

# PAPER NO. WRWA **25-08A**

## WESTERN RIVERSIDE WASTE AUTHORITY

<b>MEETING</b>	11 <sup>th</sup> February 2025												
<b>REPORT AUTHOR/DATE</b>	Interim General Manager <i>(Contact Rachel Espinosa - Tel. 020 8871 2788)</i> 28 <sup>th</sup> January 2025												
<b>SUBJECT</b>	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.												
<b>CONTENTS</b>	<table><tr><td>Page 1</td><td>Executive Summary</td></tr><tr><td>Page 1</td><td>Recommendations</td></tr><tr><td>Page 1</td><td>Introduction</td></tr><tr><td>Pages 1-6</td><td>Additional information</td></tr><tr><td>Page 7</td><td>Appendix 1: Procurement Strategy Programme Plan</td></tr><tr><td>Page 8</td><td>Appendix 2 Cringle Dock redevelopment timeline</td></tr></table>	Page 1	Executive Summary	Page 1	Recommendations	Page 1	Introduction	Pages 1-6	Additional information	Page 7	Appendix 1: Procurement Strategy Programme Plan	Page 8	Appendix 2 Cringle Dock redevelopment timeline
Page 1	Executive Summary												
Page 1	Recommendations												
Page 1	Introduction												
Pages 1-6	Additional information												
Page 7	Appendix 1: Procurement Strategy Programme Plan												
Page 8	Appendix 2 Cringle Dock redevelopment timeline												
<b>STATUS</b>	<b>OPEN</b>												
<b>BACKGROUND PAPERS</b>	None												

**This page has been left blank intentionally.**

## **EXECUTIVE SUMMARY**

1. The 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 options for further examination at the December Authority meeting work to complete the Economic Case will continue with a draft Reference Project being presented to the June Authority meeting.
3. Further work to develop the rest of the OBC will continue in 2025 with a view to a draft final document being presented to the December Authority meeting.
4. Discussions are being held with Thames Water and their agents about the potential acquisition of the Kirtling Wharf site to enable Cringle Dock redevelopment.
5. A potential timeline for redevelopment is presented including a possible timeline for construction and commissioning of around 4 years.

## **RECOMMENDATIONS**

6. The Authority is recommended to:
  - a) note the progress made and timetable for completion of the Final Outline Business Case;
  - b) note the progress made and next steps in developing proposals to redevelop Cringle Dock Waste Transfer Station;
  - c) otherwise receive this report for information.

## **DEVELOPING THE SHORTLIST OF PROCUREMENT OPTIONS**

7. The Outline Business Case ("OBC") is made up of 5 elements, following guidance from HM Treasury's Green Book approach: the Strategic Case i.e. the case for change; the Economic Case, identification of procurement options; the Commercial Case to demonstrate viability and robust contract structure; the Financial Case to demonstrate affordability and funding route and; the

Management Case to demonstrate that sufficient governance and risk management is in place. The OBC is currently at the Economic Case stage.

8. The Economic Case recommends a Short List of options for the aspects below:
  - the scope of the service(s) to be procured (service scope)
  - how services could best be delivered (service solution),
  - who will deliver the services e.g. external contractor(s) / internal delivery (service delivery)
  - contract duration; and
  - funding options.
9. At the Authority meeting on 4<sup>th</sup> December 2024, the Short List of options to investigate further in the Procurement Strategy were agreed “in principle...for further examination...” . As the Strategy is progressed, more detailed analysis will be carried out. The next stages to complete the Economic Case include:
  - Financial modelling of scenarios
  - Benefits appraisal
  - Risk assessment
  - Selection of “Reference Project”
10. 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”. It is intended to present the Reference Project to the June 2025 Authority meeting for approval.
11. The OBC process now integrates the Cringle Dock redevelopment and food waste transfer business cases as set out in paragraphs 15-21 below. The Programme Plan for completion of the OBC is attached at Appendix 1 to this report and an outline Cringle Dock redevelopment timeline is included as Appendix 2.
12. The Draft OBC is scheduled for completion during 2025, following which a Final OBC will be concluded for approval at the December Authority meeting. This will allow preparation of the procurement activity with a view to an estimated contract award in March 2030.

## **STAKEHOLDER ENGAGEMENT**

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

- 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
- A meeting was held with Chief Executives on 5/3/24 and further meetings will be arranged at important project milestones including at this one.
- Directors have been involved through a Procurement Advisory Group and two meetings have been held to date on 30/5/24 and 21/10/24
- Technical Officers have been briefed and involved through their regular monthly meetings and Authority update reports. A further dedicated briefing is being arranged.
- In 2023/ 24 a series of meetings were held with the key potential services suppliers who may be interested in the procurement.

