

CABINET
17 March 2026

Household Waste Recycling Centres (HWRC)
Management Reprovision

Report by Director of Environment & Highways

RECOMMENDATION

1. Cabinet is RECOMMENDED to

- a) Approve the preferred approach to the reprovision of the Household Waste Recycling Centre (HWRC) management as set out in paragraphs 5 and 31.
- b) Authorise Officers to prepare and commence the procurement of a new 8-year HWRC management contract to start on 1 October 2027 (following a mobilisation period) with options to support flexibility in Local Government Reorganisation (LGR).
- c) Endorse exploration and feasibility of the capital purchase of HWRC plant and equipment during the tender bidding, with a view to having an agreed final revenue and capital cost of the contract at the final tender stage.
- d) Delegate the decision to award the contract, and any extension to that contract to the Director of Environment and Highways in consultation with the Cabinet Member for Place, Environment and Climate Action.

Executive Summary

- 2. Under section 51 of the Environmental Protection Act 1990, the council has a statutory duty to provide HWRCs for Oxfordshire residents to dispose of their household waste. For Oxfordshire the minimum requirement is 2 and in line with the council's policy it currently provides 7. The current contract for the management of 6 of the 7 HWRCs terminates on 30 September 2027. The 7th site, Dix Pit, is managed via a legacy landfill contract which is anticipated to end by late 2027.
- 3. Following Cabinet approval in February 2025 to commence work evaluating the options for the HWRC management reprovision, waste specialists Eunomia were appointed to work with officers to determine the most appropriate approach to reprovision of the service.
- 4. The current known timetable, risks and opportunities of LGR have been fully considered as part of the evaluation of options.

5. The outcome of this work has identified that the appointment of a single provider via a long-term 8-year management contract with early in-contract options centred around flexibility post LGR to be the most appropriate HWRC management model for the council. This need has been tested with the market and is accepted.
6. The final contract costs will be established through a “Competitive Flexible Procedure procurement process”, with the final costs agreed through the most advantageous tender scoring the highest against tender evaluation criteria.
7. To ensure the most suitable bidder is appointed, and the tender is compliant, detailed evaluation themes are currently being developed and designed to support a Competitive Flexible Procedure, allowing dialogue and negotiation to take place to ensure the successful bidder will provide a cost effective and high quality HWRC management service, supporting the council in delivering of its key priorities.

Background

8. There is a network of 7 HWRCs within the county in the following locations and shown on the plan in Annex 1.
 - Alkerton HWRC, near Banbury
 - Ardley Fields HWRC, Bicester
 - Redbridge HWRC, Oxford
 - Drayton HWRC, Vale of White Horse
 - Oakley Wood HWRC, South Oxfordshire
 - Stanford in the Vale HWRC, Vale of White Horse
 - Dix Pit HWRC, West Oxfordshire district
9. These facilities receive around 1 million customer visits and manage approximately 50,000 tonnes of waste per annum. A series of service changes were implemented on 14 January 2026 including a requirement to make a booking before visiting, charges for out of county customers and the requirement to sort waste into recyclable waste streams before or on arrival. There are currently 2 contracts in place for the management of HWRCs.
10. In 2016 following an open tender procedure a 10-year contract (7-year main term plus up to 3-year extension) commencing on 1 October 2017 was awarded to sole trader Geoffrey David Thompson trading as Weymouth and Sherborne Recycling (W&S) for the management of 6 HWRCs and materials management at Dix Pit.
11. This contract includes the provision of HWRC capital assets such as plant, equipment and bins, the provision and management of site personnel, the transport of materials to disposal sites, the management and marketing of recyclable waste and compliance with health, safety and environmental requirements. The 3-year extension was taken up in October 2024, and the contract will expire on 30 September 2027.

12. The management of Dix Pit HWRC is provided as part of the Dix Pit Landfill Contract with FCC Environment Ltd. Dix Pit is different due to a legacy landfill contract and is intrinsically linked to the waste transfer station on the same site. This means it will be priced differently as an option.
13. In 2023, WSP E&I UK Limited were commissioned to undertake a future service model appraisal of the HWRC services. This evaluated outsourcing, in-sourcing, joint working, and Local Authority Trading Company (LATCo) approaches (both to join an existing or set up a new LATCo). This concluded outsourcing as the favourable approach when balancing service cost against risk.
14. Throughout 2024, soft market testing was undertaken, which included engaging with 9 companies interested in providing HWRC services to the council, including both incumbent suppliers. This indicated that there was significant interest within the market to provide these services within Oxfordshire specifically, and intelligence was gathered to help understand where the market stood on a range of relevant areas.

