


<b>Agenda Item No:</b>	13	
<b>Committee:</b>	Cabinet	
<b>Date:</b>	24.02.25	
<b>Report Title:</b>	Transfer Station Tender	

Appendix 1 of this report is NOT FOR PUBLICATION in accordance with Paragraph 3, of Schedule 12A of the Local Government Act 1972 in that it contains information relating to financial and business affairs of Fenland District Council and 3<sup>rd</sup> party organisations.

## **1 Purpose / Summary**

- 1.1 To approve the procurement of a replacement provider for the bulking and transfer of Fenland's domestic and commercial mixed dry recycling.
- 1.2 To delegate this procurement, with portfolio holder oversight, to the relevant director through a local tender process.

## **2 Key Issues**

- 2.1 A previous tender process resulted in a short-term direct award to Mick George at their Algores Way site in Wisbech.
- 2.2 This site will be included within the Medworth Energy from Waste Plant and as such there is a 6-month notice period to the agreement.
- 2.3 We understand that works are likely to commence in the summer of 2025 and given the value of this work a formal tender process is therefore required.

## **3 Recommendations**

- 3.1 To commit to the procurement and appointment of one or more Contractors, to deliver services for bulking and transfer of Fenland's collected municipal mixed dry recycling materials;
- 3.2 To delegate to the Corporate Director and Section 151 Officer for the authorisation of the final Invitation to Tender (ITT), and to award the contract, in consultation with the Portfolio Holder, after considering possible sharing of facilities and/or contractors with neighbouring Councils which are likely to form part of the same Unitary Authority in Fenland after Local Government Reorganisation;
- 3.3 To allow authority for the Corporate Director and Section 151 Officer, in consultation with the Portfolio Holder, in tandem with the tender process to explore the provision of this contract through agreement with the County Council at their March Transfer Station, operated by Thalia, where this is financially advantageous and contractually practicable.
- 3.4 To note that should a suitable contractor and/or facilities not be forthcoming, then it may be necessary for the Council to pursue the construction of a suitable solution for our own operation, or to discuss possible sharing of facilities with neighbouring

Councils which are likely to form part of the same Unitary Authority in Fenland after Local Government Reorganisation.

Wards Affected	All
Forward Plan Reference	KEY/30JAN25/02
Portfolio Holder(s)	Cllr Chris Boden, Leader and Finance Portfolio Holder  Cllr Steve Tierney, Portfolio Holder for Communications, Transformation, Climate Change & Strategic Refuse  Cllr Peter Murphy, Portfolio Holder for Refuse & Cleansing, Parks and Open Space.
Report Originator(s)	Mark Mathews Head of Environmental Services
Contact Officer(s)	Carol Pilson Director and Monitoring Officer Peter Catchpole Director and S151 Officer
Background Papers	Previous tender approval December 2023: <a href="#">Recap Dry Recycling Contract Tender for Bulking, Transportation, Sorting and Sale of Recycling Materials</a>  <a href="#">Extended Producer Responsibilities</a>

## Report:

### **1 Reasons for Exemption**

- 1.1 Appendix 1 of this report is NOT FOR PUBLICATION in accordance with Paragraph 3, of Schedule 12A of the Local Government Act 1972 in that it contains information relating to financial and business affairs of Fenland District Council and 3<sup>rd</sup> party organisations. The public interest test has been applied to the information contained within this exempt report and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it.

### **2 BACKGROUND AND INTENDED OUTCOMES**

- 1.1 Fenland is fortunate to currently have in place arrangements with Mick George for the bulking and transfer of the 9,500 tonnes of blue bin materials that are collected each year.
- 1.2 At present Fenland's blue bin collection crews tip all Dry Mixed Recycling materials collected from domestic and commercial premises at the Mick George site.
- 1.3 Members should note that as a result of the Partnering Agreement, all other domestic waste is contracted through the County Council's PFI and is transported to the March Transfer Station in Melbourne Avenue. The blue bin

materials are not part of this Partnering Agreement, or the PFI, and as a result the County Council contributes Recycling Credits for their collection, transfer, transport and sorting.

