

WEST NORTHAMPTONSHIRE COUNCIL CABINET

10 OCTOBER 2023

CABINET MEMBER FOR CLIMATE, TRANSPORT, HIGHWAYS AND WASTE SERVICES: COUNCILLOR PHIL LARRATT

Report Title	Procurement of Key Waste Contracts
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List of Appendices

Appendix A – Revised Terms of Reference for Waste Members Working Group

1. Purpose of Report

- 1.1. The purpose of the report is to secure approval to commence procurement of key contracts for the waste service, including:
- 1.1.1. contract(s) for the treatment of residual waste;
 - 1.1.2. contracts for the provision of the Household Waste Recycling Centre (HWRC) service; and
 - 1.1.3. a contract for a facility to deliver and then bulk dry mixed recyclables collected in the South area.

- 1.2. To secure delegated authority to make decisions associated with the procurements and to award the contracts at the conclusion of the procurement processes.

2. Executive Summary

- 1.3. The Council has statutory duties relating to the collection and disposal of household waste as set out in the Environmental Protection Act 1990 and some of these arrangements are due to expire. Consideration has been given to the options for replacing these existing arrangements and it is recommended that new contracts are procured to fulfil the Council's statutory duties.
- 1.4. The residual waste treatment and disposal contracts are due to expire on 31 March 2025. Since the Council does not have its own facility to treat residual waste, it is proposed that new contracts, which are similar in scope to the current contracts are procured.
- 1.5. The Household Waste Recycling Centre Service contracts are due to expire on 31 March 2025. The Council has a network of six recycling centres which are currently managed and operated by contracts, and it is proposed that the service continues to be delivered in the same way. The specification for the contracts including options such as increasing the materials that are recovered for reuse and the opening hours and days and any controls to ensure that only household waste from West Northamptonshire residents is accepted will be developed in consultation with a Waste Members Working Group.
- 1.6. A contract which provides a delivery point for dry mixed recyclables in the South area is due to expire February 2024 and it is proposed to replace this contract with a similar arrangement.
- 1.7. A Resources and Waste Strategy is in the final stages of development and will be considered separately by Cabinet in November 2023. Cabinet are being asked to consider these proposals in advance of agreeing the strategy because of the long procurement timescales required for contracts of this value and complexity. The proposed contracts will align with the development strategy.
- 1.8. Competitive procurement exercises will be completed to secure these proposed contracts, which will enable the Council to achieve best value for money. The estimated financial implications of these new contracts will be taken into account in the Councils medium term financial plan.
- 1.9. The possibility of procuring these contracts collaboratively with North Northamptonshire Council will also be explored as part of the procurement process, with a view to both the Councils benefitting from economies of scale. Cabinet Members will be kept apprised of any proposal to undertake a joint procurement exercise.

3. Recommendations

3.1 It is recommended that Cabinet:

- a) Approve the commencement of procurement for a new contract(s) for the treatment of residual waste.
- b) Approve the commencement of procurement for new contracts for the provision of Household Waste Recycling Centre services.
- c) Approve the commencement of procurement of a contract for a waste transfer facility to enable bulking of dry mixed recyclables collected from the South area.
- d) Delegate authority to the Executive Director for Place, Economy and Environment in consultation with the Portfolio Holder for Environment, Transport, Highways and Waste Services, and the Executive Director for Finance to:
 - i) Finalise the specification for the contracts;
 - ii) Take decisions relating to the procurement processes, to enable them to progress as planned; and
 - iii) Award the contracts, providing the procurement exercises reach a satisfactory conclusion.

4. Reason for Recommendations

- 4.1 To ensure the Council has secure outlets for the treatment and disposal of residual waste which is collected at the kerbside and the Household Waste Recycling Centres, which will enable the Council to fulfil its statutory duties.
- 4.2 To ensure the Council fulfils its statutory duty to provide Household Waste Recycling Centre services.
- 4.3 To ensure the Council has a suitable waste transfer facility for the delivery and bulking of dry mixed recyclables collected in the South of the West Northamptonshire area.
- 4.4 To ensure compliant procurement processes commence, with new contracts being awarded once the processes are completed to enable seamless continued service delivery.
- 4.5 To ensure value for money for these arrangements, by following a competitive procurement process.

5. Report Background

- 5.1 Under the Environmental Protection Act 1990, the Council has statutory duties to:
 - 5.1.1 collect waste and recycling from households; and
 - 5.1.2 arrange for the disposal of municipal waste collected in its area; and
 - 5.1.3 arrange for places to be provided for residents to deposit their household waste.

