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BARRY KEEL
Chief Executive
Floor 1 - Civic Centre
Plymouth
PL1 2AA

www.plymouth.gov.uk/democracy
www.swdwp.co.uk

Date 13/04/10 Telephone Enquiries 01752 307990 Fax 01752 304819
Please ask for Ross Johnston, Democratic Support Officer e-mail ross.johnston@plymouth.gov.uk

SOUTH WEST DEVON WASTE PARTNERSHIP

DATE: THURSDAY 22 APRIL 2010
TIME: 10.00 AM
**PLACE: THE WARSPITE ROOM, THE COUNCIL HOUSE,
ARMADA WAY, PLYMOUTH, PL1 2AA**

Members –

Councillor Croad, Chair
Councillor Butt, Vice Chair
Councillors Bowyer, Carroll, Hart and Michael Leaves

Observers –

Councillors Brazil, Doggett and Gordon

Members are invited to attend the above meeting to consider the items of business overleaf

BARRY KEEL
CHIEF EXECUTIVE

SOUTH WEST DEVON WASTE PARTNERSHIP

1. INTRODUCTIONS AND APOLOGIES

To introduce attendees and receive apologies for non-attendance submitted by Members.

2. DECLARATIONS OF INTEREST

Members will be asked to make any declarations of interest in respect of items on this agenda.

3. MINUTES (Pages 1 - 4)

To sign and confirm as a correct record the minutes of the meeting held on 21 January 2010.

4. PROJECT UPDATE

Members will receive a verbal update on the project from the Project Director.

5. OVERVIEW OF PROJECT COMMUNICATIONS (Pages 5 - 12)

Members will receive a report on communication activity from January to March 2010 and a summary of the general questions received in the last three months from members of the public, including the partnerships responses.

6. PRESENTATION BY THE ENVIRONMENT AGENCY

Members will receive a presentation from the Environment Agency relating to the regulation, permitting, control and monitoring of energy from waste facilities.

7. ANY OTHER BUSINESS

The Committee will discuss any other items of business.

8. DATE AND LOCATION OF NEXT MEETING

The next Committee meeting is proposed for 22 July 2010 in Exeter at a venue to be confirmed.

9. EXEMPT BUSINESS

To consider passing a resolution under Section 100A(4) of the Local Government Act 1972 to exclude the press and public from the meeting for the following item(s) of business on the grounds that it (they) involve the likely disclosure of exempt information as defined in paragraph(s) 3 of Part 1 of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

PART II (PRIVATE MEETING)

10. OVERVIEW OF CURRENT SOLUTIONS AND BIDDERS FOLLOWING SUBMISSION OF DETAILED SOLUTIONS (ISDS) IN MARCH 2010

Members will be given a presentation overviewing the solutions received from the two bidders as part of the ISDS return in March 2010.

11. REVIEW OF PROJECT PROCUREMENT STRATEGY, PROGRAMME AND FINANCIAL CLOSE PROCESS (Pages 13 - 14)

Members will receive the latest updated project procurement programme from the Project Director and any implications arising from item 10.

12. JOINT SCRUTINY REVIEW

Members will receive an update on the proposal to undertake a joint scrutiny review.

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South West Devon Waste Partnership

Thursday 21 January 2010

PRESENT:

Councillor Croad, in the Chair.
Councillor Butt, Vice Chair.
Councillors Bowyer, Carroll, Hart and Michael Leaves.

Observer Members: Councillors Doggett and Gordon

Apologies for absence: Councillor Julian Brazil

The meeting started at 11.00 am and finished at 12.50 pm.

Note: At a future meeting, the committee will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

24. INTRODUCTIONS AND APOLOGIES

Councillor Roger Croad welcomed members to the meeting.

25. DECLARATIONS OF INTEREST

There were no declarations of interest.

26. MINUTES

Resolved that the minutes of the meeting of the South West Devon Waste Partnership Joint Committee held on Thursday 5 November 2009 are confirmed as a correct record.

27. PROJECT UPDATE

The Partnership received a Project Update Report from the Project Director. Members were informed that –

- (i) following the last meeting of the Partnership the ISDS main stage documents were issued to the three successful participants;
- (ii) throughout the past three months the Partnership and the three participants have had regular ongoing dialogue meetings to develop their detailed solutions which were to be submitted in March 2010;
- (iii) it was publicly announced on 8 January 2010 that SITA, one of the three remaining participants, had formally withdrawn their solution from the procurement process;
- (iv) SITA's withdrawal had left two participants, MVV and Viridor, proposing three solutions at Ernesettle, North Yard Devonport and the New England Quarry site;
- (v) Viridor have submitted a planning application for their proposed site at New England Quarry on 19 January 2010;
- (vi) the Partnership have held a series of public exhibitions over the past three months.

