

**Report to Councillor Deborah Urquhart, Cabinet Member for
Environment & Climate Change**

May 2022

**Development of HGV trailer park on Site Ha, Langhurstwood Road,
Horsham**

Report by Assistant Director (Environment and Public Protection)

Electoral division(s): Holbrook

Summary

West Sussex County Council (the Council), as Waste Disposal Authority (WDA), operates a Mechanical Biological Treatment (MBT) facility to treat the residual waste produced by the residents of West Sussex.

The main output from the MBT is referred to as Refuse Derived Fuel (RDF), which is bulked and baled by Biffa at the MBT before being collected, transported, treated and disposed of via a contract with the West Sussex Britaniacrest Seneca Partnership (WSBSP).

Currently, RDF bales are stored on HGV trailers on land adjacent to the MBT leased on a short-term basis from Britaniacrest Recycling Ltd. The company is not expected to renew this lease beyond the next 12-18 months, and therefore an alternative arrangement is required.

The aim of this project is for the Council to develop its own hardstanding area for the storage of trailers for baled or loose RDF which will be transported from the site for onward treatment.

The Council owns land adjacent to the MBT, known as Site Ha, which can be developed, subject to planning permission, to provide this hardstanding area for the RDF HGV trailers. The Council will work in partnership with its Contractor, Biffa (West Sussex) Ltd (Biffa), acting as agent, to design and build the hardstanding area.

Recommendations

The Cabinet Member for Environment and Climate Change, subject to the receipt of planning permission, is recommended to -

- (1) Approve the use of capital funding (£2.0m as set out in section 5 of the report) for the construction of the hardstanding on Site Ha, Langhurstwood Road, Horsham.

- (2) delegate authority to the Assistant Director (Environment and Public Protection) to secure the necessary works and other steps required to construct the HGV trailer park on site Ha
 - (3) delegate authority to the Director of Law and Assurance to negotiate and agree a development funding agreement to provide how Biffa will enter the Council's land and build the hardstanding and how the Council will fund the construction.
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Proposal

1 Background and context

- 1.1 West Sussex County Council (the Council), acting in its capacity as Statutory Waste Disposal Authority (WDA) is responsible for the disposal of waste collected by the District and Borough (D&B) Councils in West Sussex. The current Materials Resource Management Contract (MRMC) and Refuse Derived Fuel (RDF) Contract are two of the three major waste contracts commissioned by the Council to meet the disposal obligation.
- 1.2 The MRMC was awarded to Biffa and commenced on 28 June 2010 for a 25-year period and a possible 5-year extension. This deals with residual waste via a Mechanical Biological Treatment (MBT) facility at Langhurstwood Road, Horsham and landfill disposal.
- 1.3 The MBT facility shreds incoming waste separating biodegradable waste (mainly food and animal waste) from the remaining material (mostly paper and plastic). The biodegradable fraction is liquidised and passed through an Anaerobic Digestion (AD) process which generates methane and a Compost Like Output (CLO) material. The methane is burned to produce electricity and the CLO is used in land restoration projects. The majority of the remaining fraction is used to produce Refuse Derived Fuel (RDF) for energy from waste processes. Separated metals and grit are sent for recycling and a small minority (less than 10%) which is unsuitable for energy recovery is sent to landfill.
- 1.4 The RDF contract was awarded in April 2018 to West Sussex Britaniacrest Seneca Partnership (WSBSP) for the collection, transport, treatment and disposal of RDF. The current RDF Contract was procured, after market consultation, with an initial contract term of five (5) years with an option to extend the RDF Contract in minimum increments of whole calendar years, for up to a further five (5) calendar years.
- 1.5 Annually, circa 200,000 tonnes of residual waste is delivered to the MBT Facility and approximately 100,000 tonnes of RDF is produced.
- 1.6 Over 80% of the RDF produced annually is baled on site. The baled RDF is loaded onto trailers at the facility and exported to Energy from Waste (EfW) facilities in Germany (55%) and Holland (45%). Around 18% is taken away unbaled ("loose") as a result of contingency periods or as a result of broken bales. Loose RDF is delivered to a number of UK based EfW facilities for treatment and disposal.
- 1.7 To allow the trailer exchange, operated as part of the RDF collection, to take place, the Council entered into an agreement with Britaniacrest Recycling Ltd

for the storage of up to 14 trailers on land it owns and occupies next to the MBT known as Site Hb. This was for an initial 18-month period, which has since expired, and is now on a rolling 1-month arrangement.

