

REPORT FROM: ASSISTANT DIRECTOR OPERATIONAL SERVICES

TO: EXECUTIVE

DATE: 30th MAY 2024

Report Author: David Walker
Tel. No: 01282 661746
E-mail: David.walker@pendle.gov.uk

MANAGEMENT OF WASTE AND MATERIALS

PURPOSE OF REPORT

To provide an update on the work that has taken place to develop options for the handling of Pendle's waste from 1st April 2025 and to seek Members approval to work towards the recommendations within the report.

RECOMMENDATIONS

- (1) Report Noted
- (2) Members approve the development of Fleet Street Depot to accept waste and all recycling materials.
- (3) Members approve an increase in the revenue budget to manage the site following development.
- (4) Members approve the increase in the revenue budget to compensate the service in providing additional vehicles and drivers to transfer waste to Whinney Hill between April 2025 and March 2026.
- (5) Members grant approval for the Assistant Director Operational Services to procure the necessary skills to support the full development of the facility

REASON FOR RECOMMENDATIONS

To ensure arrangements are in place to handle Pendle's waste and recyclable materials following the termination of Lancashire County Council's agreements with SUEZ in March 2025 and March 2026.

ISSUE

1. In April 2022 all East Lancashire district Councils received a request from Lancashire County Council to identify if we had any land or property which could be developed to create a waste transfer station.
2. The issue reported at the time was that on the 31st March 2025 the council's long standing landfill contract at Whinney Hill, Accrington, would expire, requiring the Waste service to put new provisions in place at a time when the introduction of the Environment Act could change the composition and amount of waste arising in Lancashire and thus impact on the development and delivery of the LCC's strategy for the treatment of residual waste post 2025.
3. The County Council further reported that the LCC contract with Suez for Pendle Transfer Station also ended in March 2025 though at the time we were advised that the contract could be extended through negotiation to 2030.
4. In contrast to the reports we received in December 2022, LCC Officers provided LCC Members with an update advising that at the time of their meeting Farrington Waste Recovery Park was the only guaranteed tipping point.
5. After initial appeals for LCC to reconsider their decision recent updates have advised that LCC are in negotiation to extend the agreement at Whinney Hill through to March 2026 but the agreement with SUEZ at Pendle will terminate in March 2025 with no extension being discussed.
6. Notes taken at Senior Officer meetings held to discuss East Lancashire waste transfer noted that without any alternative arrangements in place by 31st March 2025 the County Council would give formal notice, by the end of May 2023 to direct all waste collection authorities to transport residual waste to the Farrington processing plant.
7. The key assumptions recorded at the Senior Officer meetings stated as follows:
 - It is the responsibility of the waste collection authorities to find, develop and operate waste transfer stations.
 - It is not the intention of the County Council to provide financial support for either capital cost, or operation costs associated with waste transfer stations.
 - The County Council as the Waste Disposal Authority will meet the full cost of collecting the residual waste from the districts waste transfer station.
 - The County Council will make payments to districts in accordance with the tipping away payments policy.
8. In response to the County Council's statements in July 2023 a report was presented to the Executive where Members resolved that more detailed work be completed on the possible joint procurement of facilities for Pendle and Burnley and we should investigate the legality of the County Council's stance and challenge appropriately.

