

OXFORDSHIRE WASTE PARTNERSHIP JOINT COMMITTEE

16 January 2009

Waste Treatment Project Update

ITEM 10(c)

1 Purpose of Report

- 1.1 To update the OWP on progress on the residual waste treatment procurement project.

2 Background

2.1 Diversion of waste from landfill is essential to reduce the risk of fines for exceeding targets for limiting the amount of biodegradable waste that is landfilled under the Landfill Allowance Trading Scheme (LATS). It is also essential to reduce the amount of methane gas produced. Methane gas is a greenhouse gas over 20 times more powerful than CO₂. The County Council is proceeding with the procurement of residual waste treatment.

2.2 The County Council received submissions from the Invitation to Submit Outline Solutions (ISOS) stage of the competitive dialogue process. After thorough evaluation of the ISOS solutions, two leading solutions emerged, and two participants were invited to submit detailed solutions. These were:-

- Viridor Waste Management Ltd, with a solution based at Ardley landfill site
- Waste Recycling Group Ltd, with a solution based at Sutton Courtenay landfill site

2.3 The technical solutions being offered are very similar. Both are incineration with energy recovery with a capacity of approximately 300,000 tonnes per annum. Both use established technology providers with a proven track record in incineration. Both are investigating the possibilities of providing combined heat and power solutions which could deliver environmental and cost benefits.

2.4 Both participants are allowing capacity to treat some commercial and industrial waste. This will provide cost benefits to Oxfordshire County Council and mean that even less waste will be sent to landfill and therefore increase the environmental benefits delivered.

3 Progress and future actions

3.1 Detailed solutions were submitted on 25 July and have been subject to a detailed evaluation against financial, technical (including environmental) and legal criteria. This demonstrated that overall there are robust and deliverable solutions available and that competition remains strong. Detailed dialogue with both Participants commenced in October with the objective of developing the best solution from each participant from the options proposed. The dialogue has been extended into January to ensure that the final issues for negotiation are satisfactorily resolved before the dialogue is closed. The call for final tenders is now expected to be issued by the end of January or early February. Final tenders are expected at the end of February. The final tenders will be evaluated using the same detailed criteria described above. A preferred bidder will then be selected and a contract is expected to be awarded in summer 2009.

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- 3.2 Planning permission and Environment Agency permits will be required before any facility can be built. The county council as waste planning authority will determine the planning application unless it is called in by the Secretary of State. The planning and procurement processes are kept entirely separate both in terms of key officer teams but also in political constructs, with the Cabinet taking decisions of the procurement process and the Planning and Regulation Committee determining the planning applications. Planning decisions are made on planning grounds and are guided by local, regional and national planning policy and other material planning considerations.
- 3.3 Planning applications have now been submitted by WRG and Viridor and have been subject to public consultation.

4 Health Concerns

- 4.1 The submission of planning applications and associated consultation activities by the participants and by OCC as waste planning authority has raised the profile of the project further. Local action groups have formed to campaign against both the proposed plants. Much of the concern raised to date has focussed on the health impacts of incineration.
- 4.2 The County Council has technical advisers to provide advice on these issues but at the end of the day we do rely on the statutory agencies for protecting the environment and human health to advise us. These agencies are the Environment Agency and the Health Protection Agency (HPA).
- 4.3 Any treatment facility will need to be permitted by the Environment Agency who have the responsibility for regulating waste treatment plants. The Environment Agency has very strict rules for such facilities and will not allow anything that is unsafe. The Environment Agency has a position statement on waste incineration which can be found on their web site.
- 4.4 The Health Protection Agency (HPA) has a responsibility to protect human health and they too would not allow anything that is unsafe. The HPA has a position statement on municipal solid waste incineration which can be found on their web site . The HPA has confirmed that it will provide comments to help the county council as waste planning authority reach a view on any potential health impacts as a result of the proposals.
- 4.5 In summary both these agencies say modern well run incinerators are safe. Incineration is widely and safely used in many European countries and is increasingly being used here in Britain. There are already over 20 incinerators in the UK, 128 in France, 65 in Germany, 30 in Denmark, 29 in Sweden, and 28 in Switzerland.
- 4.6 More information is available on the Council's web site
www.oxfordshire.gov.uk/alternativestolandfill

5 Financial, Risk and Staff Implications

- 5.1 Internal and external resources have been made available to support the procurement project as required.
- 5.2 The project is being managed using the County Council's project methodology and documentation including a risk register.

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6 Areas Affected

6.1 County wide

7 Effect on Strategic Policies

7.1 The procurement of waste treatment capacity is in accordance with, and implements, policy 9 in the Joint Municipal Waste Management Strategy which states that the OWP will provide a system for recovering value from residual wastes in order to meet LATS targets.

8 Options or Alternatives

8.1 N/A

9 Recommendations

9.1 To note and support the progress made on the procurement of residual waste treatment.

10 Reasons for Recommendations

10.1 To demonstrate OWP support for the procurement of residual waste treatment.

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