

## RIBBLE VALLEY BOROUGH COUNCIL REPORT TO COMMUNITY SERVICES COMMITTEE

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Agenda Item No.

meeting date: TUESDAY 7<sup>TH</sup> SEPTEMBER 2010  
title: FUTURE ARRANGEMENTS FOR COLLECTION OF MIXED PAPER AND CARDBOARD  
submitted by: JOHN C HEAP - DIRECTOR OF COMMUNITY SERVICES  
principal author: GRAHAM M JAGGER – STREET SCENE MANAGER

### 1. PURPOSE

- 1.1 To tell members of this Committee about future arrangements for the collection of mixed paper and cardboard, and
- 1.2 To agree a scheme of delegation to the Director of Community Services in consultation with the Chairman of Community Services Committee to approve a select list of contractors to tender for the work and to accept a suitable tender in accordance with the Council's Contract Procedure Rules.
- 1.3 Relevance to the Council's aims and ambitions
  - Mission Statement & Vision: -
    - An area with an exceptional environment and quality of life for all; sustained by vital and vibrant market towns and villages acting as thriving service centres meeting the needs of residents, businesses and visitors.
  - Council Ambitions
    - Ribble Valley aims to be a well-managed council providing efficient services based on identified customer needs.
    - To protect and enhance the existing environmental quality of our area.
  - Council Objectives
    - To contribute to minimising the impact of global warming.
  - Citizens Charter
    - Collect waste paper from domestic properties on a fortnightly basis.

### 2. BACKGROUND

- 2.1 The Council first introduced a waste paper collection service in 1998 when it was done by our own staff but restricted to only a small part of the Borough. Over time the service has been extended to cover the whole of the area, include mixed paper and cardboard and is done by a private contractor at no net cost to the Council. The service is popular, works well and removes around 2500 tonnes of waste paper and cardboard to be recycled which previously would have gone to landfill.
- 2.2 The arrangements with our present contractor, who not only collects but processes the paper and sells it to the recycling companies, has been on a one year rolling contract basis. We have maintained this arrangement for ease and convenience and

in order to eventually explore looking to work with the County Council when their PFI project came into effect if that proved advantageous to the Council.

- 2.3 In recent years a number of reports have been presented to this Committee regarding the County Council's PFI project and the future waste disposal arrangements that would arise from that initiative. On 12<sup>th</sup> January this year a more detailed report was presented to Committee on this matter which set out a number of options for consideration and the estimated financial implications for the Council of each of them. As a result members resolved to follow a particular course of action which would give a net annual saving to the Council of £188k. Since that decision was taken we have been in discussions and negotiations with the County Council as to the effect it will have on their arrangements and the way we deliver our services.

### 3. ISSUES

- 3.1 In line with the option selected by this Committee in January of this year residual, co-mingled glass, cans and plastic and green waste is now being collected from our Waste Transfer Station at Salthill Depot by a haulage contractor employed by the County Council's PFI partner and being taken to their new facilities. We no longer employ our own contractor to carry out this service. The changeover took place by agreement on Monday 2<sup>nd</sup> August 2010.
- 3.2 As regards waste paper and cardboard it was agreed that the present arrangements would continue up to 31<sup>st</sup> December 2010 following which it was anticipated that the material would then be delivered into the PFI facilities. To achieve this it would be necessary to put out to tender the collection of waste paper and cardboard as our present contractor relies on retaining the material as part payment for the service and that would not be the case under the new arrangements. In addition due to the estimated value of the work both the Council's Contract Procedure Rules and European Union Procurement Rules would require the service to be subject to a competitive tender process.
- 3.3 For the waste paper and cardboard to be handled in the same way as the other three materials now going to the County Council's PFI facilities the County Council have suggested that our Waste Transfer Station at Salthill Depot should be modified in order to accommodate the deposit, handling and loading of this material from there. An objective evaluation of the County Council's suggestion has been undertaken in consultation with staff from the County Council.
- 3.4 The Waste Transfer Station was built by the County Council in our Depot and transferred into the Council's ownership on completion and on the understanding that we managed and maintained it for a period of 25 years which is commensurate with their PFI contract. The facility was designed on a limited footprint to handle only three waste streams, residual, mixed dry recyclate and green waste as it was understood at the time we would continue to deal with waste paper and cardboard separately. The County Council however to suit their contractual arrangements with their contractors want to collect the waste paper and cardboard from our Waste Transfer Station. The position we have arrived at after having looked carefully and constructively into their proposals is that it is neither safe nor efficient to attempt to handle a fourth waste stream from this facility. The County Council have been advised of our investigations and the conclusion that has been arrived at and we await further discussions and negotiations as to how we take this matter forward from here.

