

Executive Councillor

**Open Report on behalf of Richard Wills,
Executive Director for Environment & Economy**

Report to:	Councillor M S Jones, Executive Councillor for Finance and Property
Date:	18 March 2016
Subject:	Councillor R A Shore, Executive Councillor for Waste and Recycling
Decision Reference:	I010713
Key decision?	Yes

Summary:

This report seeks two separate decisions as follows:

- approval from the Executive Councillor for Waste & Recycling for the Council to fulfil its duty under section 51(1)(b) of the Environmental Protection Act 1990 through the construction and operation from 1 April 2017 of a Council-owned Household Waste Recycling Centre (HWRC) in Boston rather than to contract for the provision of such a centre from a third party as happens at present; and
- approval from the Executive Councillor for Finance and Property of the scheme appraisal for the capital expenditure in accordance with paragraph B9 of the Financial Regulations forming part of the Council's Constitution

A new HWRC site at Nursery Road, Boston Riverside Industrial Estate, Boston will replace the service contract that is currently in place in the town but due to expire on 31st March 2017.

Providing a Lincolnshire County Council owned facility will guarantee the service in Boston and provide 'an-invest to save' opportunity, with an expected payback of 5.3 years.

A site is in the process of being purchased off Nursery Road, Boston Riverside Industrial Estate, Boston and a HWRC can be constructed to a higher specification than the privately owned facility that is expensive to provide.

The total cost of the scheme is £1.50m and it is proposed that the site be operational by 1st April 2017.

Recommendation(s):

1. That the Executive Councillor for Waste and Recycling:
 - a) approves the construction and operation by the Council from 1 April 2017 of a household waste recycling centre in Boston in place of the existing privately owned facility; and
 - b) delegates to the Executive Director for Environment and Economy, in consultation with the Executive Councillor for Waste and Recycling, authority to take all decisions necessary to give effect to the decision.
2. That the Executive Councillor for Finance and Property approves the scheme appraisal for the capital expenditure required to implement paragraph 1 above.

Alternatives Considered:

1. Do not construct a HWRC in Boston and continue with the provision of the present privately operated HWRC.

The advantages and disadvantages of this option are addressed in the report.

2. Not to provide a HWRC in Boston.

The Council is under a statutory duty to arrange for places to be provided at which persons resident in its area may deposit their household waste. The duty includes an obligation to ensure that such places are in the area of the authority or reasonably accessible to persons resident in their area.

If there was not a HWRC in Boston, this would be outside of the 12 mile policy HWRC provision (Appendix A), the nearest facility in Lincolnshire would be at Spalding. In addition to the inconvenience that this would cause residents it would also potentially add to the Council's costs in disposing of the waste.

Further, HWRCs play a vital role in meeting the Council's aspirations for recycling of waste and in the absence of a HWRC in Boston, levels of recycling would be adversely affected.

Reasons for Recommendation:

The recommendation that approval is given for the construction of a HWRC at Nursery Road, Boston Riverside Industrial Estate, Boston at a total scheme cost of £1.50m to guarantee the provision of an exemplar HWRC service in Boston.

The pay-back period for a new HWRC would be 5.3 years depending on the expected quantities, disposal costs and income streams of the various presented waste streams, including the cost of capital repayment interest.

The present site is open 7 days a week due to the previous recognition that there was no provided green waste service by Boston Borough Council. There is now a Borough wide green waste service provision. Consequently, there is the potential for additional savings by aligning the present 7 day opening to 4 day opening for a new site, which will be in line with the 12 mile policy.

The justification to construct a site is not only for financial reasons but to ensure the continuation of the service in the area as required by the 12 mile HWRC policy.

To enable service commencement on 1st April 2017, planning permission is required as soon as possible to allow sufficient time for the construction of the site.

Maintaining the current service could potentially leave the area without provision should the sole supplier decide not to retender or could leave the Council open to inflated cost.

Constructing a new site gives the Council an opportunity to improve the operational service to a standard comparable to other parts of the county. It will also be better placed to cope with increased usage if the population increases and more waste is produced.

1. Introduction

This report discusses the business case for the construction of a Household Waste Recycling Centre (HWRC) in Boston. This process can be justified on an 'invest to save' basis as long term revenue savings will be made. Lincolnshire County Council currently has to rely on a privately owned HWRC and there are no guarantees that that service will always be available.

2. Background

The existing purpose built HWRC on Slippery Gowt is privately owned and LCC has a service contract which costs £670,000 per year. The site was purpose built as a HWRC on land adjacent to the landfill site and the high operating cost reflects the high cost of construction.

Boston HWRC is the most expensive HWRC in the county. As a comparison, the LCC owned HWRC at Great Northern Terrace in Lincoln receives 20% more material than Boston and operates at the cost of £496,000 per year. Spalding HWRC receives a similar amount of material to Boston at a total annual cost of £395,000.

The service provision of LCC owned HWRCs is currently being looked at with the aspiration to provide a single large contract from 2017 for LCC owned sites. At the moment the contracts are for external suppliers to staff and manage LCC's facilities with separate material disposal and haulage contracts in place. The aspiration is to

have all these contracts in one large contract which should create economies of scale and operational efficiencies. However this larger contract cannot include privately owned HWRCs, such as Boston.

3. Proposals

Land is available on Nursery Road, Riverside Industrial Estate which would be suitable for a HWRC and a preliminary design is shown in Appendix B. It is expected that the plot could be purchased, planning permission awarded and construction could be completed to ensure a new operational HWRC by 1st April 2017, when the existing service contract expires.