Resolved that the Project Director arrange for the Partnership to visit the three proposed sites submitted as solutions from the two remaining participants.

28. OVERVIEW OF PROJECT COMMUNICATIONS

The Partnership received a Roadshow and Community Engagement Report and an overview of recent and forthcoming communications from the Project Director. Members were informed that –

- (i) during November and December 2009 the Partnership had held seven public roadshows in Plymouth, Torbay, Devon and Saltash;
- (ii) the roadshows allowed the Partnership the opportunity to explain the procurement and planning processes involved in awarding the final waste contract;
- (iii) the Environment Agency were present at each of the roadshows and their attendance proved very useful in answering questions from the public about the future waste treatment process, reassuring them that it was safe and explaining how it would be regulated;
- (iv) the roadshows had been successful and were attended by over 200 people in total. Most of the issues raised related to –
 - the site location;
 - transport links and congestion;
 - emissions and potential health impacts;
- (v) over the past three months the Partnership had received 17 written enquiries relating to the project. The topics discussed varied from energy from waste emissions to the PFI contract;
- (vi) a recent email letter had been sent to all councillors from STIFLE highlighting various opposition issues. It was confirmed that the Partnership project team would be responding to this e-mail in the next day or so from a technical point of view and that this would be copied to all councilors.

The Partnerships Communications Adviser gave a presentation on recent and upcoming communications. Members were informed that –

- (vii) the Partnership is being proactive in its approach to dispelling myths and gathering opinions on the waste contract through a number of avenues, including roadshows, briefings and its website;
- (viii) the Partnership are ensuring that the public were being heard by answering queries, holding roadshows and responding to opposition groups;
- (ix) all enquiries received by the Partnership followed a set procedure to ensure a consistent response was being given;
- (x) the website was continuously being reviewed and updated with frequently asked questions to enable complex information on the project to be readily available;
- (xi) the Partnership was regularly providing briefings to MP's, Elected Members, the Media, the Environment Agency and Statutory Planning Organisations;
- (xii) Viridor had held meetings, roadshows, briefings and had developed a website

and distributed leaflets around the Ivybridge and Lee Mill areas to make the public aware of their proposals;

- (xiii) MVV Umwelt had a company website and were now planning public roadshow events to make the public aware of their proposals.

Members were further informed that the Detailed Solutions (ISDS) would be submitted by the two remaining participants by 5 March 2010.

Resolved that the Project Director respond to STIFLE's email on behalf of the Partnership.

29. **ANY OTHER BUSINESS**

Councillor Butt informed the Committee that Torbay Council would like to offer to run a joint scrutiny review of behalf of the three authorities.

Members of the Partnership commented that –

- (i) each authority should be represented on the scrutiny review;
- (ii) the review should ideally take place during the summer;
- (iii) the exact format and scope of the review would need to be decided but the review should focus on the procurement process and not scrutinise the planning process, the site locations or the chosen participants.

Resolved that a report be submitted to the next meeting of the Partnership on the viability of holding a joint scrutiny review.

30. **DATE AND LOCATION OF NEXT MEETING**

Resolved that the next meeting will be held at 10am on Thursday 15 April 2010 in Plymouth at a venue to be confirmed.

31. **EXEMPT BUSINESS**

Resolved that, under Section 100(A)(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

32. **OVERVIEW OF CURRENT SOLUTIONS AND BIDDERS INVITED TO SUBMIT DETAILED SOLUTIONS (ISDS)**

The Project Director and the Project Manager gave a detailed verbal update on the detailed solutions proposed by each of the short listed bidders.

33. **REVIEW OF PROCUREMENT STRATEGY OPTIONS**

The Project Director presented a Revised Procurement Strategy and Options Report and explained that –

- (i) SITA's recent withdrawal had not unduly affected the procurement as the Partnership were planning to take only two participants forward from the ISDS stage anyway;
- (ii) the ISDS stage now allows the Partnership to evaluate and review the participants' solutions without having to de-select although the option to deselect a solution is still available should a solution not meet minimum

acceptance levels;

- (iii) SITA's withdrawal has allowed the Partnership to review its procurement strategy and there are three options for how to move forward, these are –
- to continue with full submissions at ISDS stage prior to completing competitive dialogue;
 - remove the ISDS stage and continue solely with competitive dialogue process to completion;
 - to require a partial submission at ISDS stage focusing on key issues and information prior to completing competitive dialogue process .

