

**Proposed Joint Key Decision to be taken by the
Deputy Leader and Portfolio Holder for Customers
on or after 23rd May 2014**

**Approval to Tender for Waste Management Contracts and Approval
to Grant Waste Management Leases / License**

Recommendation(s)

- 1) That the Deputy Leader authorises the commencement of a procurement process and provides delegated authority for the Strategic Director, Communities to award the contract for the management of 2 Household Waste Recycling Centres (HWRCs) and the operation of 8 HWRC re-use Shops as laid out in Section 2 and on terms and conditions acceptable to the Strategic Director for Resources.
- 2) That the Deputy Leader authorises the commencement of a procurement process and provides delegated authority for the Strategic Director, Communities to award the two residual waste disposal contracts as laid out in Section 3 and on terms and conditions acceptable to the Strategic Director for Resources.
- 3) That the Portfolio Holder for Customers provides delegated authority for the Strategic Director, Communities to grant leases/licenses for the re-use shops and HWRCs as laid out in Section 2 and on terms and conditions acceptable to the Strategic Director for Resources.

1.0 Background

- 1.1 The Authority currently has a contract with three charities (Age UK, Sue Ryder and Shakespeare Hospice) to run the large re-use shops at Hunters Lane, Princes Drive and Burton Farm HWRCs. The Authority also has a lease agreement with a charity (Warwickshire Community Recycling - WCR) for the large re-use shop at Lower House Farm HWRC¹ and the small re-use shops at Shipston, Cherry Orchard, Stockton and Wellesbourne HWRCs. These 5 re-use shops are part of a larger project with WCR to manage two of the County's smallest HWRCs, using part of the revenue generated from the shops. The charity has a license in place with Warwickshire County Council to manage the two HWRCs.

¹ The Lower House Farm facility is a joint facility with Staffordshire County Council

- 1.2 The Authority currently has a contract with Ling Hall Landfill site in the Rugby area that comes to an end in early 2015, this contract is presently used to accommodate trade waste from Rugby Borough Council. The Authority also has a long term contract with Bubbenhall Landfill site on the border of Stratford District and Rugby Borough, this contract is used to accommodate residual waste from Stratford District.

2.0 Re-use Shop and HWRC Contracts

- 2.1 The contracts for operating re-use shops at Hunters Lane HWRC, Burton Farm HWRC and Princes Drive HWRC have been aligned by the waste management group to all come to an end on 04/11/2014. The leases for the project with Warwickshire Community Recycling (explained in 1.1 above) have a three-month notice period that can be triggered at any time. One of the drivers for aligning the end of these re-use shop contracts was to give the opportunity to review the service including exploring the potential for greater revenue generation. Adopting the intelligence led approach to service planning, the service has been monitoring the turnover at the current re-use shops as well as the possible interest in operating the HWRC re-use shops. The large re-use shops currently generate a turnover of between £150,000 for the newer shops and £250,000 per annum for the more established shops. The annual rent income to WCC ranges from £5000 plus 5% of the profit to £12,000. As a result of this information the revised contract terms will request a minimum of £50,000 rent per annum for each large re-use shop.
- 2.2 This procurement exercise will see the re-use shops and two HWRCs packaged in to lots, giving charities and businesses the opportunity to bid for the contracts. The procurement process will have scoring criteria for revenue, charitable aid, supporting volunteering and employment/training.
- 2.3 Increasing the income from the re-use shops forms part of the One Organisational Plan with a stated target of £145,000 per annum by the end of the 2014-18 plan period. Staffordshire County Council will receive some benefit from any increases in revenue as joint owners of the Lower House Farm site.
- 2.4 The structure of the lots in Table 1 largely reflects the current arrangements, however Princes Drive re-use shop will be grouped with the two small sites and four small shops instead of Lower House Farm re-use shop. The reason for this is the Princes Drive shop is a good geographical fit making overall management of these facilities easier for the winning bidder. In addition the Authority has increased the contract length to five years with the opportunity to extend by up to five additional 12-month periods.

Table 1

Lot	Proposed Service	Length
1	Stockton HWRC & small re-use shop Wellesbourne HWRC & small re-use shop Cherry Orchard small re-use shop Shipston small re-use shop Princes Drive large re-use shop	5 years plus a maximum of 5 years
2	Lower House Farm large re-use shop	5 years plus a maximum of 5 years
3	Hunters Lane large re-use shop	5 years plus a maximum of 5 years
4	Burton Farm large re-use shop	5 years plus a maximum of 5 years

2.5 The Waste Management Group has discussed the proposal with legal services and considered the need to consult. The view is that there is no need to consult since:

- we are not proposing to change the way in which services are provided,
- we have no duty to provide the re-use shops or the two sites as our duty to provide is satisfied by the larger sites,
- we are not reducing service provision and;
- the likely impact on the community is low.

