

DRAFT REPORT FOR PRE-DECISION SCRUTINY 30th NOVEMBER 2021

Name of meeting: Cabinet

Date: Tuesday 14th December 2021

Title of report: PUBLIC REPORT WITH PRIVATE APPENDIX: Procurement Options for Waste Management

Purpose of report: To provide the key outcomes and recommendations of the Outline Business Case (OBC) for the procurement of a new Waste Management Contract and a decision is sought to approve the officer recommendations following endorsement by pre-decision Economy and Neighbourhood Scrutiny Panel on 30th November 2021.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes Value over £250k
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)?</u>	Key Decision – Yes Private Report/Private Appendix – Yes
The Decision - Is it eligible for call in by Scrutiny?	Not Applicable Endorsed by Pre-Decision Economy and Neighbourhood Scrutiny Panel on 30 th November 2021
Date signed off by <u>Strategic Director</u> & name	Colin Parr, tbc 2021 Eamonn Croston, tbc 2021
Is it also signed off by the Service Director for Finance?	Marc Ellis/Julie Muscroft, tbc 2021
Is it also signed off by the Service Director for Legal Governance and Commissioning?	
Cabinet member portfolio	Councillor Naheed Mather - Environment

Electoral wards affected: All

Ward councillors consulted: No

Public or private: Public with Private Appendix

The report contains an appendix that is recommended to be taken in Private because the information contained is considered to be exempt information under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006.

It contains information regards the financial or business affairs of any person including the Council. 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.

Has GDPR been considered? – Yes and there is personal or sensitive data; or other information covered by GDPR is included in this report.

1. Summary

- 1.1 The Kirklees Resources and Waste Strategy was approved by Full Council on 8th September 2021 which sets out the future ambition of the Council up to 2030. Our overall vision for Kirklees is to be a district that combines a strong, sustainable economy with a great quality of life – leading to thriving communities, growing businesses, high prosperity, and low inequality where people enjoy better health through their lives.
- 1.2 More specifically related to this paper, this strategy also sets out the future requirements for waste treatment and processing services to enable the delivery of the above vision ambition. The Strategy also takes account of upcoming national regulation changes to waste collection and disposal services and is due to be published by government in the near future with potential for some bid funding available for local authorities.
- 1.3 The interim contract arrangements were agreed by Cabinet on 21st September and these facilitate the early implementation of some areas of the strategy and comprehensive capital investment in the facility to support the new contract and provide a reliable source of heat and power to the District Heat Network. A two-year extension also provides more time to procure a value for money solution from 2025.
- 1.4 A Strategic Business Case (SBC) shortlisted a long list of options to take forward into an Outline Business Case that evaluated 3 options. During the process of developing the OBC the options were refined to:
 - Option 1: Single integrated contract
 - Option 2: Lots
 - Option 3: Limited lots in-house
- 1.5 Following a number of workshops, condition surveys, support from consultants, development of a waste flow model and financial models, the option that currently delivers the best outcomes for the Council is Option 3, as detailed in the Outline Business Case report and summarised below in this report.

Further workstreams and due diligence is required to analyse the preferred option including the following:

 - Processing food waste
 - Bringing household waste sites in-house
 - Review of Material Recovery Facility requirements
 - Aligning with the District Heat Network (DHN)
 - Cultural Strategy
 - Communications Plan
- 1.6 A critical dependency for delivering the Strategy is the development of a Depot Strategy that needs to continue at pace to enable delivery of glass recycling in 2024 and food waste collections in 2025.
- 1.7 Cabinet are being asked to approve the OBC and officer recommendations as follows:
 - Selection of Option 3 and proceed to a pre-procurement phase.
 - HWRCs and closed landfills are delivered in-house, subject to further detailed consideration in advance of procurement.
 - Procurement route is Competitive Dialogue process.

- Delegated authority to Strategic Director for service, and Service Directors for Legal and Finance to commence procurement in Autumn/Winter 2022.
- Oversight is provided by a Project Board and a new Member Reference Group.
- An update to be provided to Scrutiny and Cabinet in Autumn 2022.

1.8 A full business case to be presented to Cabinet in Spring 2024 requesting approval to appoint a preferred bidder.

2. Information required to take a decision

2.1 The Council are in year 24 of a 25-year waste PFI contract that was procured on a design, build, finance, operate and maintain contract. This includes:

- Energy from waste (EFW) facility;
- Material recovery facility (MRF);
- 2 Waste transfer stations (WTS);
- 5 Household waste recycling centres (HWRC);
- 2 Closed landfill (CL) sites.

All the above waste management facilities are operated and maintained by the contractor, Suez Kirelees R&R Ltd. The contract was initially set up to deliver maximum diversion from landfill.

2.2 The contract has recently been extended for a 2-year period through the agreed interim arrangements and now ends on 31 March 2025 with ownership of fully operational and maintained assets to be handed back to the Council at expiry.

