

## **Minutes of the Environment and Economy Overview and Scrutiny Committee meeting held on 3 December 2009.**

### **Present:**

#### **Councillors:**

Les Caborn  
Mike Doody (Chair)  
Joan Lea  
Phillip Morris- Jones  
Ray Sweet  
Helen Walton  
John Whitehouse  
Chris Williams

**Also Present:** Councillor Alan Cockburn (Portfolio Holder for Environment)  
Councillor Peter Fowler (Portfolio Holder for Economic Development)  
Councillor Jim Foster

<b>Officers</b>	Suzanne Burrell	Senior Solicitor and Team Leader)
	Julie Crawshaw	Regeneration Programme Manager
	John Daly	Director – Project Transform
	Graeme Fitton	Head of Transport and Highways
	Adrian Hart	Team Leader – Transport Planning
	Ann Mawdsley	Principal Committee Administrator
	Tricia Morrison	Head of Performance
	John Scouller	Head of Economy and Development
	Martin Stott	Head of Environment & Resources

**Invited Guests** Councillor Linda Reece, Coventry City Council  
Vicky Castree, Scrutiny Officer, Coventry City Council

There were 3 members of the public in attendance.

### **1. General**

The Chair welcomed everyone to the meeting, particularly Councillor Linda Reece and Vicky Castree of Coventry City Council, attending to observe Item 5 – Project Transform and Councillor Jim Foster, who was observing the meeting.

#### **(1) Apologies for absence**

Apologies for absence were received from Councillors Penny Bould, Chris Davis and Chris Saint.

#### **(2) Members Declarations of Personal and Prejudicial Interests**

Councillor John Whitehouse declared a personal declaration in relation to Item 5 as a financial contributor to Friends of the Earth and a member of the Advisory Panel to Project Transform.

### **(3) Minutes**

The Minutes of the meeting of the Environment and Economy Overview and Scrutiny Committee held on 24 September 2009 were agreed as a correct record and signed by the Chair.

#### **Matters Arising**

##### **Page 2 – (4) Matters Arising - Twenty's Plenty**

Ann Mawdsley agreed to confirm to Members why the Twenty's Plenty report had been deferred and when it would be considered by the Corporate Services and Community Safety Overview and Scrutiny Committee. Members confirmed the importance of the report and the need for the report to be considered by Overview and Scrutiny before going to the Cabinet for approval.

##### **Page 2 – 3. Portfolio Holder Update**

In response to a query from Councillor Phillip Morris-Jones to Councillor Peter Fowler on progress regarding "The Hub", Councillor Fowler noted that he intended to visit The Hub and to hold discussions with officers to move this forward.

##### **Page 3 – 4. Waste Management Statistics for 2008/09**

Members reported that they had not received the performance figures for the first quarter of 2009/2010. Ann Mawdsley agreed to chase this up.

### **(4) Key Messages from the Overview and Scrutiny Board**

The Chair outlined the key messages from the Overview and Scrutiny Board meeting held on 4 November 2009.

### **(5) Chair's Announcements**

The Chair noted that due to Councillor Bryden's illness he was unable to attend meetings and from the next meeting of the Environment and Economy O&S Committee, Councillor Jim Foster would formally replace Councillor Bryden. The first item on the agenda for the March meeting would be the election of Vice Chair.

The Chair noted that due to the visitors attending for Item 5, that this would be brought forward and considered following public questions.

## **2. Public Question Time**

A copy of the public questions and responses was tabled.

### **(1) Question from Keith Kondakor**

*"We landfilled 37,000 tonnes less than was projected in the project transform Outline Business case in 2008/09. This reduction would take about £4 million off the waste disposal costs for 2014/5. Now*

*the existing incinerator will have enough capacity for the 3 council waste for the next 20 years. The councils will save £15 million pounds in the project is delayed for one year. Why is the council not revising the cost, capacity and viability of the project before stating main stage of the procurement process?"*

### **Response from Portfolio Holder and Environment and Economy Directorate**

The waste flows given in the Project Transform Outline Business Case were based on 2006/07 data. As per the request of the three partner Councils and in order to follow best practice, these flows are currently in the process of being reviewed/updated using 2008/09 data, which will take account of any changes in recycling/composting levels. The project team have also committed to review these flows on further occasions leading up to the contract signature (financial close) of procurement forecast for June 2012. This information, once completed will be made available to bidders at the next stage of the procurement process.