Resolved to endorse the partial submission at ISDS stage prior to completing the competitive dialogue option.

34. **REVIEW OF PROJECT PROCUREMENT PROGRAMME AND PROJECT BUDGET**

The Project Director presented a current and revised Project Programme on the procurement process and explained that –

- (i) the implementation of the partial ISDS stage and dialogue would bring forward the procurement process by two months;
- (ii) the two months that had been brought forward had been reflected in the revised project programme, showing that the preferred bidder announcement had been moved from March 2011 to January 2011.

Resolved to endorse the revised project programme.

SWDWP
Communications report April 2010



South West Devon Waste Partnership
Roadshow and Community Engagement Report – January 2010

This report provides a summary of project related communication activities, written queries and responses made between February 2009 and April 2010.

1. Communication activities

8th & 9th February 2010 – MVV exhibition

MVV held a two day exhibition in Ernesettle and Weston Mill (North Yard site).

The partnership attended the exhibitions to provide members of the public with background information on the objectives of the partnership and the project.

12th March – MP briefing

MPs Linda Gilroy, Alison Seabeck and Gary Streeter attended an update on the project. Specific areas of interest were the proposals for New England Quarry and traffic access for the North Yard site.

12th March – briefing with IIW (Incineration Is Wrong)

IIW is an opposition group against the North Yard Proposal and was formed in February 2010. The partnership met with IIW for the first time on the 12th March to introduce the SWDWP and provide information on the project and the procurement.

15th March – Press release

The partnership released a statement following MVV's decision to focus on its North Yard solution. See appendix 1.

18th March – briefing with STIFLE (Stop The Incinerator Fouling Land at Ernesettle)

STIFLE is an opposition group against the Ernesettle Proposal. The partnership has met with STIFLE on a number of occasions. The partnership provided STIFLE with an update on the project and the current position for the Ernesettle site.

25th March – briefing with South Hams Council

A presentation on the project's aims and objectives and the work of the partnership was delivered to the Council. Specific areas of interest were: the scope of the partnership's consideration of all alternative options, the size of the facility and the effect of the New England Quarry proposals on the procurement, including suggestions of commercial waste

treatment.

2. Summary of written queries received

Over the last three months, the partnership has received 37 written queries relating to the partnership's projects. A number of the letters received have been standard letters opposing the North Yard site. These have been sent to multiple council members and forwarded onto the partnership for response. Detailed below are the general topics and some general information we have provided in response to the written queries received:

2.1 Health

The partnership has invited specialist waste management contractors to propose solutions to meet our future needs and all the proposals being presented include energy from waste facilities. Energy from waste is a clean, proven and reliable process. Waste incinerators have been studied for many years and it has been proved that modern facilities have no measurable effect on human health and do not increase pollution significantly above that which already exists from normal human activities. These conclusions are supported by government agencies such as the Health Protection Agency and other independent qualified organisations. More information is available on our website www.swdwp.co.uk and also on www.hpa.org.uk

Energy from waste facilities are the most highly regulated industrial plants in the UK in terms of their emissions to the atmosphere. Companies are required by law to continually monitor emission levels. Once in operation, an energy from waste facility must conform to the Waste Incineration Directive, which was incorporated into English law through the Waste Incineration (England and Wales) Regulations 2002. This sets strict limits on the quantities of any pollutants a thermal waste treatment plant may produce. Also, a thorough Environmental Impact Assessment (EIA) will be carried out for any site and facility as part of the planning application and permitting process which will be independently assessed.

2.2 Waste minimisation

The proposed energy from waste plant should be seen in the context of the waste hierarchy i.e. Reduce, Reuse, Recycle, Recover Energy, Dispose and the partnership have already allowed for increased waste minimisation efforts alongside significantly improved recycling as part of their modelled future waste projections. These modelled projections have also been refreshed by the partner authorities in October 2009 to take account of the latest waste and population trends.

It has been stressed that local authorities have little control over waste production although the partner authorities through the Devon Authorities Waste Reduction and Recycling Committee has been promoting waste minimisation through a variety of channels including multi media advertising and meeting the public at road shows. Re-use is being promoted through re-sale of items from recycling centres and support for furniture re-use charities.

2.3 Impact on recycling

There will always be a proportion of our waste which cannot be recycled that will need other solutions such as waste contaminated by food or other organic matter (e.g. nappies).

