

Item 4: Hertfordshire Waste Procurement Programme: update
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1. The last report on Hertfordshire's waste procurement programme was made to the HWP's Member Group on 13th October 2008. A series of slides charted the background to the Outline Business Case (OBC) for PFI credits, since submitted to the Department of Environment, Food + Rural Affairs (Defra) on 31st October.
2. Hertfordshire's OBC is now undergoing assessment by Defra officials, a process involving clarification of the proposals and many of the technical and financial assumptions behind them. The vast majority of clarifications sought have been dealt with although two issues have needed consideration by Members: on 19th January HCC's Cabinet agreed to adopt a form of words required by Defra to give commitment to the full range of potential costs shown in the "affordability envelope" (the difference between the county council's budget and the reference project costs, over a 25 year period). The Cabinet also agreed to extend the notional timetable by 12 months to allow for a longer town + country planning process, with the operational date of March 2015. Remodelling of the case and adjustments to the preparation of interim contracts will ensure additional PFI credits are available and any exposure to LATS penalties is avoided.
3. Defra are expected to pass the best developed of the current round of OBCs to HM Treasury (HMT). Unofficially, we understand there are four front-runners and that the Hertfordshire OBC is at, or near, the top of the list. HMT's project review group will consider formally these OBCs and make a decision on the award of credits.
4. Work is progressing on preparing for the publication of the OJEU notice in April. This involves, amongst other things, devising an output specification and evaluation methodology. The Intermediate Inter-Authority Agreement (IIAA) covered elsewhere on this agenda will form an important part of the pack of information made available to prospective suppliers.
5. As well as the principal residual waste treatment facility project, other associated work is dealing with the New Barnfield site, the eastern transfer station and the technical feasibility of utilising the heat generated by an EfW plant.

6. Governance arrangements for the programme include a Board and an Advisory Group on which the HWP are represented by Alan Gough and Councillor Terence Milner respectively.