

HALTON BC HWRC VARIATIONS
WDA/17/19

Recommendation

That:

1. Members note the changes Halton BC have agreed to make to service delivery at their two household waste recycling centres;
2. Members approve the changes proposed to be made to the Waste Management & Recycling Contract, and for those changes to be delivered by the Chief Executive in consultation with the Authority Chairperson.
3. Monitoring of the impacts of the proposed changes be undertaken and Members receive a report 12 months from implementation of the proposed changes outlining the nature of any impacts that may have arisen.

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Report of the Chief Executive

1. Purpose of the Report

- 1.1 This report informs Members of changes that Halton BC Executive Board have approved to be delivered at their two household waste recycling centres (HWRCs) and the requirement for a formal variation to be undertaken to Merseyside Recycling & Waste Authority's (MRWA's) Waste Management & Recycling Contract with Veolia ES Merseyside & Halton Ltd. (Veolia) to allow those service changes to be delivered.
- 1.2 The report also seeks approval from Members for the Chief Executive to deliver the necessary changes in consultation with the Chair of the Authority.

2. Background

- 2.1 MRWA has a contract with Veolia (termed the Waste Management & Recycling Contract, WMRC) for the provision of a range of services including the management of 16 household waste recycling centres (HWRCs) across Merseyside and Halton.
- 2.2 Halton BC have delegated certain of their functions as a Waste Disposal Authority (WDA) to MRWA. These include the procurement of a contract for the operation of HWRCs, which MRWA does on Halton's behalf through the WMRC. Whilst Halton BC receives services through the contract, they are not a direct signatory to it.
- 2.3 Halton BC have two HWRCs in their Borough provided through the WMRC, named Johnsons Lane (in Widnes) and Picow Farm Road (in Runcorn).
- 2.4 In April 2018, Halton's Executive Council approved a proposal to make a number of changes to the service provision at their two HWRCs. In brief summary, the proposed changes are:
 - i) new HWRC opening times of 09.00 to 17.00 to operate all year round;

- ii) introduction of a Halton 'resident-only' access policy;
- iii) introduction of a charge for the deposit of non-household items;
- iv) changes to the existing Halton BC Vehicle Access Permit Scheme.

2.5 During the course of the last year, Halton have been discussing the proposed changes with Veolia and MRWA with a view to making them permanent through the WMRC. The discussions are approaching a conclusion and Halton have requested that MRWA prepare to formalise the agreed changes by way of a variation to the WMRC.

2.6 Once all matters have been fully agreed between the three parties, MRWA can issue a request to Veolia for a formal variation to the contract (termed a 'Standard Value Change' under the WMRC) to change the terms of the service they provide at Halton's two HWRCs. This then follows a contractually defined change process resulting in a formal, documented variation to the original contract. Veolia is obliged to implement any changes requested by MRWA and the fundamental principle of such a variation is that Veolia should neither benefit nor be prejudiced by the change.

3. Proposed changes

New opening hours – 09.00 to 17.00 all year

3.1 Halton's HWRCs (like those across Merseyside) currently follow a seasonal pattern of opening hours, as follows:

1st October to 31st March 08.00 to 18.00 hrs

1st April to 30th September 08.00 to 20.00 hrs

3.2 The proposed changes are intended to realise a financial saving, that saving to be derived from reduced staffing requirement rather than an expectation of a reduced delivery tonnage.

Halton resident-only access policy

3.3 Halton's HWRCs, as with Merseyside's, currently have no formal policy restriction in relation to the geographical source of waste being disposed of at the sites. WDA's are only statutorily-bound to provide HWRCs for householders resident in their area, and are therefore legally entitled to prevent access from non-residents. Evidence gathered by Halton would suggest that their HWRCs receive an amount of waste from outside the

Borough (i.e. from Merseyside, Cheshire and Warrington), waste for which they are not funded.

- 3.4 Halton are proposing to restrict access to Halton residents only by issuing Halton residents with a sticker to be attached to the car window. Householders attempting to use a Halton site without a sticker will be refused access.
- 3.5 The proposed changes are therefore intended to realise a financial saving by preventing disposal of wastes in Halton that might currently be arising from outside the Halton boundary.

Charge for non-household items

- 3.6 HWRCs are only provided for an area's residents to deposit household waste free of charge; there is no legal duty for a WDA to accept non-household waste at an HWRC.
- 3.7 The Controlled Waste Regulations 2012 defines certain wastes arising from 'construction, improvement, repair, alteration or demolition works including preparatory works' as Industrial Waste. Such waste could include items produced during the course of what might be considered 'DIY projects' such as bricks, tiles, soil and rubble (collectively termed here as 'hardcore').
- 3.8 The Halton HWRCs currently accept approximately 2,150 tonnes of hardcore annually (the material Halton are initially proposing charging for); Johnsons Lane (the HWRC nearest to the border with the Merseyside sites) currently accepts approximately 1,200 tonnes of hardcore per annum.
- 3.9 Halton are initially proposing to charge residents for disposal of hardcore, charging a sum per 'standard sized rubble sack'. This proposed change is intended to both realise a financial saving from a reduction in such waste which is anticipated not to be delivered due to the requirement to pay, along with an income from waste householders do choose to pay for.

Change to the Halton vehicle access Permit Scheme

- 3.10 Halton, as with MRWA, operate a Vehicle Permit Scheme aimed at controlling access to HWRCs by 'commercial-type' vehicles (vans, pick-up trucks and trailers etc.), and thereby preventing deposit of commercial waste.

