

Residual Waste Treatment Project

Frequently Asked Questions

Background

1. Why the Council needs residual waste treatment?

At the moment, most of Leeds' waste is still buried in the ground. Burying rubbish costs huge amounts of money, and the bill to the Council is going up around £1.5 million every year. The rotting rubbish also creates methane, a powerful greenhouse gas which can harm the environment. This cannot continue. The Council started the residual waste treatment project to identify different options of treating waste.

The Council are still working hard to help reduce the amount of waste thrown away and to recycle as much as possible. The Council's published target is to recycle over half of Leeds' waste by 2020. The Council are improving recycling services, especially in areas that do not at the moment receive a service.

Even after all these efforts, there will still be a substantial proportion of the waste that needs to be disposed of, collected mainly in black bins. This is called residual waste.

2. What are the Council's plans for providing an improved recycling service?

In 2006, the City Council adopted its Integrated Waste Strategy for Leeds. This document sets our objectives for waste prevention, and describes how Government targets for recycling and reducing waste sent to landfill will be met.

Since the strategy was adopted, significant improvements to recycling services have been made including:

- extending garden waste collections to over 190,000 properties;
- introducing weekly food waste collections to 8,400 properties in the Rothwell area. This scheme involved a change to the entire kerbside waste collection service through the introduction of a weekly food waste collection, a fortnightly co-mingled dry recyclables collection (SORT), a fortnightly garden waste collection and a fortnightly residual waste collection.

- providing kerbside recycling services throughout the city and now 96% of households have access to a 4 weekly kerbside collection of recyclables.
- operating nine household waste sorting sites (HWSS), eight of which have undergone major redevelopment, transforming them into model recycling centres.

The Council has continued promoting and developing a wide range of waste prevention initiatives including the opening of a reuse shop at East Leeds Household Waste Sorting Site in August 2011.

The recycling rate in Leeds has continued to increase from 23.0% in 2006/7 to 34.7% in 2010/11. The Council has a target of 41% for 2011/12 and the current year's performance to date has been in excess of 40%. To further improve the City's recycling performance based on our current kerbside service, we are continually reviewing the performance, efficiency and range of recyclable materials that can be processed by our contractors.

Moving forward, the Council is undertaking option appraisals to consider the costs and benefits of collecting additional waste streams (e.g. glass and food waste), and altering the frequency of kerbside collections. This will also consider the availability of appropriate treatment facilities (e.g. anaerobic digestion). We are also proposing to undertake some research to identify the best way of capturing textiles for re-use and recycling initiatives (by possibly working with charities). This work helps define the next phase of the kerbside recycling strategy required in order to meet the 50% recycling target.

Any new service introduced will be supported by a thorough education programme to ensure householders understand the new service and are able to participate within the new service effectively.

3. Will the facility stop any of the Council's recycling initiatives?

No. The requirements for residual waste treatment project are developed by the Council as part of our overall waste strategy, and therefore have always considered our existing and planned waste prevention and recycling priorities (see above).

4. Who is the winning contractor?

On the 2nd November 2011, Members of Leeds City Council's Executive Board will consider, subject to Central Government approval, the Officer's recommendation to appoint Veolia ES Aurora Ltd (Veolia) the winning bidder to treat Leeds' residual waste for the next 25 years.

Veolia is the UK's leading recycling and waste management contractor with 12,000 employees. The company serves over a third of the UK's population including refuse, recycling, street cleansing services provided though more than 100 local authorities across the UK.

Veolia operates 46 recycling treatment, recovery and disposal facilities including six energy recovery facilities handling residual household waste with two more under construction and is the most experienced company in the UK in this sector. For further information about Veolia is available on www.veoliaenvironmentalservices.co.uk.

This recommendation is the conclusion of a 3 year procurement project, where the Council has had detailed talks with eleven bidders proposing a range of technological solutions and has scrutinised all aspects of their bids to ensure the Council gets the best solution for Leeds and its residents.

