

1. Supplement to the agenda for

Cabinet

Thursday 1 May 2025

2.30 pm

**Herefordshire Council Offices, Plough Lane, Hereford, HR4
0LE**

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7. FOOD WASTE COLLECTION SERVICE	3 - 16
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Title of report: Food Waste Collection Service

Meeting:	Cabinet
Meeting date:	Thursday 1 May 2025
Cabinet member:	Cabinet member, environment
Report by:	Corporate Director, Economy and Environment
Report author:	Head of Environment Climate Emergency and Waste Services

Classification

Appendix 1 to this report is exempt by virtue of the paragraph(s) of the Access to Information Procedure Rules set out in the constitution pursuant to Schedule 12A of the Local Government Act 1972, as amended.

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

(All Wards);

Purpose

Following the successful award and mobilisation of the new recyclables and waste collection service this report is to consider the business case for the introduction of a new food waste collection service.

Recommendation(s)

That conditional on sufficient annual new burdens revenue grant received from government that:

- a) **Cabinet approves the commencement of a new food waste collection;**
- b) **Authority is delegated to the Corporate Director for Economy and Environment to enact the existing option to introduce a weekly food waste service within the recyclables and waste collection contract with FCC Environment for an initial term of 6 years, including options to extend by up to a further 12 years;**
- c) **Authority is delegated to the Corporate Director for Economy and Environment to enact the existing variation option to within the current waste disposal contract with Mercia Waste Management Ltd to recycle the food waste;**
- d) **To authorise the expenditure as detailed in Appendix 1 to purchase the new food waste collection fleet and to purchase and deliver the new food containers and caddy liners;**
- e) **To authorise the expenditure as detailed in Appendix 1 for the required depot improvements works and to mobilise the new service;**
- f) **Delegate all operational decisions to implement the above recommendations and to undertake the annual review of commercial food waste fees and charges to the Head of Environment, Climate Emergency & Waste.**

Alternative options

1. Do nothing - This is not an option as the Council has a statutory duty under the Environment Act 2021 to provide a weekly food waste collection service from households and to recycle food waste from 31 March 2026.
2. Do nothing – This is not an option as the Council has a new responsibility under the updated [Simpler Recycling guidance November 2024](#) to provide a food waste collection service for some businesses, if requested, from 31 March 2025.

Key considerations

Background

3. In July 2021 Cabinet approved an ambitious new Herefordshire Integrated Waste Management Strategy with new targets to achieve recycling rates of 55% by 2025, 60% by 2030 and 65% by 2035. The current recycling rate is 40%.
4. On 25 November 2021, Cabinet approved the adoption of a three weekly residual collections with twin stream recycling service in line with the outcome of a public consultation.
5. Between November 2022 and February 2024 the Council conducted a competitive dialogue procurement process for a new recyclables and waste collections services contract.
6. During this process, initial submissions highlighted significant cost escalation due to a number of compounding market factors and Government delays to implementing and resourcing the new obligations within the Environment Act 2021. In order to mitigate the significant cost escalation, the proposed solution was to phase the introduction of the new service.

7. On 5 October 2023, Cabinet approved the continuation of the existing waste collection model and for a phased introduction of the new collection model to be introduced at the appropriate time, subject to funding, legal responsibilities and approved business case(s).
8. FCC Environment were successfully awarded the new contract which commenced on 1 September 2024 with an initial 8 year term with an option to extend by up to a further 12 years.
9. The new collection contract includes a robust change mechanism for the future inclusion of numerous new services, specifically including a costed option for a weekly food waste collection service.
10. In December 2023 the Council extended the Waste Management Services Contract (WMSC). This extended the existing disposal contract arrangements until 11 January 2029 and also included a number of variation options for the future processing of new recycling and composted materials. This specifically included a costed options for the composting of food waste utilising an existing Anaerobic Digestion plant in Dymock.

Public Consultation

11. In February 2021 MEL Research undertook a public consultation exercise on future waste collection models which reported that 56% of the 3,498 respondents indicated that they would use a domestic food waste collection service, with a further 20% of respondents replying 'maybe'.
12. Twinned with the public consultation, MEL Research also undertook a business waste survey in February 2021 where 70% of the 181 business respondents confirmed they and/or other members of their business would be likely to use a food waste collection service if it was available and affordable.
13. In January 2025 the Council undertook a subsequent business food waste survey which indicated of the 340 responses, 146 are required to have a separate food collection from 31 March 2025 and would use our service. A further 193 are not required to have a separate food collection but 25 indicated that they would use the service.

New Pilot Commercial Food Waste Service

14. In November 2024 DEFRA published updated requirements for commercial food waste collections confirming that businesses with over 10 employees would be required to separate and arrange collection of food waste. This update also required all local authorities to provide a collection service if asked to do so. Prior to this date local authorities had the option to signpost rather than provide services directly.
15. To meet this new requirement a new interim commercial food waste service commenced in March 2025 as a new chargeable service on a full cost recovery basis. This 12-month interim service will be subsumed into the new countywide arrangements with co-collection with the domestic food waste service from 30th March 2026 to increase operational efficiency.

New Food Waste Service

16. The business case includes consideration of the mobilisation, promotional and set-up costs, required capital investment and the ongoing service delivery costs, both collection and disposal. This is summarised in the financial impact section of this report.
17. The proposed new food waste service will include:
 - a. Purchase of new food waste containers

- i. A small food waste caddy for residents to use in the kitchen
 - ii. Provision of compostable caddy liners
 - iii. A larger outside caddy to use for collection
- b. Acquisition of a dedicated new food waste collection fleet.
 - c. Depot improvements at the Waste Collection depots to facilitate the vehicle fleet and additional staffing requirements.

Mobilisation

- 18. FCC Environment require a 10 month mobilisation period for the commencement of the new food waste service, which is required to commence by 31 March 2026.
- 19. The business case includes resource allocation for:
 - a. Project management and staffing
 - b. ICT, legal and training provision
 - c. Communication and promotional resources
- 20. A dedicated communications and promotional campaign will be developed and launched prior to the new service commencement date in order to raise awareness of the new service and encourage participation, whilst also educating residents on the items that can be diverted from their general rubbish bin and recycled through the new service.

Community impact

- 21. A comprehensive marketing and communications strategy is being developed to continue to support residents in making good reduce, reuse and recycle choices to drive recycling to even higher levels, and to support the mobilisation of the new service.
- 22. The new food waste collection service will have a positive impact on contributing towards local and regional strategy priorities, targets and legislation. These all are complementary to The Council Plan 2024 – 2028 objectives to:
 - a. Reduce waste, increase reuse and increase recycling.
 - b. Work towards reducing county and council carbon emissions, aiming for net zero by 2030/31 and work with partners and communities to make the county more resilient to the effects of climate change.
- 23. The new waste collection contract includes significant social value commitments to support volunteering within the County, to support care leavers into employment and to support local employment.

Environmental Impact

- 24. The council seeks to treat waste as a resource, supporting a more circular economy for Herefordshire reducing, reusing and recycling materials so that they stay in use for longer, offsetting use of raw materials and reducing carbon emissions.
- 25. Environmental sustainability was an integral consideration to the service specification for the new collection contract which includes contractual commitments to minimise energy use and

carbon emissions, two new electric collection vehicles for the residual and dry recycling services and the creation of a new biodiversity investment fund.

26. The modelling undertaken by Frith Resource Management (FRM) indicates that with a modest 45% public participation rate the new food collection service will divert 5,311 tonnes of residual waste from energy recovery to recycling via anaerobic digestion.
27. This will significantly increase the Council's recycling rate and combined with the accompanying proposal to introduce a chargeable garden waste service are projected to increase recycling rates from 40% to 58%.

Equality duty

28. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations, and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.
29. The previous cabinet decisions to approve the new contract and collection model were considered in line with the council's Equality Act 2010 duties and an extensive public consultation exercise was undertaken.
30. No new impacts have been identified beyond those identified in the 25 November 2021 Cabinet report and Equalities Impact Assessment.

- a. <https://councillors.herefordshire.gov.uk/ielIssueDetails.aspx?IId=50039497&PlanId=0&Otp=3#A159562>

Resource implications

31. On 10 February 2023 Full Council approved the inclusion of £18.09m within the Council's capital programme for the provision of new vehicles, new receptacles, depot enhancement and service improvement.
32. On 9 January 2024 DEFRA wrote to all local authorities providing indicative capital transitional grant for the introduction of weekly domestic food waste collections. This allocation was confirmed as £1,847,132 for Herefordshire. This money has already been received and is detailed below.

Kitchen caddies (inc spares)	£186,276
Kerbside caddies (inc spares)	£405,609
Communal wheeled bins (inc spares)	£27,647
Vehicles (inc spares)	£1,227,600
Total	£1,847,132

33. The capital allocation from DEFRA is only for the domestic food waste collections and does not include contributions towards commercial food waste collections as commercial services will need to operate on a full cost recovery basis. As the DEFRA capital allocation model was based on 2023 costs there will be a gap between the capital allocation and the actual costs in 2026. The Council did challenge the capital allocation, however this was unsuccessful.
34. On 5th March 2025 DEFRA confirmed the revenue transition payment to support with the mobilisation of this new service. This will be partially paid in 2024/25 with the remaining paid in 2025/26. This is detailed below:

2024/25		2025/26		
Container Delivery	Project Management	Procurement	Communications	Total
£302,475	£67,000	£2,000	£160,305	£531,780

- 35. On 5th March DEFRA confirmed that the annual revenue allocation for the introduction of weekly domestic food waste collections under the new burdens doctrine will be confirmed after completion of a further spending review. This next spending review is expected to conclude and be published in late spring of 2025
- 36. The estimated financial saving of diverting the domestic food waste from energy recovery to recycling by anaerobic digestion is £621k per annum.
- 37. Further details on the full costs of implication and the required level of new burdens revenue grant is detailed in the exempt Appendix 1.

Legal implications

- 38. The new waste collection contract was developed with external specialist legal and procurement support to include the future options for the proposed additional collection service and was procured in accordance with the Council’s Procurement Rules and the Public Contract Regulations 2015.
- 39. The waste disposal extension in Dec 2023 was undertaken in line with the Council’s Procurement Rules and Regulation 72 of the Public Contracts Regulations. This extension includes the provision for the future inclusion of garden waste disposal through a variation agreement.
- 40. The Council currently has a statutory duty to introduce weekly food waste collections from 31st March 2026. This date statutory under the act but implementation is subject to adequate funding being received from government.

Risk management

Risk / opportunity	Mitigation
Sufficient new burdens funding from DEFRA	<p>Confirmation of the annual new burdens revenue grant is required to fund the new service.</p> <p>The recommendation for approving the commencement of this new service is subject to confirmatoin of sufficient new burdens revenue grant.</p>
Public engagement and successful roll out of the new service	<p>Public consultation exercises identified that:</p> <ul style="list-style-type: none"> • 86% of residents agreed that more needs to be done to reduce waste and to increase recycling • 60% of residents accept the need for the council to change the current service • Pilot schemes have been successfully launched, providing valuable insights and lessons for full implementation. • Communication and engagement campaigns are in place and will continue to run to support residents with ongoing information and changes.
Value for Money	<ul style="list-style-type: none"> • The procurement of the new waste collection contract, including the optional food waste service, was conducted with the support of specialist technical and legal consultants to ensure best value for money. • Competitive procurement processes and robust contract management arrangements are in place to secure cost-effective service delivery.

41. The risks associated with the introduction of the food waste collection service have been identified, assessed, and mitigated in line with the council's risk management strategy.

Consultees

42. The following consultation has taken place:

Consultation	Date	Feedback
Public Consultation	February 2021	49% of the 3,498 respondents indicated that they would pay for a council garden waste collection service.
Business Waste Survey	February 2025	340 responses, 146 are required to have a separate food collection from 31 March 2025 and would use our service. A further 193 are not required to have a separate food collection but about 25 indicated that they would use the service.
Waste Management Services Review Project Board	Monthly meetings in	Lead the development of the recommendations through the process.

<p>Political Groups Consultation</p>	<p>22nd April 2025</p>	<p>The consultation was attended by 14 councillors from across the Conservative Party, Green Party, Independents for Herefordshire and Liberal Democrats groups.</p> <p>The following discussion/feedback was noted:</p> <ul style="list-style-type: none"> • Positive support for the proposal. • The current pricing of commercial services incentivises food waste and recycling over residual waste. • Noted the availability of the assisted collection service to support vulnerable residents. • Support for the provision of compostable liners and to review whether this can be retained in future years. • The need for education and promotional campaigns to maximise uptake of the services, • Noted that the services are in addition to and not impacting the existing collection services or HRC's. • That the waste disposal for food waste is via anaerobic digestion with contractual restrictions that the digestate cannot be used in the River Wye catchment area.
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Appendices

- Exempt Appendix 1 – Financial details

Background papers

- None

Report Reviewers Used for appraising this report:

Governance	John Coleman	Date 26/02/2025

Finance	Wendy Pickering Karen Morris	Date 24/04/2025 Date 24/04/2025
Legal	Sean O'Connor	Date 24/04/2025
Communications	Luenne Featherstone	Date 25/02/2025
Equality Duty	Harriet Yellin	Date 20/03/2025
Procurement	Claire Powell	Date 20/03/2025
Risk	Paige McInerney	Date 05/03/2025

Approved by	Ross Cook	Date 24/04/2025
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Document is Restricted



Title of report: **Garden Waste Collection Service**

Meeting:	Cabinet
Meeting date:	Thursday 1 May 2025
Cabinet member:	Cllr Swinglehurst, environment
Report by:	Corporate Director, Economy and Environment
Report author:	Head of Environment Climate Emergency and Waste Services

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

(All Wards);

Purpose

Following the successful award and mobilisation of the new recyclables and waste collection service this report is to consider the business case for the introduction of a new chargeable garden waste collection service.

Recommendation(s)

That:

- a) Cabinet approves the commencement of a new chargeable garden waste collection from 30 March 2026;
- b) Authority is delegated to the Corporate Director for Economy and Environment to enact the existing option to introduce a chargeable garden waste service within the Recyclables and Waste Collection Services Contract with FCC Environment for an initial term of 6 years, including options to extend by up to a further 12 years;
- c) Authority is delegated to the Corporate Director for Economy and Environment to enact the existing variation option to within the current Waste Management Services Contract with Mercia Waste Management Ltd to recycle the garden waste;
- d) To authorise the expenditure of up to £1,039,292 from the approved capital programme to purchase the new garden waste collection fleet;
- e) To authorise the expenditure of up to £588,050 from the waste revenue reserve to fund mobilisation and to purchase and deliver the new garden waste containers;
- f) To authorise the expenditure of up to £890,000 to underwrite any potential year losses as the new service establishes and grows the customer base;
- g) Delegate all operational decisions to implement the above recommendations and to undertake the annual review of fees and charges to the Head of Environment, Climate Emergency & Waste.

Alternative options

1. Not to implement a new chargeable garden waste collection service. This is not recommended as legislation under the Environment Act 2021 stipulates that garden waste from households must be collected separately and must be composted.
2. Not to implement a new chargeable garden waste collection service. This is not recommended as the additional collection and recycling of ~14,260 tonnes of garden waste per year will significantly support the delivery of the Council's targets to increase recycling rates within the Integrated Waste Management Strategy.
3. To introduce a new garden waste service on a seasonal basis for 36 weeks per year. This is not recommended due to a strong preference for a year-round service through the public consultation.

