



NOTICE OF MEETING

CABINET MEMBER FOR ENVIRONMENTAL SERVICES

MONDAY, 11 MARCH 2024 AT 10AM

COUNCIL CHAMBER - THE GUILDHALL, PORTSMOUTH

Telephone enquiries to Jane Di Dino, Local Democracy Officer - Tel: 023 9283 4060.
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If any member of the public wishing to attend the meeting has access requirements, please notify the contact named above.

Membership

Councillor Dave Ashmore (Cabinet Member)
Councillor Simon Boshier
Councillor George Madgwick
Councillor Asghar Shah

(NB This agenda should be retained for future reference with the minutes of this meeting).

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AGENDA

- 1 Apologies for Absence.**

- 2 Declarations of Members' Interests.**

3 **Waste Disposal Contract 2030 + Options Appraisal (Pages 5 - 20)**

Purpose.

This report has been written jointly by the Tripartite Authorities of Portsmouth City Council, Hampshire County Council and Southampton City Council (from this point forward, known as the 'Parties').

This report sets out the proposed programme of work required to complete an options appraisal to determine the optimal approach for delivering the Parties' statutory duties for waste disposal beyond the expiry of the current shared arrangements post December 2030.

As one of the most significant statutory areas of delivery and spend for the Parties, and also an area that carries both significant risk and opportunity, it is critically important that this process commences early to allow sufficient time to assess and develop the options available.

The report sets out the work programme, the resources, and the funding necessary to complete this work as well as the rationale for it.

This report is being considered separately by each of the Parties via their appropriate decision-making process to ensure full support for the proposed programme.

RECOMMENDED that the Cabinet Member for Environmental Services:

- 1. Approve the proposed programme and governance arrangements to jointly undertake the initial project appraisal to inform and direct the arrangements for managing waste disposal beyond expiry of the current contract after December 2030.**
- 2. Give authority to the Director of Housing, Neighbourhoods and Building Services as a member of the Strategic Tripartite Board to deliver the options appraisal work set out in this report, within the scope of the below approvals, including procurement of external contractors and expenditure.**
- 3. Approve and commit to supporting the resource requirements to deliver the programme.**
- 4. Approve in principle the proposed programme budget.**
- 5. Approve the procurement of external expertise and resources to provide the necessary technical input to the options appraisal.**
- 6. Approve any minor amendments that may be required to the Tripartite Agreement to support this programme.**

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Agenda Item 3



Title of meeting:	Cabinet Member for Environmental Services
Date of meeting:	11 March 2024
Subject:	Waste Disposal Contract 2030 + Options Appraisal
Cabinet Member	Councillor Dave Ashmore
Report by:	David Emmett - Head of Waste Management Services
Wards affected:	All
Key decision:	No
Full Council decision:	No

1. Purpose of report

- 1.1. This report has been written jointly by the Tripartite Authorities of Portsmouth City Council, Hampshire County Council and Southampton City Council (from this point forward, known as the 'Parties').
- 1.2. This report sets out the proposed programme of work required to complete an options appraisal to determine the optimal approach for delivering the Parties' statutory duties for waste disposal beyond the expiry of the current shared arrangements post December 2030.
- 1.3. As one of the most significant statutory areas of delivery and spend for the Parties, and also an area that carries both significant risk and opportunity, it is critically important that this process commences early to allow sufficient time to assess and develop the options available.
- 1.4. The report sets out the work programme, the resources, and the funding necessary to complete this work as well as the rationale for it
- 1.5. This report is being considered separately by each of the Parties via their appropriate decision-making process to ensure full support for the proposed programme.

2. Recommendations

- 2.1. That Cabinet Member for Environmental Services:
 - 2.1.1 Approve the proposed programme and governance arrangements to jointly undertake the initial project appraisal to inform and direct the arrangements

for managing waste disposal beyond expiry of the current contract after December 2030

- 2.1.2 Give authority to the Director of Housing, Neighbourhoods and Building Services as a member of the Strategic Tripartite Board to deliver the options appraisal work set out in this report, within the scope of the below approvals, including procurement of external contractors and expenditure
- 2.1.3 Approve and commit to supporting the resource requirements to deliver the programme
- 2.1.4 Approve in principle the proposed programme budget
- 2.1.5 Approve the procurement of external expertise and resources to provide the necessary technical input to the options appraisal
- 2.1.6 Approve any minor amendments that may be required to the Tripartite Agreement to support this programme.