- 5.2 Under the structural change order, West Northamptonshire Council (WNC) inherited a number of contracts from the predecessor authorities, which enable the Council's statutory duties to be fulfilled. These contracts expire on different dates and replacement arrangements must be made. As a general approach, as these replacement arrangements are considered, procured (where necessary) and implemented, the Council will seek to harmonise arrangements across the West Northamptonshire area to enable consistency and economies of scale, securing best value. This approach has been consulted on as part of the work to develop a Resources and Waste Strategy for West Northamptonshire.

Resources and Waste Strategy

- 5.3 New arrangements for waste services must align with the Resources and Waste Strategy, which has been developed over the past 9 months in association with independent consultants and a Waste Members Working Group. A public consultation to gather residents and stakeholder's opinions on the vision for waste management in West Northamptonshire has recently been completed and the results have been analysed and taken into account in the development of the strategy. The Resources and Waste Strategy will be the subject of a separate Cabinet paper in November 2023.
- 5.4 The strategy will be a set of principles, which will provide a vision and direction for waste services in West Northamptonshire to evolve and harmonise, and to ensure waste services are delivered in accordance with the wider ambitions and objectives of the Council. The strategy will include an action plan, however any proposals to make significant changes to service delivery will be the subject of a future cabinet paper.
- 5.5 Cabinet are being asked to consider the proposals to commence procurement of replacement contracts in advance of agreeing the strategy, because of the long procurement timescales required for contracts of this value and complexity. The current contractual arrangements which enable the Council to fulfil its duties to treat and dispose of residual waste, to provide Household Waste Recycling Centre services, and to bulk dry mixed recyclables collected in the South area are due to end. Therefore, to ensure continuity of waste services, it is necessary to seek authority to secure new arrangements, otherwise there is an increased risk that the Council will not have the necessary arrangements prior to the end of existing contracts.
- 5.6 As noted later in this report (5.24), the Waste Members Working Group will continue to be involved in the development of the specification for the proposed contracts, which will not be finalised until the Strategy has been agreed by Cabinet. This will ensure that the contract specifications will align with the principles of the Resources and Waste Strategy.

Treatment and Disposal of Residual Waste

- 5.7 Residual waste consists mainly of "black bag" waste which remains after recyclable, reusable and compostable material has been collected via separate containers.
- 5.8 The Council currently has two contracts for the treatment of up to 100,000 tonnes of residual municipal waste and these expire on 31 March 2025, having been extended to their maximum. The two contracts nominally have different geographical areas, with one contract for the South

area and one contract for the Northampton and Daventry areas. However, the Council has discretion to move waste between contracts.

- 5.9 These contractual arrangements for residual waste ensure that at least 85% of residual waste is treated with the remainder being landfilled. Not all waste is suitable for treatment in an energy from waste facility, which is why the Council doesn't require the contracts to treat 100% of residual waste.
- 5.10 West Northamptonshire's residual waste is treated in facilities which have spare capacity and these facilities recover energy from the waste.
- 5.11 Also included in the current contracts are:
 - 5.11.1 waste transfer facilities where residual waste collected at the kerbside and at the HWRCs is delivered and bulked up prior to transport to the treatment facilities; and
 - 5.11.2 haulage of residual waste to the treatment facilities.
- 5.12 It is proposed that the Council commences procurement of new contracts for the treatment and disposal of residual waste, to ensure that the council continues to fulfil its duty to make arrangements for the disposal of municipal waste collected in its area.
- 5.13 The specification of the new residual waste treatment contracts is still to be finalised and will consider the variables listed below. The council will seek to secure best value and flexibility by considering:
 - 5.13.1 The number of contracts required for residual waste. For example, two contracts (one primarily for the waste from the Daventry and South areas and one primarily for the waste from the Northampton area) may give flexibility, if there is no exclusivity or guarantee of the origin of the waste (similar to current arrangements (5.8)) or alternatively, one contract for West Northamptonshire may enable economies of scale;
 - 5.13.2 Contracts with a minimum duration of 7 years (to allow for any investment by the contractor to be written off), which are extendable in increments;
 - 5.13.3 Contracts which guarantee a minimum tonnage that will take account of the growth in waste over the duration of the contract;
 - 5.13.4 Contracts which do not guarantee the composition of residual waste to be treated;
 - 5.13.5 Contracts which include the provision of a local waste transfer facility in the South area of West Northamptonshire, with flexibility to revert to a Council waste transfer facility if one is developed during the contract period;

