

## **Waste Disposal Contract Commercial Offer Scrutiny – Public Statement**

### **Report Summary**

The purpose of the report is to provide information on a proposed interim agreement with the current waste disposal contractor to:

- align the current service contract with some of the upcoming waste strategy requirements of the Council and national government; and
- prepare the Council for re-procurement of waste disposal services.

The waste disposal contract is in year 24 of a 25 year waste PFI agreement. This contract, signed in 1998, was focused on landfill diversion and includes a number of waste treatment and disposal facilities operated and maintained by the contractor, Suez Recycling and Recovery Kirklees Limited (“Suez”) including:

- Energy from Waste (EfW) facility;
- Material Recovery Facility (MRF);
- Two Transfer Stations (TS);
- Five Household Waste Recycling Centres (HWRCs); and
- Two closed landfill sites that are.

Ownership of these facilities reverts back to the Council at contract expiry.

The contract was initially set up to deliver 60% diversion from landfill and taking into account change of law requirements over the last 23.5 years of the contract, the required landfill diversion minimum is currently just over 65%.

The new Kirklees Resources & Waste Strategy (due to be presented to Council 8<sup>th</sup> September 2021) will have an influence on the Council’s requirements for future waste processing services, if adopted by the Council. Interim arrangements will be required to support the Council to deliver some of the recycling ambitions proposed by the strategy before the contract expiry date.

National government published the Resources and Waste Strategy for England in December 2018. This provided some highlights of government ambition for a circular economy and has been used to help the Council to develop its own strategy. The Council is currently awaiting publication of the Environment Bill regulations which will clearly state the amended statutory requirements of the Council, and any funding that might be available to support service delivery changes. Any changes implemented too early would potentially not qualify for government funding.

An interim agreement with the current waste contractor, Suez, will help the Council with its transition from its current waste disposal services to the requirements of national government.

The proposed interim arrangements look to offer to residents (among many other wider benefits to services provided to the Council):

- the addition of plastic pots, tubs and trays in the green bin;
- longer opening hours at HWRCs; and
- bring the hand back arrangements for the Council’s waste assets, including the Energy from Waste plant, up to the standards of modern contracts.

An offer is proposed by Suez, the details of which are commercially confidential.

As attached to agenda Item (12) - The report contains confidential information and is recommended to be taken in Private because the information contained is considered to be exempt information under Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006.

It is considered that it would not be in the public interest to disclose the information contained in the report as disclosure could adversely affect overall ability to obtain value for money, compromise the commercial confidentiality and intellectual property of organisations mentioned in the report, may disclose contractual terms, and impact on any future legal action that may be required, which is considered to outweigh the public interest in disclosing information including, greater accountability, transparency in spending public money, and openness in Council decision-making.

The Council is seeking Cabinet approval on the offer on 21 September 2021.