

From: Barbara Cooper, Corporate Director, Growth, Environment and Transport

To: Matthew Balfour, Cabinet Member, Planning, Highways, Transport & Waste

Decision No: 17/00060

Subject: Dunbrik Waste Transfer Station and House Waste Recycling Centre (Sevenoaks)

Electoral Division: Sevenoaks District

Summary: This report proposes to replace an existing lease agreement to allow Waste Management extended occupation by continuing to operate a Waste Transfer Station and Household Waste Recycling Centre in Sevenoaks. This new arrangement will remove existing lease break clauses in return for a £1.6m reduction in lease charges, and in addition will extend the current term from 2026 to 2030. The discounted lease costs will continue for the duration of the lease. Additional operational space has also been secured.

Recommendation(s):

The Cabinet Member for Planning, Highways, Transport & Waste is asked to approve the proposed decision to enter into a new leasing arrangement for Waste Services to occupy Dunbrik Waste Transfer Station and House Waste Recycling Centre (Sevenoaks) to 2030.

1. Introduction

- 1.1 KCC is the statutory Waste Disposal Authority and District / Borough Councils are the statutory Waste Collection Authorities.
- 1.2 Dunbrik Waste Transfer Station is one of eight such stations across the County. These are critical pieces of infrastructure and are of strategic operational importance as they ensure that household kerbside collected waste can be transferred from kerbside to final destination points efficiently. Where this site is leased, five others are owned by KCC – a further two are provided under contract
- 1.3 KCC has operated this site from 1990 through a succession of leases. The current lease expires in 2026, with break clauses in March 2020 and 2023. The Transfer Station / HWRC is part of a much larger site owned by the Landlord. Planning consents exists for the development of a larger Transfer Station; this consent expires in 2019.
- 1.4 The Landlord intends to develop his wider site and wishes to secure Kent's extended tenure to 2030. The landlord has prepared a range of options to KCC, and Waste Management has taken the opportunity to negotiate more

favourable commercial terms for an extended lease whilst also securing additional operational area to provide for much needed staff parking on the site.

2. Financial Implications

2.1 Through the negotiation of annual rental rebates, revenue costs have been reduced by £1.6m when compared to the existing lease payment term which expires in 2026. These rebates continue through the proposed extension period providing £800k of further value, total revenue cost avoidance is £2.4m up to 2030. All rebates are linked to RPI.

3. Policy Framework

3.1 This proposal accords with the supporting outcome within the Strategic Outcome Plan; Kent's physical and natural environment is protected, enhanced and enjoyed by residents and visitors

3.2 The Kent Joint Municipal Waste Management Strategy has three key policy statements that support the Waste Regulations – these apply directly to this proposed infrastructure;

- Policy 8 - The Kent Resource Partnership (KRP) will achieve a minimum level of 40% recycling and composting of house household waste by 2012 and will seek to exceed this target.
- Policy 11 - The KRP will strive to make waste and recycling services accessible and easy to use for all householders, across all housing types and sectors of the community.
- Policy 19 - Where it is cost-effective, Kent will exceed its statutory targets for diversion of biodegradable municipal waste from landfill in order to preserve landfill void space in the County.

4. The Report

4.1 Waste Management has an existing lease arrangement at Dunbrik which enables the Authority to receive bulk and transfer 45,000 tonnes of domestic waste per annum collected at the kerbside by Sevenoaks District Council. In addition, KCC operates a Household Waste Recycling Centre (HWRC) whereby residents bring 11,500 tonnes of domestic household waste per annum to the site.

4.2 All materials are segregated into specific waste streams to maximise levels of recycling, it is then hauled to destinations within the County where final waste treatment or disposal contracts exist. There are no other Transfer Station facilities within Sevenoaks, and over many years KCC has searched for alternative sites that may be utilised. As much of this District is within greenbelt this has continually proved to be unsuccessful.

- 4.3 This site, with the HWRC is also very highly used by residents and valued by communities. Permitted waste sites are critical to waste management and difficult to obtain, and thus retention of permitted sites should be considered a priority.
- 4.4 The Landlord intends to develop his wider site and wishes to secure Kent's extended tenure to 2030. The Landlord has prepared a range of options for KCC to consider. Waste Management, working with Property Services has taken the opportunity to negotiate more favourable commercial terms for an extended lease, and has also secured an additional operational area within the reduced lease cost.
- 4.5 As part of KCC's Waste strategy, a Waste Transfer Station and Household Waste Recycling review has been conducted. Waste growth through increased housing development will continue and is already creating pressure upon the existing infrastructure, the Service will need to identify methods to maximise the efficiency of all sites. This represents a good start to that strategic intent.

5. Legal Implications

- 5.1 The Waste Management team has worked closely with the Property Services team in order to ensure that all proposed amendments to the lease are legally compliant, and protect the Authority's position as the tenant of this site from any undue levels of risk.

6. Conclusions

- 6.1 Dunbrik Waste Transfer Station and Household Waste Recycling Centre is a critical piece of infrastructure, which is required over the medium / long term. It serves the residents and waste collection services of Sevenoaks.
- 6.2 An opportunity has allowed KCC to renegotiate more favourable commercial terms whilst securing additional capacity. This requires KCC to enter into a renewed lease that will secure the site to 2030 whilst delivering savings £2.4m over the extended lifetime of the lease.

7. Recommendation(s)

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The Cabinet Member for Planning, Highways, Transport & Waste is asked to approve the proposed decision to enter into a new leasing arrangement for Waste Services to occupy Dunbrik Waste Transfer Station and House Waste Recycling Centre (Sevenoaks) to 2030.

8. Background Documents

- Record of Decision

9. Contact details

Report Author

- David Beaver, Head of Waste & Business Services
- 03000-411620
- david.beaver@kent.gov.uk

Relevant Director:

- Roger Wilkin, Director Highways Transportation and Waste
- 03000-413479
- roger.wilkin@kent.gov.uk