

**3 September 2015****Agenda Item: 7****REPORT OF THE SERVICE DIRECTOR FOR TRANSPORT, PROPERTY AND  
ENVIRONMENT****EASTCROFT WASTE ALLOCATION AGREEMENT****Purpose of the Report**

1. To advise Committee that the Waste Capacity Allocation Agreement to clarify existing arrangements regarding the use of Eastcroft Energy from Waste (EfW) plant has now been signed.

**Information and Advice**Background

2. The County Council through its statutory role as Waste Disposal Authority (WDA) controls the recycling, reprocessing, treatment and disposal of around 380,000 tonnes of waste per annum (tpa).
3. The majority of the waste is managed through a PFI contract with Veolia which was signed as a twenty-six year agreement in 2006.
4. Two other significant contracts are also used to manage waste streams in the County, these being a long term contract (joint with Nottingham City Council) with FCC (Fomento de Construcciones y Contratas, formerly known as Waste Recycling Group - WRG) for the use of lines 1 and 2 at the Eastcroft EfW plant to dispose of residual waste; and with Tradebe Healthcare Limited (a joint venture with Sita UK) for the disposal of separately collected clinical waste. All of these contracts operate together, at an annual cost of circa £32m.
5. Committee is aware that the County and City Councils have been reviewing tonnage allocations at the Eastcroft EfW plant, which is used to handle circa 60,000tpa of the County Council's waste.

Eastcroft Waste Capacity Allocation Agreement

6. Capacity at Eastcroft EfW plant is shared between FCC, the City Council and the County Council by way of a three-party agreement . FCC is entitled to 10,000tpa of the plant capacity, and the remainder has historically been split 62%/38%

between the two councils providing the County Council with disposal capacity of circa 60,000tpa.

7. Due to falling waste arisings and increased recycling, the City Council have disposed of a lower tonnage of waste at Eastcroft EfW plant and the County Council had therefore increased inputs accordingly to circa 65,000tpa. The City Council anticipates having spare capacity available until 2016/17. Beyond 2016/17, the City has advised that there is unlikely to be any spare capacity, due to population growth and changes to their waste collection arrangements. The County could utilise a maximum of 8,000 tpa of additional capacity (total of 68,000tpa) by direct delivery from the districts of Broxtowe, Gedling and Rushcliffe.
8. It is in the County's interests to maximise throughput at Eastcroft because the rate of disposal is significantly cheaper than the alternative of landfill.
9. A Waste Capacity Allocation Agreement has now been signed between the County Council, the City Council and FCC to formalise arrangements for the sharing of capacity at the plant, which includes a royalty payment to the City Council for the use of capacity by the County above the normal 38% allocation.

### **Other Options Considered**

10. Committee has previously approved (30<sup>th</sup> January 2014 – RESOLVED 2014/08) the agreement in principle reached by officers regarding the use of Eastcroft EfW plant and delegated authority to the relevant officers to finalise the legal arrangements.

### **Reasons for Recommendations**

11. It is in the Councils interest to use throughput at Eastcroft EfW plant because the rate of disposal is cheaper than landfill and will generate a saving to the Council net of any financial arrangement with Nottingham City Council.

### **Statutory and Policy Implications**

12. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Financial Implications**

13. It is in the Council's interest to use throughput at Eastcroft EfW plant because the rate of disposal is cheaper than landfill and will generate a saving to the Council net of any financial arrangement with Nottingham City Council.

### **Implications for Service Users**

14. This report does not have direct implications on service users, because it does not propose any changes to the waste collection arrangements and it does not propose the development of any residual waste treatment infrastructure.

### **Recommendation**

15. That Committee:

- a) Note that the Waste Capacity Allocation Agreement to clarify existing arrangements regarding the use of Eastcroft Energy from Waste (EfW) plant has now been signed.

**Jas Hundal**

**Service Director, Transport, Property and Environment**

**For any enquiries about this report please contact:**

**Mick Allen, Group Manager, Waste and Energy Management**

### **Constitutional Comments**

None – This report is for noting only.

### **Financial Comments**

None – This report is for noting only.

### **Background Papers**

None.

### **Electoral Divisions**

All