

Contact Officer: Jodie Harris

## KIRKLEES COUNCIL

### ENVIRONMENT AND CLIMATE CHANGE SCRUTINY PANEL

**Wednesday 27 March 2024**

Present: Councillor Hannah McKerchar (Chair)  
Councillor Tim Bamford  
Councillor Matthew McLoughlin  
Councillor John Taylor  
Garry Kitchen (Co-optee)

Councillor Elizabeth Smaje, Chair of Scrutiny

In attendance: Graham West – Service Director – Highways and Street scene  
Will Acornley, Head of Operational Services – Highways and Street scene  
Nigel Hancock, Programme Manager

Apologies: Councillor Will Simpson

#### **Membership of the Panel**

Apologies were received from Councillor Will Simpson.

#### **2 Minutes of the Previous Meeting**

The Panel considered the Minutes of the meeting of the Panel held on 21<sup>st</sup> February 2024

**RESOLVED:** That the Minutes of the previous meetings be approved.

#### **3 Interests**

Councillor John Taylor declared an interest relating to item 6 as the alternative director for SUEZ Recycling and Recovery Kirklees LTD.

#### **4 Admission of the Public**

All items were considered in the public session.

#### **5 Deputations/Petitions**

No deputations or petitions were received.

## 6 Public Question Time

No public questions were received.

## 7 Waste Disposal Contract Procurement

The Panel considered the report 'Waste Disposal Contract Procurement' which was introduced by Graham West – Service Director for Highways and Street scene.

It was noted that the waste PFI contract was signed in 1998 and had been extended for two years in March 2023 for interim arrangements. The arrangements were delivering the expected outcomes of recycling more plastics from green bins, maintaining landfill diversion of at least 85% and improving the condition of the facilities.

It had been proposed that the interim arrangements be extended and allowed to continue for a further three years with a revised expiry date of March 2028, the maximum allowed. The additional three years would allow more time for statutory service changes to be brought in at a national level and prepare for the procurement of a new contract that was in line with these changes. It also allowed time to benefit from the current cost-effective interim contract.

Nigel Hancock, Programme Manager provided a presentation which explained that:

- The contract included the:
  - Energy from Waste Facility (EfW)
  - Materials Recovery Facility (MRF)
  - 2 x Waste Transfer Stations (WTS)
  - 5 x Household Waste Recycling Centres (HWRC)
- All assets would be transferred to the Council, but they were ageing, and obsolescence was increasing meaning that investment was required.
- There was a great deal of uncertainty over statutory service changes that would be made to increase recycling.
- These included: the Environment Bill; Simpler Recycling; Extended Producer Responsibility (EPR); Deposit Return Scheme; and the Emissions Trading Scheme.
- The changes would add to the types of materials that must be collected, and impacted on how those materials were processed.
- Significant Capital and revenue funding was required and needed to be approved to deal with the above issues but it was unclear if funding for introducing new services would be sufficient and available in time.
- The Public Accounts Committee had stated that without clarification, Local Authorities can't invest or improve recycling and must delay procurement.
- Reforms to the Procurement Act were also expected to be implemented in October 2024.
- Procurement of a new 10 to 15-year contract required continued benefits of the Council owned facilities.
- Market engagement, facility option assessments and procurement options recommended maintaining a fully integrated contract.
- A review by the Infrastructure Projects Authority confirmed that significant progress had been made, but future services remained a significant risk and more time was required to work through the numerous interdependencies.

- This required extending the contract for a further 3 years to 2028 and a Deed of Variation (DoV) was required to be placed before the procurement process could start.
- In relation to funding:
  - £5.984m was included in the current plan to fund investment in the EfW as part of the DoV interim arrangement.
  - £9.679m of additional investment was proposed for consideration at Budget Council in March 2024.
  - The additional capital would enable EfW Gold Standard Maintenance to continue to 2028, fund a new gearbox, replace obsolete infrastructure, and meet legislative requirements.
  - £3m of the £9.679m was earmarked for a Depot Strategy feasibility and design work.
  - £14.3m investment post 2028 would be needed for the turbine replacement and purchase of spares etc.
  - £27m of other pipeline projects included the development of depots and HWRC sites.
- Any unfunded revenue pressures will be considered in the next round of the Council budget process for 2025/26.
- The several 'pipeline' pressures were excluded and would be regularly reviewed by the Capital Assurance Board.
- Potential further efficiency opportunities would be sought and were under review, including mothballing the Kirklees MRF, and changes to Household HWRCs to make efficiency savings.
- The EfW was the intended primary heat source for the Heat District Energy Network (HDEN) which created a key interface with the Waste Contract.
- The HDEN intended to bring income to the Council and contribute to carbon reduction but also added risk to waste procurement.
- There was long-term uncertainty on the future of EfW, but the HDEN could switch to an alternative heat source.
- Following Engagement with waste markets the HDEN was being developed on a 'heat only' basis, without private wire.
- Ongoing engagement with Suez and the HDEN team was continued to ensure that both projects were aligned.
- The Procurement Strategy was based on the recommended option of a fully integrated contract and a full business case was to be presented to Cabinet prior to commencement of the new contract.
- Delegated authority was to be given to the Strategic Director (Growth and Regeneration), and Service Director for Legal, Governance and Commissioning and Service Director for Finance to:
  - Sign off and implement the DoV2 and the drawdown of finances.
  - Commence procurement and to draw down the approved funding.
  - Take a decision on mothballing the Kirklees MRF and changes to the HWRCs to make efficiency savings.
  - Sign off and implement a DoV to cover the replacement HWRC at Weaving Lane.
- The decision to extend the interim arrangements was to be considered by the Cabinet for approval in April 2024.