- 1.8 Britaniacrest Recycling Ltd have successfully secured planning permission for an EfW facility. It is not known when construction will commence, as the operators are understood to be still in the process of securing their Environmental Permit, but it is expected this will commence in the next 12-18 months. Long-term, the Council needs to have its own arrangement in place for the storage of trailers that deal with the removal of RDF from the MBT facility.
- 1.9 The Council also owns an undeveloped brown field site adjacent to the MBT Facility known as Site Ha. The aim of this project is for the Council to develop its own hardstanding area for the storage of trailers for baled or loose RDF which will be transported from the site for onward treatment. This project is required as a long-term solution to manage the RDF offtake.

2 Proposal details

- 2.1 The project consists of the design and construction of a hardstanding area for the storage of baled/wrapped and/or loose RDF and parking for up to 24 HGV trailers including:
 - Widened and upgraded access road
 - Drainage with interceptors to enable surface water to discharge to a nearby stream
 - Fire breaks using Legio blocks between 2-3 trailers
 - Fire water storage and hose facility
 - Connection of utilities – electricity and fire water
 - Lighting
- 2.2 Developing the hardstanding on Site Ha is a cost effective and practical solution. It makes use of land already owned by the Council and offers an option when the leased land at Site Hb becomes unavailable. The land can also be utilised for storing output materials from the MBT, such as CLO (Compost like Output) and metals, freeing space within the MBT tipping hall. The operations on the land at Site Ha will be permitted under Biffa's Environmental Permit, therefore this provides operational flexibility for Biffa. The land could also be utilised for storing other items such as spare equipment, repairs for machinery, etc.
- 2.3 The construction works are to be undertaken by a contractor to be appointed by Biffa, who will be acting as agents on the Council's behalf. Biffa will work in partnership with the Council on a specification, design and obtain 3 competitive quotes. These will be evaluated with officers before approval is given to Biffa to appoint a preferred supplier. Biffa have sought initial quotes from the market, and these form the basis of the £2.0m capital funds referred to in the recommendation. Biffa will receive no payment for acting as the Council's agent; the role is to facilitate the works on the site as Biffa manage the location on the Council's behalf and will also be required to manage it in the future under the terms of the MRMC. This approach has been chosen due to the following:

- The utilities on Site Ha are within the control of Biffa and they can access/adapt directly, whereas if the Council were to undertake the works, this would result in much higher costs, due to the third-party element.
 - The site will be operated by Biffa and included in their Environmental Permit. They will be applying for their own existing permit that covers the MBT to be varied and need to have an element of control of the design to ensure it complies with environmental legislation.
 - Likewise, Biffa will be applying for planning permission and building regulations approval for the works on the Council's behalf, as they will be operating the site and need an element of control of the design. If the Council were to undertake these works itself, Biffa would still need to be involved, and there would be substantial duplication of works (and resultant costs).
- 2.4 The Council will negotiate and enter into a development funding agreement with Biffa to regulate how Biffa will enter Council land at Site Ha, how they will construct the hardstanding, providing for minimum standards, and how the Council will fund the construction as it proceeds. The Council will reimburse construction invoices provided by Biffa's contractors which have been certified by a monitoring surveyor.

3 Other options considered (and reasons for not proposing)

- 3.1 A full range of options have been explored via the Full Business Case, including building a bulking facility on Site Ha, a thermal treatment plant, tender for contractors to collect loose RDF directly from the MBT and instructing Biffa to manage the RDF directly. Some of these options were discounted due to the risk of procurement challenge, and others presented high operational challenges and costs.
- 3.2 Cabinet have been informed of these options as part of the 'Strategic Options for Processing of Separate Food Waste and Other Waste Disposal Services ([CAB19 21/22](#)) [Item 7, Cabinet – Tuesday 15th March 2022](#).

4 Consultation, engagement and advice

- 4.1 During the development of the Business Case, advice has been sought from officers in the Finance, Legal Services and Asset Management & Estates teams.
- 4.2 The development of Site Ha has been discussed at the MBT Community Liaison group which includes local residents, the Parish Council and the Local Member for a number of years. The site is a designated area for waste management facilities and will go through the Planning process and residents will be able to make comments.

5 Finance

- 5.1 There will be a revenue saving of around £166k a year within the waste disposal budget as the proposal removes the need to lease land for this purpose
- 5.2 Capital consequences

| | Current Year 2021/22 £m | Year 2 2022/23 £m | Year 3 2023/24 £m | Year 4 2024/25 £m |
|----------------------|-------------------------------|-------------------------|-------------------------|-------------------------|
| Capital budget | | £4.5m | | |
| Change from Proposal | | £2.0m | | |
| Remaining budget | | £2.5m* | | |

* it is proposed the remaining budget is kept in reserve should any additional works be required on the site, for example, the Environment Agency may require the construction of a building.