2.2 Requests that updates are brought to the Environment Services member briefings as the work progresses.

3. Background

3.1. Context

- 3.1.1 The current Waste Disposal Service Contract (WDSC) was signed in the mid 1990s and commenced on 1 January 1997. The WDSC specified that all household waste collected across Hampshire (including Portsmouth and Southampton) would be in scope for handling and processing, and as such a suite of infrastructure was planned and developed to support this process. This included provision of two Materials Recovery Facilities (MRFs), three Energy Recovery Facilities (ERFs), three open air windrow composting facilities¹, supported by 11 waste transfer stations to facilitate bulking and haulage.
- 3.1.2 A significant high tonnage of waste is handled annually requiring recycling or safe disposal in line with environmental legislation. Disposal costs incurred are shared proportionally with Hampshire County Council responsible for 77% and Portsmouth and Southampton responsible for 11.52% and 11.48% respectively. In 2022/23 this amounted to a total cost burden of around £75m.
- 3.1.3 One of the key benefits of the original WDSC was the regional approach, and economies of scale from all three disposal authorities working in partnership. This enabled more efficient location of infrastructure that complemented the main conurbations in the county, achieving better value for haulage and opportunities for processing outlets through incorporating household waste from across the three areas. This also ensured greater resilience and stability than many other authorities have experienced by having a suite of facilities available to manage periods of outage or maintenance, as opposed to each Party having to rely on a single facility

each. This is particularly important with such a high tonnage of material managed across the entire geographical county area and increasing complexity arising from legislative changes over time.

3.1.4 A separate contract is in place for managing the 26 Household Waste Recycling Centres (HWRCs) provided by Hampshire, Portsmouth and Southampton respectively. This contract is also due to expire on 31 December 2030 and has clear synergies with the WDSC. Opportunities for integration of the WDSC and HWRC contracts will be a line of enquiry for the proposed appraisal.

3.2. Please see **Appendix 1** for the Parties joint report which includes all background information, programme proposal, options, timeline, governance and estimated budget.

4. Reasons for recommendations

4.1. This programme of work is a critical one for the Parties due to the financial and reputational risks associated with delivering the waste disposal service for a geographic and administrative area the size of Portsmouth, Hampshire and Southampton.

4.2. There has been significant change in the waste sector affecting local authorities over the recent years and this programme provides the Parties with the opportunity to best position themselves to ensure their waste services deliver the optimal environmental outcomes beyond 2030 whilst also ensuring value for money.

4.3. The waste disposal infrastructure is jointly owned by the three disposal authorities it is therefore essential that the parties work together using hence this joint report being presented to each of the authorities appropriate decision making meeting.

5. Integrated impact assessment

5.1. This report is for approval of an options appraisal, therefore at this stage an IIA is not required because no initiatives or changes are being considered. An IIA will be completed as required for a future report to assess the full impact of any new initiatives or changes.

6. Legal implications

6.1. When Portsmouth City Council ("PCC") became a unitary authority in April 1997, it assumed the functions of a waste disposal authority for the Portsmouth area.

6.2. A contract for waste disposal services between Hampshire County Council ("HCC") and Hampshire Waste Services Limited (subsequently sub-contracted to Veolia) was completed on 25 March 1997 ("WDSC"), and enabled the sharing of the rights and liabilities under it on a joint and several basis between HCC, PCC and Southampton City Council ("SCC") in consequence of the local government re-organisation.