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There are also waste elements that cannot be recycled as it is not sustainable or economic to do so e.g. composite materials, carpet, mattresses etc. A modern, appropriately sized and regulated facility provides an appropriate treatment arrangement to divert as much of this waste as possible from more harmful landfill.

The partnership has carefully sized the facility (i.e. limiting the capacity of the plant) for projected future needs such that there will be scope to increase recycling to latest national target levels set by the government and beyond. Our new facility will be part of an integrated waste management solution sized to meet the needs of South West Devon, so as not to 'crowd out' recycling. The partnership, along with the District Councils, are making strenuous efforts to further increase the level of materials recycled in the area and this has been allowed for in forecasting our future needs.

Energy from waste plants generally rely on a relatively poor quality waste stream. The plants do not work so efficiently if fed materials with high energy content, such as a lot of plastics. So rather than discourage recycling, it is important that items of high energy content are extracted and recycled leaving a 'lower calorie' waste stream for the plant to incinerate.

The system cannot be viewed in isolation – it relies on a fully integrated process where reduce, reuse, and recycling are the first elements of the waste treatment. This type of integrated scheme is fully in line with UK Government policy and EU legislation. It reflects the move away from landfill towards increased recycling and recovering some value from waste, such as generating energy.

2.4 Effects on the local community

Potential light and noise impacts will be assessed and any issues dealt with as part of the planning and Environmental Permitting process. Notwithstanding this, there is no reason why a facility of this type would require lighting beyond that needed for vehicle movements to and from the facility. Also noise levels from the process can be controlled and would not normally be audible outside the main building.

Facilities of this type generally create 200 jobs during construction and approximately 30 jobs for the general day-to-day running of the facility.

2.5 Stack height

The height of the chimney for a waste to energy plant will be calculated to ensure adequate dispersal of any flue gasses regardless of weather conditions and must be calculated for each specific site according to topography and weather conditions. Contractors will undertake extensive air quality investigations and dispersion modelling as part of their proposals, which will determine the exact chimney height. This exercise has yet to be completed by the bidders but it is usual for a facility of this capacity to have a chimney in the region of 90 metres tall. This structure would be designed to complement the facility architecture and minimise adverse visual impact as far as possible.

2.6 Sustainability

The impact of transportation to and from the proposed sites will be assessed as part of the procurement and also as part of the planning application process. Some consideration has already been given to transportation issues as part of the site identification and this will be

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further reviewed through the bid evaluation process used by the South West Devon Waste Partnership to select the preferred bidder.

In terms of location, the largest proportion of residual waste (by Council) going to the energy from waste facility will be generated in Plymouth and hence locating the facility in or near to Plymouth will reduce the miles that waste has to travel overall.

2.7 Traffic

As part of the planning process contractors will be required to produce detailed studies of the projected traffic flows and ensure they will have no unacceptable adverse impacts on existing transport network. If road improvements are deemed to be required these will be undertaken as part of the project works.

The waste which will be delivered to the new facility is currently being delivered to one of two landfill sites. Refuse collection vehicles currently collect waste from Plymouth and parts of South Hams and take it to Chelson Meadow from where it is loaded onto bulk tipping vehicles for onward transport via the A38 to a landfill in Cornwall. Similar bulk tippers carry waste from West Devon to the same landfill. Waste from Torbay, parts of South Hams and Teignbridge is currently taken to a landfill near to Newton Abbot. Depending on the final site location chosen it maybe possible to reduce the amount of waste miles travelled and potential increased use of bulk tipping vehicles to transport waste may make it possible to plan deliveries to avoid times of day when the traffic is particularly heavy.

2.8 PFI

The Government's Private Finance Initiative (PFI) programme has been used widely for building schools and hospitals around the UK. It is a way of funding major capital projects such as large scale building, construction or infrastructure projects with an appropriate risk transfer to the private sector without having to use money directly from the 'local public purse' – i.e. the council. If the partnership's project were unable to attract central government PFI support, alternative funding mechanisms would result in an associated rise in council tax for residents.

PFI contracts are long term; the partnership is looking for a contract over the next 30 years. This is because it is a major investment: the costs of building the facility and operating it are borne by the contractor, so there needs to be some long-term security and certainty. The contractor needs to know that they are guaranteed to get our waste for a definite amount of time – assuming they meet all the performance and agreed standards. PFI contracts are designed around an 'output specification', so that if the contractor does not meet our high-level specific requirements or there are performance issues, the partnership can withhold payment or even terminate the agreement. Flexibility can also be built into the contract to recognise and manage future changes.

