

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD1558

Title: Beam Park, Dagenham – Removal of RDF Waste Material

Executive Summary:

There was a substantial fire at a waste transfer site in August 2012 and the GLA assisted the Fire Brigade by allowing for the waste management company to transfer a substantial amount of Refuse Derived Fuel (RDF) bales onto Beam Park, Dagenham to assist in managing the incident.

The transfer was authorised by the Environment Agency (on the basis of assisting fire management) for a short period of time.

The waste company transferred further material to the site, unauthorised by the GLA and the EA.

Following threatened action by the EA, the waste company entered into a Voluntary Creditors Liquidation, resulting in the GLA inheriting responsibility for the waste material.

This MD replaces MD1510 as the successful bidder referred to in MD1510 has withdrawn from the procurement process and as a consequence, the GLA will now enter into a contract with the next highest ranking bidder.

Decision:

That the Mayor:

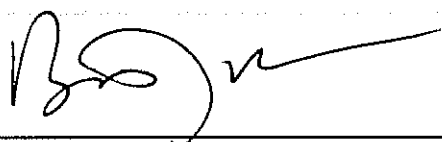
- Approves expenditure of up to £3m for the appointment of external specialists to remove an estimated 27,000 tonnes of RDF material from Beam Park, Dagenham.
- Delegates authority for potential additional expenditure of up to £0.5m to the Executive Director, Housing & Land, in the event that the volume/nature of the material increases the contract price beyond the current estimate.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

3.11.2015

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1 This MD has replaced MD1510
- 1.2 Following a substantial fire at the Hunts Waste (HW) site at Chequers Lane, Dagenham in August 2012 and recognising concerns by the Fire Service regarding storage of Refuse Derived Waste (RDF) bales at the fire damaged site, the GLA allowed Hunts Waste to store approximately 17,000 tonnes of bales at the GLA owned site at Beam Park 2, equating to 9.52 ha of land.
- 1.3 The fire occurred on the day of the closing ceremony of the Olympic Games and at the height of the incident, 40 fire engines and 200 firefighters, were involved in controlling the blaze.
- 1.4 The Environment Agency (EA) agreed a temporary operator's licence for the site, due to the Fire Services extreme concerns about safety, should the bales be left at the fire damaged site on Chequers Lane.
- 1.5 The site was later extended to accommodate the fire Service's request that the RDF bales were redistributed across a greater site area to allow for effective "fire breaks" in the stored material.
- 1.6 Subsequently, Hunts Waste allowed a further 4,000 tonnes to be deposited at the Beam Park 2 site without any express consent from the GLA, thus breaching the temporary EA licence.
- 1.7 On 2/7/2013 the EA notified HW that they were to remove the excess material from the site using a s34 Stop Notice and a subsequent s59 Notice to remove all RDF from the site with a deadline of 31/8/2013, after which the site would effectively become an illegal waste site.
- 1.8 Thereafter on 18/7/2013 the GLA and EA were notified that Hunts Waste had entered into a Voluntary Creditors Liquidation (CVL). The occupational licence and all RDF at the site were disclaimed.
- 1.9 In addition, the EA informed the GLA that as HW had gone into liquidation, then all responsibility for the site, RDF material and subsequent liability would fall to the GLA.
- 1.10 Events of this nature are not covered by the GLA's insurance policy.
- 1.11 Subsequently, the GLA has been working with the EA and TfL Procurement to arrange for the removal of the RDF bales from site. An OJEU compliant tender process was undertaken and a successful bidder was selected against the award criteria.
- 1.12 However, the successful bidder has now withdrawn from the procurement process, advising that they no longer had the capacity due to other commitments. Subsequently TfL Procurement has carried out a re-evaluation of the remaining bids and the intention is to proceed with the next highest ranking bidder.

2. Objectives and expected outcomes

- 2.1 The GLA has an obligation to remove the bales in an approved manner and following discussions with the EA, removal of the bales is required in the near future, as they cannot continue to licence the site going forward.

- 2.2 From the GLA's perspective, Beam Park is a key development opportunity, potentially providing over 1,500 new homes and ancillary facilities. Marketing of the site has commenced via the London Development Panel. As a result, the site will need to be cleared to allow for future development and to achieve an acceptable sale price for the land.
- 2.3 The requirement is therefore the removal of all of the RDF material from site, in a cost effective way, meeting the requirements of the London Plan (in relation to waste management) and in a manner acceptable to the EA.
- 2.4 The intention is to minimise the use of landfill by procuring a partner to dispose of the material via use in waste to energy plants within Europe.

