

Delivery of the Household Waste Recycling

Centre Service from 1st April 2025

Options Appraisal Outcome

EAP – Sustainable Communities

Wednesday 11th October 2023

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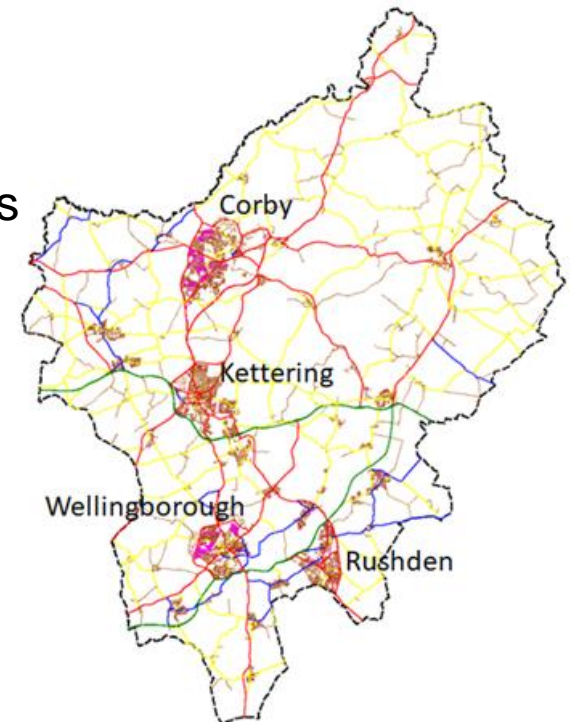


North
Northamptonshire
Council

Delivery of the Household Waste Recycling Centres (HWRC) Service from 1st April 2025

The Waste 3 Year Plan 2022-2025 – approved by Executive September 2022

- Requirement to undertake an HWRC Options Appraisal of North Northants HWRCs
- Management of HWRCs are estimated to have a value £60m* (over 15 years).
- New services/contracts for HWRC delivery need to be in place 1st April 2025.



HWRC Options Appraisal

The Council identified a requirement to undertake an Options Appraisal of the Household Waste Recycling Centre provision for the new authority area of North Northamptonshire, ahead of current contract arrangements ending 31st March 2025.

The Options Appraisal was carried out by SLR Consulting Ltd over the summer of 2023 and has helped identify if:

- The current service is suitable for the growing population of North Northamptonshire;
- The current service will be fit for purpose until 2040. If not, what would be recommended to improve our provision?
- There are opportunities for financial savings.

The Options Appraisal also reviewed:

- Current service provision, performance and policies, and possible future service options;
- The optimum location and number of HWRCs; and
- Whether the Council should bring the HWRC service in-house or procure a continue outsourced contract.

HWRC Options Appraisal - Findings

Is the current service suitable for the growing population in North Northamptonshire?

- The HWRC service, based on a range of qualitative and quantitative assessment criteria is deemed to provide good performance but could benefit from improvement in some areas to meet best practice.
- Based on the total area served and the total number of households alone, the current provision/ number of HWRCs provided by NNC appears reasonable in comparison to similar/ benchmarked Councils.
- Focusing on total households per HWRC, NNC does have one of the higher ratios (One HWRC per 39,000 households) which coupled with anticipated housing growth could suggest the need for additional HWRCs in future.
- Analysis of drive times suggests that the existing locations of HWRCs are good and can be accessed by c.95% of residents within 20 minutes and c.98% within 30 minutes.

HWRC Options Appraisal - Findings

Will our HWRC provision be fit for purpose until 2040?

- Anticipated increase in tonnage demand on the HWRC service of approximately 26% by 2040, will put pressure on the existing HWRC provision and layout configurations.
- Each of the existing HWRCs present opportunities for adaptation and expansion to cope with future service demands.
- Changes at the Corby and Wellingborough HWRCs should be prioritised to ensure the service is capable of managing future demand. These include the expansion of the existing sites to develop improved access and futureproofing capabilities.

What opportunities for financial savings may be possible?

- The results of the Options Appraisal indicate that it is likely that costs for both an outsourced and inhouse service delivery model will be higher than the baseline costs.
- An outsourced model is anticipated to cost c.£140k less per annum than the inhouse option which is primarily due to reduced staff payroll costs.

HWRC Options Appraisal - Findings

In-house or procures an outsourced contract.

- Analysis of forecast cost differences between contracted out and insourced options indicated that in both instances the cost of new service provision is anticipated to increase. Contracted out services are projected to cost c.10% more than the service baseline and a fully insourced service c.15-17% more per annum.
- Inhouse would also require the addition of 4 FTEs to the NNCs client team before adding in the c.25.5 TUPE Staff.
- The Options Appraisal considered elements such as; service delivery, revenue generation and retention, staffing, service delivery costs, customer satisfaction, flexibility on service changes, service management, risk management (financial and other) governance, upfront costs and performance.
- While there are pros and cons on all of these elements for in house v's contracted out – the contracting out remains the recommended course of action for the current climate – if there is a strong will in bringing the service inhouse, it needs planning as part of a long term HWRC Strategy.



HWRC Recommendations

The current service: Outsourced

- Four HWRCs located in Corby, Kettering, Rushden and Wellingborough.
- They are open 5 days a week, 10am to 6pm.
- Trade Services at Kettering and Rushden
- E-permit scheme operating at all sites
- Onsite reuse deposit areas and access to reuse shops/auction houses within a 5 mile radius.
- 15 year contract

The new service: Outsourced

- Four HWRCs located in Corby, Kettering, Rushden and Wellingborough.
- They are open 5 days a week, 10am to 6pm.
- Trade Services at Kettering and Rushden
- E-permit scheme operating at all sites
- Seek contractor enhancement of reuse, community engagement, add social value.
- Up to 15 years (in 2-3 extensions)



HWRC Recommendations

1. Note the completion of the HWRC Options Appraisal as required under the Waste 3 Year Plan 2022-23.
2. Approve commencement of procurement of the Council's future HWRC contracts.
 - 2.1 Approve that the operation of HWRC facilities in North Northamptonshire will be delivered under a contracted out (outsourced) operating model for a duration of up to 15 years.
 - 2.2 Approve the sourcing of a new lease for land on which to provide a HWRC facility at Corby
3. Agree to the development of a long term HWRC Strategy which will be consulted on, and set out the future vision for HWRC operation and infrastructure in North Northamptonshire.
4. Delegate to the Executive Member for Highways, Travel and Assets, in consultation with Executive Director for Place & Economy, Executive Director for Finance and the Executive Member for Finance, the authority to take any further decisions and/or actions required in connection with the procurement and award of the HWRC contract, without the need to return to the Executive

Next Steps

11 th October 2023	EAP Sustainable Communities
31 st October 2023	Place and Environment Scrutiny
16 th November 2023	Executive Meeting
November 2023 onwards	Implement decisions of the Executive to procure new service
April 2025	New Service Start
Ongoing:	Consider future infrastructure and service needs within a HWRC Strategy or a wider Waste Strategy to include NNC Capital and Revenue financial plans. To include member and public consultation as appropriate.