

RESOURCE RECOVERY CONTRACT - PROGRESS UPDATE
WDA/21/17

Recommendation

That:

1. Members note the current position regarding delivery of the Authority's Resource Recovery Contract and the key issues currently arising.

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RESOURCE RECOVERY CONTRACT - PROGRESS UPDATE
REPORT OF THE CHIEF EXECUTIVE
WDA/21/17

1. Purpose of the Report

1.1 This report provides the Authority with an update on the progress of construction and commissioning of the Resource Recovery Contract (RRC), and the arrangements for disposal of the Authority's residual municipal waste.

2. Background

2.1 Update reports have previously been presented at the Authority meetings on 25th November 2016, 3rd February, 21st April and 23rd June 2017. Additional background detail to the Contract is contained within those reports.

2.2 MRWA have a contract with Merseyside Energy Recovery Ltd. (MERL), signed in December 2013, for waste management transfer and treatment services on behalf of Merseyside and Halton.

2.3 MERL has sub-contracted both the construction of the facilities and the operation and maintenance of the contractual delivery to waste management company, Suez. Upon satisfactory completion of construction and commissioning, the plants are handed from the construction sub-contractor to Suez for operation.

2.4 Once MERL move from commissioning to full operation (termed Facility Operation Date, FOD), only then do they take on full contractual liability for the Authority's residual municipal waste.

3. Contract progress update

3.1 FOD was initially planned for 1st October 2016. For a variety of reasons, including technical operational challenges and an accident at the Rail Transfer Loading Station (RTL) requiring extensive building repair, there has been a delay to FOD which has been previously reported.

3.2 We can now confirm that MERL initiated FOD on Friday 1st September 2017. From this date, MERL has full contractual liability for the

management and treatment of Merseyside and Halton's residual municipal waste arisings until December 2043.

- 3.3 This is a significant and positive step for the Authority, the culmination of many years of planning and development, and now removes the requirement for the Authority to have any interim contingency waste disposal arrangements.
- 3.4 With the advent of FOD, all residual waste will be delivered to the Kirkby RTLS for transfer to the Wilton EfW facility on Teesside, with the exception of occasional requirement for contingency disposal arrangements during (for example) planned EfW shutdown or emergency closures.

4. Kirkby RTLS – odour management

- 4.1 The issue of odour management at the Kirkby facility has been reported to the Authority in the previous reports on the dates above. A number of odour complaints continue to be received and investigated by Suez.
- 4.2 Suez commissioned independent odour specialists 'Odournet' to undertake a review of the Kirkby facility, its operations and management arrangements and have implemented Odournet's initial recommendations. Work remains ongoing at the site to ensure that all appropriate measures are employed in full compliance with the relevant statutory consents to address odour management.
- 4.3 The statutory regulator, the Environment Agency (EA), have recently undertaken three weeks odour monitoring in the vicinity of the facility and the complainants with a view to ascertaining other potential sources of odour in the area. This was only recently completed and a final report is in the process of being compiled. At the time of writing, we await confirmation from the EA as to the timescale for the publication of their final report.
- 4.4 The Authority remains focussed on odour management as a key issue of concern and continues to undertake its own monitoring at both the Kirkby facility and other waste transfer stations. We continue to work with and routinely meet with the key stakeholders (including the EA and Knowsley MBC) to ensure matters are appropriately addressed in an effective and co-ordinated manner.

5. Risk Implications

- 5.1 The key risks to the Authority arising from the matters highlighted in this report are as follows:

- 5.2 There is a risk that Suez do not fundamentally resolve their odour management issues in reasonable timescales because of the challenges in identifying the underlying causes and implementing practicably deliverable solutions resulting in ongoing complaints and stakeholder concern.
- 5.3 Should the Environment Agency assess that appropriate measures are not being taken by Suez to address odour emissions, there is a risk of further enforcement action against Suez by the EA (which could include suspension of their Permit) and subsequent reputational damage, not just to Suez, but also to the Authority.
- 5.4 A summary of the risks and mitigating actions is provided below:

Identified Risk	Likelihood Rating	Consequence Rating	Risk Value	Mitigation
Odour issues at Kirkby RTLS unresolved by Suez in the short-medium term resulting in the risk of environmental enforcement action and reputational damage to the Authority.	2	3	6	1. Stakeholder engagement and co-ordinated action between key parties (EA/KBC/MWDA);

6. HR Implications

- 6.1 There are no specific HR implications associated with this report.

7. Environmental Implications

- 7.1 The EA are looking at the matter of odour and odour complaints in and around Kirkby. They also continue work with Suez and other stakeholders to monitor and ensure Permit compliance at the RTLS facility.

8. Financial Implications

- 8.1 There are no specific financial implications associated with this report.

9. Legal Implications

- 9.1 There are no specific legal implications associated with this report.

10. Conclusion

- 10.1 A key milestone has been reached with the strategic Resource Recovery Contract having entered operational 'full service' on 1st September 2017.
- 10.2 Odours management at the Kirkby facility remains a key priority for the Contractor to satisfactorily address to ensure both full compliance with relevant statutory consents and to prevent the facility causing nuisance to the surrounding neighbours.
- 10.3 Further contract updates will be provided to the Authority as and when specific issues arise. It is also anticipated that a progress update in relation to the performance of both the RRC and the Veolia Waste Management & Recycling Contract (WMRC) will be provided to Members on an annual basis throughout the life of both contracts.

The contact officer for this report is: Ian Stephenson
MRWA
7th Floor
No. 1 Mann Island
Liverpool
Merseyside L3 1BP

Email: ian.stephenson@merseysidewda.gov.uk
Tel: 0151 255 2532 Fax:

The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.