3. Equality comments

- 3.1 Advice has been taken and it is not thought that there are any equality issues in this case.

4. Other considerations

- 4.1 There is a significant risk in terms of the volume of material to be disposed of and the nature of the refuse contained within the RDF bales.
- 4.2 The GLA has sought to minimise the risk by seeking to estimate the total tonnage of material by way of random sampling but this can only produce an indication and there could therefore be significant variation in the actual weight of the material to be disposed of. As the final cost of removal will be linked to the weight of material, any significant increase in weight will put pressure on the budget provided.
- 4.3 Additionally, while random sampling has given a reasonable idea of the contents of the bales, there is a risk that not all of the bales are of the same quality as those reviewed. This could mean a need to take some material to landfill and result in additional costs.
- 4.4 While the EA have worked closely with the GLA, the longer the situation continues, the greater the risk of the EA licence being withdrawn. This could lead to prosecution, resulting in the eventual removal of the material under legal action against the GLA, without the opportunity to exercise effective cost control through tendering the contract.
- 4.5 While the material remains on site, there is a risk of a fire occurring. This risk has been minimised by the introduction of fire breaks but there have been instances of travellers occupying the site (and the adjacent TfL salt store) and leaving substantial amounts of fly-tipped material that increases the risk. In a recent inspection by the London Fire Brigade it was highlighted that the longer that the RDF remains on site, there is a higher risk of internal combustion occurring.
- 4.6 There are ongoing management costs that will be reduced once the material has been removed.

5. Financial comments

- 5.1 GLAP provided £3,000,000 for the cost of removing the estimated 27,000 tonnes of waste from the Hunt's Waste site in the 2013/14 accounts.
- 5.2 The final amount to be paid to the contractor will depend upon the final determined weight of the material to be moved. The exact process for measuring the weight will be determined through contract negotiations but will likely be from waste transfer notes both on leaving the site, potentially evidenced by the existing security team, and arriving at the end user. Any cost over the £3,000,000 provided will be subject to further approval and will be contained within the existing Housing and Land budget.

5.3 The sum of £3,000,000 has been specifically identified during the budget discussions at a corporate level within the Strategic Projects and Property budget for 2015/16.

5.4 Should any of the extra £500,000 be required, this will need to come from another budget within Housing and Land. The team will ensure that the Deputy Mayor for Housing Land and property is content with the proposed Director's Decision and the decision will be reported to HIG.

6. Legal comments

6.1 Under section 30 of the Greater London Authority Act 1999 (the 'Act') the Mayor, acting on behalf of the GLA, is entitled to do anything that he considers will further the promotion, within Greater London, of economic development and wealth creation, social development, and improvement of the environment.

6.2 In formulating the proposals in respect of which a decision is sought officers have complied with the GLA's related statutory duties to:

- pay due regard to the principle that there should be equality of opportunity for all people;
- consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
- consult with appropriate bodies.

6.3 The mayor may, under section 38 of the Act, delegate the exercise of the GLA'S functions to the Executive Director of Housing and Land as proposed.

6.4 Any procurement required and authorised should be undertaken in accordance with the GLA's Contracts and Funding Code and in consultation with Transport for London Procurement, who will determine the procurement strategy.

6.5 Officers must ensure that appropriate contract documentation is put in place and executed by the successful bidder and the GLA before the commencement of the services.

7. Investment & Performance Board

7.1 This matter was reported to HIG on the 14 October 2015

8. Planned delivery approach and next steps

Activity	Timeline
Procurement of contractor	30 November 2015
Formal contract in place	December 2015
Project to remove material commences	January 2016
Continuous review of progress re weight and type of material	Ongoing
Formal review of progress/financial implications	Monthly
Completion of the Works	September 2016

Appendices and supporting papers:

None

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? Yes

For reasons of commercial sensitivity, publication should be deferred until after completion of the works. The position to be reviewed in September 2016

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – No

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Malcolm Beadle/Trevor Massie has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

Assistant Director/Head of Service:

Simon Powell has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Sponsoring Director:

David Lunts has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Richard Blakeway has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

M. D. Beadle

Date 28.10.15

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

Edmund H. ...

Date 29.10.15

