

## Warwickshire Waste Partnership – 15 June 2010

### Development of W2R Energy from Waste PFI Project – Progress Update

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

##### Summary

This report provides an update on the development of the proposed Energy from Waste plant (W2R) to serve Northern Warwickshire, being led by Staffordshire County Council.

##### Recommendation

That the Warwickshire Waste Partnership notes the report.

## 1. Background

- 1.1 At the December 2009 meeting of the Warwickshire Waste Partnership a report was presented providing an update regarding a key project to divert residual waste away from landfill named Project W2R (waste to resources). This report provides an update on progress with Project W2R which is being led by Staffordshire County Council.

## 2. Progress with Project W2R

- 2.1 The W2R Energy from Waste (EfW) plant will be capable of processing around 300,000 tonnes of residual waste per annum at Four Ashes, Staffordshire.
- 2.2 It is proposed that Warwickshire sends 35,000 tonnes of waste per annum to the plant. This 35,000 tonnes will consist of all of the residual waste from North Warwickshire Borough and approximately half of the residual waste from Nuneaton and Bedworth Borough.
- 2.3 The estimated annual tonnages for Warwickshire's input into W2R are a minimum of 30,000, probable 35,000, and a guaranteed maximum of 40,000 tonnes.

- 2.4 Veolia as Preferred Bidder was approved by Staffordshire County Council's Cabinet on 19 May and endorsed at their Full Council on 20 May. See **Appendix A**.
- 2.5 In respect of Warwickshire, final affordability of the full business case for W2R was approved by Cabinet on 27 May 2010.
- 2.6 Following a highly-competitive procurement exercise, Defra has highlighted that W2R is so far the only Energy from Waste PFI project to undercut its Outline Business Case (OBC) cost estimates.
- 2.7 As the W2R PFI project is only partially-indexed, its local authority partners will see a dramatic fall in costs in real terms. Staffordshire County Council is predicting that the contract will save its tax payers more than £250 million over the next 25 years while Warwickshire will save around £60 million based on projected inputs.
- 2.8 W2R will also help Warwickshire meet its Landfill Allowance targets and its landfill diversion targets under the County's Municipal Waste Management Strategy.

### **3. Next Steps**

- 3.1 Sign off Inter Authority Agreement (IAA) as approved in principle by Cabinet on 28 January 2010.
- 3.2 It is anticipated that the new Energy from Waste Facility will be operational by December 2013.

**Enquiries:** about this report should be made to David Whitehouse, Project Manager, 01926 - 412961, email davidwhitehouse@warwickshire.gov.uk

### **Background Papers**

None.

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## Warwickshire Waste Partnership – 15 June 2010

### Development of Long-Term Residual Waste Treatment Facility - Progress Update

#### Staffordshire County Council News Release

*For release after 3.30pm Thursday 20th May 2010*

#### **Staffordshire's Energy from Waste saves tax payer over £250m**

Veolia Environmental Services was today confirmed as the "preferred bidder" to run Staffordshire's energy from waste project.

The contract will save Staffordshire tax payers over £250 million over the next 25 years, councillors heard at today's meeting of Staffordshire County Council.

Veolia, which is one of Europe's leaders in the environmental field, was selected as the "preferred bidder" after a rigorous and demanding process.

Planning permission for the plant on the Four Ashes industrial estate in the south of Staffordshire was secured in 2008. The plant will generate enough power for over 32,000 homes. And it will create 40 new jobs.

Cabinet Member for Regeneration and Infrastructure Robert Marshall said Veolia had demonstrated the best value for the tax payer and top quality technological and environmental credentials.

"This is about protecting the tax payer from escalating costs and protecting the environment from mounting piles of rubbish.

"Veolia was up against some very impressive opposition in this world wide field of environmental technology.

"We have harnessed the very best brains in the business to ensure Staffordshire gets maximum value, and maximum quality," he said.

It's one the biggest contracts the County Council has ever signed up to.

The final contract is likely to be signed and sealed in the summer once the legal details have been concluded.

**ends**

**Notes for Editors:**

It's all part of Staffordshire's "Zero Waste to Landfill" strategy, which is tackling head on the growing problem of domestic waste. Staffordshire is dedicated to maximising recycling first, and then recovering energy from the left over residual waste.

The project is central to Staffordshire's drive to protect tax payers and residents from the rising environmental and financial costs of landfill.

The project has already received backing from Government to the tune of £122.4 million – recognising the major contribution it will make to national targets for reducing landfill.

It has also been given the green light by the Audit Commission as being the clear winner in prudent management of tax payers' cash.