Public Document Pack

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

www.plymouth.gov.uk/democracy

Date: 27/01/11 Telephone Enquiries 01752 304867 Fax 01752 304819

Please ask for Nicola Kirby, Senior Democratic Support Officer (Cabinet) e-mail nicola.kirby@plymouth.gov.uk

CABINET – SPECIAL MEETING

DATE: MONDAY 7 FEBRUARY 2011
TIME: 1PM
PLACE: COUNCIL HOUSE, PLYMOUTH

Members –
Councillor Mrs Pengelly, Chair
Councillor Fry, Vice Chair
Councillors Bowyer, Brookshaw, Jordan, Michael Leaves, Sam Leaves, Monahan, Mrs Watkins and Wigens

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

Members and Officers are requested to sign the attendance list at the meeting.

Please note that, unless the Chair agrees, mobile phones should be switched off and speech, video and photographic equipment should not be used during meetings.

BARRY KEEL
CHIEF EXECUTIVE

CABINET

AGENDA PART I (PUBLIC MEETING)

AGENDA

PART I – PUBLIC MEETING

1. APOLOGIES

To receive apologies for non-attendance submitted by Cabinet Members.

2. DECLARATIONS OF INTEREST

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

3. QUESTIONS FROM THE PUBLIC

To receive questions from the public in accordance with the Constitution.

Questions, of no longer than 50 words, can be submitted to the Democratic Support Unit, Corporate Support Department, Plymouth City Council, Civic Centre, Plymouth, PL1 2AA, or email to democraticsupport@plymouth.gov.uk. Any questions must be received at least five clear working days before the date of the meeting.

CABINET MEMBER: COUNCILLOR MICHAEL LEAVES

4. APPROVAL OF SOUTH WEST DEVON WASTE PARTNERSHIP - FINAL BUSINESS CASE FOR THE PROCUREMENT OF WASTE TREATMENT SERVICES **(Pages 1 - 178)**

CMT Lead Officer: Director for Development and Regeneration

In accordance with the Constitution (Cabinet Procedure Rules Para. 2.2 refers), non Cabinet members may only address the Cabinet with the permission of the Leader or the person presiding.

5. 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(s) the likely disclosure of exempt information as defined in paragraph(s) of Part 1 of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

PART II (PRIVATE MEETING)

MEMBERS OF THE PUBLIC TO NOTE

That under the law, the Committee is entitled to consider certain items in private. Members of the public will be asked to leave the meeting when such items are discussed.

Nil

This page is intentionally left blank

Agenda Item 4

CITY OF PLYMOUTH

Subject:	Approval of South West Devon Waste Partnership - Final Business Case for the Procurement of Waste Treatment Services
Committee:	Cabinet
Date:	7 February 2011
Cabinet Member:	Councillor Michael Leaves
CMT Member:	Director for Development and Regeneration
Author:	Mark Turner; Waste Projects and Commercial Manager
Contact:	Tel: 01752 304991 e-mail: mark.turner@plymouth.gov.uk
Ref:	MT Feb11
Key Decision:	Yes
Part:	I

---

1. Executive Summary:

1.1 Plymouth City Council's Municipal Waste Management Strategy (MWMS), adopted in April 2007, recommended that maximising the recovery of energy from waste (EfW) was the Authority's preferred solution for dealing with its long term residual waste treatment needs after the optimisation of recycling and composting through existing and new initiatives. This strategy also suggested that joint working be explored as a means of delivering the long-term solution.

1.2 In April 2008, Plymouth City Council approved an Outline Business Case (OBC) for the Procurement of Waste Treatment Services working in partnership with Devon County Council, and Torbay Council as the South West Devon Waste Partnership (SWDWP). The OBC established a theoretical, costed and deliverable future waste solution called a Reference Project. This Reference Project included each Authority's commitment to increase recycling and minimise waste along with a theoretical residual waste treatment project called a Reference Case, which was for a single shared energy from waste facility jointly procured via a 25-year contract with central government Private Finance Initiative (PFI) funding support.

1.3 The three Authorities also signed a legally binding Joint Working Agreement (JWA) in April 2008 which set out the shared governance, delegations and joint working arrangements for the procurement and management of the residual waste treatment and disposal solution.

1.4 In October 2008, Defra confirmed that the OBC submitted in April 2008 had been endorsed by HM Treasury's Project Review Group and that central

government revenue support would be offered to the value of £95 million PFI credits (equivalent to £177m over the life of the contract). Following the Government's Strategic Spending Review in October 2010, Defra confirmed that this project would continue to be supported with PFI credits subject to its approval of a Final Business Case (FBC).

1.5 The procurement process for the shared long-term residual waste treatment solution is nearing completion and MVV Umwelt have been approved by the SWDWP Joint Committee as the Preferred Bidder offering the most economically advantageous tender. A draft Final Business Case has now been produced which includes MVV's proposed solution.

1.6 In accordance with the Joint Working Agreement, this report seeks Cabinet's agreement that MVV's solution is within the affordability envelope set-out in the Outline Business Case and that the approval of the Final Business Case can be delegated to the SWDWP Chair of the Project Executive prior to submission to Defra for their PFI credit approval.

2.0 Corporate Plan 2010-2013 as amended by the four new priorities for the City and Council:

2.1 This report and the associated recommendations contributes to the Delivering Growth and Value for Communities Corporate priorities by providing essential new infrastructure to treat the Council's residual waste and by providing more efficient service delivery to our customers.

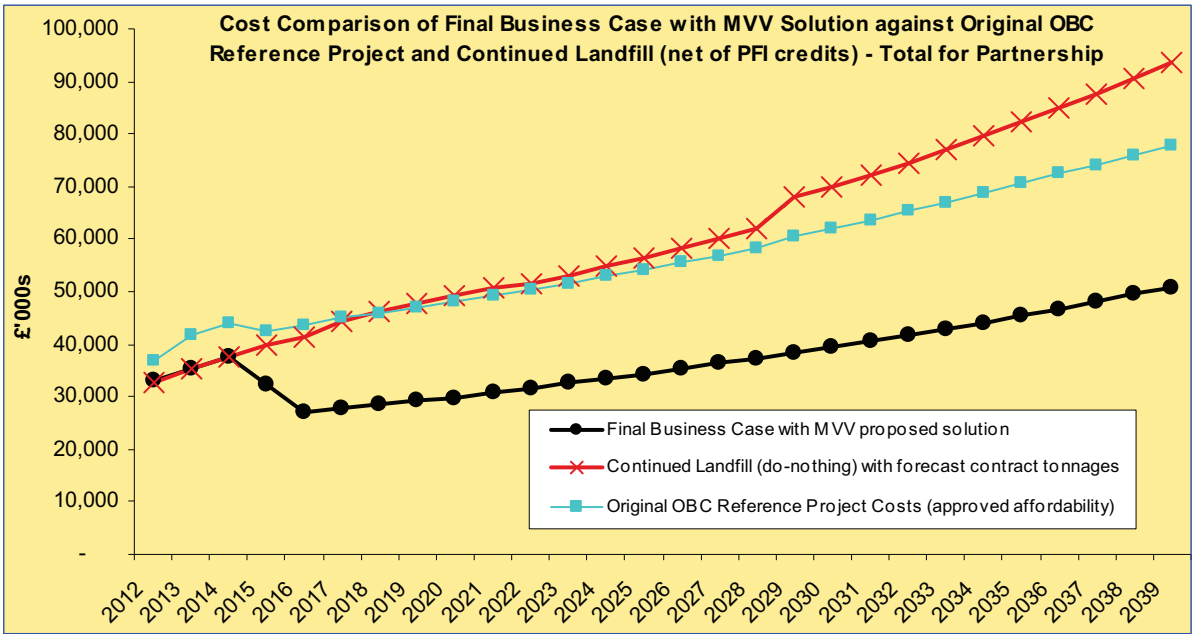
2.2 This report also sets out proposals which will contribute to the delivery of Plymouth City Council's adopted Municipal Waste Management Strategy (MWMS).

3.0 Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

3.1 Financial implications of the Final Business Case

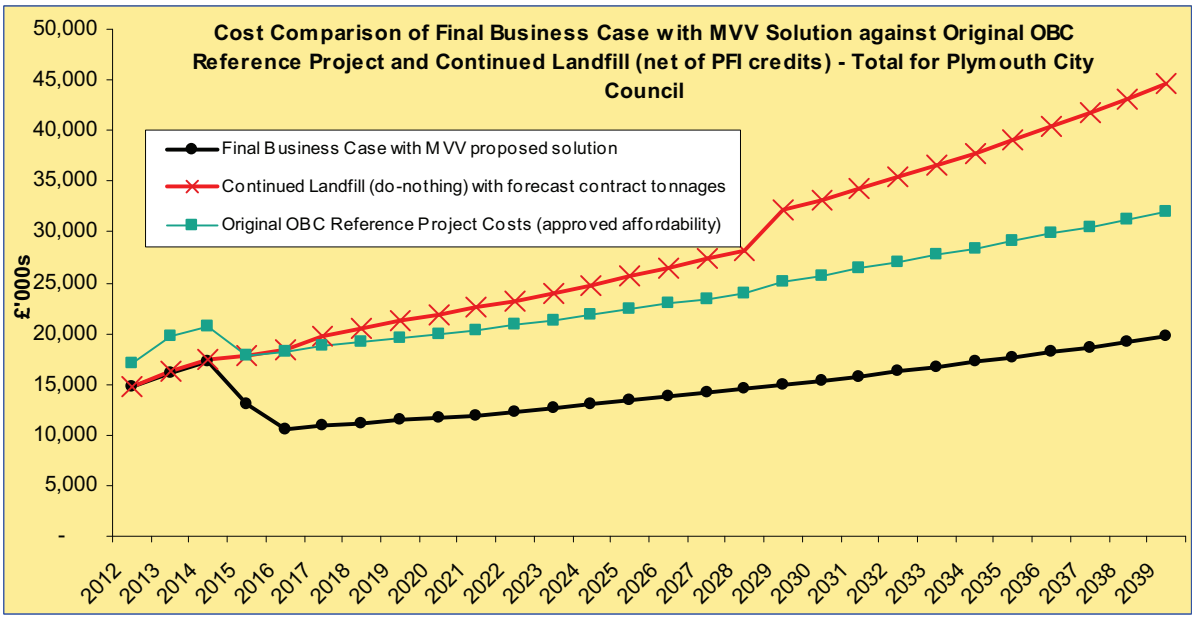
3.1.1 The Final Business Case updates the Outline Business Case Reference Project information to include MVV's solution. The cost profile of the partnership's Final Business Case solution incorporating MVV's proposed solution is presented at Figure 1 and is compared against the approved affordability position from the original Outline Business Case, and the continued landfill (do-nothing) option. Figure 1 (and Figure 2) show the total waste management cost for the partnership authorities, including recycling and composting in addition to the MVV solution for treatment of residual waste.

Figure 1: Comparison of annual Partnership costs until 2039 for FBC, OBC Reference Project, and the continued landfill (do-nothing) with contract tonnages



3.1.2 Figures 2 shows the same cost profile for Plymouth City Council and shows that the Final Business Case incorporating MVV's solution is well within the approved affordability envelope and significantly lower than the continued landfill option.

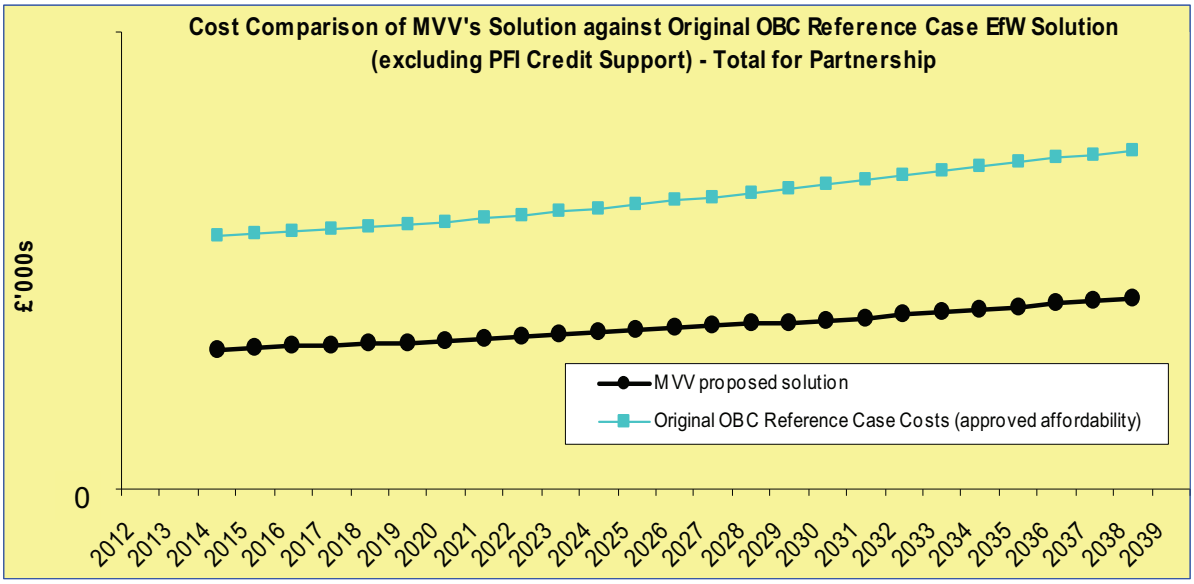
Figure 2: Comparison of Plymouth City Council costs until 2039 for FBC, OBC Reference Project, and the continued landfill (do-nothing) with contract tonnages



3.1.3 In order to confirm to each Council that MVV's solution is within the affordability position approved in the Outline Business Case, the Section 151 Officers from each Council have each written a letter to provide their assurance of this position. These letters are included in the background report Appendix A.

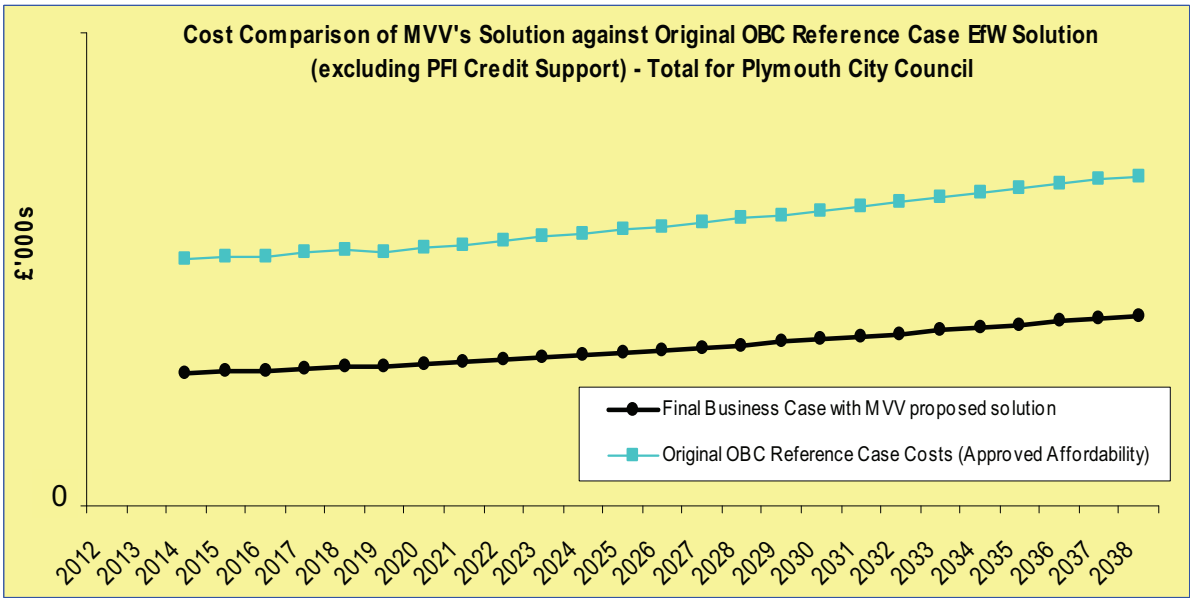
3.1.4 The cost profile for the Partnership of MVV's proposed solution compared against the Reference Case affordability approved within the Outline Business Case is presented at Figure 3 below noting that the financial scale has been omitted in order to maintain the commercial confidentiality of MVV's solution. Figure 3 (and Figure 4) show year by year comparisons of disposing of the residual waste for the partnership's authorities.

Figure 3: Annual Cost Comparison of MVV's Solution and OBC Reference Case for Partnership



3.1.5 Figure 4 below shows the same cost profile for Plymouth City Council and shows that MVV's solution is within the original approved Outline Business Case EfW Reference Case. As with figure 3, the financial scale has been omitted to maintain the commercial confidentiality of MVV's solution.

Figure 4: Annual Cost Comparison of MVV's Solution and OBC Reference Case for Plymouth City Council



4.0 Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment (check), etc.

4.1 **Risk Management:** The management of the Authority's municipal waste in the long-term has been identified as a significant strategic risk for many years. The Final Business Case sets out the proposed solution including a shared energy from waste treatment solution with at least 50 per cent recycling rate as a partnership and thereby addresses this risk by providing the optimal long-term solution for the Authority.

4.2 **Risk Management:** A risk register has been developed for the PFI project and will be continually monitored and updated until operational commencement of the PFI project.

4.3 **Environmental Sustainability:** Analysis undertaken as part of the Final Business Case indicates that MVV's solution will result in significant environmental benefits when compared against the current waste management arrangements.

5.0 Recommendations & Reasons for recommended action:

5.1 Recommendation 1:

To agree that the total cost of the solution proposed by MVV is within the affordability criteria set out in the Outline Business Case including headroom; to agree the redacted version of the draft Final Business Case set out at Appendix B and to delegate the approval of the Final Business Case for the Procurement of Waste Treatment Services to Plymouth City Council's Chief Executive Officer as Chair of the Project Executive in consultation with each partner Council's Lead Officer on the Partnership Project Executive (Devon County Council, Deputy Executive Director for Environment, Economy and Culture, Plymouth City Council, Director for Development and Torbay Council, Environment Commissioner).

Reason: The Final Business Case must be submitted to Defra. It contains highly sensitive commercial and confidential information and it is thought that the most expedient manner of dealing with the final sign-off is to delegate the task to the Plymouth Chief Executive Officer.

5.2 Recommendation 2:

That the Council formally confirm to Defra that it is committed to meeting its share of the cost of this project over the lifetime of the PFI contract. The most realistic sensitivity scenario included in the Final Business Case revenue cost estimates is an 18-month delay and a foreign exchange rate Euro movement to 1.05. It is recommended that this scenario be allowed for as headroom over the whole life of the project which equates to £33million for the Partnership as

a whole and £16m for Plymouth City Council, £5million for Torbay Council and £12million for Devon County Council.

Reason: As stated, Defra require members to be aware of the potential cost implications of sensitivities affecting the project cost before entering into the PFI contract. The Council recognises that whiles many costs will be fixed at financial close, certain cost risks will remain with the Council throughout the life of the contract such as those set out within sensitivity analysis scenarios.

6.0 Alternative options considered and reasons for recommended action:

6.1 To not approve the Final Business Case.

Given that the Council's projected revenue costs in the Final Business Case are within that set out in the Outline Business Case, not approving the Final Business Case will result in any Council being in breach of Clause 8.2.4 of Schedule C to the Joint Working Agreement. Such a breach of contract will result in the Council being liable for the losses suffered by the other two partner Authorities.

In accordance with the Joint Working Agreement clause 17, any Council withdrawing from the Partnership will be liable for the losses of the other two partner Authorities. These losses would include: re-procurement costs; costs arising from any delay in re-procuring a new solution (likely 2-year delay); and any loss of PFI credit support that would have been due to the other Authorities. It is likely that cost liabilities for these areas for any partner Council would amount to over £100million plus the additional cost differential between any newly procured solution and the solution currently offered by MVV. This would likely be the same order of cost again if not significantly more.

6.2 To delay the approval of the Final Business Case to consider other waste treatment options

Various waste treatment options were considered by each partner Council as part of their Municipal Waste Management Strategy development and again as part of the OBC development – the proposed FBC solution accords to the preferred solution identified in each of these option appraisals. Additionally, to delay the approval of the FBC will almost certainly result in the loss of PFI credit support from Defra valued at £177m over the life of the contract and would potentially result in the loss of the MVV solution or at the very least result in significant delay costs through inflation and continued use of landfill and possibly a procurement challenge to the Partnership Councils. It would also significantly damage the Partnership's reputation with the waste market which would make it more difficult to attract future private sector partners for any revised proposal.

---

7. Background papers:

7.1 Background Reports and Papers associated with this report are:

- Devon Audit Partnership – SWDWP. Call For Final Tenders. Bid Opening and Evaluation - December 2010 (not attached)
- SWDWP – Procurement of Waste Treatment Services - Outline Business Case – April 2008 (not attached)
- SWDWP – Joint Working Agreement – signed 28th April 2008 (not attached)

Fin	DevF10110 046/20.01. 11/CDR	Leg	1070 3/AT	HR	N/A	Corp Prop	N/A	IT	N/A	Strat Proc	PWC101 1.010
Originating SMT Member: Mark Turner											

South West Devon Waste Partnership - Final Business Case for the Procurement of Waste Treatment Services

Background Report

1 Background

1.1 Devon County Council (DCC), Torbay Council (TC) and Plymouth City Council (PCC) have each developed and adopted their own Municipal Waste Management Strategies (MWMS). The general thrust of each of these strategies is to minimise the amount of waste collected, increase the amount of waste recycled and composted, and to recover energy from the residual waste that cannot be reused and recycled using an energy-from-waste (thermal) solution.

1.2 Through these waste strategies, each Council has confirmed its commitment to adhere to the waste hierarchy which ensures that waste re-use and recycling will be promoted and improved in preference to recovering energy through a residual waste treatment solution.

1.3 In April 2008, Devon County Council, Torbay Council and Plymouth City Council each approved an Outline Business Case (OBC) for the Procurement of Waste Treatment Services. In addition the three Councils agreed to work in partnership as the South West Devon Waste Partnership (SWDWP). Each signed a legally binding Joint Working Agreement which set out the shared governance and joint working arrangements for the procurement and management of the residual waste treatment and disposal solution.

1.4 The Outline Business Case established a theoretical and deliverable solution called a Reference Project which was fully costed including a headroom (contingency) allowance. This Reference Project included each Authority's commitment to increase recycling and minimise waste along with a theoretical residual waste treatment solution, called a Reference Case. This was a single shared energy from waste facility jointly procured via a 25-year contract with central government Private Finance Initiative (PFI) funding support.

1.5 In October 2008, Defra confirmed that the Partnership's OBC had been endorsed by HM Treasury's Project Review Group and that central government revenue support would be offered to the value of £95 million PFI credits (equivalent to £177m over the life of the contract). This financial support is subject to Defra's approval of a Final Business Case.

2 Procurement of a long-term residual waste treatment solution via PFI

2.1 In October 2008, following Defra's PFI approval, the Partnership began its formal Competitive Dialogue procurement process to procure a 25-year residual waste treatment and disposal solution in compliance with the Public Contracts Regulations 2006 (as amended) and in accordance with Defra's requirements so as to be eligible for PFI credit support.

2.2 Eight international waste management companies met the pre-qualification criteria and commenced the procurement process. Nine outline solutions

were received in April 2009 and five solutions were short listed to proceed to the detailed solution stage. Following further short listing stages the procurement process culminated in the receipt of two final tenders in November 2010.

2.3 These tenders were evaluated against pre-agreed detailed qualitative evaluation criteria set out under six themes: technical, planning, environmental, deliverability, financial and legal. Price was assessed separately and added to the quality score. The evaluation methodology and criteria were approved by the SWDWP Joint Committee in advance of the tender returns and it was agreed that the highest scoring solution would be selected as this would represent the most economically advantageous tender.

2.4 The Devon Audit Partnership, providing an independent internal audit and assurance function, have shadowed South West Devon Waste Partnership's procurement throughout and have attended and witnessed the final bid receipt and evaluation process. Their report summarising the final tender evaluation process is available as a background paper to this report for assurance that the procurement and evaluation have been robustly undertaken.

2.5 The results of the evaluation of final tenders were presented to the Joint Committee on the 16th December 2010. This showed that MVV Umwelt had provided the most economically advantageous tender as assessed against the Partnership's evaluation criteria. In accordance with the Joint Working Agreement, the Joint Committee consequently approved MVV Umwelt as the Preferred Bidder. To not proceed with MVV's solution would lead to a potential legal procurement challenge based on legitimate expectation.

2.6 MVV as a company originated from the public sector in Germany and is still over 50% owned by the City of Mannheim. The major advantage of MVV's proposed solution is that it offers a long-term energy tie-up with Devonport Naval Base and associated Royal Dockyard from operational commencement of the facility. This energy supply arrangement will provide significant environmental and economic benefits to both the Partnership and MOD through the selling of green energy (electricity) and heat directly to the customer (Devonport Naval Base and Dockyard).

2.7 MVV's solution will employ over 30 full time staff along with another 70 or so indirectly. The planning application and environmental permit determination processes will fully assess MVV's solution in terms of environmental impacts and the facility will operate within the safe emission levels set by the Waste Incineration Directive. These emission levels have been defined to ensure that such facilities have no detrimental impact on human health.

3 Final Business Case

3.1 In order to secure PFI credit support, the Partnership is required to submit a Final Business Case (FBC) in a specified format to Defra. This Final Business Case provides an update to the Outline Business Case (OBC) information and presents the commercial, financial and technical details of the residual waste treatment solution proposed by MVV Umwelt. Much of the information contained in the Final Business Case will be of a highly confidential nature;

reflecting the commercial position of the Preferred Bidder. A redacted version of the draft Final Business Case with the commercially confidential information removed is included at Appendix B.

3.2 A first draft of this Final Business Case was submitted to Defra in December 2010 and they have confirmed that the project continues to meet their requirements for PFI credit support. Defra will give their final approval of the Final Business Case after the partner Councils confirm their approval that the solution is within approved affordability parameters. It is not envisaged that the Final Business case will change from its current draft form other that the inclusion of information to reflect the Partnership Councils' decision process.

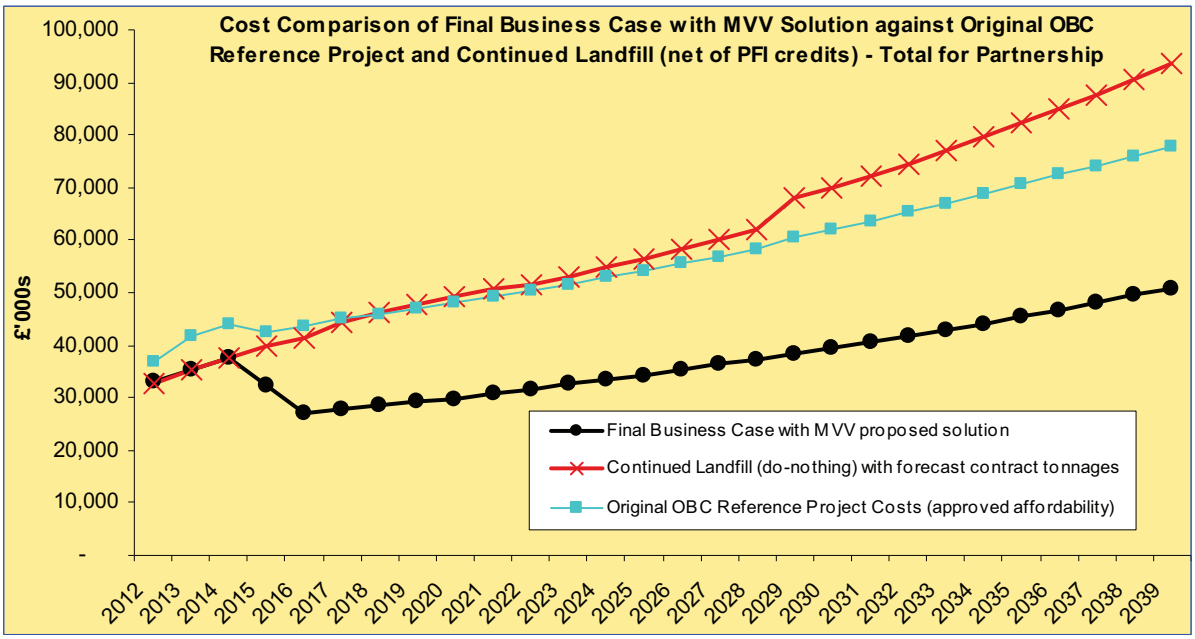
3.3 The Joint Working Agreement provides for the approval of the Final Business Case to be a decision reserved to each of the partner Authorities individually. It also sets out the agreement of the partner Authorities that approval of the FBC will only be withheld on affordability grounds. As detailed below, the solution of the Preferred Bidder is affordable and is within the parameters set out in the OBC. Given this, and the fact that the Final Business Case contains highly commercially confidential information, it is recommended that the approval of the Final Business Case be delegated to Plymouth City Council's Chief Executive Officer as Chair of the Partnership's Project Executive in consultation with each Authority's Lead Officer on the Partnership Project Executive.

4 Affordability of Final Business Case

4.1 The Outline Business Case approved by each partner Council in April 2008 established a Reference Project which was a fully costed solution including a notional end treatment solution and all current and additional recycling. This cost plus each partner Council's share of this Reference Project was approved by each Council for affordability purposes as part of the Outline Business Case approval.

4.2 The Final Business Case now updates the Outline Business Case Reference Project information to include MVV's end treatment solution. The cost profile of the partnership's Final Business Case solution incorporating MVV's proposed solution is presented at Figure 1 and is compared against the affordability position from the original Outline Business Case, and the continued landfill (do-nothing) option. Figure 1 (and Figures 2-4) show the total waste management cost for the partnership authorities, including recycling and composting in addition to the MVV solution for treatment of residual waste.

Figure 1: Comparison of annual Partnership costs until 2039 for FBC, OBC Reference Project, and the continued landfill (do-nothing) with contract tonnages



4.3 Figures 2 to 4 below show the same cost profiles for each partner Council and similarly show the Final Business Case solution with MVV's solution is well within the approved affordability and significantly lower than the continued landfill option.