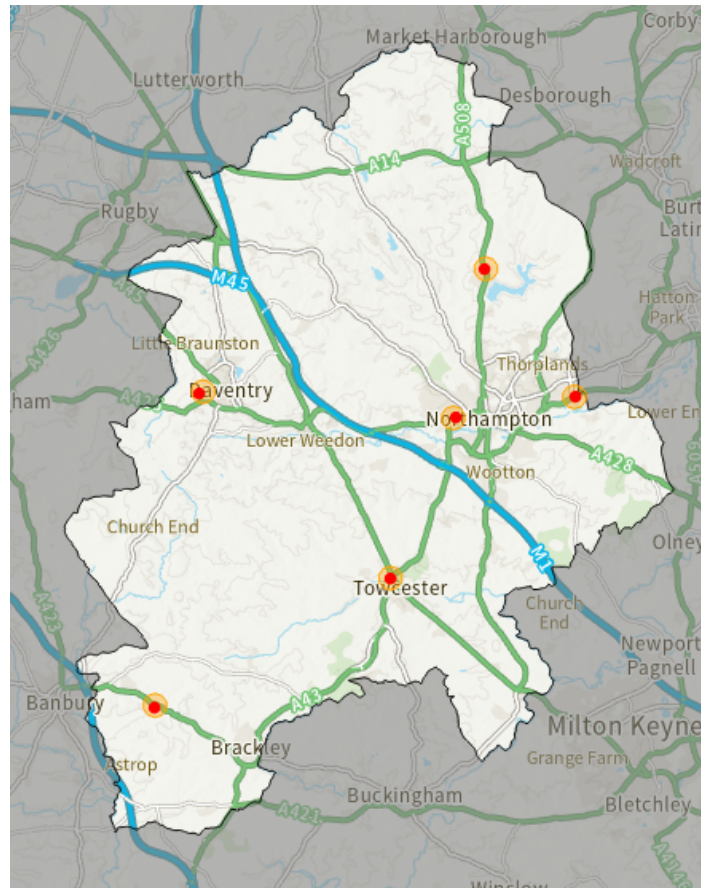
- 5.13.6 Contracts which include the haulage of waste from waste transfer stations (one in Northampton, one in Daventry and one in the South area) to the treatment facilities or disposal point;
- 5.13.7 Contracts which enable the contractor to act as a broker for West Northamptonshire's residual waste, enabling the contractor to have flexibility to move the waste between treatment facilities, provided they are reliable and compliant with relevant regulations.
- 5.14 North Northamptonshire Council is procuring similar services on the same timescale, and the same commercial organisations may also be interested in tendering for West Northamptonshire and North Northamptonshire's contracts. Therefore, the possibility of working collaboratively with North Northamptonshire Council to procure separate contracts for each authority, but in a way which enables economies of scale and consequently a lower cost if both Councils award contracts to the same organisations, will also be investigated.
- 5.15 It is proposed that the specification will be discussed and agreed by a project board, which will be established as part of the governance arrangements (7.2.5) with the final specification signed off under delegated authority.
- 5.16 The key objectives of the proposed procurement process will be:
- 5.16.1 To secure treatment facilities to enable the continued treatment of residual waste, ready to commence from 1 April 2025;
 - 5.16.2 To ensure that at least 90% of residual waste is treated, in line with the proposed targets in the West Northamptonshire Resources and Waste Strategy, which will also help achieve the Council's Carbon reduction targets and meet the national targets for diversion of waste from landfill.
 - 5.16.3 To secure a cost-effective solution which ensures value for money for the Council.
- 5.17 A market engagement exercise has been completed and this has confirmed that there is sufficient interest to give confidence that the Council will be able to procure and secure good value, viable contracts using the procurement strategy outlined above.

Household Waste Recycling Centre Services

- 5.18 The Household Waste Recycling Centres (HWRCs) are an essential part of West Northamptonshire's waste collection services, which complement the kerbside collection services by offering a place for the free disposal of household waste for West Northamptonshire's residents.
- 5.19 This statutory duty is currently fulfilled by contracts which expire at the end of March 2025. There are six HWRCs in West Northamptonshire as shown on the map (Figure 1). The sites receive more than half a million visits by residents each year and accept approximately 36,000 tonnes annually.
- 5.20 The current contracts also require the contractors to arrange for the reprocessing and treatment of the separate material streams collected, with the exception of residual waste, which is treated by the residual waste contracts mentioned earlier.

- 5.21 An options appraisal has been completed to consider how the Council should provide these services in the future. The conclusion of the options appraisal is to recommend that these services continue to be delivered via contracts. Consequently, the Council must commence work to procure the necessary contracts to deliver the HWRC service and these contracts will include:
- 5.21.1 The management and operation of the HWRCs;
 - 5.21.2 Provision of a reuse service, which it is anticipated will involve a not for profit or charitable organisation;
 - 5.21.3 Recycling, Treatment and Disposal of the materials collected at the sites.