5. How did the Council pick the winning bidder?

The Council completed the evaluation of the two short-listed bidder's final tenders using a set of award criteria agreed at the start of the project. The award criteria include: the environmental impact of the facility, the benefits to the local community, how proven and flexible the waste treatment technology is, the quality of the design, the operational management systems, and the cost of treating the waste. The bids were scored against these detailed criteria, and Veolia scored the highest on both price and quality.

6. Is Veolia in a position to fund the project?

An important consideration for the Council is the financial standing of Veolia and its parent company, Veolia Environmental Services (UK) Plc. This financial standing was tested at various times prior to and during the bidding process to ensure that Veolia are capable of providing sufficient funds to build and operate the facility. Veolia provided strong evidence, including in the form of corporate accounts, that it is financially robust and capable of delivering a strong financial performance in the coming years, demonstrating that it is therefore able to fund the project.

7. Why is Veolia using the former wholesale market site?

At the start of the procurement, the bidders could either choose to put their own site forward or use the Council's own site, the former wholesale markets site at Cross Green. Veolia who scored the highest against the agreed evaluation criteria, chose to use the Council's own site.

The former wholesale market site is considered to be a suitable site for waste treatment as it is a large vacant site with good transport links located in the main industrial area of Leeds, close to where household waste is produced and near potential users of the energy produced. It

also benefits from a supportive planning framework as it is identified as a Strategic Waste Management Site in the new Natural Resources and Waste Development Plan Document, which will form part of Leeds' Local Development Framework. This Plan has been developed based on the findings of a city-wide site selection study and consultation with the public, land owners and statutory stakeholders.

8. Why isn't the Council working with other Local Authorities to build a joint facility to deal with the region's waste?

Leeds City Council's neighbouring local authorities are all procuring their own residual waste treatment facilities, with some at more advanced stages of the procurement process than Leeds. However, the quantity of Leeds' municipal waste requiring treatment is sufficient to justify a dedicated facility for Leeds. Furthermore, the Council has agreed to limit the quantity of waste that can be imported into Leeds for treatment at its facility, and this would obviously preclude the location of a regional facility within Leeds.

9. Why is the Council still progressing with a Private Finance Initiative (PFI) funded project?

Due to the complexity and high capital investment, it is necessary to enter into a long-term contract in order to pay for the service whether this is via a PFI, another Public Private Partnership arrangement or conventional procurement. PFI contracts allow the City Council to transfer the main risks to the private sector such as cost and time overruns, performance levels and expertise. The PFI contract will enable the Council to procure a service that has performance levels agreements (including environmental performance), a monthly monitoring regime, and a penalty system to ensure a high level of service and a fully maintained Facility for the life time of the Contract. All PFI projects have to demonstrate Value for Money to Central Government, as they have allocated £68.6 million to Leeds to contribute to the funding of the project. Under a PFI, the Council do not make any payments to the private sector until the service has been provided.

Central Government is actually renaming PFI credits for waste projects to Waste Infrastructure Grants. However, this does not change the support provided by Central Government.

Financial benefits

10. How much will the facility save the council?

In addition to the environmental impact of landfill, landfill tax is increasing each year and will be set at £80 per tonne by 2014/15. The cost to the Council of continuing to landfill its waste is going up by around £1.5 million every year. Leeds has been allocated £68.6 million of PFI credits by DEFRA which equates to an estimated £134 million of revenue

support grant to Leeds City Council over the life of the contract. The residual waste project is estimated to save the Council around £200 million up to 2040 as compared to continuing to landfill.

11. Can residents buy electricity produced by the facility directly from Veolia or the Council?

The facility is able to generate electricity, which will be supplied directly into the National Grid. It is not practical to directly supply local households due to the nature of the Grid and the numerous energy trading companies involved. The electricity income generated from the facility supplying electricity into the Grid will lower the cost of treating the residual waste, and therefore benefits the Council and ultimately the residents of Leeds.

