PAPER NO. WRWA 25-16 (A)

WESTERN RIVERSIDE WASTE AUTHORITY

MEETING	12th June 2025
REPORT AUTHOR/DATE	Interim General Manager *(Contact Rachel Espinosa - Tel. 020 8871 2788)* 29th May 2025
SUBJECT	Report by the Interim General Manager with an update on progress with the Outline Business Case for the WRWA Procurement Strategy including the redevelopment of Cringle Dock.
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STATUS	**OPEN**
BACKGROUND PAPERS	None

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EXECUTIVE SUMMARY

1. This report provides an update of the work to progress the Authority's Outline Business Case ("OBC") for its Procurement Strategy including the redevelopment of the Cringle Dock waste transfer station.

2. After agreement in principle to a short-list of potential procurement option choices, further modelling is taking place to develop the Economic Case and to produce a "Reference Project" that can be used to compare against bids when the services are tendered. An update on this work will be presented verbally at the meeting however, in view of the appointment of a new Managing Director and the need for him to be fully involved in this key stage of the procurement, presentation of the Reference Project is now scheduled for the October meeting of the Authority.

3. Discussions are ongoing with Thames Water and their agents about the potential acquisition of the Kirtling Wharf site to enable Cringle Dock redevelopment. These have identified a provisional footprint on the site that could be made available for redevelopment when the site is released by Thames Water following completion of the Thames Tideway Tunnel works. Officers are currently awaiting confirmation of the extent of land available for redevelopment.

RECOMMENDATIONS

4. The Authority is recommended to:

   a) note the progress made and the updated timetable for completion of the Reference Project and the overall Outline Business Case for Procurement of a replacement for the Waste Services Management Agreement (WMSA).
   b) note the progress made and next steps in developing proposals to redevelop Cringle Dock Waste Transfer Station; and
   c) otherwise receive this report for information.

DEVELOPING THE "REFERENCE PROJECT" FOR THE PROCUREMENT STRATEGY

5. At the Authority meeting on 4th December 2024, the Short List of options to investigate further in the Procurement Strategy was agreed "in principle….for further examination…". The next stages to complete the Economic Case are ongoing and include:

   - Financial modelling of scenarios

- Benefits appraisal
- Risk assessment
- Selection of “Reference Project”

6. The Reference Project identifies at least one deliverable and affordable solution to the project prior to going to market i.e., prior to procurement. This solution may not be what is actually procured as this will be determined in part by the solutions that are submitted by bidders. It is important to note that it is also not “business as usual”.

7. It is now intended to present the Reference Project to the October 2025 Authority meeting for approval.

8. The Draft OBC is scheduled for completion during 2025/ 26, following which a Final OBC will be concluded for approval at the June 2026 Authority meeting. This will allow preparation of the procurement activity with a view to an estimated contract award in March 2030.

STAKEHOLDER ENGAGEMENT

9. Key stakeholders have been involved in the development of the OBC to date and this will continue.

10. Member briefings and discussions have been held through the regular monthly meetings and Authority update reports as well as specific dedicated briefings for example on 18/11/24 and 13/1/25.

11. A meeting was held with Chief Executives on 5/3/24 and further meetings will be arranged at important project milestones including when the Reference project is in draft from.

12. Directors have been involved through a Procurement Advisory Group and three meetings have been held to date on 30/5/24, 21/10/24 and 7/5/25.

13. Technical Officers have been briefed and involved though their regular monthly meetings and Authority update reports. A further dedicated briefing is being arranged.

14. In 2023/ 24 a series of meetings were held with the key potential services suppliers who may be interested in the procurement. Another round of engagement is now being planned to update market intelligence.

REDEVELOPMENT OF CRINGLE DOCK WASTE TRANSFER STATION

15. At the 2nd October 2024 Authority meeting it was agreed that, as part of the development of the Procurement Strategy, the next steps on Cringle Dock redevelopment were to present details on the potential acquisition of Kirtling Wharf and to develop the Business case and funding options for Cringle Dock Waste Transfer Station (WTS) replacement.

16. Thames Tideway have indicated that they expect the disposal of any surplus land to commence in the 3rd quarter of 2025 and have also indicated that they would be content for WRWA to use the land they retain for non-permanent waste activities.

17. In terms of the type of facility which could be built and over-site development possibilities, a number of options exist including:

    a) Development of a new tipping / transfer hall on Kirtling Wharf and redeveloping existing barge loading area at Cringle Dock;

    b) Using Kirtling Wharf as a laydown area for redeveloping Cringle Dock WTS, and subsequently converting Kirtling Wharf to a circular economy hub;

    c) Redeveloping Cringle Dock utilizing a near-by site as a laydown area if Kirtling Wharf cannot be acquired.

18. In order to ascertain the ability of Cringle Dock WTS to continue operating until such a time as it can be redeveloped, officers have sought a quotation for a condition survey of the two waste bunkers at Cringle Dock. The scope of work aims to minimise operational disruption through the use of drone footage prior to physical inspection and sampling, and insofar as possible employing a staged approach such that only one bunker should be out of operation at any given time.

TREASURER'S COMMENTS

19. Any expenditure (external technical advice, in house or SLA services) that is required to develop the business case will be funded from the existing approved budgets for these services (subject to annual approval of this budget by the Authority as part of the annual budget report).

20. Any proposals for the acquisition of Kirtling Wharf (as part of a wider redevelopment of Cringle Dock) will need to be funded through a combination of reserves or borrowing (depending on the purchase price). It should be noted that

the current reserves of WRWA are £34.2m (and of this total, £19.5m are earmarked for the Stabilisation of Waste Disposal Rates, Loan Repayment and Pension Liabilities). The use of these reserves will also result in interest foregone to support the in-year revenue budget.

21. The redevelopment of Cringle Dock will require a comprehensive financial case to be set out (including estimated development costs, sensitivity/risk analysis, funding strategy and the project timescales). This will be a significant complex undertaking (that will require planning approval within a substantially newly developed residential area) and the financial estimates for the development will need to be compiled. This financial and funding strategy will need to be developed in consultation with the Constituent Councils.

Western Riverside Transfer Station
Smugglers Way
Wandsworth
SW18 1JS

RACHEL ESPINOSA
INTERIM GENERAL MANAGER

29th May 2025

Timeline for completion of the OBC Procurement Strategy **Appendix**

OBC Stage	Task	Timeline
Economic Case	Short-list – in principle approval	4th December 2024
	Financial modelling of scenarios	January to July 2025
	Benefits Appraisal	
	Risk Assessment	
	Selection of Reference Project	October 2025 Authority
Commercial Case	Procurement route(s)	November 2025 – January 2026
	Service requirements	
	Charging mechanism	
	Risk allocation	
	Contractual, personnel, accountancy arrangements	
Financial Case	Affordability assessment	
	Cost sensitivities e.g. in-house options	
Management Case	Social value	January 2026 – February 2026
	Risk assessment	
	Stakeholder strategy	
Draft OBC	Complete for WRWA review	April 2026
Final OBC	**Authority approval**	**June 2026**