- 6.3. WDSC was then transferred from HCC to PCC by virtue of the Contracts Agreement for Transferring Property between HCC and PCC dated 27 March 1997. A similar Agreement was entered into between HCC and SCC. The WDSC concerns waste collection, treatment and disposal services across Hampshire county and expires on 31 December 2030.
- 6.4. In 2009, HCC and PCC and SCC entered into a Tripartite Agreement to address the sharing of responsibilities of the Parties under the WDSC. The Agreement establishes a partnership approach with HCC taking over administration of the Contract. The Agreement also provides for the sharing of the costs under the WDSC. Essentially, where there is no specific alternative agreement, the liabilities are apportioned as follows: HCC - 77%, PCC - 11.52%, SCC - 11.48%.
- 6.5. The responsibility for the estimated budget for the proposed programme of work required to complete an options appraisal set out in Appendix 1 to this report is split in accordance with % shares of costs set out in the Tripartite Agreement.
- 6.6. A separate contract (HWRC contract) was entered into between HCC and Veolia (ES) UK Limited on 21 April 2016 for the management of the network of twenty-six (26) household waste recycling sites in Hampshire, Portsmouth and Southampton. The HWRC contract is also due to come to an end on 31st December 2030.
- 6.7. The Joint Report at Appendix 1 proposes that some of the existing governance arrangements for the joint administration and management of waste disposal services across the county under the WDSC, are utilised for the purposes of the options appraisal work set out in this report. This includes:
 - 6.7.1. The Strategic Management Group (referred to in Appendix 1 as 'Strategic Tripartite Group'), which comprises a senior manager from each Party who is responsible for the discharge of that Party's functions as waste disposal authority. The Strategic Group meets on the quarterly basis.
 - 6.7.2. The Joint Member Liaison Group (referred to in Appendix 1 as 'Members Tripartite Group'), which comprises the executive member of each authority with responsibility for the discharge of that Council's executive functions as waste disposal authority. It meets on a six-monthly basis.
- 6.8. The proposal is to set up an additional 'programme level group' with a programme lead appointed and representation from each of the authorities.
- 6.9. Terms of reference for each group in the governance structure will need to be developed to ensure clarity over responsibilities of each.
- 6.10. As the purpose of Tripartite Agreement is specifically aimed at shared administration and management of the WDSC, it is advisable for the Parties to either amend the Tripartite Agreement or enter into a separate partnership agreement that will set out the specific arrangements for the joint working set out in Appendix 1 of this report.



This should cover the principles of co-operation between the Parties, agreement on extended responsibilities of the the Strategic Tripartite Group and the Members Tripartite Group set up under the Tripartite Agreement, as well as terms of reference for a new programme level group, financial commitments towards the work of the Parties set out in Appendix 1 and the sharing of costs, communications, confidentiality, assistance with FOI requests, and arrangements for procurement of experts and external legal support (and potentially a replacement contractor(s), depending on option chosen for future delivery of the waste disposal service).

7. Director of Finance's comments

7.1 The joint report of the Tripartite Authorities (Appendix 1) sets out a total estimated programme budget of up to £1.6m. Portsmouth City Council's share of this is estimated as £185,000 (11.52%) in the financial years up to 2030/31. A budget of £50,000 will be available in the 2024/25 Waste Disposal budget to contribute to the cost of infrastructure assessment and associated support. This expenditure will be recognised as revenue spend in-year and charged from HCC as part of their routine monthly billings to PCC. HCC will track and provide detail of spend charged to PCC.

7.2 The Cabinet Member is recommended to approve and commit to supporting the resource requirements to deliver the programme and to approve in principle the proposed programme budget.

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Signed by: James Hill, Director of Housing, Neighbourhoods and Building Services

Appendices:

Appendix 1 - Waste Disposal Contract 2030 + Options Appraisal

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
N/A	

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:

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Title	Waste Disposal Contract 2030 + Options Appraisal
Date	11 March 2024

1. Executive Summary

This report has been written jointly by the Tripartite Authorities of Hampshire County Council, Portsmouth City Council and Southampton City Council (from this point forward, known as the 'Parties').

This report sets out the proposed programme of work required to complete an options appraisal to determine the optimal approach for delivering the Parties' statutory duties for waste disposal beyond the expiry of the current shared arrangements post December 2030.

As one of the most significant statutory areas of delivery and spend for the Parties, and also an area that carries both significant risk and opportunity, it is critically important that this process commences early to allow sufficient time to assess and develop the options available.

The report sets out the work programme, the resources, and the funding necessary to complete this work as well as the rationale for it.

This report is being considered separately by each of the Parties via their appropriate decision making process to ensure full support for the proposed programme.

2. Decisions required

For all Parties (Hampshire County Council, Portsmouth City Council and Southampton City Council) to each:

- 2.1 Approve the proposed programme and governance arrangements to jointly undertake the initial project appraisal to inform and direct the arrangements for managing waste disposal beyond expiry of the current contract after December 2030
- 2.2 Give authority to the Strategic Tripartite Board to deliver the options appraisal work set out in this report, within the scope of the below approvals, including procurement of external contractors and expenditure
- 2.3 Approve and commit to supporting the resource requirements to deliver the programme
- 2.4 Approve in principle the proposed programme budget
- 2.5 Approve the procurement of external expertise and resources to provide the necessary technical input to the options appraisal
- 2.6 Approve any minor amendments that may be required to the Tripartite Agreement to support this programme.

