

**STOCKTON-ON-TEES BOROUGH COUNCIL**

**CABINET RECOMMENDATIONS**

**PROFORMA**

Cabinet Meeting .....16th July 2020

1. Title of Item/Report

Tees Valley Future Waste Energy Recovery Facility (ERF)

2. Record of the Decision

Cabinet, at its meeting held on 14th November 2019, had previously agreed to enter into an Inter-Authority Agreement (IAA) which included the five Tees Valley Councils (Stockton, Darlington, Hartlepool, Middlesbrough and Redcar and Cleveland), for the design, build, operation and financing of a new Energy Recovery Facility (ERF) to be located in the Tees Valley. Since this time, agreement had now been reached for the inclusion of both Durham County and Newcastle City Councils, for which Cabinet approval was now sought on terms detailed within an amended IAA.

The ERF would be designed to have a minimum 40-year lifespan and would be a source of renewable electricity (up to 49.9MW) and heat, equivalent to powering over 20,000 homes. The development would also create over 300 jobs during the construction phase and over 40 permanent positions, as well as contributing to the local circular economy. All residues from the process (metals and ash) would be recycled or recovered.

The target date for completion of the procurement was December 2021 and Services were expected to commence in April 2025. Hartlepool Borough Council would act as the lead authority for formal administration, for example in publishing the OJEU notices and applying for a National Grid connection. Authority was therefore requested to commence the necessary procurement process.

Governance arrangements were currently being drawn up to create a single governing project board on behalf of the Councils with clear defined powers and voting structures. The final arrangements would be concluded prior to the formal commencement of the procurement process.

Key principles/changes which feature in the amended IAA are:

- the inclusion of Durham County Council and Newcastle City Council;
- a Council cannot withdraw from the procurement process without compensating the other remaining Council; and
- a Council cannot withdraw from the eventual contract without compensating the remaining Councils.
- The proportion of procurement costs that each Authority is responsible for is based on tonnages and this will be further reconciled prior to commencement of the contracting arrangements. This will be included in the IAA final amendments.

RESOLVED that Cabinet:-

1. Approve the entering into of an Inter-Authority Agreement (IAA), between the five Tees Valley authorities, Durham County Council and Newcastle County Council in respect of the Tees Valley Energy Recovery Facility (ERF) on the terms set out in the appended draft agreement (Appendix 2 to the report), to delegate all functions and decision making powers to the persons or bodies as set out in that agreement, and delegate approval of amendments to the Inter-Authority Agreement to Director of HR, Legal and Communications and the Director of Community Services.

2. Approve issuing of the Official Journal of the European Union (OJEU) notice and commence the formal procurement of the project.

3. Reasons for the Decision

To progress future waste services; as well as progress towards the future waste strategy.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

N/A

6. Details of any Dispensations

N/A

7. Date and Time by which Call In must be executed

Midnight Friday 24th July 2020

Proper Officer  
20 July 2020