Key considerations

Background

4. In July 2021 Cabinet approved an ambitious new Herefordshire Integrated Waste Management Strategy with new targets to achieve recycling rates of 55% by 2025, 60% by 2030 and 65% by 2035. The current recycling rate is 40%.
5. On 25 November 2021, Cabinet approved the adoption of a three weekly residual collections with twin stream recycling service in line with the outcome of a public consultation.
6. Between November 2022 and February 2024 the Council conducted a competitive dialogue procurement process for a new recyclables and waste collections services contract.

7. During this process, initial submissions highlighted significant cost escalation due to a number of compounding market factors and Government delays to implementing and resourcing the new obligations within the Environment Act 2021. In order to mitigate the significant cost escalation the proposed solution was to phase the introduction of the new service.
8. On 5 October 2023, Cabinet approved the continuation of the existing waste collection model and for a phased introduction of the new collection model to be introduced at the appropriate time, subject to funding, legal responsibilities and approved business case(s).
9. FCC Environment were successfully awarded the new contract which commenced on 1 September 2024 with an initial 8 year term with an option to extend by up to a further 12 years.
10. The new collection contract includes a robust change mechanism for the future inclusion of numerous new services, specifically including a costed option for a chargeable garden waste collection service.
11. In December 2023 the Council extended the Waste Management Services Contract (WMSC). This extended the existing disposal contract arrangements until 11 January 2029 and also included a number of variation options for the future processing of new recycling and composted materials. This specifically included a costed options for the composting of garden waste utilising existing facilities in Dymock and Abergavenny.
12. The Council currently offers a green garden waste sack collection service which is co-collected with the residual waste collections and processed at our energy from waste facility at Hartlebury.

Public Consultation and benchmarking

13. In February 2021 MEL Research undertook a public consultation exercise on future waste collection models which reported that 49% of the 3,498 respondents indicated that they would pay for a council garden waste collection service.
14. In June 2023 a benchmarking exercise was undertaken by WSP which indicated that the average uptake of chargeable garden waste bin collection services by similar authorities was 44% with an average annual subscription charge of ~£50.
15. In February 2024 a subsequent public consultation exercise was undertaken with 1,731 responses which indicated that 51.2% of respondents would be willing to pay an annual subscription of £55. This was based on a seasonal service operating 36 weeks of the year.

New Garden Waste Service

16. Following the successful mobilisation and commencement of the collection service, a financial business case has been produced for the introduction of the garden waste service. Informed by the outcome of the public consultation exercise the proposed service includes:
 - a. A fortnightly service operating all year round (Excludes collections on Christmas and New Year weeks).
 - b. A recommended annual subscription fee of £60, recognising the increase from 36 weeks to 50 weeks per year.
 - c. The introduction of a new 240l brown bins for garden waste with a one-off sign up and bin delivery charge of £10.
 - d. Acquisition of a new garden waste collection fleet.

- e. Depot improvement at the Waste Collection depots to facilitate the vehicle fleet and additional staffing requirements.
17. The business case indicates that the new garden waste service will achieve full cost recovery with ~16,000 customers, approximately 19.3% of households (excluding flats). The benchmark update for similar authorities was identified as 44% and our own consultation indicated that 51.2% of residents would be willing to pay £55 for a seasonal 36 week service, but with a preference for a 50 week service.
 18. The recommended charge of £60 is in line with benchmarking of other local authority schemes and is cheaper for residents than private sector schemes.
 19. The business case includes consideration of the mobilisation, promotional and set-up costs, required capital investment, projected income models, risk and the ongoing service delivery costs, both collection and disposal. This is summarised in the financial impact section of this report.
 20. It is proposed that the existing green garden sack collection service is discontinued with the introduction of the new service.

Mobilisation

21. FCC Environment require a 10-month mobilisation period for the commencement of the new service, which is recommended to commence in March 2026.
22. To ensure a robust mobilisation and effective communication and marketing plan prior to the new service commencement date the business case includes a dedicated resource allocation for:
 - a. Project management and staffing
 - b. ICT, revenues, legal and training provision
 - c. Communication and promotional resources
23. A dedicated communications and promotional campaign will be developed and launched prior to the new service commencement date to enable pre-registration and sign ups.

Community impact

24. A comprehensive marketing and communications strategy is being developed to continue to support residents in making good reduce, reuse and recycle choices to drive recycling to even higher levels, and to support the mobilisation of the new service.
25. The new waste collection service will have a positive impact on contributing towards local and regional strategy priorities, targets and legislation. These all are complementary to The Council Plan 2024 – 2028 objectives to:
 - a. Reduce waste, increase reuse and increase recycling.
 - b. Work towards reducing county and council carbon emissions, aiming for net zero by 2030/31 and work with partners and communities to make the county more resilient to the effects of climate change.
26. The new waste collection contract includes significant social value commitments to support volunteering within the County, to support care leavers into employment and to support local employment.

Environmental Impact

27. The council seeks to treat waste as a resource, supporting a more circular economy for Herefordshire reducing, reusing and recycling materials so that they stay in use for longer, offsetting use of raw materials and reducing carbon emissions.
28. Environmental sustainability was an integral consideration to the service specification for the new collection contract which includes contractual commitments to minimise energy use and carbon emissions, two new electric collection vehicles for the residual and dry-recycling services and the creation of a new biodiversity investment fund.
29. The modelling undertaken by Frith Resource Management (FRM) indicates that the new service will enable the recycling of an additional 14,260 tonnes of garden waste per year which will significantly increase the Council's recycling rate.
30. This will significantly increase the Council's recycling rate and as participation increases toward the benchmark 44% uptake, this proposal combined with the accompanying proposal to introduce a weekly food waste collection service together these are projected to increase recycling rates from 40% to 58%.