In the discussion to follow questions and comments were invited from the Panel, with the following issues being covered:

- In relation to the introduction of kerbside collection for tetra packs it was advised that the material would be introduced under the upcoming policy changes. 3<sup>rd</sup> party providers, who may be better equipped to offer this service, were being explored as an option. It was also advised that tetra packs could be recycled at the HWRC centres.
- In relation to the issue of receptacles at the HWRC's regularly being too full it was agreed that the Panel's feedback would be communicated to the HWRC's, and it was advised that despite the limited infrastructure discussions were being held around improving efficiencies in the existing MRF as well as the consideration of gaining access to a more modern MRF within a reasonable distance.
- In relation to the saving proposals and the reduction to the HWRC's it was advised that discussions were ongoing with SUEZ around improving efficiencies whilst trying to protect and maintain as much of the service as possible making best use of their in depth understanding of which facilities were most used, and when, within the current infrastructure. Some of those proposals had been included in the recent budget approved by Council and the governance process were being taken forward.
- In relation to the deposit return scheme, it was anticipated that an introduction of a credit reward-based scheme would change what entered green bins, and for this reason, a hold had been put on investment in material recycling facilities and instead the approach would be to adapt the current facilities.
- In relation to the EPR it was advised that the associated costs were still unknown, but modelling had taken place in consideration of estimated value against use of resources.
- In relation to introducing food waste collection it was noted that this had been found to encourage behaviour change which led to a reduction in food waste. Though this was a positive outcome, there was risk in investing significantly in food waste facilities as a result.
- In relation to kerbside glass collections, it was advised that the recent trial undertaken generated little recycling for the investment, alternative models were actively being investigated and the Panel's comments around the benefits of exploring different types of residencies (i.e. Houses of multiple occupation) and areas (i.e. Kirklees Rural) were noted. However, due to the significant costs associated further trials could not be repeated until there was further clarity around legislative changes.
- In relation to other options for glass waste the Panel's comments around the importance of accessibility were noted and it was advised that learning was being taken from other local authorities and inclusivity and accessibility for all residents including those with mobility needs were a key part of the ongoing dialogue with SUEZ.
- In relation to future proofing the EfW, it was advised that several options were being explored i.e.- better firing technology and monitoring on emissions trading. It was advised that the strategy was to work to the life of the existing EfW and after that time options such as an emissions trading scheme had been discussed to drive behaviour change in the commercial and domestic world as well as encourage technology shift towards carbon capture. This would take a

significant period of time to establish, and there were concerns the current facility may be too small. As a result, alternative regional models were being discussed with neighbouring authorities.

- In relation to the risk of reducing waste flow to the EfW, it was advised that legislation had been expanded for the first time to include business waste which would in turn increase supply, keep the EfW burning and ensure dual benefits within 3<sup>rd</sup> party contracts.
- In relation to the disposal of persistent organic pollutants (POPs) it was advised that the regulation to correctly dispose of items coated in fire-retardant material (i.e.- shredding and burning in the EFW at a certain temperature) was enforced by the Environment agency. Since the introduction of enforcement in the previous year, disposal of POP's had cost approximately £850,000, in unbudgeted funding. The current approach focused on encouraging reuse including the procurement of a reuse partner to secure more shop outlets, expand to more locations and introduce kerbside collection to help manage POP's and take a more environmentally friendly approach to disposal overall.
- In relation to the operational issues of the day-to-day waste collection service it was acknowledged that some residents had experienced repeated missed bin collections and reassurances were given that changes had been implemented to address the issues and collections were now returning to a normal position. It was also agreed that a full update would be provided to the Panel once the new systems had bedded in and had time to have desired impact. The Panel further welcomed that more informational workshops were to be offered to all elected members and recommended that these be treated as a priority.
- In relation to the interdependencies between the waste contract and the HDEN (i.e.- ensuring that alternative heat sources were not fossil fuel based) it was advised that a full business case was being developed with a provisional timeline for December 2024 and the Panel requested that consideration be given to adding an update to the scrutiny 2024/24 work programme.
- In relation to the turbine replacement, it was advised that the approach was to allow the new contractor to specify their preference for the approach and that approximate costs were modelled based on advice from technical experts using examples of where turbine replacement has been undertaken in similar facilities Whilst the turbine was offline, the hope was to secure an alternate facility for waste to avoid use of landfill.
- In relation to sharing responsibilities and benefits between the public and private sector and ensuring return on investment it was advised that there was a focus on ensuring the contract included incentive to maintain good performance on energy output.

**RESOLVED:** The Panel noted the report 'Waste Disposal Contract Procurement' and recommended that:

1. The Panel's feedback with regards to tetra pack recycling and occurrences of the receptacles being too full regularly be communicated to the HWRC's.
2. More workshops in relation to the action taken to address missed waste collection services be offered to all elected members as a priority.
3. An update on waste collection services be provided to the Panel.
4. An update on following the development of the full business case for the HDEN be considered for the scrutiny 2024/24 work programme.

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**Work Programme 2023/24**

The Panel reviewed its Work Programme for the 2023/24 municipal year and considered potential items for inclusion going into 2024/25 which included:

- Waste Collection Update
- The Future of Bereavement Services
- The Heat District Energy Network (update following development of the full business case).
- Events, including a review of the success of large-scale events and the consideration of value vs resource.
- Parks and Green Spaces Update
- The Car Parking Strategy

**RESOLVED:** The Panel noted the work programme.