2.3 The Kirelees Resources and Waste Strategy determines the requirements of future waste processing services identified below and this was approved by Full Council on 8th September 2021.

2.4 There is however still a great deal of uncertainty for the future of waste services due to the emerging national policy and legislation (National Resource and Waste Strategy and Environment Act 2021) that will bring long term waste treatment challenges. Local recycling targets are yet to be determined by national government which will require the future service delivery models to be flexible enough to adapt to changes in waste composition, fluctuating markets and citizen behaviour.

2.5 The initiatives that are dependent on the OBC or disposal procurement are identified in table 1 below, as noted with a *:

Table 1

Material(s)	Recycling Rate
Current recycling rate (2020/21)	26.7%
*Additional plastics in green bin (accelerated via interim contract)	
*Glass collection (trial collections 2022)	
*Food waste collection	
*Nappy recycling service	
*Investment in HWRCs to achieve 70% recycling rate	
*Additional garden waste collections	
Reduce & Reuse Initiatives	
Forecast Recycling Rate for 2025:	55 - 56 %

2.6 The treasury has very recently announced that more than £300m has been outlined for councils to set up free food waste collections from 2025. How local authorities will bid, and how far this funding will stretch nationally is yet to be published.

2.7 A strategic business case (SBC) was developed in Q1 of 2021 which shortlisted 3 preferred delivery options:

- **Option 1:** Re-procure an integrated contract to include all facilities – EFW (inc. WTS in south), MRF, Household Waste Recycling Centres, WTS in north, Closed Landfills
- **Option 2:** Re-procure facilities in lots – EFW (inc. WTS in north & south), MRF, HWRCs, Closed Landfills.
- **Option 3:** Re-procure only the EFW at contract end in 2023 and bring MRF, HWRCs, & Closed Landfills in-house.

2.8 The viable options from the SBC were carried forward into the OBC to evaluate the waste treatment contract re-procurement model that is attractive to the current market and offers best value for Kirklees Council to deliver its strategy. The highlights of the OBC are identified in section 4 below.

2.9 The detailed OBC to support this decision is included alongside this report in Appendix 1.

2.10 Consultants

2.10.1 Specialist waste industry experts for legal, financial and technical elements of the process have been procured to provide specialist advisory services and assist in the procurement of new services. They are being supported by key in-house officers from Legal Services, Strategic Finance and Waste Strategy who are required to have a complete understanding of the contractual documentation to establish a knowledgeable contract management team for the new services.

2.11 Condition Surveys

2.11.1 Technical surveys were completed on the EFW and MRF plants in 2017 which established the facilities to be in good condition at that time and if future maintenance was to be consistent with historical maintenance, incorporated with some refurbishment they could continue operating efficiently up to 25 years beyond 2023 up to 2048.

2.11.2 More recent surveys were completed by our appointed technical consultants (Wood Group UK) during the planned shutdown period of the EfW in May 2021 which on initial inspection confirmed that the facilities still appeared to be maintained in good condition. These initial findings will be formalised with a report after Suez have provided the necessary technical information required by the interim contract arrangements and the interim contract includes a comprehensive capital investment in the facility in order to support the new contract from 2025.

