

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

To: Susan Carey, Cabinet Member for Environment

Subject: New leasing arrangement to develop a new Waste Transfer Station for KCC's use at Dunbrik, Sundridge.

Key decision: 20/00130

Classification: Part 1 Report – Unrestricted

Part 2 Appendix - Exempt as defined in Schedule 12A of the Local Government Act 1972

Electoral Division: Sevenoaks

Summary: This report seeks approval to enter into a lease for the provision of a new Waste Transfer Station at Dunbrik, Sundridge for up to 30 years, to provide bulking facilities for household waste collected by Sevenoaks District Council.

Recommendation(s): The Cabinet Member for Environment is asked to give approval to enter into a lease for the provision of a new Waste Transfer Station at Dunbrik, Sundridge for up to 30 years, to provide bulking facilities for household waste collected by Sevenoaks District Council as shown at Appendix A.

1. Introduction

1.1 This report provides information to secure new leasing arrangements for KCC to enable sustainable waste disposal operations through the provision of a new Waste Transfer Station. This will provide enhanced capacity that is fit for purpose whilst accommodating future legislative changes.

2. Relevant History

2.1 A Waste Transfer Station has been located at Dunbrik, Sevenoaks since 1992. It is used for the bulking of household waste collected by Sevenoaks District Council. The site also receives quantities of trade waste on a commercial basis. A household waste recycling centre also operates at the site.

2.2 The transfer station is small and limited by insufficient capacity to receive all the waste arisings collected by the District as the Waste Collection Authority. There are arrangements at different locations to receive and bulk the local authority's garden waste and some recycled materials, but this is unsustainable in the longer term.

2.3 The Government's Resources and Waste Strategy is expected to mandate the separate collection of food waste from 2023 by the District Council. As the

District Council does not currently collect food waste separately, the County Council must make provision for this as part of its statutory undertaking as Waste Disposal Authority (WDA). The current site is not able to accommodate this new waste stream.

- 2.4 Notwithstanding the logistical limitations, the current facility is also unsustainable in terms of its ability to receive additional waste arisings expected from the 22% increase in housing growth planned by 2038.

3. The Report

- 3.1 Over recent years, KCC has investigated the potential of developing a Waste Transfer Station in alternative locations within the District. Given the extent of the green belt, there are no viable alternative locations to develop a new site. The proximity to the strategic road network makes this area highly desirable for transportation but costly given land values which prohibit viable alternative arrangements through a capital programme.
- 3.2 The current site has many advantages particularly regarding location. The owner of the facility has developed plans for a new site on land adjacent to the existing transfer station. The area designated is more than four times the size of the existing facility, which allows KCC to sub-let for district vehicle storage and receive additional revenue.
- 3.3 The Landlord has secured planning consent to develop a new, much larger facility at the site for KCC's use. Non-material, minor amendments of the site would require further approval by KCC's Planning. Crucially the site has existing waste permitting from the Environment Agency for existing operations; this will require changes for the new facility, particularly related to a fire prevention plan.
- 3.4 It is expected that the new Environment Bill will gain royal ascent in May 2021. The Resources and Waste strategy will require that in 2023, Collection Authorities will collect separate food on a weekly basis. As such KCC must have the infrastructure to receive this waste. This will generate savings as food waste is currently not collected by SDC and forms part of the residual waste, which is the most expensive disposal method through the energy from waste facility at Allington.
- 3.5 The new site will have the capacity to bulk and haul garden waste which is currently delivered by SDC to a facility in Crayford. This site is linked by contractual ties to the garden waste disposal contract, as a sub-contracted facility. This facility, in Crayford is likely to become unavailable as there are limited materials' being disposed through the site, to the extent it is becoming less commercially viable.
- 3.6 Without the site in Crayford, KCC will have to pay additional Tipping Away payments to SDC as the only option will be to deliver to the off-taker at Blaise Farm near Tonbridge, as this is outside of SDC's administrative boundary. With the new transfer facility these avoidable costs would cease, as tipping

will be available locally. Furthermore, KCC can also seek cheaper contractual rates for the disposal of garden waste as it's not tied to the facility in Crayford.