The reduction of 37,000 tonnes of residual waste does not mean that the three Councils' residual wastes would fit into the existing energy from waste facility. The existing facility has a capacity of up to 240,000 tonnes per year, as the plant ages it is expected that this figure will begin to drop. The modelled requirement for Project Transform in the Outline Business Case was 305,000 tonnes, using the scenario suggested in the questions the partner Councils would be short of a minimum of 28,000 tonnes of residual waste capacity. The partner Councils have also been advised that the existing energy from waste plant will not last another 20 years – hence the Outline Business Case.

It should be noted that the partner Councils are approaching this procurement on a technology and site neutral basis, this will allow for a broad range of technologies and sites to be brought forward. Solutions may also involve the use of the existing Energy from Waste facility in Coventry.

Councillor Alan Cockburn responded that the Business Case had been developed in line with DEFRA requirements, requiring the application for financial credit (in this case for £129m) to build a waste/recycling facility to reflect the last audited figures (2006/07). Councillor Cockburn congratulated officers on securing this credit.

He added that while the capacity of the existing incinerator would be able to cope with the current waste disposal, it was already 34 years old and needed to be replaced. At the time that the contract went out to tender, bidders would be entitled to tender on any technology they chose and decisions on tonnages etc would only be decided at the last moment, taking into account all current and project data.

### **(2) Question from Keith Kondakor**

*"Every Council in Wales is to collect food waste within 18 months and recycle 70% by 2025. English waste targets will get there at*

*some point. How will we afford that in Warwickshire when we will have to pay minimum tonnages at the 2 waste PFIs?"*

### **Response from Portfolio Holder and Environment and Economy Directorate**

In Warwickshire 3 out of the 5 Waste Collection Authorities already collect food waste along with their extensive dry-recycling collections. This is predicted to achieve a recycling rate of early 60% in Stratford and mid 50% in Warwick and Rugby in the medium term. Coventry and Solihull councils have committed to review the provision of food waste collection in 2013. These scenarios have been modelled in the Outline Business Case and have been revisited as part of the waste flow review.

The modelling completed by the partner Councils concludes that a recycling and composting rate in excess of 50-55% across all three Council areas is not economically achievable given the diverse demographic make up and differences in housing stock. Although it should be noted that the individual Waste Collection Authorities made exceed this target.

The review of waste flow data will feed into the procurement process over the next 2 years to ensure that the partner Councils procure the most suitable solution for their residual waste needs. This data will in turn feed into the detailed contract negotiations around minimum commitments (tonnages) to all waste management projects including the PFI projects.

Councillor John Whitehouse sought clarification regarding the modeling referred to in paragraph 2 of the response to the public question. John Daly confirmed that this modeling referred to the Business Case. He added that the modeling was currently under review and it looked to be more likely to be towards 55%, but this still needed to be ratified.

The Chair noted that Warwick District Council was achieving the highest recycling rate in the county and was rated third across the country.

### **(3) Question from Jane Green**

*"I am concerned that the criteria for the Project Transform Residual Waste Project, which will be discussed at Scrutiny, will not reflect the views of the public consultation, including that of Project Transform's own 'Stakeholder Conference'.*

*Project Transform's 'evaluation criteria' are based on assumptions of increasing amounts of residual waste, including 'per head' increases and increases of 33,000 new homes. The amount of recycling has been modeled on only 50% recycling for the next 35 years. Around ££100 per tone will be guaranteed to the private partner for 300,000 tonnes of residual waste treatment whether or not this exists in 2044.*

*The public consultation, including a large public meeting and Project Transform's own Stakeholder Conference overwhelmingly supported alternative criteria including: modeling for 70% recycling by 2020. They agreed that the type of technology is important on the grounds that it must be flexible and allow for the introduction of new, and modular where appropriate, green technologies over the life of the contract. That carbon and energy assessments should be based on 'life-cycle assessment' – which is the accounting system now employed in climate change assessments. That the consultation process should include public meetings, questionnaires and proper choices including that of technology.*

*We are concerned that by agreeing 'evaluation criteria' for a replacement incinerator closes off options such as recycling of 70% plus by 2020 and the flexible use of cheaper, green technologies for the next 35 years."*

The Chair noted that the Regional Spatial Strategy housing requirements on District and Borough Councils would result in a large increase in Warwickshire's population, so although the predicted % remained static, these were in fact including a much larger number of people.

John Daly added that the aspirations of all the stakeholders were similar, but that Project Transform had to be modeled on hard facts. Work would continue looking at evidence, and the final decisions would be based on the best evidence available at that time.