## **INFRASTRUCTURE DEVELOPMENT**

### **CRINGLE DOCK WASTE TRANSFER STATION**

14. At the 2<sup>nd</sup> 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.
15. An officer working group incorporating key expertise from the Constituent Councils has been proposed to the Councils with a call for nominated appropriate officers. Once formed, the working group will steer the development of Cringle Dock proposals.
16. On 12<sup>th</sup> December 2024 Carter Jonas, the Authority's land and property advisers, met with Savills, Thames Water's (TWUL) agents, to discuss their plans for disposal of the surplus land at Kirtling Wharf and the extent of the available land. Savills expect Thames Tideway Tunnel (TTT) to hand back Kirtling Wharf to TWUL during mid-late 2025.

17. The available land area presented by Savills is less than previously discussed with TTT and appears to be markedly different to the requirements agreed in their Development Consent Order (DCO). The Authority's officers have requested an engineer-to-engineer discussion between WRWA and TTT to 'test' the extent of the surplus land area proposed. This could have an impact on the Authority's future options for reprovision of Cringle Dock.
18. Linked to the above discussions, officers are seeking advice on the TTT DCO and compliance with the approved restoration plan agreed by the Greater London Authority. The Clerk previously wrote to TWUL (22 Dec 2022) and the Chair will again write to reiterate the Authority's position. Separately, senior officers have written to the PLA to seek their support.
19. Officers are in the process of refining the redevelopment programme for Cringle Dock. This will be a significant complex undertaking that will require planning approval within a substantially newly developed residential area.
20. Broadly, there are a number of enabling activities that must be completed prior to construction including:
  - Development of the Business Case and Land Acquisition as agreed at the 2<sup>nd</sup> Oct 2024 Authority Meeting
  - Refining of the RIBA Stage 2 Design to a suitable level of detail to enable procurement of a construction contractor
  - Pre-application consultation, background studies, and submittal of the Planning Application and Environmental Permit to the relevant statutory authorities
  - Procurement of a suitably qualified construction contractor
  - Detailed design for construction, construction, and commissioning of the new facility
  - A potential delivery timeframe
  - Reviewing current contingency arrangements in light of continuing to operate an aged facility and the risks that this poses.
21. A potential delivery timeframe for the technical design, construction and commissioning of a new facility is set out in Appendix 2.

### **Engagement with Battersea Power Station**

22. The Authority's officers have been in dialogue with key stakeholders for more than 10 years, regarding the future redevelopment of Cringle Dock within the Vauxhall, Nine Elms, Battersea Opportunity Area. Included within Battersea Power Station's planning permission Section 106 Agreement is provision for Battersea to establish a Steering Group in relation to the working wharves at

Cringle Dock and Kirtling Wharf, given the importance of these to the Opportunity area. In December 2024, Battersea's Head of Planning and Public Affairs contacted the Interim General Manager to initiate the Steering Group, proposing quarterly meetings. The first meeting was held on 23<sup>rd</sup> January 2025 and the following key stakeholders were invited:

- Battersea Power Station (Chair)
- WRWA
- Cory
- Port of London Authority (invited but unable to attend)
- Wandsworth Council (invited but did not attend)
- Ballymore
- Savills
- Thames Water (invited but did not attend)
- Thames Tideway Tunnel

23. WRWA attended the meeting and discussions were held around the disposal of Kirtling Wharf by Thames Water which is due to commence in the third quarter of 2025. Savills informed the group that because of the planning conditions around the requirement for a planning application on the site, it could require 2-2.5 years to take the northern part of the site to market.

24. Also discussed at the meeting were the short, medium and long-term access and maintenance requirements of Thames Tideway in relation to the shaft and ventilation unit. It was broadly agreed the group needed to continue to work together but take a "blank sheet" approach to the site constraints in order to determine the maximum extent of the Kirtling Wharf site that could be disposed of by Thames Water and a follow-up meeting has been scheduled for the week of 10<sup>th</sup> February 2025.

### **TREASURER'S COMMENTS**

25. Any expenditure (external technical advice, in house or SLA services) that is required 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 Board as part of the annual budget report).

26. 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 £30.6m (and of this total, £15.9m 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.

27. 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) and the financial estimates for the development will need to be compiled.

28. This financial and funding strategy will need to be developed in full consultation with the Constituent Councils.

---

Western Riverside Transfer Station  
Smugglers Way  
Wandsworth  
SW18 1JS

INTERIM GENERAL MANAGER

28<sup>th</sup> January 2025



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

**Final OBC**

**Authority approval**

**December 2025**

