

Report to the Cabinet

Meeting to be held on Thursday, 7 December 2023

Report of the Director of Highways and Transport

Part I

Electoral Division affected:
Accrington North; Accrington
South; Accrington West &
Oswaldtwistle Central;
Brierfield & Nelson West;
Burnley Central East; Burnley
Central West; Burnley North
East; Burnley Rural; Burnley
South West; Great Harwood,
Rishton & Clayton-le-Moors;
Mid Rossendale; Nelson
East; Oswaldtwistle; Padiham
and Burnley West; Pendle
Central; Pendle Hill; Pendle
Rural; Pendle Rural;
Rossendale East;
Rossendale South;
Rossendale West; Whitworth
& Bacup

Corporate Priorities:
Protecting our environment;

Landfill Contract Extension

(Appendix 'A' refers)

Contact for further information:

Steve Scott, Tel: (01772) 533755, Head of Service - Waste,

steve.scott@lancashire.gov.uk

Brief Summary

The currently scheduled expiry, in March 2025, of the council's contract for the landfilling of residual wastes will require four Waste Collection Authorities in the east of Lancashire to deliver waste to Farington Waste Recovery Park if alternative arrangements are not put in place.

To avoid each refuse collection vehicle having to make long journeys, and to reduce



the environmental and financial impacts of the same, the four Waste Collection Authorities are intent on putting waste transfer arrangements in place within their areas to bulk up the waste in much larger vehicles.

To provide sufficient time for the Waste Collection Authorities to make such arrangements it is proposed that the existing landfill contract is extended for a further 12 months to provide for those four districts only. There is no budgetary implication to the council of this proposal, but Cabinet is requested to approve a waiver of the council's procurement rules on this occasion to facilitate the extension.

Recommendation

Cabinet is asked to approve a waiver of the county council's Procurement Rules, as set out in Appendix R of the county council's Constitution and the award of a contract extension as set out in the report. The waiver is to extend the current contract with Suez UK Ltd for the landfilling of waste for 12 months.

Detail

The county council has a contract for the landfilling of waste with Suez UK Ltd at Whinney Hill Landfill Site in Altham. The contract is due to end on 31 March 2025.

Around 230,000 tonnes per annum of residual wastes are disposed of through this contract. Upon expiry of the contract, the waste will be processed at the council's Farington and Thornton Waste Recovery Parks at which mechanical and biological treatment processes capture additional recycling, reduce the waste by volume and turn a significant proportion of it into refuse derived fuel, which can subsequently be used to create electricity or in manufacturing processes.

The new processing arrangements will have specific impacts on three Waste Collection Authorities, Hyndburn, Burnley and Rossendale councils who, due to their proximity to the landfill site have historically delivered their residual waste directly to it. A requirement to deliver their waste to Farington Waste Recovery Park will significantly increase journey times and Waste Collection Authority costs.

A fourth Waste Collection Authority, Pendle Council, currently delivers its residual waste to a waste transfer station within Pendle which is provided by the county council. Whilst entirely separate from the landfill contract, the contract for provision of the waste transfer station which is also with Suez UK Ltd also ends on 31 March 2025 which would then leave the Waste Collection with a requirement to transport its waste to Farington Waste Recovery Park.

Options for mitigating both the cost and environmental impacts of the new arrangements have been discussed in detail with the four Waste Collection Authorities. The potential for a regional waste transfer facility to incorporate all four districts is not considered viable and as such each Waste Collection Authority has been making plans to provide their own waste transfer solutions.

To help the Waste Collection Authorities mitigate the risk of delay in delivering these solutions it is proposed to extend the landfill contract. The contractor has confirmed



its willingness to do so but requires a minimum extension term of 12 months, such that suitable arrangements can be made at the landfill site to accommodate the waste. An extension would only be to facilitate disposal for the four Waste Collection Authorities, which would be in the region of 90,000 tonnes in comparison to the 230,000 tonnes per annum currently landfilled.

A 12 month extension would not be in accordance with the council's procurement rules, but it is considered that the disproportionate cost to the Waste Collection Authorities of each individual refuse collection vehicle delivering to Farington, and the environmental impact of these additional journeys together with the short time period needed for the extension, justifies waiving procurement rules in this instance.

Appendices

Appendix 'A' is attached to this report. For clarification it is summarised below and referenced at relevant points within this report.

Appendix	Title
Appendix 'A'	Additional implications

Consultations

Blackpool Council (as a party to the Joint Working Agreement)

Hyndburn, Burnley, Rossendale and Pendle councils.

Implications:

This item has the following implications, as indicated below and in Appendix A:

Financial

The estimated cost of the contract extension is confidential and as such is provided in Appendix 'A'.

The medium-term financial strategy currently assumes that the costs of waste disposal will reduce from 2025/26, the extension of the contract will delay some of those savings being realised. However, there were also additional costs built into the budget to prepare for the cessation of the landfill contract, some of which may therefore also be delayed. The service will endeavour to manage the change in circumstances within the budget envelope already included in the medium term financial strategy.

It should be noted that there is a significant operational benefit to this proposal, in that it allows the two waste recovery parks to ramp up processing operations in two instalments, rather than receiving the 230,000 tonne equivalent (that is currently landfilled) from day one.



Procurement

There is no provision under the current contract for an extension to the existing landfill arrangements; and agreeing such an extension would not be in accordance with the council's procurement rules as it will be for longer than the 3 calendar months permitted under paragraph 13.2(v).

A minimum extension term of 12 months is a requirement of the provider on the basis that there are development costs and potential staff/plant costs for the landfill site to accommodate the waste. The provider considers that these costs can only be recovered without an increase in the contract price by extending for a 12 month period.

Risk management

There is risk of disruption to Waste Collection Authority collection services should transfer solutions not be delivered prior to the current expiry of the landfill contract. The proposed extension mitigates that risk.

List of Background Papers

Paper	Date	Contact/Tel
N/A	N/A	N/A

Reason for inclusion in Part II, if appropriate

Appendix 'A' - Exempt information as defined in Paragraphs 3 and 5 of Part 1 of Schedule 12A of the Local Government Act 1972. Appendix 'A' contains information relating to the financial or business affairs of any particular person (including the authority holding that information); and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings It is considered that all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.)

