



POLICY AND RESOURCES COMMITTEE

Thursday 23 March 2017 at 6.30 pm

Council Chamber, Ryedale House, Malton

Agenda

- 13 **Late papers - Proposed Waste Transfer Station for Ryedale** (Pages 3 - 12)

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PART B:	RECOMMENDATIONS TO COUNCIL
DATE:	23 MARCH 2017
REPORT OF THE:	FRONT LINE SERVICE DELIVERY LEAD BECKIE BENNETT
TITLE OF REPORT:	PROPOSED WASTE TRANSFER STATION FOR RYEDALE
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To present the preferred option for a waste transfer station for the Ryedale District Council (RDC) area.

2.0 RECOMMENDATIONS

- 2.1 That Members recommend to Full Council that this Council enter into an agreement with North Yorkshire County Council, as the Waste Disposal Authority for RDC, to provide a waste transfer station at Kirbysperton, conditional upon a maximum contribution up to £265k per annum from RDC.
- 2.2 That the Medium Term Revenue Forecast be amended to reflect an additional growth item of £152k and that officers work to deliver additional savings through the Towards 2020 efficiency programme to mitigate the impact.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 The development of a waste transfer station at Kirbysperton is the least-worst option for RDC and avoids additional costs to the public purse in excess of £235k per annum if RDC instead had to use a waste transfer station in Seamer.

REPORT

4.0 BACKGROUND AND INTRODUCTION

- 4.1 North Yorkshire County Council (NYCC) have agreed on a strategy for a waste transfer station for use by Ryedale District Council as detailed in the report attached at Annex A.

5.0 POLICY CONTEXT

- 5.1 RDC has a duty as a waste collection authority (WCA) to collect household waste together with commercial waste where it is requested to do so from business premises within the district.

- 5.2 NYCC has a duty as the waste disposal authority (WDA) to arrange for the disposal of household and commercial waste collected by the WCAs in its area and has a power of direction which can be used to require a WCA to take its waste collected to a particular waste transfer station.

6.0 CONSULTATION

- 6.1 Any consultation on this matter would be the responsibility of NYCC as the Waste Disposal Authority.

7.0 REPORT DETAILS

- 7.1 The report attached at Annex A provides the detail and the options available in relation to this matter.
- 7.2 The procurement exercise referred to in the attached report at recommendation (a) is currently being undertaken by Yorwaste on behalf of NYCC. This will provide comparative costs but is unlikely to provide a long term solution for waste transfer for RDC.
- 7.3 Unless and until agreement can be reached between NYCC and RDC, further progress with delivery of a transfer station at Kirbymisperton is being held in abeyance.
- 7.4 In the absence of such an agreement or acceptable alternative, RDC has been given notice that it will be required to deliver all residual domestic waste to Seamer Carr from 1 February 2018. The additional cost of this each year to RDC will be in excess of £0.5m due to the requirement for additional refuse vehicles, operating staff and running costs associated with travelling longer distances to Seamer.
- 7.5 Following work undertaken by officers at RDC it is estimated that the cost of transferring waste to two locations (Seamer and Harewood Whin) will be even higher than transferring all waste to Seamer Carr
- 7.6 The lead in time for a new WTS to be built in Ryedale is 12 months.
- 7.7 The resources to fund the agreement up to a maximum of £265k will be funded from £113k already included in the base revenue budget and the remainder up to a maximum of £152k pa will be a growth item on the 2018/19 revenue budget.

8.0 IMPLICATIONS

- 8.1 The following implications have been identified:

Financial

There are no new financial implications for 2017/18 on the basis that the Council approves the officer recommendations. If RDC is required to tip at Seamer Carr then there is likely to be a financial impact in 2017/18 as the Council will need to increase its vehicle fleet and staffing and will be required to start the new arrangements from 1st February 2018. There will be a revenue growth item of up to £152k for the 2018/19 revenue budget based on the officer recommendations..

