

Extension of the Processing of Co-mingled Recyclables	
Executive Summary	<p>Proposal for extending the contract for the processing of co-mingled recyclables collected within North Norfolk and the wider county of Norfolk.</p> <p>The following proposal outlines the options which have been reviewed and the recommended option to minimise impacts to the current service provided to residents and businesses within North Norfolk.</p>
Options considered	<p><u>Option 1: Not extending the contract.</u> This was a high-risk position with the council having to go to the market at a time of high uncertainty. The council would have to absorb greater risk through the price of the service. The council would have to meet the costs of the procurement and deal with the impacts of an extensive process which can last over a number of years.</p> <p><u>Option 2: Extending the contract to 2030.</u> This provides for a continuing service with the opportunity to consider investment on a business case model, including plastic film and automation through artificial intelligence supported material sorting and picking.</p> <p><u>Option 3: Extending the contract to 2032.</u> This provides greater time for investment but is beyond the key dates for the other sectors of the business in its SLA's with Norfolk County Council for waste related services and beyond Local Government Reorganisation.</p>
Consultation(s)	Consultation has taken place with the 6 WCAs who are part of the Shareholder Agreement with NEWS Ltd and the Norfolk Waste Partnership Board.
Recommendations	<ol style="list-style-type: none"> 1. The extension of the Processing of Co-mingled Dry Recyclables contract (the Contract) with NEWS Ltd through to 31st March 2030 on its current terms is agreed. 2. Extending the scope of the services provided by NEWS Ltd to under the Contract from the year 2026/7 to comply with the change in law introducing Simpler Recycling and Extended Producer Responsibility requirements is agreed conditional on such changes being approved in accordance with the Shareholder Agreement with NEWS Ltd.
Reasons for recommendations	<p>Reasons for recommendation:</p> <ul style="list-style-type: none"> - To ensure a continuation of the current JV through the period of local government reorganisation to provide consistent recycling services to residents of Norfolk and North Norfolk - High risk for the council to undertake a procurement exercise at a time of high uncertainty due to material mix in the recycling system

	associated with Deposit Return Scheme and associated price uncertainty
Background papers	N/A

Wards affected	All wards within North Norfolk
Cabinet member(s)	Cllr Callum Ringer
Contact Officer	Jemma Alston, Contracts and Waste Services Manager Jemma.alston@north-norfolk.gov.uk 01263 516341

Links to key documents:	
Corporate Plan:	Our Greener Future
Medium Term Financial Strategy (MTFS)	Wider Implications relating to the profit share of the MRF facility and the income shared with NNDC.
Council Policies & Strategies	

Corporate Governance:	
Is this a key decision	Yes
Has the public interest test been applied	Is the item exempt, if so, state why.
Details of any previous decision(s) on this matter	N/A

1. Purpose of the report

The purpose of this report is to outline the proposal for extending the contract for the processing of co-mingled recyclables, and gain approval from the cabinet for the recommended option to extend.

2. Introduction & Background

The contract for processing of co-mingled recyclables is with Norse Environmental Services Ltd (NEWS), a Joint Venture Company (JVC) in conjunction with Norse Commercial Services Ltd and the seven Waste Collection Authorities (WCAs) within Norfolk. Norfolk County Council is a signatory to the contract but are not a direct shareholder.

The contract has been in place since 2013 and was extended in 2021, by all authorities, to 30th September 2027. It is proposed to use the ability to extend further the provision of services to 31st March 2030. The company is owned by local authorities and operates under its control as if it were by extension a part of the councils.

This provides the ability to use Norse Environmental Waste Services (NEWS) for services without further procurement. Market positions are currently uncertain due to recent changes in law on Simpler Recycling, Deposit Return Schemes and Extended Producer Responsibility. If an external procurement were undertaken, it is considered that material risks and price risk would lead to a less favourable position for the council.

3. Proposals and Options

The following options have been considered for this contract:

- 3.1 Option 1: Not extending the contract. This was a high-risk position with the council having to go to the market at a time of high uncertainty. The council would have to absorb greater risk through the price of the service. The council would have to meet the costs of the procurement and deal with the impacts of an extensive process which can last over a number of years.
- 3.2 Option 2: Extending the contract to 2030. This provides for a continuing service with the opportunity to consider investment on a business case model, including plastic film and automation through artificial intelligence supported material sorting and picking.
- 3.3 Option 3: Extending the contract to 2032. This provides greater time for investment but is beyond the key dates for the other sectors of the business in its SLA's with Norfolk County Council for waste related services and beyond Local Government Reorganisation.
- 3.4 Proposal: Option2: The current arrangements for the processing of co-mingled dry recycling through the arrangements with the JVC on existing terms extending until the 31st March 2030 provides stability and consistency pre and post Local Government Reorganisation.

4. Corporate Priorities

This proposal is not linked to corporate priorities, but it will enable the councils to be processed into individual materials and grades within Norfolk, before going for recycling at their end destination.

5. Financial and Resource Implications

5.1 Financial Implications: There are no financial implications as a result of this proposal in the current year, and any changes would need to be built into future years. The financial implications of the changes necessary to comply with Simpler Recycling cannot be assessed at this time and will be subject to budget approval in accordance with the council's processes. Any decision would be subject to Call-in arrangements and the proposed decision published.

5.2 Resource Implications: There are no resource implications because of this proposal.

Comments from the S151 Officer:

There are no immediate financial implications from this proposal. Future costs arising from changes such as Simpler Recycling and Extended Producer Responsibility cannot yet be quantified and will be considered through the Council's budget and MTFS processes. The extension provides stability in a volatile market and is a prudent approach at this stage.

6. Legal Implications

There are no legal implications with this proposal

Comments from the Monitoring Officer

The Monitoring Officer (or member of the Legal team on behalf of the MO) will complete this section. They will outline any legal advice provided.

No specific legal implications are raised at this time. Extension of a contract under the current Joint Venture arrangement is proposed in the report to maintain consistent recycling services as we enter local government reorganisation.

7. Risks

The main risk for this proposal is if the council choose not to make this award. It would require the council to undertake a procurement exercise at a time of high uncertainty due to material mix in the recycling system associated with the Deposit Return Scheme and associated price uncertainty.

Material prices for sorted and sold recyclables is highly volatile due to economic uncertainty and wider global impacts such as wars and the impacts from these on virgin material production.

This could lead to the council paying higher costs for the service. Through the operation of the JVC the council has had more significant influence on the operation of the service which can manage risk more appropriately in conjunction with our partners

8. Net ZeroTarget

The MRF contract ensures that materials are separate, sorted and recycled in an appropriate way. The contract ensures that materials are sent to sustainable market streams.

9. Equality, Diversity & Inclusion

There are no equality, diversity or inclusion impacts from this proposal

10. Community Safety issues

There are no community safety issues from this proposal

11. Conclusion and Recommendations

The recommendation would be for the extension to 31st March 2030 to be approved to ensure a continuation of the current JV through the period of local government reorganisation to provide consistent recycling services to residents of Norfolk and North Norfolk, and to remove the high risk of undertaking a procurement for this service at this point of uncertainty within the material markets.