Figure 2: Comparison of Plymouth City Council costs until 2039 for FBC, OBC Reference Project, and the continued landfill (do-nothing) with contract tonnages

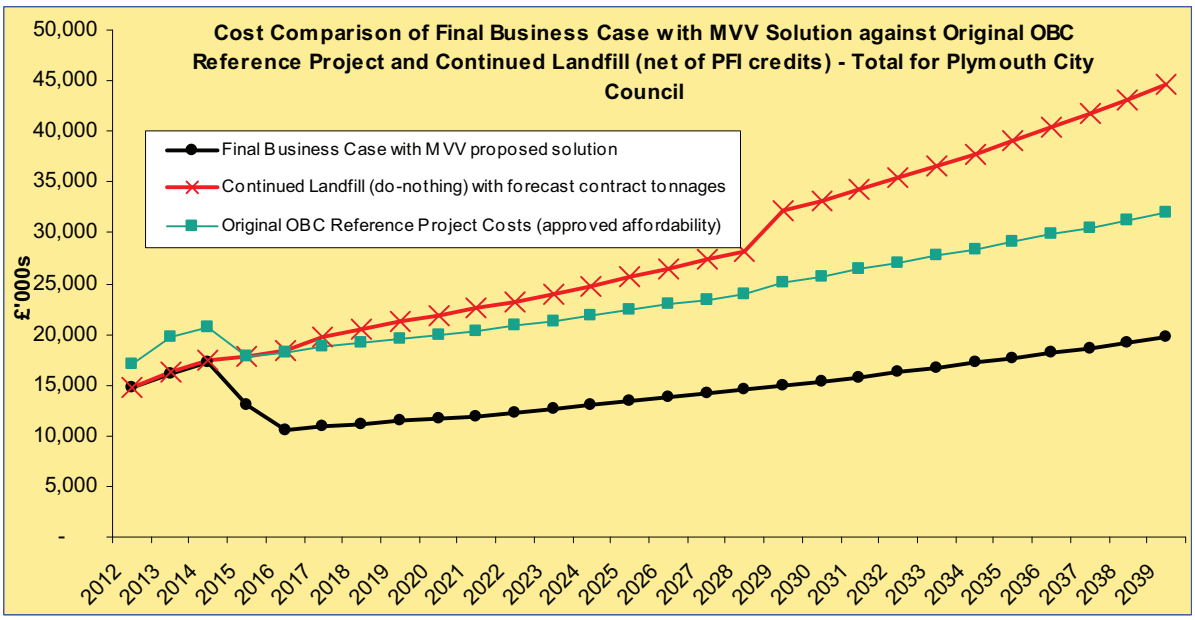


Figure 3: Comparison of Torbay Council costs until 2039 for FBC, OBC Reference Project, and the continued landfill (do-nothing) with contract tonnages

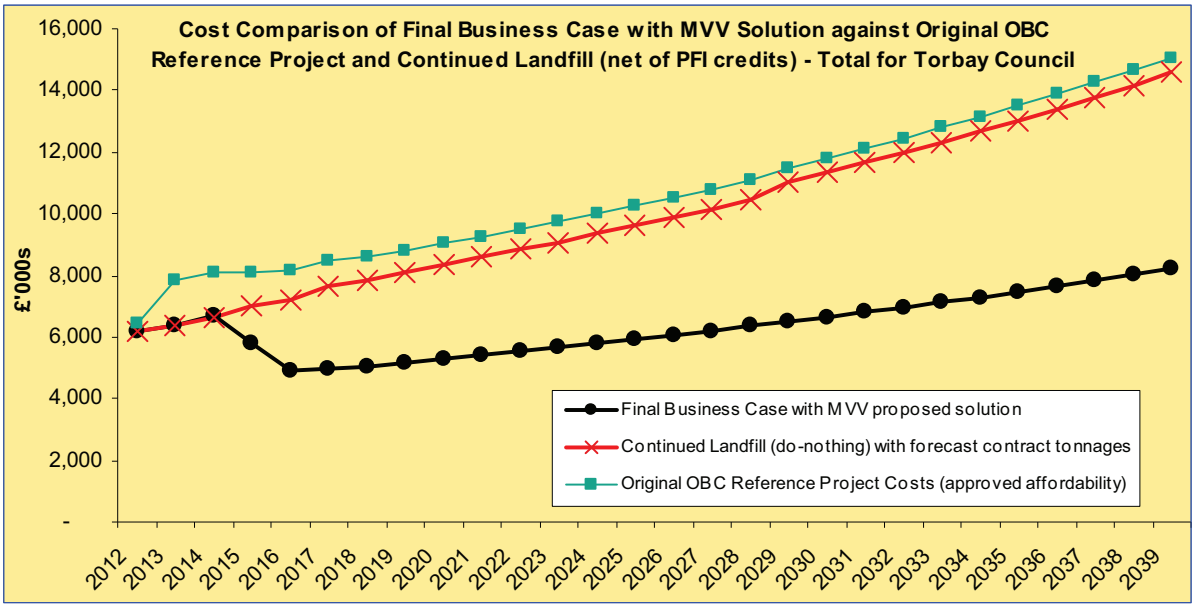
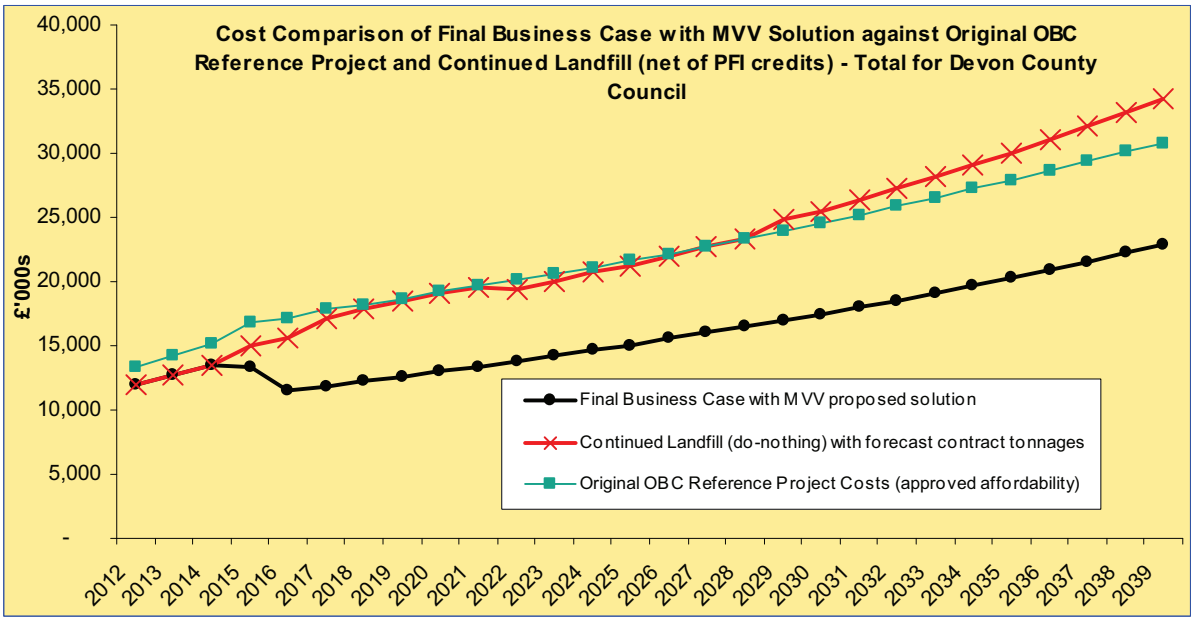


Figure 4: Comparison of Devon County Council costs until 2039 for FBC, OBC Reference Project, and the continued landfill (do-nothing) with contract tonnages



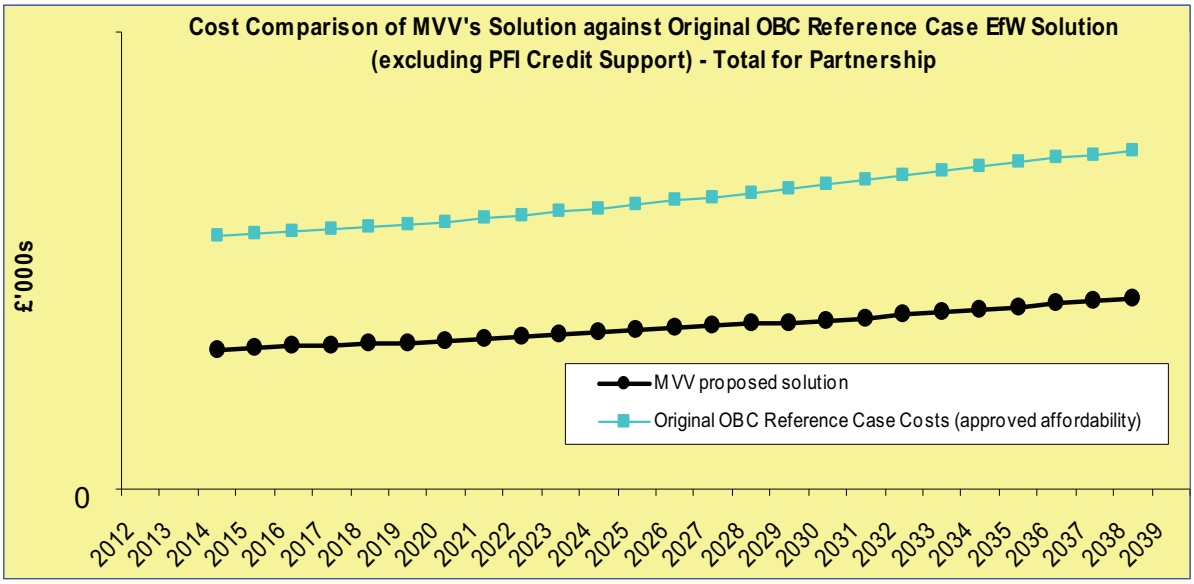
5 Affordability of MVV's end treatment solution

5.1 The Joint Working Agreement states that '*approval of the Final Business Case will only be withheld on affordability grounds if any Council's share of the total cost of the end treatment solution exceeds that set out in the Outline Business Case including headroom or as subsequently amended and approved by all Councils'*. The 'end treatment solution' refers to the Reference Case as set out in the Outline Business Case and the subject of the Partnership's PFI procurement ie MVV's proposed solution.

5.2 In order to confirm to each Council that MVV's solution is within the affordability position approved in the Outline Business Case, the Section 151 Officers from each Council have each written a letter to provide their assurance of this position. These letters are included at Appendix A.

5.3 The cost profile of MVV's proposed solution compared against the Reference Case affordability approved within the Outline Business Case is presented at Figure 5 below noting that the financial scale has been omitted in order to maintain the commercial confidentiality of MVV's solution. Figure 5 (and Figures 6-8) show year by year comparisons of disposing of the residual waste for the partnership's authorities.

Figure 5: Annual Cost Comparison of MVV's Solution and OBC Reference Case for Partnership



5.4 Figures 6 to 8 below and overleaf show the cost profiles for each Council and shows that MVV's solution is within the original the Outline Business Case EfW Reference Case estimate. As with figure 5, the financial scale has been omitted to maintain the commercial confidentiality of MVV's solution.

Figure 6: Annual Cost Comparison of MVV's Solution and OBC Reference Case for Plymouth City Council

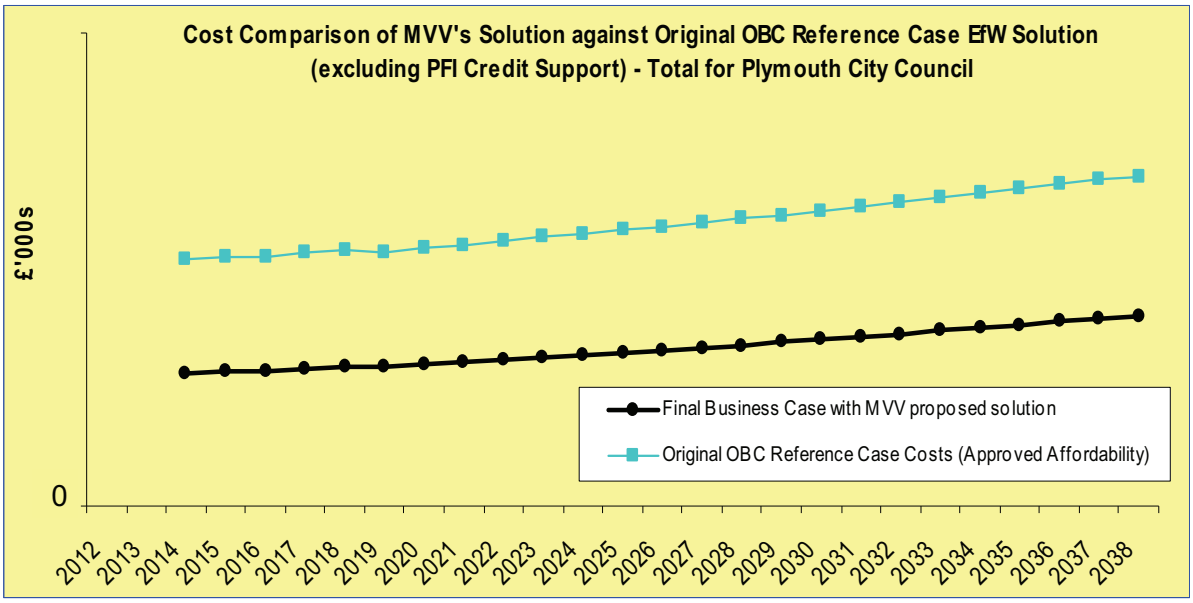


Figure 7: Annual Cost Comparison of MVV's Solution and OBC Reference Case for Torbay Council

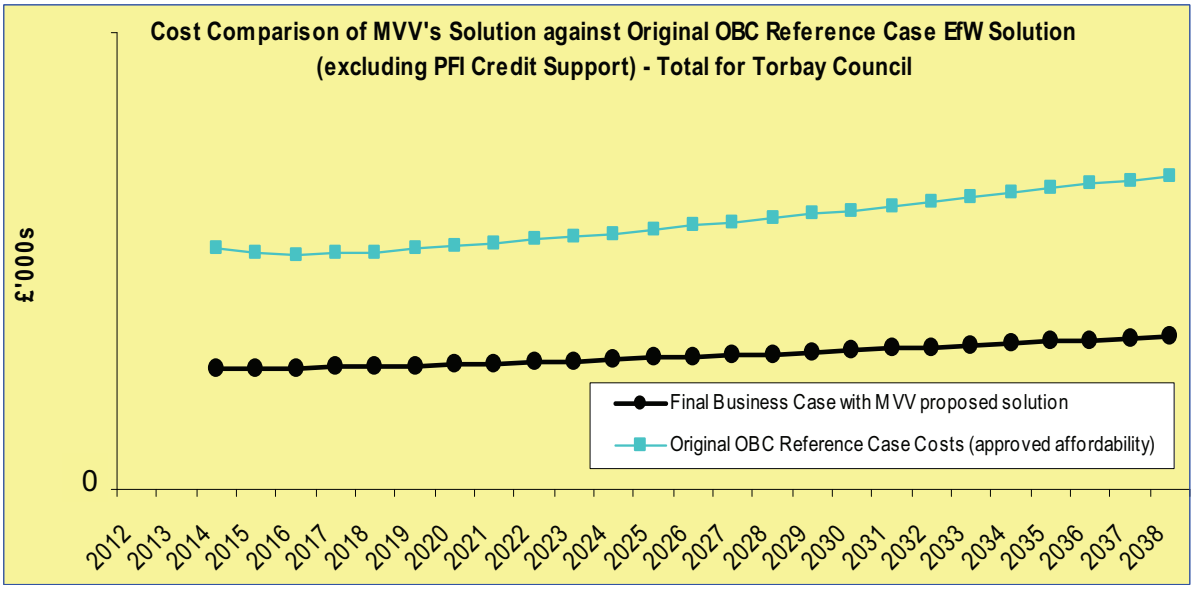
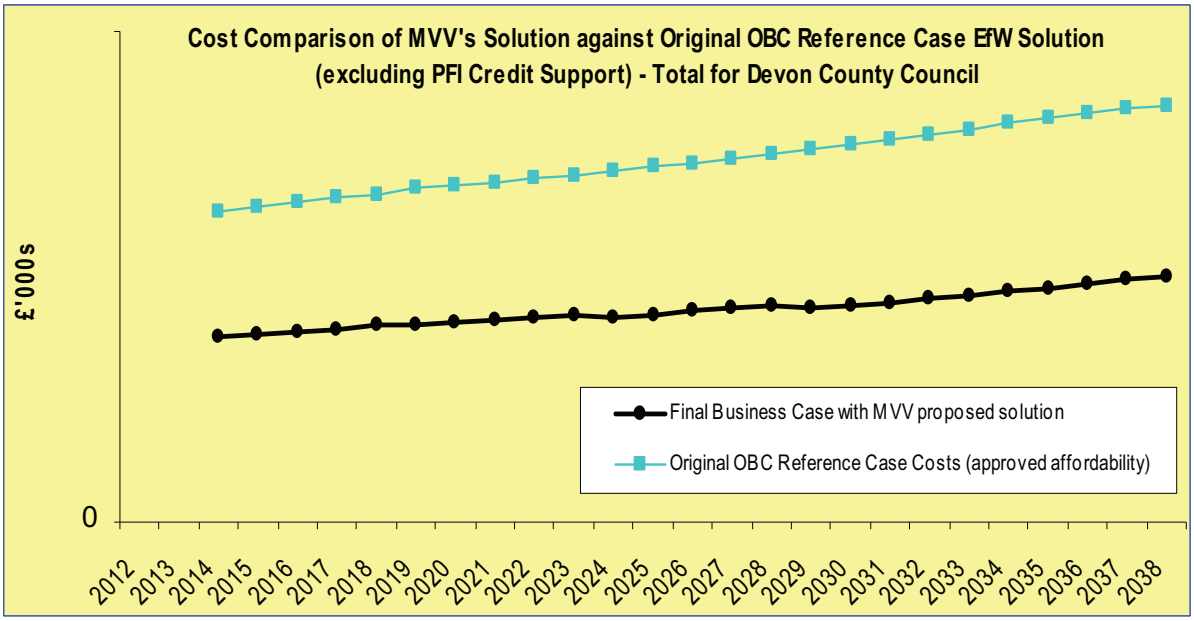


Figure 8: Cost Comparison of MVV's Solution and OBC Reference Case for Devon County Council



5.5 It should be recognised by the partner Councils that, in addition to the cost estimates presented above some headroom (contingency) must be allowed to cover variables that may materialize during the life of the project. Although some allowance has been made additional costs which the Partnership may have to bear could include requirements connected with obtaining planning approval such as additional architectural enhancement, additional offsite works and Section 106 developer contributions.

5.6 From sensitivity analysis undertaken as part of the Final Business Case, it is recommended that the Partnership allow £33million headroom proportioned across the partner Councils. This headroom has been identified to cover an 18-month planning delay and a potential adverse movement in the Euro to £ exchange rate which may materialise before planning is achieved. This headroom would be able to cover other eventualities should they occur.

6 Recommendations & Reasons for recommended action:

6.1 Recommendation 1:

To agree that the total cost of the solution proposed by MVV is within the affordability criteria set out in the Outline Business Case including headroom; to agree the redacted version of the draft Final Business Case set out at Appendix B and to delegate the approval of the Final Business Case for the Procurement of Waste Treatment Services to Plymouth City Council's Chief Executive Officer as Chair of the Project Executive in consultation with each partner Council's Lead Officer on the Partnership Project Executive (Devon County Council, Deputy Executive Director for Environment, Economy and Culture, Plymouth City Council, Director for Development and Torbay Council, Environment Commissioner).

Reason: The Final Business Case must be submitted to Defra. It contains highly sensitive commercial and confidential information and it is thought that the most expedient manner of dealing with the final sign-off is to delegate the task to the Plymouth Chief Executive Officer.

6.2 Recommendation 2:

That the Council formally confirm to Defra that it is committed to meeting its share of the cost of this project over the lifetime of the PFI contract. The most realistic sensitivity scenario included in the Final Business Case revenue cost estimates is an 18-month delay and a foreign exchange rate Euro movement to 1.05. It is recommended that this scenario be allowed for as headroom over the whole life of the project which equates to £33million for the Partnership as a whole and £16m for Plymouth City Council, £5million for Torbay Council and £12million for Devon County Council.

Reason: As stated, Defra require members to be aware of the potential cost implications of sensitivities affecting the project cost before entering into the PFI contract. The Council recognises that whiles many costs will be fixed at financial close, certain cost risks will remain with the Council throughout the life of the contract such as those set out within sensitivity analysis scenarios.

7 Alternative options considered and reasons for recommended actions:

7.1 To not approve the Final Business Case.

Given that the Council's projected revenue costs in the Final Business Case are within that set out in the Outline Business Case, not approving the Final Business Case will result in any Council being in breach of Clause 8.2.4 of Schedule C to the Joint Working Agreement. Such a breach of contract will result in the Council being liable for the losses suffered by the other two partner Authorities.

In accordance with the Joint Working Agreement clause 17, any Council withdrawing from the Partnership will be liable for the losses of the other two partner Authorities. These losses would include: re-procurement costs; costs arising from any delay in re-procuring a new solution (likely 2-year delay); and any loss of PFI credit support that would have been due to the other Authorities. It is likely that cost liabilities for these areas for any partner Council would amount to over £100million plus the additional cost differential between any newly procured solution and the solution currently offered by MVV. This would likely be the same order of cost again if not significantly more.

7.2 To delay the approval of the Final Business Case to consider other waste treatment options

Various waste treatment options were considered by each partner Council as part of their Municipal Waste Management Strategy development and again as part of the OBC development – the proposed FBC solution accords to the preferred solution identified in each of these option appraisals. Additionally, to delay the approval of the FBC will almost certainly result in the loss of PFI credit support from Defra valued at £177m over the life of the contract and would potentially result in the loss of the MVV solution or at the very least result in significant delay costs through inflation and continued use of landfill and possibly a procurement challenge to the Partnership Councils. It would

also significantly damage the Partnership's reputation with the waste market which would make it more difficult to attract future private sector partners for any revised proposal.

8 Background papers

7.2 Background Reports and Papers associated with this report are:

- Devon Audit Partnership – SWDWP. Call For Final Tenders. Bid Opening and Evaluation - December 2010 (not attached)
- SWDWP – Procurement of Waste Treatment Services - Outline Business Case – April 2008 (not attached)
- SWDWP – Joint Working Agreement – signed 28th April 2008 (not attached)

Appendix A – Section 151 Officer letters

BEST ACHIEVING
COUNCIL OF THE YEAR

PLYMOUTH
CITY COUNCIL

To whom it may concern

Adam Broome
Director for Corporate Support

Plymouth City Council
Civic Centre
Plymouth PL1 2AA

T 01752 304940
F 01752 304923
E adam.broome@plymouth.gov.uk
www.plymouth.gov.uk

Please ask for:

Date 24 January 2011 My Ref AB/CR Your Ref

Dear Sir / Madam

S151 Letter of Support for approval of the Final Business Case incorporating MVV Umwelt's solution

Following evaluation of final tenders the Authority's procurement team identified that MVV Umwelt submitted the Most Economically Advantageous Tender (MEAT) to the Partnership. On this basis I supported the recommendation to the Partnership Joint Committee that MVV Umwelt be appointed as preferred bidder, which was approved by them on 16th December 2010. This included having regard to various scenarios, including the cost of an 18 month planning delay combined with an adverse movement in foreign exchange rates post financial close.

I can confirm that I understand Plymouth City Council's estimated proportion of the overall cost of the solution put forward by MVV Umwelt as the preferred bidder, and that this is affordable to the authority when compared to the Outline Business Case which was approved by Full Council in April 2008.

I can also confirm that the Council's medium term budgets take account of the ongoing cost of this project to get to financial close and will take account of the ongoing costs to the point of service delivery. From the point of service delivery which is planned during 2014/15, the Council's medium term budgets will take account of the estimated service contract costs. These will include any revision to the forecast tonnages to be delivered and any inflation increases which form part of the contract.

Yours sincerely

Adam Broome
Director for Corporate Support

Devon
County Council
Corporate Resources

Mary Davis
Director of Finance
County Hall
Topsham Road
Exeter
EX2 4QU

Tel: 01392 383310
Email: mary.davis@devon.gov.uk
Fax: 01392 382542

25 January 2011

Dear Sir/Madam

S151 Letter of Support for approval of the Final Business Case incorporating MVV Umwelt's solution

Following evaluation of final tenders the Authority's procurement team identified that MVV Umwelt submitted the Most Economically Advantageous Tender (MEAT) to the Partnership. On this basis I supported the recommendation to the Partnership Joint Committee that MVV Umwelt be appointed as preferred bidder, which was approved by them on 16th December 2010. This included having regard to various scenarios, including the cost of an 18 month planning delay combined with an adverse movement in foreign exchange rates post financial close.

I can confirm that I understand Devon County Council's estimated proportion of the overall cost of the solution put forward by MVV Umwelt as the preferred bidder, and that this is affordable to the authority when compared to the Outline Business Case which was approved by the Council in April 2008.

I can also confirm that the Council's medium term budgets take account of the ongoing cost of this project to get to financial close and will take account of the ongoing costs to the point of service delivery. From the point of service delivery which is planned during 2014/15, the Council's medium term budgets will take account of the estimated service contract costs. These will include any revision to the forecast tonnages to be delivered and any inflation increases which form part of the contract.

Yours faithfully

M. C. Davis

Mary Davis
Director of Finance

Please reply to: Richard Thorpe
Executive Head – Governance
Town Hall, Castle Circus, Torquay, TQ1 3DR
DX 59006 Torquay 1

My ref: RT/AB
Your ref:
Telephone: 01803 207280
Fax: 01803 207492
E-mail: Richard.Thorpe@torbay.gov.uk

Website: www.torbay.gov.uk
Date: 19 January 2011

Dear Sir / Madam

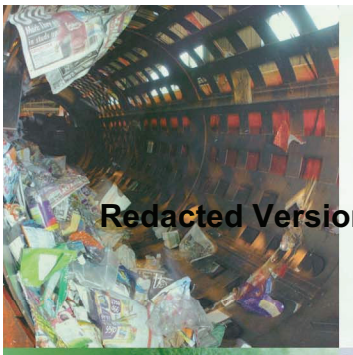
S151 Letter of Support for Approval of the Final Business Case incorporating MVV Umwelt's Solution

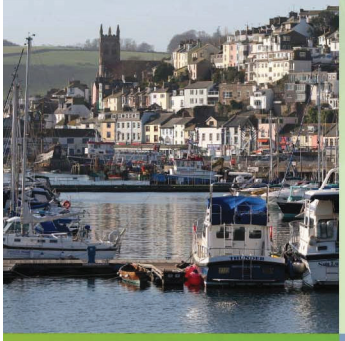
Following evaluation of final tenders, the Authority's Procurement Team identified that MVV Umwelt submitted the Most Economically Advantageous Tender (MEAT) to the Partnership. On this basis, I supported the recommendation to the Partnership Joint Committee that MVV Umwelt be appointed as preferred bidder, which was approved by them on 16 December 2010. This included having regard to various scenarios, including the cost of an 18 month planning delay combined with an adverse movement in foreign exchange rates post financial close.

I can confirm that I understand Torbay Council's estimated proportion of the overall cost of the solution put forward by MVV Umwelt as the preferred bidder, and that this is affordable to the Authority when compared to the Outline Business Case which was approved by the Council's Mayor, in consultation with his Cabinet, in April 2008.

I can also confirm that the Council's medium term budgets take account of the ongoing cost of this project to get to financial close and will take account of the ongoing costs to the point of service delivery. From the point of service delivery which is planned during 2014/15, the Council's medium term budgets will take account of the estimated service contract costs. These will include any revision to the forecast tonnages to be delivered and any inflation increases which form part of the contract.

Yours sincerely
RICHARD THORPE
Section 151 Officer





South West Devon Waste Partnership

Plymouth City Council
Torbay Council
Devon County Council

Procurement of Waste Treatment Services

Final Business Case

January 2011

Redacted version

City of Plymouth

TORBAY COUNCIL

in partnership with Devon County Council

South West Devon Waste Partnership

Draft Final Business Case

Redacted version

Executive Summary Contents Page no

1. Executive Summary

1.1 Introduction

This report will be updated as the Final Business Case proceeds through its various approval stages until final approval by Defra. It is currently written post approval of the Preferred Bidder but prior to approval by each partner Authority.

1.1.1 The Partnership and Final Business Case

The three Authorities, Plymouth City Council, Torbay Council and Devon County Council, have been working together as the South West Devon Waste Partnership for over three years to procure a long term solution for the treatment of its residual waste.

This Final Business Case (FBC) is written to update the positions and information presented in the Outline Business Case (OBC) and to introduce the solution proposed by the Partnership's preferred bidder, MVV Umwelt.

The OBC was approved by each Authority in April 2008 and, subsequently, by Defra in October 2008 when the Partnership was conditionally allocated £95million of PFI credits.

1.1.2 The Partnership's Objectives

The Partnership's high-level objectives summarised from the OBC were to:

- Improve waste minimisation and re-use;
- Improve recycling rates to at least meet latest national recycling targets as a Partnership (min 50% by 2020);
- Secure a timely economic, reliable and proven solution to divert the Partnership's residual waste from landfill with reduced carbon impact including CHP, if possible.

1.1.3 The Project Scope

The last of the above objectives is the Partnership's PFI project, the scope of which encompasses:

- Receiving all the residual waste from the partner Authorities from the defined Partnership area for 25-years.
- Treating this waste such that at least 80% is diverted from landfill.
- Incorporating a thermal element within the final waste treatment solution.
- Achieving efficiency levels within any solution that meet the European Union waste 'Recovery' definition.

1.1.4 MVV Umwelt's Proposed Solution

The solution offered by MVV meets all the required criteria and, in many cases, significantly surpasses them.

The MVV solution is a single line high efficiency Energy from Waste facility with a nominal capacity of 245,000 tonnes per year. This facility will provide heat and electricity directly to the Devonport Royal Naval Dockyard from operational commencement under a long term energy supply agreement with any surplus electricity supplied to the National Grid.

MVV's proposal will easily meet the 'R1 Recovery' definition threshold and is guaranteed to divert 97% of the Partnership's residual waste from landfill. The solution is estimated to save over 70,000 tonnes of CO_2 equivalent when compared against current arrangements.

1.1.5 Key Outstanding Areas of Risk to Successful Delivery

The key outstanding risks to successful delivery relate to obtaining successful planning permission and an environmental operating permit. As these are statutory functions, they are outside the Partnership's control other than to ensure that all relevant technical and policy requirements are met.

The need to maintain public and political support for the project is also vital to ensure the successful delivery of the project.

Key operational risk areas relate to the accuracy of future Partnership residual waste tonnage forecasts and future changes in waste legislation.

1.2 Background

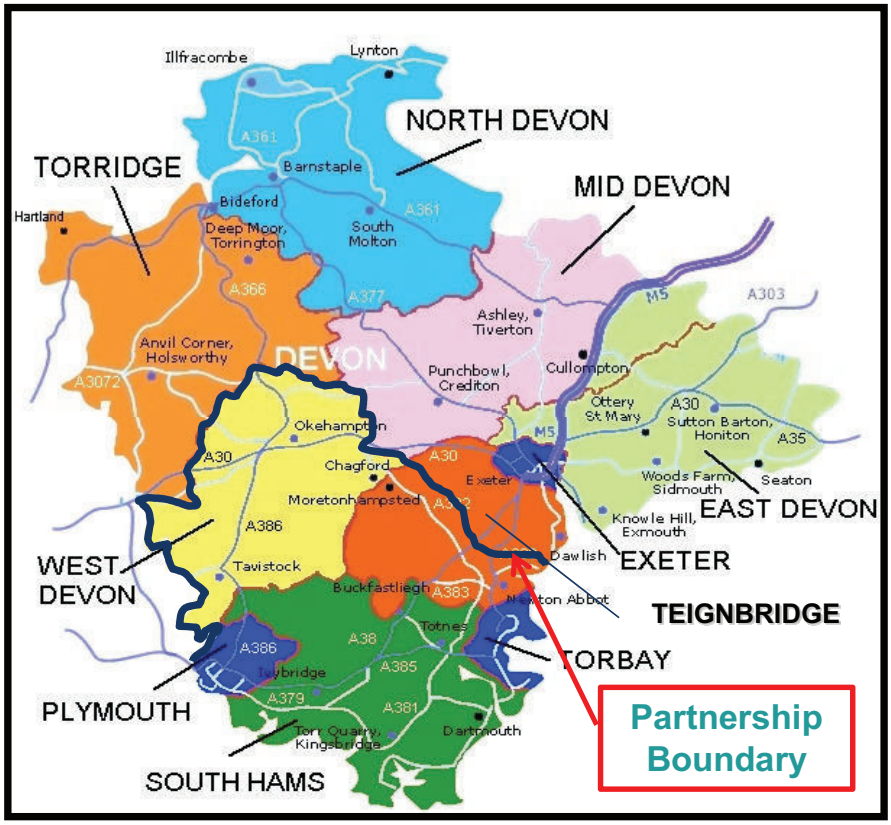
1.2.1 Key Characteristics of the Partnership Area

Partnership Administrative and Geographic Area

There have been no material changes to the administrative boundaries or local government organisational changes within the Partnership area since the OBC was submitted in April 2008.