The facility will also be designed to generate heat, in the form of hot water or steam, as well as electricity (commonly known as 'Combined Heat and Power' or CHP). This could be supplied to local businesses or new housing. CHP facilities have the potential to be more energy efficient, more environmentally beneficial, and to attract more energy income than 'electricity only' facilities. Veolia and the Council will work together with a view to developing a heating scheme in order to obtain these benefits.

What will happen now?

12. Will local communities have an opportunity to comment on the proposals?

Yes, Veolia will do their own consultation activities to ensure that local communities, ward members, and other stakeholders are able to look at and comment on the detailed proposals before submitting a planning application. Information will be provided to local communities by mail shots, a dedicated web page, public exhibitions and/or question and answer sessions at locations convenient for the communities and businesses closest to the proposed Facility. These activities will take place between November 2011 and the beginning of March 2012.

Veolia will also set up a Community Liaison Panel comprising individuals representing a broad range of community groups and environmental organisations. The members of the Panel will provide independent points of contact for community members to discuss issues and pass on their comments to Veolia. The Panel will meet at regular intervals throughout the lifetime of the project, including post planning submission, and during the construction and operational phases.

13. When will the planning application be submitted?

It is expected that the planning application will be submitted in Spring 2012.

14. When will the facility be up and running?

Once planning permission is granted, building will start in summer 2013, and take approximately 3 years to complete. It is therefore likely that the facility will be up and running by March 2016.

Veolia will need to apply for a Permit from the Environment Agency to operate the facility. The Environment Agency's statutory role is to safeguard the environment and human health from all processes and activities that they regulate including Energy from Waste plants. Prior to issuing an environmental permit for the facility, the Environment Agency will consider:

- Veolia's proposal against industry best practice and limits set by the regulations,
- any impact of the facility emissions on the local environment,
- scientific opinion and research reports on health effects due to emissions,
- advice from scientific bodies (e.g. Food Standards Agency and local Primary Care Trust), and
- the views of the local communities.

This permit sets restrictions in relation to capacity, types of waste that can be treated, all emissions and the monitoring regime required.

15. If Veolia don't get planning permission, what happens to the project?

If planning permission is refused, Veolia will consider all other options available including appealing the decision and working with Leeds City Council to develop a revised project plan.

Veolia's proposals

16. What is Veolia's facility?

Veolia are proposing to build a landmark Recycling and Energy Recovery Facility at the former wholesale market site on the Cross Green industrial estate. Their facility comprises two main treatments. A flexible Mechanical Pre-Treatment facility to remove a range of recyclable materials left in the residual waste (at least 10% of the residual waste stream). The waste left over will then be burnt under controlled and safe conditions using proven Energy Recovery technology, to supply the National Grid with enough electricity to power over 20,000 households.

17. What types of waste will Veolia's facility treat?

The plant is designed primarily to take Leeds' black bin waste. The first step of the process, mechanical pre-treatment, is anticipated to extract 19,000 tonnes of recyclable materials from the residual waste. The

remaining 164,000 tonnes will be processed to create energy from waste, enough to power 20,000 homes.

Veolia have designed the facility based on forecasts for the Council's residual waste, which assume that all the recycling initiatives have been implemented and recycling targets achieved.

There is flexibility designed into the facility to accommodate any variations in the Council's forecasts. In order to fill any shortfalls, Veolia will source commercial and industrial waste of a similar nature to household black bin waste from within Leeds.

The Council has set a restriction on the quantity of waste that can be imported from outside Leeds for treatment at the facility so that it remains a facility for waste produced in Leeds.

18. What will the outputs be from the facility?

Recyclable Materials

Veolia are proposing to extract paper, cards, plastics and metals from the residual waste. Throughout the life of the contract, these materials may change to ensure sustainable and effective recycling.

Energy

The facility will generate 11.6 MegaWatts (MW) of electricity, which will be supplied to the national grid, which equates to enough electricity to power over 20,000 households.