Legal

The Council would be entering into a legal agreement with NYCC to ensure that the financial liability to the Council is limited to a maximum of £265k.

Other - There are no significant other implications arising from this report.

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Background Papers: None

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North Yorkshire County Council

Business and Environmental Services

Executive Members

27 January 2017

Proposed Ryedale Transfer Station

Report of the Assistant Director – Transport, Waste and Countryside Services

1.0 Purpose of report

- 1.1 The purpose of this report is to update Executive Members on progress to secure a transfer station for bulking and onward transport of waste collected by Ryedale District Council, and to seek approval on a preferred strategy for delivery.

2.0 Background

- 2.1 Ryedale District Council has a duty as a waste collection authority (WCA) to collect household waste and commercial waste where it is requested to do so, from premises within the district. The County Council has a duty as the waste disposal authority (WDA) to arrange for the disposal of household and commercial waste collected by the WCAs in its area. There is no obligation for the WDA to provide a place within a WCA area for the deposit of collected household and commercial waste, but the WDA is then liable for the costs of transporting the waste an unreasonable distance. There is no definition of what an unreasonable distance is but it is often interpreted to be more than 5 miles from the WCA boundary.
- 2.2 The County Council historically contracted with Yorwaste for the provision of a landfill site in Ryedale at Thornton le Dale. Since this site closed in 2009 the nominated disposal point for waste collected in Ryedale has been Knapton Quarry, operated by FD Todd, first as a landfill site and more recently as a transfer station with the waste being transported for final disposal out of the County. The contract with FD Todd for receipt of waste at Knapton includes for both transport and final disposal, and expires on 31 March 2018.
- 2.3 Both Thornton le Dale and Knapton are within the WCA boundary.
- 2.4 The County Council and all WCAs approved a joint Statement Of Agreed Principles (SOAP) in 2004 that sets out how the councils will work together as a partnership to deliver waste management services.
- 2.5 The SOAP states that:
“The partnership will seek to provide at least one place within each partner’s area where collected refuse and recyclables can be delivered for later processing or disposal. The precise numbers and locations of delivery points will be determined collectively and will have regard to:
- Population densities
 - Land use planning policies
 - Availability of land
 - Proximity to other delivery points”

- 2.6 The SOAP also states that:
“Each authority is recognised as an equal partner in delivery of the Strategy, and all partners are equally accountable for ensuring its delivery” and “the interests of one partner will not take precedence over the interests of any other partner.
- 2.7 Implementation plans will have regard to the interests of the Council Tax payer generally, over the interests of individual partners.”
- 2.8 The SOAP is not legally binding.
- 2.9 High level modelling of the costs of providing transfer stations across the County in 2005/06 indicated that the business case for a transfer station in Ryedale was marginal, but overall it was likely to be cost effective. The modelling was reviewed in 2011 when AWRP had been confirmed as the final disposal point and the conclusion was similar in that a transfer station in or around Malton was likely to present a better option for the Council tax payer as a whole compared to delivery to the existing transfer station at Seamer Carr. Work has therefore progressed to deliver a site in the Malton area.

3.0 Current Position

- 3.1 Following an extensive site search, a site for a transfer station in Ryedale has been secured off Tofts Lane, Kirby Misperton through a long term lease. Planning consent has also been secured although detailed design has yet to be completed. Highway improvement works to the junction between Tofts Lane and the A169 were carried out in 2014 (at a cost of £176.7k) as a requirement of the highway authority prior to development of the site.
- 3.2 The planning permission requires the improvement of Tofts Lane from a single lane track to a full width road although recent discussions with the highway authority have suggested that the specification for the improvements can be reduced to retain a single track access but with some improvements. The proposed transfer station building will be big enough to accommodate all anticipated uses for receipt of both household waste and recycling (although the receipt of recyclables is not a statutory obligation of the WDA).
- 3.3 The initial capital budget for Kirby Misperton was £2.0m. Costs incurred to date (planning, road works and fees etc.) are approximately £600k.
- 3.4 Latest cost estimates for the remaining construction works are £4.0m. The main reasons for the increase from original budgets is largely due to:
- Poor ground conditions requiring the building to have piled foundations
 - New fire safety requirements from the EA requiring 2 No. 3,600 cubic metre storage tanks, one for clean water to feed the fire suppression system and one for run-off in the event of a fire
 - Costs of the access road improvements (not originally budgeted)
 - Inflation
- 3.5 The increased cost estimate has triggered a review of the business case and an assessment of alternative sites.
- 3.6 A further site search in early 2016 identified the former Ryedale Skip site in Pickering as a potentially suitable site. It was available and benefits from an existing waste use, and environmental permit. The site is big enough for a basic transfer station