The Chair informed the Committee that a late question had been received from Janet Alty. The Committee would accept the question, but any response would be provided in writing after the meeting.

**(4) Question from Janet Alty**

*"Are Councillors aware that*

- 1. Given the ongoing and very significant fall in waste going to landfill (which is occurring both because of the ongoing and significant increase in recycling by the collection authorities, and because manufacturers are reducing packaging and making it more recyclable) there are very significant savings to be achieved in the whole waste program.*
- 2. Overspending on an oversize incinerator which in no way matches the needs of this community will make it likely that cuts will have to be made elsewhere, notably in social care.*
- 3. It has been calculated that, notwithstanding the excess deaths that are caused to members of the vulnerable communities down wind of an incinerator, more deaths will be caused by cuts in social care budget.*
- 4. Other Authorities have got into serious trouble by committing to an excess spend on an incinerator."*

Members noted their outrage at the allegations made by Janet Alty regarding social care. They noted that Warwickshire County Council had this week received good and excellent social care ratings. Councillor Alan Cockburn noted that a new facility would be cleaner than the current

facility and would make savings in terms of cutting landfill taxes and EU fines for missed landfill reduction targets in specified years.

### **3. Portfolio Holder Update**

The Chair alerted Members to the briefing note that had been tabled on behalf of Councillor Chris Saint, giving an update on his portfolio.

Councillor Fowler updated the Committee on issues within his portfolio, including:

- i. A progress report on Business Centre Management.
- ii. An update on the three opportunity centres for young people
- iii. The multi-skills programme in Camp Hill. Councillor Fowler undertook to e-mail a copy of the Camp Hill News to members of the Committee.
- iv. Work being undertaken by the Employment Team including Warwickshire Connections Sustainable Urban Development Programme and Future Jobs Fun.
- v. Councillor Fowler informed the Committee that Roy Shearing would be retiring on Friday, 4 December.
- vi. The Business Support Unit was looking at what was being delivered and the best way forward for Warwickshire residents.
- vii. Discussions were taking place with the Coventry, Solihull and Warwickshire Partnership (CSWP) and Erikson in relation to the technical centre at Antsy. This had also been taken up by Government ministers and Councillor Fowler undertook to keep members informed of developments, including work that was already underway with the Erikson staff. Members agreed that all stakeholders needed to work together to make every effort to retain Erikson in the area.
- viii. The Employer of Choice Awards evening had taken place successfully on 2 December.
- ix. The CSWP had produced and endorsed a sub-regional economic strategy, which was aiming to be best in field.
- x. Funding issues around the business environment schemes (Whole Rural West Midlands and Regeneration Zone) had now been resolved with Advantage West Midlands.

Councillor Phillip Morris-Jones noted that it would be more beneficial to the economy to sustain or revive existing companies than to assist with the start up of new companies.

The Chair thanked Councillor Fowler for his update and requested that Members be kept informed of any developments regarding Erikson.

Members requested a letter of thanks be sent from the Committee to Roy Shearing to thank him for the invaluable work he has done over the years for Warwickshire and to wish him well for the future.

Councillor Alan Cockburn updated the Committee on issues within his portfolio, including:

- a. A board had been set up to look at the overspend on the Rugby Western Relief Road and a report would be going to the Cabinet in the new year.

- b. The grant in respect of the Waterside, Stratford-upon-Avon development had been confirmed from Advantage West Midlands and tenders had been let.
- c. A flooding and drainage bill was expected to be ratified by Parliament after the elections, which would make the County Council the lead organisation in flood response. There was a budget bid being made for a specialised officer to take the lead in this area.
- d. A task and finish group had been set up to look at a clear strategy for smallholdings and a report from this group would go to full Council in May/June.
- e. A Member seminar had taken place on C and D roads and a budget bid for £2m had been put in for this. It was felt that there was little chance of this being successful in the current climate.
- f. The Highway Contract Board would be re-letting the contract in the summer of 2011. For the first time Coventry would be coming on board, with funding, on this contract.
- g. A report had been produced regarding Concessionary Travel for young people, which set out potential costs of up to £2m. A meeting with Councillor Seccombe and the Youth Parliament was scheduled for 11 December and Members would have a briefing meeting after Council on 15 December. Councillor Whitehouse noted that this would need to be looked at as a substitute or reshaping of current arrangements, such as the Post 16 Travel.

The Chair thanked Councillor Cockburn for his update.