An estimate of £1.5m for providing an LCC facility includes:

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|--------------|-------|
| • Land | £210k |
| • Surveys | £25k |
| • Utilities | £25k |
| • Main Works | £1m |
| • Compactors | £180k |
| • Containers | £60k |

The cost of staffing the site could be estimated from a similar sized facility at Spalding which costs £395k per year to operate, including compaction.

Using the figures above, a comparison of the present privately owned facility at Boston (if this included compaction) and Spalding over several years, shows that the cost of LCC building a facility should pay for itself by year 5.3 and after that some £300k per year could be saved.

These projected savings are conservative and could be even more considerable due to the following points:

1. LCC owning the facility would enable the service to be brought within the scope of the larger HWRC contract which is being commissioned by April 2017, introducing more economies of scale.
2. A new facility would also lend itself to the introduction of compacting equipment which reduces transport costs through fewer haulage trips, as up to three times more material can be compacted into a container. The existing facility does not currently have this capability and would not easily lend itself to compactors being introduced as significant engineering works would be required. To retro fit compactors to the existing private site would be extremely costly as the site is split level whereby material is deposited into containers from above. LCC's preferred design is a flat site with compactors which are accessed from ground level.

On-going discussions have taken place with the present Contractor about the sale of their site. In order to protect LCC interests to have control over the provision of a HWRC in Boston by April 2017, it is prudent to progress the approval process of a LCC owned HWRC, without expending money, whilst engaging with the present

Contractor over selling of their site. This will help to ensure that LCC keeps its options open and can make an informed decision, at the appropriate time.

4. Legal Issues

Equality Act 2010

The Council's duty under the Equality Act 2010 needs to be taken into account when coming to a decision.

The Council must, in the exercise of its functions, have due regard to the need to:

(1) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;

(2) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

(3) foster good relations between persons who share a relevant protected characteristic and persons who do not share it: Equality Act 2010 s 149(1). The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation: s 149(7).

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

(1) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;

(2) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;

(3) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

(4) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

(5) Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.

(6) Compliance with the duties in this section may involve treating some persons more favourably than others.

This duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision making process.

Household Waste Recycling Centres are open and available for use by all members of the public regardless of protected characteristics. It is recognised that people with certain protected characteristics such as older people and disabled people may experience more difficulty than others in using the sites. To mitigate this, staff are available on site to assist any member of the public who may be unable to use the facility due to a protected characteristic including age and disability.

In reaching a decision, the Council must also have regard to the Lincolnshire Child Poverty Strategy, the Joint Strategic Needs Assessment (JSNA) and the Health & Well Being Strategy.

Child Poverty Strategy

The Lincolnshire Child Poverty Strategy has the following four strategic themes:

- Economic poverty
- Poverty of access
- Poverty of aspiration
- Best use of resources

Following due consideration it is not considered that this proposal has any link to or impact on the Lincolnshire Child Poverty Strategy.

JSNA

A Household Waste Recycling Centre offers the opportunity to the public to dispose of unwanted items originating from their household.

Health & Well Being Strategy

A Household Waste Recycling Centre offers the opportunity to the public to dispose of unwanted items originating from their household.

In respect of both the JSNA and the JHWS, the availability of the facility improves the environment and therefore the wellbeing of residents

5. Recommendation

The recommendation is that a £1.5m capital budget is provided on an 'invest to save basis' to construct a HWRC at Boston and create long term cost savings. It is expected that this will save at least **£300k** every year, so the pay-back period is expected to be 5.3 years depending on the expected quantities, disposal costs and income streams of the various presented waste streams, including the cost of capital repayment interest.

As there is now a Boston Borough Council wide green waste service provision, there is the potential for additional savings by aligning the present 7 day opening to 4 day opening for a LCC owned site, which will be in line with the 12 mile policy.

The 'dual track' approach of progressing LCCs approval for a new HWRC whilst engaging with the present Contractor, will help to ensure that we continue to have a HWRC service in the Boston area from April 2017, as required by the 12 mile HWRC policy.

The assumption made in this report is that the present contractor would wish to tender for a future service and that such a tender would be at the same price as previously tendered. There is also a risk that if the present contractor declined to tender this would leave Boston without a HWRC. There is also a risk that the present contractor tenders but increases their price accordingly.

However it must be highlighted that the available land would have to be secured immediately and design work to start straight away to allow a Planning submission in April 2016. Any delay will require the current service provision to be procured along similar lines to the existing privately operated contract.

6. Legal Comments:

The Council has a statutory duty under section 51 of the Environmental Protection Act 1990 to arrange for places to be provided at which persons resident in its area may deposit their household waste and to dispose of the waste deposited at those places.

The Council must by law secure that:

- (a) each site is situated either within the area of the Council or so as to be reasonably accessible to persons resident in its area
- (b) each site is available at all reasonable times including at least one period on the Saturday or Sunday; and
- (c) each site is available for the deposit of waste free of charge

The matters to which the Executive Councillors must have regard in reaching their decisions are set out in the Report.

The decision is consistent with the Policy Framework and within the remit of the Executive Councillors if it is within the budget

7. Resource Comments:

The currently approved capital programme includes the relevant funding required for the establishment of a Boston HWRC as set out in the report recommendation. Accepting this recommendation will also enable future revenue savings to be realised.

8. Consultation

a) Has Local Member Been Consulted?

Yes

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

The Environmental Scrutiny Committee is to consider this report on the 11th March.

d) Policy Proofing Actions Required

n/a

9. Appendices

These are listed below and attached at the back of the report	
APPENDIX A	HWRC 12 mile policy report
APPENDIX B	Boston HWRC Site Plan

10. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Sean Kent, who can be contacted on 01522 554833 or sean.kent@lincolnshire.gov.uk