

OXFORDSHIRE WASTE PARTNERSHIP JOINT COMMITTEE

20 January 2012

Waste Treatment Project Update

1	Purpose of Report
1.1	To update on the progress on the residual waste treatment project.
2	Background
2.1	Diversion of waste from landfill is essential to meet EU Landfill Directive targets and to reduce our exposure to the significant future costs of landfill tax. It is also essential to reduce the amount of methane gas produced from landfill sites. Methane gas is a greenhouse gas over 20 times more powerful than carbon dioxide.
2.2	Following a long and complex procurement the County Council formally awarded a contract to treat Oxfordshire's residual waste to Viridor on 10 March 2011. The new contract is for the treatment of residual waste that is remaining after reduction, re-use, recycling and composting. Oxfordshire achieved a county wide recycling and composting rate of over 55% for 2010/11. Oxfordshire is on course to achieve over 60% in 2011/12 which means we are amongst the very best in the country at recycling and composting. However, there will still be residual waste which needs to be treated rather than landfilled.
2.3	Viridor's technical solution is incineration with energy recovery and the possibility of combined heat and power. The facility will be built at Ardley by CNIM and Clugstone. CNIM is an established technology provider with a proven track record in incineration. The new facility will have capacity to treat all our residual municipal waste.
2.4	The Ardley EfW will be part of the extensive jigsaw put in place to increase the amount of recycling and composting and recover value from the waste that remains. The facility will divert at least 95% of Oxfordshire's residual municipal waste away from landfill while generating enough electricity to supply more than 38,000 households.
2.5	Alongside the introduction of food waste treatment and food waste collections from households by the district councils, residual waste treatment will result in Oxfordshire achieving what the Government describes as zero waste. This will mean virtually no untreated municipal waste being landfilled.
3	Progress and future actions
3.1	There is now a secure planning permission for the Ardley facility. The Secretary of State granted planning permission on 17 February 2011. His decision was subsequently challenged by the campaign group, Ardley Against Incinerator (AAI). The challenge was heard in the High Court in July and in a strongly worded judgement was dismissed.
3.2	AAI subsequently applied for permission to appeal. This was refused by a Court of Appeal judge in September also in a strongly worded judgement. AAI then had the right to an oral hearing which they requested and this was heard in the Court of Appeal on 10 November. Permission to appeal was refused which ended the legal proceedings against the Secretary

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	of State.
3.3	This enabled the notice to proceed to be issued and the financial close process to take place which fixed the foreign exchange rate for the capital expenditure required in Euros for the purpose of the contract. This took place on 15 November and has enabled the construction of the facility to begin. CNIM/Clugstone started minor preparatory works on site in December.
3.4	The EfW facility will take just over three years to build. Assuming construction is able to start before the end of the year it is expected to be operational in late 2014/early 2015. Under the contract the County Council is obliged to deliver all residual municipal waste that can be processed to Viridor for treatment in the facility as soon as it becomes operational.
3.5	The Council is preparing to procure a bulking and haulage contract to enable the efficient transport of residual waste from parts of the county that are furthest from Ardley, and in particular from South Oxfordshire, the Vale of White Horse and West Oxfordshire. This is being done in full consultation with all the WCAs to ensure that their needs are taken into account in terms of delivery locations and operational requirements. It is expected that the contract will be advertised shortly as soon as procurement documents can be prepared.
3.6	The Environment Agency issued a permit for the Ardley facility in September 2010. More information about the project is available on the Council's web site – www.oxfordshire.gov.uk/alternativestolandfill
4	Financial, Risk and Staff Implications
4.1	Internal and external resources have been made available to support contract management during the construction period and the bulking and haulage procurement project as required.
4.2	The project is being managed using the County Council's project methodology and documentation including a risk register.
4.3	At financial close the residual waste treatment contract was assessed to remain value for money compared to the cost of continuing to landfill residual waste and the payment of landfill tax which will be £80 per tonne in 2014/15 when the EfW facility becomes operational.
5	Areas Affected
5.1	County wide
6	Effect on Strategic Policies
6.1	The residual waste treatment contract is in accordance with, and implements, policy 9 in the Joint Municipal Waste Management Strategy which states that the OWP will provide a system for recovering value from residual wastes in order to meet LATS targets.
7	Options or Alternatives
7.1	N/A

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8	Recommendations		
8.1	a) To note and support the progress made on the residual waste treatment project. b) To support the procurement of a bulking and haulage contract for the efficient delivery of waste to the Ardley EfW facility.		
9	Reasons for Recommendations		
9.1	To demonstrate OWP support for the residual waste treatment project and the bulking and haulage contract.		
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