

Brynsworthy Waste Transfer Station, Barnstaple – Approval to develop a waste transfer station to serve the North Devon and Torridge areas

Report of the Acting Chief Officer for Highways, Infrastructure Development & Waste

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.

Recommendation:

- (a) that approval is given to develop a waste transfer station at Brynsworthy, Barnstaple to serve the North Devon and Torridge areas;**
- (b) that approval is given, subject to finance review of the procurement exercise results, to increase the project approval of £4 million to a total of £4.4 million including site acquisition, planning and construction, funded by capital receipts;**
- (c) that Cabinet agrees that the acting Chief Officer for Highways Infrastructure Development and Waste, in consultation with the County Treasurer and the Cabinet Member for Infrastructure Development and Waste and the Cabinet Member for Resources and Asset Management, be given delegated powers to agree a financial contribution of up to £4million towards the capital cost of the facility;**
- (d) that the County Solicitor be authorised to execute all necessary legal agreements required to be entered into by the Council in respect of the development of a waste transfer station at Brynsworthy, Barnstaple.**

1. Summary

Approval is sought to the development of a residual waste transfer station at Brynsworthy, Barnstaple as part of the procurement exercise to deliver a new residual waste service in the North Devon & Torridge area from February 2019.

2. Background/Introduction

The County Council as Waste Disposal Authority has a statutory duty to dispose of waste collected by the District Councils.

The disposal of residual waste (waste that is not recycled or composted) in the North Devon and Torridge District Council areas is currently undertaken at Deepmoor landfill site, Torrington. This is under contract with Viridor, subcontracted to Devon Waste Management (DWM) who own the Deepmoor site.

Notice to terminate the contract by Viridor/DWM was given earlier this year. Procurement regulations state that the service needs to be retendered, hence a new service provider will need to be in place from 11th February 2019 and a procurement process has been initiated.

The County Council is seeking to move waste away from landfill with over 100,000 tonnes per annum now being used to generate energy through the Energy from waste (Efw) plants at Exeter and Plymouth. In 2014 a procurement exercise was undertaken in the North Devon and Torridge area to try to find a non-landfill solution including the potential to

develop a small scale Efw plant in the area. Only 2 bids were received both of which relied on a commercial operator to bulk up the waste and transport to an Efw plant for processing. These did not reflect current market rates at the time and the procurement did not progress further. However this time a new solution will need to be found as the current contract has been terminated.

Feedback from the failed procurement process suggested that the County Council needed to find a site for a waste transfer station which it could offer to the market in order to create a competitive market. Numerous sites were reviewed but eventually the site at Brynsworthy was found, heads of terms secured with the landowner and in April 2017 planning permission obtained. The Brynsworthy site is adjacent to the waste site identified in the adopted Devon Waste Local Plan for an Efw plant and is close to the main population centres of Barnstaple and Bideford as well as the principal road network. It is also adjacent to the North Devon waste vehicle depot. A site location plan is given in Appendix 1.

3. Proposal

A procurement exercise to deliver a new residual waste disposal service for the North Devon and Torridge areas has been initiated with the OJEU Notice published at the end of June 2017. The contract is for a 10 year term and is seeking a non-landfill solution for those wastes that can be recovered. This is in line with both national waste policy but also the Devon Resource & Waste Management Strategy & adopted Devon Waste Local Plan. There is also a proposal within the emerging EU Circular Economy Package that only 10% of residual waste may be landfilled from 2020. Whilst it is unclear whether the UK will need to abide by this target it is likely that it will.

The procurement package is for the design, build, finance and operation of the Brynsworthy waste transfer station (BTS) to receive waste collected by the District Councils and contractors operating the County Council Household Waste Recycling Centres, to then bulk up and haul the waste to an Efw plant for recovery if suitable, or dispose via landfill if not.

It is proposed that the BTS will revert back to the ownership of the County Council at a specified point within the contract term. This will ensure that the County Council will have a strategic waste asset within the area which will continue to ensure that there is a competitive market for future tenders. There was some thought given to enabling the market to provide alternative waste transfer sites but pre-market engagement suggested that scope for doing this would be limited and would not keep the competitive market open for future tenders. In addition over £100,000 had already been invested in developing the Brynsworthy site through the planning process and there was concern that scope for finding another site when the service was retendered in future years would be somewhat limited as the Brynsworthy site may no longer be available.

4. Consultations/Representations/Technical Data

Consultations were undertaken as part of the planning process, including a public exhibition in October 2016 which was attended by local councillors, stakeholders and residents. Development Management Committee considered the matter on 5 April 2017 (Minute *50 refers).

The proposal is supported by North Devon Council but Torridge District Council have raised some concerns. These seem to be around their potential increase in costs as a result of having to travel to Brynsworthy but this site is closer than Deepmoor landfill to Bideford, Northam etc. Torridge have yet to decide where to develop their proposed new vehicle depot and maintenance costs will be significantly reduced as a result of no longer tipping off

on a landfill site. There have been some discussions with the Council at Member level to try to alleviate their concerns, and these are ongoing.