Context

15. Over the 10-year period since the last tendering of the management contract there have been significant changes which impact upon the service. Within Oxfordshire, housing and population growth of 13% and 14.8% respectively has meant that more households are served by the HWRCs and that there are more potential customer visits to the sites. Since 2016 the amount of waste received has increased from 45,834 to 50,007 tonnes per annum, and the number of customer visits has increased from 1,009,649 to 1,111,323 per annum.
16. There have been various changes to waste legislation requiring additional waste streams to be separated such as materials containing Persistent Organic Pollutants which are now banned from landfill, limits on the charges that can be made for DIY type waste and all neighbouring authorities either prohibiting Oxfordshire residents from using their facilities or introducing charges.
17. Since the current contract was procured, there has been the introduction of The Procurement Act 2023, which now allows for a more flexible approach within procurement dialogue phases which will help drive innovation and value for money as well as allowing for exploration and negotiation.
18. The cost of the HWRC management contracts combined has increased from £2.2m in 2017 to £3.7m in 2024. This has been driven in part by inflation applicable to the contracts over the 10-year period, which has included some peaks, and changes to the service. These cost increases have been factored into the future management re-provision.

Local Government Reorganisation (LGR)

19. In February 2025 the government announced LGR and in November 2025, 3 proposals were submitted to government by the Oxfordshire councils. The proposals are;
- A single county unitary for Oxfordshire
 - Two unitary proposal –
 - (1) Oxford & Shires Council (Cherwell, Oxford and West Oxfordshire) and
 - (2) Ridgeway Council (South and Vale District Councils and West Berkshire Council)
 - Three unitary proposal –
 - (1) Greater Oxford Council,
 - (2) Northern Oxfordshire Council (Cherwell and West Oxfordshire) and
 - (3) Ridgeway Council (South and Vale District Councils and West Berkshire)
20. A Government decision on the geography of the unitary(ies) is expected later in 2026 with the new council(s) coming into being on 1 April 2028. As a result, under current LGR timetables, the new management reposition must take this into account. There is at least one HWRC in each district, with no ability to extend the existing contract, it is not possible to delay this decision until after the LGR. Suitable disaggregation and break clauses within any new contract can (and will) be included though. As the “minded to” decision from the Secretary of State in respect of LGR is expected early on in the procurement process changes could be made ahead of any contract award.

Unitary proposal	Number of HWRCs
One unitary proposal	7 HWRCs
Two unitary proposal	4 HWRCs in Oxford & the Shires Council 3 HWRCs in Ridgeway Council
Three unitary proposal	1 HWRC in Greater Oxford 3 HWRCs in Northern Oxfordshire Council 3 HWRCs in Ridgeway Council

Table 1. LGR proposals

21. Residual waste from all 7 HWRCs will have to continue to be transported to Ardley Energy Recovery Facility (ERF) until that contract ends in 2039 due to exclusivity clauses within the ERF contract regardless of the outcome of LGR.
22. There will be opportunities if the new council(s) so choose, to work in partnership across boundaries for this HWRC service, and also for a regional approach via the strategic authority.
23. Both the Oxfordshire Resources and Waste Partnership (ORWP) which is a collaboration between Oxfordshire County Council and the five district councils,

and Waste and Environment Services Programme (WESP) (a collaboration of County, City, Cherwell and West Oxfordshire district councils) are aware the W&S contract ending and this proposal for the HWRC management provision going forward.