2.11.3 The EFW technology meets current air emission requirements and upcoming changes to BREF requirements.

2.12 Outline Business Case

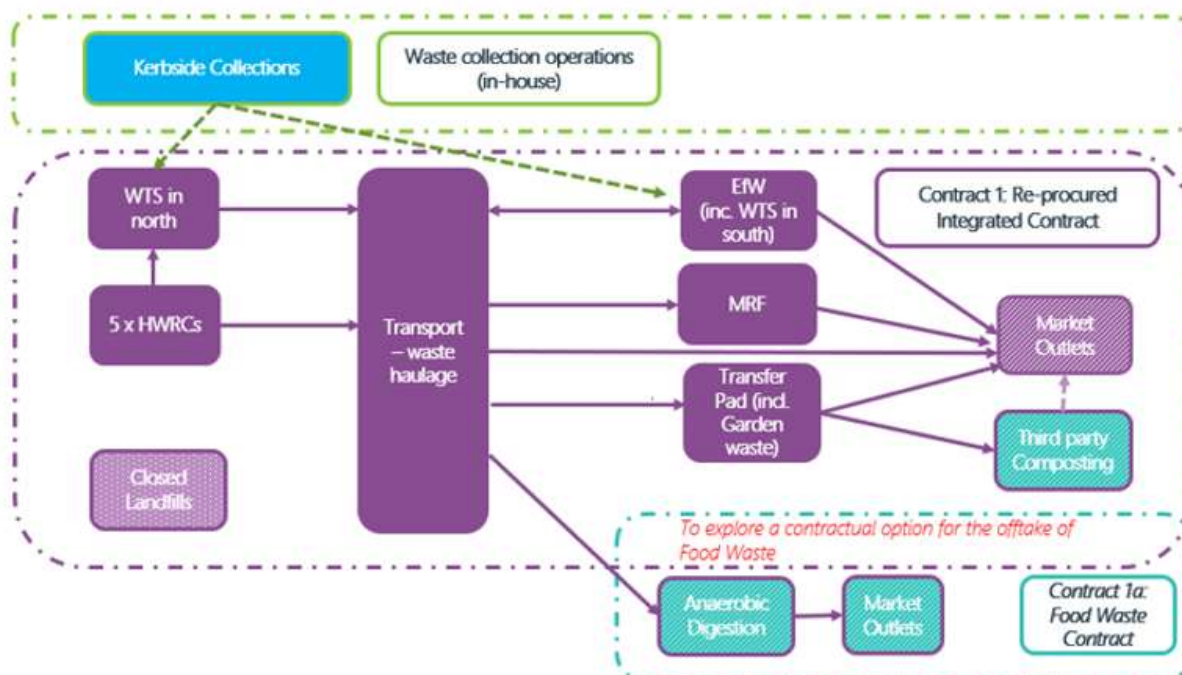
2.12.1 The OBC was developed by Wood Group UK PLC and supported by a wider project team that comprised of Council Officers across multiple departments, DEFRA -WIDP, Legal advisors (Bevan Brittan LLP) and Financial advisors (New Networks). The purpose of the OBC was to identify the optimal route for the procurement of a new waste treatment and disposal Services Contract to replace the existing integrated PFI contract which is approaching its expiry date; to identify the most appropriate strategy for the continuation of waste management services and identifies the preferred technology and future contracting structure for the Council.

2.13 Options

2.13.1 Option 1- Single Integrated Contract (Not Recommended)

This option was identified within the SBC and assumes that the Council will reprocur all of the existing services within a single integrated contract. The reprocured Contract will require an option to incorporate the treatment of any food waste separately collected, following the implementation of the Councils proposed collection service changes.

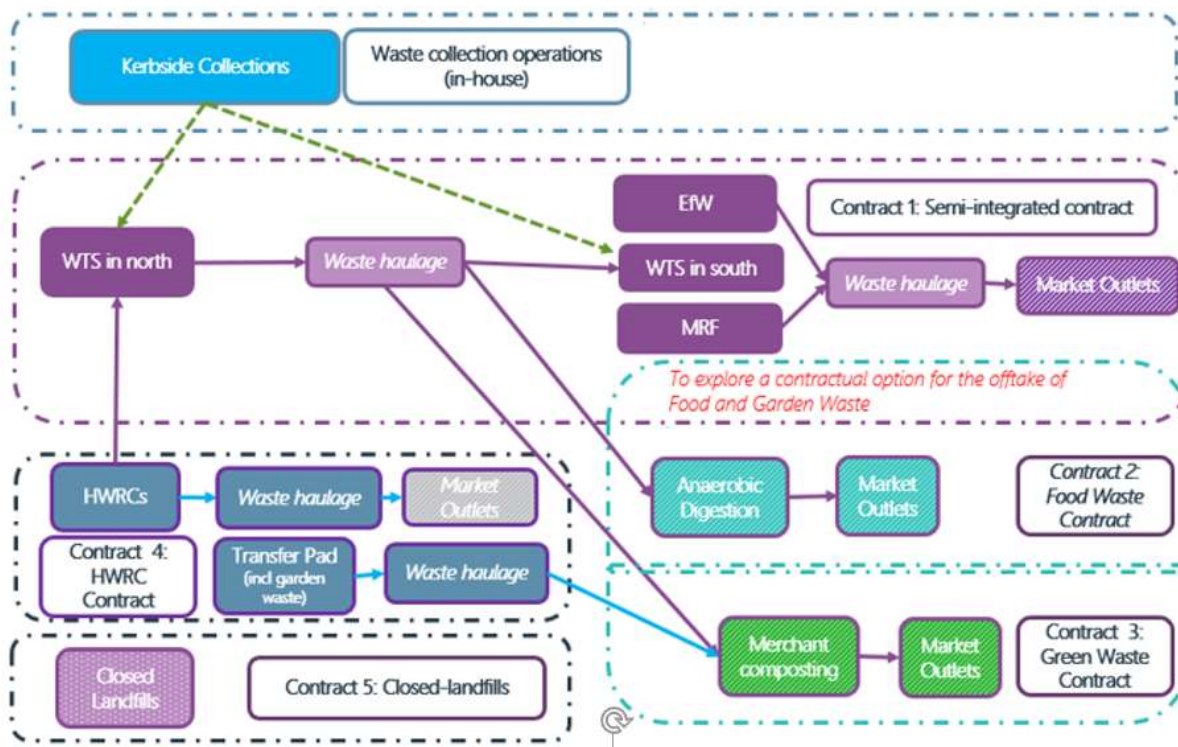
Option 1 Service Map



2.13.2 Option 2 - Lots (Not Recommended)

This option assumes that the Council will reprocure all of the existing services across multiple separate Contracts. This solution was identified to allow smaller specialist waste management companies to be directly involved in the delivery of the Contracts and broaden the potential bidders away from the limited market of combined waste management service providers.