Figure 1 – Map of Household Waste Recycling Centres in West Northamptonshire



- 5.22 The new specification for the HWRC services will require further consideration of a number of variables, including:
- 5.22.1 Opening Hours and Days
 - 5.22.2 Materials accepted
 - 5.22.3 Items collected for reuse sold on-site or off-site
 - 5.22.4 Controls to ensure only household waste from West Northamptonshire’s residents is disposed for free
 - 5.22.5 The length of the new contract
- With the overall objective to provide reliable and efficient services.
- 5.23 The specification for the new arrangements will also consider:
- 5.23.1 The Council’s statutory duties;

- 5.23.2 The Council's financial position;
 - 5.23.3 The Council's Resources and Waste Strategy (expected to be adopted in November 2023);
 - 5.23.4 The Council's wider ambitions, for example in terms of sustainability, the anti-poverty agenda, etc.
 - 5.23.5 Information gathered as part of a market engagement exercise;
 - 5.23.6 Information gathered by independent consultants as part of research into best practice elsewhere.
- 5.24 A draft specification will be developed in consultation with the Waste Members Working Group. This group of members was originally established to help shape and develop the Resources and Waste Strategy for West Northamptonshire. Their terms of reference have been updated to include the group's input into the preparation for procurement and is provided in Appendix A. The draft specification will then be considered by the Programme Board (7.2.5), amendments made where they are considered necessary and the final specification signed off under delegated authority.
- 5.25 The specification will be based on the current network of six HWRCs and the contract will be designed to have sufficient flexibility to change the location and number of sites, which may be the outcome of a programme of investment in waste infrastructure.
- 5.26 The current network of HWRCs was established decades ago and has had limited investment to improve the facilities on site. Two of the sites are split level which are generally easier for residents to use, because they park their vehicles on the upper level and deposit their waste into skips below. Four sites are single level, which requires residents to carry their waste up ramps prior to depositing their waste. All sites were built to enable a certain throughput of residents and waste tonnage, and the current HWRC infrastructure may not be able to continue to accommodate West Northamptonshire's population growth. Therefore, it is proposed that a business case for an infrastructure refresh programme is developed, which may result in the number and location of HWRCs changing. This business case and any subsequent works will be the subject of a separate cabinet decision and contracts.

Waste Transfer Facility for Dry Mixed Recyclables

- 5.27 Currently, Dry Mixed Recyclables (DMR) collected in the South area by the kerbside collection service are delivered to a waste transfer facility where the DMR is bulked prior to haulage to a Materials Recycling Facility (MRF) to be sorted. The waste transfer facility is secured under contract with a commercial provider and the contract is due to end February 2024.
- 5.28 A new contract to sort DMR from the Daventry and South areas has recently been procured. In order to ensure that a waste transfer facility is available to facilitate the collection, bulking and on-ward transport of DMR it is proposed that a new contract will be procured for the provision of a waste transfer facility in the South area.
- 5.29 The scope of the contract for the provision of a waste transfer facility in the South area will be to provide a local delivery point where DMR can be bulked and reloaded onto vehicles for onward haulage to the MRF. The proposed duration of this contract will be the same as the DMR contract, in other words expiring October 2026 or later if the DMR contract is extended.

- 5.30 As noted earlier (5.25 – 5.26) a business case for a programme of investment in waste infrastructure will be developed and if approved (via a separate cabinet decision) the Council may develop a waste transfer facility in the south area, for use for bulking DMR in the future on expiry of the proposed new contract.

Procurement Process and Timeline

- 5.31 The approach to the procurement of these contracts, including the procurement method and strategy is still under consideration. For example, since the same organisations may be interested in both the HWRC contract and the Residual Waste contracts, the procurement strategy may be to use one process with different contractual ‘Lots’ with bidders able to tender for more than one Lot. Procurement & Legal officers will inform and advise decisions on the most appropriate approach to ensure that the Council secures best value via a compliant process.
- 5.32 Broadly, the procurement timeline will involve preparatory work including developing the specifications for the contract, aiming to commence formal procurement by January 2024. The procurement must conclude, with a contract awarded by December 2024 to enable a minimum 3 month mobilisation period from January to March 2025.

6. Issues and Choices

Residual Waste Treatment and Disposal contracts

- 6.1 The existing contracts have been extended to their maximum length. Therefore, to “do nothing” is not an option: new contracts must be procured.
- 6.2 The option of the Council developing its own residual waste treatment facility has been considered. The information gathered in the market engagement exercise and also research undertaken by independent consultants as part of developing the Resources and Waste Strategy indicates that there is sufficient residual waste treatment capacity available at facilities which are not far from West Northamptonshire. If the Council were to be inclined to develop its own facility there would be a minimum 7 year lead in time during which the Council would need to develop a business case, secure land and planning permission, build and commission a facility. Therefore, the proposed contracts are required to replace the existing arrangements to ensure residual waste can be treated and disposed of from April 2025.
- 6.3 The option of one contract for the whole of West Northamptonshire’s waste or two contracts or (Lots) has been considered. Currently there are two contracts for West Northamptonshire’s waste and this enables flexibility, business continuity and the costs of managing residual waste to be minimised because waste can be transferred from one lot to another at the Council’s discretion. It is proposed that the benefits of procuring two contracts are compared with the potential economies of scale if one contract is procured as part of developing the specification.