Incineration Bottom Ash

At the end of the process, there remains approximately 20% of the waste input in the form of a "clinker" (a black, ashy deposit), and this is called Incineration Bottom Ash. Veolia will store this in an enclosed bunker at the site for no longer than 10 days, before transporting it via the primary road network to a re-processing facility in Sheffield. This material will be recycled as an aggregate, and used within the construction industry.

Air Pollution Control (APC) Residues

These residues are produced as a result of treating the flue gas with reagents to remove hazardous pollutants. The residues are safely stored within a sealed container prior to being removed from site to a fully permitted long-term storage/disposal facility.

Landfill

Other than the APC residues referred to above, the only elements of the Council's residual waste going to landfill will be those that are unsuitable for treatment at the facility, for example due to size.

19. What will the facility look like?

Images of the proposed facility are available on www.leeds.gov.uk/leedswaste.

The state of the art facility being proposed by Veolia will be built next to the East Leeds Link Road, on the southern part of the vacant former wholesale markets site in the Cross Green Industrial Area. The floor space of the facility is 7,700 m². The tallest buildings on the site will be around 42m high, and the chimney is expected to be around 65m, but this will be finally determined by the Environment Agency.

The Council's urban designers and landscape architects have worked with Veolia to ensure their facility is well designed to complement and improve the surroundings. The environmental credentials of the design, including a living green wall on the southern aspect, and the complementary landscape proposals will greatly enhance the area, and create a landmark building for the Aire Valley.

Landscaping and planting schemes will be designed to soften and frame the longer distance views of the facility and improve the general setting of the area.

20. What will happen to the traffic in the area?

The site is accessed directly off the East Leeds Link Road (ELLR). The ELLR connects to the A1/M1 Link Road, the M621 and the Inner Ring Road at both ends, and therefore provides access to the facility from all major routes across the City. There are existing restrictions that stop HGVs, including refuse collection vehicles, accessing the ELLR from the A64 through the closest residential areas of East End Park, Osmondthorpe and Halton Moor.

The refuse collection vehicles that will deliver to the facility will not represent new traffic movements as the ELLR is already used by most of the Council's refuse and recycling collection fleet to access the depot in Cross Green Industrial Estate and an existing tipping point at Skelton Grange Landfill site.

The ELLR has been designed with the expectation of new development in the area, and therefore there is plenty of spare capacity on this part of the highway network. The planning application will need to include a transportation assessment to demonstrate this.

21. How will the facility benefit the local community?

A key feature of the facility will be an interactive visitor centre, which will provide information on the facility and the wider waste agenda. It will be widely used by local schools and colleges to support their learning

programme. The centre could also be used as a meeting place for local community groups.

Veolia are committed to being a good neighbour and becoming part of the community, they are therefore proposing a dedicated point of contact and to support local community initiatives and events, schools and local charities by providing employee volunteers, work experience or staff charity donations.

Working alongside the Council, Veolia will help the Council to promote environmental awareness and action across Leeds and will participate and support a wide variety of environmental initiatives involving schools, community groups and residents.

22. Will there be jobs for local people?

There are targets set in the contract regarding job opportunities, apprenticeships and training opportunities including for long-term unemployed throughout the life of the project, in construction and operation. It is estimated that there will be approximately 300 skilled and unskilled job opportunities during construction and around 45 during the operation phase of the project. Veolia will work with the Council and local employment support agencies to fill these job opportunities (skilled and unskilled) from the local workforce. They will also work with local colleges to provide work placements, apprenticeships and training opportunities.

Veolia will use local suppliers wherever possible for materials, goods and services required for the construction of the facility and during operations and will make a positive contribution to the local economy.

23. How will the facility contribute to the Council's climate change action plan?

The facility will have a large positive benefit towards the climate change agenda by avoided landfill emissions, extraction of recycled materials during pre-treatment, energy generation from burning the waste and further metals recovery from the remaining ash

Recognising the importance of the climate change agenda to the Council, Veolia have developed a detailed carbon management plan for the life of the facility, from construction to decommissioning in order to reduce its carbon impact. This plan sets out targets to continually reduce the carbon impact of the facility year on year.