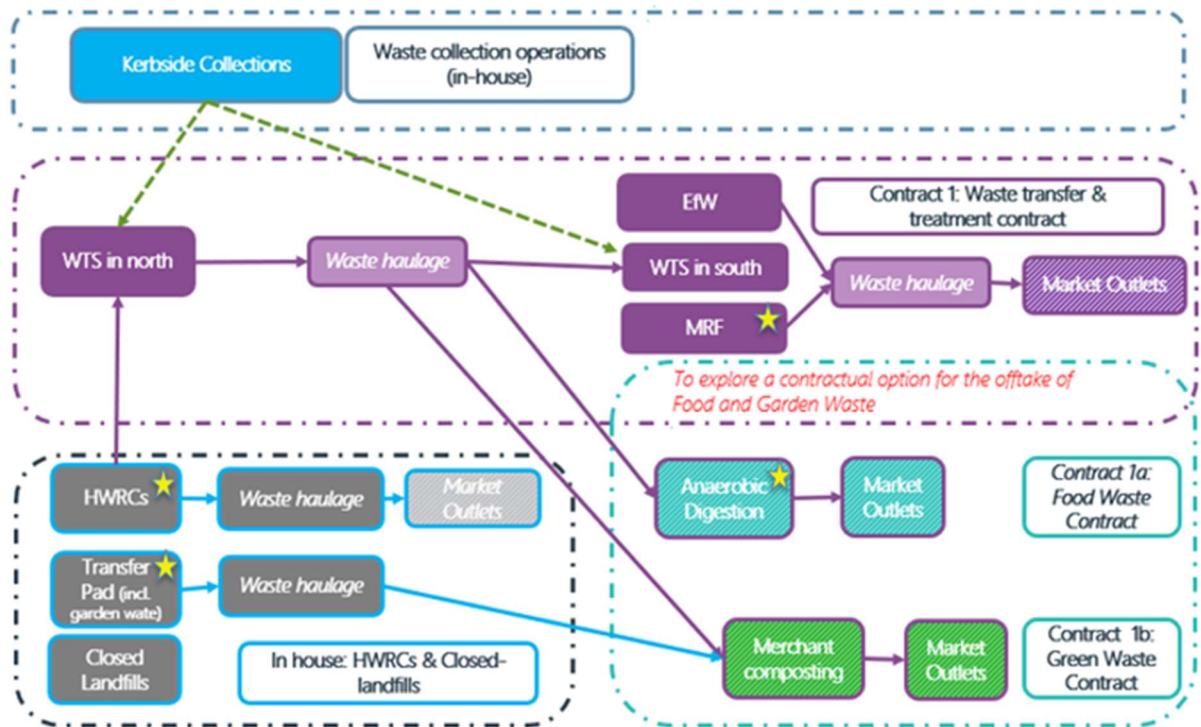
Option 2 Service Map



2.13.3 Option 3 Limited Lots In-house (Recommended)

This option also disaggregates the Contract, but the Council will assume the responsibility for delivering certain aspects of the services. Option 3 was developed following the completion of the SBC to attempt to reduce the number of complex contract interfaces that would be required under option 2, whilst still retaining the overarching aim to disaggregate the contracts to smaller packages to make them more widely appealing to the market and allow the HWRC performance to be managed effectively.

Option 3 Service Map



2.13.4 Each contract option is anticipated to have a 10-year duration with the option for a further 5 year extension.

2.13.5 A strategic variation (Contingency Option) of a 2-year extension on the existing contract needs to be retained as the assessment notes a number of key advantages, including time for the council to;

- Resolve current limitations within the current contract with respect to handover of assets and contract expiry
- Concentrate on other concurrent service changes
- Explore the feasibility of bringing HWRC services in-house

2.13.6 The necessary extension period has now been secured through the agreed interim arrangements.

2.14 Evaluation of Options

2.14.1 The preferred option must deliver a compliant and reliable waste service, suitable for the next 15 years, flexible to adapt to statutory changes, and supporting Kirklees aspirations for social value, climate change, affordability and environmental protection.

2.14.2 An assessment of the Options involved evaluation of:

- Qualitative Criteria: market interest; consents; procurement; contract duration, management and flexibility.
- Commercial Considerations: time to procure; condition surveys; MRF upgrades; District Heat Network alignment; depot space; Anaerobic Digester plant.
- Economic considerations: level of investment; impact of resource and waste strategy.