3.0 Residual Waste Disposal Contracts

3.1 The Waste Management Group needs to procure two disposal contracts for residual waste. The first contract is for trade disposal from the Rugby area; the current Ling Hall Landfill contract expires in early 2015 and there is currently no viable disposal alternative once this contract ends. The second contract is a contingency contract for residual waste from the Stratford area, should the current facility close for any reason and there is no viable alternative; for example, if a fire at Bubbenhall Landfill closes the site for a number of weeks and the Authority was unable to secure extra capacity at the LAWDC facility (Coventry Energy from Waste Plant) due to them being at full capacity through other contracts.

3.2 The detail of the two contracts is shown in Table 2 below:

Table 2

Lot	Proposed Service	Length
1	Trade disposal for Rugby area	7 years
2	Contingency residual disposal for Stratford area	7 years

3.2 The trade disposal contract is expected to cost around £1,750,000 over the life of the contract and the contingency contract is expected to cost around £770,000 over the life of the contract. Both contracts will have zero tonnage guaranteed, i.e. no minimum input to reduce the risk to the Authority.

Appendices

Appendix A – Equality Impact Assessment

Appendix B – Environmental Impact Assessment

	Name	Contact Information
Report Author	Tamalyn Goodwin	tamalyngoodwin@warwickshire.gov.uk Tel: 01926 412103
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Portfolio Holder	Cllr Alan Cockburn Cllr Colin Hayfield	cllrcockburn@warwickshire.gov.uk cllrhayfield@warwickshire.gov.uk

This Risk Assessment must be completed for all contracts above the EU financial thresholds, and is recommended good practice for all other contracts. All suppliers must

Environmental Risk Assessment.	Insert	Management of 2 HWRCs and 8 re-use shops
Contract Title and Contract Number:		Contract number - TBC

Brief description of contract requirements

Management of Stockton and Wellesbourne HWRCs. Plus the management of Lower House Farm, Hunters Lane, Princes Drive, Burton Farm large re-use shops and Cherry Orchard, Shipston, Stockton, Wellesbourne small re-use shops. All shops are located at the HWRCs.

Environmental Risk	Potential cause of damage	Category of Risk			How will you reduce the risk of environmental damage?
		High	Medium	Low	
Q.1 What environmental legal requirements relate to this contract (if any)?					
The HWRC sites including the shops are covered by a waste permit obtained from the environment agency.			✓		WCC will remain the holder of the permit and there will be regular liaison meetings with the provider.
Q.2 Could contamination of water occur eg through product usage, spillage or disposal; or service					
No.				✓	All sites are managed in accordance with the permit and monitored by the environment agency.
Q.3 Could contamination of land occur through product usage, spillage or disposal; or service					
No.				✓	All sites are managed in accordance with the permit and monitored by the environment agency.
Q.4 What emissions to air could arise eg from product usage, spillage, disposal; or service					
None.				✓	All sites are managed in accordance with the permit and monitored by the environment agency.
Q.5 Are there are impacts on wildlife/biodiversity?					
No.				✓	All sites are managed in accordance with the permit and monitored by the environment agency.
Q.6 Is there potential for waste production?					
The Sites source separate a vast array of recyclables. The re-use shops divert waste from landfill by resale.				✓	Waste from the Site is sorted into the various recyclables and taken away for reprocessing. The winning provider will have the income from the sale of recyclables and so they directly benefit from recycling more. The shops are required to repair items where feasible and sort their waste into recyclables, the remaining waste is also taken to the HWRC. The shop will have a limit on the amount of waste they can dispose of for free.
Q.7 Is there potential for use of hazardous substances?					
No.				✓	
Q.8 What energy use is required?					
The Sites and large shops have welfare facilities with lighting/heating in some cases.				✓	The Authority is aware of current costs and there is a clause in the requirements that states excess use will be re-charged to the provider.
Q.9 Is there potential for use of non-sustainable resources?					
No.				✓	
Q.10 Will there be any effect on community environmental initiatives ?					
Yes - positive.				✓	Re-use supports local environmental initiatives. There could be a positive impact on community environmental initiatives as organisations could bid to run the shop.
Any additional comments regarding Environmental Risk?					
Completed by:					Glenn Fleet
Date:					Apr-14

EQUALITY IMPACT ASSESSMENT/ ANALYSIS (EqIA)

Waste Management Tender for 2 HWRCs, 4 large re-use shops and 4 small re-use shops

