

Warwickshire Waste Partnership - 10 June 2008

Update on Progress with Residual Waste Treatment Projects

Report of the Strategic Director for Environment and Economy on behalf of the Officers Group

Summary

The report summarises progress with the development of projects to provide long-term residual waste treatment facilities.

Recommendation

That the technical consultants working on the data modelling for the Outline Business Case are invited to the next meeting of the Warwickshire Waste Partnership.

1. Background

- 1.1 At the last meeting of the Warwickshire Waste Partnership a report was presented outlining Warwickshire's plans for diverting waste away from landfill by working on two key projects, incorporating partnership working with neighbouring authorities.
- 1.2 The two main projects are:-
 - (i) Working with Staffordshire County Council (SCC) – **Project W2R** (waste to resources).
 - (ii) Working with Coventry City Council (CCC) and Solihull Metropolitan Borough Council (SMBC) – **Project Transform**.

2. Progress with Project W2R

- 2.1 The Outline Business Case (OBC) for PFI credits was submitted to Defra at the end of March and SCC expect final feedback on their application by the end of July.
- 2.2 We have finalised the Memorandum of Understanding for the project and are in the process of agreeing Heads of Terms. The Heads of Terms will be legally binding and will include elements to be included in the contract documents.

- 2.3 The notice informing potential bidders of the contract should be advertised in the Official Journal of the European Union (OJEU) in August. Warwickshire is still proposing to commit 40,000 tonnes per year to the facility on a banded contract basis.
- 2.4 Both North Warwickshire Borough Council and Nuneaton and Bedworth Borough Council have provided letters of support for the project, which contributed to the OBC. It is hoped that these letters of support will satisfy Defra's requirements regarding our commitment to the project, however they may request that a Memorandum of Understanding is developed between WCC and each of the authorities regarding the delivery of waste to the facility.

3. Progress with Project Transform

- 3.1 The Expression of Interest (EOI) for PFI Credits was submitted on the 31 March. A copy of the EOI has been made available on the Project website www.projecttransform.info.
- 3.2 It is anticipated that Defra will approve the EOI, therefore the project team is progressing with the next phase, which is the development of an Outline Business Case (OBC). The OBC is a more detailed document which needs substantive evidence to support it. The deadline for submitting the OBC is the end of October. It is essential that this deadline is met as there will be no further rounds for PFI credits.
- 3.3 The production of the OBC will involve further modelling and projections of future tonnages. This will involve more detailed modelling than was carried out for the EOI. We have appointed consultants Entec and Grant Thornton to assist in the development of the OBC, particularly the technical and financial and modelling.
- 3.4 Assessment of the potential environmental impacts of the waste treatment facility will also be carried out using the Environment Agency's analysis toolkit – Waste and Resources Assessment Tool for the Environment (WRATE).
- 3.5 It is proposed that once further work on the detailed models has been carried out that the technical consultants are invited to give a presentation to the next meeting of the Waste Partnership.

4. Role of Waste Reduction and Recycling

- 4.1 It is important to stress that involvement and development of the long-term residual waste treatment projects will not have a detrimental effect on our ambitions as a Waste Partnership and as individual authorities to increase recycling and composting and also to reduce the amount of waste produced in Warwickshire.
- 4.2 As part of the development of these projects we need to demonstrate how collectively we will increase our levels of recycling and composting, and how we intend to meet the targets set in Warwickshire's Municipal Waste Management Strategy and the Waste Strategy for England 2007.

- 4.3 The key targets set in the Strategy for England are as follows:-
- (i) Recycle and compost 40% of household waste by 2010.
 - (ii) Recycle and compost 45% of household waste by 2015.
 - (iii) Recycle and compost 50% of household waste by 2020
 - (iv) Reduce the amount of household waste not re-used, recycled or composted, aiming for a 45% reduction between 2000 and 2020.
- 4.4 These are challenging targets, but the schemes and initiatives that are being developed such as the changes in collection systems and collection of additional materials as well as the implementation of the Waste Minimisation Strategy will contribute to the targets being met.
- 4.5 The potential impacts of these schemes and initiatives will be fed into the data models that are being developed for the Outline Business Case and will inform the predictions of our future waste treatment requirements. It is essential that we try to provide as accurate a picture as possible to ensure that the end treatment facility is sized to meet our future needs.

5. Financial Implications

- 5.1 The cost of delivering the OBC for Project Transform is being shared between the three participating authorities.

Enquiries: about this report should be made to Kalen Wood, Project Manager, 01926 418064, email kalenwood@warwickshire.gov.uk

Background Papers

Expression of Interest for Private Finance Initiative (PFI) Credits – Project Transform.
Outline Business Case for PFI Credits – Project W2R.

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