- 3.7 The new facility will also allow KCC's contractor to process much more trade waste as there will be much greater capacity. KCC would therefore enjoy increased royalties that will continue to be defined in operational contracts. Royalties are payable because the Contractor uses KCC's infrastructure to provide this commercial service.
- 3.8 KCC will work with the Landlord in developing sustainable energy by way of solar energy production. This potentially could receive a grant from the Government for the funding to de-carbonised energy. It is also a priority for the facility to produce solar derived energy not only to power the facility, but also surplus energy to transfer into the national grid – which may generate further income.

4. Lease agreement

- 4.1 For this new, much larger development, it has been agreed that the current lease costs will be held until 2030.
- 4.2 In order that the Landlord recovers the capital investment, it is proposed that the term of the lease will extend up to thirty years, the terms of which will be approved by the Director of Infrastructure.
- 4.4 Waste Management has requested operational enhancements to be included within the site that will be funded from the existing infrastructure maintenance budget paid over two years at £374k.
- 4.5 In addition to those items in 4.4, to meet new mandatory fire risk assessment protocols and to satisfy KCC's insurers requirements, the Landlord will need to invest an estimated at £600k to ensure these requirements are met. Rather than add these to the lease costs, it has been negotiated that KCC shall pay these costs with no interest charged, should KCC enter the 30-year lease. Flexibility will be provided to KCC in how this is repaid in line with its affordability.
- 4.6 Repayment shall be funded through savings from the commercial opportunities and / or through the maintenance budget – these schedules shall be detailed in the future within the MTFP.

5. Timescales

- 5.1 Subject to receiving timely and approved decisions, the following schedule shall apply:
 - Planning approval and application for Environmental permit – March 2021
 - Procurement of construction contractor – April 2021
 - Construction commences September 2021
 - Construction completes September 2022

6. Options considered and dismissed

- 6.1 KCC does not have alternate waste sites outside the immediate administrative border to support the District and even if these were available, compensatory payments would be due to the Collection Authority due to additional travel; these would also create an unnecessary higher carbon footprint whilst also being impractical.

7. Financial Implications

- 7.1 The total overall lease costs to 2052 would be £18m, based on current prices but subject to indexation.

8 Legal implications

- 8.1 Legal Services will be required to draft the Head of Terms and Lease Agreement and the site will be commissioned through Infrastructure.
- 8.2 Provision of this facility will ensure that the WDA fulfils its statutory duty as well as being prepared for the Government's Resources and Waste Strategy

9. Equalities and data protection implications

- 9.1 An EqIA has been undertaken with no identified impacted protected characteristics as this is a Business to Business agreement
- 9.2 There is no processing of personal data

10. Governance

- 10.1 Subsequent to the decision by the Cabinet Member, any further decisions required to allow the scheme to proceed through to delivery will be taken by the Head of Waste and Business Services under the Officer Scheme of Delegations following prior consultation with the Cabinet Member

11 Conclusions

- 11.1 A new transfer station site is required to meet the statutory requirements of both Collection and Disposal Authorities. This new development also allows for both Authorities to provide their respective services' as waste grows in line with housing and population increases. Lease costs are negotiated to be held at existing rates until 2030, with increases beyond funded through operational savings that shall be programmed into the MTFP.

12. Recommendation:

The Cabinet Member for Environment is asked to give approval to enter into a lease for the provision of a new Waste Transfer Station at Dunbrik, Sundridge for up to 30 years to provide bulking facilities for Household waste collected by Sevenoaks District Council as shown at Appendix A.

13. Background Documents

- 13.1 Equality Impact Assessment
- 13.2 Appendix A – Record of Decision

14 Contact details

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