- Financial assessment, waste flow modelling including future service requirements.
- Technical considerations: site interfaces; permits; upgrades separate food waste and mixed plastics; site contamination.
- Market testing on potential supplier interest in the options.
- Various workshops discussed the configuration and risks associated with each option and how they would:
 - Contribute to the climate emergency and reduce carbon emissions.
 - Achieve value for money quality of collected products.
 - Provide flexible solutions for the MRF to meet future recycling targets.
 - Support local jobs and job growth with good working conditions.
 - Facilitate waste minimisation to meet recycling and landfill targets.
 - Provide opportunities to increase recycling of our waste.

2.15 Selection of the Preferred Option

2.15.1 At the various workshops the configuration and risks associated with each option were discussed. A consensus emerged which coalesced around Option 3 as the preferred option.

2.15.2 The key evaluation factors which led to discounting options 1 & 2 were:

2.15.3 Option 1 (integrated):

- Performs poorly on the “contract management and flexibility” criteria for the HWRC and Landfill Monitoring service.
- There would be a reduced frequency of re-procurement to test best value on HWRC/landfill elements
- Contractor’s can lose focus on the smaller HWRC service elements compared to the larger treatment facilities (EfW/MRF), and it is challenging to incentivise them in a proportionate manner for this more public facing service.
- Whilst it is cheaper to integrate the HWRC service in Option 1, having it as a separate service in option 3 allows flexibility in the ability to modify service requirements as they change over time.
- The additional cost within Option 3 is largely enhanced pension costs if the service were run in-house (an outsourcing option could still be used), which is a positive societal contribution compared to potentially lower private sector pension costs.

2.15.4 Option 2 (Lots):

- Some of the separate packages may be too small for bidder interest.
- Higher procurement costs/complexity for up to 6 contracts.
- Council has to procure and monitor multiple contractors and interfaces.
- The Council would have to act as mediator for shared-site issues between contactors.

2.15.5 Option 3 (Limited Lots In-house) Preferred Option

Option 3 has a number of contractual boundaries and interfaces associated with the overall delivery of the waste management services and at the various workshops a consensus emerged around Option 3 as being the preferred option as it satisfied the Council appetite to take control of the HWRC services.

This option also continues to have the ability to meet the selection criteria identified at the SBC stage.

2.15.6 Option 3 benefits:

- Flexibility of service provision and future efficiency.
- The Council will have complete control over the HWRC service which had significant limitations for residents to recycle more materials.
- Significant limitations during Covid causing political damage.
- Supporting local employment.
- Opportunities in public facing roles: apprenticeships, project search (etc).
- Opportunities for improved employer operating model with a blended workforce

2.16 Option 3 Further Analysis in Pre-Procurement Phase

2.16.1 Within option 3 there are a number of key interfaces and considerations that require further analysis as part of the pre-procurement process. The affected services or facilities are indicated in the service map above with a yellow star and their associated issues are outlined in the following:

2.16.2 Household Waste Recycling Centres (HWRCs) - There is a growing interest in local authorities bringing services back in-house and a separate business case will be developed to evaluate this. There is little market interest in running public facing facilities and a key benefit for the Council will be retaining complete control over the service, offering the flexibility to adapt to changes in policy and operational practice to meet requirements. The business case will assess the available options of delivering the HWRC services which may include:

- In-house via direct service organisation (DSO) or Local Authority Trading Company;
- Local Authority partnership operation;
- Outsourced;

2.16.3 Treatment of Food Waste - A feasibility study for building our own Anaerobic Digester (AD) to process food waste on the site at Emerald Street, Huddersfield has concluded that the site is unsuitable for substantial development. The nearest merchant facility is in Doncaster and the nearest with capacity is in Derbyshire.

2.16.4 A separate business case will now be developed for processing food waste through an AD or in vessel composting (IVC) facility which is subject to research that DEFRA are conducting on the availability and development of facilities, potentially on a regional basis if deemed viable. Partnership facilities are being explored with nearby local authorities

2.16.5 The development of a new food waste treatment facility is estimated to take a minimum of 4 years, therefore an interim solution to the introduction of separate food waste collections is to incorporate the offtake into the main contract with the flexibility to move to any alternative availability if a better value option can be provided by a regional or local facility that becomes available in the future.

2.16.6 Material Recovery Facility (MRF) Provision - A review of the current MRF facility will be undertaken to address the following areas:

- High contamination (>30%) of green bins is an issue currently being addressed

- Limited merchant market in area. When Kirklees is full, we transported to Northeast and Midlands
- No known plans for nearby merchant facilities or local authority partnership working/need
- Modernisation improvements to the existing facility (built in 2001)
- Providing higher quality jobs for our residents with more opportunities for development
- A two-shift pattern could maximise throughput

Further analysis of the level of investment required in the MRF will be necessary in early 2022 following clarification from the Environment Act 2021.