5.3 The effect of the proposal:

(a) **How the cost represents good value**

Using and developing vacant land that the Council already owns demonstrates good value, rather than leasing land adjacent to the MBT. The advantages of commissioning Biffa to oversee the works are explained in 2.3 above

(b) **Future savings/efficiencies being delivered**

The main saving being delivered is that the land leased from Britaniacrest Recycling Ltd would no longer be required. The use of Site Ha provides a long-term solution and offers security to all parties to future offtake contracts.

(c) **Human Resources, IT and Assets Impact**

The Council already has the freehold of the land which was purchased to support the operation of the MBT. The land is allocated for waste use in the Council's Waste Local Plan.

6 Risk implications and mitigations

| Risk | Mitigating Action (in place or planned) |
|--|--|
| Planning permission or building regulations approval are not granted | Ensure both the planning application and building regulations approval application are of a high standard, and prior consultation is carried out where there is a risk of objections/issues The site is a designated area for waste management facilities |
| Costs of construction increases (due to costs of materials increasing, etc.) | Budget cost to be based on real market values and contingency built into budget |

7 Policy alignment and compliance

7.1 Our Council Plan 2021-25

The recommendation supports Our Council Plan 2021-2025 priorities by:

- making the best use of resources
- assisting with the underpinning theme of Tackling Climate Change
- supporting Key Performance Indicator 23: The percentage of Household waste recycled, reused or composted.

The proposal also supports the following outcomes:

- Outcome 3 - Maximising the productivity of our assets
- Outcome 4 – Value for money
- Outcome 5 – A sustainable economy that adapts to climate change
- Outcome 6 - Working in Partnership

Maximising use of council owned land to provide value for money and support in meeting our statutory duties, along with improving productivity and optimised use of the MBT.

Working collaboratively with Biffa to significantly reduce duplication of works and costs in developing Site Ha.

Providing greater flexibility for the operation of the MBT as outlined at point 2.2.

The development of Site Ha will also be of benefit to any proposed variation to the MBT by freeing space within the existing tipping hall for deliveries and any works required. Which in turn should then provide a carbon reduction and support the partners to meet the new duties under the Environment Act 2021 and residents' growing aspirations to recycle more in general and food waste in particular.

RDF treated via EfW counts towards landfill diversion, which can contribute to the recycling target NI 193 (% of municipal waste to landfill).

7.2 Equality duty and human rights assessment

The project aims to improve the delivery of public services and has no foreseen equality impact implications.

7.3 Climate Change

Climate Change underpins all other objectives and priorities within *Our Council Plan 2021-25*. The Council has committed to being carbon neutral by 2030 for "scope 1" emissions arising from its own operations. Emissions associated with household waste processing / disposal largely fall within supply chain emissions known as "scope 3" and this is mainly determined by how much waste householders produce and the extent to which they separate it for recycling. Nevertheless, the council can have some control over waste emissions through specification of how and where waste is processed.

In October 2021 the council commissioned a short study from consultants Tolvik to compare carbon emissions from various disposal options.

The study concludes that emissions from European EfW and UK EfW facilities are broadly comparable once the transport element has been included. It is therefore unlikely any large carbon efficiencies can be gained directly from the development of Site Ha, but the site as developed will support the benefits of MBT optimisation.

The facility will be incorporated into Biffa's Environmental Permit, which will ensure the land is managed appropriately and complies with all relevant Environmental legislation. The surface water collected on the site will go into the Southern Lagoon, which is subject to a separate Environmental Permit, with water quality compliance checks completed monthly. It is envisaged the development will be 'Water Neutral'.

Beyond the construction phase the proposal will not result in any increase in operational vehicle movements to those already permitted.

7.4 Crime and Disorder

There are no crime and disorder implications identified as a result of this proposal.

7.5 Public health

There are no direct public health implications identified as a result of this proposal.

7.6 Social value

Biffa will work in partnership with the Council on a specification, design and obtain 3 competitive quotes. Social value elements will be included to the specification against the backdrop of targets within the Reset Plan, which will be evaluated with WSCC officers before approval is given to Biffa to appoint a preferred supplier.

7.7 Legal implications

The Council needs to carefully consider the contractual arrangements through which the proposals can be achieved and the requirements of the Public Contract Regulations 2015.

The Council has undertaken a careful and considered analysis of the impact of the regulatory and legal framework for public procurement. It has taken external expert procurement advice to seek confirmation of the position in relation to the recommended option of instructing the Council's contractors, Biffa (West Sussex) Ltd to undertake the works on site Ha. This advice provides assurance for the option being recommended.

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Appendices

None

Background papers

None