facility (but is not as big as Kirby Misperton) but the existing building would need to be demolished and replaced with one more suitable therefore a new planning permission would be required.

- 3.7 Consultants were commissioned to carry out a 'like for like' assessment of both Kirby Misperton and the Ryedale Skips site to establish the relative costs and benefits. The assessment concluded that the Ryedale Skips site would be significantly less expensive to develop but that this initial saving would be eroded over time with a much higher ground rent. This site was not pursued any further given the lack of any significant financial benefit and the smaller size of the site. It is understood that the site is no longer available.
- 3.8 Discussions with Ryedale District Council indicated a preference to co-locate their depot with the transfer station. This would provide operational benefits and could help deliver savings to help balance the additional costs. The landowner at Kirby Misperton has indicated his agreement in principle to provide more land if necessary and in recent months a part of the adjacent industrial site has become available that could provide an alternative access and negate the need for much of the improvement of Tofts Lane.
- 3.9 A scheme based on a combined depot and transfer station, with a revised access, has been worked up and costed to enable a comparison with the option of a stand-alone transfer station. The estimated costs of a combined depot and transfer station are £6.6m (with approx £3.4m being attributable to NYCC) indicating that the inclusion of the depot would add an additional £2.6m to the cost. There is some scope to reduce the specification and requirements for the proposed depot but the comparisons so far suggest that the benefits to NYCC of combining the two facilities could be to reduce capital costs of the transfer station by up to £600k. However, until such time as Ryedale District Council is in a position to confirm the desirability and affordability of the costs of the depot the business case for the transfer station needs to be established in isolation.

4.0 Transfer Station Business Case and Costs

- 4.1 The options for provision of delivery point to serve Ryedale are:
1. Kirby Misperton – site owned by NYCC and operated by Yorwaste
 2. Seamer Carr – site owned by NYCC and operated by Yorwaste
 3. TBC – site procured through competitive tender
- 4.2 Table 1 below compares the costs to NYCC for the receipt of Ryedale's waste at Kirby Misperton with the costs if that waste were delivered to Seamer Carr and shows that the net cost to NYCC from the provision of a transfer station at Kirby Misperton would be approx. £265k p.a.

Transfer Station Comparisons	KM v Seamer	
Site costs	£	207,000
Operating costs	£	201,957
transport costs	-£	143,641
Tipping Away costs	£	-
Net Cost to NYCC	£	265,316

Table 1. Comparisons of cost to NYCC of delivering waste to Kirby Misperton and Seamer Carr

Notes on Table 1:

1. Site costs based on £4m remaining build costs at Kirby Misperton and exclude costs already incurred
 2. Operating costs are additional to costs which would be incurred at Seamer Carr.
 3. Transport Costs are shown as a saving to reflect lower distances to AWRP compared to Seamer Carr
 4. Tipping away is assumed to be zero as Seamer Carr is considered to be a reasonable distance from the district boundary.
- 4.3 Ryedale District Council has identified savings and cash benefits from provision of a transfer station at Kirby Misperton that could be made available to help mitigate the additional costs to NYCC. These are equivalent to approx £121k pa. The inclusion of these cashable savings reduces the net cost to NYCC to some £144k pa.
- 4.4 The proposal for a transfer station is on the basis that it must be in the best overall interests of the Council Tax payer – i.e. not developed solely to benefit either the County or District Council. Ryedale District Council have indicated that the delivery of waste to Seamer Carr would require additional vehicles and crew which would cost in excess of £340k pa, plus one-off costs associated with reorganisation of collection rounds. When balanced against the additional costs of providing the transfer station these avoided costs indicate that the benefit to the council tax payer from provision of a transfer station at Kirby Misperton will be approximately £200k pa compared to Seamer Carr, although the actual additional collection costs would need challenging and to be verified before this conclusion can be confirmed.
- 4.5 Despite increased construction costs, the provision of a transfer station at Kirby Misperton appears to present value for money to the Council tax payer overall compared to Seamer Carr although further work would be needed to validate the impact on collection costs before this conclusion can be confirmed. Kirby Misperton does however represent a significant cost to the County Council that is potentially unaffordable. In the absence of an affordable alternative or an agreement with RDC on costs that would make the transfer station affordable to NYCC, the default position is that the County Council will direct Ryedale District Council to deliver its collected household and commercial waste to Seamer Carr for onward transport and disposal. This can be reviewed as and when the Councils are able to agree a position on cost sharing that makes the transfer station at Kirby Misperton or any other arrangement mutually acceptable.
- 4.6 A competitive procurement could be undertaken in the immediate short term to establish if there are other alternatives available in the market place. It is assumed that the existing site at Knapton would be offered under such a procurement however a direct cost comparison is not available at this time because the current contract includes for both haulage and disposal of waste. Any new contract will be limited only to the receipt and haulage of waste to Allerton Park, and will therefore exclude disposal costs.
- 4.7 A provisional estimate of the costs to NYCC of a service provided through competitive procurement suggests that they would be comparable to the marginal costs of using Seamer Carr however the actual costs of this option will be a function of the prevailing market. The lack of local alternative might act to increase the tendered costs but the availability of an existing facility at Knapton with no necessary

additional capital expenditure will act to reduce the costs compared to the provision of a new site.

- 4.8 This option is likely to deliver an outcome for RDC that would not involve any additional cost compared to existing arrangements however, the solution will require competitive procurement and benchmarking against the County Council's costs of using Seamer Carr in order to establish it as a better option. This inevitably means that this option cannot be committed to until a procurement has been run, and the final costs confirmed. This is planned for Spring 2017.

5.0 Other Emerging Option

- 5.1 Recent discussions have identified the potential for another alternative arrangement that would involve co-location of Ryedale depot facilities with Yorwaste transfer stations at Seamer Carr and Harewood Whin. Such an arrangement would have minimal impact on the transfer stations and would provide opportunities for sharing resources and vehicle servicing/garaging that are likely to offer considerable savings. However, it would also entail the complete remodelling of collection arrangements within the district.
- 5.2 Discussions on this alternative are at an early stage and it is not yet certain if such an outcome is attractive and deliverable to Ryedale District Council, or if it would provide overall benefits, but it is proposed that the option will be explored more fully over the Spring to enable it to be compared with the others.

6.0 Recommendations

- 6.1 It is therefore proposed that:

- (a) A procurement exercise proposed in para 4.5 be progressed in order to understand the potential alternative options and costs available in the market, and the comparative costs to both NYCC and RDC against provision at Seamer Carr and Kirby Misperton
- (b) Unless and until agreement can be reached between NYCC and RDC on cost sharing, further progress with delivery of a transfer station at Kirby Misperton be held in abeyance
- (c) In the absence of such an agreement or acceptable alternative Ryedale District Council is advised that they will be required to deliver their waste to Seamer Carr from 1 February 2018
- (d) Subject to agreement in principle by Ryedale District Council, an outline business case be developed for comparison to other options based on co-locating Ryedale District Council refuse collection vehicles (and other vehicles and staff as appropriate) with at Yorwaste transfer stations at Seamer Carr and Harewood Whin.

IAN FIELDING

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Author of Report: Ian Fielding

Background Documents: None

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