The geographic area to be served by the Partnership's solution has remained unchanged as shown in Figure 1.1.

Figure 1.1 Map of Devon, Plymouth and Torbay with Partnership area shown.



Population and Political changes in the Area

The rate of population growth across the Partnership area over the last three years has been less than originally predicted. This is believed to be due to a general decline in economic activity. This situation has been taken into account within updated Partnership waste flow modelling.

Devon County Council's political administration has changed from Liberal Democrat to Conservative, with the administrations of other partner Authorities remaining unchanged. The general election saw several changes within the Partnership area including Plymouth gaining a Conservative MP at the loss of a Labour MP, and the parliamentary MPs covering Devon County Council's area of the Partnership now all being Conservative following the loss of one Liberal Democrat MP.

1.2.2 Analysis of Waste Arisings

In the financial years 2007/08 to 2009/10, there were reductions in waste arisings in all three of the Partnership Authorities. This is shown in Table 1.1 below. This trend was common across the country and is, in part, due to the decline in economic activity although latest statistics indicate that these reductions are slowing.

Table 1.1 Analysis of Waste Arisings from the Partnership Area of Devon 2006/07 to 2009/10

Year	WCA Household Collected Waste	WCA Collected Trade Waste	HWRC Household Waste	Other MSW	Total MSW Arising	Annual Percentage Change
	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes	%
2006/07	248,857	25,616	113,893	4,645	393,011	-
2007/08	241,855	27,285	112,230	3,889	385,259	- 1.97
2008/09	232,582	20,138	113,558	6,066	372,345	- 3.35
2009/10	230,687	17,353	102,087	4,856	354,984	- 4.66

This fall in waste arisings differs from the assumptions set out in the OBC. The Partnership therefore updated its waste flow forecast modelling in October 2009 to avoid any potential of oversizing of the procured solution. This updated model took into account latest waste statistics and population data and has resulted in Contract Waste tonnage projections reducing by around 21% compared to the original OBC model.

1.2.3 Current Arrangements for Collection and Disposal

Each of the Partner Authorities has delivered changes and improvements to the waste management services they provide. Details of these changes are set out in Section 2.4.2 and are in line with the commitments set out in the original OBC.

1.2.4 Recycling and Composting Performance

Recycling and composting performance has improved across the Partnership area and the Partnership's combined targets in the OBC have been exceeded in each year as shown in Table 1.2.

Table 1.2 Recycling and Composting Performance for the Partnership area

Year	Actual Household Waste Recycling Achieved		Actual Household Waste Composting Achieved		Combined Household Waste Recycling and Composting Rate	
	Tonnes	Rate	Tonnes	Rate	Actual	Planned in OBC
2006/07	76,260	22.8%	50,561	15.1%	37.9%	37.7%
2007/08	83,179	25.3%	54,168	16.5%	41.8%	39.8%
2008/09	81,708	25.3%	58,311	18.1%	43.4%	40.8%
2009/10	78,811	25.4%	57,326	18.5%	43.9%	41.7%

The partner Authorities have also exceeded their individual targets set within the OBC although the full positive impacts from these initiatives have been tempered by an impact resulting from the global recession and the unexpected collapse of recycling markets over

the last few years. However, more recently, recycling markets have started to recover and therefore the full benefits of the new initiatives will be seen within future recycling performance figures, particularly within Plymouth.

1.2.5 Residual Waste Treatment

There have been no changes to disposal arrangements or contracts of the Partnership Authorities, so they remain reliant on landfill for the disposal of residual waste. However, more positively, the amount of waste collected and landfilled by each partner Authority has fallen significantly over the last three years.

Correspondingly, the biodegradable municipal waste (BMW) landfilled by each Authority and as a Partnership has also fallen sharply as can be seen in Table 1.3. This reduction is better than forecast within the OBC and all Authorities have remained within their available LATS allowances for the period until 2009/10.

Table 1.3 Combined Treatment Information for the Partnership Area

Year	Thermal Treatment Tonnage	MSW Landfilled Tonnage	Diversion Rate %	BMW Landfilled Tonnage	Landfill Allowances** Tonnage
2006/7	Nil	235,043	37.90%	156,320*	209,840
2007/08	Nil	220,870	41.80%	155,581	195,388
2008/09	Nil	203,257	43.40%	141,300	177,323
2009/10	Nil	191,183	43.90%	135,159	155,644

* BMW landfill figure based on District Council waste without trade or HWRC waste
** Includes LATS allowance estimate for districts as LATS allocated to DCC for the whole of Devon County not individual districts

1.3 Strategic Waste Management Objectives

1.3.1 Strategic Objectives

The strategic waste management objectives of the SWDWP partner Authorities have not changed since the preparation of the OBC in 2008 and there have been no changes to their waste strategies.

The OBC was translated into three high-level objectives the last one being the Partnership's PFI project:

- Improve waste minimisation and re-use;
- Improve recycling rates to at least meet latest national recycling targets as a Partnership (min 50% by 2020);
- Secure a timely economic, reliable and proven solution to divert the Partnership's residual waste from landfill with reduced carbon impact including CHP if possible.

1.3.2 Waste Minimisation

All three Authorities have on-going waste minimisation initiatives which are detailed in Section 3.3 of the main FBC. Such initiatives will continue to be promoted as a priority before

recycling and energy recovery in accordance with the waste hierarchy and the individual Authorities' municipal waste management strategies.

As can be seen from Table 1.4 below, the Partnership has exceeded the National Waste Strategy waste minimisation performance target for 2009/10 and this performance has exceeded the Partnership's OBC target of 314kg per person.

This improved performance has been used with data from the updated Partnership waste flow model which now estimates that the Partnership will meet the National Waste Strategy targets for 2014/15 and 2019/20. These updated projections are shown in Table 1.4 below.

Table 1.4 Partnership Modelled Waste Minimisation Performance Compared to WSE2007 Targets

WSE2007 Waste Minimisation Calculation				
	2000/01	2009/10	2014/15	2019/20
Population	623,000	653,800	675,100	695,900
Total Household Waste (tonnes)	271,363	332,774	346,310	336,546
Household waste recycled /composted (tonnes)	64,496	136,137	165,072	179,696
Kg household waste not recycled or composted per person	332	300.8	268.5	225.4
WSE2007 Target (Kg of household waste not reused recycled or composted)	450	310	270	225

1.3.3 Recycling and Composting

The Partnership has exceeded the National Waste Strategy recycling and composting performance target for 2009/10 and the Partnership target set in the OBC having achieved a blended rate of 43.9% in 2009/10.

This improved performance has been used within an updated Partnership waste flow model which now estimates that the Partnership will easily surpass the National Waste Strategy targets for 2014/15 and 2019/20 and will also exceed the Partnership targets set out in the OBC. These updated projections are shown in Table 1.5 below.

Table 1.5 Recycling and Composting Projections for the Partnership Area

Year	National Waste Strategy targets	OBC Reference Project	FBC Pre-Preferred Bidder	FBC Final version
	%	%	%	%
2009/10	40	41.9	43.9	
2014/15	45	49.2	52.5	
2019/20	50	51.6	54.2	
2038/39	N/A	51.5	55.9	

1.3.4 Landfill Objectives

The key objective of the Partnership is to divert residual waste from landfill.

Once operational in 2014, MVV Umwelt's solution guarantees to divert significantly more from landfill than the Partnership anticipated within its OBC Reference Project. The partner Authorities will therefore not have LATS liabilities from this time as the Partnership's reliance on landfill for the waste arising in the Partnership area will be minimal. The updated LATS projections are provided in full in section 3.5 and summarised below with expected positions in target years.

Table 1.6 Landfill Projections for the Partnership area with MVV's solution

Year	LATS Allowance	Carry over + Purchases	BMW Landfilled	Surplus/ (Deficit)	Surplus/ (Deficit) as Stated in OBC	Variance FBC to OBC
	Tonnes	Credits	Tonnes	Tonnes	Tonnes	Tonnes
2009/10	155,644	6,666	135,159	27,151	3,784	23,367
2010/11	138,320	11,000	114,424	34,896	-	-
2011/12	120,995	25,932	112,379	34,548	-	-
2012/13	103,669	0	110,598	(6,929)	(42,607)	35,678
2013/14	99,222	3,758	110,276	(7,296)	-	-
2014/15	94,776		71,659	23,117		
2019/20	72,541		4,035	68,506	49,593	18,913

1.3.5 Appraisal of Technology Options

Since the production of the OBC which contained a full analysis of technologies, the partner Authorities and the Partnership have not changed their strategic approach to treating residual waste, although the procurement approach did allow for a wide range of technological solutions to come forward.

In the event, all nine solutions received at outline solution stage included conventional energy from waste proposals, which verified to the Partnership that this technology is able to offer the most economically advantageous technological solution. Therefore no further appraisal of technology options has taken place since the OBC.

1.3.6 Environmental Impact

Each partner Authority is aware of the links between waste and the environment, and how effective waste management can help deliver broader local, national and international environmental objectives. Furthermore each Authority has an adopted carbon management plan and is committed to the Nottingham Declaration which pledges to address the causes and the impacts of Climate Change.

The Partnership used the EA's (Environment Agency) WRATE model to consider different technological solutions at OBC stage. This identified the significant environmental benefits that would result from securing a combined heat and power (CHP) solution.

In response to the Partnership's requirements and objectives, MVV has secured a significant long-term CHP tie-up with one of the largest energy users in the South West. The contractual arrangement will provide heat and electricity directly to Devonport Royal Naval Dockyard in Plymouth from the operational commencement of the EfW facility.

The environmental benefits that consequently flow from this arrangement will include a net carbon footprint reduction of over 70,000 tonnes of CO_2 equivalent per year. This reduction and other environmental benefits of the MVV solution are shown in an updated WRATE analysis in Section 3.8.

1.4 Procurement Process and Value for Money Assessment

.

1.4.1 Procurement Strategy

The overall procurement strategy has remained unaltered since the OBC. The Partnership has conducted the procurement of a residual waste treatment solution in accordance with the competitive dialogue procedure pursuant to the Public Contracts Regulations 2006 (as amended) and has followed the OGC/HM Treasury joint guidance on the competitive dialogue procedure, (Competitive Dialogue) in 2008.

The OJEU Notice was released in October 2008 and was drafted to retain maximum flexibility. Advice was obtained from Queen's Counsel on three separate occasions to maintain procurement integrity.

From the outset, the Partnership defined three specification requirements as follows:

- Landfill Diversion target – a threshold that contract waste to landfill shall not exceed 20%;
- Contract Waste Tonnages – as contract waste tonnages over the course of the procurement fell, new contract waste tonnages were issued to bidders at the beginning of the ISDS stage in November 2009;
- R1 Energy Recovery – a requirement that bidders are required to meet the R1 waste recovery definition as defined under the European Waste Framework Directive 2008.

1.4.2 Bidding Process

The Competitive Dialogue process was conducted so that it progressively reduced the number of bidders at each stage. Three companies were invited to submit detailed solutions. However, after Sita withdrew, MVV Umwelt and Viridor Waste Management Limited remained and were invited to submit detailed solutions.

To ensure value for money, pricing information was submitted at all stages of the procurement and, prior to close of dialogue, a final version of the bidder's financial model was requested to allow affordability and VfM checks. WIDP undertook its commercial and

derogations review and confirmed that the Partnership was ready to close dialogue on 6th October 2010.

At final tender stage, both companies submitted solutions that met the Partnership's original requirements taking into account the reduced contract waste tonnages provided to the bidders. The conclusion from the evaluation was that MVV offered the most economically advantageous solution.

The project will be delivered by the Special Purpose Vehicle (SPV) MVV Environment Devonport Limited. The SPV has already been incorporated and will contract with the partner Authorities. MVV Umwelt GmbH will be the sole shareholder in the SPV through MVV Umwelt UK GmbH. MVV Energie AG, as the ultimate holding company, will underwrite the performance of the SPV.

Information redacted due to commercially sensitive and confidentiality reasons

1.4.3 Proposed Solution

The MVV solution is a single line mass burn Energy from Waste facility with the ability to recover value from both heat and electricity. The key elements of the proposed facility are summarised in Table 1.7.

Table 1.7 Summary Details of MVV's proposed facility

Proposed Facility Type	Number of Proposed Facility	Capacity of Facility	Year of Operational Commencement
Mass Burn Energy from Waste (EfW) facility	1	245,000 tonnes per annum (nominal)	November 2014

MVV will provide a solution using proven technology and, as the third largest operator of Energy from Waste plants in Germany, has significant experience in developing, financing, constructing and operating facilities similar to that proposed for the Partnership.

1.4.4 Process to Financial Close

Approval to appoint MVV as the Preferred Bidder was granted by the Joint Committee on the 16th December 2010, following which the formal announcement of preferred bidder was made on the 6th January 2011. The Partnership and preferred bidder with deal with any outstanding issues and clarifications and work together to achieve financial close by 31st March 2011.

1.5 Risk Management, Risk Allocation and Contractual Issues

1.5.1 Risk Management

The Partnership has pursued a rigorous and proactive approach to risk management. A 4Ps Gateway Review[1] 0 and 2 were both undertaken successfully.
The principal ways in which the Partnership and/or partner Authorities have reduced project uncertainty and risk are through the:

- Adoption of strategic waste planning frameworks including a Waste Development Planning Document (WDPD);
- Availability of a reference site in the ownership of Plymouth City Council;
- Maintenance of commercial pressure and obtaining clarity over risk positions including the introduction of unallocated sites.
- Maintaining a consistent definition of the project scope, for example, the inclusion of a thermal element in the solution and the need to divert waste from landfill.
- The implementation of a Joint Working Agreement between the three partner Authorities.
- Provision of early guidance on changes to the projected residual waste tonnages.
- Maintenance of good communications and adhering to an agreed timetable through procurement.
- Seeking of specialist legal advice to clarify certain risk positions.

The Partnership has benefited from maintaining continuity of leadership at Joint Committee, Project Executive and Project Team level. The governance arrangements and approach to risk management will be maintained as the project moves from planning through to operational service commencement. There are also certain unavoidable, inherent risks in developing a residual waste facility in particular those associated with gaining planning permission.

1.5.2 Risk Allocation

Information redacted due to commercially sensitive and confidentiality reasons

1.5.3 Commercial and Contractual Risks

The Project Agreement is aligned to a standard WIDP SoPC4 document and there are no material derogations and acceptable positions have been agreed on all commercial positions not covered by SoPC4. The Commercial Team review report identified a number of general and specific commercial issues that will require resolution prior to the appointment of preferred bidder. WIPD has agreed that the majority of these points can be dealt with during the ‘fine tuning’ period before financial close or will be closed out during their review of this FBC.

[1] A Gateway is a review of a procurement project carried out at key decision points by a team of experienced people who are independent of the project team in this case 4Ps.

1.5.4 Markets for Process Outputs

MVV will enter two separate long-term contracts for the management or disposal of secondary materials, products, by-products and residues. These are as follows:

- Incinerator Bottom Ash (IBA) and associated metals
- Air Pollution Control (APC) Residues

The saleable outputs from the EfW facility comprise energy sales of power and heat as follows:

- Power exported to the National Grid;
- Power to the Devonport Royal Naval Dockyard;
- Steam to the Devonport Royal Naval Dockyard;
- Additional revenue from Renewable Obligation Certificates (ROCs) and Levy Exemption Certificates (LECs).

Future prices for electricity are unpredictable although forecasts are possible against a range of economic scenarios. The volumes of all saleable outputs that are stated within MVV's financial model are guaranteed.

Information redacted due to commercially sensitive and confidentiality reasons

1.5.5 Balance sheet treatment

On the basis of the information supplied in the questionnaire completed for WIDP by the Partnership's financial advisors, it is the Partnership's understanding that the transaction would not score as Central Government debt under ESA95.

1.6 Project Team and Governance

1.6.1 Legal Context

There have been no changes since the OBC to the legal basis and context in conducting the procurement or any changes to the power of the Authorities to enter into the contract. The three Authorities are Waste Disposal Authorities (WDA) and Devon County Council gives directions to South Hams District Council, Teignbridge District Council and West Devon Borough Council, the Waste Collection Authorities (WCA). Plymouth and Torbay are Unitary Authorities and are responsible for the collection of the controlled waste in their areas.

The contract will be certifiable under the Local Government (Contracts) Act 1997 and the procurement procedure has been carried out pursuant to the Public Contracts Regulations 2006 (as amended).

1.6.2 Project Governance

The Authorities signed a legally binding Joint Working Agreement (JWA) on the 28th April 2008. As a result, a Partnership Joint Committee was formally established in July 2008 to facilitate the procurement and, in the future, the subsequent operation and management of contract.

The JWA enabled the three Authorities, as a partnership, to delegate the majority of decisions to a single body as opposed to making separate decisions by each of the Authorities. To date, the Agreement has served the three Authorities well throughout the procurement phase. The Partnership has benefited from the fact the political administrations of Plymouth and Torbay have remained unchanged thus providing continuity, whilst Devon County Council changed from a Liberal Democrat to Conservative led administration with an overwhelming majority.

The JWA transcends the procurement and service phases of the project and will continue in force until the expiry of the contract. The Authorities have already considered how the outline JWA cost allocation will be developed in that the financial arrangements will be consolidated into a formal Financial Allocation Mechanism post contract close.

1.6.3 Project Management

Following commercial and financial close, the project will continue to be led by the Project Director on a part-time basis and Project Manager on a full-time basis, until planning is secured, and then on a part-time basis until the end of construction. Existing expertise, capable of managing the transition though the planning, construction and operational phases, will be retained and, when necessary, additional expertise will be introduced. Costs will continue to be shared equally across each Authority until operational service commencement.

1.6.4 Advisors

The appointed lead advisors to the Partnership for technical, financial, legal and communication services have remained unchanged since the submission of the OBC. There is one additional specialist advisor, Willis, which provides insurance advice to the Partnership.

1.6.5 District Involvement

The Local Authorities of Devon have been working closely together on waste issues since the early 1990's and have a formally constituted a joint working arrangement called Devon Authorities Waste Reduction and Recycling Committee (DAWRRC).

Although the formal Joint Working Agreement only covers the three Waste Disposal Authorities, the Devon Waste Collection Authorities have been kept aware of the Partnership's proposals for a sub-regional waste treatment facility through DAWRRC and other Devon waste forums such as the Chief Executive and Leader's meetings on waste issues.

1.7 Sites, Planning and Design

The solution proposed by MVV Umwelt is for an energy from waste facility located on a site owned by the MOD located within the Devonport Royal Naval Dockyard. This site is located within Plymouth City boundaries but is not allocated within the Council's Waste Development Plan Document.

1.7.1 Site Identification

The site has been selected so that the facility can act as a combined heat and power (CHP) plant to provide steam directly into the Royal Naval Dockyard's existing district heating network and also supply their electricity needs via a private wire connection.

The site has adequate land area available for the operational facility and additional land will be available during construction. The site is easily accessed from the major A38 trunk road via the A3064 St Budeaux bypass and a new independent access road will be provided from the public highway network and existing Naval Base entrance.

1.7.2 Securing the Sites

The MOD has entered into an Agreement for Lease with MVV subject only to conditions precedent in respect of gaining Satisfactory Planning Permission and signing the Project Agreement. The Agreement for Lease also includes an obligation on MOD to enter into a short-term licence for the additional construction lay-down area. This will be released back to the MOD within 6 months of the start of the Service Period Commencement Date.

Information redacted due to commercially sensitive and confidentiality reasons

There is no further work required by the Partnership or MVV to secure the required legal title to the site.

1.7.3 Planning Assessment

The Partnership acknowledges that the MVV site is not allocated but is assured by the many positive qualities and attributes of the overall solution and therefore its acceptability in planning terms.

The North Yard site was unavailable at the time Plymouth City Council's adopted Waste Development Plan Document (WDPD) was produced and was not therefore considered or evaluated. However, the WDPD includes policies for considering unallocated sites provided they comply with the policies in PPS 10 and the waste planning authority's Core Strategy which MVV and the Partnership believe this proposal does. MVV has appraised and evaluated the proposed site at North Yard against the original WDPD site selection criteria and concludes that it compares very favourably to other allocated sites. The Partnership supports the potential of the site as being suitable for an EfW facility.

The site has also been considered against national, regional and local plan policies, including PPS10 and concludes that the selected site performs well, particularly with respect to the potential to recover energy through CHP. The Partnership acknowledges that the potential impact on residential amenity needs to be more fully assessed, however, it is believed that any negative impact can be mitigated and should be balanced against the wider economic and environmental benefits that the solution brings.

While not prejudicial to partner statutory responsibilities as Local Planning Authorities, the Partnership will provide support to the Preferred Bidder in bringing forward a planning application in the spring of 2011.

1.7.4 Design Issues

Plymouth City Council requires high quality design on any future waste development within its planning framework. MVV is working with Plymouth City Council planners and intends to continue these meetings to finalise and achieve a high quality design of the proposed solution. MVV is also engaged with the South West Design Review Panel (endorsed by the Commission for Architecture and the Built Environment (CABE), to advise on the facility design.

The Partnership is encouraging MVV to apply the principles of sustainable development to its proposed solution and it has also required that its solution should achieve a minimum BREEAM 'excellent' standard for its development. MVV has confirmed that its proposals can and will achieve the BREEAM standard and has put in place additional measures as part of its pre-construction site waste plan to minimise waste and embrace sustainable construction techniques.

1.8 Costs, Budget and Finance

1.8.1 Procurement Costs

A comparison between estimated and actual procurement cost budgets shows that whilst there have been virements between budget areas, the overall procurement costs accord closely to the budget estimate approved at OBC stage and that the agreed contingency allowance has largely been unexpended.

1.8.2 The Reduced Tonnage Reference Project

The original OBC cost projection tables were based on waste tonnage projection models derived from audited 2006/07 waste data and the latest forward population forecast projections (mid-year 2004). During October 2009, the waste tonnage projection model was updated to take into account the latest 2008/09 waste data and updated mid-year 2006 forward population projections.

Being prudent, the Partnership's financial affordability model was also updated to take into account the following:

- New capital, operating and lifecycle cost estimates to take account of the reduced capacity of the residual waste treatment facility.
- Increased landfill tax levels.
- Updated waste budgets of the three partner Authorities.
- Costs were calculated in 2008 prices to be directly comparable to the OBC.

The analysis confirmed that the unitary charge and third party income, in nominal terms, reduced from £954 million to £774 million, that is, a combined reduction of £180m. This was mainly due to the reduced waste flows. The expected contractor costs, while also being reduced by £180m, proportionally remained in line with the original OBC.

1.8.3 Reduced Tonnage Reference Project Cost Comparison to Preferred Bidder

The preferred bidder solution proposes a 245ktpa CHP solution compared to the solution at the Reduced Tonnage Reference Project stage which assumed a 175ktpa plant with only the associated benefits of the sale of electricity and associated LECs. This significant change affects both the quantum and proportions of income and costs. Table 1.8 compares the Reduced Tonnage Reference Project to the current costs of the Preferred Bidder's solution.

Information redacted due to commercially sensitive and confidentiality reasons

1.8.4 Funding

MVV Energie AG will provide a parent company guarantee to the Authority in relation to all of the performance obligations of the SPV under the Project Agreement and MVV Energie AG will also guarantee to provide an intra-group loan to the SPV.

Information redacted due to commercially sensitive and confidentiality reasons

1.8.5 Affordability Analysis of the Preferred Solution

Table 1.9 below provides a comparison of the Reduced Tonnage Reference Project affordability position against the FBC Preferred Bidder's solution.

Information redacted due to commercially sensitive and confidential reasons

1.8.5 The Authorities' LATS Strategies

The Partnership's solution is expected to become operational during 2014, following which each of the partner Authorities will have surplus LATS. None of the partner Authorities has budgeted to receive a revenue income from the sale of LATS surpluses. However, if opportunities arise, the Authorities may take them at the time. Similarly, the Partnership's affordability modelling has assumed no income from any surplus LATS allowances.

All three Authorities will purchase permits as required to manage any shortfall until the solution becomes operational.

1.8.6 Sinking Fund

The Authorities have all considered whether they should have a sinking fund. It was evident from the OBC that Plymouth faced a significant budget shortfall in the early years and Torbay a smaller potential shortfall.

Torbay decided not to create a sinking fund and, along with Devon, have monitored their budget projections closely, with the contingency of general reserves if required. Plymouth decided to set up a sinking fund to which it has been making regular contributions. It has been set aside to meet any waste disposal budget shortfall, in particular, the potential need to purchase LATS permits until the Partnership solution becomes operational. The fund stood at £1.5m on the 31st March 2010.

1.8.7 Sensitivity Analysis

Information redacted due to commercially sensitive and confidential reasons

1.8.8 Cost and Impact of Carbon

A WRATE analysis has been completed for MVV's proposed CHP solution. The comparison shows that there will an estimated saving of over 70,000 tonnes of CO^2 equivalent per year when compared to the Partnership's current landfill arrangements.

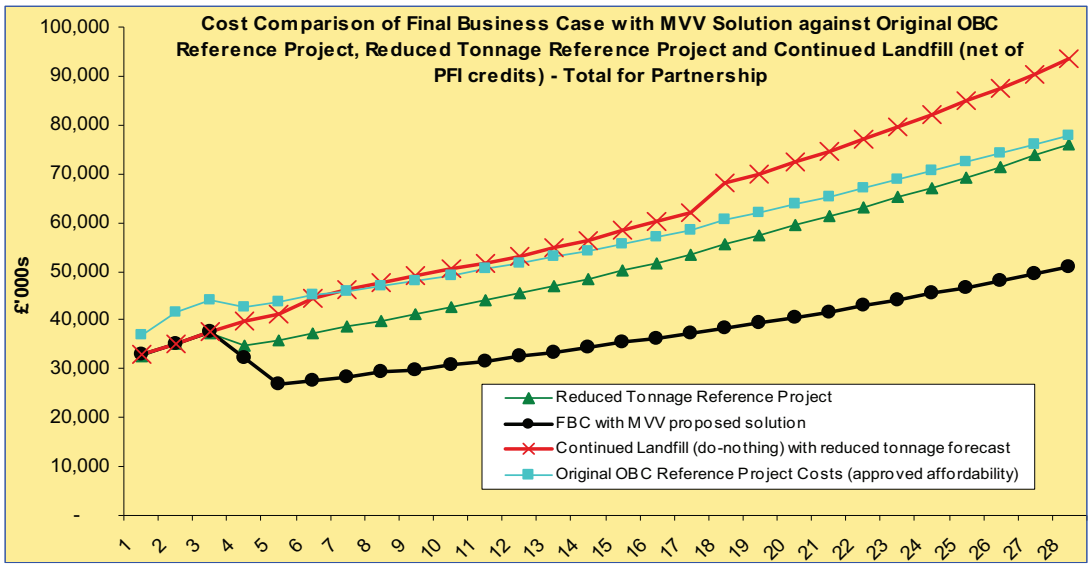
1.8.9 Preferred Bidder and FBC Approval

At the Joint Committee meeting on the 16th December 2010, Members were presented with the results of the bid evaluation process. This showed that MVV Umwelt offered the most economically advantageous solution and it was confirmed that this solution is within the affordability envelope approved by the three Partner Authorities in 2008.

The S151 Officers provided letters of support in advance of the Joint Committee's consideration and approval, to confirm that they understand their Authority's proportion of the overall cost of the solution and that they are satisfied that it is within the approved affordability envelope.

Figure 1.2 provides a graphical representation of the Partnership's affordability position comparing landfill (do minimum), the OBC Reference Project, Reduced Tonnage Reference Project and MVV's solution. This figure shows the total waste management cost for the Partnership Authorities, including recycling and composting in addition to the residual waste treatment solution.

Figure 1.2 Comparison of total Partnership costs until 2039 for FBC, OBC Reference Project, Reduced Tonnage Reference Project and the continued landfill (do-nothing)



Following the approval of Preferred Bidder, each partner Authority will be requested to approve the Final Business Case which will be a Cabinet decision. These approvals are programmed during February 2011.

The approved Joint Working Agreement has stipulated, however, that the FBC approval can only be withheld by an Authority on affordability grounds if any Authority's share of the total cost of the end treatment solution exceeds that set out in the OBC including headroom. The FBC demonstrates that the preferred bidder solution is affordable according to both the original OBC and the Reduced Tonnage Reference Project figures.

1.9 Stakeholder Communications

1.9.1 Communication Strategy

Since commencing the project in 2008, the Partnership has pursued a strategy of open and proactive communications with all key stakeholders as a priority and has provided regular briefings, exhibitions, presentations and meetings. Evidence of this engagement is provided in Section 9.4.

The financial and environmental benefits offered by MVV's solution have already been recognised by some stakeholders along with its potential to secure the long-term future of the Devonport Royal Naval Dockyard through a more competitive cost base. However, notwithstanding the level of support already gained, there are, not unsurprisingly, some residents in the local community who are likely to be opposed to the solution.

The Partnership recognises the need to work with MVV so that a coordinated communication strategy can be targeted to ensure that, as far as practicable, everyone is aware of the facts in relation to this proposal so their fears and concerns can be allayed and the true benefits recognised.

1.9.2 Partner and Other Authorities

Communication activities across the partner Authorities and with other internal stakeholders have been wide ranging and successful during the procurement process. These will continue through to operational commencement with the frequency and nature of future activities tailored to need.

The Partnership has also engaged with wider stakeholders during the procurement such as the Environment Agency and other statutory bodies to ensure that there is an awareness of the project. These meetings will continue as appropriate not least with the District Councils in the Partnership area to ensure they are fully aware of, and supporting, the future solution.

1.9.3 Public Engagement

Regular public and stakeholder communication events have been undertaken throughout the project procurement phase along with more selective private meetings to exchange information and views. A range of media have been used including a regularly updated website and on-going press releases.

As the project progresses through the planning and implementation phases, the Partnership will work directly with MVV to provide transparent and consistent two-way communication to all stakeholders. MVV has recognised the importance of proactive communication and

community engagement and has developed a communications strategy which echo's and supports that of the Partnership.

The Partnership will continue to provide regular briefings to stakeholders and public and media communications will be increased during the planning period to ensure that the local community near to the Devonport Royal Naval Dockyard is kept aware of developments and given sufficient information to allay on-going concerns.

MVV will develop a community liaison plan and set up a local liaison committee which will cover both the operational and construction phases of the contract.

1.10 Timetable

The Partnership has implemented the key stages of this process as set out in the OBC. There have been some variations to the original timetable to reflect new issues as they arose and this has resulted in the project timetable to financial close moving out by five months.

Following MVV's appointment as preferred bidder in January 2011, MVV intends to submit their planning and permit applications around the same time as financial close in March 2011. A planning longstop date has been agreed in dialogue as July 2013,that is 28 months after the financial close date.

If MVV deliver to programme, the EfW plant will be fully operational by November 2014. This is seven months later than the OBC operational commencement date set in early 2008. However, the plant will begin receiving the Partnership's waste in August 2014 during hot commissioning which will be only four months later than the completion date stated in the OBC.