3. Context

- 3.1 The current Waste Disposal Service Contract (WDSC) was signed in the mid 1990s and commenced on 1 January 1997. The WDSC specified that all household waste collected across Hampshire (including Portsmouth and Southampton) would be in scope for handling and processing, and as such a suite of infrastructure was planned and developed to support this process. This included provision of two Materials Recovery Facilities (MRFs), three Energy Recovery Facilities (ERFs), three open air windrow composting facilities¹, supported by 11 waste transfer stations to facilitate bulking and haulage.
- 3.2 A significant high tonnage of waste is handled annually requiring recycling or safe disposal in line with environmental legislation. Disposal costs incurred are shared proportionally with Hampshire County Council responsible for 77% and Portsmouth and Southampton responsible for 11.52% and 11.48% respectively. In 2022/23 this amounted to a total cost burden of around £75m.
- 3.3 One of the key benefits of the original WDSC was the regional approach, and economies of scale from all three disposal authorities working in partnership. This enabled more efficient location of infrastructure that complemented the main conurbations in the county, achieving better value for haulage and opportunities for processing outlets through incorporating household waste from across the three areas. This also ensured greater resilience and stability than many other authorities have experienced by having a suite of facilities available to manage periods of outage or maintenance, as opposed to each Party having to rely on a single facility each. This is particularly important with such a high tonnage of material managed across the entire geographical county area and increasing complexity arising from legislative changes over time.
- 3.4 A separate contract is in place for managing the 26 Household Waste Recycling Centres (HWRCs) provided by Hampshire, Portsmouth and Southampton respectively. This contract is also due to expire on 31 December 2030 and has clear synergies with the WDSC. Opportunities for integration of the WDSC and HWRC contracts will be a line of enquiry for the proposed appraisal.

4. Programme proposal

- 4.1 The programme of work set out in this paper is to develop and assess a series of options for what arrangements will be most beneficial to the Parties in terms of the waste disposal arrangements from December 2030 when the current WDSC comes to an end.
- 4.2 Whilst the contract still has almost seven years to run it is important that sufficient time is set aside to both prepare for and undertake any procurement activity that is required. As set out above this is one of the most significant areas of spend for the authorities and is also an area that carries both significant risk and opportunity hence the importance of this programme of work.

¹ One composting site subsequently closed in 2010.

5. Options

The Parties met to discuss and agree a list of strategic options which are set out below:

- 5.1 Contract Extension – potential to extend the existing Waste Disposal Service Contract with Veolia for a further period of time. This option is being assessed separately to this options analysis with a view to a separate formal decision in due course but is included here to demonstrate that all options are being considered. A delay on progressing with the options appraisal whilst this work is completed would risk the options analysis having to be rushed and therefore not be as robust should the contract extension option not be taken further.
- 5.2 In House Delivery – this option would involve the Parties directly taking on service delivery and taking full control of all of the infrastructure and involve the TUPE of staff from the current contract. The Parties would then have to put in place the necessary structures to be able to manage the service, while this option would likely still see discrete elements of the service delivery being contracted out to third parties due to its specialist nature.
- 5.3 Contracted Service – fully integrated – this option would involve entering into one single fully integrated contract for all elements of the domestic waste disposal service. This would be broadly the same as the current arrangements although potentially the HWRC service could also be included so that the entire waste service comes under one contractual arrangement.
- 5.4 Contracted Service – lotted contracts – this option would involve separating the service into different elements or alternatively by set geographic regions or a combination of these. It would result in there be a number of smaller contracts in place to manage service delivery and require the interface between those contracts to be managed closely to ensure the service delivery was effective and efficient.
- 5.5 Alternative Delivery Model – this option will consider a range of different potential vehicles for delivering waste services. A reasonably well known and operating version of this would be a Local Authority Trading Company (LATCo) that would allow the Parties to maximise commercial opportunities and seek to generate a profit. Another option under this option would be a Joint Venture with one or more partners (e.g. authorities and external organisations) sharing resources and expertise to deliver services. A range of different models will be considered under this option.
- 5.6 Extended Partnership – all of the options discussed above could be progressed in the form of an extended partnership with other bordering local authorities to further maximise economies of scale and benefit from a great array of waste infrastructure over a wider region. This option would require alignment of contract timelines and agreements on service provision over an extended area. The extended arrangement could also include other elements of waste services

and domestic waste services within the existing administrative areas of the Parties.

