

From: David Beaver, Head of Waste Management

To: Mike Whiting, Cabinet Member for Planning, Highways, Transport and Waste

Subject: Waste Management bulk transfer station services – East Kent

Decision No: 19/00067

Electoral Division: Canterbury, Dover & Thanet District Council.

Summary:

This report seeks agreement to enter into a contract with a number of suppliers to secure waste transfer station facilities for kerbside waste collected by Canterbury City Council, Dover and Thanet district councils.

The contract will cover reception, bulking and hauling of multiple waste streams collected by the Waste Collection Authorities from their weekly waste collection service.

Due to very limited KCC waste infrastructure in East Kent, there is a continued requirement to commission Waste Transfer Station services from third parties to deliver KCC's statutory role as Waste Disposal Authority. There are currently no KCC owned Waste Transfer facilities in Thanet and Canterbury, with only very limited, unsustainable facility at Dover Transfer Station.

Recommendation(s):

The Cabinet Member for Planning, Highways, Transport and Waste is asked to award contractual arrangements for three contracts across Canterbury City Council, Dover District Council and Thanet District Council of variable terms to cover KCC's Statutory Requirement as the Waste Disposal Authority.

1. Introduction

- 1.1 Kerbside waste in the East Kent Districts is collected and disposed of through an East Kent Waste Partnership. This arrangement comes to an end in December 2020. KCC currently has title to residual waste, however, all recyclable waste streams collected are the title of Veolia. Veolia charge KCC for the disposal of these recyclable materials through the East Kent Waste Partnership agreement.
- 1.2 The title of all material streams is returning to KCC when this contract comes to an end, which means KCC must procure increased waste transfer facilities for the waste collected by Canterbury, Dover and Thanet Councils.

2 The Report

- 2.1 KCC Waste Management currently has an existing contract with Ling Metals Ltd for both Canterbury and Thanet Waste WCAs for the reception, bulking

and haulage of various materials that are collected kerbside from their respective districts. The contract was let in November 2015 and was extended for two years, plus a further two years and is due to end 3rd November 2019. As such, there is no opportunity to extend existing contracts

- 2.2 Waste collected in Folkestone & Hythe District Council is currently disposed of through Dover Transfer Station and Ashford Transfer Station as there are no Transfer Station facilities in this District and, as such a separate Capital bid for a new transfer station in Folkestone & Hythe is being prepared.
- 2.3 The three contracts will serve the Districts independently, with Canterbury & Thanet commencing from November 2019. Dover will be implemented from November 2020 when the current contractual partnership completes. The tenure of these contracts will last up to January 2028. Such a tenure will enable the Collection Authorities to deliver a sustainable service to their respective residents and for suppliers to make the necessary investment into their infrastructure.
- 2.4 As the East Waste Partnership comes to an end in January 2021 and the title of waste materials returns to KCC, new materials will be added to the scope of three contracts. KCC will secure additional final disposal contracts for these recyclable materials.
- 2.5 Suppliers will need to provide facilities, planning consents and environmental; permits to receive, bulk and haul materials to KCC's designated final disposal points.

3. Financial Implications

- 3.1 This new operating model will incur additional costs through the added materials that will need to be hauled plus the added materials disposal contracts. It is anticipated that existing Waste Management budgets will be realigned to fund the majority of the pressure of these additional contract services.
- 3.2 Anticipated savings in tipping away payments for cross district travel to Transfer Station facilities will make a contribution to these costs.
- 3.3 The existing payments made to Waste Collection Authorities is fixed, irrespective of District performance. As this placed the full financial risk with the County, who cannot directly control performance, this committee approved a change in policy to equally share the benefits.
- 3.4 The policy to remunerate Collection Authorities is based upon their recycling performance. This policy implemented in West Kent shares the reward jointly across both tiers. This acts as an incentive to promote recycling to local residents and to deliver recycling specifications comprehensively implemented with their respective Contractors / direct labour operators.
- 3.6 This realignment in payments will be utilised to meet the remainder some of these budget pressures whilst allowing Districts to continue to receive income commensurate with their recycling performance.

4. Legal Implications

4.1 The terms and conditions of contract will be KCC's model terms and conditions. As the value of the contract will be more than £1million, the contract will need to be sealed by KCC's General Counsel.

4.2 A key function of the Waste Disposal Authority operating under the Environmental Protection Act 1990, is to provide outlets for the collected municipal waste.

5. Risks

5.1 Kent has limited waste infrastructure and waste providers in the East of the county. There is a risk that the tendering process may not deliver the intended outcomes. Consequently, KCC may not be able to fulfil its statutory obligation to provide a waste disposal service. However early engagement with the market has been positive to mitigate this risk.

6. Equalities Impact

6.1 Initial screening of the data protection impact assessment has determined there to be no exchange of personal data. Equalities impact assessment has determined a low impact against all protected characteristics as this proposed decision will not affect all protected groups. The contract mandates the Supplier to adhere to all aspects of the Equality Act 2010.

7. Policy Framework

7.1 This commission 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

7.2 The Kent Joint Municipal Waste Management Strategy has three key policy statements that support the Waste Regulations. These apply directly to this proposed procurement;

- Policy 8 - The Kent Waste Partnership 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 KWP 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.

8. Conclusions

8.1 Due to the cessation of contracts and the capacity limitations of the Transfer Station at Dover, KCC needs to commission three contracts to cover the scope of the requirement to ensure that from November 2019, KCC can fulfil its statutory duty in providing Transfer Station services until January 2028 for

Canterbury, Thanet, and Dover, whilst easing the pressure on the existing infrastructure of Whitfield Transfer Station.

- 8.2 There are a limited number of Providers within the East Kent area who will be able to manage the tonnage, vehicle movements, permitting requirements and material types we are seeking in this commission; however, Waste Management has provisionally approached three key suppliers operating in each District, to understand the market appetite for this service and to establish their interest.
- 8.3 All suppliers who were approached were willing and able to tender for one or more Lots in the timeframe described and have the required facilities and licences in place to commence service when required.
- 8.4 Pricing pressures will need to be financed through operational savings and self-financed through the adherence of the policy of performance payments of shared risk between both tiers of local authority.

9. Recommendation(s)

Recommendation(s):

The Cabinet Member for Planning, Highways, Transport and Waste is asked to award contractual arrangements for of three contracts across three Districts of variable terms to cover KCC's Statutory Requirement as the Waste Disposal Authority.

9. Appendices:

Record of Decision
EQIA

10. Contact details

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