An abridged version of the project timetable looking forward is shown in Table 1.11

Table 1.11 Summary Project Timetable

Index	Stage	As Per OBC		As Per FBC		Difference between OBC and FBC
		Actual/ Proposed Date	Months	Actual/ Proposed Date	Months	
10	Preferred Bidder Identified	Jul 10	+ 21	Dec 10	+ 26	+5
11	Submission of FBC	Sept 10	+ 23	Dec 10	+ 26	+3
12	Approval of FBC	Oct 10	+ 24	Feb 11	+ 28	+4
13	Preferred Bidder Confirmed	N/A	N/A	Jan 11	+27	
14	Contract Signed/Financial Close	Oct 10	+ 24	Mar 11	+ 29	+5
15	Planning application submitted	Nov 10	+ 25	Mar 11	+ 29	+4
Information redacted due to commercially sensitive and confidentiality reasons						
22	Operational Commencement	Apr 14	+ 66	Nov 14	+ 73	+7

Contents Page no

Appendices

Appendix A	Defra's criteria for Awarding Waste PFI Credits
Appendix B	Project Data
Appendix C2	Commercial Team Sign Off
Appendix D	Stage 3 Qualitative Value for Money Assessment
Appendix E	Key Performance Indicators – Redacted as commercially sensitive
Appendix F	Revised Planning Health Framework – Redacted as commercially sensitive
Appendix G	Risk Register – Redacted as commercially sensitive
Appendix H	Risk Allocation Matrix – Redacted as commercially sensitive
Appendix K	ESA95 Questionnaire Response – Redacted as commercially sensitive
Appendix 2	Waste Arisings
Appendix 3	Strategic Waste Management Objectives
Appendix 4A	Technical Advisor Letter of Support - Redacted as commercially sensitive
Appendix 4B	Audit Report
Appendix 6	S151 Officers Letters of Support
Appendix 9	Stakeholder Communications

2. Background

2.1 Introduction

This section provides a brief description of the changes in background information including changes to the underlying demographics, waste characteristics and recent performance of the partnership Authorities since submission of the OBC in April 2008. The most significant change is in the total tonnage of Municipal Solid Waste (MSW) collected in the Partnership area and therefore in the projected tonnages provided to the preferred bidder.

2.2 Key Characteristics of the Partnership Area

There have been no material changes to the administrative boundaries or local government organisation change within the Partnership area although there have been population and political changes which are outlined in the sections below.

2.2.1 Population and Household Changes in the Area

Table 2.1 illustrates that the rate of population growth has generally been less than originally predicted. This is probably due to a general decline in economic activity over the period. The reduction has been taken into account in the re-modelling of predicted waste arisings.

Table 2.1 County, District and Unitary Councils comprising the Partnership Area of Devon – Revised for 2009 mid year population

Council	Area (Hectares)	Population (mid-year 2006 – as per OBC)	Population (mid-year 2009 – issued June 2010)	Population Density (People per Hectare 2009)	Predicted population growth at OBC	Actual Population Growth since OBC
Devon County Council (as a whole)	656,407	740,800	747,400	1.14	N/a	0.53%
South Hams District Council	88,649	83,200	83,500	0.94	1.5%	0.12%
Teignbridge District Council	67,390	125,500	126,900	1.88	0.85%	0.51%
West Devon Borough Council	115,962	51,200	52,700	0.45	0.5%	1.04%
Plymouth City Council	7,980	248,100	256,700	32.17	2.0%	0.72%
Torbay Council	6,288	133,200	134,000	21.31	1.2%	0.20%

2.2.2 Political Changes in the Area

Plymouth City Council

Although Plymouth City Council had one third of its seats up for election in 2010, it has not changed political control since April 2008 and remains a Conservative led administration.

Plymouth has three Members of Parliament albeit that one constituency encompasses parts of Plymouth and Devon. At the time of the OBC, the Labour Party held two seats and the Conservative Party one. At the 2010 election, two of the seats returned the sitting MP whilst the third seat returned a new Conservative MP who replaced the previous Labour member.

Torbay Council

Torbay Council has not changed political control since April 2008 and remains in the control of the Conservative party. The Torbay area has two Members of Parliament (a Liberal Democrat and a Conservative MP) who cover Torbay and part of South Hams.

Devon County Council

Since April 2008, political control of Devon County Council has changed from a Liberal Democrat to a Conservative led administration. Changes in political leadership of this nature were anticipated during the procurement. It has been the policy of the Authority to mitigate the impact of such changes by including shadow members of main opposition party on the project Joint Committee. Support for the project therefore continues.

The general election in 2010 saw the Conservatives gain one seat from the Liberal Democrats. All parliamentary constituencies covering Devon County Council's area of the Partnership now have Conservative MPs.

2.3 Analysis of Waste Arisings

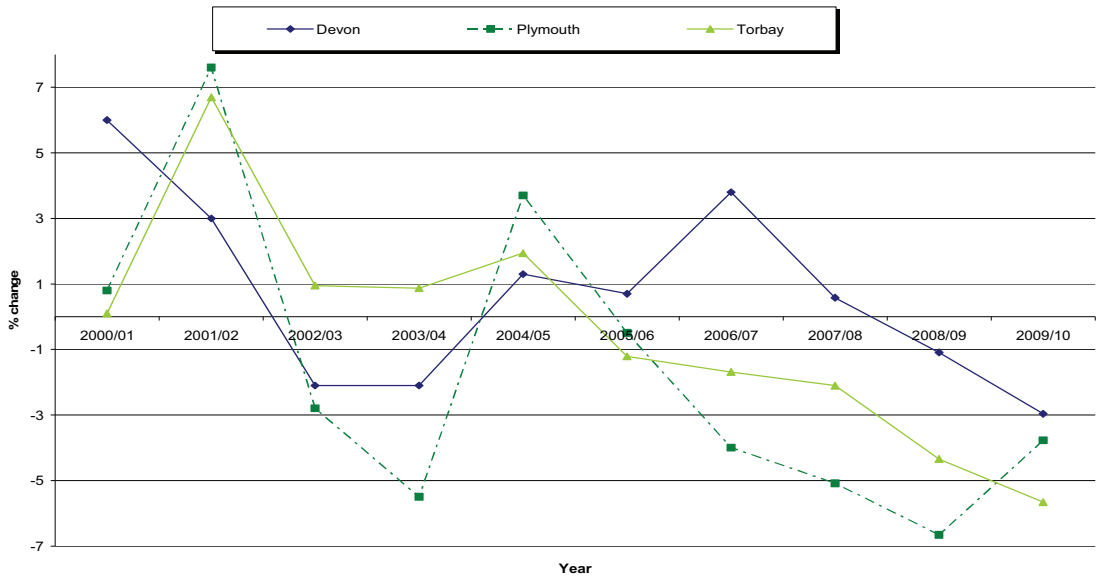
2.3.1 Updated Waste Arising Statistics

In the financial years 2008/09 and 2009/10, there were reductions in waste arisings in all three of the Partnership Authorities. This trend was common across the country and is, for the most part, to be attributed to the rapid decline in economy activity.

However latest statistics indicates that the reductions are slowing. There is evidence, particularly in the case of Torbay, that residual waste reduction is now being driven by improvements in recycling performance while the total volume of household waste arisings remain stable. The updated growth in total MSW arising by Authority is shown in Figure 2.1 below.

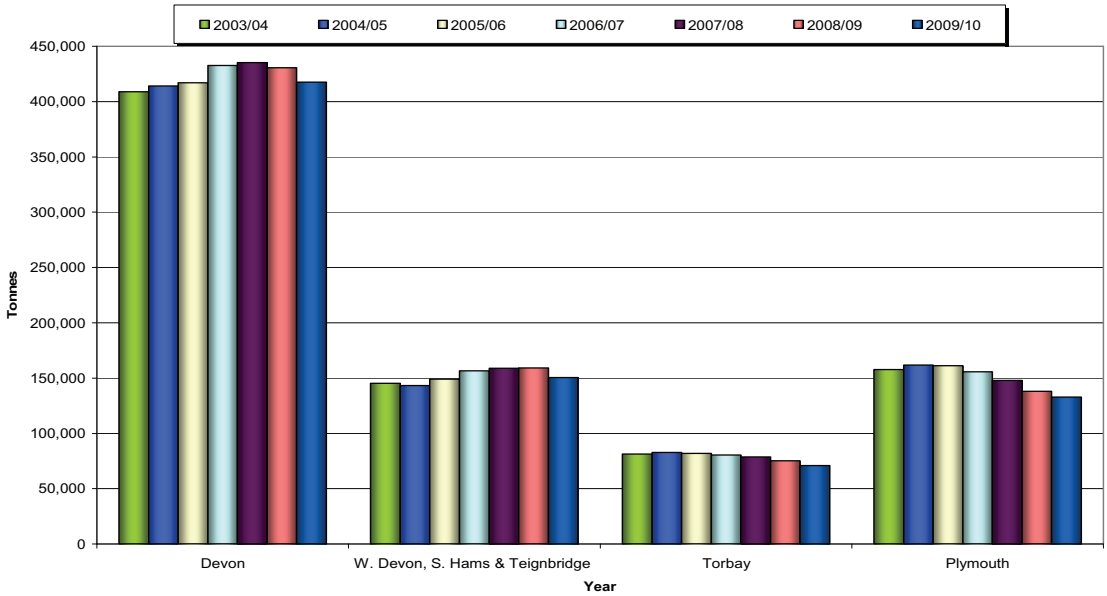
The original OBC modelling made allowance for increases in recycling and so, while it may be the case that improvements take place sooner than originally expected, this should not affect the projected overall waste tonnage available to the residual waste facility.

Figure 2.1 Percentage Municipal Solid Waste (MSW) Growth by Authority from 2000/01 to 2009/10



The updated total MSW arising from each partner Authority over time is given in Figure 2.2 and a breakdown of the MSW tonnage into landfill, reuse, recycled, composted and recovered for each Authority is included in Appendix 2. The three districts of Devon account for 36% of the County waste arisings although since 2006/07 waste has dropped slightly in the County and in the Districts. Both Torbay and Plymouth have seen on-going falls in overall waste arisings.

Figure 2.2 Total MSW Arising by Authority 2003/04 to 2009/10



An analysis of the various waste arising sources for the Partnership area between 2006/07 and 2009/10 shows that in many areas there has been an overall fall in waste tonnage collected. This is shown in Table 2.2 below. This fall in waste arisings was taken into account within the updated Partnership waste flow modeling completed in October 2009.

Table 2.2 Analysis of Waste Arisings from the Partnership Area of Devon 2006/07 to 2009/10

Year	WCA Household Collected Waste	WCA Collected Trade Waste	HWRC Household Waste	Other MSW	Total MSW Arising	Annual Percentage Change
	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes	%
2006/07	248,857	25,616	113,893	4,645	393,011	-
2007/08	241,855	27,285	112,230	3,889	385,259	- 1.97
2008/09	232,582	20,138	113,558	6,066	372,345	- 3.35
2009/10	230,687	17,353	102,087	4,856	354,984	- 4.66

2.3.2 Comparison with OBC Projections

The OBC used waste arising data based on actual 2006/07 outturn figures submitted to WasteDataFlow. As indicated in the previous section, waste arisings for each Authority have fallen such that during the procurement in late 2009, the Partnership considered that there was a risk that the proposed solution could be oversized in meeting the Partnership's requirements.

It was therefore decided to update the original OBC waste flow model with the latest 2008/09 data and revise the population and waste growth projections used in the original model based on the latest information available. It was also decided to model three growth scenarios in order to understand the sensitivity of growth rate changes on the facility size.

2.3.3 Total Municipal Waste Arising Forecast

Information redacted due to commercially sensitive and confidential reasons

2.4 Details of Current Arrangements for Collection and Disposal

2.4.1 Overview

The waste collection and disposal activities of each of the partner Authorities are dictated by a combination of the statutory duties imposed as either Unitary or County Councils and the policies adopted to serve the needs of the specific areas. While statutory duties have remained largely unchanged, there have been some changes and improvements to the waste management services in each Authority. These are detailed in this section.

2.4.2 Plymouth City Council

Improvements and changes

Plymouth has improved the waste management service offered to residents since the production of the OBC. The main areas that have been, and continue to be, improved are:

Garden Waste: The kerbside collection of green garden waste was expanded by 30,000 properties in summer 2010 to cover the majority of properties with gardens. Over a full year this improvement is likely to increased composting by around 1%.

HWRC Upgrade: The Chelson Meadow Household Waste Recycling Centre has been upgraded to improve health and safety, customer throughput and offer a wider range of recycling opportunities. The recycling rate at the centre was 75% in 2009/10 compared with 65% before the upgrade. This improvement has delivered an overall recycling improvement of around 2%

MRF Upgrade: A trommel screen replacement has raised the throughput capacity of the MRF to 12 tonnes per hour from the previous 9 to 10 tonnes per hour. Feedback conveyors and an eddy-current separator were installed in early 2010 to improve material separation. Options to process MRF residues have been implemented in 2010 and are estimated to achieve a recycling improvement of 1.5% in 2010/11.

Trade Recycling: A Trade Waste recycling service was introduced from 2008/09. Initial uptake was slow but 203 tonnes have been recycled in 2009/10; up from 66 tonnes in the first year.

Contracts

In 2009/10, Plymouth City Council renewed two contracts for the composting of green garden waste and recycling wood recovered from the HWRCs. The tendering process for the green waste contract resulted in a delay to the introduction of the expanded garden waste collection as there was a need to reduce stocks of compost on site before the contract took effect. Both new contracts are working effectively.

Disposal arrangements

There have been no changes to landfill disposal arrangements. Viridor Waste Management operates a refuse transfer facility and provides transport services to take Plymouth's residual household waste to landfill in Cornwall. This arrangement commenced in March 2008 and is contracted to run for seven years with an option for two extensions up to a further five years.

This landfill disposal contract does not prevent residual waste being diverted to a new residual waste treatment facility and it was timed to broadly coincide with the expected operational commencement of the new residual waste treatment facility. The optional contract extensions provide some contingency should there be a delay in opening the new facility.

2.4.3 Torbay Council

Improvements and changes

Torbay has introduced a new kerbside recycling scheme that will enable Torbay to achieve its recycling target of 50% and ensure a more equitable system is established across the Bay. The main elements of the new collection service, which are now either in place or being put in place, are:

- Weekly kerbside collections of recycling from all suitable properties which includes mixed glass, foil, paper, cardboard, cans, mixed textiles and plastic bottles, source separated at the kerbside.
- Weekly kitchen waste recycling collection for food waste.
- Fortnightly collection of residual waste for those households able to accommodate a wheeled bin and a weekly black bag residual waste service for those who cannot.
- Improvements to the existing HWRC site layout and an increase in the range of materials that can be recovered there.

Contracts

In July 2010 Torbay formed a Joint Venture Company, comprising May Gurney and Torbay Council, called TOR2. This company introduced the new kerbside scheme and is responsible for many front-line services including waste collection and recycling as well as the management of Torbay's HWRC and waste transfer station.

Disposal arrangements

Torbay continues to rely on landfill capacity within the wider Devon County area through its existing 12 month rolling landfill contract with Viridor. This contact requires suitable notice to be provided and it is envisaged that the arrangement will continue until the residual waste treatment facility becomes operational at which time the bulked waste transfer operations will switch from delivery to landfill at Newton Abbott to the MVV facility in Plymouth.

2.4.4 Devon County Council

Improvements and changes

South Hams and Teignbridge districts have not introduced any significant new initiatives or fundamentally changed their arrangements. West Devon Borough Council however, has extended the range of materials collected through its kerbside collection contract to include plastic, card, textiles and batteries. In addition, following successful food and garden waste collection trials, West Devon has also extended this service to all suitable households in the District.

Contracts

Waste collection in those parts of Devon that lie with the Partnership area are undertaken by the Waste Collection Authorities of South Hams, Teignbridge and West Devon. While Devon County Council has powers to direct these Authorities in respect of locations of disposal sites, they are autonomous in respect of the arrangements made for waste collection.

Devon County Council will work closely with the Districts in advance of the new residual waste treatment contract becoming operational to ensure a smooth transition from existing to new disposal arrangements. In the main, this will involve redirecting bulk transport from

existing waste transfer facilities to the Plymouth facility although there will also need to be some changes to the direct delivery patterns.

Disposal arrangements

Devon County Council's current residual waste disposal contract serves the whole of Devon and utilises landfill. The rolling contract is formatted in such a way that all or part of the contract may be terminated on two years notice and this notice will be served when the commissioning date of the new facility is certain. This contract ensures flexibility and continuity of the disposal arrangements for Devon and allows the Council to introduce new waste treatment technologies where appropriate.

2.5 Performance of Existing Services

2.5.1 Recycling and Composting Performance

As a result of the improvements and new initiatives set out in 2.4 above, recycling and composting performance has improved across the Partnership area and each Authority and the Partnership has exceeded its recycling and composting targets set out in the original OBC.

Updated details of each Authority's performance against Best Value Performance Indicators (BVPIs) and National Indicators (NIs) are included in Appendix 2 but are more simplistically presented in Table 2.4 below and compared against the Partnership commitments set out in the original OBC.

Table 2.4 Recycling and Composting Performance for the Partnership area

Year	Actual Household Waste Recycling Achieved		Actual Household Waste Composting Achieved		Combined Household Waste Recycling and Composting Rate	
	Tonnes	Rate	Tonnes	Rate	Actual	Planned in OBC
2006/07	76,260	22.8%	50,561	15.1%	37.9%	37.7%
2007/08	83,179	25.3%	54,168	16.5%	41.8%	39.8%
2008/09	81,708	25.3%	58,311	18.1%	43.4%	40.8%
2009/10	78,811	25.4%	57,326	18.5%	43.9%	41.7%

Although the improvements and new initiatives listed in Section 2.4 have resulted in improved recycling and composting rates overall, the global recession experienced since 2008 has had a detrimental impact. In particular, the unexpected collapse of the recycling markets in late 2008 resulted in some recyclate outlets ceasing to take material or revising their quality standards for materials taken. This resulted in higher costs for the partner Authorities in terms of sorting material and also less income from recycling materials sold. It also increased the percentage of material rejected to landfill.

Of the partner Authorities, the changes and volatility of the recycling market has particularly affected Plymouth as it operates an older, less technically advanced, in-house Material

Recovery Facility. The Council is seeking to mitigate this risk in the future through possible investment, However, more recently, recycling markets have started to recover and it is therefore anticipated that any impacts on recycling rates as a result of these factors will reduce.

The partner Authorities will continue to work together with other Devon districts through the Devon Authorities' Waste Reduction and Recycling Committee (DAWRRC) to improve recycling wherever possible. This Committee often draws on support and initiatives from WRAP and ROTATE and individual collection authorities have received funding assistance in establishing kerbside organic waste collections. The partner Authorities have not engaged with these programmes directly.

2.5.2 Residual Waste Treatment

The Partnership Authorities rely solely on landfill for the disposal of their residual waste. Tables 2.5 to 2.9 present information on waste treatment for the Partnership Authorities and also an estimate for the three Districts, updated to include the period 2007/08 to 2009/10.

Table 2.5 Plymouth City Council Waste Treatment Information

Year	Thermal Treatment	MSW Landfilled	Diversion Rate	BMW Landfilled	Landfill Allowances
	Tonnage	Tonnage	%	Tonnage	Tonnage
2006/07	Nil	106,262	32	79,899	92,862
2007/08	Nil	95,932	35	70,597	85,805
2008/09	Nil	90,013	35	65,480	76,983
2009/10	Nil	84,599	36	63,041	66,397

Table 2.6 Torbay Council Waste Treatment Information

Year	Thermal Treatment	MSW Landfilled	Diversion Rate	BMW Landfilled	Landfill Allowances
	Tonnage	Tonnage	%	Tonnage	Tonnage
2006/07	Nil	54,715	32	39,996	41,604
2007/08	Nil	56,124	29	38,190	39,103
2008/09	Nil	47,646	37	31,213	35,976
2009/10	Nil	43,694	38	29,357	32,224

Table 2.7 Teignbridge, West Devon and South Hams District Councils' Area of Devon County Council Combined Waste Treatment Information

Year	Thermal Treatment	MSW Landfilled	Diversion Rate	BMW Landfilled	Landfill Allowances**
	Tonnage	Tonnage	%	Tonnage	Tonnage
2006/7	Nil	74,066	51	36,425*	N/A
2007/08	Nil	68,814	52	46,794	N/A

Year	Thermal Treatment	MSW Landfilled	Diversion Rate	BMW Landfilled	Landfill Allowances**
	Tonnage	Tonnage	%	Tonnage	Tonnage
2008/09	Nil	65,598	55	44,607	N/A
2009/10	Nil	62,888	58	42,761	N/A

* BMW landfill figure based on District Council waste without trade or HWRC waste
** Not Applicable as LATS allowances allocated to DCC for the whole of Devon County area not WCAs

Table 2.8 Combined Waste Treatment Information for Partnership Area

Year	Thermal Treatment Tonnage	MSW Landfilled Tonnage	Diversion Rate %	BMW Landfilled Tonnage	Landfill Allowances** Tonnage
2006/7	Nil	235,043	37.90%	156,320*	209,840
2007/08	Nil	220,870	41.80%	155,581	195,388
2008/09	Nil	203,257	43.40%	141,300	177,323
2009/10	Nil	191,183	43.90%	135,159	155,644

* BMW landfill figure based on District Council waste without trade or HWRC waste
** Includes LATS allowance estimate for districts as LATS allocated to DCC for the whole of Devon County not individual districts

The landfill diversion rates have increased for each partner authority over the period 2005/06 to 2009/10 and each Authority has kept its landfilled BMW within its allocated permit limits. Table 2.9 presents a summary position calculated for the Partnership. It should be noted that Devon County Council's LATS cover the whole of Devon and have therefore been estimated to cover the relevant area for the Partnership.

Table 2.9 Biodegradable Municipal Waste BMW Treatment Information for Partnership Area

Year	Total BMW Arising from Partnership area*	Total BMW Landfilled from Partnership area*	Total LATS Allowances for Partnership area***	Surplus (Deficit) for Partnership area
	Tonnage	Tonnage	Tonnage	Tonnage
2005/6	257,068	174,806	220,679	45,873
2006/7	249,829	156,320	209,840	53,520
2007/08	243,422	155,581**	195,388	39,807
2008/09	239,501	141,300	177,323	36,023
2009/10	229,589	135,159	155,644	20,485

* Based on assumption BMW is 68% of MSW landfilled for Teignbridge, South Hams and West Devon. ** Slight variance to previous year due to difference method of calculation.
*** LATS allowance for Teignbridge, South Hams and West Devon area estimated as DCC allowances cover the whole of Devon County area

The forward- looking LATS strategies for each Authority are presented at Section 8.5.5. In broad terms Torbay and Devon estimate that they will remain within their LATS allowances until the new facility comes on line in 2014, while Plymouth plans to purchase LATS credits to cover any shortfall.

3. Strategic Waste Management Objectives

3.1 Introduction

The strategic waste management objectives of the SWDWP partner Authorities have not changed since the preparation of the OBC in 2008 and there have been no changes to their waste strategies. The OBC has however, been translated into three high-level objectives the last one being the Partnership's PFI project:

- To improve waste minimisation and re-use;
- To improve recycling rates to at least meet latest national recycling targets as a Partnership (min 50% by 2020);
- To secure a timely economic, reliable and proven solution to divert the Partnership's residual waste from landfill with reduced carbon impact including CHP if possible.

3.2 Municipal Waste Management Strategy

There have been no changes to the three partner Authorities' Municipal Waste Management Strategies since production of the OBC.

3.3 Waste Minimisation

Since the OBC, total MSW arisings have continued to fall and there has been a significant reduction in residual waste produced per head of population. The reasons for this reduction are many and varied and often difficult to ascribe to specific campaigns.

Waste reduction is likely to have occurred as a result of a combination of: increased waste awareness through national and local advertising; voluntary agreements on waste; introduction of take-back schemes; light-weighting of packaging; revised product design; societal shifts in attitude arising from climate change concerns; and issues associated with the economic downturn.

The latest Partnership waste statistics have been used along with the updated Partnership waste flow model data to forecast future waste minimisation trends. As can be seen from Table 3.1, the Partnership has met the 2009/10 National Waste Strategy target and is now predicting to meet the targets for 2014/15 and 2019/20. These forecasts are all better than was estimated in the OBC.

Table 3.1 Partnership Modelled Waste Minimisation Performance Compared to WSE2007 Targets

WSE2007 Waste Minimisation Calculation				
	2000/01	2009/10	2014/15	2019/20
Population	623,000	653,800	675,100	695,900
Total Household Waste (tonnes)	271,363	332,774	346,310	336,546
Household waste recycled /composted (tonnes)	64,496	136,137	165,072	179,696
Kg household waste not recycled or composted per person	332	300.8	268.5	225.4

WSE2007 Waste Minimisation Calculation				
	2000/01	2009/10	2014/15	2019/20
WSE2007 Target (Kg of household waste not reused recycled or composted)	450	310	270	225

A review of waste minimisation schemes within each partner Authority is set out below.

3.3.1 Plymouth

The initiatives set out in the OBC have been mainstreamed into on-going service delivery and have continued. In particular, Plymouth has enjoyed notable success in promoting the use of real nappies with over 80% of new parents that take up the offer of a month's trial continuing to use real nappies. The school composting initiative also continues with ten schools using specialist composters.

As an additional initiative, the Council is now concluding a year long trial of two different food waste digesters that treat all kitchen waste including meat and fish. The initial results indicate that a single digester will treat 144kg of food waste per annum and reduces the biodegradable waste presented for collection. Further evaluation of the scheme will be undertaken with a view to providing the digesters at a reduced price.

3.3.2 Torbay

Torbay has continued with the waste minimisation initiatives described in the OBC and in many cases these have been expanded. Torbay has received national recognition for several of these schemes including its real nappy promotion work, community compost scheme and the extremely successful 'Watch your Waste Line' campaign.

Torbay has also extensively promoted the reuse of shopping bags by offering residents and visitors free reusable cotton shopping bags, promoted via local retailers, road shows and other events.

The Council also continues to work with Devon County Council and the other Devon authorities through DAWRRC to promote various waste minimisation campaigns including the award winning 'Love Food, Hate Waste' initiative, promoting the using up of leftover food.

3.3.3 Devon

The waste minimisation strategy detailed in the OBC continues to operate throughout Devon and this period has seen a continued reduction in residual waste produced. There is evidence of a general shift in society with more awareness of issues such as use of reusable shopping bags although, as is often the case with public education, it is not easy to attribute changes in behaviour to specific campaigns.

3.4 Recycling and Composting

The partner authorities have continued to develop their upstream recycling initiatives. As shown in the Tables 3.1 and 3.2 in this section, the Partnership's overall recycling and composting rate is currently outperforming the predictions made in the OBC in early 2008.

3.4.1 Plymouth

Plymouth is currently developing options for the introduction of a kerbside glass collection scheme. Several options are being evaluated for possible implementation in 2012/13 or at least before the end treatment solution becomes operational. The scheme has been delayed by a year due to operative noise exposure concerns and delays in WRAP developing a collection vehicle that meets the noise requirements.

The trade waste recycling service will continue to be expanded. A merchant Anaerobic Digestion facility will be operational in 2010 and the possibility of processing trade collected restaurant waste at this facility is under discussion with the plant operators.

3.4.2 Torbay

In July 2010, the new Joint Venture Company with May Gurney, TOR2, took responsibility for waste collection and recycling within Torbay. The main changes from the current recycling collection service are a:

- Weekly kerbside collection of recycling from all suitable properties (to replace current fortnightly recycling services)
- More uniform system for all residents with materials collected at the kerbside in recycling boxes (this will include paper, steel and aluminium cans, cardboard, plastic bottles, textiles and glass)
- New weekly kitchen waste recycling collection for food waste

3.4.3 Devon

Devon County Council is continuing with a strategy to improve recycling centre provision to improve the usability and enable higher recycling rates to be achieved. Work has recently commenced on a large recycling centre on the eastern side of Exeter. It is also recognised that the Ivybridge area is poorly served in terms of its present recycling centre and a suitable location for an alternative site is currently being sought.

Devon now has three operational in-vessel composting plants commissioned by the County Council. In addition, a merchant anaerobic digestion plant is accepting waste from West Devon. There are several merchant Anaerobic Digestion Plants currently at various stages of planning. However, the Council is not currently considering providing further capacity at public expense.

3.4.4 Future Recycling and Composting Projections

When the Partnership updated its original OBC waste flow model in 2009 with the latest waste and population data and waste growth projections, it also updated its future waste recycling and composting projections.

The updated model uses the original assumptions alongside refreshed baseline data and amended growth projections. The results indicate that slightly higher recycling and

composting rates are now predicted by the Partnership over those previously set out in the OBC. Tables 3.2 and 3.3 below set out the updated recycling and composting projections for the 'likely' medium growth scenario alongside the original OBC projections. Recycling and composting projections for each partner Authority are included at Appendix 3.

Table 3.2 Original and Updated Recycling Projections for the Partnership Area

Year	OBC Recycling Projections for the Partnership area		Updated FBC Recycling Projections for the Partnership area	
	Tonnage	% of HHW	Tonnage	% of HHW
2008/09	82,875	23.70	81,708	25.25
2009/10	84,841	23.99	78,811	25.44
2010/11	88,608	24.88	85,967	28.41
2011/12	95,549	26.26	89,627	29.46
2012/13	98,406	26.74	91,498	29.68
2013/14	102,616	27.61	93,984	30.20
2014/15	105,472	28.03	95,882	30.49
2015/16	108,601	28.57	97,762	30.73
2016/17	110,516	28.83	99,341	30.92
2017/18	112,320	28.96	100,712	31.00
2018/19	114,080	29.16	102,130	31.04
2019/20	117,792	29.84	104,871	31.56
2020/21	119,137	29.88	106,087	31.56
2021/22	120,330	29.88	107,319	31.61
2022/23	121,551	29.88	108,581	31.64
2023/24	122,754	29.88	109,846	31.64
2024/25	123,959	29.88	111,621	31.78
2025/26	125,310	29.92	112,919	31.82
2026/27	126,392	29.97	114,195	31.82
2027/28	127,477	29.97	115,489	31.82
2028/29	128,569	29.93	116,801	31.86
2029/30	129,664	29.93	118,132	31.92
2030/31	130,764	29.93	119,454	31.91
2031/32	131,867	29.93	120,796	31.96
2032/33	132,978	29.93	122,155	32.00
2033/34	134,091	29.93	123,535	32.00
2034/35	135,210	29.93	124,934	32.04
2035/36	136,334	29.93	126,353	32.04

Year	OBC Recycling Projections for the Partnership area		Updated FBC Recycling Projections for the Partnership area	
	Tonnage	% of HHW	Tonnage	% of HHW
2036/37	137,461	29.93	127,792	32.13
2037/38	138,595	29.93	129,251	32.12
2038/39	139,734	29.89	130,732	32.12

Table 3.3 Original and Updated Composting Projections for the Partnership Area

Year	OBC Composting Projections for the Partnership area		Updated FBC Composting Projections for the Partnership area	
	Tonnage	% of HHW	Tonnage	% of HHW
2008/09	60,282	17.30	58,311	18.16
2009/10	63,265	17.87	57,326	18.46
2010/11	66,303	18.60	59,257	19.61
2011/12	69,974	19.20	61,763	20.30
2012/13	74,267	20.18	65,077	21.12
2013/14	76,987	20.69	66,698	21.44
2014/15	79,372	21.14	69,190	22.04
2015/16	81,396	21.46	70,005	22.04
2016/17	82,969	21.62	71,165	22.08
2017/18	83,787	21.64	72,001	22.18
2018/19	84,687	21.69	72,941	22.22
2019/20	85,821	21.75	74,825	22.54
2020/21	86,618	21.73	75,901	22.59
2021/22	87,417	21.72	76,990	22.66
2022/23	88,221	21.71	78,095	22.71
2023/24	89,026	21.70	79,216	22.83
2024/25	89,836	21.69	81,363	23.18
2025/26	90,773	21.72	82,579	23.25
2026/27	91,531	21.73	83,613	23.26
2027/28	92,293	21.73	84,660	23.29
2028/29	93,058	21.66	85,720	23.42
2029/30	93,826	21.66	88,311	23.87
2030/31	94,598	21.66	89,204	23.80
2031/32	95,375	21.66	90,109	23.86
2032/33	96,154	21.66	91,024	23.84

Year	OBC Composting Projections for the Partnership area		Updated FBC Composting Projections for the Partnership area	
	Tonnage	% of HHW	Tonnage	% of HHW
2033/34	96,936	21.67	91,948	23.83
2034/35	97,724	21.67	92,884	23.81
2035/36	98,513	21.67	93,831	23.84
2036/37	99,307	21.60	94,789	23.80
2037/38	100,107	21.60	95,756	23.79
2038/39	100,908	21.61	96,737	23.77

3.5 Landfill Objectives

The key objective of the Partnership is to secure a long-term waste solution to divert the three Authority's residual waste from landfill.