2.9 Need for a solution

Regarding other waste management solutions, each partner council considered a range of alternative waste treatment options as part of their Municipal Waste Management Strategy development and options were again considered as part of the partnership's outline business case. These option appraisals' each concluded that a thermal process recovering energy from waste was a preferred option for treating our residual waste alongside

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increased recycling and waste minimisation.

Our potential energy from waste solution intends to only treat the residual waste which has not been removed by waste minimisation and recycling initiatives. The partnership has calculated its future residual waste tonnage need on the basis that the partnership authorities will continue to improve recycling rates until they are over 50%. In addition, our future needs have also considered future local population trends which are predicted to rise.

The overall strategy and justification for engaging in this procurement can be found in the Outline Business Case which is available within Documents section of our partnership website.

By way of background to the project, like most authorities, the partnership councils currently rely on landfill for the disposal of the majority of their waste that cannot be reused, recycled or composted. Landfills produce harmful methane gas which contributes to global warming and also toxic liquid leachate which can be extremely damaging to the environment. To reduce the reliance on landfill the Government has increased landfill tax so that everyone will be paying £72 per tonne tax by 2013, having risen from £7 per tonne when it was first introduced in 1996.

In addition, the Government has given all councils an annual decreasing allowance of biodegradable municipal waste that we can landfill every year, or risk fines at £150 for each tonne over our allowance. The cost of not finding an alternative solution will therefore result in significant council tax increases. Over the expected life of the contract, an energy from waste solution is estimated to be at least £150m lower than continuing with landfill (including government PFI support) with alternative waste treatment solutions estimated to be currently more expensive than landfill.

Our evaluation has also estimated that an energy from waste solution would save approximately 38,000 tonnes of carbon equivalent per year compared to landfill disposal. This is the equivalent of removing approximately 14,000 medium sized cars from the road per year within the partnership area. In addition, if the heat generated from the process can be used productively this could increase the figure by up to a further 40,000 tonnes saved, the equivalent of removing a further 15,000 medium sized cars.

3. Media Enquiries

Enquiries have been focused around three key areas:

The new opposition group, Incineration is Wrong – has attracted substantial media attention, with a community meeting and the launch of their official group.

The proposals for New England Quarry have also been subject to media interest, with Eco Ivy and Save Our South Hams expressing their opposition to the plans; the partnership was invited to give the context for the proposals.

The withdrawal of the Ernesettle site also featured in numerous media outlets. Whilst the partnership gave limited comment, we also assisted with MVV's response.

Appendix 1



On behalf of South West Devon Waste Partnership

15 March 2010

MVV concentrating on Devonport North Yard proposal for South West Devon Waste Partnership

The South West Devon Waste Partnership has been notified that MVV is now concentrating its efforts on a single bid proposal for an Energy from Waste facility on a site at North Yard, Devonport.

Mark Turner, Project Director for SWDWP said: "MVV have decided to focus on their bid solution at North Yard, Devonport. We have always been aware that MVV would only be likely to take one proposal through to the final tender stage, so this is not entirely unexpected."

The Ernesettle site still remains allocated within Plymouth City Council's planning framework and is classed as being suitable for strategic waste management facilities, this includes the site being used as a waste management facility in the future. More information is available under the planning section of Plymouth City Council's website www.plymouth.gov.uk.

The Partnership now has two companies proposing solutions at two sites: These are:

MVV Umwelt - North Yard HM Naval Base Devonport

Viridor - New England Quarry

For more information, please see www.swdwp.co.uk

ENDS

Editors' Notes

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An announcement on preferred bidder will be made in early 2011.

Like most authorities, the partnership councils currently rely on landfill for the disposal of the majority of their waste that cannot be reused, recycled or composted. Landfills produce harmful methane gas which contributes to global warming and also toxic liquid leachate which can be extremely damaging to the environment. To reduce the reliance on landfill, the Government has increased landfill tax so that we will be paying £72 per tonne tax by 2013 (having risen from £7 per tonne when first introduced in 1996). In addition, the Government has given all councils an annual decreasing allowance of biodegradable municipal waste that we can landfill every year, or risk fines of £150 for each tonne over our allowance.

Our evaluation has also estimated that an energy from waste solution would save approximately 38 000 tonnes of carbon equivalent per year compared to landfill disposal. In addition, if the heat generated from the process can be used productively this will increase the figure by a about another 40 000 tonnes saved.

For more information please contact Liz Waugh on 01752 847135 or Jane Slavin (PCC) on 01752 304049.

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