

From: Simon Jones, Corporate Director, Growth, Environment and Transport
To: David Wimble, Cabinet Member for (the Kent) Environment
Subject: Procurement **for the Receipt and Processing of Wood Waste Contract Countywide CN260428**

Decision Number: 25/00090

Past Pathway of report: Environment and Transport Cabinet Committee – 4th November 2025

Electoral Division: All electoral divisions

Summary The existing contract held by Kent County Council (KCC), as the Waste Disposal Authority, for the receipt and processing of approximately 25,000 tonnes per annum of wood waste is due to expire on 14th November 2026; a procurement seeks to establish new countywide contractual arrangements from 15th November 2026.

Recommendation(s)

The Cabinet Member for (the Kent) Environment is asked to agree to the proposed decision as set out in the attached Proposed Record of Decision. (Appendix A).

1. Introduction

- 1.1 KCC has a statutory responsibility as the Waste Disposal Authority to arrange for the disposal of waste collected at kerbside by the Waste Collection Authorities and to arrange for the disposal of waste deposited at the Household Waste Recycling Centres (HWRCs) by Kent residents.
- 1.2 KCC has processes in place for the treatment of wood waste received at the HWRCs or collected by Waste Collection Authorities as fly-tipped/bulky waste, as this is both environmentally and economically beneficial.
- 1.3 KCC currently contracts out the management of the processing of c.25,000 tonnes per annum of wood waste.
- 1.4 This report provides information concerning the expiry of the contract on 14th November 2026 and details the commissioning process to commence a new contract from 15th November 2026.
- 1.5 KCC has planned a sufficient lead-in time for development of a robust specification, negotiations and mobilisation, as well as completion of all necessary governance and approval processes prior to launching the full tender.

2. Background

- 2.1 KCC currently contracts with Countrystyle Recycling Ltd (CRL), based locally in Ridham, Kent.
- 2.2 Countrystyle has been an excellent and reliable provider for Kent County Council, consistently delivering high-quality services for the receipt and processing of wood waste and providing vitally important service contingency arrangements. Their local

facility in Ridham has played a key role in supporting KCC's recycling objectives, as well as facilitating the recovery of energy via the adjacent MVV Biomass facility.

- 2.3 There are several effective methods for managing wood waste. KCC currently relies on a combined strategy that includes both recycling and energy recovery through biomass which allows the service to manage wood waste stock levels and quality, more flexibly and sustainably. While recycling is generally preferred under the waste hierarchy, energy recovery plays an important complementary and contingency role.
- 2.4 The wood waste received by KCC varies in quality and suitability for recycling and is assessed in line with industry guidance from the Wood Recyclers' Association and segregated by the provider upon receipt.
- 2.5 The recycling process typically involves sorting, shredding, and screening by the provider to produce material that can be reused in products such as chipboard, animal bedding or biomass fuel. However, not all wood is appropriate for these uses. Contaminated, treated, or low-grade wood may not meet the standards required by reprocessors and often cannot be recycled into higher-value products. In such cases, alternative processing routes, such as energy recovery through biomass, may be necessary. The quality and cleanliness of the input material are therefore critical to the efficiency and value of the recycling process, with clean, untreated wood being more readily accepted and yielding better outcomes.
- 2.6 KCC is committed to increasing wood recycling rates through improved scrutiny at HWRCs, with site staff actively monitoring for contaminants and encouraging better separation of materials. However, identifying treated or hazardous wood can be challenging, as it is not always visually obvious. While recycling performance has improved in recent months, it should be noted that the ability to further increase rates can be limited by the nature of the material brought in by residents.
- 2.7 The wood waste market is notably sensitive to fluctuations in stock levels, with seasonal trends playing a significant role in shaping supply and demand. During the winter months, demand for waste wood typically increases, particularly for biomass energy production. Conversely, spring and summer often see a rise in wood waste availability due to heightened construction, demolition and home project activity, as well as scheduled maintenance shutdowns at biomass plants. These seasonal shifts can lead to imbalances in the market, affecting gate fees, capacity and processing costs across the UK.
- 2.8 Market engagement has indicated interest from both local processors and those outside of Kent. Kent itself has a very limited selection of wood reprocessors. There are also smaller reprocessors in and around Kent who provide local recycling services for a range of materials, including wood. These facilities contribute to Kent's recycling infrastructure, and their capacity, acceptance criteria, and commercial interest in future contracts will be confirmed through the commissioning process.
- 2.9 As part of its commitment to continuous improvement and innovation, KCC is monitoring emerging technologies in the wood recycling sector to ensure that KCC's contracts incorporate the most modern techniques and opportunities.

