Treatment and disposal of hazardous waste.
53. An exercise was carried out within the waste management service during 2012 to identify the key elements of the service and their strongest inter-dependencies. The results of that exercise indicate that both options for procurement would be viable.
54. The key benefit of Option 1 may be efficiencies arising from the integrated management of a range of services and simplified contract management responsibilities for the client.
55. The key benefit of Option 2 would be that specialist providers of recycling and/or composting services would not be precluded from tendering due to a lack of landfill or other residual waste treatment experience or capacity.
56. Option 2 would not preclude contractors from submitting tenders for all three proposed contracts and, if successful, being offered a single contract by the council, should such an integrated tender prove to be the most economically advantageous. Option 1 would preclude the approach outlined under Option 2.
57. Therefore, Option 2 offers greater opportunity to explore a wider scope for service delivery, efficiencies and savings, although the costs associated with an increased client role to manage the interface between a number of contracts would need to be assessed against any potential savings.

58. The current contract with Hills offers the council limited income from the sale of recyclable materials. The contract commenced in 1996 when recycling levels were very low, the council had two household recycling centres compared to the eleven centres which are operated today, the recycling market was much less mature and the risks related to the sale of materials perceived as much greater. Although income from the sale of recyclables under the contract is limited, the current payment mechanism provides a level of financial certainty which has benefited the council in its budget forecasting and management.
59. As the recycling market has developed, the ability to secure longer term materials re-processing sub-contracts has increased, which has provided greater stability for some material streams, for example paper. However, areas of the market remain more volatile (such as those for low grade plastic) making it more difficult to secure long-term re-processing arrangements.
60. Increasingly, local authority collected waste management contracts include mechanisms where councils share in the net proceeds of income from contractors selling recyclable materials. This approach will be fully explored as part of any new waste management contract, ensuring that the council's exposure to volatility within the recycling market is minimised. It is likely that any arrangement where income forms part of the contract payment mechanism would result in a greater role for the client in terms of forecasting and auditing the sale of recyclable materials. The opportunity to generate a higher income stream would have to be considered in the context of client contract management costs and the risk to the council of a reduction in the certainty of income budget forecast and management purposes.
61. Under the existing contract with Hills Waste Solutions the network of eleven household recycling centres is managed and operated by the contractor. Two of the sites are owned by Hills. The cost of operating the network of eleven sites is estimated at £3.08 million each year. In 2012-13, there were over 61,000 tonnes of material delivered to these sites, of which almost 48,000 tonnes were diverted from landfill. If the council had to pay Landfill Tax, in order to landfill this diverted waste, the cost would be £3.455 million during 2013-14, with Landfill Tax at £72 per tonne. 39,000 tonnes of material delivered to the household recycling centres were recycled in 2012-13. This represents 39% of the total recycling of household waste achieved last year. If this proportion is applied to the income from the sale of recyclables which the council benefitted from in 2012-13, the value would be £0.661 million.
62. If the decision is taken to operate waste collection services in-house, there is potential to explore an alternative service delivery model. One approach would be for the in-house service to provide the frontline delivery of the service and a contractor to manage the over-arching regulatory aspects of the sites, including compliance with environmental and planning consents, together with providing transport for transferring materials off site for re-processing. The interface between the two roles would need to be clearly specified and managed to ensure a seamless service to the public, but may provide the council with greater control of service delivery. This would not preclude the involvement of voluntary and community sector organisations in delivering this service with a main contractor in a similar way. There may also be scope to replicate this approach in the operation of waste transfer stations. For these reasons the services have

been described as operation and provision of service so that this remains a delivery option.

63. Inviting tenders for the services as set out in Option 2 would provide the greatest opportunity for a more diverse range of service providers of different sizes and with different technical expertise to engage with the council under this process. As a consequence, Option 2 is likely to generate greater market interest than Option 1. Seeking tenders based on three separate contracts would provide greater transparency of costs for each element of the service. It would not exclude the scope for a single contractor to tender a discounted price in the event of being awarded a single, integrated contract for providing the services under all three tenders, reflecting any economies of scale such an approach may deliver.

