

**HERTFORDSHIRE WASTE PARTNERSHIP  
MEMBER GROUP  
MONDAY 21st JULY 2008**

**Item 5a: Waste procurement project – progress report**

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1. The Department of Environment, Food and Rural Affairs (Defra) have confirmed their acceptance of the Expression of Interest (EoI) in PFI credits, the green light for Hertfordshire to produce an Outline Business Case (OBC). Work is underway to complete, by 31<sup>st</sup> October, the OBC. This work is organised and managed as a project, the scope of which covers:-
  - options for long term (25 yrs +) management of Municipal Solid Waste;
  - assessment of the environmental and financial costs/benefits of options;
  - likely capital investment of £200m + on waste treatment infrastructure;
  - likely revenue expenditure of £1bn over 25 years.
2. A Member Advisory Group, chaired by Derrick Ashley, receives regular reports on and gives a political steer to the project. Terence Milner represents waste collection authorities on the group.
3. The project is overseen by a board on which Alan Gough represents the collection authorities on behalf of the HWP's Directors Group.
4. Current key strands of work include the following:-

4.1 Waste growth/recycling targets

The projections of waste growth included in the EoI are being reviewed to ensure they provide a credible basis for future needs. Linked to this is ensuring the Hertfordshire Waste Strategy target of a minimum 50% recycling rate by 2012 is verifiable i.e. that all partners have realistic plans in place enabling the target to be met.

- *The findings of this work will be given in the form of a brief presentation to the meeting: Members will see, first hand, an assessment of progress towards the Strategy target and measures needed to achieve success. This will be further discussed in agenda item 5b.*

4.2 Sites and planning

The feasibility study concluded that waste treatment facilities could be centred on a single site or multiple sites and that further analysis of site availability and planning prospects would be required.

- *This work is progressing and a number of spatial combinations are being considered - one or two processing*

*sites - both options supported by the continued use of the strategically located transfer station at Waterdale. The work is being done taking into account centres of population, transport links and present/likely future operational links with collection activities.*

#### 4.3 Work with neighbouring authorities

Defra are keen that opportunities are assessed for joint working with neighbouring waste disposal authorities, especially Bedfordshire County Council and Luton Borough Council.

- *Exploratory meetings have been held with both authorities and further sessions are planned.*

#### 4.4 Market testing

Prospective suppliers will be invited to a market-testing event in September at which the county council's broad intentions will be presented and companies will have the opportunity to respond.

- *This event should give a clear indication of the level of interest in the provision of waste treatment facilities.*

#### 4.5 Preparation for procurement phase

Whether or not the PFI credits route is chosen, the OBC preparation process is being used as a precursor to the procurement of major waste treatment capacity for the long term.

- *Because procurement for such a large scale solution is complex, work has already begun on planning for the next stage. Significant resources will be required, both internally and from external advisors. It is likely, because of the size of the contract, that an OJEU notice will need to be issued before the end of the OBC process in October.*

#### 4.6 Site visits

Building on previous experience, visits to waste treatment facilities are being organised. Arrangements have been made as follows:-

Tuesday 22 July – Frog Island MBT, East London  
Tuesday 26<sup>th</sup> August – Chineham ERF, Hampshire  
Thursday 28<sup>th</sup> August – Sheffield ERF

- *Invitations were sent on 4<sup>th</sup> July to all HWP Members.*

5. This Group will receive on 13<sup>th</sup> October a full report on the OBC.

**6. For discussion/decision**

1. The Members Group will note progress being made with the waste procurement project and may wish to have further clarification of specific points.
2. On waste growth/recycling targets, Members will note the link with the report at 5b on the agenda.
3. Members who have not already done so may wish to register for one or more of the site visits.