- 5.7 It is important to recognise the scale and complexity of the existing arrangements when considering options for the future. While the Parties have clearly benefitted in the current contract from shared infrastructure and economies of scale, the challenge for a Party to then operate individually would be significant in terms of cost and resource required. It is therefore crucial that each Party considers the implications of this scenario on their organisation in the course of the programme appraisal.

6. Options Assessment

- 6.1 Due to the ongoing financial pressures that all local authorities are facing it is clear that seeking to achieve a positive financial outcome must be the primary aim of this work, however it is not the only factor and therefore the options above will need to be assessed and evaluated against range of different factors.
- 6.2 Other key assessment factors will include;
- 6.2.1 Zero Waste to Landfill – significant progress has been made through the current contractual arrangement to reduce the amount of waste going to landfill but the Parties remain reliant on this route for c.20,000 tonnes bulky residual waste each year. Through the new arrangements the Parties would seek to move quickly to end reliance on landfill for disposal of as much waste possible as soon as practicable.
- 6.2.2 Waste Prevention – ensure that preventing waste, as both the most cost effective solution and the top of the waste hierarchy, is a central plank of the future arrangements and that the approach selected must enable delivery of this as a core consideration for all future delivery. It is only through waste prevention that the Parties will achieve the necessary targets for carbon reduction and recycling and reduce our overall cost exposure.
- 6.2.3 Carbon Reduction – ensuring that the arrangements enable the Parties to develop and implement projects that reduce, on an ongoing basis, the carbon impact of the waste disposal service. This will include consideration of the whole system for domestic waste management.
- 6.2.4 Best value– this should be considered both from a pure cost perspective as well as considering the potential for income generation both directly from the household waste aspect of the service as well as the maximising of the assets under the control of the authorities. This will include ensuring that the Parties have transparency with regards to the financial flows.

- 6.2.5 Resilience and reliability – as discussed above, one of the great benefits of the existing contract is the resilience and reliability that it affords to the Parties in terms of guaranteed infrastructure capacity and availability, and the economies of scale achieved through marketing all the household waste across the three authority areas. The chosen/recommended option(s) for future delivery need to consider this, particularly in the context of an increasingly volatile global economy.
- 6.2.6 The Parties will undertake an initial review of all the options based on an agreed detailed assessment methodology based on the above factors to produce a shortlist of preferred options for more detailed analysis before determining the optimal solution to be taken forward.
- 6.2.7 Where necessary and appropriate, external expert support will be sought where the knowledge/expertise does not exist within the Parties and these will be procured transparently on an as needed basis.
- 6.2.8 It is additionally anticipated that specialist external legal support will be required throughout the process to advise on the different options and their implications to ensure that they are deliverable.
- 6.3 Infrastructure Review:
- 6.3.1 A critical element of this programme is gaining a clear understanding of both the condition and value of the current suite of waste disposal infrastructure that will be handed back to the Parties at the end of the current contract term in December 2030.
- This infrastructure comprises;
- 3 Energy Recovery Facilities (ERFs) - managing residual waste
 - 2 Material Recovery Facilities (MRFs) – managing dry mixed recyclables
 - 2 open windrow composting sites – managing green garden waste
 - 11 waste transfer stations – managing bulking and onward haulage of multiple waste streams
- 6.3.2 The infrastructure is both a significant economic and strategic asset for the Parties but also carries a significant amount of risk both from a financial as well as a service delivery perspective.
- 6.3.3 Understanding this infrastructure is key to determining what future options are available to the Parties and therefore a key element of this programme is to commission condition surveys of all of the infrastructure as well as obtain clear valuations of each element.
- 6.3.4 This work will require engagement of external experts with the necessary expertise to undertake the assessments and produce

independent reports to support the decision making on the preferred options.

6.4 Outline Procurement Strategy:

6.4.1 Another element of this programme of work is for the Tripartite Parties to agree the aims and objectives for what follows the current contract after 2030.

