

North Yorkshire County Council
Business & Environmental Services

Executive Members

23 March 2018

Kirby Misperton Waste Transfer Station – Agreement with Ryedale District Council

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

1.0 Purpose of report

- 1.1 To inform the Corporate Director Business and Environmental Services (BES) and BES Executive Members of the current position in respect of the Kirby Misperton Waste Transfer Station project. This includes detail of a negotiation with Ryedale District Council
- 1.2 To seek approval from Corporate Director BES, in consultation with BES Executive Members, to enter into appropriate agreement with Ryedale District Council

2.0 Background

- 2.1 North Yorkshire Council (“NYCC”) is a Waste Disposal Authority (“WDA”) as laid out in Section 30(2)(a) of the Environmental Protection Act 1990 (“the EPA”).
- 2.2 Ryedale District Council (“RDC”) is a Waste Collection Authority (“WCA”) as laid out in Section 30(3)(a) of the EPA.
- 2.3 For the purpose of this report NYCC duties as a WDA are set out in Section 51(1)(a) of the EPA which states:
 - (1) It shall be the duty of each waste disposal authority to arrange –
 - (a) for the disposal of the controlled waste collected in its area by the waste collection authorities

and in Section 51(4)(a) of the EPA which states:

- (4) For the purpose of discharging its duty under subsection (1)(a) above as respects controlled waste collected as mentioned in that paragraph a waste disposal authority -
 - (a) shall give directions to the waste collection authorities within its area as to the persons to whom and places at which such waste is to be delivered

and in Section 52 (10) of the EPA which states:

- (10) A waste disposal authority shall pay to a waste collection authority a reasonable contribution towards expenditure reasonably incurred by the waste collection authority in delivering waste, in pursuance of a direction under section 51(4)(a) above, to a place which is unreasonably far from the waste collection authority’s area.

- 2.4 NYCC, together with the City of York Council (“CoYC”), have procured a long term waste treatment solution for residual waste at Allerton Waste Recovery Park (“AWRP”) to fulfil their duties under Section 51(1)(a) described above.

2.5 To fulfil its duties under Section 51(4)(a), NYCC has provided a network of waste transfer stations (“WTSs”) across the sub-region through contractual arrangements with Yorwaste Ltd. Ryedale District Council are currently directed to deliver their residual household and commercial waste for disposal to a transfer station at Knapton Quarry, near Malton.

3.0 The Kirby Misperton WTS Project

3.1 At their meeting on 27 January 2017, BES Executive Members received a report concerning a proposal for a new transfer station to serve Ryedale. The meeting concluded that:

- A. A procurement exercise 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 collocating Ryedale District Council refuse collection vehicles (and other vehicles and staff as appropriate) with at Yorwaste transfer stations at Seamer Carr and Harewood Whin.

A copy of this report is attached at Appendix 1 for information.

3.2 In respect of bullet 3.1.A, a tender process was carried out by Yorwaste to identify alternative delivery points within RDC’s administrative area. Yorwaste have awarded a 2 year contract to Allium Organics to provide a WTS service at Knapton. This comprises receiving and storage of waste from RDC vehicles, and loading the waste onto Yorwaste vehicles for onward transport to AWRP.

3.3 The outcome from this procurement can now be included in the financial evaluation of alternative options as presented on 27 January 2017. Table 1 below shows the comparison of estimated costs to NYCC for the three main options.

Table 1 – Updated Cost Comparisons.

Comparisons	Kirby Misperton	Knapton	Seamer
Site Costs	£216,000	£0	£0
Operating Costs	£133,500	£222,750	£51,300
Transport Costs	£137,550	£137,550	£191,850
Tipping Away Costs	£0	£0	£0
Net cost to NYCC	£487,050	£360,300	£243,150

Notes on Table 1:

- Estimates based on 15,000 tonnes per annum inputs from RDC
- Site costs are based on £4m remaining build costs at Kirby Misperton and exclude costs already incurred
- Tipping away is assumed to be zero as Seamer Carr is considered to be a reasonable distance from the district boundary.
- All prices based on 2017-18 rates.

