

**LINCOLNSHIRE WASTE PARTNERSHIP**

**14 July 2014**

<b>SUBJECT:</b>	<b>DRY RECYCLING CONTRACT</b>
<b>REPORT BY:</b>	<b>WASTE OFFICERS GROUP</b>
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#### **BACKGROUND INFORMATION**

Currently 3 Waste Collection Authorities (WCAs), North Kesteven, South Holland and South Kesteven, make their own arrangements for the recycling of dry recyclable material. These Councils receive recycling credits payments from the County Council. The material from the remaining 4 is handled through contracts arranged by the County Council as Waste Disposal Authority (WDA) – no recycling credits payments are made to these WCAs.

The current County Council contracts are due to come to an end in March 2015 and it is necessary therefore that a tendering exercise is undertaken to put in place arrangements from April 2015 onwards. Following discussions between all 8 member authorities of the LWP it is intended that these new arrangements will include the dry recyclable material from all WCAs.

In order to put suitable arrangements in place Waste Officers are meeting regularly to address a number of areas which need to be resolved. The Waste Officers are being supported by the Lincolnshire Chief Executives and Ian Fytche (Chief Executive at NKDC) is sponsoring the work on behalf of the Chief Executive's group.

The main areas of work are:

#### Procurement

All partner authorities are working closely together to ensure that the proposed new contract represents the best value for Lincolnshire as a whole. To this end officers are engaging with potential contractors to test the market and to develop a specification informed by this discussion. Work is also underway to identify the optimal trade off

between Waste Transfer Station provision and operating costs for collection.

A further important matter is consideration of the impact of the Waste (England and Wales) Regulations 2011 (as amended) on the continuation of collection of comingled dry recyclables. (A further paper at this meeting will expand on this matter).

The outline of the timetable for the procurement is as follows:

- Publication of Notice inviting tender bids – target date 28 September 2014;
- Tendering evaluation and contract award – target date 31 December 2014;
- Contract Start date 01 April 2015.

#### Financial arrangements

Moving to new contractual arrangements would have implications for the financial position of all partner authorities. In particular those Councils which currently receive recycling credit payments from the WDA could face a significant deterioration in their financial position.

In light of this discussions are taking place regarding 3 elements of the financial arrangements moving forward:

- A model for a continuing and equitable transfer of monies from the WDA to the WCAs in lieu of recycling credits;
- A model to incentivise recycling and waste minimisation performance by the WCAs, based on a distribution of WDA disposal savings to the WCAs;
- A model for sharing income that may be derived from the contract itself (assuming that there will be a net income due to the value of the materials).

Progress is being made in relation to these areas.

#### **RECOMMENDATIONS**

That the Lincolnshire Waste Partnership notes the current position.