This will include key areas such as

- Environmental performance – waste reduction and recycling.
- Risk appetite
- Contract duration
- Key partnerships
- Communications
- New Technologies including use of AI
- Social Value

6.4.2 This will ensure that the outputs from the options appraisal work will align with the strategy ahead of any procurement activity taking place. To ensure that a comprehensive appraisal is progressed, it is anticipated that procurement techniques such as soft market testing, supported by extensive modelling exercises and desktop research, are used to inform the direction of travel.

7. Programme

7.1 It is recognised that this project will be considerably lengthy to take it through to mobilisation of new arrangements from 1 January 2031. Any contract tender design and award period will need particular attention given the potential scale and scope of what will likely be required. It is for this reason that it is strongly recommended that this programme commences early in 2024 to allow sufficient time for all aspects to be properly considered.

7.2 There are clear benefits to be gained from establishing a preferred position from an early stage. As such, the evaluation work proposed for 2024 within this report will be critical to establish a baseline position through identifying which strategic options should be explored in greater detail from 2025 onwards while justifying which options should be discounted.

7.3 Through the governance arrangements to be set up as per the next paragraph, regular updates will be provided to the Steering Board on progress and findings, and further interim decision reports will be submitted periodically to all Parties as required to support the development of the decision-making process and inform next steps.

7.4 The headline programme is set out in table 1 below however please note this is an indicative timeline at this stage, and a detailed programme will be developed as part of this work.

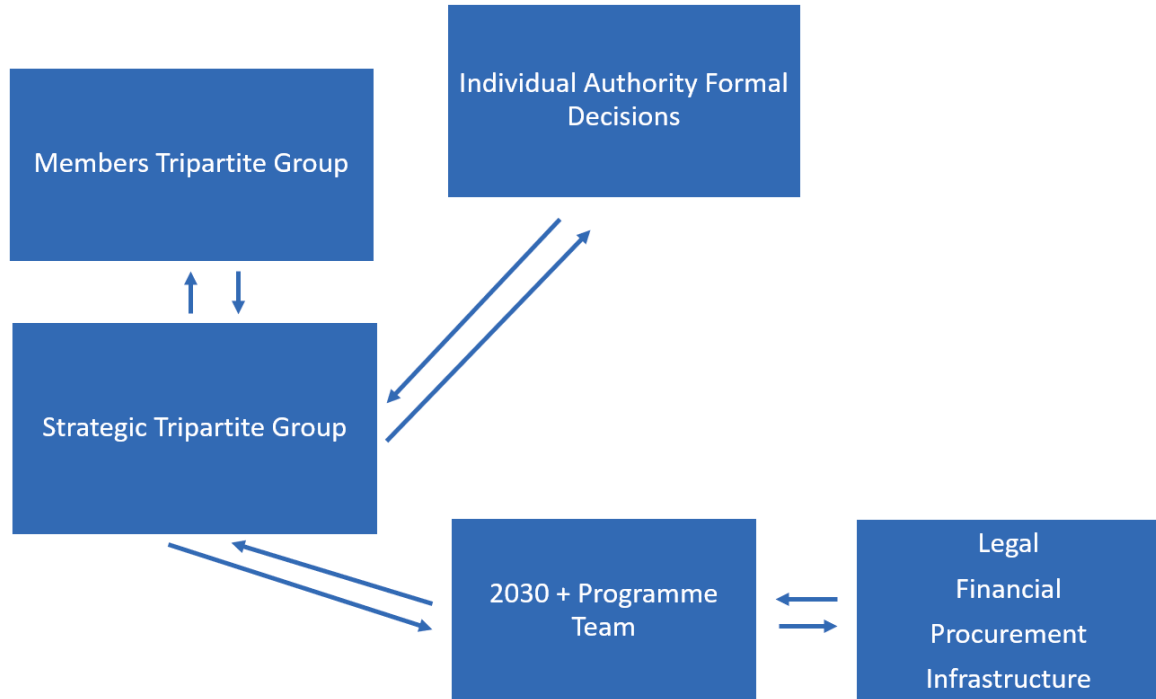
Table 1 – Programme Timeline

Dates	Activity
March 2024	Programme Inception
April 2024 – December 2024	Options Appraisal
April 2024 – December 2024	Infrastructure Assessment
January 2025	Options Shortlist Decision
January 2025 – January 2026	Detailed Options Analysis
January 2026	Final Options Decision
February 2026 – September 2026	Market Engagement
October 2026 – April 2027	Procurement Strategy
May 2027	Procurement Approval
June 2027 – September 2027	Procurement Preparation
October 2027 – October 2029	Procurement Process
November / December 2029	Contract Award Decision
January 2030	Contract Award
March 2030	Contract Mobilisation
January 2031	Contract Start