3.4 Recent tenders for the construction of Kirby Misperton WTS and Tofts Road show the remaining build cost still to be approximately £4m (excluding contributions from RDC). There is an approved allocation of £4.579m within the council’s existing Capital Plan.

- 3.5 The figures support those previously reported.
- 3.6 Discussions between NYCC, RDC and Yorwaste have identified RDC requirements at Kirby Misperton WTS. These are summarised as follows:
- Use of the facility for bulking recyclable materials collected at the kerbside and bring banks by RDC and/or their contractors
 - Parking for waste service vehicles
 - Parking for office and front line staff personal vehicles
 - Office accommodation and welfare facilities
 - Vehicle wash
 - Storage container
- 3.7 Adding these items at Kirby Misperton allows RDC to find operational efficiencies elsewhere. RDC has taken the decision to enter into an agreement with NYCC to access the site for these purposes in return for an annual contribution to NYCC of £265k per annum. Such a payment would reduce the net costs to NYCC of providing a transfer station at Kirby Misperton to the same costs as directing RDC to deliver to Seamer Carr.
- 3.8 Knapton would appear to present a more affordable option to NYCC than Kirby Misperton but the costs do not include provision of additional services to accommodate the RDC requirements detailed above, A like for like comparison is not possible but it is reasonable to expect recent tendered prices to be higher for a greater level of service. Using Knapton would also not allow RDC to make operational savings and consequently Knapton does not present a cost effective option for either NYCC or RDC.
- 3.9 The original planning permission for Kirby Misperton WTS did not support the additional RDC requirements. In addition, one of the conditions attached to the original permission required detailed fire risk management plans to be submitted to, and agreed by the planning authority (NYCC). Across the waste management industry there have been a number of waste transfer station fires in recent years, and new requirements for fire prevention plans and fire-fighting infrastructure were introduced by the Environment Agency. It became apparent that the original planning permission was not able to deliver the new requirements and, after consulting the planning authority, a new application was submitted for the WTS site. Permission was granted on 6 Feb 18, with the decision notice issued on 20 Feb 18.

4.0 Key Issues

- 4.1 The key issue in this project is one of overall cost to the residents of the Ryedale area. The proposed approach will minimise overall costs, whilst at the same time protecting NYCC budget.

5.0 Financial Impact

- 5.1 The proposal means a cost neutral service to NYCC. The income from RDC will offset the increased cost of providing the facility compared to offering the service through Seamer Carr WTS.
- 5.2 Table 1 shows the difference to NYCC between delivering to Seamer Carr and Kirby Misperton to be £243.9k. The contribution from RDC of £265.0k was based on an assessment carried out early 2017. These numbers have been updated to produce this report, and the overall predicted cost has reduced. The difference of £21.1k will be available to cover the risk of project overspends of upto approx. £350k, or variations in operational revenue costs through the duration of the agreement.

6.0 Legal Implications

- 6.1 A number of legal implications have been identified and have received significant involvement from Legal Services, as follows:
- 6.2 An Agreement will be required between NYCC and RDC to formalise the services being provided to RDC at Kirby Misperton WTS and the financial contribution from RDC to NYCC. At the time of writing this document is in final draft form.
- 6.3 The decision is being taken by the Corporate Director under paragraphs 3.1 and 3.3 of the Officers' Delegation Scheme. It is worth noting that advice received from Legal Services states that this is not a Key Decision under the Constitution as the Agreement relates to income to NYCC that effectively makes this a no-cost solution for NYCC budgets. However, the decision has been notified on the Forward Plan and is being treated in the same manner as a Key Decision to allow the same level of access to the decision as it is seen to be a strategic issue
- 6.4 It is the intention for Yorwaste to operate this facility on behalf of NYCC and a lease will be required to facilitate this. Should the decision requested in this report be granted, colleagues in Property Services will be asked to complete this under the Corporate Property Procedure. Decisions relating to the lease do not form part of this report, but it is mentioned for completeness.
- 6.5 Delivery of operational services to RDC relating to recycling or composting of materials collected at the kerbside or from mini recycling banks will be delivered by Yorwaste through the Collaboration Agreement approach. The mechanism for this is discussed in a separate report to this meeting of BES Executive Members.