- 3.11 Halton currently offer two types of Permit; an Annual Permit which allows unlimited visits in any calendar year and a Temporary Permit which allows up to 12 visits in any 12 calendar months.
- 3.12 Halton are proposing to reduce the number of visits allowed under a Temporary Permit to 6 in any 12 months.
- 3.13 Note – the changes to the Halton Vehicle Permit Scheme are not defined in the WMRC and Halton can therefore make such changes without the involvement of MRWA.
- 3.14 Halton BC are proposing the above outlined changes be made to their HWRC services. To achieve these, MRWA will request a formal contract variation under the terms of the WMRC which will entail following a contractually defined ‘Change Protocol’ process during which contract terms and conditions are amended to reflect the required changes. It is anticipated that (subject to approval by Members to proceed with the process) that this will be initiated by MRWA once the current discussions between Halton, MRWA and Veolia are satisfactorily concluded.

4. Risk Implications

- 4.1 The proposed changes as a whole are in essence a restriction in access to Halton’s HWRCs. These restrictions could present a number of potential risks to MRWA which can be summarised as follows:
- i) there is a risk that with reduced opening hours, some members of the public who may previously have delivered into the Halton sites may choose not to wait until they are next open but to travel to a nearer available site in Merseyside (most notably during the extended opening hours in summer when Merseyside sites will be open 3 hours longer than the Halton sites). This could result in a small increase in tonnage received at those sites nearest to Halton (i.e. notably Huyton and Rainhill). A map of Merseyside and Halton HWRCs is provided in Appendix 1 to this report.
 - ii) there is a risk that with Halton charging for non-household materials (which will initially be rubble), Halton householders who do not want to pay the charge may choose to travel to a nearer HWRC in Merseyside (i.e. Huyton and Rainhill) that does not currently charge for disposal of such wastes. This could result in a small increase in the tonnage of rubble received at the sites nearest to Halton.
 - iii) there is a risk that householders not resident in Halton who currently use Halton’s HWRCs will, when prevented from accessing their HWRCs,

simply transfer to using the nearest available site in Merseyside. The geography, boundary arrangement and proximity to Merseyside HWRCs would suggest, however, that the likely numbers of householders not resident in Halton actually using Halton sites is considered extremely low. The impact of such a risk would therefore be very limited in scale and impact.

- 4.2 All of the above outlined risks are considered to be relatively small in scale (in terms of both material tonnage impacts to MRWA and potential financial impacts on MRWA) and could reasonably be expected to be limited to the HWRCs closest to Halton (namely Huyton and Rainhill).
- 4.3 However, it is proposed (as part of the formal change) to both quantify and assess any impacts that might arise by way of a full review at the end of the first contract year, and address these as appropriate through the annual reconciliation. The nature and method of that reconciliation process remains under discussion.
- 4.4 In addition, should MRWA choose to consider and ultimately implement precisely the same changes to its own HWRCs (i.e. the 14 sites across Merseyside), this would entirely negate any potential risk impact that might arise from the Halton changes.

Identified Risk	Likelihood Rating	Consequence Rating	Risk Value	Mitigation
Risk of a small increase in total tonnes of waste being delivered to Huyton and Rainhill HWRCs, with a commensurate increase in WMRC costs.	2	1	2	<p>1. Monitor total tonnages across all HWRCs both prior to and after implementation of the changes – and address any impacts on MRWA through the annual reconciliation.</p> <p>2. MRWA to consider implementing the same changes (residents only access policy, DIY charging and reduced opening hours) at Huyton and Rainhill (and potentially other Merseyside sites) to remove any potential impact from Halton changes.</p>

5. HR Implications

- 5.1 There are no HR implications that will directly impact MRWA.

- 5.2 The proposed changes will require Veolia undertake a formal consultation exercise with their staff and are anticipated to result in a reduced staffing requirement at Halton's HWRCs.

6. Environmental Implications

- 6.1 There are no environmental implications associated with the proposed changes.

7. Financial Implications

- 7.1 The risk section highlighted the potential for some small amounts of waste to be displaced from Halton sites to two of Merseyside's sites (Huyton and Rainhill). Should this risk arise, this would result in an increased cost at those two sites. The scale of this is unknown, but will be assessed by way of a review at the end of the first operational year.
- 7.2 The cost of legal advice and delivery of the variation will be covered by Halton BC, so there will be no immediate costs incurred by MRWA in that regard.

8. Legal Implications

- 8.1 The proposed changes will require legal support to both advise MRWA in relation to the proposed changes and to ultimately deliver the changes through the contractual Change Protocol.
- 8.2 MRWA are currently receiving legal advice on the proposed changes; both the advice for the proposed change and legal support for the delivery of the contract variation will be funded by Halton BC.

9. Conclusion

- 9.1 Halton BC receive services from Veolia under the Waste Management & Recycling Contract between Veolia and MRWA. Halton have requested certain limited changes to the services at their two HWRCs and have requested the MRWA initiate a formal contract variation with Veolia.
- 9.2 The final details of the proposed changes remains under discussion between the three parties, and is expected to be concluded shortly.
- 9.3 This report seeks approval from Members for the relevant contract changes to be implemented by way of a formal contract variation, by the Chief Executive in consultation with the Authority Chairperson.

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The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.