

# EXECUTIVE DECISION

made by a Cabinet Member



## REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY BY AN INDIVIDUAL CABINET MEMBER


Executive Decision Reference Number – L25 24/25

Decision	
1	<b>Title:</b> Contract extension for the Provision of Materials Recycling Facility and Service
2	<b>Decision maker:</b> Councillor Tudor Evans OBE (Leader of the Council)
3	<b>Report author and contact details:</b> Phil Rudin (Head of Strategic Contracts and Disposal). phil.rudin@plymouth.gov.uk
4	<p><b>Decision to be taken:</b></p> <p>To extend the contract for the Provision of Materials Recycling Facility and Service (reference I2008) for 5 years, at a value of £3.7 Million, by variation in accordance with Regulation 72-(1)(b) of the Public Contracts Regulations (subject to the outcome of any legal challenge made during the 10-day procurement standstill period).</p>
5	<p><b>Reasons for decision:</b></p> <p>The existing MRF contract is due to expire in April 2025.</p> <p>While the procurement of a new long-term contract to operate the MRF is desired, an interim extension of the current contract is required to ensure clarity of emerging statutory guidance relating to the Environment Act.</p>
6	<p><b>Alternative options considered and rejected:</b></p> <p>1. Do nothing: This would result in all recyclate collected from the kerbside being sent for incineration, instead of recycling. This would increase revenue spend by approximately £360k per annum and reduce the council's recycling rate.</p> <p>2. Undertake procurement now: There is insufficient certainty in the future impact of the Environment Act 2021 on the quantity and constituents of the material available at the kerbside for recycling. This would create risk of contract changes in coming years as more information becomes available. Also, it is unlikely that contractors would give favorable terms if the contract were to be tendered now given the uncertainty over legislative changes and their impact on material type and value.</p>
7	<p><b>Financial implications and risks:</b></p> <p>The financial implication for extending the current contract is that PCC continue to pay for the service under the existing contract terms. This is calculated at £740K per year. Over the five year contract extension period, this would amount to £3.7million.</p> <p>The biggest risk to price for the service is the fluctuation of market value of the materials collected. Recent global events have had significant impacts on values of raw materials and</p>

	<p>therefore demand for secondary materials has driven increases in their value. This has recently reverted back to pre-covid levels, but recent extremes have demonstrated the volatility of prices.</p> <p>The existing contract terms include a mechanism that re-calculates the cost of delivering the service on a regular basis to ensure that the current price reflects market conditions. This ensures that PCC will continue to receive value for money for the service during the extension period and limit the financial risk of global markets.</p>			
8	<p><b>Is the decision a Key Decision?</b> (please contact <b>Democratic Support</b> for further advice) Please type an X into the relevant boxes</p>	<b>Yes</b>	<b>No</b>	<b>Per the Constitution, a key decision is one which:</b>
			<b>X</b>	in the case of <b>capital</b> projects and contract awards, results in a new commitment to spend and/or save in excess of <b>£3million</b> in total
		<b>X</b>		in the case of <b>revenue</b> projects when the decision involves entering into new commitments and/or making new savings in excess of <b>£1 million</b> annually
		<b>X</b>		is <b>significant</b> in terms of its effect on communities living or working in an area comprising <b>two or more</b> wards in the area of the local authority.
	<p>If yes, date of publication of the notice in the <b>Forward Plan of Key Decisions</b></p>	09 August 2024		
9	<p><b>Please specify how this decision is linked to the Council's corporate plan/Plymouth Plan and/or the policy framework and/or the revenue/capital budget:</b></p>	<p>This decision allows material to continue to be recycled in accordance with the waste hierarchy – collected recyclables are separated on site and output materials are of industry standard allowing for the materials to be reused. It is far more cost efficient than incineration, better the environment and it continues to provide a high-quality waste management services to Plymouth City Council's residence.</p>		
10	<p><b>Please specify any direct environmental implications of the decision (carbon impact)</b></p>	<p>This decision is an extension of existing contractual arrangements and will therefore not have any adverse implications on carbon impact. Recycling is beneficial for carbon impact through re-using waste materials, reducing land-fill quantities, and therefore reducing demand for new carbon materials. (See Climate Impact Assessment)</p>		
<b>Urgent decisions</b>				
11	<p><b>Is the decision urgent and to be implemented immediately in the interests of the Council or the public?</b> Please type an X into the relevant box</p>	<b>Yes</b>		(If yes, please contact Democratic Support ( <a href="mailto:democraticsupport@plymouth.gov.uk">democraticsupport@plymouth.gov.uk</a> ) for advice)
		<b>No</b>	<b>X</b>	<b>(If no, go to section 13a)</b>