The facility shows substantial environmental benefits when compared to landfill disposal using the Environment Agency's life-cycle assessment tool. Veolia's facility is demonstrated to provide a potential saving of over 60,000 tonnes CO₂ equivalents when compared to landfill, and will provide a large contribution to the Council's climate change targets.

24. How will the facility be managed and maintained to ensure it operates efficiently and safely?

The proposed Recycling and Energy Recovery Facility will be the subject of extremely strict regulations and will operate within an Environment Agency permit. Veolia's first priority is health and safety and the company's facilities operate well below the safe limits set by the EU and UK environmental agencies and will be continuously monitored with a summary of results published on its website.

In terms of operating the facility safely, Veolia have produced plans on how they will manage health and safety through all phases of the project: including the design, works, commissioning and operations. These health and safety plans will be further developed once the facility design is complete and then adhered to for the duration of the project.

Veolia are a member of the recognised Contractors Health & Safety Assessment Scheme (CHAS), which is a management system designed to control occupational health and safety risks. They will also implement formal procedure Health & Safety procedures that will be accredited to Occupational Health & Safety Management Systems (OHSAS18001).

Veolia has already developed an outline maintenance plan for the facility. This will be further developed and reviewed by the Council prior to operations starting. It will be effective from day one of operations, and includes both planned preventative and reactive maintenance regimes. This includes for annual planned shut down periods when essential maintenance work will be undertaken.

25. How will the environmental performance of the plant be managed and monitored?

The gases produced by burning the waste will be captured, cooled and go through an extensive cleaning process where they are neutralised and pollutants are removed. A fabric filter removes any fine particles and the cleaned gases are then safely released to the atmosphere via the chimney.

Most of the emissions in the chimney are monitored and recorded continuously by Veolia, and the results made available to the Environment Agency. In addition, samples will be taken regularly for laboratory analysis to ensure all emissions are monitored in accordance with permit conditions.

The Environment Agency will ensure that Veolia operates the Energy Recovery Facility in line with the stringent conditions of the environmental permit. The Environment Agency will inspect the facility, review Veolia's monitoring data and carry out their own monitoring to check Veolia's

records. If there is any breach of the condition, Veolia must tell the Environment Agency and the Council. The Environment Agency can take enforcement action against any operator, including Veolia, who fails to prevent or minimise harm to the environment or public health.

Health Effects

26. Are there any health implications for the area and the local people?

A comprehensive review of the available research into the health and environmental effects of waste management commissioned by Department for Environment, Food and Rural Affairs in 2004 did not establish any link between the current generation of municipal waste incinerators and health effects. The report states the following:

“We considered cancers, respiratory diseases and birth defects, but found no evidence for a link between the incidence of disease and the current generation of incinerators.”

In September 2009, the Health Protection Agency also reviewed research undertaken to examine the suggested links between emissions from municipal waste incinerators and effects on health and concluded that,

“Since any possible health effects are likely to be very small, if detectable, studies of public health around modern, well managed municipal waste incinerators are not recommended.”

These reports are all available at www.leeds.gov.uk/leedswaste.

Other waste developments in Leeds

27. Are there any links between the proposed Biffa EfW and the Council's residual waste treatment project?

Biffa has submitted a planning application for an Energy Recovery Facility, with the capacity to treat 300,000 tonnes per annum of commercial residual waste on the former Skelton Grange Power Station site. Biffa undertook public consultation in Summer 2010, and submitted their planning application in September 2011. This will now be subject to the statutory planning process, which may take up to nine months. This proposal is entirely separate to the Council's own residual waste treatment project. It is important to note that securing planning permission does not provide any guarantee that the facility will get built.

The Council have undertaken a transparent and robust competitive procurement exercise in accordance with European Union procurement legislation to secure a treatment solution for its household residual waste. The Council embarked upon the current PFI procurement process on a

'technology and site neutral' basis. Biffa did submit an outline bid to the Council in early 2009, but were not short-listed to the latter stages based on a thorough evaluation against the agreed criteria.