Options Appraisal

24. Cabinet approval was secured on 25 February 2025 to commence the evaluation of options for the HWRC management re-provision. This evaluation has sought the views of suppliers, other local authorities, senior management, Elected Members and legal, procurement and finance partners within the council. Waste industry experts Eunomia were appointed in June 2025 to assist with the evaluation, bringing their experience and expertise in developing HWRC services.
25. Like most local authorities the Council has historically outsourced the HWRC service. However, given the changing nature of the waste industry, and other external drivers and council priorities, the need to evaluate all commercial options was recognised. As such alternative approaches to delivering the HWRCs were explored. This also included both short term and long-term options within that due to the uncertainty of LGR outcomes.
26. Working with Eunomia, 7 options were identified and developed (see below). A detailed list of the option definitions can be found in Annex 2.
 - 1 **Procurement**
Procure a contractor to deliver the service through a tendering process.
 - 2 **In-House**
Bring the service in house and use council staff and resources to deliver the service.
 - 3 **Local Authority Trading Company¹ (LATCo) (Own)**
The council sets up its own LATCo; an independent legal entity with the ability to trade commercially that is run by the council.
 - 4 **Local Authority Trading Company (Joint)**
The council joins an existing LATCo; a joint venture between multiple local authorities (as a shareholder) for example Ubico who deliver services for West Oxfordshire District Council or ODS who deliver services for Oxford City Council.

¹ A LATCO - Local Authority Trading Company - a wholly owned by a local authority (or multiple authorities) but operates as a separate legal entity. Set up to deliver services such as waste management, leisure, housing maintenance, or facilities management.

5 Local Authority delegation (s101 Delegation (To Oxford City Council – delivery via ODS))

The council discharges the HWRC function to Oxford City Council using section 101 of the Local Government Act 2003 and Oxford Direct Services (ODS) operate the service.

6 Joint Venture (Public / Public)

Set up a legally incorporated service delivered via collaboration between two councils to jointly deliver a service.

7 Joint Venture (Public / Private)

Set up a legally incorporated service delivered via a collaboration between a local authority and a private provider.

27. To accommodate the key issue of LGR, options were also considered on a short-term basis (4 years) and a long term (8 years) basis, see Table 2 below. Eight years is considered the optimal contract length for HWRC services, noting the amortisation of vehicles, plant, and other equipment required to provide the services. Four years is considered sufficient time to allow LGR to conclude, the new unitary(ies) to be established, and to secure the future service in line with the strategic vision of the new authority(ies). Soft market testing with suppliers also indicated that short contract terms would not be of interest to potential bidders.

Term	Option	Description
Short Term	A	Procurement
	B	In-House
	C	LATCo (Own)
	D(i)	LATCo (Joint)
	D(ii)	S101 delegation (to Oxford City Council delivery via ODS)
Long Term	E	Procurement
	F	In-House
	G	LATCo (Own)
	H(i)	LATCo (Joint)
	H(ii)	s101 Delegation (To Oxford City Council – delivery via ODS)
	I	JV- Public/Public
	J	JV- Public/Private

Table 2. Short and/or long-term Options List

28. To support the option review work, an officer led working group, and an officer steering group were established which included Eunomia, and officers from the waste, finance, commercial, procurement and legal teams. Both groups have met regularly to guide the process, and Eunomia have also separately led a range of option analysis workshops with the project group to ensure all aspects of the various options were considered.
29. The current HWRC management contract was evaluated and baselined to determine which elements work well, and which elements of the proposed options would facilitate service quality improvements. Engagement with other local authorities and waste industry suppliers also took place, with the learning and intelligence gathered used help to inform the option review.
30. The approach to assessing the options balanced costs and qualitative risks. This was delivered by measuring each option against a range of cost and qualitative risk criteria. Each criterion was weighted, providing a scoring system which ranked the options in order of their risk and best value levels. A summary of results is set out in Annex 4 with the financial summary on each option set out in Annex 5.

Outcome and preferred option

31. The option which scored the highest in terms of quality, with the lowest costs is the procurement of a long-term 8-year contract. This option also has the ability to build in LGR flexibility with disaggregation and contract break-clauses, allowing the new authority or authorities the flexibility to exit the contract if required from year 3 or 4 to be confirmed through the negotiation with bidders, and to put their own arrangements in place. If there is more than one authority, each authority can also manage the contract independently, or they can choose to stay together as single contract to benefit from the economies of scale.
32. In addition, the options evaluation also evidenced that increased revenue, and potentially, capital funding is required to deliver the service. As the incumbent, W&S currently own the capital assets, new assets will likely be required for the new service, so investing in the capital equipment should be considered. The council purchasing the capital assets will afford more service delivery flexibility when setting the contract duration, and the council can potentially use a suppliers greater capital buying power. The council investing in capital assets would also enable more flexibility over the timing of an LGR-specific break clause as bidders will not need to consider the cost of these assets themselves when pricing against a short-term break option for LGR. If an LGR break option were to be triggered, they could be used within the new service(s) that may follow the break clause period. These benefits, and the contracts costs, will be explored during the competitive flexible procedures dialogue and negotiation phase with bidders.