3.5.1 LATS

As previously set out in Section 2, the waste arisings managed by the partner Authorities have fallen since issue of the OBC and this has reduced the predicted LATS liability for each Council. However, as the updated Table 3.4 below shows, the Partnership still has a significant LATS liability if no alternative to landfill is secured. A breakdown by partner Authorities is provided at Appendix 3.

Table 3.4 Landfill Projections for the Partnership area if no alternative disposal secured

Year	LATS Allowance	Carry over + Purchases	BMW Landfilled	Surplus/ (Deficit)	Surplus/ (Deficit) as Stated in OBC	Variance FBC to OBC
	Tonnes	Credits	Tonnes	Tonnes	Tonnes	Tonnes
2008/09	177,323	37,062	141,300	73,085		
2009/10	155,644	6,666	135,159	27,151	3,784	23,367
2010/11	138,320	11,000	114,424	34,896		
2011/12	120,995	25,932	112,379	34,548		
2012/13	103,669	0	110,598	(6,929)	(42,607)	35,678
2013/14	99,222	0	110,276	(11,054)		
2014/15	94,776	236	109,754	(14,742)		
2015/16	90,329	0	110,332	(20,003)		
2016/17	85,882	0	110,858	(24,976)		
2017/18	81,436	0	111,850	(30,414)		
2018/19	76,988	0	112,781	(35,793)		
2019/20	72,541	0	112,305	(39,764)	(49,593)	9,829

Following the Partnership's selection of MVV as the preferred bidder, it expects the solution to be operational towards the end of 2014 following which the Partnership's reliance on landfill for waste arising in the partnership area will be minimal.

Table 3.5 below sets out the Partnership's expected landfill projections assuming the MVV solution is delivered to programme and compares this against the original OBC projections. This table clearly shows that the MVV solution is guaranteeing to divert significantly more BMW from landfill than originally estimated. A breakdown by partner Authorities is provided at Appendix 3.

Each partner Authority's individual strategy for managing their LATS liabilities until the MVV solution is in place is set out at Section 8.5.5.

Table 3.5 Landfill Projections for the Partnership area with MVV's solution

Year	LATS Allowance	Carry over + Purchases	BMW Landfilled	Surplus/ (Deficit)	Surplus/ (Deficit) as Stated in OBC	Variance FBC to OBC
	Tonnes	Credits	Tonnes	Tonnes	Tonnes	Tonnes
2008/09	177,323	37,062	141,300	73,085		
2009/10	155,644	6,666	135,159	27,151	3,784	23,367
2010/11	138,320	11,000	114,424	34,896	-	-
2011/12	120,995	25,932	112,379	34,548	-	-
2012/13	103,669	0	110,598	(6,929)	(42,607)	35,678
2013/14	99,222	3,758	110,276	(7,296)	-	-
2014/15	94,776		71,659	23,117		
2015/16	90,329		3,943	86,386		
2016/17	85,882		3,966	81,916		
2017/18	81,436		4,002	77,434		
2018/19	76,988		4,038	72,950		
2019/20	72,541		4,035	68,506	49,593	18,913

3.6 Landfill Diversion

The total MSW and BMW being diverted from landfill as guaranteed by MVV's solution exceeds that expected from the Reduced Tonnage Reference Project modelling. This is due to the MVV solution incorporating a shredder to maximise the amount of Partnership Contract Waste that can be treated and the innovative proposal to bale and store waste during plant outages and then use them when the plant returns to operation.

The levels of diversion compared to the Reduced Tonnage Reference Project predictions are shown in Table 3.6 below (note - the Reduced Tonnage Reference Project model is used as

this reflects the latest Partnership waste forecasts and the table only references Partnership waste not additional 3rd Party commercial and industrial waste). The diversion performance not only reflects the changing contract waste quantities but also the significantly improved performance of the MVV solution over and above the reference case.

Table 3.6 Level of Partnership MSW and BMW diverted from landfill

Year	Projected diversion performance Per OBC Tonnes		Projected Diversion Performance Per FBC (tonnes)	
	MSW	BMW	MSW	BMW
2014/15	187,020	127,173	69,656	47,366
2015/16	186,289	126,676	168,035	114,264
2016/17	186,576	126,872	168,829	114,804
2017/18	187,827	127,722	170,340	115,831
2018/19	189,056	128,558	171,755	116,794
2019/20	188,344	128,074	171,008	116,286
2020/21	190,100	129,268	172,618	117,380
2021/22	192,016	130,571	174,245	118,487
2022/23	193,913	131,861	175,877	119,597
2023/24	195,840	133,171	177,541	120,728
2024/25	197,772	134,485	177,793	120,900
2025/26	199,438	135,618	179,507	122,065
2026/27	201,295	136,880	181,207	123,221
2027/28	203,156	138,146	182,769	124,283
2028/29	205,024	139,416	184,345	125,354
2029/30	206,896	140,689	184,419	125,405
2030/31	208,775	141,967	186,246	126,648
2031/32	210,659	143,248	188,093	127,904
2032/33	212,549	144,533	189,960	129,173
2033/34	214,444	145,822	191,847	130,456
2034/35	216,346	147,115	193,755	131,754
2035/36	218,253	148,412	195,684	133,065
2036/37	220,167	149,714	197,633	134,391
2037/38	222,087	151,019	199,605	135,732
2038/39	224,013	152,329	201,598	137,086

3.7 Appraisal of Technology Options

Since the production of the OBC, the partner Councils and the Partnership have not changed their strategic approach to treating residual waste. However, the procurement approach did allow for a wide range of technological solutions to come forward and these would have been considered.

Prior to establishment of the Partnership, each partner Authority had concluded, through their own waste strategy development, that a thermal treatment solution was the most appropriate

means of treating residual waste and that recycling efforts should be concentrated on upstream diversion of recyclable and compostable material.

This premise was re-tested within a further technology options appraisal undertaken as part of the OBC and a similar conclusion was reached.

The Partnership therefore stipulated from the outset of the procurement that all solutions must contain a thermal element albeit this could have encompassed a range and combination of different technologies.

In the event, all nine solutions received at outline solution stage included conventional energy from waste proposals, which verified to the Partnership that this technology is able to offer most economically advantageous technological solution.

3.8 Environmental Impact

3.8.1 Partnership Authorities' Approach

Each of the partner Authorities are extremely well aware of the links between waste and the environment, and how effective waste management can help deliver broader local, national and international environmental objectives.

Devon County Council and Plymouth City Council have both signed the Nottingham Declaration on Climate Change while Torbay signed its commitment in 2009 through its Local Strategic Partnership. The Nottingham Declaration pledges to address the causes and the impacts of Climate Change.

Since the OBC was produced, each partner Council has proactively developed and progressed its commitment to better carbon management through declared strategies and action plans. These plans include clear references to waste as set out below.

Plymouth City Council

Plymouth City Council has an adopted Local Authority Carbon Management Plan together with a Strategic Implementation Plan (SIP). The SIP includes actions to deliver improved recycling and to include carbon impacts in the assessment of future waste solutions.

Plymouth's Climate Change Action Plan (2009 – 2011) also includes ensuring numerous actions to reduce the carbon footprint per capita within Plymouth and specifically for waste that the long-term waste solution should contribute to reducing Plymouth's carbon footprint.

Torbay Council

Torbay Council's Local Authority Carbon Management Plan (April 2008) does not contain specific waste policies as these are in its Climate Change Strategy. It does however have an overall strategic objective "to lead Torbay towards a low carbon economy by demonstrating to the community the Council's commitment to climate change mitigation"

Torbay Council also adopted a Climate Change Strategy in 2008 which contains specific policies to "reduce the carbon footprint of Torbay's waste management operations" which includes actions to reduce waste growth, perform life cycle assessment of waste management options and to increase recycling.

Devon County Council

Devon's Local Authority Carbon Management Plan focuses on the corporate carbon footprint. It is based on the vision of becoming a low carbon management Authority and contains actions and objective to achieve this vision.

Devon's Climate Change Strategy (A Warm Response, September 2005) contains the specific strategic objective to identify and implement the embodied carbon content and the future operational carbon footprint of proposed programmes/plans, infrastructure upgrades and maintenance.

3.8.2 South West Devon Waste Partnership Approach

The OBC approved in 2008, clearly highlighted the significance of waste in relation to its environmental impact. In particular, the OBC recognised the potential for a new long-term waste solution to reduce, if not completely offset, its carbon footprint and therefore its contribution to global warming.

The OBC through detailed option analysis using the EA's WRATE model, also highlighted the potential impacts and benefits of different technological solutions and the significant environmental benefits that would result from securing a combined heat and power (CHP) solution.

As a result of this clear analysis and understanding, the Partnership has continually sought to recognise and assess the environmental credentials of each solution and evaluate and score them accordingly. The Partnership has also actively strived to secure a CHP solution throughout the procurement by:

- Promoting its inclusion from the outset,
- Undertaking and making available to bidders several CHP related studies and assessments,
- Engaging with large energy users,
- Incorporating transparent bid assessment criteria to recognise CHP related advantages, and
- Introducing an additional ISDS stage to explore more fully the CHP potentials offered by each solution.

3.8.3 MVV's Combined Heat and Power (CHP) solution

In response to the Partnership's requirements and objectives, MVV have secured a significant long-term CHP tie-up with one of the largest energy users in the South West. The contractual arrangement will provide heat and electricity directly to Devonport Royal Naval Dockyard in Plymouth from the operational commencement of the EfW facility.

MVV Umwelt have brought their considerable waste and energy experience together within the project to secure this arrangement which will ultimately be to the benefit of two public sector organisations that of the Partnership and the MOD.

The environmental benefits that consequently flow from the arrangement will include a net carbon footprint reduction of over 70,000 tonnes of CO_2 equivalent per year along with

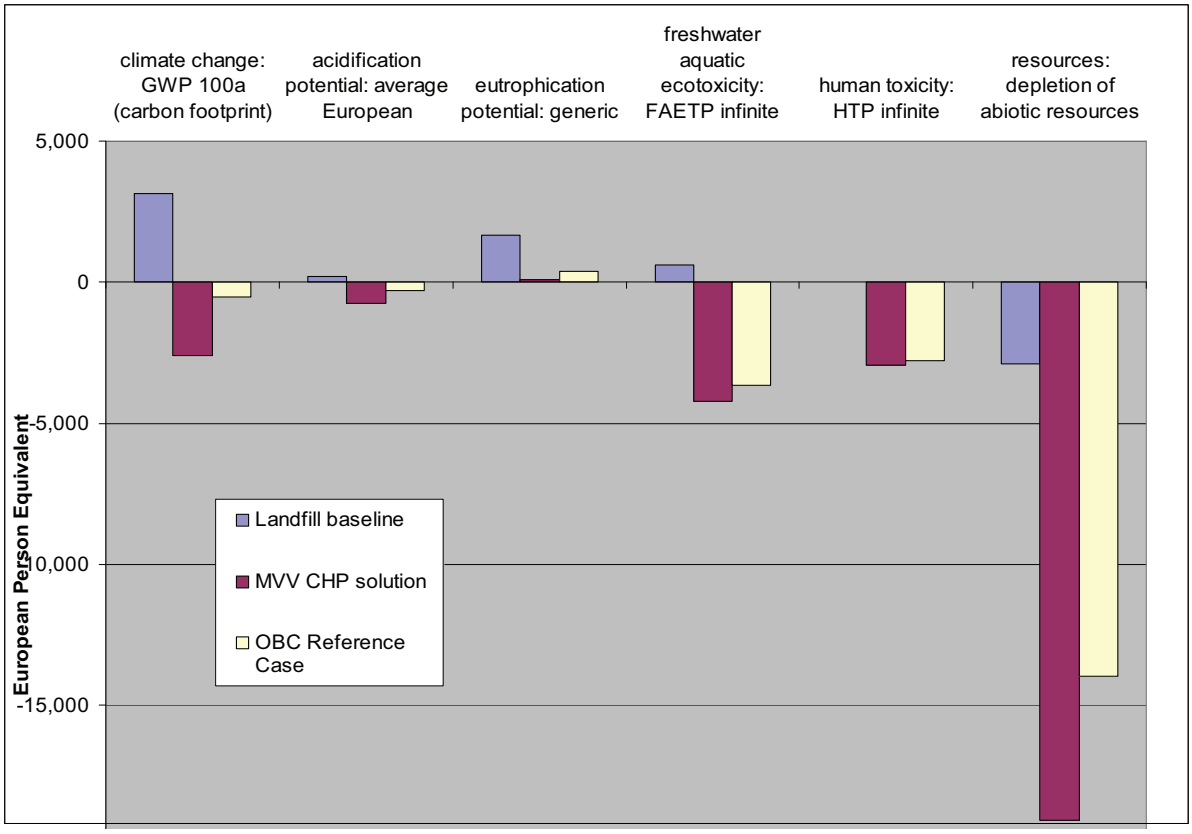
offsetting local emissions from the Naval Base having to use fossil fuels in its own boilers for heating.

MVV has also confirmed that it wishes to explore extending the heat use from the facility into a wider Plymouth network if Plymouth develops a heat network via an Energy Supply Company (ESCo). If such an opportunity materialised then the carbon footprint benefits could be further increased.

3.8.4 Updated WRATE analysis

The Partnership undertook a WRATE analysis as part of the OBC comparing its current landfill arrangements with a conventional EfW solution (the Reference Case). This analysis has now been repeated with the MVV's solution and the results are shown in Figure 3.1.

Figure 3.1 WRATE Modelling Results



This comparison clearly shows the significant environmental advantages offered by the MVV solution particularly relating to global warming potential (carbon footprint)

4. Procurement Process and Value for Money Assessment

4.1 Introduction

The OBC reference case described a single energy from waste facility located on an authority owned site. The case set out to demonstrate that there was a viable and affordable solution available and that the Partnership could attract good quality responses from the private sector.

The aim of the procurement was to approach the market with an open mind and flexible approach, as opposed to pre-defining the development of a particular solution, and concentrate on the delivery of desired outcomes for the treatment of Partnership's residual waste.

The Partnership has conducted the procurement of a residual waste treatment solution in accordance with the competitive dialogue procedure pursuant to the Public Contracts Regulations 2006 (as amended) and has followed the OGC/HM Treasury joint guidance on the competitive dialogue procedure, (Competitive Dialogue) in 2008.

The OJEU Notice was released in October 2008 following the approval of the OBC and was drafted to retain maximum flexibility throughout the procurement. The key features of the OJEU Notice were as follows:

- Technology neutrality (other than containing a 'thermal element').
- Site neutral (although an Authority site offered)
- Combined Heat and Power, if feasible.
- Option to include a provision for the disposal of commercial and industrial (C&I) waste and other public waste.
- Contract duration 28 years with an option for an additional 5 year extension.
- Broad Partnership waste tonnage assumptions.

The Notice also allowed for a staged de-selection of solutions throughout a Competitive Dialogue (CD) process and that the WIDP form of the SoPC4 contract would be used. It also attracted 45 private sector organisations to the Partnership's Bidders' Day held in November 2008.

Compliance with EU Procurement Regulations has been ensured at two levels. Firstly, at project team level, an experienced project manager and procurement specialist have been engaged on a full-time basis, a procurement lawyer on a part-time basis and, secondly, at project governance level, a specialist auditor has been involved.

Procurement advice has also been obtained from Queen's Counsel on specific issues:

Information redacted due to commercially sensitive and confidential reasons

To ensure value for money, the Partnership took the approach of ensuring that pricing information was submitted at all stages of the procurement and each bidder's price compared against benchmark data. During the latter stages of the procurement, detailed analyses were undertaken to identify and justify any price movement from previous stages.

Prior to close of dialogue, a final version of the financial model was requested from the bidders and affordability and VfM checks were undertaken.

4.2 Overall Strategy for Procurement

The intention at OBC stage in April 2008 was to procure a shared residual waste treatment solution, delivered as a joint procurement. All other associated activities, for example recycling, would continue to be provided separately by the three Authorities including any facilities that were necessary to satisfy the input requirements of the residual waste treatment facility. The overall procurement strategy remains unaltered from that described in the OBC in April 2008.

4.3 Output Specification for the Project

The Partnership output specification is closely based on the standard WIDP model and has remained largely unaltered since the OBC. Key specification requirements are as follows:

- Landfill Diversion target – a threshold that contract waste to landfill shall not exceed 20%;
- Contract Waste Tonnages – as contract waste tonnages over the course of the procurement fell, new contract waste tonnages were issued to bidders at the beginning of the ISDS stage in November 2009;
- R1 Energy Recovery – a requirement that bidders are required to meet the R1 waste recovery definition as defined under the European Waste Framework Directive 2008.

A summary of Key Performance Indicators is attached as Appendix E.

4.4 Pre-Qualification

The Pre-Qualification Questionnaire (PQQ) assessed the legal eligibility, technical capability and capacity, and financial and economic strengths of organisations expressing an interest in bidding for the Project. Its purpose was to determine which organisations would be issued an Invitation to Participate in Dialogue (ITPD).

In response to the OJEU, the Partnership issued the PQQ in November 2008 to 34 private sector parties and received completed questionnaires from nine perspective bidders. The bidders were:

- Amey/Cespa
- Kier
- MVV Umwelt GmbH
- Shanks/Wheelabrator
- SITA UK Ltd
- Urbaser SA
- Veolia Environmental Services
- Viridor Waste Management Ltd
- Waste Recycling Group

The PQQ was split into three assessment stages:

- Stage 1 – Preliminary assessment and compliance stage

  This was a pass/fail assessment based on whether the bidder (as a single organisation or consortium) had the requisite financial standing and deemed appropriate to undertake the contract.

For the following two stages, a minimum scoring threshold of 50% of the maximum score available had to be achieved.

- Stage 2 – Economic and financial standing assessment

  This stage of the assessment had two elements comprising an assessment of the financial solvency and strength of the bidder and an assessment of the fund-raising capability of the bidder.

- Stage 3 – Technical and professional ability assessment

  This assessment was based on the bidder's project, technical and staff experience and on corporate policies.

The results of the PQQ evaluation were presented to the Project Executive in January 2009. One bidder did not pass the PQQ requirements, as the submission was incomplete. The bidders were informed of the results in January 2009 and offered a face to face debrief.

4.5 The Outline Solutions Stage of Competitive Dialogue

Eight bidders were Invited to Participate in Dialogue and were sent an Invitation to Submit Outline Solutions (ISOS) in February 2009. Bidders were required to submit solutions to provide a residual waste treatment and disposal solution with a facility (or facilities), containing a thermal element, for the processing and disposal of the Partnership's residual municipal waste.

The instructions allowed for bidders to submit up to two solutions each. A variant could be offered on any of the following:

- the proposed technology;
- the number of site(s) / facility(ies);
- the location of the site(s) / facility(ies); or
- the scale/capacity of the facility(ies).

The documentation issued included:

- The ITPD and ISOS Questionnaire with Appendices including instructions to bidders and guidance for submitting solutions.
- The Bid Evaluation Procedure document identifing the methodology and scoring used for the evaluation process.
- Contract information comprising: Descriptive Document, Draft Output Specification and the Draft Payment Mechanism.
- Additional background information and reports including a CHP scoping study.

The aim of the ISOS dialogue stage was to identify and define the means best suited to satisfy the Partnership's residual waste treatment and disposal needs. Two dialogue meetings were held with each bidder which covered the following:

- Procurement process and communications
- Project objectives
- Technical solution
- Supply chain
- Site
- CHP proposals
- Planning
- Finance and funding

Protocols were established with the bidders from the outset of the dialogue stage and each bidder presented their solution(s) at the end of the stage.

4.5.1 ISOS Evaluation Methodology

The evaluation criteria for the ISOS stage were determined in advance of inviting outline solutions in accordance with procurement best practice and were approved by the Partnership's Joint Committee in January 2009. Initial checks of the submissions were carried out before formal evaluation commenced to confirm:

- Completeness of the submission;
- Affordability;
- The solution contained a thermal element; and
- BMW diversion performance.

This process of initial checks was used in all subsequent stages of the procurement. The formal quality evaluation contained six discrete elements and each was given a level of weighting shown in Table 4.1.

Table 4.1 ISOS Evaluation Weighting

Quality Element	Weighting
Technical	35%
Planning & Licensing	22%
Environmental	13%
Deliverability	10%
Commercial & Financial	15%
Legal & Contractual	5%

The Project Team, with support from the advisors, undertook the evaluation of the quality element. In parallel with the quality assessment, an assessment of the submitted gate fee against the modelled gate fee from the Outline Business Reference Case was undertaken. The results of this assessment were used to modify the quality score, thus providing an

overall score for each bid. Each bid was then ranked to determine which bids would go through to the next stage of dialogue.

4.5.2 ISOS Scoring System

The quality elements were scored according to the system given in Table 4.2 which was used throughout the procurement in all stages of the dialogue process.

Table 4.2 Scoring System

Score (%)	0	1 – 25	26 - 49	50 - 65	66 – 85	86 - 100
Judgement	Unacceptable	Poor	Fair	Satisfactory	Good	Outstanding
Definition	No information submitted to evaluate	Most or all of the requirements are not met	Some of the requirements have not been met	All requirements have been met or with only some minor amendments	All requirements have been met in full with some added value	All requirements have been met in full with significant added value

4.5.3 ISOS Submissions

The Partnership received submissions from six bidders comprising nine separate solutions. The remaining two bidders, Amey/Cespa and Waste Recycling Group, withdrew from the procurement before the final submission deadline. Three of the six bidders provided both a standard and a variant solution. The details of the submissions are given in Table 4.3.

Table 4.3 ISOS Submissions

Bidder	Technical Solution	Variant	Capacity
MVV Umwelt GmbH	Energy from Waste (EfW) facility	Site location variant	300K tonnes per annum (tpa)
Shanks Wheelabrator	EfW facility	N/A	245K tpa
SITA UK Ltd	EfW facility	Site location variant	240K tpa
Urbaser SA	EfW facility	N/A	270K tpa
Veolia Environmental Services	EfW facility	N/A	225K tpa
Viridor Waste Management Ltd	EfW facility	Site location variant	275K tpa

At the end of the ISOS evaluation process, the Partnership intended to invite a minimum of three bidders to continue dialogue. It also reserved the right to invite a fourth bidder to continue dialogue should the assessment of the bidders in third and fourth place be sufficiently close to merit further examination.

The results of the ISOS evaluation were presented to the Project Executive in June 2009. The bidders were informed of the results in July 2009 and all unsuccessful bidders were invited to, and accepted, a debriefing.

4.6 The Detailed Solutions Stage of Competitive Dialogue

4.6.1 Invitation to Submit Detailed Solutions (ISDS) First Stage

To provide greater certainty to the Partnership over deliverability of the residual waste treatment solution, it decided to run a short first stage to the ISDS and concentrate on three main themes before requesting fully detailed solutions. The three themes were:

- Developing greater certainty over the ability to obtain planning approval.
- Determining the scale and certainty of energy export (power and heat) and the associated economic benefits.
- Obtaining greater certainty over the acquisition and availability of land and/or rights of use.

The Partnership invited three bidders that between them had submitted five solutions to the Invitation to Submit Detailed Solutions (ISDS) First Stage in July 2009. These were:

- MVV Umwelt GmbH
- SITA UK Ltd
- Viridor Waste Management Ltd

The documentation issued included:

- Instructions to Participants;
- Bid Evaluation Procedure;
- Contractual documentation including the Project Agreement and Schedules, the Draft Output Specification and Draft Payment Mechanism
- Bid Form 1 – Gate Fee pro forma.

4.6.2 ISDS First Stage Evaluation Methodology

The evaluation criteria for the ISDS First Stage were determined in advance and approved by the Partnership's Joint Committee in July 2009. Details of the criteria and their weighting are given in Table 4.4.

Table 4.4 ISDS First Stage Evaluation Weighting

Quality Element	Weighting
Technical	25%
Planning & Licensing	25%
Environmental	10%
Deliverability	10%
Commercial & Financial	20%
Legal & Contractual	10%

The bidders were only required to answer a limited number of questions predominantly related to the three main themes. Evaluation scores from the ISOS stage for areas not tested in the ISDS first stage were carried forward.

Revised responses submitted were re-evaluated using the previous ISOS evaluation guidance and the revised weightings above. Also, specific definitions and judgements on certain key questions were introduced in the technical, planning and deliverability sections.

In parallel to the quality assessment, an assessment of the submitted gate fee compared to the modelled gate fee from the Outline Business Reference Case was undertaken. The results of this assessment were used to modify the quality score, thus providing an overall score for each bid.

4.6.3 ISDS First Stage Submissions

In September 2009, one bidder withdrew a solution leaving three bidders to submit four solutions in October 2009. There were no changes to the technical solutions proposed or the proposed plant capacities. Details of the ISDS First Stage submissions are given in Table 4.5.

Table 4.5 ISDS First Stage Submissions

Bidder	Technical Solution	Variant	Capacity
MVV Umwelt GmbH	Energy from Waste (EfW) facility	Site location variant	300K tonnes per annum (tpa)
SITA UK Ltd	EfW facility	N/A	240K tpa
Viridor Waste Management Ltd	EfW facility	N/A	275K tpa

At the end of this stage of the evaluation process, the Partnership had intended to take forward a maximum of four solutions into the next stage of dialogue. However, as one bidder withdrew one of their solutions, it was decided by the Project Executive that a formal evaluation was not required.

The prime purpose of the first stage submission was to focus on planning matters, Combined Heat and Power (CHP) and deliverability. As a result, the Partnership obtained sufficient comfort from the information provided that the bidders were progressing these aspects satisfactorily.

4.6.4 Invitation to Submit Detailed Solutions (ISDS)

The Partnership invited three bidders comprising four solutions to the Invitation to Submit Detailed Solutions (ISDS) in November 2009. The bidders were:

- MVV Umwelt GmbH
- SITA UK Ltd
- Viridor Waste Management Ltd

Sita decided to withdraw from the bidding process in January 2010 leaving only two bidders in the process. It was therefore concluded that the responses due in March 2010 should be partial submissions responding only to key gateway issues.

Following consultation with the two bidders, new instructions and evaluation documentation were issued in January 2010. However, the submission date of March 2010 was retained.

The documentation included:

- Instructions to Participants, which included guidance on compiling the method statements;
- Bid Evaluation Procedure;
- Contract Documentation including the Project Agreement and Schedules, Draft Output Specification, including updated Partnership Contract Waste projections, and Draft Payment Mechanism.

4.6.5 ISDS Evaluation Methodology

The evaluation criteria for the ISDS stage were determined in advance and were approved by the Partnership's Joint Committee in November 2009. Details of the criteria and their weighting are given in Table 4.6.

Table 4.6 ISDS Evaluation Weighting

Quality Element	Weighting
Technical	30%
Planning & Licensing	20%
Environmental	10%
Deliverability	5%
Commercial & Financial	20%
Legal & Contractual	15%

As one bidder had withdrawn, it was agreed with the remaining two bidders that their solutions would not be scored formally. However, they would be assessed to ensure minimum score thresholds had been achieved and that there were no solutions progressed which represented an unacceptably high risk of not meeting the Partnership's requirements.

The Partnership therefore introduced minimum score requirements for specific judgements for a number of technical, planning and deliverability questions. It also reserved the right to reject (but without obligation to do so) submissions that failed to meet the minimum score thresholds.

Although there was no formal financial evaluation, checks were carried out on the financial model submitted to determine whether the submissions were within the Partnership's affordability envelope.

4.6.6 ISDS Submissions

One of the remaining bidders withdrew their variant solution during the bid preparation period, leaving the two bidders each to submit one solution. There were no changes to the

technical solutions proposed. However, there were changes to the capacity of the solutions as revised contract waste tonnages had been issued to the bidders in November 2009. Summary details of the two ISDS submissions are given in Table 4.7.

Table 4.7 ISDS submissions

Bidder	Technical solution	Variant	Capacity
MVV Umwelt GmbH	Energy from Waste (EfW) facility	N/A	275K tonnes per annum (tpa)
Viridor Waste Management Ltd	EfW facility	N/A	250K tpa

4.6.7 Post ISDS Dialogue

After the ISDS submissions, key members of the Project Team undertook site visits to both bidders' reference facilities. The purpose of the site visits was to understand the context of the solutions in terms of design and technology and the operational side of the facilities and ancillary processing activities.

In April 2010, the Partnership wrote to both bidders providing them with feedback on their ISDS submissions and inviting both bidders to continue dialogue. The letter described the outstanding matters and protocols to be followed in the run-up to CFT. An updated procurement timetable was also issued.

The Partnership then issued the following documents to both bidders:

- Contract Documentation, including Project Agreement and Schedules, Review of the Draft Output Specification, Draft Payment Mechanism and Insurance Matrices.

During this final dialogue period, the Partnership sought to achieve agreed contract documentation with no substantive issues outstanding. This included technical and financial proposals supported by sufficient information that would highlight outstanding commercial issues before seeking to close dialogue.

Dialogue meetings were held on a regular basis with both bidders to refine their solutions to close out key contractual issues and reach an understanding of commercial positions. WIDP undertook its commercial and derogations review during September 2010 and confirmed its agreement that the Partnership was ready to close dialogue on 6th October 2010.

4.7 The Call for Final Tenders

The Partnership invited MVV Umwelt and Viridor Waste Management to participate in the Call for Final Tenders (CFT) stage of the procurement in October 2010.

4.7.1 CFT Evaluation Methodology

The evaluation criteria for the CFT were determined in advance and approved by the Partnership's Joint Committee in July 2010. Details of the criteria and weighting are given in Table 4.8.

Table 4.8 CFT Evaluation Weighting

Quality Element	Weighting
Technical	27%
Planning & Licensing	25%
Environmental	10%
Deliverability	5%
Commercial & Financial	18%
Legal & Contractual	15%

As previously followed at ISOS stage when the submissions were received, initial checks were carried out before formal evaluation commenced. A check for compliance with the bidders' stated commercial and contractual positions prior to CFT was undertaken in addition to the ISOS stage checks.

In general, all technical, environment, deliverability, planning and commercial criteria were scored according to the methodology in Table 4.2 although against three specific areas a minimum scoring threshold was stipulated. These criteria related to BMW diversion levels, achieving the R1 recovery definition and gaining legal certainty on all land required to deliver the overall solution. The legal and contractual element was scored slightly differently using Table 4.9.

Table 4.9 CFT Legal and Contractual Scoring System

Score	Meaning
8.6-10	Amendments giving rise to added value for the Authority
6.6-8.5	No Amendments
5.0-6.5	Amendments Not Significant
2.6-4.9	Amendments of Low Significance to Significant
1-2.5	Amendments Significant
0	Amendments Highly Significant

The Partnership reserved the right to reject (but without obligation to do so) a tender which received a score between 0 – 25 for any of the legal and contractual criteria.

In parallel to the quality assessment, an assessment of the submitted economic cost and affordability of the service was undertaken. The economic cost and affordability of the service were evaluated separately and the scores were weighted before adding together and applied as an adjustment to the quality score, thus providing an overall score for each tender. Details of the evaluation weightings for economic cost and affordability are given in Table 4.10.