### **Environmental and Climate Change Considerations**

64. The council's Energy Change and Opportunity Strategy (2011-2020) identifies waste as a key theme for action and highlights that in order to combat climate change, it is essential that we reduce the amount of waste produced in Wiltshire and that sustainable disposal and transport methods are used to minimise environmental impacts.
65. Land is currently being lost through landfill provision and we need to mitigate this by prioritising those activities that generate the greatest environmental benefits, including waste prevention, re-use, recycling and composting.
66. The updated waste management strategy further reinforces the council's commitment to prioritise sustainable waste management practices with the overall aim to reduce the waste sent to landfill and encourage further progression up the waste hierarchy.
67. Reducing the carbon impact of waste is essential for managing the environmental impacts of waste management. Preventing, re-using or recycling waste resources can achieve significant carbon savings over landfill alternatives. Waste prevention has the greatest potential for carbon savings as this avoids the carbon produced in manufacturing, distribution and waste disposal. Table 2 highlights a number of materials that are currently managed in the council's waste stream and the carbon impact of waste prevention and recycling.

**Table 2**

	<b>Carbon Savings – Kg carbon per tonne of waste diverted</b>	
<b>Material</b>	<b>Carbon savings of waste prevention</b>	<b>Carbon savings from recycling (over landfill alternative)</b>
Textiles	22,310	14,069
Aluminium Cans and Foil	9,844	9,267
Plastics (including bottles)	3,281	1,204

68. The key operational decision within this report with potential to have environmental impacts is whether the council collects recyclable materials using aco-mingled (wheeled bin) or a kerbside sort (black box) method. A co-mingled option will result in fewer vehicles required to deliver the service and therefore a reduction in transport emissions. However, this option will require further sorting of the recyclable materials using a materials recovery facility built to a high technical specification. Although more vehicles are required to implement a kerbside sort service, the need to further sort the recyclable materials is reduced

significantly as the majority of sorting is undertaken by the resident and the collection crew at the kerbside.

69. There is very little evidence to suggest which method of collection has the greatest environmental benefits. Key decisions within this report focus on service providers, rather than the materials collected, therefore environmental impacts of any decision will be limited. The service provider, whether the council or an external provider, will be required to work within the principles set out in the council's Waste Management Strategy and the council's Energy Change and Opportunity Strategy. These prioritise sustainable waste management practices with the greatest potential to achieve carbon savings and environmental benefits.

### **Equalities Impact of the Proposal**

70. There are no specific equalities impacts arising from the proposals. However, in procuring services the requirements of the Public Sector Equality Duty (PSED) will need to be taken into account as the council is classified as a relevant public body as defined in Schedule 19 of the Equality Act 2010. These can be contractually specified and apply equally, irrespective of whether the service is delivered by council staff or outsourced to the private sector.

### **Risk Assessment**

71. Specific risks are highlighted under main considerations above. Each option has some risk attached, so none of the options presented can be considered as risk free.
72. A considerable risk to service provision and business continuity is that if decisions are not taken now in accordance with the proposals, the council would not have replacement arrangements in place when current contracts expire. To enable them to submit competitive tenders, waste management contractors would need the certainty of a two year mobilisation period to deliver the required infrastructure. A successful procurement process is therefore predicated on the need to protect a two year mobilisation period. If decisions are deferred, that period is under serious threat.
73. In order to manage risks associated with changes to the way in which services are delivered, a comprehensive communications programme will be delivered. Details of the proposed programme are provided in **Appendix 5**.

### **Financial Implications**

74. There are no financial implications arising directly from the recommendations contained in this report. Financial information would only be available following return of tenders and their subsequent evaluation.
75. The current waste collection contractor (FCC) has offered a discount on the price of its contract in return for extending the contract until 31 July 2016, the date until which the Hills Waste Solutions contract will run. This would offset some contract inflation and would enable the council to avoid the capital costs of new vehicles and additional depot space which would be incurred if the service was brought in-house from 1 April 2014. It would also enable the council to invite tenders for an integrated collection service to be delivered by a single service provider from 1 August 2016. Negotiations are ongoing in accordance with Wiltshire Council's

Financial Regulations. Any decision to extend the contract would be made in accordance with Wiltshire Council's Procurement and Contract Rules.

