

CLOSED LANDFILL PROPOSAL
WDA/48/24

Recommendation

That:

1. Members agree that the Authority proceeds with the proposed development;
and
2. Members delegate authority to the Chief Executive to conclude the financial settlement, in liaison with the Chairperson and the Treasurer.

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CLOSED LANDFILL PROPOSAL

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Report of the Treasurer

1. Purpose of the Report

- 1.1 The Authority is asked to consider a proposal for use of one of its closed landfill sites to generate power from a solar array. In return for the use of the site the Authority would receive a consideration from the contractor.

2. Background

- 2.1 The Authority manages and maintains a number of former landfill sites across Merseyside. These are referred to as closed landfill sites (CLF). The sites need to be managed for some decades after they have ceased to be active landfills as the refuse that they contain continues to give off methane gas for a number of years and, if not managed can leach noxious chemicals into the local watercourses. Given the conditions of the sites there is generally little alternative use that the sites can be put to.
- 2.2 In the case of the CLF at Foul lane in Southport the Authority has been contacted by Veolia UK to see whether there is a prospect of using the site to develop a large scale solar array, with a view to generating electricity which would be utilised locally by the NHS at Southport Hospital.

3. The proposal

- 3.1 the details of the proposal in respect of the Foul Lane Closed landfill site are set out in the report from Veolia UK attached at Appendix 1 to this report. The proposal involves the development of a large solar array across much of the CLF. The intention of the proposal is to provide low carbon electricity for the NHS at Southport Hospital, possibly alongside a district heating scheme.
- 3.2 In developing the proposals for the use of the CLF at Foul Lane Veolia has been clear that the financial costs associated with the scheme will not fall on the Authority. They have also been clear that any planning issues that may need to be addressed will fall to them and not to the Authority. At present the condition requires the CLF to be returned to agricultural use,

changing that condition will be subject to an application from Veolia and consideration by Sefton Council's Planning Committee.

- 3.3 In terms of the ongoing management of the CLF, we understand that the proposed solar array would not have an impact on the way that emissions and leachate are monitored and managed. The solar panels would be sited on top of the landfill site and the installation would not disturb the underlying layers. Whilst the installation of the solar array may preclude the growth of woodland across the site, it would not be so intrusive as to preclude the continued biodiversity across the site, albeit through lower level plant growth and possible grazing animals beneath the solar panels.
- 3.4 In terms of the benefits for the Authority, these are essentially financial and are set out in Veolia's proposal. Essentially there are two proposals for ongoing payments during the life of the contract. One of these suggests a set amount of £30k pa for 25 years (the life of the scheme) – a total of £750k. The second option proposes a share of the electricity price saving, currently estimated at £37.9k (which using the same lifetime leads to an estimated £947.5k), and the final proposal is for the contractor to buy the site from MRWA for a capital sum, which the contractor has not been able to determine yet. In the event that the operator purchases the site outright the Authority would need clear advice on the transfer of liability for the site and its need for ongoing environmental management and monitoring which would be transferred to the operator.
- 3.5 Separately MRWA officers are seeking independent advice about the potential financial benefits that might be realised from being involved in this kind of scheme. It is likely that the final agreement will be subject to further negotiations and Members are asked to delegate authority to the Chief Executive, in liaison with the Chairperson and the Finance Director, to settle the option that provides best value for the Authority.
- 3.6 The proposed scheme provides an opportunity for the Authority to make more effective use of land that currently has limitations and at the same time play its part in delivering a more carbon neutral economy locally.
- 3.7 Should Members agree that the Authority moves forward with this proposal they will be provided with updates as the project develops.
- 3.8 In a note of caution Members should be aware that there have been proposals in the past for making use of the CLF at Foul Lane, these have eventually come to nothing as they were dependent upon proposals from third parties which were not delivered in the end.

4. Risk Implications

- 4.1 The risk for the Authority attached to these proposals lies in the ongoing management of the CLF. Under two of the proposals the management remains with MRWA, which means there appears to be no additional risk. In the case of one proposal there is a likely transfer of the land and the responsibility for CLF management, for which MRWA would need additional advice. Otherwise the developer would bear the financial, planning and operational risks and these would be managed by their operators.

5. HR Implications

- 5.1 There are no new HR implications

6. Environmental Implications

- 6.1 The CLF, whether owned by MRWA or the contractor will continue to be monitored and managed.
- 6.2 If the scheme progresses then it will lead to the generation of low carbon electricity for the NHS in Southport, contributing to the Region's approach to net zero.

7. Financial Implications

- 7.1 The financial implications have been discussed in the body of the report, but remain to be finalised should Members wish to proceed.

8. Legal Implications

- 8.1 Should the project proceed MRWA will seek legal advice on any contractual arrangements that may be made, and if there is a land transfer will take and follow legal advice on the conditions that will need to be attached to the sale.

9. Conclusion

- 9.1 There is a proposal from Veolia UK to develop a solar array on the Authority's CLF site at Foul Lane in Southport.
- 9.2 Members are asked to agree that the Authority proceeds with the proposed development.

- 9.3 Members are asked to delegate authority to the CEX, in consultation with the Chairperson and Finance Director to agree the approach that delivers best value for the Authority.

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