2.16.6 District Heat Network (DHN) - The procurement of the new services will be closely aligned with the DHN to ensure the EfW facilities are a reliable source for the offtake of heat and energy, to provide heat and hot water to the council's own Huddersfield town centre premises and other public and private sector partners. The network will provide benefits of reduced energy prices, future energy security and local economic benefits including the creation of employment opportunities.

2.16.7 The network should provide competitively priced energy and has assumed that the cost of energy will be 10-15% cheaper than business as usual and it will save an estimated 2,600 tonnes per year of carbon dioxide when compared against the status quo.

2.16.8 In order to provide this the EfW will also require a guarantee of sufficient feed stock and this requirement will need to be included in the procurement specification.

2.16.9 A Communications Strategy will actively engage with residents, businesses and communities in a way that works for them, using a place-based approach which is engaging, straightforward and visible. To minimise the amount of waste we produce and maximise recycling we must all work together. A common and shared understanding of the Waste Hierarchy and our own roles and responsibilities within it is essential in the journey to achieve our Zero Waste ambitions. Clear, proactive, and on-going communication and engagement with our residents, communities, and businesses is paramount to enable a sustained change in mindset. Working with our people, partners, and places to deliver this strategy will enable us to continue to listen and learn from each other.

1.16.10A Cultural Strategy will set a precedent of good practice by improving our own facilities and working practices across all of our operations to lead the way to reduce waste, reuse materials, and increase recycling

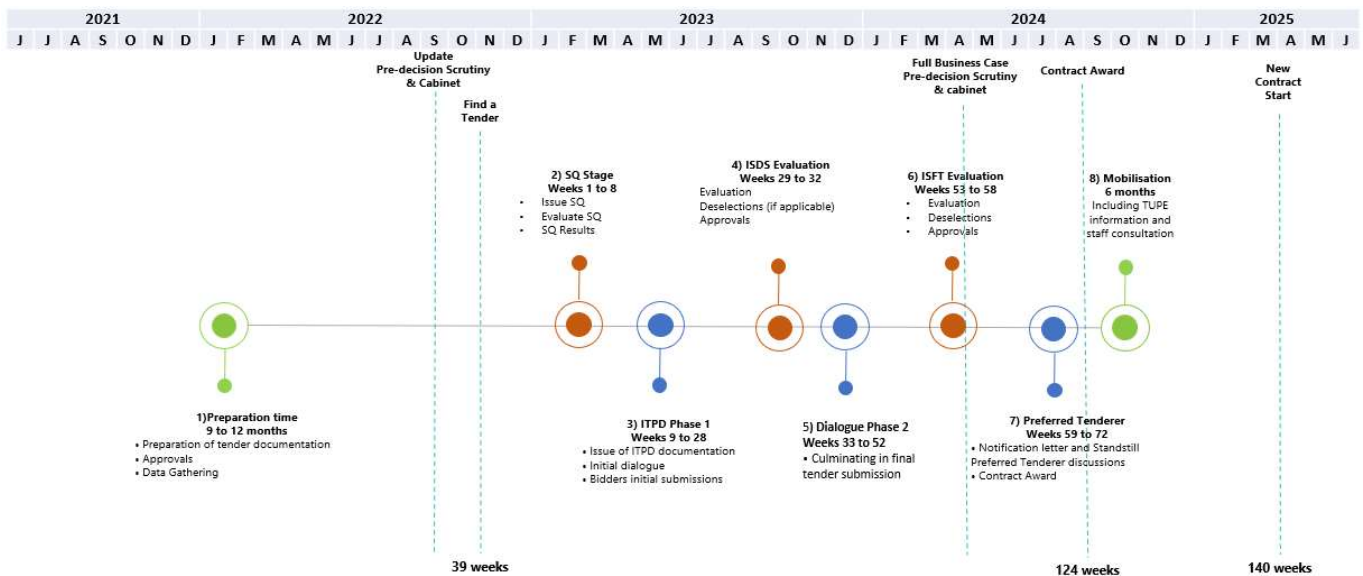
2.17 Procurement Process & Timeline

2.17.1 The various procurement routes available are explored. Experience within the waste sector would suggest that the following 2 procurement procedures are extensively used and the process understood by potential participants in the tender process;

- competitive dialogue (CD)
- competitive procedure with negotiation (CPN)

2.17.2 It is recommended that further consideration be given to the use of the competitive dialogue procedure within the forthcoming procurement. This will allow dialogue to be conducted prior to the initial tender such that tenders do not embark on sacrificial work or develop solutions that are not reflective of the Councils' wishes or needs.

2.17.3 A project timetable has been prepared and assumes that the procurement will commence in autumn 2022, allowing 9 months for a pre-procurement phase. An 18-month period is proposed for the procurement process leading up to identification of a preferred bidder. Approximately 3 months is allocated to contract award, and 6 months for a mobilisation and TUPE process. Including contingency time, this timetable allows over 3 years from OBC approval in December 2021 to commencement of new services on 1st April 2025.



