

RECOMMENDATIONS TO THE CABINET MEETING ON 30th JULY 2013 FROM THE REGENERATION, ENVIRONMENT AND COMMUNITY PANEL MEETING HELD ON 24th JULY 2013

REC37: **CABINET REPORT – MATERIALS RECYCLING FACILITY CONTRACT**

The Chief Executive presented the Cabinet report which outlined the process, outcome and implications of the procurement which had been undertaken by the eight Norfolk Authorities for the future recycling of dry recyclable material collected at the kerbside across Norfolk. The process had been undertaken in accordance with the EU procurement rules to select the most economically advantageous bidder.

The report also sought authority to enter into a ten year contract with Norse Commercial Services Ltd and for this to be delivered via a Teckal-compliant Joint Venture Company which would be formed involving the company and all local authorities.

The Chief Executive reminded the Panel that they had received a presentation at their previous meeting on the background of the contract and he highlighted the recommendations which Cabinet would consider, prior to submission to full Council.

The Chief Executive highlighted the benefits of the new contract, including the increase in range of materials which could be recycled, including glass and the financial benefits to the Council.

The Chairman thanked the Chief Executive for his report and questions and comments were invited from the Panel, some of which are summarised below.

Councillor Moriarty commended the report and referred to the makeup of the Board of Directors of the new Company. He felt that their loyalties would lie with the new Company, so it was important that the Borough Council's interests were still considered. The Chief Executive explained that one Councillor from each Norfolk Local Authority would sit directly underneath the Board of Directors and any fundamental changes would require approval from the group of Councillors. The Chief Executive explained that he was aware that this arrangement had worked well in other areas.

Councillor Cousins referred to the recycling plant at Costessey and asked what would be required to upgrade the plant to accept the increased range of materials for recycling. The Chief Executive explained that the plant was likely to require further investment in the future, but hoped that if it was successful it would attract waste from other areas, therefore increasing income.

The Panel discussed possibly visiting the recycling plant in Costessey in the future, once upgrade works had been carried out, to view the new facility. Councillor Crofts hoped that the walkways would be maintained, so that groups could visit the plant. The Chief Executive agreed to investigate if the walkways would be retained or replaced.

In response to a question from Councillor Foster, the Chief Executive confirmed that the initial gate fee offered was lower than the existing gate fee for the first year, and then a formula to calculate the gate fees had been set and would be applied for subsequent years.

In response to a further question from Councillor Foster, the Chief Executive explained that it was hoped that there would be less contaminants within the recycling in the future, as a wider range of materials would be accepted for recycling. The Chief Executive agreed to investigate what would happen to contaminated recycling in the future and report back to the Panel.

RESOLVED: That the Regeneration, Environment and Community Panel make the following recommendations to Cabinet:

Cabinet is recommended to:

- (1) Award to Norse Commercial Services Ltd (“Norse”) a ten year contract for the recycling of dry recyclable material (being the enhanced contract with glass) pursuant to the procurement process carried out, on the basis that such contract be entered into between the District Councils of the Norfolk Waste Partnership and the JVC (as defined below).
- (2) Approve the entry into a joint venture shareholders’ agreement between the District Councils and Norse on the basis of the Memorandum of understanding attached at Appendix 1 for the purposes of establishing a joint venture company (the “JVC”) to be the contractor under the recycling contract; and
- (3) Approve the entry into of such ancillary documents as shall be necessary pursuant to the establishment of the JVC and the recycling contract to the JVC.
- (4) Grant delegated authority to the Chief Executive in consultation with the Portfolio Holder for the Environment to conclude those agreements and ancillary documents on behalf of the Council including any minor changes to approve the final terms of the Memorandum of Understanding and Contract with NORSE, including the interim arrangements between the start date of the new contract and the commissioning date of the new equipment to be installed to enable the extended range of materials to be efficiently and cost effectively recycled.
- (5) Grant delegated authority to the Legal Services manager to complete the contract with NORSE and the Joint Venture Company, and all ancillary documents.

(6) Ensure that the walkways at the Costessey recycling plant are maintained in any design proposals for upgrading the facilities at the plant.