33. The final contract costs will be negotiated and then presented to Director of Environment and Highways in consultation with the Cabinet Member for Place Environment and Climate Action.

Proposed next steps

34. If the recommendations are approved, then the key dates are set out below. The Procurement Strategy will be in development; however, it is expected the opportunity will launch in April 2026, with the Procurement Specific Questionnaire stage lasting until June 2026. It is anticipated there will then be an initial tender stage until September 2026 and the final tender stage running until February 2027.
35. The final tender evaluation stage will take place in early March 2027 and will come back to Director of Environment and Highways in consultation with the Cabinet Member for Place Environment and Climate Action for contract award approval in late March 2027. This will allow for a new contract mobilisation period to take place before the new contract start date on 1 October 2027. The contract mobilisation period will also allow for the incumbent contract to demobilise.
36. As detailed above, LGR will be factored into the dialogue and negotiation phases of the procurement, with allowances for LGR outcomes within the final contract. Currently known LGR dates are provided in the table below within the key dates to show their position within the procurement timetable. Allowances for risk and challenge have been factored in providing confidence that the contract start date of 1 October 2027 is achievable.

Key Dates

Activity	Indicative Timeframe
Approval of model by Cabinet	17 March 2026
LGR – Statutory Consultation ends	26 March 2026
Launch of Competitive Flexible Procedure (CFP) Procurement	April 2026
Procurement Specific Questionnaire Stage completed	June 2026
LGR – Government Decision on preferred LGR proposal	Summer 2026
Initial Tender Stage completed	September 2026
Final Tender Stage completed	Early March 2027
Director approval on contract award	Late March 2027
Contract award	Late March 2027
Mobilisation of new contract	Late March 2027
LGR – Elections for Shadow authority (or authorities)	6 May 2027
Contract start date	1 October 2027
LGR – New authority (or authorities) come into effect	1 April 2028

Proposed contract break clause	October 2030 or 2031
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Table 3. Key Dates including LGR dates

Corporate Polices and Priorities

37. Provision of the service and operating model chosen aligns with the Council's priorities, with a particular focus on the following:
 - (a) **Greener Oxfordshire** – helping Oxfordshire respond and adapt to a changing climate.
 - The council has been named the top performing county council for recycling for the eleventh year in a row.
38. The HWRC Strategy supports the overarching countywide Joint Municipal Waste Management Strategy that aims to keep waste growth to zero percent per head, increase reuse and recycling rates, and reduce waste sent to landfill or for energy recovery.

Financial Implications (Exempted Annex 3)

Procurement Implications

39. A Procurement Strategy will be developed by the service and the Commercial Delivery lead. The procurement will be in line with the Council's policies and national legislation, using the competitive flexible procedure with multiple stages, to take advantage of the opportunities that the Procurement Act presents in terms of dialogue and discussion, particularly those raised at market engagement.
40. Evaluation weighting will be placed on ensuring contracts deliver the Council's Social Value Policy. These could include measures aimed at boosting local employment, use of SMEs in the wider supply chain and climate change targeted actions.
41. Any procurement exercise to appoint professional services to support the project and to procure the new HWRC Management contract, including any associated contracts, will be completed in line with all relevant legislation and guidelines. Due to the scale and value of the contract being procured a member of the legal team has been appointed to the project team and is working alongside and externally appointed legal advisors.