Equality duty

31. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations, and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.
32. The previous cabinet decisions to approve the new contract and collection model were considered in line with the council's Equality Act 2010 duties and an extensive public consultation exercise was undertaken.
33. No new impacts have been identified beyond those identified in the 25 November 2021 Cabinet report and Equalities Impact Assessment.
 - a. <https://councillors.herefordshire.gov.uk/ielIssueDetails.aspx?IId=50039497&PlanId=0&Otp=3#AI59562>

Resource implications

34. Detailed modelling and projections have been undertaken showing the total operational costs, capital costs and projected subscription income levels to assess the financial viability of this new service.
35. This indicates the required uptake level to achieve full-cost recovery is a minimum customer base of ~16,000 customers representing ~19.3% uptake across households (excluding flats).
36. As the service grows and develops, it is proposed that any reserve utilisation is subsequently repaid to the revenue reserve as the service generates a projected future surplus.
37. Uptake levels in excess of this are projected to generate an operational surplus which are recommended to repay the initial mobilisation costs, any year 1 underwriting costs and to subsequently offset the wider waste management service delivery costs and new waste minimisation projects.
38. The financial summary detailed below is based on the customer base of 18,150 customers which is the minimum resource level to provide a countywide service. The financial risk is any

underperformance on the revenue subscription income levels. This has been modelled for the remaining 6years of the current contract, starting in March 2026.

39. The cost of the new garden waste collection fleet is £1,039,292 and will be funded through prudential borrowing within the existing capital budget allocation. The resulting capital repayments will be funded through the annual subscription fees and the depreciated over the 8year minimum guaranteed asset life.
40. The existing green garden sack service currently has a net operating cost of ~£9k and the discontinuation of this has been included within both the new income projections and future operating costs for the proposed new service.

Project Spend Revenue (R) or Capital (C)	2025/26	2026/27	2027/28	2028/29	Future Years (3 years)	Total
Modelled on 18,150 customers - 6yr contract	£ -	£ -	£ -	£ -	£ -	£ -
Mobilisation costs (R)	260,850	0	0	0	0	260,850
New Garden Waste Collection Fleet (C)	1,039,292	0	0	0	0	1,039,292
New Garden Waste containers (inc delivery) (C)	478,434	0	0	0	0	478,434
TOTAL	1,778,576	0	0	0	0	1,778,576

Funding streams	2025/26	2026/27	2027/28	2028/29	Future Years (3 years)	Total
Modelled on 18,150 customers - 6yr contract	£ -	£ -	£ -	£ -	£ -	£ -
One-off sign up and bin delivery charge @£10 (R)	-181,500	0	0	0	0	-181,500
Approved Prudential Borrowing (Waste Fleet)	-1,039,292	0	0	0	0	-1,039,292
Waste Revenue Reserve	-557,784	0	0	0	0	-557,784
TOTAL	-1,778,576	0	0	0	0	-1,778,576

Revenue budget implications	2025/26	2026/27	2027/28	2028/29	Future Years (3 years)	Total
Modelled on 18,150 customers - 6yr contract	£ -	£ -	£ -	£ -	£ -	£ -
Operational costs - Herefordshire Council (R)	0	126,700	126,700	126,700	380,099	760,198
New GW Waste collection contract costs (R)	0	616,700	616,700	616,700	1,850,100	3,700,200
Net Waste disposal contract costs (R)	£0	£58,245	£58,245	£58,245	£174,736	£349,472
Loss of Garden Sack income	0	125,000	125,000	125,000	375,000	750,000
Capital Repayments - RCCO 8yr asset life	0	148,427	148,427	148,427	445,280	890,560
Annual subscription income @£60 pa. (R)	0	-1,089,000	-1,089,000	-1,089,000	-3,267,000	-6,534,000
Garden Sack service savings	0	-133,755	-133,755	-133,755	-401,264	-802,528
TOTAL	£0	-147,683	-147,683	-147,683	-443,049	-886,099

41. Whilst a communication and marketing campaign will be launched during the mobilisation period seeking to maximise the new customer base, as a new business start up it is recognised that it may take time to reach the breakeven customer base of 16,000 households. As such it is proposed that the full year 1 cost of the service is underwritten through an allocation of £890,000 in the dedicated waste revenue reserve to mitigate this risk.
42. If the uptake level rose close to the 44% benchmark uptake levels seen by comparator authorities, the net annual revenue income is projected to rise to ~£517k per annum based on 35,600 customers (43% uptake).

Legal implications

43. The new recyclables and waste collection contract was developed with external specialist legal and procurement support to include the future options for the proposed additional collection service, and was procured in accordance with the Council's Procurement Rules and the Public Contract Regulations 2015.
44. The waste disposal extension in Dec 2023 was undertaken in line with the Council's Procurement Rules and Regulation 72 of the Public Contracts Regulations. This extension includes the provision for the future inclusion of garden waste disposal through a variation agreement.