76. The proposed contracts would be awarded in 2014 to commence on 1 August 2016. The decision to award contracts would be the subject of a future cabinet paper which would include the full financial tender evaluations. Further work will be done to identify the centrally managed costs which should be allocated to the service and to identify which of these costs would be saved if the collection service was to be outsourced
77. The following is a summary of the net cost of the waste collection service in 2012/13 (not including chargeable waste services) as set out in the council's accounts and revenue outturn.

<b>OUTSOURCED ELEMENTS:</b>	
West Wiltshire Waste Collection contract (FCC)	£3.337m
Additional associated in-house costs	£0.016m
Recycling Collections Service (Hills Waste Solutions)	£3.219m
<b>IN HOUSE PROVISION:</b>	
Direct Costs and income within Waste Services	
Operational	£5.151m
Management	£0.858m
Income (from garden and bulky waste)	(£0.176m)
Direct Costs Managed Centrally:	
Fleet Recharges (direct net costs)	£1.526m
Depot & Buildings Recharges	£1.200m
Depreciation (vehicles, plant and equipment)	£1.959m
Central Support Costs (including those from fleet)	£2.381m
<b>COST OF WASTE COLLECTION SERVICE</b>	<b>£19.471m</b>

78. The following is a summary of the net cost of the chargeable waste service in 2012/13 excluding the income from the bulky household waste service and second garden waste bins. This does not include any allocation for management costs.

Direct Costs and income	
Operational costs	£0.485m
Disposal costs including landfill tax	£1.440m
Income	(£2.210m)
Direct Costs Managed Centrally	
Estimated fleet costs	£0.328m
Depreciation (vehicles)	£0.298m
Central Support Costs	£0.212m
<b>TOTAL COST OF CHARGEABLE WASTE SERVICE</b>	<b>£0.550m</b>

The following is a summary of the net cost of waste disposal paid for through the contract with Hills Waste Solutions for landfill and recycling services in 2012/13.

Direct Costs and Income	
Management	£0.269m
Disposal costs MSW (not including chargeable waste element)	£7.560m
Disposal costs associated with recycling and wood waste	£1.128m
Income from recyclables (part of disposal contract)	(£1.695m)
Landfill tax	£4.120m

Hazardous waste	£0.041m
Clinical waste	£0.007m
Depreciation	£0.332m
Central Support Costs	£0.652m
<b>TOTAL COST OF LANDFILL AND RECYCLING SERVICE</b>	<b>£12.414m</b>

**In addition to the above the council spent £5.605 million under the contract with Hills Waste Solutions for the delivery of 50,000 tonnes of residual waste to the Lakeside energy from waste plant.**

## Legal Implications

### Leveraging Social Value

79. In 2012 The Public Service (Social Value) Act received royal assent, and was brought fully into force on 31 January 2013. The Act places a new requirement on commissioners to consider the economic, environmental and social benefits of their approaches to procurement before the process starts. They also have to consider whether they should consult on these issues. The Act applies to the pre-procurement stage of contracts for services because that is where social value can be considered to greatest effect. The council is therefore mindful of the requirements of the Act and the service has carefully considered the impacts of the Act accordingly. Further detail is provided in **Appendix 6**.

### In-house Tender

80. It is unlikely that it would be technically possible for an in-house team to submit a formal tender as part of a procurement process. An in-house team would not be separate from the council. Full involvement in a tender process is only possible where the in-house team has already been established as a legal entity, such as an arm's length company, that could submit a tender and enter into an agreement with the council. Such a tender would not be comparable to tenders from external organisations because it would be based on capital investment direct from the council. Evaluating such tenders is difficult and may leave the council open to challenge by an unsuccessful external contractor based on equality of treatment. It is possible to set out the costs of retaining the service in-house rather than inviting an in-house team to tender. If the council decided that the in-house option would provide best value, it could abandon the tender process and retain the service in-house, provided the tender documents make it clear that it could do this.

### TUPE

81. TUPE is the Transfer of Undertakings (Protection of Employment) Regulations 2006. The purpose of TUPE is to protect employees if the business in which they are employed changes hands. It preserves an employee's continuity of employment and terms and conditions of service. An employee has the legal right to transfer to the new employer on their existing terms and conditions of employment and with all their existing employment rights and liabilities. Decisions made on the model for delivery of the collection service will inform the TUPE implications for the staff employed by the council and its current contractors.