3. Implications for the Council

3.1 Working with People

3.1.1 The outline business case has been developed following feedback from a comprehensive public engagement exercise on the Councils strategy in Autumn 2020 which was the most successful public engagement exercise undertaken by the council with almost 8,000 responses.

3.2 Working with Partners

3.2.1 The engagement process includes Suez (current waste disposal contractor), other waste disposal operators in the market and government bodies to gain a full understanding of the opportunities available to provide the best service possible for Kirklees residents. Focused on delivering a Waste Hierarchy approach to waste management alongside zero waste to landfill.

3.2.2 A Soft Market Testing (SMT) exercise was completed back in 2016/17 to identify availability of the market and their associated costs to gain valued information on realistic and value for money options available to the Council. To bring this up to date a further SMT exercise was completed in May 2021 to identify the current market interest in new service contract and gain feedback on the 3 OBC options. Throughout the procurement process supplier events will be held to ensure continued engagement with the markets.

3.2.3 DEFRA and Local partnerships continue to bring extensive public and private sector waste management experience to the project. Their background of providing support to local authorities in managing operational waste Private Finance Initiative (PFI) contracts, with

access to network groups and experience of contract management reviews, will facilitate in securing value for money from the new waste contract.

3.2.4 The Infrastructure Projects Authority continue to play a role of project assurance and the Council will participate in its assessment and review processes.

3.3 Place Based Working

3.3.1 The only public facing service delivered by the waste disposal contract is operation and management of the HWRC sites. The consultation delivered to Kirklees residents in 2020 included a section on HWRCs. Whilst the MRF is not a public facing facility, residents expressed their views on what should and should not be included in the green bin for recycling. This consultation has directly contributed to the following provisions for Kirklees residents:

- HWRC: Longer opening hours in Summer
- MRF: More recycling materials accepted in the green bin

3.4 Climate Change and Air Quality

3.4.1 The strategy itself plays a key role in tackling climate change and improving air quality and its measures will have a reduction upon both. The procurement will make use of existing facilities that currently meet what is considered to be best practice and the EFW plant emissions to air are set to be within the current and known future environmental permit emission limits.

3.4.2 A Strategic Environmental Assessment was completed as part of the development of the Strategic Outline Business Case and waste strategy. The environmental evaluation of the OBC identified no material differences in the environmental impacts between the options. A comparative environmental performance assessment was deemed to be of limited value and was not a viable means of comparison.

3.4.3 The Huddersfield Heat Network project is running in parallel to the procurement and will link facilities to the EFW facility.

3.5 Improving outcomes for children

3.5.1 Community engagement is a critical required to improve recycling rates and the strategy details how we will continue to provide an extensive engagement programme within schools and deliver meaningful educational resources to empower children to make a difference both now and in the future. We will also work with colleges and universities to support entrepreneurship and skills development in relation to waste management / circular economy; encouraging and enabling young people to explore, innovate and set up new sustainable businesses within the district.

3.6 Financial

3.6.1 A service cost model was developed for option 1 and 3 based on the current contract requirements and operations. The table below identifies what is included and excluded in the modelling:

Includes	Excludes
<ul style="list-style-type: none"> • Based on the current operating model • Housing growth from Local Plan • Inflation • Costs associated with interim arrangements • More plastics, glass collections, food waste collections 	<ul style="list-style-type: none"> • Flexibility needed for front-line services and future targets Covid reaction times, political issues Jobs, apprenticeships, project search, place based etc. • Funding which could be available from Environment Bill: 'No Net New Burdens' funding is yet to be announced. Government will only fund Environment Bill changes from April 2023 onward. • Changes associated with District Heating Project are yet to be included <u>E.g.</u> cost of supplier licence, direct electricity provision, etc. • New Capital investment for MRF, EfW, AD, HWRCs, etc. • Sensitivity on pricing income such as electricity and recycling (incl. associated market risk)

- 3.6.3 Option 3 is assumed to deliver the same recycling and diversion rates as Option 1 but is more expensive. This is attributable to costs associated with the TUPE process and the net increase in overhead costs associated with contract management, material sales and administrative duties. On a qualitative assessment option 3 delivers the greater flexibility needed to accommodate the national requirements on recycling or sudden changes as evidenced during Covid.
- 3.6.4 A further detailed assessment needs to be undertaken to fully understand the benefits of in-house or a contracted-out operation within a separate HWRC contract. However, the preliminary financial assessment indicates that this is a more costly option than letting a single integrated contract.
- 3.6.5 Associated amendments to waste reception infrastructure would be required for glass and food waste collection, so a provisional capital allowance has been estimated for the two Waste Transfer Stations.
- 3.6.6 No new capital investment requirements are currently built into financial model. Investment levels and funding options will be covered as part of the pre-procurement phase. The provisional allocations for the MRF, EFW, AD (etc) within the Council's Capital Plan may need to be revised or flex to accommodate these requirements e.g. to cover improvements to the HWRC sites.
- 3.6.7 There is still uncertainty for the future of waste services due to emerging national policy and legislation. The Treasury Office have very recently announced that more than £300m Capital has been outlined for councils to set up free food waste collections from 2025 but there is currently no indication of how this will be allocated and revenue new burdens are yet to be considered.