9. Following the Executive's meeting there was a flurry of activity amongst all East Lancashire Districts however the current position for Pendle is as follows:
- One site has been identified to potentially be developed into a waste transfer station, either jointly with Burnley Borough Council or on our own.
 - Wardell Armstrong have provided a high level site suitability appraisal on both options for the site advising on the possibility of the site being acceptable for use as a waste transfer station, the likelihood of planning consent being approved and the potential cost.
 - With neighbouring East Lancashire Authorities, we have approached SUEZ to discuss the possibility of our continuing to use Pendle Transfer Station post March 2025 under a direct agreement with them. Future proofing the arrangement we have requested that SUEZ accept food waste as part of our requirements.
 - Chief Executives of Pendle and Burnley have written to LCC's Chief Executive asking for consideration to be given to the extension of agreements with SUEZ to allow the Districts more time to investigate and deliver a solution for the management of waste within East Lancashire.
10. In response to petitioning, Lancashire County Council are negotiating a one-year extension to the agreement with SUEZ for Whinney Hill. We are advised that the facility will be available through to March 2026 to accept our waste materials.
11. LCC Have advised they will not be extending the agreement with SUEZ for Pendle Transfer Station beyond the termination date of March 2025 which will result in Pendle having to transfer waste an average of 15 miles out of the Borough to facilities within Accrington.
12. Transporting waste to Whinney Hill between April 2025 and March 2026 will require additional resources to ensure the schedule of collections are not impacted upon. We believe a minimum of two additional vehicles will be required. Hire, fuel and staffing costs are expected to be around £250,000 for the year.
13. Investigation into the development of Fleet Street Depot by Wardell Armstrong has resulted in a report being provided highlighting the capital and ongoing revenue costs for either jointly developing Fleet Street or developing the site on our own. A summary of the options, risk rating and costs are below:
14. Option 1a Joint development of Fleet Street Depot with Burnley Borough Council. Option 1b Pendle develops Fleet Street Depot alone.
15. Ongoing revenue costs in Option 1a would be shared with Burnley Borough Council on a negotiated level with our aim being to equally cover the costs on a 50% basis.
16. Option 1b shows the costs that would be incurred by Pendle if we operated the site alone.

17. Capital

Option Reference	Project Stage	Costs (£000s)
Option 1 – Fleet Street		
a) Pendle and Burnley WTS, Pendle Depot	Planning, Design and Development Costs	105
	Project Costs	100
	Construction Costs	1,850
	Risk Contingency (7.5%)	155
	Sub-total	2,210
b) Pendle Only WTS & Depot	Planning, Design and Development Costs	60
	Project Costs	60
	Construction Costs	1,350
	Risk Contingency (7.5%)	110
	Sub-total	1,580

18. Ongoing Revenue

Cost Element	WTS and Depot (Option 1a)	WTS and Depot (Option 1b)
Staffing	£210,000	£148,000
Property Costs	£50,000	£30,000
Utilities	£10,000	£6,000
Maintenance	£45,000	£30,000
Disposal Costs	£3,000	£1,500
Environmental Monitoring	£12,000	£10,000
Hire Costs	£15,000	£15,000
Mobile Plant	£115,000	£30,000
Consumables	£8,000	£4,000
Sundries	£5,000	£5,000
Management Services Agreement	£100,000	£50,000
Total Annual OPEX	£573,000	£329,500

19. Risk rating per option.

Criteria		Weighting (%)	Option 1a	Option 1b
Technical (70%)	Planning	10		
	Permitting	10		
	Location	5		
	Traffic management - access and vehicle movements	5		
	Suitability of site	7.5		
	Surrounding land-use	2.5		
	Layout considerations	5		
	Land availability	10		
	Service level	2.5		
	Future proofing service	2.5		
	Delivery programme	2.5		
	Operational continuity	2.5		
	Synergistic Development	2.5		
	Strategic alignment	2.5		
	<i>Sub-total</i>		<i>36.25</i>	<i>51.25</i>
Financial (30%)*	Investment Requirements	10		
	Long Term Value for Money	20		
<i>Sub-total</i>			<i>25</i>	<i>15</i>
Total			61.25	66.25

20. The tables above show the option to develop Fleet Street Depot with Burnley Borough Council would be more cost effective than developing the site singularly as capital and revenue costs would be shared. The proposal for a joint development with Burnley Borough Council was reported to carry some significant risks around vehicle movements, site suitability, possible layout and future proofing. These risks reduce if Pendle opted to develop the site alone.