3. Issues, Options and Analysis of Options

- 3.1 Wood collected at Household Waste Recycling Centres and through bulky and fly-tip collections can vary in quality. A significant portion of wood waste is contaminated with adhesives, paints, or metals, which complicates recycling and can impact reuse value.
- 3.2 The market is shaped by evolving environmental regulations and circular economy policies. Compliance with fire prevention plans, waste segregation mandates, and sustainability certifications influence how wood waste is stored, processed, and reused.
- 3.3 Through robust procurement activities, KCC will ensure that:
- The contract is structured in one lot as a single County-wide contract. This is following feedback from the market whose preference is to accept the total tonnage. This will bring the largest financial benefit to KCC, with higher income rates.
 - In line with the flexibility introduced by the Procurement Act 2023, we are seeking to award the contract based on lowest price, provided that all bids meet a defined quality threshold. This approach ensures that while cost-efficiency remains a priority, the successful supplier must demonstrate the capability to deliver services to an acceptable standard. By applying a quality threshold, we safeguard against compromising service delivery and ensure that only tenders offering both value and reliability are considered.
 - Haulage costs, albeit paid for under separate contracts that KCC hold, to haul the waste to the provider's facility, will be included in the economic evaluation (whole life cycle costs).
 - Although the anticipated volume of wood waste is approximately 25,000 tonnes, there is no minimum tonnage commitment within the proposed contract. This approach provides the Council with valuable operational flexibility, allowing us to respond to seasonal variations in supply and demand without being bound to fixed volumes.
 - The contract mandates providers to comply with all relevant environmental permitting and planning requirements
 - Social value commitments from providers are included and evaluated, particularly initiatives that support local employment, education, and community engagement. These commitments will be monitored throughout the contract to ensure meaningful delivery.
 - No wood waste managed under this contract will be permitted to be disposed of at landfill. All material must always, in the first instance be considered for recycling or otherwise sent for energy recovery in accordance with the waste hierarchy and Kent's zero-to-landfill objective.
 - The output materials must meet relevant industry standards for recycled wood.

- The contract will be structured to allow flexibility should the service need to accommodate small business wood waste in the future.
- The proposed contract term has been determined to attract market interest and reflects feedback received during market engagement. It also takes into account the forthcoming Local Government Reorganisation, with a break clause included at 2028 to provide flexibility, should circumstances change.
- The extension will be considered based on provider performance and value for money, in line with the Council's "Reforming Kent" strategy. A benchmarking exercise will be conducted 18 months prior to the extension point to assess competitiveness and service quality.
- The contract will include Key Performance Indicators (KPIs) to monitor service quality, contamination rates, recycling performance, and turnaround times. Performance against these KPIs will be reviewed regularly and published annually in accordance with the Procurement Act 2023.

4. Options

- 4.1 **Option 1 - Do nothing** – the current arrangements will cease and KCC will be unable to accept the waste - this is not an option due to KCC's obligation to manage controlled waste as per the Environmental Protection Act 1990 and the Separation of Waste (England) Regulations 2024
- 4.2 **Option 2 - Continue to accept the waste but utilise alternative disposal options by using landfill** - This is not a viable option. KCC has a legal obligation to manage controlled waste in accordance with the waste hierarchy, which prioritises recycling over disposal. Sending wood to landfill would not only undermine the Council's recycling and landfill diversion targets (currently less than 1%), but would also incur a significant disposal cost, (taking into account landfill tax). The gate fee difference would be a 291.7% increase. This shift would have a substantial negative impact on the Council's waste management budget and is therefore not considered a sustainable or cost-effective option.
- 4.3 **Option 3 - Extend for a further period** - This is not legally possible, as the wood contract has been extended within the parameters of the existing contracts.
- 4.4 **Option 4 – Commence a full procurement exercise (recommended option)**. This is the preferred option and provides sufficient time to undertake a full commissioning exercise before 15th November 2026, and to secure a provider who can process the material. A 5+2-year contract term has been proposed as it offers an optimal balance between operational stability and financial viability, enabling providers to spread capital investment and overhead costs, such as processing equipment over a longer period. Shorter contract durations typically result in higher annualised costs, which can increase the gate fee and limit market competitiveness.
- 4.5 **The Recommended Option is Option 4 which is to re-procure**. This provides an opportunity for KCC to engage with the market, to realise potential benefits of improved efficiency and innovation, competitive pricing and updated regulatory requirements.

5. Recommended Option risks

- 5.1 The commissioning of a new contract for wood waste processing carries several risks. Market volatility remains a key concern, particularly due to seasonal fluctuations in supply and demand, variations in biomass energy production, and the limited number of domestic reprocessors with sufficient capacity. These factors can influence competition, pricing, and the overall financial sustainability of the contract. Additionally, the market is sensitive to changes in environmental regulation and fire prevention controls, which may affect operational flexibility and storage capabilities.
- 5.2 Providers must meet stringent environmental permitting and planning requirements, particularly in relation to the handling and processing of potentially contaminated or hazardous wood waste. The Council must ensure that all operations comply with relevant legislation resulting in compliance risks for the authority.
- 5.3 Local Government Reorganisation involves elements of unknown risk. Therefore, KCC has chosen to ensure that statutory services remain in place during the transition period. The inclusion of a break clause in 2028 provides flexibility, allowing services to be reviewed and adapted once future boundaries and responsibilities are more clearly defined.