5. Financial Considerations

There is likely to be an overall increase in the cost of providing a new waste service within the Northern Devon area. This is predominantly due to the need to bulk up and haul waste away from the area to an EfW plant. The cost of landfilling the waste at Deepmoor has been competitive in comparison to other landfill contracts within Devon. The increase required is likely to range from £400k to £1.1m per annum depending on how the BTS is funded.

Design and construction of the BTS is estimated to be around £4 million. The County Council could fund the development of the facility entirely through the revenue gate fee paid to the appointed contractor for providing the overall service. However given the current financial situation it is considered that this would not be the most cost effective way for the Council to develop the facility, as this could add approximately £1.1million cost per annum to the revenue budget. The impact on the revenue budget can be mitigated by funding the design and constructions costs, either wholly or partially, from capital receipts, rather than through the contractor's commercial borrowing. It has been calculated that a capital contribution of £4M, to fund the total anticipated design and construction costs, would reduce the annual impact on revenue to around £400k. A lower level of capital contribution would result in a higher overall revenue impact, on a sliding scale between £400k and £1.1M. It is therefore recommended that the County Council make a capital contribution of up to £4million to help reduce the pressure on the revenue budget. The County Council has capital receipts which could fund this level of investment.

On completion of the procurement exercise, the Finance Service and Corporate Capital Group will review the financial position to establish the most cost effective method of financing the project within the funding available and in consideration of the revenue budget impact.

It is recommended that the level of investment is decided by the acting Chief Officer for Highways Infrastructure Development and Waste in consultation with the County Treasurer and the Cabinet Member for Infrastructure Development and Waste and the Cabinet Member for Resources and Asset Management.

6. Environmental Impact Considerations

Diverting waste away from landfill has a beneficial impact on the environment & climate change as well as moving waste up the waste hierarchy. However it will mean that waste will be transported out of the Northern Devon area for recovery.

7. Equality Considerations

Where relevant to the decision, the Equality Act 2010 Public Sector Equality Duty requires decision makers to give due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

Taking account of age, disability, race/ethnicity (includes Gypsies and Travellers), gender and gender identity, religion and belief, sexual orientation, pregnant women/ new and breastfeeding mothers, marriage/civil partnership status in coming to a decision, a decision

maker may also consider other relevant factors such as caring responsibilities, rural isolation or socio-economic disadvantage.

This may be achieved, for example, through completing a full Equality Impact Needs Assessment/Impact Assessment or other form of options/project management appraisal that achieves the same objective.

In progressing this particular proposal, an Impact Assessment has been prepared which has been circulated separately to Cabinet Members and is available on the Council's website at: <https://new.devon.gov.uk/impact/published/>, which Members will need to consider for the purposes of this item.

There are no equality issues as a result of this proposal.

8. Legal Considerations

The procurement exercise will be undertaken in line with the Public Contracts Regulations 2015 and County Council standard terms of engagement. Legal support has been obtained from external advisers with regard to preparing the contract documentation.

9. Risk Management Considerations

The key risk will be the procurement timescale and the need to have a new service provider in place by 11 February 2019 such that there is no interruption to the waste disposal service in the area.

10. Public Health Impact

There is no impact on public health.

11. Options/Alternatives

A waste disposal service needs to be in place when the current contract ends and hence doing nothing is not an option. Developing an Efw plant in the area is currently not viable due to the cost and insufficient waste for a small scale facility using proven technology.

It is unclear what remaining void capacity the Deepmoor landfill site has and the next closest landfill site is near Bridgwater, both of which are in commercial ownership. Consequently there is a clear case for bulking up the waste at a waste transfer station & hauling it to a Efw facility. This is in line with both national and Devon waste policy in diverting waste away from landfill.

It is proposed that the BTS site is developed as part of the procurement process and reverts back to County Council ownership, with the Council making a capital contribution million to reduce the impact on the revenue budget. An alternative would be to enable the market to provide a transfer station within the North Devon / Torridge area but this was found to be unaffordable in the previous failed procurement process and would not provide a competitive market for future retendering of the service.

12. Reason for Recommendation/Conclusion

A new waste disposal service is required in the North Devon and Torridge area from February 2019. In order to create a competitive market for the procurement process and secure a long term strategic waste asset in the area it is recommended that the BTS is developed as part of the procurement process and the County Council makes a capital

contribution towards its cost. This will help to relieve the pressure on the waste revenue budget.

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Electoral Divisions: All in North Devon and Torridge

Cabinet Member for Infrastructure Development and Waste: Councillor Andrea Davis

Local Government Act 1972: List of Background Papers

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Background Paper	Date	File Reference
1. Impact Assessment	June 2017	https://new.devon.gov.uk/impact/published/

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