7.0 Equalities Impact

- 7.1 There are no equalities impacts resulting from the decisions arising from this report as they relate to practical operational arrangements to allow RDC to revise their own services at no additional cost to NYCC. See Appendix 2.

8.0 Recommendations

- 8.1 It is recommended that the Corporate Director and Executive Members for Business and Environmental Services note the content of the report and the current position of the Kirby Misperton WTS project.
- 8.2 It is recommended that the Corporate Director for Business and Environmental Services approves North Yorkshire County Council entering into an agreement with Ryedale District Council to secure a financial contribution to deliver Kirby Misperton WTS as set out in this report, and on terms to be agreed with the Assistant Chief Executive (Legal and Democratic Services) and the Assistant Director Strategic Resources (BES & Central Services)

IAN FIELDING
Assistant Director Transport Waste and Countryside Services

Author of Report: Tony Norris

Background Documents:

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

5.0 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
Assistant Director - Transport, Waste & Countryside Services

Author of Report: Ian Fielding

Background Documents: None

Initial equality impact assessment screening form (As of October 2015 this form replaces 'Record of decision not to carry out an EIA') This form records an equality screening process to determine the relevance of equality to a proposal, and a decision whether or not a full EIA would be appropriate or proportionate.			
Directorate	BES		
Service area	Waste Management		
Proposal being screened	Agreement With Ryedale District Council Relating to Kirby Misperton Waste Transfer Station		
Officer(s) carrying out screening	Tony Norris		
What are you proposing to do?	To obtain approval to enter into a contract with Ryedale District Council that		
Why are you proposing this? What are the desired outcomes?	Overall benefit to council tax payer. To receive a financial contribution from Ryedale District Council to ensure development of Kirby Misperton WTS is cost neutral to NYCC: To allow Ryedale District Council to use Kirby Misperton WTS as an operational base for some waste collection services.		
Does the proposal involve a significant commitment or removal of resources? Please give details.	No		
Is there likely to be an adverse impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYCC's additional agreed characteristics? As part of this assessment, please consider the following questions: <ul style="list-style-type: none"> To what extent is this service used by particular groups of people with protected characteristics? Does the proposal relate to functions that previous consultation has identified as important? Do different groups have different needs or experiences in the area the proposal relates to? If for any characteristic it is considered that there is likely to be a significant adverse impact or you have ticked 'Don't know/no info available', then a full EIA should be carried out where this is proportionate. You are advised to speak to your Equality rep for advice if you are in any doubt.			
Protected characteristic	Yes	No	Don't know/No info available
Age		<input type="checkbox"/>	
Disability		<input type="checkbox"/>	
Sex (Gender)		<input type="checkbox"/>	
Race		<input type="checkbox"/>	
Sexual orientation		<input type="checkbox"/>	
Gender reassignment		<input type="checkbox"/>	
Religion or belief		<input type="checkbox"/>	
Pregnancy or maternity		<input type="checkbox"/>	
Marriage or civil partnership		<input type="checkbox"/>	
NYCC additional characteristic			
People in rural areas		<input type="checkbox"/>	
People on a low income		<input type="checkbox"/>	
Carer (unpaid family or friend)		<input type="checkbox"/>	
Does the proposal relate to an area where there are known	No		

inequalities/probable impacts (e.g. disabled people's access to public transport)? Please give details.				
Will the proposal have a significant effect on how other organisations operate? (e.g. partners, funding criteria, etc.). Do any of these organisations support people with protected characteristics? Please explain why you have reached this conclusion.	No The services to be delivered under this proposal will not change at point of use.			
Decision (Please tick one option)	EIA not relevant or proportionate:	<input type="checkbox"/>	Continue to full EIA:	
Reason for decision	The decision is being taken to complete a contract award process.			
Signed (Assistant Director or equivalent)				
Date				