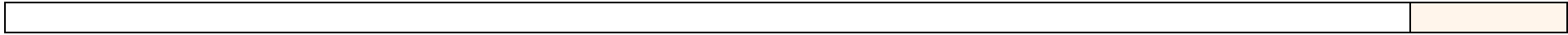
Equality Impact Assessment/ Analysis (EqIA)

Group	Communities
Business Units/Service Area	Waste Management
Plan/ Strategy/ Policy/ Service being assessed	Tender for 2 HWRCs, 4 large re-use shops and 4 small re-use shops.
Is this is a new or existing policy/service? If existing policy/service please state date of last assessment	The services are established and equality was assessed as part of the procurement processes for each contract; however this is the first time these contracts have been packaged together.
EqIA Review team – List of members	Tamalyn Goodwin Minakshee Patel
Date of this assessment	April 2014
Signature of completing officer (to be signed after the EqIA has been completed)	Tamalyn Goodwin
Are any of the outcomes from this assessment likely to result in complaints from existing services users and/ or members of the public? If yes please flag this with your Head of Service and the Customer Relations Team as soon as possible.	NO, but current providers may be unhappy if they are not awarded the contract.
Name and signature of Head of Service (to be signed after the EqIA has been completed)	
Signature of GLT Equalities Champion (to be signed after the EqIA is completed and signed by the completing officer)	

A copy of this form including relevant data and information to be forwarded to the Group Equalities Champion and the Corporate Equalities & Diversity Team



*Working for
Warwickshire*



Form A2 – Details of Plan/ Strategy/ Service/ Policy

Stage 1 – Scoping and Defining

(1) What are the aims and objectives of Plan/Strategy/Service/Policy?

The Authority currently has a contract with 3 charities (Age UK, Sue Ryder and Shakespeare Hospice) to run the large re-use shops at Hunters Lane, Princes Drive and Burton Farm HWRCs. The Authority also has a lease agreement with a charity (Warwickshire Community Recycling - WCR) for the large re-use shop at Lower House Farm HWRC (The LHF HWRC is a joint facility with Staffordshire County Council) and the small re-use shops at Shipston, Cherry Orchard, Stockton and Wellesbourne HWRCs. These 5 re-use shops are part of a larger project with the WCR to manage two of the County's smallest HWRCs, using the money raised through the re-use shops. In order to manage the sites the WCR has a license in place.

The contracts for Hunters Lane HWRC, Burton Farm HWRC and Princes Drive HWRC have been aligned by the waste management group to all come to an end on 04/11/2014. The leases for the project with WCR have a 3 month notice period. One of the drivers for harmonising the end of these re-use shop contracts was the idea that the waste management group may be able review the re-use shops service and potentially generate more income for the Authority. It is estimated that these large re-use shops generate a turnover of between £150,000 and £250,000 per annum; however the annual rent income from these shops is fairly minimal.

The procurement will see the re-use shops packaged up and organisations able to bid – essentially selling to the highest bidder, but keeping the ethos of supporting charity by giving evaluation points for local charitable aid, supporting volunteering and employment/ training. Increasing the income from the re-use shops has formed part of the waste management savings targets. The group intends to request a minimum annual rent of £50,000 from the 4 large re-use shops.

The proposal is to keep the structure largely the same as the current arrangements, however Princes Drive re-use shop will be grouped with the 2 small sites and 4 small shops instead of Lower House Farm re-use shop. The reason for this is the Princes Drive shop will be in a better geographical location making overall management of these facilities easier for the winning provider. In addition the Authority has increased the maximum contract length to 10 years.

(2) How does it fit with Warwickshire County Council's wider objectives?	The service will support the County Council's Ambitions by providing a quality service at the right time, supporting economic growth through training provision of staff/ volunteers and giving organisations the opportunity to develop innovative services.
(3) What are the expected outcomes?	<p>The Authority requires an Organisation to act as Re-use Shop Operator to:</p> <ul style="list-style-type: none"> • Ensure the re-use Shop is open to the public between the specified hours; • Accept items donated by the public that are suitable for re-use; • Erect appropriate signage; • Sell goods in a manner fitting for a local authority premises; • Minimise the amount of Waste produced by the re-use Shop; • Keep the re-use Shop clean and tidy; • Generally manage the re-use Shop; • Keep detailed records of transactions, waste diversion and types by agreed standards (Furniture Re-use Network standards are currently used); • Provide evidence of community investment from re-use Shop • Provide a business plan for the Shop (to be reviewed annually) <p>The Authority requires a Site Operator to accept, handle, segregate, reclaim and store Waste and in particular:</p> <ul style="list-style-type: none"> • Ensure the Site is open to the public between the specified hours; • Ensure that waste facilities are available to use and in a fit condition for the deposit of Waste • Arrange haulage of containers via the Authorities provider(s); • Segregate Waste to ensure implementation of the waste hierarchy on Site; • Assist and advise users of the Site in the disposal of their Waste; • Keep the Site clean and tidy; • Generally manage the Site
(4) Which of the groups with protected characteristics is this intended to benefit? (see form A1 for list of protected groups)	The services are offered to all Warwickshire residents and therefore have the potential to benefit everyone.
<u>Stage 2 - Information Gathering</u>	