- 3.5 On a non operational front, correspondence has been exchanged recently regarding certain financial issues relating to the anticipated changes in how and where mixed waste paper and cardboard is processed in the future. The opinion of the County Council is that the Council does not have the right to claim recycling credits for paper and cardboard an issue that we fundamentally disagree on. The County Council however have gone on to say that if paper and cardboard is delivered into their PFI facilities only then would we have access to the consequent recycling credits. They have also said they would consider covering any additional costs incurred by ourselves in getting the material there if the use of the Salthill site proved to be an undeliverable option, which we believe it is.
- 3.6 In later correspondence the offer to consider covering any additional costs incurred by the new arrangements for getting the material to their facility when not using Salthill was clarified as being a one-off funding offer only rather than an on-going support. However further correspondence says that the County Council will now not pay any costs associated with transportation of mixed paper and cardboard. A confusing and much concerning development.
- 3.7 The position therefore is that as yet we have been unable to agree with the County Council what precisely will happen as regards waste paper and cardboard after 31<sup>st</sup> December this year and any financial implications there might be for the Council.
- 3.8 Notwithstanding the above, progress is nevertheless being made on preparing the necessary tender documents and specification for putting out to contract the collection of waste paper and cardboard from all properties in the Borough. European Union Procurement rules set the framework for the tendering process along with our own Contract Procedure Rules. There are a number of distinct actions required in the process and set minimum periods between certain stages which together determine the total length of time it takes to put the work out to competitive tender. The uncertainty of the relationship with the County Council's preferred method of delivering the material to their PFI facility, the conclusion that has been arrived at as regards the unsuitability of using the Council's Waste Transfer Station and our preferred option of what to do with this material as agreed by this Committee in January this year means that the completion of the specification of the new service is being delayed. This leads to a likelihood of not being able to complete the tender process and commence the new service at the beginning of January next year as hoped. 1<sup>st</sup> April 2011 is a much more realistic timescale.

#### 4. RISK ASSESSMENT

- 4.1 The approval of this report may have the following implications: -

##### Resources

- The course of action approved by this Committee in January was due to reduce the cost of waste management services by around £188,000.00 per annum. The proposals so far put by the County Council do not accord with this Council being able to make that saving and should therefore be resisted.

##### Technical, Environmental & Legal

- The technical issues relating to the suggestions made by the County Council regarding modifications to our Waste Transfer Station and the way it operates have been responded to.

The recycling of waste paper and cardboard reduces the amount of waste going to landfill and therefore has an environmental benefit.

There is a difference of opinion between the County Council and ourselves regarding the right for us to receive recycling credits for the amount of waste paper and cardboard diverted from landfill and recycled. This is an issue of law and will require a legal opinion in due course.

#### Political

- There are no known political issues arising out of this report at present.

#### Reputation

- The continuation of the waste paper and cardboard collection service is important to the reputation of this Council as is ensuring that all our services are delivered in the most cost effective way possible for the benefits of the residents of the Borough. This is a highly regarded and cost effective service and must remain so.

### 5. RECOMMENDED THAT COMMITTEE

- 5.1 Delegate to the Director of Community Services in consultation with the Chairman of this Committee the authority to approve a select list of contractors to tender for the work to collect waste paper and cardboard from properties in Ribble Valley and accept a suitable tender in due course in accordance with the Council's Contract Procedure Rules, and
- 5.2 To continue to support the Director of Community Services in the negotiations taking place relating to achieving the outcomes as set out in Option 3 of the report to this Committee on 12<sup>th</sup> January 2010.

JOHN C HEAP  
DIRECTOR OF COMMUNITY SERVICES

Background Papers - None

For further information please contact John Heap on 01200 414461.