- 6.4 Other aspects relating to the specification for the proposed residual waste contracts are set out in (5.13). Each of these variables have been considered and this specification is expected to give the Council the best value contracts.

Household Waste Recycling Centre service

- 6.5 The Council has a statutory duty to provide places for residents to dispose of their household waste. The existing contracts which deliver this service and fulfil this statutory duty are due to expire in March 2025 and cannot be extended. Therefore, in order to ensure continuity of service and for the Council to fulfil its statutory duty, new arrangements must be secured.
- 6.6 An Options Appraisal to consider the most appropriate delivery model for HWRC services has been completed. The outcome of this work is the recommendation that the Council should continue to deliver these services via contracts.
- 6.7 The current contract is hosted by North Northamptonshire Council, because it is one contract for the HWRC service in the whole of Northamptonshire. It is proposed that a separate contract for West Northamptonshire Council will be procured to give the Council autonomy to manage its services. However, it should be noted that North Northamptonshire Council also have to procure a new HWRC contract on the same timeline, and therefore, consideration is currently being given to how the Councils can ensure that they benefit from any economies of scale should the same organisation be awarded both contracts.

Waste Transfer Facility for Dry Mixed Recyclables

- 6.8 A Waste Transfer Facility is required to support the kerbside collection of dry mixed recyclables in the South area, because it is used as a delivery point for the material collected in the refuse collection vehicles and bulked, prior to onward haulage to the material recycling (sorting) facility (MRF). The existing contract expires February 2024 and cannot be extended. Therefore, 'do nothing' is not an option.
- 6.9 The options that have been considered are:
- 6.9.1 Use the Northampton or Daventry Waste Transfer Facilities which are owned by the council. Refuse collection vehicles are slow and fuel inefficient, which means delivering dry mixed recyclables to a waste transfer facility which is further from the South area will cost more because of crew time and fuel use and produce more carbon emissions. Therefore, this is not considered to be a viable option.
- 6.9.2 Build a waste transfer facility in the South area. This option will be explored as part of the business case for a waste infrastructure refresh programme. However, because time is required to develop a business case, find land, secure planning permission, construct and commission a waste transfer station this option will not be ready in time for the expiry of the current contract.

6.9.3 Procure a contract for a waste transfer facility provided by the waste industry to co-terminate with the DMR contract. This is the option that is proposed because it enables the continued efficient collection of dry mixed recyclables.

Equalities Impact Assessment Screening Form

6.9.4 An equalities impact assessment screening form has been completed. The focus of this screening assessment was the HWRC services, since the treatment and disposal of residual waste and the bulking of dry mixed recyclables is not an aspect of the service that residents use directly.

6.9.5 The screening assessment has identified a neutral impact for the majority of protected characteristic groups, because the HWRC arrangements are expected to be very similar to the current service, with assistance offered to those residents who need it. There will be a positive impact on the environment and on residents with lower income, because it is expected that more reusable items that are brought to the HWRC for disposal will be recovered and sold for reuse.

7. Implications (including financial implications)

7.1 Resources and Financial

7.1.1 The financial implications relating to the estimate costs of the new arrangements and the resources required whilst these arrangements are procured are summarised in the table below, with more detail in the following sections. These amounts reflect the incremental changes to the base budget and have been included in the medium term financial planning process.

	2023-24	2024-25
DMR transfer facility	0	£15k
Programme resource & external advisors	0	£240k
Internal procurement team resources	£36k	£74k
Waste Contract Manager (additional resource required since service currently hosted by NNC)	0	£14k

Residual waste treatment and disposal contract

7.1.2 The current residual waste treatment and disposal contracts were procured a decade ago and commenced in 2013. The current contracts, which include provision of waste transfer facilities, haulage and treatment of residual waste are believed to be good value. Although these contracts were procured for Northamptonshire prior to the formation of West Northamptonshire Council, it is not expected that there will be a loss in economies of scale, because the County's waste was split into 3 lots (aligned to geographical areas which are in line with West Northamptonshire and North Northamptonshire boundaries) and the residual waste tonnage for West Northamptonshire is sufficient for two contracts (or lots) to be procured as proposed.

- 7.1.3 During this time the market for treating residual waste has changed, with some factors like the available capacity increasing and therefore improving the balance of supply and demand, and other aspects like changes in legislation and extraordinary inflation increasing operators' costs. The procurement of these contracts will be competitive, which should enable the Council to secure best value.