- 1.4 The Mick George site in Algores Way, Wisbech is part of the construction site for the Medworth Energy from Waste site and as such we do not expect the current arrangement to continue beyond the summer of 2025.
- 1.5 With notice expected soon, there is a need to urgently return to the market and seek an alternative provider, or providers.
- 1.6 From the Environment Agency's information, there are only a small number of suitably licensed transfer station sites in or around Fenland.
- 1.7 One of these sites, in Melbourne Avenue, March, is owned by the County Council and operated by Thalia through the County Council's PFI Agreement.
- 1.8 The procurement exercise will include a market consultation process to ensure that all viable parties are aware of the contract.
- 1.9 The tendered lots will be set up to allow for the materials to be taken to more than one location within or close to Fenland's borders.
- 1.10 As set out in Appendix 1, we understand that current market rates for this service a tonne are dependent upon the site and location. Subject to market feedback, a 5-year contract is expected to be offered for all lots, with options for suitable extension.
- 1.11 The County Council already having a suitable asset within March makes exploration of possible joint working or contractual arrangements a potential solution that should be explored and ruled out in parallel to the tender process.
- 1.12 Members should note that given the lack of suitable facilities at a previous tender process, there is the risk that Fenland will be left without suitable facilities and or contractor. As such the only remaining option would be to purchase or construct temporary or permanent facilities to allow for the continued transfer of these materials.
- 1.13 Should the only available site be outside of the Fenland boundary, then members should note that there is the risk of increased costs as a result of increased journey times to the tipping point.
- 1.14 Members should note that more than half of the blue bin material collected by Fenland are subject to [Extended Producer Responsibility Payments](#) (EPR) expected to total £1 million of income in 2025/26.
- 1.15 Whilst we expect that this EPR income will replace some existing grant funding, and the detail has yet to be clarified, a proportion of this income is expected to be new money to reduce the overall costs of providing the collection of EPR materials within the blue bin waste collected. This new payment does include costs for bulking and transport of materials.

### **3 REASONS FOR RECOMMENDATIONS**

- 3.1 Fenland currently has a legal duty under the Environmental Protection Act 1990, as amended by the Environment Act 2021, to collect 5 recycling materials [paper, card, glass, plastics and metals] from all properties. Fenland elects to collect these materials combined together in a comingled collection.
- 3.2 Fenland has a contract in place for these comingled materials to be sorted for onward sale and recycling via Biffa's Edmonton facility in North London. As such the Council requires a suitable facility to have these 9,500 tonnes of mixed dry recycling bulked and transferred to larger transport vehicles to fulfil this contract.
- 3.3 The current facilities in Algores Way, Wisbech are likely to soon be decommissioned and therefore we urgently seek approval to determine a suitable alternative.
- 3.4 Given that the County Council have in place a suitable licensed facility via their PFI agreement with Thalia, it seems only sensible to explore whatever options might be practicable for both parties whilst also extending the offer to the market should an inter-authority solution not be feasible.

## **4 CONSULTATION**

- 4.1 N/A

## **5 ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 To seek permissions and quotes to develop our own bulking facility. This remains an option, although costly and potentially difficult within the anticipated timescale.

## **6 IMPLICATIONS**

### **6.1 Legal Implications**

- 6.1.1 As a result of Section 45A of The Environmental Protection Act 1990 English Waste Collection authorities, such as Fenland, have a legal duty to collect recyclable household waste.
- 6.1.2 During the anticipated life of the resulting contract there will be changes in legislation that might impact this contract.
  - From October 2027 the Government anticipates commencing a Deposit Return Scheme for drinks containers and bottles which could see a reduction in the tonnage of dry mixed recycling collected.
  - Additionally, Simpler Recycling will see plastic film added to the materials that local authorities are responsible for accepting from April 2027.
  - The Government has suggested a review of Recycling Credits once Extended Producer Responsibility payments are established, perhaps as early as 2027.

## 6.2 **Financial Implications**

6.2.1 There remains the risk that market prices exceed the current budget allocation for this work.

6.2.2 Fenland has appealed the initial EPR payment amount of almost £1 million and awaits confirmation of this, along with what the net impact of this new income will be on the overall medium term budget situation.

## 6.3 **Equality Implications**

6.4 N/A