

# Norfolk County Council

## Record of Individual Cabinet Member Decision

**Responsible Cabinet Member: Cllr Andy Grant (Cabinet Member for Environment & Waste)**

### **Background and Purpose:**

All Norfolk Councils are a signatories to a contract with Norse Environmental Waste Services Ltd (NEWS) to process the recycling they collect. The County Council is a signatory to the contract in its role as a Waste Disposal Authority, to give it a fall-back and alternative option for the processing and sale of material from its recycling centres and recycling points, an option which to date it has not used.

The contract started in 2014 and expires on 30 September 2024, and to secure a three-year extension to 2027, in autumn 2021 all seven of the District, City and Borough Councils in their roles as Waste Collection Authorities, are also making decisions about the proposal to extend the arrangements to 2027 and move to variable gate fee terms based on actual costs.

### **Decision:**

**To amend and extend the current joint venture company contract with NEWS for three years from 2024 to 2027, accepting a shift to a variable gate fee based on actual costs from October 2021.**

**Is it a key decision? No**

**Is it subject to call-in? Yes**

**If Yes – the deadline for call-in is: 4pm, Wednesday 29 December 2021**

### **Impact of the Decision:**

The proposal would continue to give the County Council a fall-back and alternative option for dealing with materials from its recycling centres and recycling points, noting that this is not the primary route for materials that the County Council uses.

As a joint signatory to the contract the County Council, in its role as a Waste Disposal Authority, would continue to be fully sighted and directly involved in a significant part of the total system for dealing with waste materials in Norfolk.

### **Evidence and reason for the decision:**

The proposal is to preserve a fall-back and alternative option for the processing and sale of materials collected from recycling centres and

recycling points, if that option is removed the County Council's service confidence is less secure.

Soft market testing undertaken for Norfolk Councils demonstrated that gate fees likely be achieved through any procurement process would be higher than the fee Councils would pay to NEWS under the variable gate fee proposal and would all be subject to fluctuation in the value of materials and any compositional changes, as would the amend and extend approach with NEWS.

**Alternative options considered and rejected:**

The extension could not be allowed for, but this would remove a fall-back and alternative option for the County Council.

An alternative arrangement could be procured as a fall-back and alternative option, but the lack of tonnage commitment (ie as it is only a fall-back provision) would impact interest.

**Financial, Resource or other implications considered:**

There is no financial implication from the decision, as the proposal is about preserving a fall-back and alternative option for the processing and sale of materials, which the County Council to date has not used and which would only be utilised if it made financial or operational sense, for example to derive additional income.

This arrangement is primarily for all seven Waste Collection Authorities in Norfolk (ie the District, City and Borough Councils) and the County Council in its role as a Waste Disposal Authority.

The existing arrangement with NEWS as a Joint Venture Company was established to be in alignment with Teckal principles, which gives the opportunity of a contract extension using Teckal exemptions.

By allowing the County Council to have a fall-back and alternative provision for the processing and sale of materials from its recycling centres and recycling points the proposal continues to bolster the existing sustainability of its recycling centre and recycling point service.

**Record of any conflict of interest:**

None.

**Background documents:**

- None.

**Date of Decision:** 16 December 2021

**Publication Date of Decision:** 17/12/21

**Signed by Cabinet Member:**

I confirm that I have made the decision set out above, for the reasons also set out.



**Print name: Cllr Andy Grant**

**Date: 16/12/2021**

**Accompanying documents:**

- Individual Cabinet Member Decision Report: '*Materials Recovery Facility – Contract Extension*', 15 December 2021

Once you have completed your internal department clearance process and obtained agreement of the Cabinet Member, send your completed decision notice together with the report and green form to [committees@norfolk.gov.uk](mailto:committees@norfolk.gov.uk)

# Individual Cabinet Member Decision Report

Item No:

**Report Title: Materials Recovery Facility – Contract Extension**

**Date of Meeting:** N/A

**Responsible Cabinet Member:** Cllr Andy Grant (Cabinet Member for Environment & Waste)

**Responsible Director:** Tom McCabe, Executive Director of Community and Environmental Services

**Is this a Key Decision?** No

**If this is a Key Decision, date added to the Forward Plan of Key Decisions:** Not applicable

## **Executive Summary / Introduction from Cabinet Member**

The contract for processing mixed dry recyclables collected by the District, City and Borough Councils in Norfolk is delivered by joint venture company contract with Norse Environmental Waste Services Ltd (NEWS). The County Council is a signatory to the contract in its role a Waste Disposal Authority, to give it an additional and alternative option for processing material from its recycling centres and recycling points, an option which to date it has not used.

The contract started on 2014 and expires on 30 September 2024, and to secure a three-year extension to 2027, in autumn 2021 all seven District, City and Borough Councils in Norfolk are also making decisions about the proposal to extend the arrangements to 2027 and move to variable gate fee terms based on actual costs.