Household Waste Recycling Centre Services

- 7.1.4 The current HWRC services contract commenced in 2010 and was for a 15 year term with no extensions. This contract provides the HWRC service for the whole of Northamptonshire and is currently hosted by North Northamptonshire Council on behalf of West Northamptonshire.
- 7.1.5 Separate arrangements for West Northamptonshire's HWRC service may result in some loss of economies of scale. However, it is still anticipated that a network of 6 sites, with a tonnage throughput of over 35 k tonnes per annum is viable.
- 7.1.6 Since 2010 the waste industry and the costs of providing these services has changed considerably, due to factors including fluctuations in the international value for recyclable materials, costs for treating waste streams, inflation and legislation. The procurement of replacement contracts will be competitive, which should enable the Council to secure best value.
- 7.1.7 The HWRC service is currently hosted by North Northamptonshire under the Inter Authority Agreement. Consequently, West Northamptonshire does not have a post to manage this arrangement, and from mobilisation onwards, a new post will be required. The anticipated total annual cost of this (£56k pa) and this will be considered as part of the budget setting process.

Programme Management Resources

- 7.1.8 The challenge of procuring the new arrangements for these essential services should not be underestimated, given the value and complexity of these services, the timescale involved and that more than one contract must be procured at the same time.
- 7.1.9 Therefore, it is proposed to properly resource a programme team, which will draw on internal resource to minimise costs as far as possible. However, it is also recognised that the programme would benefit from a dedicated programme manager and specialist external advisors whose expertise can be used as and when necessary.
- 7.1.10 The total estimated costs of this resource, which is required until 2025 is £540k. The waste service has an existing budget for the development and implementation of the resources and waste strategy, which includes the procurement programme of £150k per annum. This means an additional £240k is required, which will be considered as part of the budget setting process.

Internal Procurement Team Resource Implications

- 7.1.11 The Procurement Team was restructured in February 2022 to a Business Partner model, grouping resource by levels of experience, designed to support each service directorate. Current procurement posts in the Place, Economy and Environment Directorate are:
- 1 Business Partner (overall leadership of the team and customer liaison)
 - 2 Procurement Managers (for high value and complex procurements)
 - 1 Procurement Officer (for medium value and less complex procurements)
- 7.1.12 Since February 2022, it is clear that the workload in the Place directorate has increased and the pipeline of activity will continue as contracts naturally expire, as contracts are disaggregated from North Northamptonshire and as contracts are consolidated for West Northamptonshire.
- 7.1.13 In addition, the Place Directorate has numerous capital projects which require procurement activity, including regeneration projects and improvements to the schools estate.
- 7.1.14 Due to the number of contracts to be procured across the whole Place Directorate and the specific timescales required, a bottleneck is anticipated due to the support required from the Procurement team to ensure compliance. Therefore, two additional permanent roles are proposed as detailed below.
- 7.1.15 A Technical Procurement Support Officer (Apprentice) is required due to the expanding business as usual work in the Place area. The introduction of this post will free up some senior officer time, which is currently spend on procurement process tasks, and facilitate the development of future qualified resource for the team.
- 7.1.16 A Procurement Manager is required to support major procurements in the Directorate, which will be on going for a period of at least 5 years whilst legacy contracts from predecessor authorities expire. This resource will be considered using existing budget for this financial year and as part of the budget setting process for 2024-25.

7.2 Legal

- 7.2.1 Under the Environmental Protection Act 1990, the Council has statutory duties to:
- 7.2.1.1 collect waste and recycling from households; and
 - 7.2.1.2 arrange for the disposal of municipal waste collected in its area; and
 - 7.2.1.3 arrange for places to be provided for residents to deposit their household waste.
- 7.2.2 The proposals within this report will ensure that these duties are fulfilled by enabling continuity of waste services.
- 7.2.3 Due to the estimated contract values, fully compliant, above threshold tender processes are required. As noted earlier (5.31) the approach to the procurement of these contracts, including the procurement method and strategy is still under consideration.

7.2.4 The Council’s legal and procurement teams will be involved in the procurement and award of the proposed new contract to ensure compliance with relevant regulations and procedures. The council’s legal team will assist in identifying and engaging any external legal services support as may be required throughout the process.

7.2.5 Governance of the proposed programme has been established to enable oversight and steer this work. A programme board of senior officers, including the Executive Director Place, Economy and Environment and the Executive Director of Finance, who it is proposed will have delegated authority to make decisions related to this programme in consultation with the Portfolio Holder for Environment, Transport, Highways and Waste Services.

7.2.6 In order that the Council completes compliant procurement processes, and the risk of successful challenge is minimised, the Waste Members Working Group will input into the development of specifications for the required contracts only. They will not be involved in the procurement processes themselves.