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Legal Implications

42. As set out in the report under section 51 of the Environmental Protection Act 1990, the council has a statutory duty to provide HWRCs for Oxfordshire residents to dispose of their household waste. This decision is required pursuant to the Council's Contract Procedure Rules Chapter 2 – Steps Prior to Procurement (Pre- Tender Authorisations), Rule 3.1 which requires Officers to ensure the Constitution is complied with and appropriate level of Authority is obtained prior to commencing the procurement process.
43. The procurement of a Service Provider for the operation and management of the HWRC sites in Oxfordshire proposed above is, due to its overall contract value, subject to a competitive tendering exercise conducted pursuant to the Procurement Act 2023 (PA 2023). The Council is a Contracting Authority for the purposes of the PA 2023 procurement regime. Chapter One of the Contract Procedure Rules prescribe that all Contracts entered into by the Council must comply with the Contract Procedure Rules ("CPRs").
44. The opportunity to tender for the operation and management of 6 of the 7 sites referred to above, will be subject to a full procurement and tendering process. (CPRs 1.7 and 1.8 to be complied with). For the avoidance of doubt, this proposed opportunity does not fall within the definition of 'Exempt Contract' for the purpose of Rules 1.9 and 1.10 of the CPRs and so is subject to the full Procurement regime of the PA 2023. The 7th site will be considered as part of a variant bid option
45. Due to complex and specific expertise of a waste services project as well as constraints on in-house legal capacity external specialist lawyers will be required to support the in-house legal lead to advise on procurement processes and tender documents (as required), to develop the Services Contract, and related Schedules (that will set out Specification, Scope, Finance & Pricing, Performance mechanisms and others) and any post tender clarifications or negotiations.

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Staff Implications

46. Due to scale and complexity of the project there was need to appoint additional and dedicated subject matter expertise on a consultancy basis to advise on the type, scale and scope of the new service model provision that we wish to procure.
47. In the case of a change of provider, the preferred model will require the TUPE of staff who currently undertake the service on behalf of the council. Staff may transfer from W&S (the current provider) to any new provider. Ideally a minimum 6-month mobilisation period will be allowed for between service providers. The management of the facilities requires not only the staff to be able to TUPE, but

also plant and equipment to be sourced, and waste commodity contracts to be placed.

- 48. The wider project team is internally resourced from both within the directorate and corporate centre.
- 49. To support the management of the new contract, there is dedicated contract management resource within the service.

Equality & Inclusion Implications

- 50. It is not anticipated the procurement of the new HWRC management contract will negatively impact on any protected characteristics groups, nor the armed forces, carers, staff or any other council services or providers. There is an opportunity through the procurement to positively impact rural communities and areas of deprivation through local employment and social value initiatives.
- 51. As part of the procurement processes, the provider submissions will be assessed for social value, and this will form a key part of the new contract award assessment. An equalities impact assessment on the procurement of a long-term contract has been completed and is included in Annex 6.

Sustainability Implications

- 52. A new service contract will provide opportunities to improve the sustainability position of the council within its waste service and support the target of a zero-carbon Oxfordshire by 2050. The future provision will look to adopt the latest innovations and technologies and reduce carbon use and emissions within the HWRCs.
- 53. A new contract will also support the councils recycling targets by enabling residents access to waste and recycling facilities and encouraging re-use to support Oxfordshire's circular economy ambitions.
- 54. A climate impact assessment has been completed for the procurement of a long-term contract and can be found at Annex 7.

Risk Management

- 55. The procurement of a long-term household waste recycling centre contract with disaggregation and a 'break clause' opportunities due to the uncertainty offers the balance between short and the longer-term stability with enough flexibility for future local government reorganisation.
- 56. The procurement of a long-term contract has been assessed as the strongest option because it provides the best balance of risk transfer, commercial opportunity and market interest, with the best opportunity to negotiate risk through the competitive flexible procurement process.

57. Failure to award a new contract/s or other service model is a significant risk for the council as failure to do so by March 2027 will leave the Council without a household waste recycling centre service to fulfil the statutory obligations. To minimise this risk the project has been established well in advance of this date to enable a robust assessment and appropriate procurement process to take place.
58. There is a project risk register in place, as previously submitted, which is monitored through the project steering group.

Annex:

- Annex 1 – Map of HWRC Locations
- Annex 2 – Model Type definitions
- Annex 3 – (Exempt Annex – Para.6 and Financial Implementation Section)
- Annex 4 – (Exempt Annex – Eunomia Report)
- Annex 5 – (Exempt Annex – Eunomia financial summary)
- Annex 6 – Equality Impact Assessment
- Annex 7 - Climate Impact Assessment

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