3.7 TUPE of staff from HWRC sites

In-house operation of HWRC sites will impact on staffing costs (i.e. terms and conditions, LGPS pensions).

3.8 Legal

Legal services are engaged and are being supported by consultant Bevan Brittain to contribute to the development of the OBC and procurement process.

The Council has a duty of Best Value under section 3 of the Local Government Act 1999 a best value authority must make arrangements for continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In addition, the Council must comply with its fiduciary duty to taxpayers.

The Council in carrying out its functions must comply with the Public Sector Equality duty under section 149 Equality Act 2010 before exercising any decision on a particular policy or strategy is taken; namely it must have due regard to the need to:

- eliminate unlawful discrimination, harassment, victimisation;
- advance equality of opportunity between persons who share protected characteristics and those who do not
- foster good relations between those who share protected characteristics and those who do not.

Procurement of a new Waste Management Contract will be carried out in accordance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015.

3.9 Integrated Impact Assessment

- 3.9.1 An Integrated Impact Assessment has been completed for the development of the Kirklees Resource & Waste Strategy 2021-2030. The assessment has not identified specific issues with the strategy itself, but such is the scope and scale of the transformation of waste services detailed within the strategy, further IIAs will be required for several of the specific proposals detailed within the strategy.

4. Consultees and their opinions

- 4.1 As detailed in 3.1.1 the public engagement exercise fed into the development of the OBC.
- 4.2 Several workshops were held and they led to the development of the final options and identification of the preferred option, the attendees of the workshops included Portfolio Holders; Directors; Officers; Consultants and Defra.
- 4.3 The relevant Kirklees Portfolio Holders have been updated on progress to date on a regular basis and are supportive of this proposal.

5. Next steps and timelines

- 5.1 A project timetable has been prepared and assumes that the development of the procurement documentation will commence in January 2022 and that procurement will commence in autumn 2022, allowing 9 months for a pre-procurement phase.
- 5.2 Oversight of the procurement programme will be provided by a Project Board and a new Member Reference Group, any significant variance or delays in the programme will be reported to Cabinet.

- 5.3 Prior to the procurement being advertised an update will be provided to Scrutiny and Cabinet in the Autumn of 2022.
- 5.4 An 18-month period is proposed for the procurement process leading up to identification of a preferred bidder.
- 5.5 A full business case will be evaluated by a formal financial process before being presented to Cabinet in the Spring of 2024 requesting approval to appoint a preferred bidder.
- 5.6 Approximately 3 months is allocated to contract award, and 6 months for a mobilisation and TUPE process. Including contingency time, this timetable allows over 3 years from OBC approval in December 2021 to commencement of new services on 1st April 2025.

6. Officer recommendations and reasons

- 6.1 It is recommended that Cabinet approve the following recommendations of the outline business case, and that the items are progressed to Cabinet in December 2021.
- Option 3 proceeding to a pre-procurement phase.
 - HWRCs and closed landfills are delivered in-house, subject to further detailed consideration in advance of procurement.
 - Procurement route is Competitive Dialogue (CD) process.
 - Delegated authority to Strategic Director for service, and Service Directors for Legal and Finance to commence procurement in Autumn/Winter 2022.
 - Oversight is provided by a Project Board and a new Member Reference Group.
 - An update to be provided to Scrutiny and Cabinet in Autumn 2022.
- 6.2 A full business case is to be presented to Cabinet in the Spring of 2024 requesting approval to appoint a preferred bidder.

7. Cabinet Portfolio Holder's recommendations

The Cabinet Portfolio Holder for Environment has been consulted with regards to the contents of the outline business case and the selection of option 3 and they support the officers' recommendations.

8. Contact officers

Nigel Hancock - Programme Manager
nigel.hancock@kirklees.gov.uk
01484 221000

Lory Hunter - Commercial & Technical Development Manager
lory.hunter@kirklees.gov.uk
01484 221000

Will Acornley, Head of Operational Services
will.acornley@kirklees.gov.uk
01484 221000

9. Background Papers and History of Decisions

The Strategy went to full Council on 8th September 2021 and was approved.
The Interim Arrangements went to Cabinet on 21st September 2021 and were approved.

10. Service Director responsible

Wendy Blakeley – Service Director (Interim), Highways and Streetscene

11. Attachments

Public Appendix A - Outline Business Case Redacted

Private Appendix B - Private report Procurement of Waste Treatment Service Contract

Private Appendix C – Outline Business Case