Risk management

Risk / opportunity	Mitigation
Public engagement and successful roll out of the new service	<p>Public consultation exercises identified that:</p> <ul style="list-style-type: none"> • 86% of residents agreed that more needs to be done to reduce waste and to increase recycling • 60% of residents accept the need for the council to change the current service • Successful launch of pilot schemes • Communication and Engagement campaigns will be required to initiate subscription to the service and support residents with ongoing updates.
Poor Value for Money	<p>The procurement of the new waste collection contract, which includes the optional garden waste service was procured with support from specialist technical and legal consultants to ensure value for money was achieved.</p>
Insufficient customer demand	<p>The business case indicates that a new garden waste service would achieve full cost recovery with a customer base of 16,000 households (19.3%).</p> <p>The outcome of two separate public consultation exercises identified that between 49% and 51.2% of residents would be willing to pay for a chargeable garden waste service, with the Feb 2024 consultation indicating they would be willing to pay an annual subscription on £55 for a seasonal 36 week service, but with a preference for a 50 week service.</p> <p>In June 2023 a benchmarking exercise was undertaken by WSP which indicated that the average uptake of chargeable garden waste collections services by similar authorities was 44% with an average annual subscription charge of ~£50.</p> <p>A provisional allocation of £890,000 from the dedicated waste revenue reserve is recommended to underwrite any potential initial losses as a customer base is established, to be replenished with any future operational surplus.</p>
Third party services	<p>Private sector organisations currently operate within the County and have a significant existing customer base.</p> <p>The proposed £60 annual subscription charge is considered very competitive in this market.</p>
Subscription Costs	<p>As a chargeable service, the annual subscription cost will be reviewed in line with the Council's annual review of fees and charges and may change over time.</p>

Consultees

45. The following consultation has taken place:

Consultation	Date	Feedback
Public Consultation	February 2021	49% of the 3,498 respondents indicated that they would pay for a council garden waste collection service.
Public Consultation	June 2023	51.2% of the 1,731 respondents indicated that they would be willing to pay an annual subscription of £55 for a garden waste collection service.
Waste Management Services Review Project Board	Monthly meetings in	Lead the development of the recommendations through the process.
Political Groups Consultation	22 nd April 2025	<p>The consultation was attended by 14 councillors from across the Conservative Party, Green Party, Independents for Herefordshire and Liberal Democrats groups.</p> <p>The following discussion/feedback was noted:</p> <ul style="list-style-type: none"> • Positive support for the proposal. • Noted the availability of the assisted collection service to support vulnerable residents. • The need for education and promotional campaigns to maximise uptake of the services, • Noted that the services are in addition to and not impacting the existing collection services or HRC's.

Appendices

- None

Background papers

- None

Report Reviewers Used for appraising this report:

Governance	John Coleman	Date 28/03/2025

Finance	Karen Morris Wendy Pickering	Date 24/04/2025 Date 24/04/2025
Legal	Sean O'Connor	Date 24/04/2025
Communications	Luenne Featherstone	Date 28/03/2025
Equality Duty	Harriet Yellin	Date 28/03/2025
Procurement	Claire Powell	Date 24/02/2025
Risk	Paige McInerney	Date 28/03/2025
Approved by	Ross Cook	Date 24/04/2025



Title of report: Procurement of a professional services supplier to support Highways & Infrastructure

Meeting:	Cabinet
Meeting date:	Thursday 1 May 2025
Cabinet member:	Councillor Price, transport and infrastructure
Report by:	Corporate director, economy and environment
Report author:	programme manager, senior project manager deliver director – infrastructure

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

(All Wards);

Purpose

This report seeks approval of a procurement strategy for a highways and transport professional services provider and to delegate authority for the procurement and award of contract.

Further information on the subject of this report is available from
 David Jones, Tina Pugh, Scott Tompkins, Tel: 01432 383320, Tel: 01432 383212,, email:
 David.Jones2@herefordshire.gov.uk, tina.pugh@herefordshire.gov.uk,
 scott.tompkins@herefordshire.gov.ukl

Recommendation(s)

That:

- a) **Cabinet agrees to the procurement of a professional services partner to support the new public realm services model and the wider highways, transport, infrastructure, ecology, environment and economic development teams.**
- b) **Cabinet delegates authority to the Corporate Director Economy and Environment to undertake the procurement and award of contract of a professional services partner.**

Alternative options

1. To reject this procurement strategy and to not undertake a procurement to secure a partner professional services. This is not recommended. To rely on one-off and spot tenders for professional services support could jeopardise the timely delivery of highway services as well as the development and delivery of key infrastructure projects. A framework with multiple suppliers is also not appropriate as the council already have access to frameworks, but these do not deliver the partnership relationship the council desires.