(1) What type and range of evidence or information have you used to help you make a judgement about the plan/ strategy/ service/ policy?	The contracts for the 4 large re-use shops have been in place and working well for a number of years. The team has monitored the income obtained from running these shops, the potential training opportunities and the sorts of projects that can be assisted. A pilot has been taking place for the operation of the HWRCs, small re-use shops and a large re-use shop. The tender will build on this best practice.
(2) Have you consulted on the plan/ strategy/ service/policy and if so with whom?	The Authority has considered the need to consult and as we are not proposing to change the way in which services are provided, we have no duty to provide the re-use shops or the two small HWRCs (as arguably our duty to provide is satisfied by the larger sites), service provision will not be reduced and the impact on the community is low – we have decided that consultation is not necessary.
(3) Which of the groups with protected characteristics have you consulted with?	The current service arrangements provide funds to charities working with groups with the protected characteristics. Since the current arrangements have the potential to benefit the groups as all charities will have the opportunity to bid to operate the service and there are no planned changes to the service, the decision has been made not to consult.

<u>Stage 3 – Analysis of impact</u>			
(1) From your data and consultations is there any adverse or negative impact identified for any particular group which could amount to discrimination? If yes, identify the groups and how they are affected.	RACE	DISABILITY Service provider will have duty to ensure no one is discriminated.	GENDER
	MARRIAGE/CIVIL PARTNERSHIP	AGE Service provider will have duty to ensure no one is discriminated.	GENDER REASSIGNMENT

	RELIGION/BELIEF	PREGNANCY MATERNITY	SEXUAL ORIENTATION
	Requirement for shop to be open 7 days each week could potentially impact on staffs religious beliefs.		
(2) If there is an adverse impact, can this be justified?	The shop hours need to mirror the opening hours of the site, which is open 7 days a week. In particular the weekend is the busiest times and it would not be feasible for the Site or Shops to close at the weekend.		
(3) What actions are going to be taken to reduce or eliminate negative or adverse impact? (this should form part of your action plan under Stage 4.)	The provider will be entitled to staff the Sites and Shops using a mixture of paid staff, volunteers or a mixture of the two this flexibility should mean they could cover using non affected staff. Providers will be able to form consortium bids with other organisations.		
(4) How does the plan/strategy/service/policy contribute to promotion of equality? If not what can be done?	Service provider will have duty to ensure no one is discriminated. The Authority will ensure provision is made in terms and conditions of contract.		
(5) How does the plan/strategy/service/policy promote good relations between groups? If not what can be done?	The service already promotes good relations as the charities who operate the services support some groups with those protected characteristics.		
(6) Are there any obvious barriers to accessing the service? If yes how can they be overcome?	No.		
(7) What are the likely positive and negative consequences for health and wellbeing as a result of this plan/strategy/service/policy?	Two positive areas have been identified: Volunteers working within the service are provided with opportunities to work, interact and access training, which should help to develop a positive outlook and improve health and wellbeing. Income generated by charities supports those with the protected characteristics and the wider work they do around health and wellbeing.		

(8) What actions are going to be taken to reduce or eliminate negative or adverse impact on population health? (This should form part of your action plan under Stage 4.)	Not applicable.
(9) Will the plan/strategy/service/policy increase the number of people needing to access health services? If so, what steps can be put in place to mitigate this?	No.
(10) Will the plan/strategy/service/policy reduce health inequalities? If so, how, what is the evidence?	No.

<u>Stage 4 – Action Planning, Review & Monitoring</u>	
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If No Further Action is required then go to –
Review & Monitoring

(1) Action Planning – Specify any changes or improvements which can be made to the service or policy to mitigate or eradicate negative or adverse impact on specific groups, including resource implications.

EqlA Action Plan

Action	Lead Officer	Date for completion	Resource requirements	Comments
Ensure that assessment of equalities is built into the tender pack	Tamalyn Goodwin	June 2014	Staff time	

(2) Review and Monitoring
State how and when you will monitor policy and Action Plan

Review equalities as part of the contract monitoring process.

Please annotate your policy with the following statement:

‘An Equality Impact Assessment/ Analysis on this policy was undertaken on (date of assessment) and will be reviewed on (date three years from the date it was assessed).