7.3 Risk

7.3.1 The key risks are:

	Risk	Mitigation
i.	The current contracts for HWRC services, the treatment and disposal of residual waste, and bulking of DMR are due to expire prior to procuring new arrangements and the Council will not be able to fulfil its statutory duties.	Secure new arrangements to replace existing contracts as per proposals within this paper.
ii.	New arrangements will not be in place prior to the expiry of existing contracts due to a delay in the procurement programme.	The programme to secure new arrangements will be rigorously managed and delegation of associated decisions will ensure timely decisions.
iii.	The new arrangements will be more expensive than the current arrangements.	The existing contracts for HWRC services, residual waste treatment and disposal and bulking of DMR were procured more than 10 years ago by the predecessor authorities. The change in waste markets, loss of economies of scale and extraordinary inflation means it is likely there will be a step change in the costs of these services. Procurement will be competitive and will aim to secure best value services.

		A 20% - 25% increase in the costs of these contracts has been estimated and included in the 24-25 medium term financial planning process.
iv.	There is a risk that insufficient organisations tender for the available contracts, which mean either the procurement is not competitive, or a contract cannot be awarded.	Market engagement prior to procurement indicates that there are a number of organisations who are interested in these opportunities and who could submit a viable option. If insufficient tenders are received, the Council has the option to award a contract under a waiver.
v.	There is a risk that the arrangements procured will not be consistent with the Resources and Waste Strategy because it has not yet been adopted.	The Resources and Waste Strategy has been developed in consultation with a Waste Members Working Group and a public consultation has recently closed. The strategy which is in its final stages of drafting will be presented to Cabinet for agreement in November 2023, which is prior to the proposed commencement of procurement of these arrangements. Therefore, adjustments can be made to the proposed programme of work if required.
vi.	Delays or failure to award contracts successfully.	The proposal seeks to ensure suitable and robust resource support the programme are being budgeted for here as per 7.1.12 to 7.1.21.
	Procuring separate contracts collaboratively with North Northamptonshire Council results in delays or complications which negatively impact on West Northamptonshire's procurement.	The delegations will allow the project board will be able to take decisions relating to the collaboration with North Northamptonshire, including ceasing collaboration if required to enable West Northamptonshire's procurement to progress.

7.3.2 There will be a separate detailed risk register for the proposed programme of work outlined in this report. Any changes in risk profile will be raised with the project board with proposed mitigations.

7.4 Consultation and Communications

7.4.1 A resources and waste strategy for West Northamptonshire is in the final stages of development. The vision, which is the 'headlines' of the strategy, has recently been the subject of a public consultation.

- 7.4.2 The results of this consultation have been analysed so that they can be used to refine the resources and waste strategy. In general, the consultation responses were supportive of the proposed vision. Customer satisfaction was most important to respondents, followed by preventing and reducing waste and protecting the environment. Residents use the HWRC services on a daily basis and therefore specific questions were asked in the consultation about their preferences and responses will be taken into account during discussions with the Waste Members Working Group about the specification for the HWRC services contracts (5.24).
- 7.4.3 The resources and waste strategy will provide a set of principles to give vision and direction to decisions about how waste services should change as existing arrangements end. The procurement proposals within this paper align with the developing strategy.
- 7.4.4 If any specific significant changes to services are proposed, these will be the subject of a separate Cabinet paper and decision. For example, if after the development of a business case for a waste infrastructure refresh programme is developed, there is a proposed to reduce the number of HWRC site(s) and / or relocate them, then these decisions would be the subject of a separate cabinet paper.
- 7.4.5 A market engagement exercise has been completed to test the market appetite, capacity and capability for these opportunities. This exercise has provided assurance that a procurement programme will result in viable tenders and has provided an opportunity to explore options for delivery and specification with market experts.

7.5 **Consideration by Overview and Scrutiny**

- 7.5.1 A Waste Members Working Group was established in December 2022 to steer the development of the Resources and Waste Strategy. The group includes representatives from the 3 geographic areas of West Northamptonshire and all political parties. The group has regularly reported progress to the Place Overview and Scrutiny Committee.
- 7.5.2 At the last update meeting (21 June 2023), a proposed change in remit of the Waste Members Working Group to steer the development of the specification for services as existing arrangements expired was discussed and agreed. Consequently, the Terms of Reference for this group have been updated (Appendix A).

7.6 **Climate Impact**

- 7.6.1 The climate impact of managing municipal waste is minimised when it is managed in accordance with the waste hierarchy. This means waste should be prevented where possible, reused, recycled, energy recovered and as a last priority landfilled.
- 7.6.2 The proposed new contracts for the treatment and disposal of residual waste will recover energy from the waste that remains after the waste that can economically be reused, recycled and composted is removed by separate collections. Low minimum tonnages will

be set so that the waste can be reused and recycled is maximised and there is flexibility to improve collection systems.

7.6.3 The proposed new arrangements for the HWRC service will aim to recover as much material as possible for reuse, recycling and composting.