6. Consultation

- 6.1 A market engagement questionnaire was posted to the Kent Business Portal with 5 responses received on the 9th of September 2025.
- 6.2 The engagement exercise sought information and clarity on a range of subjects including location, facility type and capacity, acceptance criteria, contract term, lotting, changes in legislation, innovation, environmental impact, social value and price, all of which has shaped the recommendation, specification and proposed route to market.
- 6.3 Key learning from market engagement has been considered in the procurement documentation.
- 6.4 The Commercial and Procurement Oversight Board is due to be convened on 15th October 2025 and approval for the commissioning route, duration of contract and extension period will be sought.

7. Financial Implications

- 7.1 This is a revenue-based contract.
- 7.2 The budget for 2025/26 is £907,100 based on budgeted tonnes of 22,335.
- 7.3 The proposed budget for 2026/27 is £940,600 based on budgeted tonnes of 22,727
- 7.4 Actual tonnes processed in 2024/25 were 24,896.43, therefore the estimated value of this contract is based on receiving 25,000 tonnes per annum.

- 7.5 Tonnage has been consistent over the last 3 years of the contract and therefore, 25,000 tonnes is a realistic annual estimation.
- 7.6 Annual costs of the contract are calculated on 25,000 tonnes multiplied by an average gate fee (uplifted by indexation in November 2025) = £1.035m
- 7.7 Any tonnage fluctuation above or below the budget will be managed as part of the monthly financial monitoring process.
- 7.8 Haulage is included in the HWRC & WTS contract, however whole-life cycle costs of this contract will be considered during evaluation of the tender.
- 7.9 If the most economically advantageous compliant tender exceeds the available budget, and there is limited scope to reduce costs due to the operational nature of the service, this would result in an in-year financial pressure.

8. Legal Implications

- 8.1 A competitive procurement process will be carried out under the Procurement Act 2023, which meets the obligations on transparency, fair treatment and best value.
- 8.2 The Council's standard terms and conditions will be utilised, and legal advice will be sought where required.
- 8.3 Schedule 1 of The Controlled Waste Regulations 2012 classifies waste arising from construction or demolition, including preparatory work as Household Waste (as defined under the Environmental Protection Act 1990). This classification includes wood waste. KCC has an obligation to recycle or recover this under the legal requirements of the Waste Hierarchy which is set out in the Waste (England and Wales) Regulations 2011.
- 8.4 The Waste Framework Directive (2008/98/EC) sets the basic concepts and definitions related to waste management, including the principles of the waste hierarchy. It requires councils to take measures to encourage the separation and recycling of waste.
- 8.5 As of 1st September 2023, the UK government introduced updated regulations concerning wood waste recycling. These changes follow five years of industry research and testing, particularly from the Wood Recyclers' Association. While they primarily affect the construction and demolition industries, KCC, (responsible for HWRCs) needs to remain informed, especially when receiving wood from older properties.

9. Equalities implications

- 9.1 The Equality Impact Assessment undertaken concluded that no protected characteristics will be impacted upon negatively as a result of this contract award. This is due to the contract delivering a business-to-business service; all customer services are conducted by the waste collection authority or at Household Waste Recycling Centres.

10. Other corporate implications

10.1 A **Data Protection Impact Assessment** (DPIA) screening was undertaken and it concluded that due to the fact that no personal data is handled or stored, (employee or service user), no further assessment is required.

10.2 **Environmental Impact** - We have followed guidance from Kent County Council's Sustainable Procurement Toolkit and have embedded within the procurement the need to engage with the market early, to promote transparency in environmental data, and to explore opportunities to support marginalised groups and biodiversity. These principles have informed the commissioning approach for this procurement, ensuring that value for money includes the best possible environmental and social outcomes for the county.

11. Policy Framework

11.1 This proposed decision is aligned with the strategic direction set out in the current Strategic Statement and remains consistent with the planned new Strategic Statement. Decision making will continue to progress in line with the new Strategic Statement once enacted.

12. Governance

12.1 The Director of Environment and Circular Economy will inherit the main delegations via the Officer Scheme of Delegation due to the potential financial value of this contract.

13. Conclusions

13.1 This procurement is essential to ensure continuity of service, legal compliance, and environmental performance. It provides an opportunity to secure a financially and environmentally beneficial contract that supports Kent's long-term waste strategy.

14 Recommendation(s)

14.1 The Cabinet Member for (the Kent) Environment is asked to agree to the proposed decision as set out in the attached Proposed Record of Decision. (Appendix A).

15. Appendices

- Appendix A: Proposed Record of Decision
- Equality Impact Statement

16. Contact details

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