82. There are three types of TUPE transfer which might apply to this project:

- Outsourcing – Should the decision be taken to outsource the waste collection service post 2016, employees currently working for the council whose principal purpose is delivering waste collection services would be transferred to a contractor and would be subject to TUPE
- In-sourcing – Should the decision be taken for the council to deliver waste collection services in-house, staff currently working for contractors whose principal purpose is delivering existing collection services would be transferred to the council and would be subject to TUPE
- Contractor to Contractor – Where contractors currently deliver waste collection and waste management services and the council decides to continue to contract out those services, employees whose principal purpose is delivering those services would be transferred to the successful contractor and would be subject to TUPE. This would not be the case if an existing contractor were to be the successful tenderer for a new contract.

83. Given the number and range of people impacted by changes to the waste management service, communication with all parties will be important. Details of proposals are set out in **Appendix 5**. Further details of TUPE issues are set out in **Appendix 7**.

#### Procurement method

84. The procurement process will be carried out in accordance with the Public Contracts Regulations 2006 and Wiltshire Council Contract Regulations, using the restricted procedure.

### **Safeguarding Considerations**

85. There are no safeguarding considerations arising directly from the recommendations in this report. However, recent discussions have taken place with the Corporate Director with responsibility for Children's Services and the Service Director for Adult Care and Housing Operations. These have resulted in agreement to develop awareness training for staff working within the waste management service, including drivers and loaders, of safeguarding children and vulnerable adults. This would include specific examples and advice on appropriate actions. If the decision is made to invite tenders for delivery of the waste and recycling collection service, this awareness training would be included in the specification for the contract.

### **Public Health Implications**

86. The Control of Pollution Act (COPA) 1974 is usually referred to as the starting point of present day waste management legislation, although there are earlier Acts including the Public Health Acts of 1848 and 1936. The COPA 1974 was

the first statute to regulate the disposal of waste to land and the discharge of effluent to water courses. The aim of the COPA 1974 is to deal with waste disposal, water pollution, noise, atmospheric pollution and public health. Much of Part 1 of the COPA on waste was superseded by Part 2 of the Environmental Protection Act (EPA) 1990, which provides the current framework for waste management legislation. There would be significant public health implications should the council fail to comply with its statutory duties to collect and dispose of waste.

### Options Considered

87. The options considered are set out under main considerations in the body of the report above.

### Conclusions

88. Subject to the decisions made by Cabinet in respect of the proposals, the next key actions are set out in the table below:

Place Official Journal of the European Union notice and issue PQQs upon request	July-August 2013
Report on extending FCC contract to 2016	September 2013
Select suppliers to be invited to submit tenders (report to Cabinet)	November 2013
Award contract(s) to successful tenderer(s)	Summer 2014
Commence new contracts	1 August 2016

89. Members should note that there are considerable risks associated with deferring decisions relating to arrangements for the replacement of the existing contract with Hills Waste Solutions for landfill and recycling services. Information provided by contractors supports the evidence already available to the service that a period of not less than two years will be required between award and start of contracts. This is necessary to allow for an incoming contractor to, where necessary, identify and purchase appropriate sites for waste transfer stations and other required infrastructure, obtain planning permissions and Environment Agency licences, and build and commission facilities to ensure continuity of service beyond 31 July 2016. This is essential as there is no provision to extend the current contract with Hills. Given the proposal that tenders are invited for all contracts at the same time, any delay in issuing one invitation to tender could impact on the timetable for all. If decisions are subject to delay any significant impact on the overall timetable may not be recoverable.

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**The following unpublished documents have been relied on in the preparation of this Report:**

Report of a service delivery review  
Report of a soft market testing exercise

**Appendices:**

Appendix 1 – Wiltshire Municipal Waste Management Strategy 2012  
Appendix 2 – Understanding the Market  
Appendix 3 – Collection Method for Dry Recyclable Materials  
Appendix 4 – Assessment of Non-financial Factors  
Appendix 5 – Communications  
Appendix 6 – Leveraging Social Value and Public Services (Social Value) Act, 2012  
Appendix 7 – TUPE Issues