#### **4. Quarter 2 – Corporate Performance Report 2009/10**

The Committee considered the report of the Portfolio Holders for Environment and Economic Development presenting mid-year performance for 2009/10 under the enhanced performance management arrangements.

Members pointed out that the typeface on the appendices was too small and difficult to read. They also felt that the document was too large and the appendices needed to be in a different order for ease of reference.

The Committee noted the performance and improvement activity of services under their remit and asked that their comments set out above be noted.

#### **5. Project Transform – Sub-Regional Residual Waste Treatment Solution – Evaluation Criteria**

The Committee considered the report of the Strategic Director for Environment and Economy outlining the evaluation criteria to be used throughout the procurement process to evaluate submissions proposed by tenderers for permission for a new residual waste treatment solution to serve the needs of the sub-region (Coventry, Solihull and Warwickshire).

John Daly reminded Members that this report was only looking at the evaluation criteria that would be used to evaluate the bids. This was being done in line with EU Regulations requiring procurement processes to be transparent. He outlined the different stages of the process, where the Councils were currently and clarified the timing, terminology and need

for the evaluation criteria to allow for flexibility in terms of solutions and technology.

The following points were discussed:

1. The bids would be evaluated from an output basis, not an input basis and could include any alternative solution, but would have to be a solution for the whole sub-region.
2. The final contract would be signed on a minimum tonnage level, but suggested final capacity for 2041 would not limit the technical solution.
3. Solutions would have to deliver recycling at both ends of the process, requiring any residuals to be recycled as well.
4. In response to a question regarding the developments at Cemex, Rugby, it was noted that in line with EU regulations around competitive procurement, the Authorities could not approach companies, and Cemex would be in the same position as any other interested party in terms of tendering.
5. Members noted the difficulties faced in carrying forward a big project, taking into account Government legislation and predicted data, in an economic recession.

The Committee accepted the report and requested update reports on a regular basis to monitor progress.

## **6. Warwickshire Local Transport Plan 2011-2026**

The Committee considered the report of the Strategic Director for Environment and Economy setting out the proposed approach for the development of Warwickshire's third Local Transport Plan.

During the discussion that followed the following issues were raised:

1. Locality Forums had been used to channel information into local communities. There had been some problems and if Members were aware of any forums that had not been included, that they should contact Adrian Hart. Adrian Hart undertook to send relevant information to Councillor Les Caborn (Warwick West) and Councillor Michael Doody (Warwick East).
2. The consultation was on the website, and as more detail was available, publicity would increase, including media, Area Committees, libraries etc to ensure people could access the necessary information.
3. An event had been arranged in Leamington Spa that would bring together a wide range of stakeholders, including disabled and pedestrian groups.

The Committee endorsed the approach outlined for the development of Warwickshire's third Local Transport Plan and requested a further report before any final decisions were taken.

## **7. Opportunities and Challenges that the 2012 Olympics will present to Warwickshire**

The Committee considered the report of the Strategic Director for Environment and Economy summarising the work undertaken so far in the lead up to the 2012 Olympics and Paralympic Game, and setting out future options.

During the ensuing discussion the following points were noted:

1. In response to a question regarding the lack of contributions from any District or Borough other than Rugby, it was noted that Stratford District Council had appointed a task and finish group who were due to report back this month.
2. The difficulty in contacting all schools was highlighted and a suggestion was made that another avenue to schools was through governors and an item could be included in the monthly governors' newsletter that went to all schools.
3. One of the key words used for the Olympics was legacy and any project that was given support would have to be sustainable after the event.
4. The cultural aspect of the Olympics presented many opportunities for Warwickshire and could have a huge impact on tourism and the economy. Members agreed that other Districts and Boroughs could find it more beneficial to contribute if the tourism opportunities were better highlighted.

The Committee endorsed the report.

## **8. Food Packaging Regulations and Materials that cannot be Recycled**

The Committee considered the report of the Strategic Director for Environment and Economy giving an overview of the food packaging regulations.

Martin Stott noted that while it was understood that the recycling of plastics was an important issue for the public, plastic was always going to be the most difficult material to recycle. It was not economically viable to recycle most plastics in this country at present due to high contamination of plastics, the inability to mix different plastics and the volume against weight of the material. He added however that there was a need to improve education and to increase the number of people using the existing service to recycle plastic bottles.

Members noted the content of the report and agreed to receive an update at a future date.

## **9. Forward Plan Items Relevant to the Work of the Committee**

The Committee noted the list of provisional items for future meetings.

## **10. Any Other Items**

None.

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Chair

The Committee rose at 12.25 p.m.

