

## **EAST AYRSHIRE COUNCIL**

### **COMMUNITY SERVICES COMMITTEE – 14<sup>TH</sup> NOVEMBER 2001**

#### **WASTE DISPOSAL CONTRACT – PROGRESS**

##### **Report by the Director of Community Services**

#### **1. PURPOSE OF REPORT**

- 1.1 To advise the Committee of progress made in terms of waste disposal.

#### **2. BACKGROUND**

- 2.1 The Council awarded a Contract for Waste Transfer and Disposal to Barr Environmental Ltd in 1995. The Contract commenced in May 1996 for an initial five year period and at a meeting of the Committee held on 15<sup>th</sup> November 2000 it was agreed that an optional two year extension be exercised. The extended contract is now due to expire in May 2003 and the new contract requires to be in place by that time.
- 2.2 At a meeting of the Committee held on 21<sup>st</sup> January 1998 it was agreed that a Member/Officer Working Group be set up to report on the options for a new Contract when the original five year Contract terminated in May 2001. The Working Group invited informal expressions of interest from the private sector, heard presentations from eight companies and reported back to Committee on 2<sup>nd</sup> June 1999.
- 2.3 At a meeting of the Committee held on 2<sup>nd</sup> February 2000 it was noted that the launch of the National Waste Strategy required the Council to participate in the Ayrshire and Dumfries and Galloway Waste Strategy Area Group (WSAG). Officers from Community Services and Development Services have regularly attended meetings of the WSAG which is currently finalising its proposals and due to publish its report early in 2002.

The Council Leader; Depute Leader; Chair and Vice-Chair of Development Services; and Vice-Chair of Community Services attended a briefing meeting of the WSAG on 5<sup>th</sup> September in Prestwick when assurances were given by Officers of the Scottish Environmental Protection Agency (SEPA) that it would be competent for each of the four Council's in the WSAG to pursue individual strategies which would contribute to meeting the statutory waste diversion targets set out in the EC Directive on Landfill (i.e. 25% waste diverted by 2010; 50% by 2013; and 65% by 2020).

- 2.4 As a result of the deliberations set out in 2.2 and 2.3, a PIN Notice was inserted in the European Journal in October inviting expressions of interest from private sector waste companies for a new contract to

commence in May 2003. It is proposed that the new contract will have an initial life of fifteen years with five optional one-year extensions. This arrangement offers the Council the potential for a contract which will see it through the life of the EC Directive on Landfill (i.e. post-2020).

### **3. DISCUSSION**

3.1 In order to enjoy the benefit of obtaining as wide a range of options as possible, the contract specification has been designed to be as unrestricted as possible. There will however be a requirement for bidders to take cognisance and make provision for the undernoted:-

3.1.1 take cognisance of the Council's current and future arrangements for waste collection, treatment, recycling and disposal;

3.1.2 take cognisance of the benefits of joint ventures with other Councils within the Ayrshire and Dumfries and Galloway Waste Strategy Area (and other local authorities);

3.1.3 take cognisance of the benefits of joint ventures with local enterprise companies;

3.1.4 take cognisance of the benefits of working with not-for-profit organisations and the voluntary sector;

3.1.5 take cognisance of the views of waste producers, the waste industry and the general public;

3.1.6 locate, develop commission and maintain (to the Council's specifications) two new civic amenity sites (one in the Kilmarnock area and one in the Cumnock/Auchinleck area)

3.1.7 ensure the Council meets its statutory obligations in terms of waste diversion targets as set out in the EC Directive on Landfill.

Any proposals submitted in terms of 3.1.7 above must demonstrate (1) Best Value and BEPO and (2) recognise the Council's commitment to retaining public sector employment.

3.2 This arrangement will allow the private sector to consider a wide range of innovative options for ensuring that the Landfill Diversion Targets are met.

### **4. FINANCIAL IMPLICATIONS**

4.1 It is generally accepted that the cost of compliance with the EC Directive on Landfill will place significant additional financial burdens on Local Authorities. The Government has set up a Strategic Waste Fund

totalling £50.4m to be spread over the three years from 2002/03 to 2005/06.

- 4.2 Although the guidance for accessing the Strategic Waste Fund is yet to be formally announced, a draft copy has been obtained by COSLA and the opportunity to make representations to Scottish Executive Officials and MSPs has been taken.
- 4.3 At the same time, the Scottish Executive has been advised that the Council requires to have a new long-term Waste Disposal Contract in place to commence in April 2003 and will therefore need to have access to the Strategic Waste Fund.

## **5. LEGAL IMPLICATIONS**

- 5.1 Any perceived failure on the Council's part to comply with the Landfill Directive could result in infraction proceedings.

## **6. POLICY IMPLICATIONS**

- 6.1 Development of a new long-term Waste Disposal Contract is consistent with current Council Policies.

## **7. CONCLUSIONS**

- 7.1 The Council's existing Contract for Waste Transfer and Disposal is due to terminate in 2003 and arrangements have to be made for a new long-term contract.
- 7.2 Following earlier work by the Member/Officer Working Group and the deliberations of the Ayrshire and Dumfries and Galloway Waste Strategy Area Group, a PIN notice has been inserted in the European Journal inviting expressions of interest from private sector waste companies for a new contract.
- 7.3 The new contract is anticipated to commence in May 2003 with an initial life of fifteen years with five optional one-year extensions.
- 7.4 The contract specification will allow sufficient flexibility for tenderers to investigate innovative technology associated with waste minimisation, recycling, treatment and disposal. The successful contract will require to work closely with the Council in developing existing waste minimisation, recycling and treatment options.

## **8. RECOMMENDATIONS**

- 8.1 The Committee is invited to:-

(i) instruct the Director to report on the outcome of discussions with contractors considered suitable for developing the new Waste Disposal Contract; and

(ii) otherwise note the report.

William Stafford  
**Director of Community Services**

18<sup>th</sup> October 2001

WS/JFC/RRS

### **LIST OF BACKGROUND PAPERS**

1. Minutes of Community Services Committee meeting held on 21<sup>st</sup> January 1998.
2. Minutes of Community Services Committee meeting held on 2<sup>nd</sup> February 2000.
3. Minutes of Ayrshire and Dumfries and Galloway Waste Strategy Area Group held on 5<sup>th</sup> September 2001.
4. Letter from Head of Protective Services to Scottish Executive.

If you require further information on the background papers listed above please contact John F Crawford, Head of Protective Services on 01563 576111.

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**AGENDA**