8. Resources

- 8.1 To ensure that the programme of work is delivered effectively the Parties are seeking to utilise existing governance structures, in-house skills and resources to ensure that the programme is as efficient as possible.
- 8.2 The Parties currently have both a strategic officer group that has representation at Assistant Director / Director level and a Member Group which is attended by the relevant portfolio holder for each Authority. These groups meet regularly and will be utilised to manage this programme of work alongside a new programme level group established with a programme lead appointed and representation from each of the authorities.
- 8.3 Under these arrangements a full programme plan will be developed which, once approved by the Strategic Tripartite Group, will then be managed by the programme team with regular reports to the Strategic and Members Group as part of the existing meeting schedule. The outline governance structure is set out in diagram 1 below.

Diagram 1 – Proposed Governance Structure



8.4 The programme team will, as part of the approved programme plan, appoint consultants with joint instructions being given so that all work is commissioned on behalf of the Parties. It will be agreed by the programme team which Party will enter into any contractual arrangements depending on who is best placed to do so.

8.5 Where the necessary skills exist within the Parties these will be used to support the programme of work to maximise value for money. Where a certain element is delivered this will be considered as a contribution to the programme and the associated costs will be shared by each Party in accordance with the finance principles set out below.

9. Communications

9.1 It is recognised that regular and targeted communication will be required within and between all Parties to maintain a consistent approach. As discussed above, the WDSC is both an important strategic contract to help each Party fulfil its statutory duty, and is also a significant budget pressure, so needs due consideration.

9.2 All Parties will ensure that appropriate resources are available to support the project. An internal communications site will be made available to collate and share information and manage change effectively.

10. Finances

10.1 Table 2 below sets out the outline budget for this programme of work broken down by key work area for each year.

10.2 Table 3 sets out the total costs of the programme broken down by each Party, the split is done using the existing the waste disposal service contract percentages.

10.3 Please note that these costs are just estimates at this stage, particularly with regard to the later years of the process as the option(s) selected may impact on the procurement activity and therefore its associated costs. It is proposed that a total estimated programme budget of up to £1.6 million is noted at this stage and that updates will be provided at each decision point. The outcome of the options analysis will inform the complexity of the work going forward and therefore the cost below will vary from 2026 onwards.

Table 2 – Estimated Annual Programme Budget

Work Area	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Programme Management	£10,000	£10,000	£21,000	£32,000	£42,000	£42,000	£32,000
Legal Costs	£50,000	£50,000	£50,000	£50,000	£150,000	£150,000	£50,000
Financial Support	£35,000	£35,000	£35,000	£50,000	£75,000	£50,000	£25,000
Infrastructure Assessment	£300,000	£20,000	£0	£0	£0	£0	£0
Technical Advice	£35,000	£75,000	£50,000	£20,000	£20,000	£20,000	£20,000
Total	£430,000	£190,000	£156,000	£152,000	£287,000	£262,000	£127,000

Table 3 – Estimated Individual Total Authority Costs

Year	Hampshire	Portsmouth	Southampton	Total
2024/25	£331,100	£49,536	£49,364	£430,000
2025/26	£146,300	£21,888	£21,812	£190,000
2026/27	£120,120	£17,971	£17,909	£156,000
2027/28	£117,040	£17,510	£17,450	£152,000
2028/29	£220,990	£33,062	£32,948	£287,000
2029/30	£201,740	£30,182	£30,078	£262,000
2030/31	£97,790	£14,630	£14,580	£127,000
Total	£1,235,080	£184,781	£184,139	£1,604,000

11. Conclusion

This programme of work is a critical one for the Parties due to the financial and reputational risks associated with delivering the waste disposal service for a geographic and administrative area the size of Hampshire, Portsmouth and Southampton.

There has been significant change in the waste sector affecting local authorities over the recent years and this programme provides the Parties with the opportunity to best position themselves to ensure their waste services deliver the optimal environmental outcomes beyond 2030 whilst also ensuring value for money.