Table 4.10 Weightings for the Economic cost of Tender and Affordability Cost of Service

CFT Element	Weighting
Economic Cost of the Tender	70%
Affordability of the Cost of the Service	30%

A full independent audit of the evaluation process was undertaken by Devon Audit Partnership and separate audit and evaluation reports compiled. A copy of the CFT Opening and Evaluation Audit Report is attached at Appendix 4B. A provisional preferred bidder was then established to enable the formal approval process to commence.

4.7.2 CFT Submissions

Two bidders submitted one solution each on 5th November 2010. There were no changes to the overall technical solutions proposed although there were some elements of the technical solutions that changed. In addition, there were changes to the capacities of the plants from the ISDS stage in response to the earlier reduction in the contract waste tonnages, revisions to third party income levels and refinements to their designs. Details of the two CFT submissions are given in Table 4.11.

Table 4.11 CFT Submissions

Bidder	Technical Solution	Variant	Capacity
MVV Umwelt GmbH	Energy from Waste (EfW) facility	N/A	245K tonnes per annum (tpa)
Viridor Waste Management Ltd	EfW facility	N/A	253K tpa

The bidders were asked to clarify several points before the formal evaluation process was undertaken in accordance with the methodology described in the previous section. The conclusion in the formal evaluation report was that MVV offered the most economically advantageous tender.

On the 6th December, the Project Executive reviewed the evaluation report and the overall affordability of the tender. It agreed that a preferred bidder recommendation should be put to the Joint Committee on the 16th December and that the preferred bidder version of the Final Business Case should be submitted to WIDP.

4.8 The Solution Proposed by the Proposed Preferred Bidder

The MVV solution is a single line mass burn Energy from Waste facility with the ability to recover value from both heat and electricity. The proposed solution is not reliant on the pre-treatment of contract waste, although a shredder is provided to facilitate the acceptance of bulky items. The key aspects of the proposed facility are summarised in Table 4.12.

Table 4.12 Summary Details of the Preferred Bidder's Proposed Facility

Proposed Facility Type	Number of Proposed Facility	Capacity of Facility	Year of Operational Commencement
Mass Burn Energy from Waste (EfW) facility	1	245,000 tonnes pa (nominal)	2014 (Nov)

Notes

- Waste baling equipment and internal bale store provided within facility;
- Heat and electricity recovery;
- Reciprocating air cooled grate;
- Design CV 9.5 Mj/kg;
- 7,884 hours availability per year;
- 6 pass horizontal boiler;
- Urea injection for NOx reduction;
- Activated lignite and sodium bicarbonate air pollution control systems and bag filters;
- Connection for electricity export via adjacent Devonport Royal Naval dockyard; and
- Connection to existing district heating network within Devonport Royal Naval dockyard.

MVV have proposed an energy from waste facility of 245,000 tonnes per annum nominal capacity with both heat and electricity production. The facility uses a conventional air-cooled reciprocating grate arrangement with a six-pass horizontal boiler system with steam conditions of 420°C at 60bar.

Pre-treatment of the delivered contract waste is not required although a shredder has been provided. Provision for the back-loading of contract waste from the bunker during times of extended down time has been provided. For emissions control, the facility uses a Urea injection NOx control system, activated carbon injection and a sodium bicarbonate dry sorption air pollution control system followed by bag filters.

The EfW has a nominal design throughput of 31.1 tonnes per hour based on an input CV of 9.5 Mj/kg with a guaranteed availability of 7,884 hours per year. The supplied firing diagram indicates that the EfW has an input CV range of between 7.6 – 12 Mj/kg. The entire facility, with the exception of the gatehouse and workshops, is enclosed within a single building envelope.

The facility has approximately ten days storage capacity within the bunker plus the ability to bale waste in times of facility shutdown. Of the order of eighteen days storage for baled waste is provided on site within the main facility building. Odour control and air handling has been designed to accommodate this arrangement.

There is no on-site bottom ash processing capability provided at the facility. After the bottom ash has been quenched, ash is taken off site for processing by a third party. It is proposed that a third party will be responsible for the recovery and marketing of metals recovered from the bottom ash. Air pollution control residues will, after stabilisation, be disposed of to landfill at a suitably licensed site.

The Partnership's technical advisor has also supplied a letter evidencing the full understanding and robustness of the proposed technical solution and this is included at Appendix 4A.

At 245ktpa, the facility's capacity is around 20% larger than the Partnership's anticipated requirement at the end of the contract. However, this additional capacity is available to the Partnership as contingency should waste growth exceed forecast.

If not required by the Partnership, MVV will sell this capacity to third party commercial and industrial waste suppliers via a mix of short and medium duration contracts. MVV will be transparent in any contract arrangements and will seek the Partnership's approval for any contracts over a defined tonnage limit and duration.

MVV have guaranteed a minimum third party gate fee in their financial model that is greater than the real averaged Partnership gate fee over the life of the contract. The Partnership is satisfied that this arrangement provides better value for money through the larger economy of scale for the plant and the higher income streams for the C&I waste and the associated energy that is then sold.

The Project Agreement, Schedules and Payment Mechanism agreed through dialogue with MVV provides the Partnership with the flexibility to deal with a number of key annual waste flow related performance measures.

The principle areas to note are as follows:

- The definition of Contract Waste is drafted to ensure that MVV is obliged to accept all the Partnership's residual waste arising within the its administrative area;
- The Payment Mechanism encourages MVV to meet its guaranteed landfill diversion target of 97%
- A variation to the standard WIDP mechanism for substitute waste that incentivises MVV to source substitute waste gate fees beyond the base price per tonne where Contract Waste levels drop below the Guaranteed Minimum Tonnage.

4.9 Process from Preferred Bidder to Financial Close

Approval to appoint MVV as the Preferred Bidder was given by the Joint Committee on the 16th December 2010. WIDP confirmed the appointment of MVV as preferred bidder on the 22nd December following their review of the Pre-Preferred Bidder Final Business Case.

The Partnership informed both bidders of the outcome of the evaluation of the tenders on the 16th December, which triggered the start of the formal Alcatel standstill period. As part of the Alcatel process, the unsuccessful bidder was offered and received formal feedback on their submission.

In January 2011 the Partnership wrote to MVV setting out the key issues and clarifications that are outstanding and will work with the Preferred Bidder to achieve contract signature and financial close by 31st March 2011.

The Partnership will also continue to work with Defra to close out any outstanding contractual and commercial issues before submitting a finalised Final Business Case for Defra approval prior to progressing financial close.

5. Risk Management, Risk Allocation and Contractual Structures

5.1 Introduction

This section summarises how the Partnership's approach to risk management has developed since the submission of the OBC and sets out the risk allocation position reached with the proposed Preferred Bidder.

The Partnership recognised at OBC stage that the management and allocation of risk are critical activities to ensure the delivery of a successful and commercially competitive procurement. This section records the final outcome of the derogations review and also provides an overview of the commercial position agreed with the Preferred Bidder.

The aim of the Partnership is to eliminate or reduce risks wherever practical and to transfer to the Preferred Bidder those risks that are best managed by the private sector and which demonstrably provide value for money for the Partnership.

5.2 Risk Management

5.2.1 Attitude to Risk

From the outset, and following the initial risk workshop attended by each Authority in 2007, the Partnership has pursued a rigorous and proactive approach to risk management. 4Ps Gateway Review[2] 0 and 2 were both undertaken successfully and the approach to risk management has subsequently been enhanced since the submission of the OBC.

The risk register and associated actions were developed for the OBC and integrated into the overall project plan. The plan has been kept under review and updated throughout the procurement and key risks regularly discussed with the Project Executive. The principal ways in which the Partnership and/or the partner Authorities have reduced project uncertainty and risk were because they:

- Prepared and adopted strategic waste planning frameworks including a Development Planning Document (DPD) and a Waste Local Plan that identified a number of strategic sites in the Plymouth and Devon area suitable for the development of waste management and disposal facilities.
- Made available a reference site, in the ownership of Plymouth City Council, and identified in the DPD.
- Maintained commercial pressure to clarify risk positions when bidders introduced unallocated sites whilst also introducing an extra bid stage to allow sufficient time for proposals to be developed.
- Maintained a consistent definition of the project scope throughout the procurement in particular that the residual waste and disposal solution should contain a thermal element.
- Developed and implemented a Joint Working Agreement between the three partner Authorities with strong financial incentives and sound governance arrangements.

[2] A Gateway is a review of a procurement project carried out at key decision points by a team of experienced people who are independent of the project team in this case the 4Ps.

- Provided early guidance on changes to the projected residual waste tonnages likely to be generated by each Authority over the life of the Project.
- Maintained clear lines of communication and pressure to deliver robust proposals adhering to pre-determined comprehensive selection criteria and an agreed timetable through procurement.
- Sought specialist legal advice throughout the procurement to clarify risk positions and issues and decide a way forward.

The Partnership recognises that risks will change as the Project progresses beyond financial close. The Project Team will however benefit from the continuity provided by maintaining the same leadership. As risks change, so too will the composition of the Project Team, and new expertise will be introduced at appropriate times to manage the risks associated with construction and commissioning and the operational service requirements. The risk register reflects the actions taken to manage and allocate risks and this will continue to be maintained throughout the life of the contract.

The governance arrangements and approach to risk management will therefore continue as before. Risks that have not been transferred to the Contractor will continue to be managed the Project Team. This will be carried out in close association with the partner Authorities and monitored by the Joint Committee during the Team's evolution into a single 'cross-authority' contract management function.

There are also certain unavoidable, inherent risks in developing a residual waste facility in particular those associated with gaining planning permission. The Project Team's primary aim is therefore to manage, monitor and control the inevitable risks after financial close whilst avoiding the introduction of additional risk wherever possible. The analysis of all project executive risks associated with planning, design, construction, operations, performance and regulation are contained in the risk register included at Appendix G.

5.3 Risk Allocation Matrix

The Partnership set out to follow the HM Treasury, Defra and WIDP's guidance in structuring the Contract and in the approach to risk transfer and treatment.

Except as otherwise indicated in the section below, the contract is compliant with SoPC4, Defra's Standardisation of Waste Management PFI Contracts, Guidance on SoPC4 Derogations (May 2006), WIDP Residual Waste Treatment Contract (consultation draft June 2009) and the subsequent "Direction of Travel" paper (December 2009).

5.3.1 Key Risks

The updated risk allocation matrix, as similarly documented in the OBC, setting out key project risks and how these are shared between the parties, is given in Appendix H. The key differences to the standard allocation and that assumed in the OBC are described below.

Information redacted due to commercially sensitive and confidential reasons

A limited number of risks have therefore either wholly, or on a shared basis, been retained by the Partnership.

Information redacted due to commercially sensitive and confidential reasons

5.4 Commercial Issues not covered by SoPC4

The Head of WIDP's Commercial Team signed off the commercial aspects of the contract documentation at close of dialogue on the 6th October 2010 subject to resolution of a number of matters prior to the appointment of preferred bidder. The Commercial Team's issues log at Close of Dialogue is included as Appendix C2.

General issues that required resolution with the Preferred Bidder are as follows:

Information redacted due to commercially sensitive and confidential reasons

As reflected in the commercial review report, acceptable positions have been agreed on all commercial positions not covered by SoPC4. Subject to the above points raised by the Commercial Team, the final contract documents will not contain any unacceptable departures from WIDP's Residual Model Contract and WIDP's Direction of Travel paper (December 2009).

5.5 Project Agreement and Other Contractual Documents

5.5.1 Proposed Derogations

The Project Agreement is aligned to a standard WIDP SoPC4 document and there are no material derogations.

Information redacted due to commercially sensitive and confidential reasons

5.6 Markets for Process Outputs

5.6.1 Disposal of Secondary Materials

MVV will enter two separate long-term contracts for the management or disposal of secondary materials, products, by-products and residues. These contracts have been negotiated to a level where MVV is satisfied that appropriate arrangements will be put in place prior to operational commencement. Details are given in Table 5.1.

Information redacted due to commercially sensitive and confidentiality reasons

The IBA will be delivered to a bottom ash reprocessing facility where metals and secondary aggregates will be recovered.

Information redacted due to commercially sensitive and confidentiality reasons

MVV's solution will recover both ferrous and non-ferrous metals from the bottom ash. Metals might typically represent approximately 3.5%, by weight, of the bottom ash. The bottom ash reprocessing facility will make arrangements with local metal merchants to collect and recycle the ferrous and non-ferrous metals recovered from the bottom ash thus avoiding landfill and achieving higher diversion rates. They will retain any income from recovered metals.

5.6.2 Saleable Outputs

The saleable outputs from the EfW facility comprise energy sales of power and heat. These comprise:

- Power exported to the National Grid;
- Power to the Devonport Royal Naval Dockyard;
- Steam to the Devonport Royal Naval Dockyard;
- Additional revenue from Renewable Obligation Certificates (ROCs) and Levy Exemption Certificates (LECs).

Future prices for electricity are unpredictable although forecasts are possible against a range of economic scenarios. MVV has obtained forecasts for electricity, gas and ROCs from two independent forecasting companies and used these to set base case levels for financial modeling and guarantee purposes. Generally, variations in the relevant prices will not adversely affect the unitary charge to the Partnership and suitable agreements are in place which underwrite both the volume and price of electricity and steam.

Power Exported to the Grid

Depending on the demand from the Naval Base, which is variable, up to 22.5MW of power will be exported to the grid. This power will be sold under a long-term Power Purchase Agreement (PPA) to a company within the MVV group. MVV will also establish itself as an energy trader and become a party to the Balancing and Settlement Agreement.

The net export to the grid will vary according to the Naval Base's power and steam demand but on average is expected to be between 3.9 and 5.2MW. This power output will be sold to the grid at a price, guaranteed within the financial model, and calculated on the basis of 80% of the independent market experts, IPA, forecasts of future electricity prices.

Revenues will also be generated from the selling of Levy Exemption Certificates (LECs) and Renewable Obligation Certificates (ROCs), details of which are set out below. Other embedded generation benefits such as TRIAD benefits are also received from National Grid.

Power to the Devonport Royal Naval Dockyard

Devonport comprises the Naval Base run by the MOD and the dockyard run by Devonport Royal Dockyard Limited (DRDL) who also act as agents for the MOD. DRDL has a significant power demand that can, for most of the time, be met in full by the EfW facility. The dockyard also hosts various third party commercial tenants who take their supplies from DRDL. Power to the dockyard will be fed via a private wire connection. This will be advantageous because of savings in distribution losses and system charges to MVV, DRDL and MOD.

Power to DRDL will be sold under the terms of an Energy Supply Agreement (ESA) signed between by MVV and DRDL. This agreement will also cover the sale of heat. The balance of the power generated will be exported to the grid.

Information redacted due to commercially sensitive and confidentiality reasons

Steam to the Devonport Royal Naval Dockyard

The Devonport Royal Naval Dockyard uses steam and hot water currently generated from gas and distillate oil fired boilers to heat a variety of buildings.

Information redacted due to commercially sensitive and confidentiality reasons

Renewal Obligation Certificates (ROCs)

Under the Good Quality CHP scheme, EfW facilities may earn ROCs which have a financial value. Based on the thermal inputs and outputs of the MVV EfW facility, the full heat output will count as Qualifying Power. The project has been registered with the Quality Assurance for Combined Heat and Power (CHPQA) Scheme.

Under Ofgem's rules, only the biomass proportion of the fuel can be used to earn ROCs and the default value of this will be 50% by the time the EfW facility is operational.

Information redacted due to commercially sensitive and confidentiality reasons

Levy Exemption Certificates (LECs)

LECs may also be sold under the PPA and are attributable to the EfW facility generation at a rate of 0.5 LEC per MWh for the renewable part of the waste and up to 0.5 CHP LEC because the EfW facility will be operating in CHP mode. For the financial model, Levy Exemption Certificate Pricing is based upon 95% of independent market experts, Pyöry, forecasts of LEC pricing and is subject to assumed RPI increases per annum.

5.7 Budgetary Treatment

The Partnership's financial advisors completed a questionnaire for the WIDP Commercial Team as part of the Readiness to Close Dialogue submission. On the basis of the information supplied in the questionnaire, there were no issues raised by the Commercial Team. It is therefore the Partnership's understanding that the transaction will not score as Central Government debt under ESA95.

The Final Tender submission of the MVV has been reviewed and there are no material changes to the information provided in the Partnership's earlier ESA95 questionnaire response which is included at Appendix K.

6. Project Team and Governance

6.1 Introduction

This section demonstrates the Partnership's commitment to providing robust management and governance for the transitional delivery phases of the project. Particular consideration is given to the resources, systems and process reviews to ensure that effective contract management arrangements operate as the project moves from preferred bidder to financial close and beyond into the planning, construction, commissioning and service delivery phases.

6.2 Legal Context

There have been no changes since the OBC to the legal basis and context in conducting the procurement or any changes to the power of the Authorities to enter into the contract.

Proposals and consultations for unitary local government restructuring in Devon have been on-going since 2007. However, on the 26th May 2010, the Secretary of State for Communities and Local Government introduced an urgent bill that stopped the proposal to create a unitary council in Exeter. Whilst the consideration of Exeter becoming a unitary council would not have directly affected the partnership procurement or partnership area, it may well have had an in-direct impact on the procurement in terms of the wider waste management across Devon and Devon County Council's waste disposal and LATS strategy. Similar discussions, relating to potential boundary changes for Plymouth and Torbay, were discounted in late 2008 following consideration by the Government's Boundary Committee.

The three Authorities are Waste Disposal Authorities as defined in section 30(2)(a) of the Environmental Protection Act 1990 (EPA). Devon County Council gives directions to South Hams District Council, Teignbridge District Council and West Devon Borough Council – the Waste Collection Authorities (WCA) – in terms of residual waste disposal which is within the sphere of this project i.e. as to where and to whom to deliver their controlled waste under section 51(4)(a) of the Act.

Plymouth and Torbay are Unitary Authorities and are responsible for the collection of the controlled waste in their areas. They are all also under a duty to provide places for their residents to deposit household waste and to dispose of waste as defined in section 51(1)(b).

The EPA gives the Authorities the power to own assets for the purposes of waste management (s51)(4)(c) and (d)). Since the commencement of s47 of the Clean Neighbourhoods and Environment 2005, the Authorities are entitled to lawfully construct and operate waste management assets. However, they have the power, by virtue of the EPA, also to enter into a contract with a third party waste disposal contractor to discharge their waste disposal functions.

The contract let will be certifiable under the Local Government (Contracts) Act 1997 and the procurement procedure has been carried out pursuant to the Public Contracts Regulations 2006 (as amended).

6.3 Project Governance

The three Authorities put in place sound project management and joint governance arrangements from the outset of the project following the approval of the OBC. The arrangements reflected the scale of the spending commitment, the complexity of the service requirements and the breadth of issues likely to arise in such a residual waste treatment and disposal project.

As described in the OBC, the Authorities signed a legally binding Joint Working Agreement (JWA) on the 28th April 2008. As a result, a Partnership Joint Committee was formally established in July 2008 to facilitate the procurement and in the future the subsequent operation and management of contract for the treatment and disposal of residual waste.

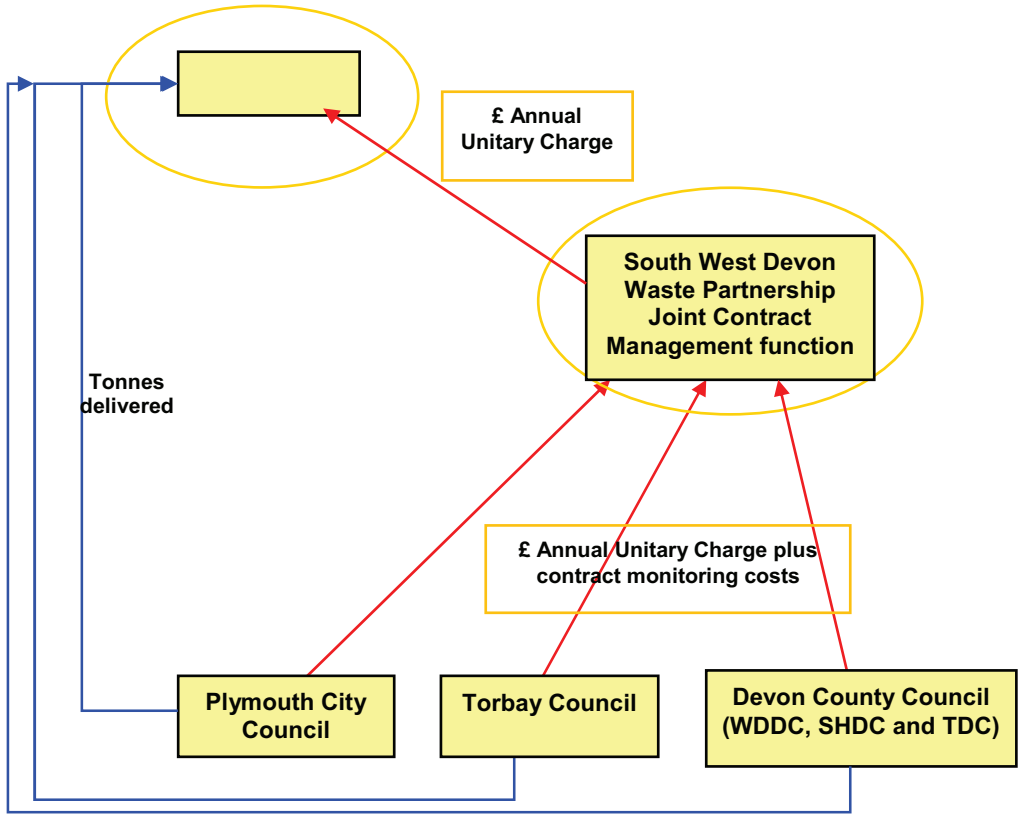
The JWA enabled the three Authorities, as a partnership, to delegate the majority of decisions to a single body as opposed to making separate decisions by each of the Authorities. To date, the Agreement has served the three Authorities well throughout the procurement phase and no issues have had to be raised back to the respective Authorities for mediation or resolution. In addition, the joint working arrangements on this project have engendered a spirit of wider partnership working and general understanding across the three Authorities.

Since the submission of the OBC in 2008, the political administrations of Plymouth and Torbay have remained unchanged thus providing continuity although both have had local elections. Both are controlled by Conservative administrations. In June 2009, Devon County Council changed from a Liberal Democrat to Conservative led administration with an overwhelming majority. As a consequence, there have some changes in political representation and membership of the Joint Committee but this has not had any destabilising effect on the partnership or the procurement phase, in part due to the inclusion of an observer councillor on the Joint Committee from each Authority's shadow administration.

The JWA transcends the procurement and service phases of the project and will continue in force until the expiry of the contract. The principles set out in the schedules to the Agreement from its inception provide for the allocation of procurement and contract costs between the Authorities during the service phase, including the provision for any amendments to contract costs that may be required depending on the final terms of the contract agreed at financial close.

The Authorities, via the Project Executive, have already considered how the outline JWA cost allocation will be developed in practice and have enlarged upon the high-level concepts to establish more detailed key principles. The financial arrangements will be consolidated into a formal Financial Allocation Mechanism post contract close and this will be added to the JWA along with any other amendments to reflect the transition from the project procurement to project implementation phase. A schematic representation of the financial allocation mechanism and its key features is shown in Table 6.1 below.

Table 6.1 Financial Allocation Mechanism



The key principles of the financial allocation mechanism are likely to include:

- Each Authority will pay for the tonnage of contract waste that it delivers to the Contractor at the agreed base price.
- Deductions or payments that are specific to one Authority, and can be separately identified, will be paid or charged to that Authority.
- Each Authority will separately pay for all costs outside the contract, for example, upstream costs for collection, transport, household waste recycling centre management, recycling initiatives etc.
- The Contractor will take calorific value and waste composition risk.
- Each Authority will have an obligation to deliver to the Contractor their proportion of the Guaranteed Minimum Tonnage (GMT).
- Each Authority will have an obligation not to deliver above the maximum capacity.
- Between the maximum and minimum ranges, the cost paid per tonne will be the same for each Authority.
- If one Authority is below its proportion of GMT, the other Authorities can make up this shortfall so that the Partnership GMT is met.
- If the Partnership GMT cannot be met, the Authority with a GMT shortfall will pay for additional costs levied by the Contractor.
- The Contractor will be expected to find substitute waste to minimise the shortfall.
- Each Authority will bear the interface risk between its own collection regime and the Contract, that is, rejected loads that are identified from a particular Authority will be the responsibility of that Authority including any resultant costs.

- Timing of payment from an Authority to the Partnership will coincide with the timing of payments from the Partnership to the Contractor.
- The Financial Allocation Mechanism will be practicable and deliverable and based on a formula derived from the Contract Payment Mechanism

The Joint Committee approved the appointment of MVV as Preferred Bidder on the 16th December 2010. WIDP confirmed the appointment of MVV as preferred bidder on the 22nd December following their review of the Pre-Preferred Bidder Final Business Case. A public announcement was made on the 6th January 2011.

The committee will continue to meet at least quarterly throughout the term of the contract to ensure that the Partnership's and each Authority's obligations are met.

The Joint Committee has delegated all other decisions to the Chair of the Project Executive. The Chief Executive of Plymouth City Council currently chairs the Project Executive and will approve the execution of the Project Agreement under delegated authority. The Executive will continue to meet regularly until the construction phase is complete and the contract becomes operational following which the need, composition and frequency of these meetings will be reviewed.

The JWA reserves the approval of the Final Business Case for each Authority. This decision will be made by the Cabinets of each of the three Authorities by way of resolution assuming the proposed solution is within the policy and budgetary framework already established through the approval of the OBC in 2008. The legally binding JWA establishes that the FBC approval can only be withheld on affordability grounds if an individual Authority's share of the total cost of the end treatment solution exceeds that set out in the OBC, including headroom. As this is not the case, the approval of the FBC should not be withheld by any of three Authorities. As the three Cabinets do not meet formally until February 2011 each Authority's S151 officer has written a letter of support appended at Appendix 6 confirming that the budgetary and affordability implications of the preferred bidder's solution has been considered and is accepted.

Following the public announcement of the Preferred Bidder on the 6th January 2011, the Project Team will conclude outstanding clarifications and issues raised during the evaluation with the Preferred Bidder. These are due to be completed during January and a final version of the Business Case will be available for WIDP/Defra to review during February 2011. The partnership aim is to reach financial and commercial close simultaneously by the end of March 2011,

Following approval of the pre-preferred bidder FBC by WIDP/Defra, the Cabinets of each Authority will formally receive and agree the redacted version of the FBC and that the end treatment solution is within the approved affordability criteria and are committed to meeting their share of project cost. The dates set for the Cabinet meetings are as follows:

- Devon County Council — 7th February 2011
- Plymouth City Council — 7th February 2011
- Torbay Council — 7th February 2011

Following commercial and financial close, the project will continue to be led by the Project Director on a part-time basis and Project Manager, on a full-time basis until planning is secured and a part-time basis until the end of construction. Additional expertise capable of

managing the transition into the planning, construction and operational phases will be retaining and where necessary acquired.

The Partnership recognises that additional skill sets will be required and have therefore commenced a systems and resources review of the existing and new contract management requirements. It is also recognised that the transition from 'delivering assets' to 'managing services' requires careful planning and implementation.

6.4 Project Management

The Project Team is well resourced, having drawn on expertise available from all three Authorities, and is primarily co-located at a project office in Plymouth. Plymouth City Council, acting as the lead Authority and host, has contributed the majority of officers to the core delivery team. Costs have been shared equally across each Authority as agreed within the Joint Working Agreement.

The Partnership's core Project Team comprising 13 officers on a part or full time basis, has been well supported by external advisors throughout the procurement process. This comprehensive team has ensured that a healthy competitive tension has been maintained within the procurement to deliver two quality and contrasting bids whilst maintaining regular and constructive communication between all key stakeholders.

There have been only four changes to the core Team since 2008. These are shown in table 6.2 together with the names of the members of original team that remain in post, their roles and their planned future involvement. The leadership at Executive and Project level has also remained the same and this has provided, and will continue to provide, continuity through the next phases. On occasions, the Team has been strengthened with ad hoc support from officers who have more specialist knowledge and experience in areas such as technical, procurement and operational fields. This approach has given the project the highest priority, delivered the right outcomes and allowed the programme to be maintained.

Table 6.2 Project Team and Relevant Experience

Project Role	Summary Experience	Future involvement	
		Planning stage	Construction stage
Chair of the Project Executive	As per OBC	√ as Chair	√ as Chair
Project Owner and PCC Lead Officer	Director for Development and Regeneration with postgraduate qualification in Environmental Planning responsible for the overall growth agenda for the city of Plymouth. Directly accountable for planning, housing transport and economic development. Previous experience as a minerals and waste planning officer for Hertfordshire County Council, co-ordinated a European network of cities on sustainable development and held a number of director roles within the East Midlands RDA.	√ as PCC lead	√ as PCC lead
DCC Lead Officer	As per OBC	√ as DCC lead	√ as DCC lead
TC Lead Officer	Environment Commissioner with a town planning background and 15 years experience in local		

Project Role	Summary Experience	Future involvement	
		Planning stage	Construction stage
	government. Responsibilities include Torbay's waste management services as well as the leadership, management and performance of the Council's Economic Prosperity & Regeneration, Spatial Planning and Marine Services.	√ as TC lead	√ as TC lead
Project Director	As per OBC	√ Part-time	√ Part-time
Project Manager	As per OBC	√ Full-time	√ Part-time
DCC Project Officer	As per OBC	√ as DCC officer	√ as DCC officer
PCC Project Officer	As per OBC	√ as PCC officer	√ as PCC officer
TC Project Officer	As per OBC	√ as TC officer	√ as TC officer
Specialist Contract & Procurement Lawyer	As per OBC	√ Part-time	
Finance Client Manager - Capital and Major Projects	Qualified CCAB public sector accountant with 15 years experience of providing senior financial support to Plymouth City Council Development and Corporate Departments. Experience of supporting private and public sector partnerships including providing the initial financial support for the procurement of Plymouth's interim waste solution.	√ Part-time	√ Part-time
Urban Planning Co-ordinator	Qualified planner and urban designer with twenty years experience in development control, policy and urban design in both the public and private sector. Responsible for key elements of the Core Strategy for Plymouth's LDF and in the creation of the first round of Development Plan Documents including Area Action Plans and supplementary Planning Documents on Design.	√ Part-time	
Project Support Office Manager and Secretary to the Joint Committee	As per OBC	√ Full-time	√ Full-time

In addition to the core Project Team roles identified within the OBC, three additional officers were seconded or appointed to complement the core team. These roles provided additional support to strengthen key areas and also to ensure effective information transfer between partner Authorities. Summary experience of the additional people who have joined the core delivery team since 2008 is shown in Table 6.3.

Table 6.3 Additional Core Project Team Members

Project Role	Future involvement	
	Planning stage	Construction stage
Specialist waste site development and permitting	√ Part-time	√ Full-time
Specialist technical support	√ Part-time	√ Part-time
Specialist Procurement Support	√ Part-time	

Information redacted due to commercially sensitive and confidential reasons

The Partnership recognises the importance of the transition period from preferred bidder appointment through the three key phases of contract management. These are securing planning permission, construction/commissioning and operational service delivery.

The Partnership intends to maintain management continuity and key staff during the transition. The Project Director currently apportions his time between the project and other related waste management workstreams and the Project Manager is committed full-time and will remain so until planning is achieved at which point he will become part-time until the end of construction. Together they bring not only extensive project management expertise but also sound contract management experience of PFI and wider knowledge of the public authority waste services sector. It is intended that both will maintain an input into the project, at least through the commissioning phase and until the facility is fully operational. Other key staff will also be retained during the planning approval stage. However, as there are fewer demands during the operational service phase, the staff complement will be reduced further.