Key considerations

2. Across Environment and Economy teams there is a need for highways and transport professional services support. Currently, most of this support is procured through frameworks or through one-off open tender procurements. However, following the reprocurement of the Public Realm contract the Highways team has identified the need for regular access to top up design services as well as specialists' advice. This is currently provided by (WSP) through the Balfour Beatty Living Places contract. Additionally, a number of other service areas regularly have need of support services and it makes sense to combine these needs into one contract to ensure best value and to enable the authority to respond quickly to emerging issues and opportunities; but also to gain the benefits from having an established relationship with a professional services partner who has a vested interest in Herefordshire.
3. Scope of services
To assist with the delivery of highways, transport and infrastructure work the council requires the services of an external professional services partner possessing specialist technical skill to provide specialist design, project management and transport planning services to supplement and support Herefordshire's in-house teams. The scope would include:
 - a. Highways design
 - b. Highways maintenance strategy and advice
 - c. Bridges and highway structures advice, design and project development
 - d. Geotechnical advice, design and project development
 - e. Flooding advice, investigation and design
 - f. Street lighting and traffic signals advice, design and project development
 - g. Transport Planning including advice, traffic modelling and strategy development
 - h. Major projects including advice, traffic modelling, master planning, planning, and business case development
 - i. Programme and Project management, contract management, site supervision, commercial and quantity surveying services
 - j. Public Transport advice and development of funding bids
 - k. Ecology advice, surveys and strategy development
 - l. Planning advice and support
 - m. Highways Development Management advice and support

- n. Economic development plan, town centre and other strategic planning advice including devolution and
 - o. Natural environment advice, design and best practice
 - p. Landscaping, agricultural and architectural advice
4. The proposal is to procure a single professional services provider in a long-term contract fostering a partnership relationship with a multi-disciplined professional services provider which has the capabilities to deliver a wide range of highways transport, economy and environmental professional advice and support. The term length for the contract will be an initial five years but have options for the award of one-year extensions at the sole discretion of the council taking the contract up to a possible 10 years. This aligns the contract with the new public realm operation model which has a five-year contract review and options to extend up to 10 years. As this contract will support the Council's team managing the public realm contractor it makes sense to align these contracts.
5. Developing a partnership with a highway and transport professional services provider will bring added value to the authority in a number of areas:
- a. Provider that knows Herefordshire: Having a long-term partner relationship with a professional services provider means that over time teams develop established relationships with the management and specialist staff. Whilst there may be pieces of one-off work like transport studies which may require staff from the wider provider's team, there will also be regular top-up design work and specialist advice work around highways maintenance, bridge and structures, geotechnical, drainage, flood risk management, street lighting and traffic signals which is likely to mean a core team of professional services staff regularly doing work for the council. Those specialists get to know Herefordshire Council processes, procedures and politics in a way that enables them to always hit the ground running at the start of any new piece of work. It also means they can be invited in at early stages of development of projects and help the council to shape projects. One of the requirements in the procurement will be that the provider commit to employing staff that regularly work in council offices or depots alongside council and public realm contractor staff as well as having an office in the region.
 - b. Fleet of foot: A partnership relationship also means that the council can respond to bidding opportunities and changes in government approach quickly. At times this has meant that transport studies or business cases need to be pulled together quickly to enable the authority to bid for funding. Having a professional services partner means they are in place to boost council resources or apply specialist's resource such as traffic modelling without the delays associated with going out to tender or getting a new provider up to speed with council systems or giving them access to a transport or traffic model they have never used before. The contract will have mechanisms that support the ability to task orders or time charge working arrangements which will enable responsive working to take place. This will improve the council's response timescales for emergencies. For example, the highways team may need to call on specialist geotechnical advice following a landslide. The ability to get a specialist engineer on site quickly for an assessment can mean the difference in getting a road re-opened in a timely way or getting a plan in place to make urgent repairs.
 - c. Independence and efficiency savings: Financially having a partnership relationship means that the provider becomes efficient and effective through knowing Hereford as a client and understanding the council's internal processes. This will save time and costs in the development and delivery of services. Additionally, being directly employed by the council instead of by the public realm contractor avoids additional fee costs creating a 3% to 5% savings. There are also advantages of having the provider independent of the public realm contractor giving more control and oversight to the council.

- d. Staff development and training: The expectation on the professional services provider will be to work with council officers to provide regular Continuing Professional Development (CPD) training, seminars and other staff development opportunities to both Council and professional services provider staff, fostering a 'one team' approach to the development of staff. Additionally, the Council will want to explore opportunities to work collaboratively with the provider to jointly operate a graduate development programme that supports the Council in developing its intelligent client capabilities but also gives the provider's graduates/apprentices experience in the local authority environment. Ideally both the Council and the professional services provider will match fund graduate posts that will benefit both and answer some of the issues around staff and skills shortages in the industry.
6. The procurement will proceed with some initial market engagement with a presentation shared with professional service providers and an invitation for short introductory meetings. This will be followed with an open tender process and will focus on quality with a 72/28 split on quality to price for evaluation. Most of the major highways and transport professional services providers will have a similar staff and pricing structure, so a competition on price is unlikely to achieve the outcomes required. Putting an emphasis on quality will ensure the council can procure a provider that can deliver the breadth and quality of the services required as well as commit to the partnership outcomes.
 7. Professional Services Contract (NEC4) is the recommended contract given its flexibility and mechanisms to deal fairly with both parties over a longer-term contract, particularly in handling contract changes.
 8. The contract will include a set of key performance indicators which will be reviewed annually and a mechanism within the governance to allow for the indicators to be reviewed and updated to reflect changes in the contract or to address performance issues.

