

Open Report on behalf of Andy Gutherson, Executive Director - Place

Report to:	Councillor E J Poll, Executive Councillor: Commercial and Environmental Management
Date:	Between 24 - 26 February 2021
Subject:	Tattershall Household Waste Recycling Centre
Decision Reference:	I021494
Key decision?	Yes

Summary:

This Report seeks approval to proceed with a project to deliver a new Household Waste Recycling Centre (HWRC) at Tattershall. This facility will replace an existing privately owned HWRC at Kirkby on Bain which is due to be closed in 2021.

Recommendation(s):

That the Executive Councillor for Commercial and Environmental Management:-

- 1) approves the construction of a Household Waste Recycling Centre at Tattershall; and
- 2) delegates to the Executive Director for Place, in consultation with the Executive Councillor for Commercial and Environmental Management, authority to approve final proposals for the operation of the facility and to determine the final form of and to approve the entering into of all contractual documentation necessary for the construction and operation of the Household Waste Recycling Centre.

Alternatives Considered:

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| 1. | Allow the existing privately owned HWRC at Kirkby on Bain (KoB) to close and not provide a replacement facility. This could save the authority £1.95m in capital expenditure and over £400k per year in operating costs but would leave the residents of the Horncastle area without a HWRC service. |
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Reasons for Recommendation:

Proceeding with the construction of a new HWRC will maintain the service in the Horncastle area and meet the requirements of our existing policy on HWRC provision.

1. Background

As a Waste Disposal Authority (WDA) under the Environmental Protection Act 1990, Lincolnshire County Council (LCC) has a statutory duty to provide "places" such as Household Waste Recycling Centres (HWRCs) or bring banks for residents to deposit their household waste.

Although the statutory provision does not mandate any particular number of such facilities, Lincolnshire County Council has a long established policy to provide a HWRC within a 12 mile radius for 95% of Lincolnshire's residents. There are 11 HWRCs in Lincolnshire; 10 are owned by Lincolnshire County Council, with KoB being the only privately owned facility.

The current HWRC at KoB is owned and operated by FCC Environment and is due to close in 2021. The site is located adjacent to a landfill and FCC has served notice that they are decommissioning the site. For many years the service at KoB has been secured through procurement whereby FCC was the only tenderer. The contract for the service expired in 2020 and we have an agreement with FCC that they maintain the service at previous tendered rates until the end of 2021. There are no other such facilities in the area and therefore the decision to have an informal agreement was made to ensure the service until another facility could be provided.

The Council must decide whether to re-provide a HWRC in the Horncastle area to replace the KoB site.

Proceeding with the construction of a new HWRC will maintain the service in the Horncastle area and meet the requirements of the Council's existing policy on HWRC provision.

The HWRC service is highly valued by the public and this has been demonstrated by the changes which were brought about due to the Covid-19 pandemic which caused a significant increase in complaints. If a site is not provided, residents of the Horncastle area will have to travel further distance to dispose of their household waste, which will increase damage to the environment through longer car journeys. This would also increase pressure at the nearest HWRCs such as Market Rasen, Lincoln and Sleaford.

Business Case

Feasibility work has been carried out using internal resources to consider the provision of a new HWRC in the Horncastle area. The estimated build costs, based on older projects (adjusted for inflation) are as follows:

Consultancy Surveys (incl Noise, Ecology, Topographical)	£30,000
Utility Connections	£70,000
Construction	£1,590,000
Equipment (incl 4 Compactors & containers)	£260,000
Land	£0
Total	£1,950,000

This estimate includes a contingency for unforeseen risks during construction.

The total annual cost of operating similar sized sites including utilities, rates, licences, insurance, staffing and maintenance are shown as follows:

	Bourne (£)	Gainsborough (£)	Market Rasen (£)	Sleaford (£)
COST	138,000	192,000	195,000	135,000

The Revenue cost of the existing FCC contract is £425k per year which is already allocated in the Waste Revenue budget. To operate a new HWRC has a projected annual cost of between £138k and £192k, assuming the same cost as comparable sites. The largest and most variable element of costs is for the staffing and management and this is provided by external contractors. The 11 sites we own are operated by three external operators and contracts are due to expire in 2023. However it must be noted that these tender prices were obtained where multiple Lots of sites were priced for and allowed economies of scale. A stand-alone tender for a single site may not be as attractive and therefore prices may increase.

Therefore to build a new HWRC at the preferred location and externally operated, could provide an estimated Revenue saving of £233k to £287k per annum, assuming the operating cost ranges above.

An alternative operating model would be to have LCC staff on site. If 5 FTEs are employed at an annual staff cost of £170k, an estimated Revenue saving of £208k could be made.

However it must be noted that these estimated savings are dependent on assumptions about staff TUPE costs and tender rates for an external contractor, which cannot be established at this point.