The contract management demands will increase incrementally as the role of the procurement team declines. The Partnership recognises that different skill sets will be required during each phase whilst also recognising historical knowledge of previous phases and continuity is vital to secure the most beneficial outcome for the Partnership. This approach should allow the core Project Team to evolve as additional people are introduced who have relevant service delivery experience and who will ensure the new service is embedded into existing Authority activities. It is envisaged that, in the long term, when the contract is fully operational, a single shared contract manager with support staff will be co-funded in proportion to tonnage delivered alongside contract liaison officers in each Authority.

The main objectives of the Partnership through the transition will be to focus on the following:

- Transferring or consolidating knowledge from the procurement team members to the contract management team members. This includes training on the key contract provisions, their interpretation and implementation, in particular the payment mechanism, such that it protects the commercial interests of the three Authorities whilst fostering a spirit of partnership with the Contractor;

- Establishing a transition programme, and defining the essential processes, for the incremental handover from the procurement phase to the contract management phase, including developing an operational risk register, aimed at minimising any

adverse impact on the Partnership and WCA stakeholders whilst ensuring the handover is complete at the end of the commissioning period;

- Ensuring that the transition plan and contract management planning and related activities are adequately funded and resourced and that a comprehensive communications plan for managing stakeholder interfaces is updated and maintained;

- Implementing changes to the governance structure and developing terms of reference which accommodate the Contractor and Partnership interfaces including roles, accountability, reporting, meeting frequency, communications, dependencies and constraints; and

- Developing suitable administration and information systems and processes, including administration manuals, to ensure the performance framework, reporting requirements, payment mechanism and interfaces between the three Authorities are managed effectively.

A project budget including contingency was agreed in 2008 for four years and has been incorporated into the medium term financial budgets of each Authority. The budget has subsequently been reviewed and extended initially until 2014 to support the contract management arrangements, post financial close, until the planned end of construction.

It is however recognised by the Partnership that the budget will need to be flexible and extended to support the operational requirements and any consequential changes until the contract expires in 30 years time. Forecast budgets for the project phases post financial close are included at Table 8.2 in Section 8.1.

6.5 Advisors

The appointed lead advisors to the Partnership for technical, financial, legal and communication services have remained unchanged since the submission of the OBC. The scope and duration of their services is also unchanged. One additional specialist advisor has since been added to the advisory team to provide detailed insurance advice and support and is shown in Table 6.4.

Table 6.4 Additional Advisors

Company	Role
Willis	Lead Insurance Advisor

Once the project reaches financial close, the communications advisor to the Partnership will continue to play an active part, especially during the planning and construction phase while the other advisors will remain available with contracts in place to support the Partnership if, and when, required. A budget estimate for the on-going advisory support required is included within future budget forecasts at Table 8.2 in Section 8.1.

6.6 Outline of Partnership Arrangements with other WDAs

The legally binding JWA signed by the three Partnership Waste Disposal Authorities (WDAs), Plymouth City Council, Torbay Council and Devon County Council in April 2008 is described

briefly in section 6.2. This agreement established the governance and responsibilities of key roles for the duration of the proposed residual waste management contract including the full operating period and set out the principles and obligations of joint working. The OBC summarised the key features and the agreement was included as an Appendix.

No arrangements and agreements have been made with any other WDAs and no discussions are currently on-going.

6.7 District Involvement

The Local Authorities of Devon have been working closely together on waste issues since the early 1990's and have a formally constituted a joint working arrangement called Devon Authorities Waste Reduction and Recycling Committee (DAWRRC). All Devon Authorities contribute towards a single DAWRRC budget that is subsequently aimed at improving waste recycling and waste reduction across the whole county.

Although the formal Joint Working Agreement referred to in section 6.6 only covers the three Waste Disposal Authorities, the Devon Waste Collection Authorities have been kept aware of the development of the Partnership's proposals for a sub-regional waste treatment facility through DAWRRC and other Devon waste forums such as the Chief Executive and Leader's meetings on waste issues.

There have been no changes since the OBC to the constituent authorities or to the current WCA arrangements. However, it is recognised that future changes may occur. However, Devon County Council retains the powers to direct WCA waste to specified disposal points.

Post financial close, more detailed discussions will be held with the three WCA district councils of South Hams District Council, Teignbridge District Council and West Devon Borough Council to communicate the nature and details of the future waste treatment arrangements and to ensure that future Partnership obligations are understood.

7. Sites, Planning and Design

7.1 Introduction

The Partnership area is primarily rural in nature and has a dispersed population. The most suitable location for a residual waste treatment facility was always thought by the Partnership to be in or near to Plymouth despite its location on the western edge of the area. This premise is justified based on Plymouth's designation in the South West Regional Spatial Strategy as a sub-regional centre for the western peninsula which includes west Devon, Torbay and Cornwall, and the fact that it will supply just under half of the contract waste to the facility.

The solution proposed by MVV Umwelt is for an energy from waste facility located on a site owned by the MOD located within the North Yard of Devonport Royal Naval Dockyard. This site is located within Plymouth City boundaries but is not allocated within the Council's Waste Development Plan Document.

This section provides details of the site, its status with respect to planning and the facility design proposals. It also summarises the Partnership's approach to ensuring the proposed site is available and planning approval is likely to be achieved.

7.2 Site Identification

The site proposed by MVV is on the western side of Plymouth within the Devonport Royal Naval Dockyard. It lies towards the northern limit of the operational Naval Base estate adjacent to the Tamar River to the west. To the north and east of the site, there is residential housing and the mainline railway from Paddington to Penzance lies immediately adjacent to the eastern site boundary. The site location within Plymouth is shown in Figure 7.1.

Figure 7.1 Site location of the residual waste facility in Plymouth

The site location has been carefully selected so that the facility can act as a combined heat and power (CHP) plant to provide steam directly into the Naval Base's existing district heating network and also to supply the electricity needs of the Base via a private wire connection. Excepting downtime for maintenance, the facility will meet the bulk of the energy demand for the Naval Base with any surplus electricity supplied to the National Grid.

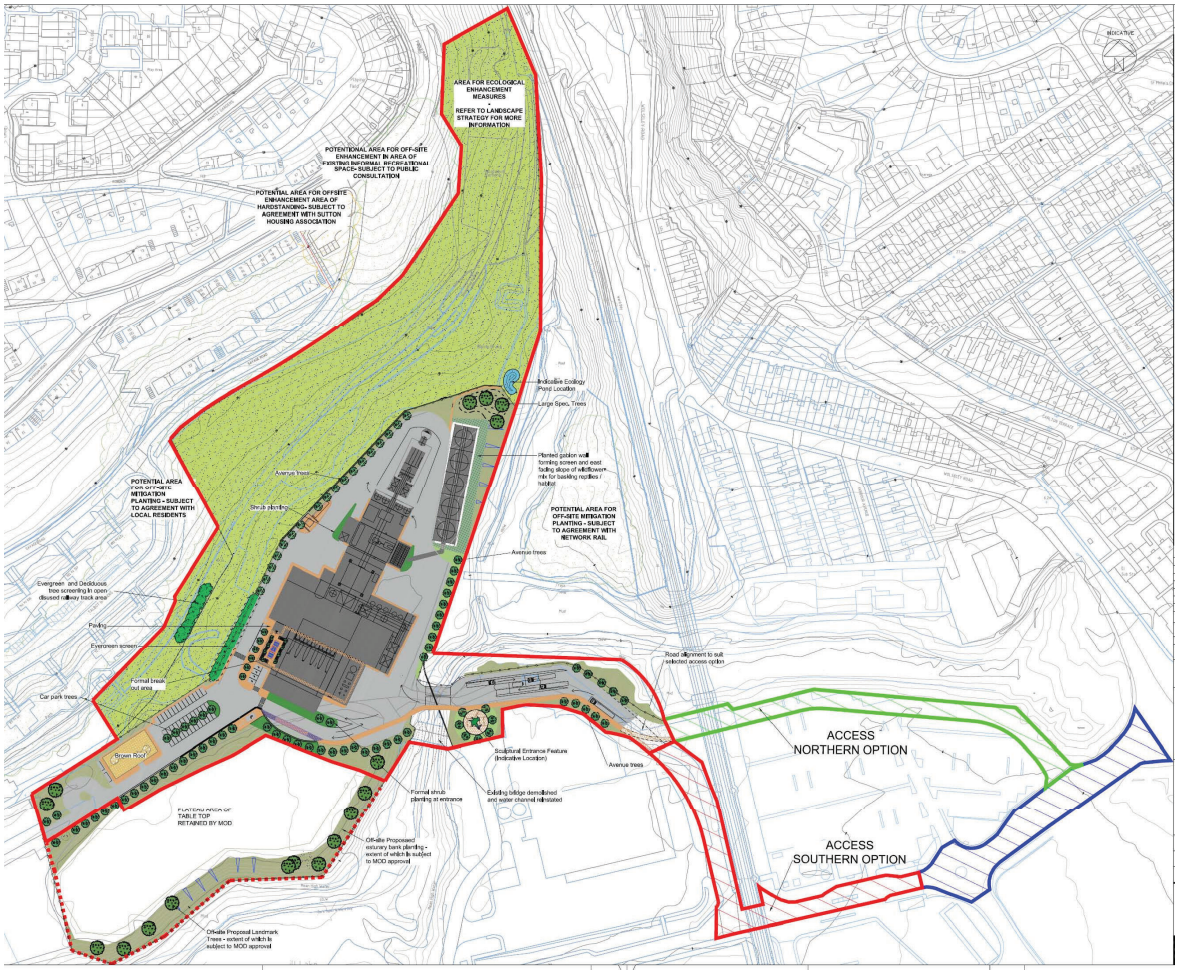
The land is owned by the MOD but will be made available to MVV via a long-term leasehold arrangement. This leasehold contract has already been signed and is legally binding, the key terms of which are set out in section 7.3.

The site is currently used as an aggregate storage area. It is also an informal lay-down and storage area for the MOD and its contractors and is located currently within the secure area of the Naval Base. However, it also includes an unmanaged woodland area with some public access.

The site is easily accessed from the major A38 trunk road via the A3064 St Budeaux bypass. A new independent access road from the public highway network via the existing Naval Base entrance will be constructed to avoid untoward security issues associated with entering a MOD secure area.

As can be seen from the site plan in Figure 7.2, there is adequate land available for the facility. There is also sufficient adjacent space available, currently occupied by the MOD for storage, for MVV to use as a site establishment and lay-down area during construction of the facility.

Figure 7.2 Plan showing the North Yard Site.



Investigations and assurances have been provided by the MOD that the site is outside the MOD explosive safeguarding zone, so no additional measures are required for building design. A 'Warship in Harbour' risk assessment, a 'Nuclear Safety Case' risk assessment and a 'Helicopter Flight Path' risk assessment have been carried out by the MOD. No restrictions on the proposed development have been identified.

7.3 Securing the Sites

The MOD has entered into an Agreement for Lease with MVV subject only to conditions precedent.

Information redacted due to commercially sensitive and confidentiality reasons

The Agreement for Lease also includes an obligation on MOD to enter into a licence for the additional construction lay-down area. This will be released back to MOD within 6 months of the start of the Service Period Commencement Date.

There is no further work required by the Partnership or MVV to secure the required legal title to the site.

Other key lease terms include the permitted use as a waste treatment facility incorporating energy recovery and a right of assignment to the Partnership or an assignee of the Project Agreement.

7.4 Planning Health Framework

The Partnership's approach to sites and planning in relation to the delivery of residual waste treatment facilities has been developed in recognition of Defra's Planning Health Framework and WIDP planning systems guidance. The Partnership's completed Planning Health Checklist is included at Appendix F. The key issues covered by the framework are addressed within this section.

The Partnership acknowledges that MVV is not proposing to use an allocated site or the Reference Project site identified in the OBC. However, MVV and the Partnership believe that the solution and site proposed has many positive qualities and aspects regarding its acceptability in planning terms.

Plymouth City Council's adopted Waste Development Plan Document (WDPD) includes allocated sites but allows unallocated sites to come forward for waste management facilities. This document acknowledges that unallocated sites should be considered favourably provided they comply with the policies in PPS 10 and the waste planning authority's Core Strategy.

The North Yard site was unavailable at the time the WDPD was produced by Plymouth City Council and was therefore not considered or evaluated. However, MVV has appraised and evaluated the proposed site at North Yard against the original WDPD site selection criteria and concludes that it compares very favourably to other allocated sites. The Partnership supports the potential of the site as being suitable for an EfW facility.

MVV have also considered the proposed site against national, regional and local plan policies, including PPS10 and concludes that the selected site performs well against these policies, particularly with respect to the potential to recover energy ie through CHP - this being is one of the key reasons why this site is proposed. The Partnership has reviewed these assessments and concurs with the general conclusions.

The Partnership acknowledges that the potential impact on residential amenity needs to be more fully assessed, however, it is believed that any negative impact can be mitigated and should be balanced against the wider economic and environmental benefits that the solution brings.

While not prejudicial to its statutory responsibilities as Local Planning Authority (LPA), the Partnership will provide support to the Preferred Bidder in bringing forward a planning application. The application should be submitted in the spring of 2011.

7.5 Design Issues

Through its WDPD and LDF Core Strategy, Plymouth City Council requires high quality design on any future waste development. To achieve this the Partnership has encouraged the bidders in the procurement to engage with stakeholders early in the design process (in line with the guidance in "Designing Waste Facilities a guide to modern design in waste"). MVV informally began its engagement with statutory planning organisations in September 2009, before formally engaging with the LPA pre-application service in early summer 2010.

This engagement informs the design development and resolves those issues where reasonably practicable to do so. The Preferred Bidder has so far held seven such meetings and intends to continue with these meetings to evolve the design of the proposed solution. Following preferred bidder appointment, the Partnership will continue to encourage and support MVV to fully engage in these meetings which have already provided useful discussion on community consultation, community benefits, impacts on residential amenity, as well as location and massing of the plant.

Plymouth City Council's Waste DPD Policy W8 sets out the need to achieve BREEAM excellent standards and the need for the submission of a Climate Change and Sustainability Statement with every major application. The Partnership has correspondingly required that its solution should achieve this minimum BREEAM standard and MVV has confirmed that its proposals will achieve this standard. In addition MVV has confirmed added value by:

- Offering a process design that is highly efficient in terms of energy recovery from waste (above Industry norm), and
- Offering a process with a non-landfill contingency arrangement, and
- Minimising energy consumption within building design and utilisation of sustainable building materials.

To ensure that the Partnership is able to achieve these design ambitions, it has engaged in-house urban design expertise as part of the Project Team to work with MVV on such matters. It has also drawn on Devon County Council's recent experience in successfully obtaining planning permission for their Exeter EfW plant as this involved the design of a high quality facility. In addition, MVV has engaged with the South West Design Review Panel (endorsed by the Commission for Architecture and the Built Environment, CABE) to advise on their early design and they have since been back to them for further advice.

The Partnership will continue to encourage MVV to apply the principles of sustainable development to its proposed solution. The solution already proposes to use SUDs (Sustainable Drainage Systems) for drainage where practical, as well as ecological measures to mitigate impacts from the proposal. The plant will be highly energy efficient, will use energy produced on site for the operation of the plant as well as providing the Naval Base with heat and electricity.

In recognition of the objectives set out in the Waste Strategy for England, MVV has developed a pre-construction stage Site Waste Management Plan (SWMP) and is planning to use WRAPs Net Waste Tool. This has been embraced by MVV's nominated construction sub-contractor who has already reviewed its construction methodologies and undertakes to minimise excavations, re-use pile arisings within the works, promote sustainable material selection and introduce management systems to minimise wastage and control all levels of sub-contracts and suppliers.

To develop and improve community understanding of the project and gain acceptance where possible, the Partnership has proactively engaged with the public throughout the procurement. Having met with the LPA's Community and Partnership Coordinator who has advised on community consultation, MVV will undertake a comprehensive programme of community participation activities to help finalise the design in the run up to the submission of a planning application in the spring. This will contribute towards meeting the Council's Statement of Community Involvement which is an integral part of the planning process.

8. Costs, Budgets and Finance

8.1 Introduction

This section provides a detailed cost analysis of the MVV Umwelt's solution and compares this against the financial positions established within the original OBC and the Reduced Tonnage Reference Project. It also provides Partnership cost information relating to the procurement and a detailed affordability analysis that demonstrates that the Partnership understands the preferred solution and that it is well within the agreed affordability envelope.

The section concludes with a review of the Partnership approvals that either are, or will be, in place along with a graphical comparison showing how the solution provides significant financial benefits to each Authority when compared to the Reference Project and do-minimum landfill options.

8.2 Procurement Costs

At the outset of the project, the three partner Authorities agreed and approved a shared budget to fund the OBC preparation and procurement phase. This budget and its apportionment into internal and specialist external advisory support is shown at Table 8.1 alongside the actual procurement expenditure which includes any remaining estimated costs to financial close.

Table 8.1 Shared Waste Procurement Budget Estimate and Actual Expenditure

Resources	OBC Estimated Costs 2007/08 to 2010/11 £000	Percentage of Estimated Cost 2007/08 to 2010/11 %	Actual Costs 2007/08 to 2010/11 £000	Percentage of Actual Cost 2007/08 to 2010/11 %
Information redacted due to commercially sensitive and confidentiality reasons				
TOTAL	3,208	100	2,668	100

A comparison between estimated and actual budgets at Table 8.1 shows that whilst there have been virements between budget areas, the overall actual procurement cost accords closely to the budget estimate approved within the OBC and that the agreed contingency allowance has largely been unexpended.

Budget variances between estimated and actual expenditure primarily relate to external advisory support and site/planning costs. Additional advisory support was required throughout the procurement to deliver several extra pieces of work. These included financial and technical modelling to refresh the contract tonnage projections along with the OBC Reference Project cost estimates; technical and financial work associated with assessing combined heat and power opportunities; and drafting work associated with staged finalisation of the standard project agreement.

The main reason that the site related costs are lower than expected was that the Reference Case site, which was offered to all bidders, did not feature in the solutions considered at the final stages of the procurement.

8.3 The Cost of the Preferred Bidder's Solution

Based on the Preferred Bidder's financial model, the tables below analyse the change in estimated project costs between the original OBC submission and the FBC.

8.3.1 Reduced Tonnage Reference Project

The Original OBC Reference Project assumed that the Reference Case (PFI contract) would only include residual waste that was suitable for energy from waste combustion. The balance of non-treatable residual waste would go to landfill from each Authority under separate landfill contracts.

At commencement of procurement, the Partnership agreed that all residual waste (including that tonnage assumed in the OBC for disposal directly through landfill contracts) would be offered to bidders as part of the contract tonnage. The aim was to invite a solution that could treat and dispose of all the Partnership's residual waste and provide better value for money. Details of the additional costs of processing this contract waste rather than sending it to landfill are included within the tables in Section 8.5.

The original OBC cost projection tables were based on waste tonnage projection models derived from audited 2006/07 waste data and the latest forward population forecast projections (mid-year 2004). During October 2009, the waste tonnage projection model was updated to take into account the latest 2008/09 waste data and updated mid-year 2006 forward population projections.

The Partnership's financial affordability model was also updated as the Reduced Tonnage Reference Project to take into account the following:

- New capital, operating and lifecycle cost estimates to take account of the reduced capacity of the residual waste treatment facility.
- Increased landfill tax levels.
- Updated waste budgets of the three partner Authorities.
- Costs calculated in 2008 prices to be directly comparable to the OBC.

Table 8.2 below provides a direct comparison of the Reference Case costs developed at the OBC stage and the revised costs for the Reduced Tonnage Reference Project.

Information redacted due to commercially sensitive and confidentiality reasons

The analysis confirmed that the unitary charge and third party income, in nominal terms, reduced from £954 million to £774 million, that is, a combined reduction of £180m. This was mainly due to the reduced waste flows. The expected contractor costs, while also being reduced by £180m, proportionally remained in line with the original OBC.

8.3.2 Reduced Tonnage Reference Project Cost Comparison to Preferred Bidder

The preferred bidder solution proposes a 245ktpa CHP solution compared to the solution at the Reduced Tonnage Reference Project stage that assumed a 175ktpa plant with only the associated benefits of the sale of electricity and associated LECs. This significant change affects both the quantum and proportions of income and costs. Table 8.3 compares the Reduced Tonnage Reference Project to the current costs of the Preferred Bidder's solution. The key project variables are set out in Table 8.3 and an explanation of some of the differences described below.

Information redacted due to commercially sensitive and confidentiality reasons

Without taking into account additional contract waste, which was previously assumed to be part of continuing landfill contracts and is a conservative assumption, there has been a reduction in the Unitary Charge from £697 million in the Reduced Tonnage Reference Project. This reduction is attributable to:

- Greater third party income arising a CHP configured plant with competitive off-take prices guaranteed through the agreement with the Naval Base and renewable energy incentives e.g. ROCs;
- Higher landfill diversion rates;
- Conservative cost and revenue assumptions in the OBC;

Information redacted due to commercially sensitive and confidentiality reasons

8.4 Funding

Information redacted due to commercially sensitive and confidentiality reasons

Further details of the funding terms and arrangements are included within the Project Data template in Appendix B.

8.5 Affordability Analysis

8.5.1 Reduced Tonnage Reference Project Affordability Analysis

The affordability analysis has been undertaken at both a Partnership and individual Authority level. As a result, the partner Authorities are aware of the budgets and costs for the project as a whole and also the implications for their own Authority. An affordability analysis was undertaken at the original OBC stage and again at the Reduced Tonnage Reference Project stage, and this analysis is summarised in Table 8.6.

Information redacted due to commercially sensitive and confidentiality reasons

Table 8.7 shows the individual budget and affordability positions for each member Authority against the Reduced Tonnage Reference Project affordability analysis.

Information redacted due to commercially sensitive and confidentiality reasons

8.5.2 Affordability Analysis of Preferred Solution

The financial model for the Preferred Bidder covers the period from financial close, 31st March 2011, through the planning and construction phase, followed by 25 years of service from the Planned Service Commencement Date of 27th November 2014.

Information redacted due to commercially sensitive and confidentiality reasons

8.5.3 Projected Authority Budgets

As set out in 8.5.1 above, the partner Authorities have increased their budgets since the original OBC reducing the projected affordability gap.

The Reduced Tonnage Reference Project uses the latest budget figures for each Authority and is calculated with reference to the 2010/11 budget for both Plymouth and Devon for waste disposal and recycling services, and with reference to the 2011/12 budget for Torbay.

In light of recent public sector budget pressures each of the Councils' budget projections assume no indexation, with the exception of landfill tax increases, until operational commencement in 2014, at which time each budget is indexed at 2.5%.

The Authority budgets do not therefore take into account any increases above this inflation rate for landfill tax increases (other than those already factored in), retendering of waste disposal contracts, or increasing waste tonnages. These budget projections are shown in Table 8.9.

Table 8.9 Waste Disposal and Recycling Budgets for each Partner Authority

Information redacted due to commercially sensitive and confidentiality reasons

8.5.4 PFI Credit Payments

In October 2008 Defra provisionally allocated £95m of PFI credits to support the Partnership with the proviso that the project reached financial close by March 2011. Following the Comprehensive Spending Review in October 2010, Defra reaffirmed the eligibility of the Partnership's project for the same level of PFI credits.

The Revenue Support Grant (RSG) has been calculated on an annuity basis assuming an award of £95m PFI credits, using an interest rate of 5.5%. The annuity calculation for the Revenue Support Grant has been based on calculations contained in the "Government Annuity Calculation Sheet for PFI Credits".

The Revenue Support Grant commences from the start of hot commissioning and this is programmed to begin in August 2014.

As stated in the OBC, specific financing assumptions were applied to the Reference Project Shadow Tariff Model to generate the Annual Unitary Charge and senior debt repayment required to conduct the PFI calculation. These assumptions are listed below.

The calculation of the RSG, generated from the PFI credits has been calculated in accordance with the Local Authority PFI Grant Reform that came into force in April 2005, as updated by "Local Government PFI Annuity Grant Determination (No.2) 27 September 2005".

The guidance prescribes that the RSG should be paid on an annuity basis using an interest rate which is fixed for the term of the support. This current rate is 5.5% for projects that are approved in the financial year 2008/9. Grant payments should commence to the Authorities when the relevant permanent assets specified in the PFI contract become available and is payable over the term of the contract remaining.

A spreadsheet devised by DCLG to assist local authorities in calculating their expected levels of grant (based on the annuity system) has been used to calculate the estimated annual grant. The payment of the RSG commences after the construction period, at the start of hot commissioning, and continues throughout the 25 year operational period of the contract.

Under this guidance, the RSG equates to annual grant payments over the 25 year operational life of the Reference Projects of £7.1 million, resulting in total revenue support of approximately £177 million over the duration of the contract. It has been assumed that the entire construction phase will need to be completed before the annuity payment commences, as it is only after this period that the permanent assets become fully available.

8.5.5 The Authority's LATS Strategy

The Partnership's solution is expected to become operational during 2014, following which each of the partner Authorities will have surplus LATS.

None of the partner Authorities has budgeted to receive a revenue income from the sale of these surpluses although if opportunities arise, the Councils may take them at the time. Similarly, the Partnership's affordability modelling has assumed no income from any surplus LATS allowances.

Prior to the Partnership solution becoming operational, the LATS position and management strategy varies for each of the three Authorities as summarised below.

Plymouth City Council

Plymouth City Council has recognised that it will exceed its available LATS allowances from 2010/11 onwards and has already purchased some LATS permits for 2010/11 and 2011/12. Unless there is a change in the LATS legislation, the Council will continue to have a LATS shortfall until the new facility becomes operational and will buy additional permits as required.

The Authority will be assessing the number of permits needed during the next financial year once current waste arising trends have been analysed and will decide whether to buys credits at that time or wait.

Torbay Council

TOR2, a Joint Venture Company, took over Torbay's waste and recycling collection service on the 19 July 2010. Based on current estimates, Torbay forecasts that it will remain within

its LATS allocations until 2013/14. The Authority's LATS position will be monitored year on year as the position each year will depend on the actual performance from its joint venture partner.

Devon County Council

Using the latest 2009/10 Waste Data Flow data, Devon County Council is forecasting a LATS surplus for the County as a whole until 2011/12 but with a projected shortfall in 2012/13. The Exeter EfW facility is expected to come into operation in April 2013 which should ensure that the County remains in surplus thereafter until the Partnership solution becomes operational in 2014. The Council has agreed a contingency plan to cover its shortfall in 2012/13.

8.5.6 Recyclate Income

The Partnership's OBC affordability model did not include any revenue assumptions relating to the sale of recycling material from the residual waste treatment solution.

This assumption is consistent with MVV's solution which is not seeking to pre-process any Contract Waste for the purpose of obtaining any additional recycling materials. The incinerator bottom ash will be processed to recover metals and produce a secondary aggregate material although this will be undertaken through a sub-contract arrangement and no additional income will be received by MVV or available to the Partnership. Any metals recovered however, will be declared and may therefore increase the Partnership's recycling rates.

8.5.7 Sinking Fund

The Partnership's affordability modelling does not assume any sinking funds are in place although the model does highlight projected affordability gaps in the partner Authorities' budgets.

The Authorities have all considered whether they should have a sinking fund following the initial work on the OBC in 2008. It was evident that Plymouth City Council faced a significant budget shortfall in the early years and Torbay a smaller potential shortfall.

Torbay decided not to create a sinking fund and, along with Devon County, have monitored their budget projections closely, with the contingency of general reserves if required. The subsequent reduction in waste tonnages collections across all Authorities has decreased budget pressures and hence the need to establish a sinking fund has also diminished for both Devon and Torbay.

Plymouth City Council decided after the OBC to set up a sinking fund to which it has been making contributions over the last few years. It has been set aside to meet any waste disposal budget shortfalls, in particular the potential need to purchase LATS permits until the Partnership solution becomes operational. The fund stood at £1.5m at the 31st March 2010. At the end of the 2011/12 financial year, as part of its financial strategy, Plymouth will again review the health of its reserves to determine whether or not it would be prudent to increase the allocation.

8.5.8 Landfill Tax

In 2008, the standard rate of landfill tax was £24 per tonne and due to rise by £8 per tonne per annum until it reached £72 per tonne in 2013/14. These assumptions were used in the original OBC financial model together with an assumption that from 2014/15 the rate of landfill tax would increases in line with inflation at 2.5%.

Since the original OBC, the Government announced that landfill tax will rise a further £8 per tonne to £80 per tonne in 2014/15. This change has been incorporated in the Reduced Tonnage Reference Project affordability modelling with an assumed continued increase thereafter at 2.5%.

Information redacted due to commercially sensitive and confidentiality reasons

8.5.9 Contract Monitoring Costs

The Partnership recognises the benefit of continuing the shared budget to progress and manage MVV Umwelt's solution through the planning, construction and commissioning stages until the facility becomes operational in late 2014.

Budgetary provision for a continued internal Project Team and external consultancy support was originally identified in the OBC. This has since been revised and now extended to cover the envisaged input to deliver this project to its operational commencement.

This shared budget will continue to be borne equally and has been recognised and approved by the three Authorities within the base budgets set out in section 8.5.3. Budgets will continue to be managed by the Project Team and will be regularly updated, monitored and reviewed by the Project Executive.

Budget estimates for the period until operational commencement are set out in Table 8.10 beyond which actual contract management costs will be paid by the partner Authorities in proportion to the tonnage delivered to the facility.

Table 8.10 Shared Waste Procurement Budget Estimate through to Operational Commencement November 2014

Information redacted due to commercially sensitive and confidentiality reason

8.5.10 Sensitivity Analysis

Information redacted due to commercially sensitive and confidentiality reasons

8.5.11 Cost and Impact of Carbon

As set out in Sections 3.8.3 and 3.8.4, as part of the OBC the Partnership has undertaken an analysis using the Environment Agency's Waste and Resources Assessment Tool for the Environment (WRATE). This involved an assessment of the carbon footprint equivalent to the Partnership's current landfilling disposal arrangements and an estimation of a potential reduction in carbon that could result from a variety of technological solutions.

This analysis has also been completed for MVV Umwelt's proposed CHP solution. The comparison shows that there will an estimated saving of over 70,000 tonnes of CO_2 equivalent per year when compared to the Partnership's current landfill arrangements.

The shadow price of carbon is currently set at £12 per tonne of CO_2 equivalent until 2013, following which it will be based on a market trading scheme. Price estimates for carbon trading after 2013 are purely speculative but figures of around £60 per tonne of CO_2 equivalent have been suggested. Should this be the case, it would equate to a theoretical cost saving of around £4m per annum.

8.6 Member Approval of Affordability

This section will be re-written as the Final Business Case proceeds through its various approval stages. It is currently written prior to approval by each of the three partner Authorities and post announcement of Preferred Bidder.

8.6.1 Preferred Bidder Approval

Within the Joint Working Agreement approved and signed by each partner Authority's Full Council, the approval of Preferred Bidder has been delegated to the South West Devon Waste Partnership Joint Committee.

This Committee sat on the 16th December 2010 and approved the recommendation from the Project Executive that MVV Umwelt should be appointed as the Preferred Bidder.