9. Procurement Timeline

May	Cabinet decision to approve procurement Publish Preliminary Market Engagement Notice and provide market engagement information
May/June	Market engagement sessions Legal and procurement teams finalise procurement documents
July	Publication of Tender Notices and Invitation to Tender
July/August	Tender clarifications
September	Tender returns Contingency – timeline could slip into October if there are delays with procurement or additional time needed for clarifications Evaluation and moderation
October	Contract Award and standstill period
November	Confirmation of Aard
December	Contract mobilisation

January 2026 Service commencement

Community impact

9. Many of the services areas within Economy and Environment directorate are statutory functions of the council and vital to communities as the services include maintaining and developing highways and transport infrastructure. This would include supporting the Public Realm contract which is responsible for maintaining highway infrastructure, maintaining green areas, providing effective drainage, lighting the highway and enabling safe and reliable travel by all modes of transport, and access for business and leisure.
10. Transformation is an integral part of the Council Plan 2024 to 2028. A stated aim being to create an efficient council that embraces best practice, delivers innovation through technology and demonstrates value for money. This procurement will seek not only value for money but also the benefits from a partnership relationship around innovation and best practice.
11. The Department for Transport has asked local transport authorities to refresh their Local Transport Plans and this work is underway with planned public consultation later this year and will have an emphasis on active and sustainable traffic measures. This work is being supported by professional services which would in future fall within this contract.

Environmental Impact

12. This procurement for a highways and transport professional services support will be aligned to meet the Council's environmental objectives including net zero carbon ambitions including:
 - a. Improve drainage and increase flooding resilience
 - b. Reduce the council's carbon emissions
 - c. Work in partnership with others to reduce carbon emissions
 - d. Improve the air quality
 - e. Improve residents' access to green space
 - f. Increase the number of short distance trips being done by sustainable modes of travel including walking, cycling and the use of public transport
13. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
14. The environmental impact of this proposal has been considered through the service specification and includes appropriate requirements on the contractor/delivery partner to minimise waste, reduce energy and carbon emissions and to consider opportunities to enhance biodiversity. This will be managed and reported through the ongoing contract management and measured through performance indicators.

Equality duty

15. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
16. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Our providers will be made aware of their contractual requirements in regards to equality legislation.

Resource implications

17. Procurement of this contract does not commit the council to any spending. Spending on professional services through this contract will be on a case by case basis in support of a specific project or scheme development work and the source of funding from grant, approved revenue budget or capital programme will be confirmed before spend is committed.
18. Currently the Council spends between £2,500,000 and £5,500,000 per year across Economy and Environment services on professional services related support or studies. Taking into account potential work on large infrastructure schemes in future years this could amount to more than £80m over the next 10 years.
19. The contract will have built in mechanisms to deal with annual inflationary increases on contracted rates. This will need to be carefully managed by the Contracts Management Team to ensure the contract continues to deliver value for money. Reviews will be built into the contract at year 5 and every subsequent year to test and benchmark rates. These reviews will influence the decisions of the Council to either reprocure or offer extensions.
20. This procurement will be funded as part of the Public Realm Procurement. The 2024/25 approved revenue budget includes £0.9 million of one-off funding allocated to deliver the Public Realm contract and additional funding of £1.0 million from the council's earmarked reserve balances has been identified. Project costs comprise of: project management; contract expertise; procurement; legal; human resources and are estimated to not exceed £50,000. Any budget pressures to be covered by wider Economy and Environment budget

Legal implications

21. There are no specific legal implications. The procurement will need to ensure that services can be procured from alternative providers as needs dictates and there is no exclusivity with this 'partnership' approach.

Risk management

22. The key risks associated with approval of this procurement.

Ref	Risk	Potential Impact	Mitigation
1	Lack of interest in the new contract	Lack of competition during the procurement process may result in higher costs and concerns related to value for money.	Early notification of the market and soft market engagement exercise planned as part of the procurement
2	Ability to get the right fit of professional services partner	Not having a professional services provider that can deliver quality work could delay progress on the delivery of infrastructure projects and hamper the ability of the service to deliver its statutory requirements.	Careful consideration of procurement process and quality questions. Break clauses and performance requirements built into contracts
3	Relationship with partner sours over time.	Could delay progress on the delivery of infrastructure projects and hamper the ability of the service to deliver its statutory requirements.	Break clauses and performance requirements built into contract. Regular governance board and liaison meetings with provider's management team to manage and resolve issues quickly.
4	Procurement delays	Could delay progress on the delivery of infrastructure projects and hamper the ability of the service to deliver its statutory requirements.	Building contingency time into the procurement timeline.
5	Procurement Challenge	Could delay progress getting a provider in place before the start of the Public Realm Contract impacting on the delivery of infrastructure projects and hamper the ability of the service to deliver its statutory requirements.	Legal and procurement teams review and sign off on procurement process and contract documents. Use of specialised procurement and/or legal support to provide external advice.

Consultees

23. The following consultation has taken place:

Consultation	Date	Feedback
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Political groups consultation on a key decision	7 April 2025	

Report Reviewers Used for appraising this report:

Governance	John Coleman	Date 04/04/2025
Finance	Rachael Sanders	Date 24/04/2025
Legal	Sean O'Connor	Date 26/03/2025
Communications	Luenne Featherstone	Date 04/04/2025
Equality Duty	Harriet Yellin	Date 05/04/2025
Procurement	Carrie Christopher	Date 07/04/2025
Risk	Click or tap here to enter text.	Date Click or tap to enter a date.
Approved by	Ross Cook	Date 24/04/2025