Site Identification

A search for sites highlighted two possible locations in the Horncastle area. A feasibility study and a cost comparison were carried out and as a result the recommended location is a closed landfill site at Tattershall Lagoons which is already in LCC ownership. The site is currently fenced off and gated and is an on-going maintenance liability, the cost of which is minimal. This property has limited use and no value as the ground is heavily contaminated. However the contaminated material should not increase construction costs as excavations will be kept to a minimum by constructing on top of the contaminated material. This will reduce the cost of disposal of contaminated earth which would ordinarily have

to go to a hazardous landfill site. Where material is extracted for deeper drainage infrastructure, that material will be retained on site in the form of earth bunds. These bunds will help to mitigate any noise pollution in the most sensitive areas and could be used instead of solid wooden fencing.

The second site which was considered, but is not recommended, is part of the County Farms portfolio adjacent to Horncastle Industrial Estate. Discussions with the Property and Economic Development teams indicates that there are plans to develop and market the land for private sale and the plot which could otherwise be developed as a HWRC would have a projected value of £250k.

Budget and Funding

The provision of a HWRC service in the Horncastle area is currently met from the Waste Revenue budget and pays for the existing FCC Kirkby on Bain service contract of £425k per year. This would be used to operate and maintain the proposed site at Tattershall.

The £2m Capital required to construct the proposed HWRC is allocated in the Waste Capital budget.

Resources

A Project Delivery Officer has been recruited who has experience of delivering projects such as this and can act as the designer and project manager for the delivery of the HWRC. Retaining this role in-house will minimise project costs, as employing external consultants to deliver a HWRC would cost approximately £190k in design fees. This in-house approach will also enable value engineering to be performed throughout the project delivery to better control the budget.

Programme

The attached programme timeline (Appendix A) shows that if a planning submission is made in March, construction could start in June 2021 and the HWRC could be completed in November 2021.

Contractor Procurement

The project is planned to be delivered through the SCAPE Framework which has been used to deliver previous waste facilities. This delivery model enables a contractor to be involved in the project throughout the whole development, thus reducing risks and costs. It is a collaborative, open book approach which enables full transparency on costs during the construction phase.

Operation

There are two operating models which can be used; we can procure the services of an external contractor to provide staff, or we can provide LCC staff. The existing staff from the KoB HWRC will be subject to TUPE regulations and this will affect both of the possible staffing models above. No decision is being sought on the

preferred method of operation at this point as further investigation is required as to what those existing staff costs are.

2. Legal Issues:

Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

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

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
- 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.
- 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.

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.

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.

Compliance with the duties in section 149 may involve treating some persons more favourably than others.

The 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.

An Equality Impact Assessment has not been carried out as the recommendation to proceed with the project should maintain the status quo of the current service provision. If an alternative option of not providing a HWRC in this area was followed, there could be a detrimental impact on people with certain protected characteristics such as age and disability who may have disproportionately greater difficulty travelling to a HWRC located further from the area.

Joint Strategic Needs Analysis (JSNA) and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health and Wellbeing Strategy (JHWS) in coming to a decision.

Consideration has been given to the JSNA and the JHWS, and the provision is considered to contribute to health and wellbeing both in terms of providing a controlled environment for the disposal of waste enabling higher recycling performance and in terms of preventing longer journeys to dispose of waste which together with a beneficial impact on fly-tipping is good for the environment.

Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area.

This obligation has been considered, but is not thought to be directly affected by the proposals in this report.

3. Conclusion

Proceeding with the project to construct a HWRC at Tattershall will maintain the service in the Horncastle area and meet the requirements of LCC's policy on HWRC provision. Failure to do so could create significant reputational damage for the authority with the public and partners. It could also have a detrimental impact on the environment.

4. Legal Comments:

The Council has the power to construct and operate a HWRC as proposed which contributes to its compliance with s 51 of the Environmental Protection Act 1990.

The decision is consistent with the Policy Framework and within the remit of the Executive Councillor.

5. Resource Comments:

The works proposed in this report form part of the replacement programme for Household Waste Recycling Centres, budgeted for in the Council's ten year Capital Programme approved as part of the 2020/21 budget.

The budget implications are considered in the body of the report and following completion, the new facility is expected to yield a revenue budget saving of between £0.208m and £0.287m per annum depending on the future operating model.

6. Consultation

a) Has Local Member Been Consulted?

Yes

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

The Environment and Economy Scrutiny Committee is due to consider this report on 16 February 2021. Any comments of the Committee will be reported to the Executive Councillor.

d) Risks and Impact Analysis

N/A

7. Appendices

These are listed below and attached at the back of the report	
Appendix A	Tatterhall HWRC - Draft Programme
Appendix B	Tattershall HWRC - Location Plan

8. 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 Mike Reed, who can be contacted on 07557 169890 or mike.reed@lincolnshire.gov.uk.

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