

CHESHIRE EAST COUNCIL

Cabinet Member for Regeneration

Date of Meeting: 20 June 2016

Report: Peter Bates

Subject/Title: Organic Waste Treatment Procurement

Portfolio Holder: Cllr Don Stockton

1.0 Report Summary

- 1.1. The Council is looking to increase recycling through the collection of food and garden waste in our existing garden waste bins. To achieve this we are seeking an organic waste treatment solution which will enable the recycling of comingled garden and food waste to produce energy.
- 1.2. A cabinet decision of 29 September 2015 resolved to undertake a procurement process to identify and appoint a commercial partner to design, build and operate the facility. This procurement is now underway to identify a preferred bidder by the end of the year.
- 1.3. In order to secure the best outcome the Council will invite tenders for either a traditional gate fee contract to treat waste at an existing facility or a design build and operate model for the construction of a new facility. The final outcome will be determined through the evaluation of the procurement lots and is subject to cabinet approval.
- 1.4. As part of the procurement process the Council need to offer a site to locate such a facility should it be required by any bidder. This will minimise the transport of waste and maximise the opportunity to secure benefit from possible energy generation and compost sales.
- 1.5. This report seeks Cabinet endorsement to identify a site in the procurement documentation at the detailed solutions phase.
- 1.6. The need for the final allocation of a site will depend on the preferred solution identified through the procurement. Possible outcomes of the procurement could be:
 - a contract with an existing facility outside Cheshire East,

- a facility being built on land owned by the preferred bidder either inside or outside Cheshire East
- The preferred bidder seeking to lease Council owned land to undertake a process of seeking planning permission for their proposed solution
- Or the Council not awarding a contract if a suitable economic solution is not identified.

2.0 Recommendations

- 1.7. That we proceed to a portfolio holder decision to allow the identification of a named Council owned potential site as one of three options available to bidders. The site would be outlined in the procurement documents at the time of issuing the detailed solutions phase of the Organic Waste treatment procurement (currently timetabled for issue early August 2016). A request for confidentiality on commercial grounds will be made of the short list of bidders at the dialogue stage.
- 1.8. If Council owned land were to be required, the final allocation of the site would be subject to a cabinet decision to proceed at preferred bidder stage.

3.0 Reasons for Recommendations

- 1.9. Since the site review and appraisal work was completed in 2015 a site adjacent to the previously shortlisted site has been acquired by the Council. A review of the site based on the initial criteria indicates that the site could potentially accommodate an organic waste treatment use. However, the suitability of the site will ultimately need to be determined following a full sequential test and appropriate consultation, planning and permitting approval.

4.0 Wards Affected

- 1.10. Food waste collection would be to all wards

5.0 Local Ward Members

- 1.11. All

6.0 Policy Implications

- 1.12. Realising value from waste streams is a key objective of CEC's waste strategy. The following high level objectives of the waste strategy are relevant:

- to continue to exceed national targets for recycling
- to provide all households with a simple, easy to use, kerbside recycling collection service and work to increase the types of recyclable materials collected
- to utilise energy generation to process around 40,000 tonnes of kerbside collected organic food and garden waste by sustainable bio technologies such as anaerobic digestion, to generate heat and power
- ensure that residual waste is managed to support waste prevention, reuse and recycling, minimising waste produced and
- to reduce disposal to landfill to 0 and achieve 100% disposal to waste to energy generation

7.0 Implications for Rural Communities

7.1 Food waste collections will be provided to all communities should the procurement be successful.

8.0 Financial Implications

7.2 The Council has already agreed the project as part of its approved capital programme for 2016/17 to 2018/19. At this stage i.e. identification of a named Council owned potential site, there are no other financial implications.

9.0 Legal Implications

9.1 The portfolio holder decision will permit the identification of a named Council owned potential site as one of three options available to bidders as part of a procurement process. Final allocation of any identified site would be subject to a cabinet decision to award to a preferred bidder at the end of the procurement process.

10.0 Risk Management

Issue	Implication	Risk level
Mercantile contract secured outside the borough	Increasing travel distance of waste	Medium
Proposals for a new waste facility on a greenfield site	Could meet with large scale public opposition	High
Planning certainty	An unallocated site has no planning certainty	High
Leasehold issues vacant possession	May not be achieved in time to meet any construction deadlines	Low
Site Location	May not currently offer sufficient proximity to end users to warrant commercial production of energy from waste processing	Medium

11.0 Background and Options

11.1 The Council has designed the procurement to be flexible to secure the most cost effective organic waste treatment solution from the market. The intention is to follow Competitive Dialogue procurement for 2 lots.

- Lot 1 a design, build, finance, operate contract for a facility which may or may not require Council owned land.
- Lot 2 for a mercantile contract to treat Council waste which would not require Council owned land

11.2 The Cheshire East Council Municipal Waste Management Strategy 2030 set out a high level objective "To utilise energy generation to process 40,000 tonnes of kerbside collected organic waste by sustainable bio technologies such as anaerobic digestion, to generate heat and power". This was endorsed at the public consultation phase with 76% public agreement 17% neither agree or disagree and only 7% disagreement.

11.3 The decision to pursue a Dry Anaerobic digestion project dates back to 2014 when feasibility work was undertaken to determine the best method of treating a proposed comingled food and garden waste stream to reduce the amount of organic waste going to landfill.

11.4 A process of initial site identification was undertaken in late 2015. A call for sites was issued to the market by property agents acting on behalf of Cheshire East to identify a shortlist of sites in both Council and private sector ownership, available at that time, that could potentially accommodate a facility.

12.0 Access to Information

1.1. The Cheshire East Council Municipal Waste Management Strategy 2030

http://www.cheshireeast.gov.uk/waste_and_recycling/waste_strategy_and_performance/waste_strategy/waste_strategy.aspx

1.2. Public Consultation on Municipal Waste Strategy high level objectives.

http://www.cheshireeast.gov.uk/council_and_democracy/council_information/consultations/consultations_results.aspx

The background papers relating to this report can be inspected by contacting the report writer:

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