## **Recommendations:**

- 1. To amend and extend the current joint venture company contract with NEWS for three years from 2024 to 2027, accepting a shift to a variable gate fee based on actual costs from October 2021.**

## **1. Background and Purpose**

- 1.1** All Norfolk Councils are a signatories to a contract with NEWS to process the recycling they collect, with the County Council a signatory to give it a fall-back and alternative option for the sale of material from its recycling centres and recycling points.

- 1.2 The contract started in 2014 and is due to end in 2024, with an extension allowed to 2027.

## **2. Proposal**

- 2.1 The proposal is to preserve a fall-back and alternative option that has been available to the County Council since 2014, for material from its recycling centres and recycling points to be processed for sale under an arrangement made together with the District, City and Borough Councils that is delivered by a joint venture company contract with NEWS.
- 2.2 The existing arrangement is due to end in 2024 with an option to extend to 2027, and to secure the extension to 2027 any future payment for the service would be based on actual costs which would apply from October 2021.
- 2.3 An extension would allow better value to be secured in the longer term and provide stability of arrangements during a period where national waste policy and legislation on waste is expected to lead to changes on the volume and composition of waste collected by Councils and market capacity and prices.

## **3. Impact of the Proposal**

- 3.1 The proposal would continue to give the County Council a fall-back and alternative option for dealing with the processing and sale of materials from its recycling centres and recycling points, noting that this is not the primary route for materials that the County Council uses.
- 3.2 As a joint signatory to the contract the County Council, in its role as a Waste Disposal Authority, would continue to be fully sighted and directly involved in a significant part of the total system for dealing with waste materials in Norfolk.

## **4. Evidence and Reasons for Decision**

- 4.1 The proposal is to preserve a fall-back and alternative option for the processing and sale of materials collected from recycling centres and recycling points, if that option is removed the County Council's service confidence is less secure.
- 4.2 Soft market testing undertaken for Norfolk Councils demonstrated that gate fees likely be achieved through any procurement process would be higher than the fee Councils would pay to NEWS under the variable gate fee proposal and would all be subject to fluctuation in the value of materials and any compositional changes, as would the amend and extend approach with NEWS.

## **5. Alternative Options**

- 5.1 The extension could not be allowed for, but this would remove a fall-back and alternative option for the County Council.
- 5.2 An alternative arrangement could be procured as a fall-back and alternative option, but the lack of tonnage commitment (ie as it is only a fall-back and alternative provision) would impact interest.

## **6. Financial Implications**

- 6.1 There is no financial implication from the decision, as the proposal is about preserving a fall-back and alternative option for the processing and sale of materials, which the County Council to date has not used and which would only be utilised if it made financial or operational sense, for example to derive additional income.

## **7. Resource Implications**

- 7.1 **Staff:** None.
- 7.2 **Property:** None.
- 7.3 **IT:** None.

## **8. Other Implications**

### **8.1 Legal Implications:**

The contract is delivered by a joint venture company contract with Norse Environmental Waste Services Ltd (NEWS). This arrangement is primarily for all seven Waste Collection Authorities in Norfolk (ie the District, City and Borough Councils), and in autumn 2021 all seven are also making decisions about the proposal to extend the arrangements to 2027 and move to variable gate fee terms based on actual costs.

The existing arrangement with NEWS as a Joint Venture Company was established to be in alignment with Teckal principles, which gives the opportunity of a contract extension using Teckal exemptions.

- 8.2 **Human Rights Implications:** Not applicable.
- 8.3 **Equality Impact Assessment (EqIA) (this must be included):** No change proposed.
- 8.4 **Data Protection Impact Assessments (DPIA):** No change proposed.
- 8.5 **Health and Safety implications (where appropriate):** No change proposed.
- 8.6 **Sustainability implications (where appropriate):**

By allowing the County Council to have a fall-back and alternative provision for materials from its recycling centres and recycling points the proposal continues to bolster the existing sustainability of its recycling centre service.

#### **8.7 Any Other Implications:**

As a joint signatory to the contract the County Council in its role as a Waste Disposal Authority would continue to be fully sighted and directly involved in a significant part of the total system for dealing with waste materials in Norfolk.

### **9. Risk Implications / Assessment**

- 9.1 Key risks to consider in relation to future processing services secured via any route are market volatility in the value of recyclables, and national policy changing the amount and mix of materials collected. The proposal, by extending a fall-back and alternative provision for the County Council, helps mitigate against these risks

### **10. Select Committee Comments**

- 10.1 The proposal was highlighted in a report to the Infrastructure and Development Select Committee on 17 November 2021 and there were no comments made on the proposal.

### **11. Recommendations**

- 1. To amend and extend the current joint venture company contract with NEWS for three years from 2024 to 2027, accepting a shift to a variable gate fee based on actual costs from October 2021.**

### **12. Background Papers**

- 12.1 None

#### **Officer Contact**

If you have any questions about matters contained within this paper, please get in touch with:

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