7.6.4 The proposed contract for the provision of a delivery point and bulking facility will support recycling collected at the kerbside. Also providing a local collection point will minimise the fuel consumption and carbon emissions associated with this activity.

7.6.5 Therefore, all three proposals will promote and enable waste to be managed sustainably so as to limit its climate impact.

7.7 Community Impact

7.7.1 Waste services are provided to all West Northamptonshire's residents and HWRCs are a 'front line' service provided directly. The recent waste strategy consultation has highlighted that customer service is important to them. Therefore, this will be a key consideration when developing the specification for the associated contracts. If any changes are proposed to the network of HWRCs (location or number of HWRCs), these will be the subject of a separate cabinet report.

7.7.2 Residents do not directly use the residual waste treatment and disposal arrangements or the waste transfer facility for dry mixed recyclables. Also, the proposals related to these arrangements are not a significant change to the current approach.

7.7.3 Therefore, overall there is limited community impact from the proposals. An Equality Impact Assessment screening form has been completed and this has not identified a negative impact.

8. Background Papers

8.1 Dry Mixed Recyclables Cabinet Paper (13 February 2023) – (available via www.westnorthants.moderngov.co.uk)

8.2 HWRC Options Appraisal Report (available on request)

Appendix A – Revised Terms of Reference for Waste Members Working Group

Draft

Terms of Reference – Resources and Waste Strategy Members Working Group

Role

1. The Resources and Waste Strategy Members Working Group (hereafter called the 'working group') is advisory only and has the following functions:-
 - i. During the development of the WNC Resources and Waste Strategy, to provide members' insight into the future vision of waste services in West Northamptonshire, representing their residents and taking into account available evidence, the Council's statutory duties, the Council's financial position and best practice elsewhere.
 - ii. Steering the development of the specification for key contracts to ensure the specification aligns with the Resources and Waste strategy, whilst also taking into account:
 - a. The Council's statutory duties;
 - b. The Council's financial position;
 - c. The Council's wider ambitions, for example in terms of sustainability, the anti-poverty agenda, etc.
 - d. Information gathered as part of any market engagement exercises;
 - e. Information gathered regarding best practice elsewhere.
2. The working group has been established as a consultative body for the development of the Resources and Waste Strategy and any subsequent contractual specifications that are associated with the delivery of the strategy. It is not a formal committee structure and has no other powers or duties.
3. The working group is not intended to replace or conflict with Cabinet or any of the Council's Overview and Scrutiny Committees, or delegated authorities.
4. The remit of the working group shall not be extended unless such an extension is agreed by the Cabinet. The working group shall cease to operate once the scope of its work has concluded.

Membership

5. The membership of the working group should enable a representation from all geographic areas of West Northamptonshire and with all political parties represented.
6. The working group shall be composed of

Cllr Gilford	(Conservative)
Cllr Fowler	(Conservative)
Cllr Purser	(Labour)
Cllr Alwahabi	(Labour)

Cllr Beardsworth	(Liberal Democrat)
Cllr Breese	(Conservative)
Cllr Smith	(Conservative)
Cllr Lister	(Conservative)
Cllr Larratt	(Conservative)
Cllr Bambridge	(Conservative)
Cllr Aziz	(Conservative)

Meeting Arrangements

7. The working group will meet on an ad hoc basis as required for the development of the Resources and Waste Strategy and any associated draft contractual specifications.
8. An agenda for business to be considered by a meeting of the working group will be provided in good time for any meeting.
9. There is no fixed quorum for meetings of the working group, but it is advisable that there are at least 3 members attend each meeting. So far as possible, representatives of more than one political group should attend in the interest of balance. There is no legal requirement for political balance to be achieved on working groups.
10. The working group is not a sub-committee.
11. Where a recommendation is required pursuant to the objectives set out in paragraph 1, the views of all members present should be recorded. There is no requirement for working group to hold a vote. If the working group chooses to hold a vote, then each attendee shall have one vote and any chair shall not have a casting vote.
12. Any recommendations of the working group pursuant to paragraph 1, and any recommendations from Overview and Scrutiny Committee will be referred to Cabinet for a formal decision(s) where required.
13. Officers and their advisors will attend meetings and provide information, documents and advice to members.
14. Proceedings of the working group are not public and shall be kept private and confidential.
15. The outputs from the working group will be drawn together into a draft Resources and Waste Strategy which will be the subject of a report to Cabinet.
16. The Council's Code of Conduct applies to the members when they are attending this working group in their capacity as a member of the Council. To this end, members of the working group should treat meetings of the working group as if they are a formal committee meeting for the purposes of disclosing interests and not participating in discussion where members have an interest in a matter. This will help members avoid breaching the principles of conduct set out in the Code relating to selflessness, and honesty and integrity. Any declaration or non-participation by a member should be recorded in the minutes for the meeting of the working group.