



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Arc 21 Residual Waste Treatment Facilities – Update on the Contract for the Transfer of Land at the North Foreshore
Date:	22 August 2008
Reporting Officer:	Gerry Millar, Director of Improvement, Ext 6214
Contact Officer:	

Purpose of the Report

The purpose of this report is to update Members in relation to the completion of a series of Party Group briefings and to inform the Committee of Arc 21's timescale constraints concerning inclusion of sites in its site selection process.

Relevant Background Information

At its meeting on 25 January 2008 the Committee agreed to defer consideration of an update report on the contract for the transfer of land in relation to the Arc 21 residual waste treatment facilities to enable the Party Groupings to be provided with briefings in the matter. A copy of the deferred report is attached as appendix 1. That report had been written in the context of the Committee's earlier decision, on 19 October 2007, to adopt a recommendation of the Health and Environmental Services Committee that approval be granted for the remaining area of the 40 acre south east corner of the North Foreshore site to be made available to Arc 21 for potential use for a Mechanical Biological Treatment facility (MBT) or an Energy from Waste (EfW) facility. It was also decided that the Director of Improvement and the Director of Legal Services be authorised to agree terms and a suitable legal agreement with Arc 21 to allow the site to be used for either of these facilities if selected as a preferred site.

Members will note that in the deferred report, as appended, it had been highlighted that Arc 21's site selection process had established a shortlist of sites on which it was interested in siting either an MBT or EfW plant. It had also been drawn to the Committee's attention that Arc 21 had written to the landowners, including the City Council, asking each party to commit to the sale of the particular lands identified, at a value assessed by the Land and Property Services Agency. In the case of Belfast, the Council had been asked to commit to entering into a contract for the sale of "c.17 acres of land to Arc 21 for the sum of £850,000 per acre, for use by Arc 21 as the site of a residual waste treatment facility".

The deferred report had also stated that the Director of Legal Services had qualified the commitment of the Council by making the letter of response subject to the following

qualifications:

- (i) **that no contractual relationship will be deemed to exist between the parties until such times that the formal contract for sale is made between the Council and Arc 21, and that the contract will address all issues that the Council will require to be dealt with in relation to the management of the North Foreshore site within which the land is situated, and also including agreement in relation to all terms of the lease by which the Council would propose to grant title to Arc 21; and**
- (ii) **that the terms of the letter are to be reported to the next meeting of the Council's Strategic Policy and Resources Committee and that the letter is signed strictly subject to future political direction, specifically in relation to the issue of community gain.**

Following the Committee's decision to defer consideration of the report submitted on 25 January arrangements were made to provide briefings to each of the Council's Party Groupings to provide greater detail in relation to Energy from Waste (incineration) facilities. These briefings were led by the Chief Executive and also included input from Arc 21. During the briefings a number of questions and issues were raised by individual Members and when the briefings had been completed a supplementary briefing note containing additional information in relation to each of those issues was circulated to Party Group leaders and made available to all Council Members through the Members Services Unit. Among the matters dealt with in this supplementary briefing note were Arc 21's site selection process, the process by which the technology solution described in the Waste Management Plan was arrived at, the matters raised in the approval process for Dublin's Poolbeg incinerator, the extent and disposition of municipal waste incineration in the UK and the rest of Europe, additional information about health effects and the compatibility of incineration with recycling in a waste management solution. A summary report as presented to the Arc 21 Joint Committee was also included in the supplementary material.

During the briefings Members received a presentation highlighting the differences between common perceptions of incineration and its reality, the part to be played by EfW (incineration) in the overall Arc 21 Waste Plan, estimates of the costs to the Council of failure or delay in the provision of incineration facilities or having to use an alternative more remote location and some of the environmental and economic consequences of delay or failure in delivering the necessary infrastructure. Members were also issued with a series of 19 fact sheets, addressing a range of issues frequently raised in connection with Energy from Waste facilities.

A cross party delegation of Members also participated in a site visit to view modern EfW and MBT facilities in the Netherlands from 28 – 30 April.

Key Issues

Following the Committee's decision to defer consideration of a report to its meeting of 25 January 2008 concerning the transfer of land at the North Foreshore to Arc 21 for possible use for the siting of a residual waste treatment facility each Party Group received a briefing by Arc 21 and a team of Council Officers led by the Chief Executive. A presentation was given at each briefing and an information pack distributed. Additional written information on issues raised during the briefings was later circulated to Party Groups and a number of Members participated in a visit to modern EfW and MBT facilities in the Netherlands in April.

It had also been highlighted during the briefings that Arc 21 was anxious for an early decision from the Council in relation to the availability of the North Foreshore lands. In

this regard Arc 21's Chief Executive, John Quinn, wrote to the Council's Chief Executive on 19 May 2008 clarifying the timescale constraints upon Arc 21 concerning the inclusion of sites in the Arc 21 site selection process. A copy of this letter is attached at appendix 2. As can be seen Arc 21's position is that its infrastructure delivery programme could accommodate a decision as late as September 2008 but that delay beyond that time could seriously prejudice delivery of the project and expose both Arc 21 and Belfast City Council to materially increased risk of substantial NILAS and EC non-compliance fines.

In light of the above it is intended that the matter of the transfer of the North Foreshore lands to Arc 21 as described will be placed before the Committee for decision at its meeting on 19 September 2008.

Recommendations

The Committee is requested to note the contents of this update report and to provide guidance concerning any additional steps they would wish to have taken to inform their final decision in the matter at the September meeting.

Key to Abbreviations

EfW – Energy from Waste (incineration)
MBT – Mechanical Biological Treatment
NILAS – Northern Ireland Landfill Allowance Scheme

Documents Attached

Appendix 1:

Appendix 2: