

# EAST AYRSHIRE COUNCIL

## COMMUNITY SERVICES COMMITTEE - 26<sup>TH</sup> MAY 2004

### WASTE DISPOSAL – JOINT WORKING

#### Report by Executive Director of Neighbourhood Services

#### 1. PURPOSE

- 1.1 To seek Committee approval to enter into discussions with South Ayrshire Council following their written request to explore the possibility of assigning contracted landfill tonnages.

#### 2. BACKGROUND

- 2.1 In 1995 East Ayrshire Council awarded a 5 year contract (commencing in May 1996) to Barr Environmental Limited for the reception, bulk storage and disposal (by landfill) of the Council's municipal waste. The contract required Barr Environmental Limited to construct two waste transfer stations, provide a landfill site and the associated plant and equipment.

Payment for the contract was on a straight price per tonne of waste deposited in the transfer stations with an annual price review subject to standard indicators.

- 2.2 In 1997, South Ayrshire Council entered into a 15 year agreement with Barr Environmental for the landfilling of stated annual tonnages of their municipal waste. As South Ayrshire Council delivered their municipal waste directly to the landfill in refuse collection vehicles, the gate fee charged was considerably lower than that pertaining to the East Ayrshire Council contract.
- 2.3 The original East Ayrshire contract was extended for 2 years (in accordance with the terms and conditions of the contract) and in 2003, a further 1 year contract (with two twelve month extensions) was awarded to Barr Environmental Limited by the Council. The maximum life of this contract cannot be beyond May 2006.
- 2.4 Previous reports to the Committee on the National Waste Strategy and the Landfill Directive have indicated that the Scottish Executive intends to allocate nominal annual tonnages for individual Councils which will be used as a baseline for measuring landfill diversion performance (i.e. 25% diversion in 2010; 50% in 2013; and 65% diversion by 2020). The current contract which the Council has with Barr was deliberately designed to have a life which would allow its replacement with a longer term contract which could cater for the Council's waste diversion obligations.
- 2.5 In the light of the implications set out in the Directive, South Ayrshire need to review their contractual arrangements with Barr Environmental and South Ayrshire Council have alerted the Scottish Executive to these discussions and this resulted in an invitation from the Executive to attend two meetings in Victoria Quay at which

representatives of South Ayrshire Council, the Executive, and the Scottish Environmental Protection Agency were present.

At this meeting, reference was made to the position being faced by South Ayrshire Council and an informal request was made by the Executive representatives to seek any assistance which might be available from East Ayrshire Council.

- 2.6 This assistance is now sought in a letter from South Ayrshire Council asking East Ayrshire Council to consider the possibility of their assigning some of their contracted (i.e. obligated) landfill tonnages to East Ayrshire Council. If this was achieved then South Ayrshire Council would be able to meet the diversion targets set out in the EU Directive on landfill with the shortfall in residual tonnage being met by compensatory tonnages from East Ayrshire Council.

### **3. DISCUSSION**

- 3.1 There is some merit in the Council agreeing to have discussions with South Ayrshire Council as a result of this request. By May 2006, East Ayrshire Council require to have a new contract in place to take cognisance not only of the EU Landfill Directive diversion targets, but also the treatment and disposal of the residual waste stream (by that time the 3 bin system will be fully rolled out).
- 3.2 At the present time however the intention would simply be to explore the practicalities of the proposal together with the anticipated benefits which might accrue to the Council if such an agreement were to be secured.
- 3.3 It is therefore considered appropriate for the Executive Director of Neighbourhood Services to enter into discussions with representatives of South Ayrshire Council to explore in greater details the proposals submitted by South Ayrshire Council.

### **4. FINANCIAL IMPLICATIONS**

- 4.1 Any potential agreement brought before East Ayrshire Council will require to demonstrate clear financial benefits for the Council.

### **5. LEGAL IMPLICATIONS**

- 5.1 On the information available so far, it would appear that there is no impediment to South Ayrshire Council assigning a portion of their contracted landfill tonnage to another Local Authority.

### **6. POLICY IMPLICATIONS**

- 6.1 Nil.

### **7. CONCLUSIONS**

- 7.1 A request has been received from South Ayrshire Council that East Ayrshire Council consider the possibility of assigning landfill tonnages to East Ayrshire from South

Ayrshire Council's current landfill contract with Barr Environmental with the aim of securing a mutually agreeable and beneficial strategic solution.

## **8. RECOMMENDATIONS**

8.1 The Committee is invited to: -

- (i) consider authorising the Executive Director of Neighbourhood Services to enter into discussions with South Ayrshire Council as requested; and
- (ii) otherwise note the report.

William Stafford  
**Executive Director of Neighbourhood Services**

WS/JFC/CAM

5<sup>th</sup> May 2004

### **LIST OF BACKGROUND PAPERS**

1. Letter from Acting Director of Environment, Land and Property, South Ayrshire to Executive Director of Neighbourhood Services dated 22<sup>nd</sup> April 2004.

Any person wishing to inspect the background papers listed above should telephone 01563 576111 and ask for John Crawford, Head of Protective Services.

**Implementation Officer:** –[john.crawford@east-ayrshire.gov.uk](mailto:john.crawford@east-ayrshire.gov.uk)