21. Initial guidance received from Lancashire County Council indicated that from design to operation development of a new site can take 27 months. Based on this guidance if development of a waste transfer site is the chosen route it is essential work commences within the immediate future to have the facility operational within 2026.
22. The aim is to have facility open prior to LCC's agreement to use Whinney Hill expiring. Should this not be achieved it is likely both Pendle and Burnley would have to transfer waste to LCC's facilities in Leyland until development was completed.
23. Aside from the development of new facilities we have investigated whether there would be an opportunity to enter into a direct agreement with SUEZ. In response to our enquiry, we have received an indicative figure of the price per tonne they would charge for handling our waste and materials. The quote would be subject to agreeing terms and we were advised that if the handling of material opportunity was to be put out to a full-blown procurement exercise, SUEZ would reserve the right to review the handling fee, especially if there were other elements of the specification that meant they could not achieve the stated price.
24. Suez have provided a handling fee of [REDACTED] for Residual Waste including persistent organic pollutants. Based on the 25,000 tonnes of material being handled this would equate to [REDACTED] per annum.
25. We are advised that should Burnley Borough Council increase the tonnage through Pendle Transfer Station from April 2026 then handling fee would reduce to £18.10 per tonne resulting in a charge of £452,500 per annum.
26. The County Council has been clear in their stance and should PBC decide not to develop a site of its own or enter into agreement with a third party provider to handle our waste, then from April 2026 we are directed to transfer waste to the County Council's facilities in Leyland. Investigation into the level of resources required has identified that waste collection costs would increase from £2,100,000 to £4,700,000 increasing our costs by £2,600,000 per annum.
27. Summary of capital and revenue costs

Options	Capital £'s	Ongoing revenue per annum £'s
Fleet Street depot Joint delivery with Burnley Borough Council	2,210,000	573,000
Fleet Street Depot sole delivery	£1,580,000	329,000
Pendle enter into agreement with SUEZ for tipping at PTS		559,500
Temporarily tipping at Whinney Hill under LCC agreement		£250,000
Transport to LCC facility Leyland		2,600,000

28. Based on the information obtained officers recommend the most suitable course of action for Pendle is to consider redevelopment of Fleet Street Depot to create facilities which would handle both recycling and non-recycling material streams for the Borough.
29. Considering the cost of development and ongoing revenue commitments as shown within the report the most economical option for Pendle and Burnley is jointly develop a site. Officers recommend that we complete further investigative works with Burnley Borough Council leading to development of a shared facility or a facility solely used for Pendle's purposes.

IMPLICATIONS

Policy: Links with Priority 1 within the Council's Corporate Plan. Providing high quality services and facilities. Develop a Council that is as effective and efficient as it can be.

Financial: Capital of £5 million has been set aside within the Council's capital budget.

Consultant fees to assist with permitting, planning and development are quoted to be between £120,000 and £150,000 dependant on the level of surveys required. Costs could be shared with Burnley Borough Council if jointly developing Fleet Street Depot.

Ongoing revenue costs of £329,000 estimated to provide staff and equipment to run the site once developed. Costs could be shared with Burnley Borough Council if facility jointly developed.

Revenue costs of £250,000 estimated to provide additional vehicles and staff to transfer materials to LCC facilities in Accrington for twelve months whilst the Fleet Street site is developed.

Ongoing revenue of £2,600,000 estimated as being required to transfer materials to LCC facilities in Leyland, should this option be chosen.

Ongoing revenue cost in excess of £560,000 per annum required if we were to enter into agreement with SUEZ to handle waste and recycling materials.

Legal: Site licence would need amending to accept additional wastes and increased tonnages

Risk Management: Providing facilities within Pendle will reduce the risk of facilities being withdrawn from use in the future.

Health and Safety: Concerns about the increased level of traffic accessing, exiting and movement around site to be addressed during planning and development stages

Sustainability: Development of the Fleet Street Depot will create local infrastructure and reduce the need for additional vehicles to be travelling 29 miles beyond the Borough's boundary to transfer collected waste materials.

Community Safety: None arising from this report

Equality and Diversity: None arising from this report

LIST OF BACKGROUND PAPERS

Wardell Armstrong site suitability report.