<b>I2a</b>	<b>Reason for urgency:</b>		
<b>I2b</b>	<b>Scrutiny Chair Signature:</b>		<b>Date</b>
	<b>Scrutiny Committee name:</b>		
	<b>Print Name:</b>		
<b>Consultation</b>			
<b>I3a</b>	<b>Are any other Cabinet members' portfolios affected by the decision?</b> Please type an X into the relevant box	<b>Yes</b>	<b>X</b>
		<b>No</b>	<b>(If no go to section I4)</b>
<b>I3b</b>	<b>Which other Cabinet member's portfolio is affected by the decision?</b>	Councillor Tom Briars-Delve (Cabinet Member for Environment and Climate Change)	
<b>I3c</b>	<b>Date Cabinet member consulted</b>	22 October 2024.	
<b>I4</b>	<b>Has any Cabinet member declared a conflict of interest in relation to the decision?</b> Please type an X into the relevant box	<b>Yes</b>	If yes, please discuss with the Monitoring Officer
		<b>No</b>	<b>X</b>
<b>I5</b>	<b>Which Corporate Management Team member has been consulted?</b>	<b>Name</b>	Karime Hassan
		<b>Job title</b>	Interim Strategic Director for Growth
		<b>Date consulted</b>	6 December 2024
<b>Sign-off</b>			
<b>I6</b>	<b>Sign off codes from the relevant departments consulted:</b>	<b>Democratic Support (mandatory)</b>	JS79 24/25
		<b>Finance (mandatory)</b>	CH.24.25.043
		<b>Legal (mandatory)</b>	LS/00001312/1/AC/11/11/24
		<b>Procurement (if applicable)</b>	HG/PS/762/ED/1224

		<b>Corporate property (decisions involving Council owned land or facilities) (if applicable)</b>	N/A						
		<b>Human Resources (if applicable)</b>	N/A						
<b>Appendices</b>									
<b>17</b>	<b>Ref.</b>	<b>Title of appendix</b>							
	A	Briefing report for publication							
	B	Equalities Impact Assessment							
	C	Climate Impact Assessment							
<b>Confidential/exempt information</b>									
<b>18a</b>	<b>Do you need to include any confidential/exempt information?</b> Please type an X into the relevant box		<b>Yes</b>	<b>X</b>	If yes, prepare a second, confidential ('Part II') briefing report and indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box in <b>18b</b> below.  (Keep as much information as possible in the briefing report that will be in the public domain)				
			<b>No</b>						
			<b>Exemption Paragraph Number</b>						
			<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>18b</b>	<b>Confidential/exempt briefing report title:</b>  Internal Contract Variation Paper				<b>X</b>				
<b>Background Papers</b>									
<b>19</b>	Please list all unpublished, background papers relevant to the decision in the table below.  Background papers are <u>unpublished</u> works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based. If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.								
<b>Title of background paper(s)</b>			<b>Exemption Paragraph Number</b>						
			<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>

<b>Cabinet Member Signature</b>							
<b>20</b>	I agree the decision and confirm that it is not contrary to the Council’s policy and budget framework, Corporate Plan or Budget. In taking this decision I have given due regard to the Council’s duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act (2010) and those who do not. For further details please see the EIA attached.						
<b>Signature</b>				<b>Date of decision</b>	8 January 2024		
<b>Print Name</b>	Councillor Tudor Evans OBE (Leader of the Council)						