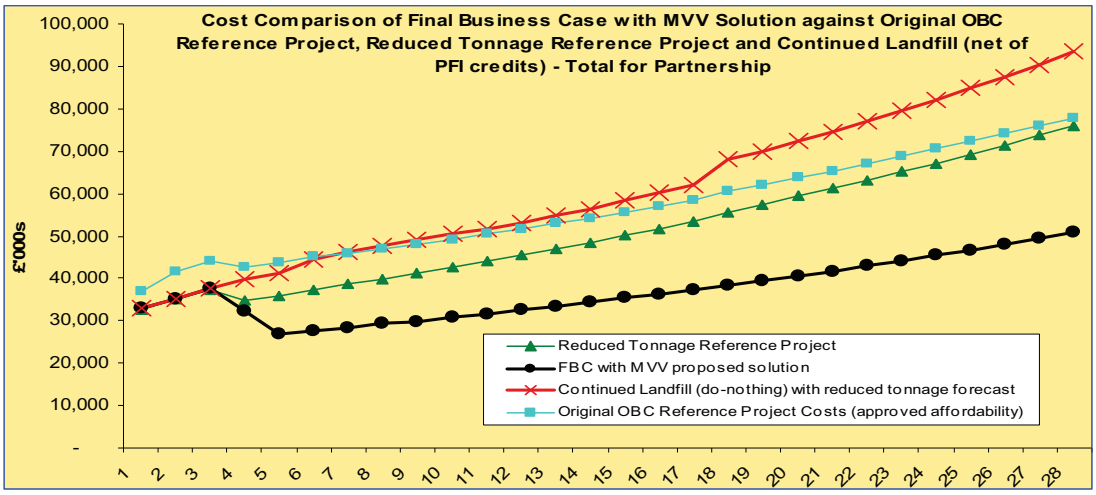
At the meeting of the 16th December 2010, the Joint Committee were presented with the results of the bid evaluation process which showed that MVV Umwelt is offering the most economically advantageous solution and that this solution is within the affordability envelope approved by the three Partner Authorities as part of the OBC in April 2008.

The budgetary and affordability implications of MVV's solution have been shared with the Section 151 Officer of each Council to ensure that they understand the detail and accept the conclusions.

The S151 Officers provided letters of support at Appendix 6 in advance of the Joint Committee's consideration and approval, and similarly to each Council Cabinet/Mayor to confirm that they understand their Council's proportion of the overall cost of the solution and that they are satisfied that it is affordable to their Authority when compared to the Outline Business Case which was approved by Councils in April 2008. The S151 letters also state that they will confirm this to their Council's Executive (Cabinet) if required.

Figure 8.1 provides a graphical representation the Partnership's affordability position comparing landfill (do minimum), OBC Reference Project, Reduced Tonnage Reference Project and FBC with MVV's solution. This information has been reviewed by the S151 officers and affordability has been confirmed. This figure shows the total waste management cost for the Partnership Authorities, including recycling and composting in addition to the residual waste treatment solution.

Figure 8.1 Comparison of total Partnership costs until 2039 for FBC, OBC Reference Project, Reduced Tonnage Reference Project and the continued landfill (do-nothing)



Figures 8.2 to 8.4 provide similar graphical representations of the affordability position for each partner Authority. This information has similarly been reviewed by the S151 Officers. These figures show the total waste management cost for the Partnership Authorities, including recycling and composting in addition to the residual waste treatment solution.

Figure 8.2 Comparison of Plymouth City Council costs until 2039 for FBC, OBC Reference Project, Reduced Tonnage Reference Project and the continued landfill (do-nothing)

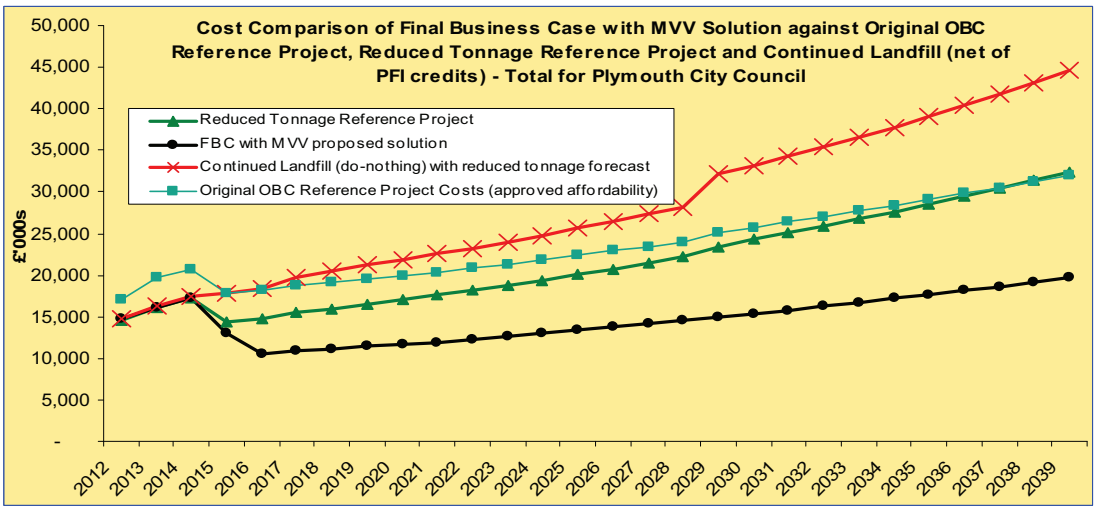


Figure 8.3 Comparison of Torbay Council costs until 2039 for FBC, OBC Reference Project, Reduced Tonnage Reference Project and the continued landfill (do-nothing)

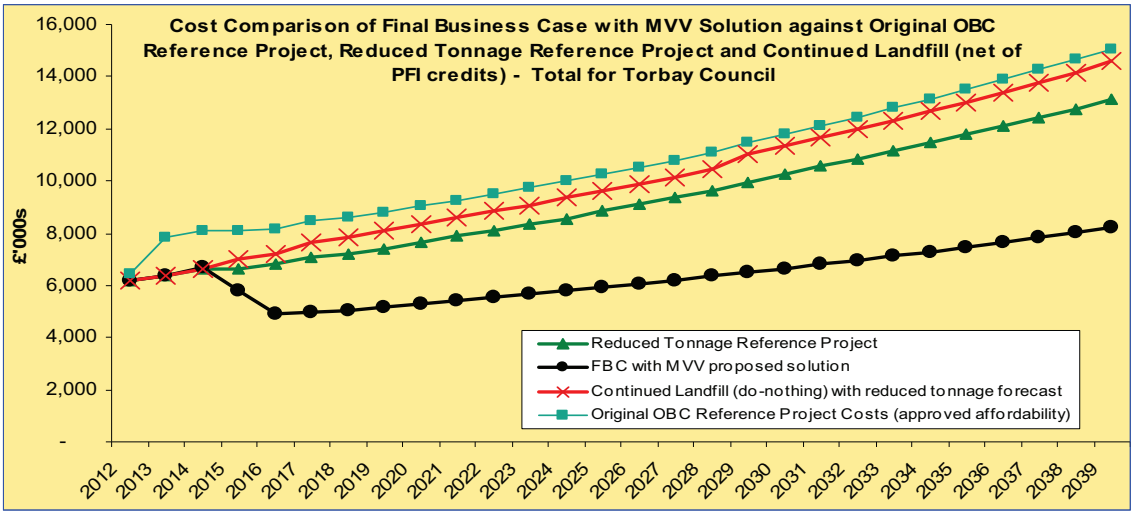
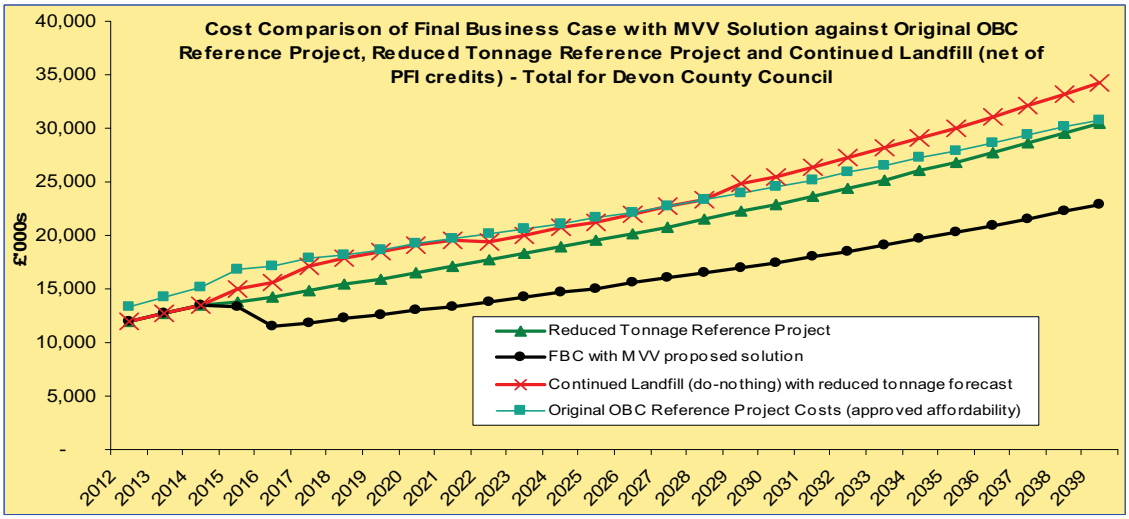


Figure 8.4 Comparison of Devon County Council costs until 2039 for FBC, OBC Reference Project, Reduced Tonnage Reference Project and the continued landfill (do-nothing)



8.6.2 Authority Approval of Final Business Case and Affordability

Following the approval of Preferred Bidder, each partner Authority will be requested to agree the redacted version on the Final Business Case and agree the solution is within the approved affordability which will be a Cabinet decision. These approvals are programmed during February 2011.

The approved Joint Working Agreement has stipulated, however, that the FBC approval can only be withheld by an Authority on affordability grounds if any Authority's share of the total cost of the end treatment solution exceeds that set out in the OBC including headroom.

9. Stakeholder Communications

9.1 Introduction

Since commencing the project in 2008, the declared strategy for open and proactive communications with all key stakeholders has been a priority for the Partnership with a steady stream of briefings, exhibitions, presentations and meetings.

This communication strategy has created an awareness and understanding of the project and its objectives across the partner Authorities, statutory organisations, within local communities and the media. In many cases, this awareness has resulted in a general acceptance of the proposed solution and recognition of the potential benefits it can bring in terms of the net positive environmental impact on our future carbon footprint and more particularly the economic benefits it offers to council tax-payers in the Partnership area.

The proposed solution offered by MVV has already been recognised by some stakeholders as helping to secure the long-term future of the Devonport Royal Naval Dockyard through a more competitive cost base and therefore, in turn, the wider Plymouth economy.

Notwithstanding this level of support, there are, not unsurprisingly, some residents in the local community are likely to oppose the proposed solution either in principle, through concern, or due to lack of understanding. Future communication strategies will be targeted to ensure that, as far as practicable, everyone is aware of the facts so their fears and concerns can be allayed.

9.2 Strategy

The communication strategy included within the OBC, and adopted from the outset of the project, has been followed. However, it has evolved as the procurement process has progressed to reflect specific issues and concerns that have been raised.

The Partnership's overarching communication strategy has been to provide continually, and proactively, as much timely, clear, transparent and accessible information to as wide an audience as possible whilst recognising the commercial sensitivities of the procurement.

Initially, the Partnership's communication focus was on strategic issues such as:

- Defining and explaining the need for a long term waste management solution;
- Recognizing the importance of enhanced reduce, reuse, recycling and composting activity;
- Communicating information about the procurement and planning processes; and
- Providing the rationale behind EfW in the context of each Authority's waste management strategy and information on how EfW works.

However, as the procurement progressed and solutions were proposed at different locations, greater attention has been paid to addressing the specific issues raised by the local communities.

As a consequence of the Partnership's open and active engagement with stakeholders, community and pressure groups have formed opposing the proposed technology and/or site location. This early public interest and engagement is seen by the Partnership as a positive

step. By raising public awareness and allowing community concerns and issues to come forward during the procurement phase, the Partnership has been able to discuss these issues with bidders during dialogue to enhance and refine their solutions

9.3 Transfer of Undertaking – Protection of Employment (TUPE) and Code of practice on workforce matters

It has been established that no local authority staff will be subject to TUPE as the current waste disposal activities of each of the partner Authorities are undertaken by private sector contractors.

Information redacted due to commercially sensitive and confidentiality reasons

9.4 Partner Authorities

The partner Authorities of Plymouth City Council, Devon County Council and Torbay Council are involved in the project formally through the Joint Working Agreement and governance structure described in Section 6.

In addition to the communications through the formal governance arrangements, the Partnership has provided on-going briefings to all councillors from the partner Authorities throughout the procurement process. These briefings have been held quarterly in rotation across the three Authorities and have ensured wider knowledge and awareness of the project and concerns of the community.

Specific briefings have been held with key senior officers, such as S151 Officers and insurance managers, from each Authority to ensure that they are aware of the emerging terms of the contract. They have also been encouraged to give their opinions and preferences so that they can be taken into account in on-going negotiations. Details of all briefings held are included at Appendix 9A.

9.5 Other Relevant Authorities

Prior to any formal engagement with planning authorities by the bidders, the Partnership undertook a round of meetings in 2009 with key statutory organisations, such as the Environment Agency and emergency response organisations, to ensure they were aware of the project and its context.

Whilst it is understood that such meetings have no bearing on the planning determination process, they provided the Partnership with an overview of the planning and timescale issues that would be considered in any future planning application. Such meetings have been particularly useful in developing the bidder solutions and also dealing with the specific issues that may arise in adopting the MVV solution at the Devonport Royal Naval Dockyard where civil protection and emergency response are paramount.

The procurement process and publicly available information relating to the bids has also been communicated by the Partnership to the Devon District Councils via the Devon Authorities' Waste Reduction and Recycling Committee (DAWRRC). This comprises members from all 8 districts, the 2 Unitary and County Authorities within Devon. The DAWRRC has given its approval to the PFI bid at OBC stage, supporting the proposals to

deal with residual waste in the Plymouth, Torbay, South Hams, Teignbridge and West Devon areas. Details of all briefings held are included at Appendix 9A.

9.6 Public Engagement

Regular public and stakeholder communication events have been undertaken throughout the project procurement phase along with more selective private meetings to exchange information and views. A list of the events, briefings and meetings held to date is included at Appendix 9. These are:

- Councillor briefings, held on a rotational basis at each authority;
- MP briefings: offered to all MPs within the County;
- Media facilities – for key project milestones;
- Public exhibitions;
- Briefings and meetings with public opposition groups;
- Business briefings, for key business people within the catchment area;
- District and partner Council presentations;
- Partnership Committee meetings with public in attendance.

The Environment Agency and the Health Protection Agency have supported the Partnership by giving presentations in the public sessions of the Joint Committee. This has assisted Members and public attendees in understanding the issues and providing reassurance with the facts and figures relating to the factual environmental impacts from the likely solution.

The Partnership has staged 23 exhibitions at regular intervals throughout the procurement and across the Partnership area. Towards the end of the procurement, these exhibitions included outline details of the bidders' proposals. Each bidder was present at the exhibition local to proposed site for their residual waste facility.

In addition, the Environment Agency and most recently, the Health Protection Agency, also attended, providing information on their role and answering technical questions. This has been particularly successful in helping to provide independent factual advice and guidance to the public.

Attendance at the exhibitions has been consistent but never overwhelming. Where local groups have formed to oppose proposals, the Partnership has allowed these groups to attend the exhibitions formally and present their views to the public providing they do so in a professional, balanced and civil way.

Feedback from the exhibitions has been obtained via informal channels and through the use written feedback forms. Summary information has been collated and published on the Partnership's website.

The Partnership created and launched the dedicated Partnership and project website in September 2008. It covers the main areas of interest including news and events, the background to the project including the technology and procurement process, FAQs and links to other useful sites and contacts. The website also acts as a portal for e-mail questions and queries to the Partnership.

All media enquiries are routed through the Partner Authorities' press offices and then managed by the Partnership's external communications advisor in conjunction with the local Public Relations Officer.

The media has generally given a fair and balanced view of the project and its key issues. There has been extensive coverage on both sides of the debate. Formal media briefing sessions were provided initially. However, as the procurement has progressed, it has become more appropriate to provide briefings in the context of specific events such as exhibitions, site proposals and opposition rallies.

Regular feedback to the Project Executive and Joint Committee has been provided on the effectiveness of Partnership communications. Factual information on subjects of concern has been targeted, such as traffic monitoring, noise and health effects of the proposed solutions. Information has been published on the Partnership's website, exhibition panels created on specific issues, media releases used, and presentations and briefings given to address common concerns.

As the project progresses through the planning and implementation phases, the Partnership will work directly with MVV to provide transparent and consistent two-way communication to all stakeholders. The Partnership will also update its communication strategy to dovetail with the strategy developed by MVV. Furthermore, MVV has recognised the importance of proactive communication and community engagement and has developed a communications strategy which echo's and supports that of the Partnership.

The Partnership will continue to provide regular briefings to stakeholders and public and media communications will be increased during the planning period to ensure that the local community near to the Devonport Royal Naval Dockyard is kept aware of developments and their timing and given sufficient information to allay on-going concerns.

MVV will develop a community liaison plan, which will cover both the operational and construction phases of the contract. This plan will include:

- The scope, purpose and timetable for all consultations with relevant stakeholders;
- Full details of all promotional activities to promote the facility including the provision of a website containing community and facility performance information. For the construction period, this will be provided through a link to MVV's existing website;
- Measures to encourage community attendance at organised liaison meetings;
- Details of the general procedures for handling questions, complaints and protests.

MVV will also establish a local liaison committee to ensure efficient and effective communication and engagement with the local community. The agenda and minutes of this committee will be published on their dedicated facility website.

9.7 Community sector/Non-Government Organisations (NGOs)

Various community opposition groups have attended dedicated meetings and briefings and the Partnership met with groups whenever requested providing these formed part of a two-way constructive communication process. Details of the briefings are included at Appendix 9.

The Partnership has met with the Plymouth community group STIFLE, the first of the opposition groups, several times together with the more recently formed Plymouth opposition group 'Incineration Is Wrong'. The latter group being local to the Devonport Royal Naval Dockyard solution.

Other opposition groups outside of Plymouth including Eco-Ivy and Save Our South Hams have also attended public exhibitions and engaged in dialogue with the Partnership.

The Partnership will continue to engage with any community and NGO groups to ensure that the facts are clearly communicated and their issues and concerns are understood and, if possible, addressed through the planning and implementation phase of the project.

10. Timetable

The revised project timetable comparing dates given in the OBC with those achieved and planned at FBC stage is given below:

Index	Stage	As Per OBC Actual/ Proposed Date	Months	As Per FBC Actual/ Proposed Date	Months	Difference between OBC and FBC
1	Submission of EoI	Sept 07	-13	Sept 07	-13	0
2	Approval of EoI	Dec 07	-10	Dec 07	-10	0
3	OBC Approved by Council	Apr 08	-6	Apr 08	-6	0
4	Submission of OBC	Apr 08	-6	Apr 08	-6	0
5	Defra Approval of OBC	July 08	-3	Aug 08	-2	+1
6	PRG Approval of OBC	Sept 08	-1	Oct 08	0	+1
7	OJEU Published	Oct 08	0	Oct 08	0	0
8	Descriptive Document Issued	Oct 08	0	Nov 08	+ 1	+1
9	PQQ Issued	Oct 08	0	Nov 08	+ 1	+1
10	PQQ Returned	Nov 08	+ 1	Dec 08	+ 2	+1
11	ISOS Issued	Dec 08	+ 2	Feb 09	+ 4	+2
12	ISOS Returned	Mar 09	+ 5	Apr 09	+ 6	+1
13	ISDS First Stage Issued	N/A	N/A	Jul 09	+ 9	
14	ISDS First Stage Returned	N/A	N/A	Oct 09	+ 10	
15	ISDS Issued	June 09	+ 8	Nov 09	+ 13	+5
16	ISDS Returned	Nov 09	+ 13	Mar 10	+ 17	+4
17	Call For Final Tenders	May 10	+ 19	Oct 10	+ 24	+5
18	Preferred Bidder Identified	Jul 10	+ 21	Dec 10	+ 26	+5
19	Submission of FBC	Sept 10	+ 23	Dec 10	+ 26	+3
20	Approval of FBC	Oct 10	+ 24	Feb 11	+ 28	+4
21	Preferred Bidder Confirmed	N/A	N/A	Jan 11	+27	
22	Contract Signed/Financial Close	Oct 10	+ 24	Mar 11	+ 29	+5
23	Planning application submitted	Nov 10	+ 25	Mar 11	+ 29	+4
Information redacted due to commercially sensitive and confidentiality reasons						
30	Operational Commencement	Apr 14	+ 66	Nov 14	+ 73	+7

The Partnership has followed the Competitive Dialogue process under the Public Contracts Regulations 2006 (as amended) with implementation of the key stages of this process as set out in the OBC.

Progress from OBC approval to the issue of OJEU was steady and the planned timetable achieved. However, new developments and issues came forward during the formal dialogue process which needed more detailed examination.

Firstly, the Partnership wished to explore the potential for a combined heat and power (CHP) solution in greater detail. Various CHP studies were completed by the Partnership during late 2008 and early 2009 investigating potential energy users in the wider Plymouth area including Devonport Royal Naval Dockyard.

Secondly, as a result of this CHP investigation work, several bidders developed outline proposals that included a CHP potential albeit from sites owned by a third party and not allocated in the planning framework, the implications of which had to be fully understood by the Partnership.

As a result of these new issues, the Partnership introduced an ISDS First Stage, between ISOS and ISDS to fully address and understand them. The period to assess the CHP

potential and the additional ISDS first stage has added five months to the procurement timetable.

The preferred bidder, MVV, were appointed in January 2011. MVV intends to submit its planning and permit applications prior to financial close in March 2011. The planning longstop date is July 2013, that is 28 months after the planned financial close date.

If the preferred bidder delivers to programme, the EfW plant will be fully operational by November 2014. This is seven months later than the OBC operational commencement date set in early 2008. However, the plant will begin receiving the Partnership's waste in August 2014 during hot commissioning and this is only four months later than originally planned in the OBC.

Abbreviations and Terminology

AD	Anaerobic Digestion is the break down of organic materials in the absence of oxygen. The carbon content of the material is released as methane or biogas (Similar to landfill gas), rather than carbon dioxide. The gas may be captured and used to generate electricity.
AONB	Area of Outstanding Natural Beauty
BMW	Biodegradable Municipal Waste is the waste collected or disposed of by the Local Authority, which will decompose through the action of living organisms to produce carbon dioxide or methane. It typically represents 68% of all Municipal Waste.
BREEAM	Building Research Establishment Environmental Assessment Model A system used to measure the impact of non-domestic buildings on the environment.
CapEx	Capital Expenditure
Competitive Dialogue (CD)	Competitive Dialogue is for use in the award of particularly complex contracts where the technical, legal and financial structure cannot be determined and considers the use of the open or restricted procedure will not allow the award of that contract without dialogue with suppliers.
CFT	Call for Final Tenders
CHP	Combined Heat and Power An energy generating plant which maximises efficiency by recovering usable heat as well as generating electricity.
CIWM	Chartered Institute of Waste Management
Compost	The material that results from the composting process and is a dark, moist soil-like substance that enriches the nutrient content of soil and helps soil structure.
Composting	Composting is the controlled breakdown or decomposition of organic materials under aerobic (ie with air) conditions. High temperature generated during large scale or commercial composting is sufficient to kill harmful bacteria, so it can also be used to treat animal by-products Domestic compostors are very important in terms of waste reduction and produce a good quality compost. They do not reach a sufficient temperature to kill harmful bacteria, however, so they are only suitable for garden and vegetable based food waste.
DEFRA	Department for Environment, Food and Rural Affairs
Defra's PFI Criteria	The criteria which waste projects must meet to be considered for PFI credits.
DPD	Development Plan Document
EfW	Energy from Waste Use of waste material to generate energy.
EoI	Expression of Interest Initial approach by a contractor to say that they may wish to bid for a forthcoming contract.

Food waste	Food waste is waste that comes from the preparation of food and consists of fruit/vegetable scraps, dairy, meats and breads and other starchy foods. Food waste is generated from households and restaurants, hotels and other commercial premises that prepare food.
Gasification	Gasification is the process whereby carbon based waste is heated in the presence of air or steam to produce a chemically stable solid and a gas. This may be burned to recover electricity and /or heat.
Gate fee	Gate fee is the amount charged by a waste management contractor at a facility to deal with waste, measured by the tonne.
Green waste	Green waste includes garden trimmings, leaves, shrubs, plants, grass, street trees, or tree trunks, park trees or twigs etc. that arise from households, Council parks and garden maintenance, and commercial premises.
Hazardous waste	Hazardous waste is defined by the Hazardous Waste England and Wales Regulations 2005 and comprises those materials that could pose a threat or risk to public health, safety or to the environment (e.g. batteries, paints, solvents, engine oils and fluids, cleaners etc).
HHWRC	Household Waste Recycling Centre., also known as Civic Amenity Site Facilities. Public recycling or waste disposal facilities for household waste.
Incinerator Bottom Ash (IBA)	Incinerator Bottom Ash is the ash which remains in the incinerator furnace after combustion. This material is discharged from the grate to be quenched in a water bath prior to further processing or disposal.
ISDS	Invitation to Submit Detailed Solutions
ISOS	Invitation to Submit Outline Solution
ISRS	Invitation to Submit Revised Solutions
JWA	Joint Working Agreement
Kerbside recycling	Kerbside recycling is where materials for recycling are collected from individual households by the waste collection authority or their contractors
Landfill	Landfill is a site where waste is disposed of by burying it. Sites are prevented from contaminating the surrounding environment by means of a plastic and clay liner and leachate* collection systems with strict pollution controls, Modern landfill sites collect methane gas and often use it for electricity generation. However a large proportion of the gas will escape from the site during operation or following closure when it in no longer practicable to collect and burn the gas. Methane from landfill is a significant contributor to greenhouse gas emissions.
LATS - Landfill Allowance Trading Scheme	LATS is a government scheme arising from the Waste and Emissions Trading Act to ensure the UK meets the European Landfill Directive that allocates a decreasing allowance for local authorities landfilling biodegradable waste (BMW). If this target is exceeded, councils must either purchase permits from other authorities or pay considerable penalties, which could result in increased council tax bills.
*Leachate	Leachate is a hazardous liquid solution that forms as water percolates through waste, such as rain falling on refuse in a landfill. It may contain any chemicals that can be dissolved, particles, and even live micro-organisms. Leachate entering surface water can cause serious environmental damage. If leachate contaminates ground water the effect is long lasting and little can be done to decontaminate the aquifer.
Local	LDF is a set of documents that will shape planning and development for a local

Development Framework (LDF)	authority area for the longer term, e.g. Plymouth's LDF will run until 2021.
MBT	Mechanical Biological Treatment. MBT systems combine the mechanical sorting of materials for recycling and the biological treatment of the remaining waste that will have a high organic content. MBT may use composting or anaerobic digestion to treat the remaining waste.
MRF - Materials Reclamation (or Recovery) Facilities	MRF is a centre that receives and separates recyclable materials such as plastic, steel, aluminium and paper collected from household recycling bins. Recyclable materials at a MRF are separated and sent away to be processed into new products.
Municipal Solid Waste (MSW)	MSW is household waste (and some commercial and industrial waste) that is under the control of the Local Authority. This includes a wide range of waste such as regular kerbside collections or deliveries to a waste facility. MSW also includes other types of waste such as bulky household waste (e.g. appliances, furniture and residential garden waste), household hazardous waste or waste generated from local Council operations (e.g. waste from street sweeping, litter bins and parks).
OBC	Outline Business Case The document produced by the Waste Partnership to support its application. The OBC showed that a proposed facility was required, and could be sited in an appropriate location, providing an effective and affordable means of treating residual waste.
Private Finance Initiative (PFI)	PFI is a partnership between the public and private sector and provides a way of funding major capital investment without immediate repayment from the Government. Typically, a PFI project involves a contract of 25 – 30 years.
PIN	Prior Information Notice
PPP	Public Private Partnership
PQQ	Pre-qualification Questionnaire
Pyrolysis	The heating of waste in a closed environment (i.e. in the absence of oxygen) to produce a secondary fuel product and a carbon char which may then be subjected to gasification.
Recyclables	Recyclables are generally those materials that can be recycled into the same or new products. Currently these include glass, metals, paper, cardboard, textiles and other materials as well as some plastics. Recyclables are often referred to as those materials that are placed in household recycling bins and collected through Council collections. Recyclables can also be collected from public place recycling bins and recycling bins used by commercial premises.
Recycling	Recycling is the process where recyclable materials (e.g. paper, plastic, glass, metal, aluminium, steel etc.) are converted into new products, which are suitable to replace the same or new products made from virgin materials (e.g. waste paper and cardboard into new paper and cardboard, aluminium soft drink cans into new aluminium products, plastic bottles into plastic utensils etc.).
Recycling Bring Banks	Local public recycling facilities e.g. bottle or paper banks typically situated in car parks, supermarkets etc.
Refuse-	RDF is a fuel made from (municipal) solid waste. RDF typically consists of

Derived-Fuel (RDF)	pelletised or fluff MSW that is the by-product of a material recovery operation or MBT, whereby the majority of the non-combustible materials such as rocks, glass and metals are removed, and the remaining combustible portion of the solid waste is dried and chopped or shredded.
Reference Project	This is a theoretical model or plan that describes how the project might take shape. It is designed to show that all factors have been taken into account so it uses real facts and figures. It covers elements such as the scope and content of the project, the cost and time frames involved, and environmental factors. I
Residual Waste	Residual waste is the material in people's rubbish bins after they 'do the right thing' through reducing, re-using, recycling, home composting and/or garden waste collections and waste delivered to recycling centres of MRFs which is unsuitable for recycling.
RNAD	Royal Navy Armaments Depot
Resource Recovery	Resource Recovery is a process that takes out anything of any value from the waste stream, which could be anything from steel to aluminium, glass to paper.
Strategic Waste Management Facility	A Strategic Waste Management Facility is used to treat, keep and / or dispose of waste, which is usually the hub of a larger set up.
SWDWP	South West Devon Waste Partnership, The partnership of Plymouth City Council, Devon County Council and Torbay Council.
Transfer stations	Transfer stations are facilities where collection vehicles deposit waste and/or recyclables collected from elsewhere. Waste or recyclables taken to a transfer station may be loaded into bulk haulage vehicles or compacted and baled before being transported usually by haulage to a landfill site or resource recovery facility. Transfer stations can also include recycling facilities.
TUPE	Transfer of Undertakings Protection of Employment Regulations A legal requirement that means where a service such as waste disposal is transferred to a different contractor, the jobs and service conditions of any personnel who were employed to deliver that service must be transferred to the new contractor.
Unitary Charge	Unitary charge is the annual payment made to the PFI contractor for undertaking the services within the PFI contract.
Waste Collection Authority (WCA)	The Waste Collection Authority is the local council charged with a statutory duty for the collection of municipal waste.
Waste Development Plan Document (Waste DPD)	The Waste DPD is a document prepared as part of the Local Development Framework and looks at possible locations and policies for future waste management facilities.
Waste Disposal Authority (WDA)	The Waste Disposal Authority is the body or council that has the statutory duty to manage the treatment and disposal of the waste that is collected by the Waste Collection Authority. They also provide and manage recycling centres, and act as the waste planning authority, considering all planning applications associated with

	waste management activities.
Waste Local Plan	The Waste Local Plan is a document that identifies possible locations for future waste management facilities.
Waste minimisation	Waste minimisation means those activities that aim to reduce the amount of waste that is generated and the amount of waste that is disposed of or land filled. Waste minimisation includes avoiding and/or reducing the generation of waste in the first place, reusing waste, recycling waste and recovering waste through resource recovery.
Waste stream	Waste stream is the flow or movement of wastes from the point of generation (i.e. household or commercial premises) to final disposal (i.e. landfill). A waste stream may reduce significantly over time as valuable items are separated for recycling and are recovered through resource recovery.

APPENDICES

APPENDIX A – DEFRA'S CRITERIA FOR AWARDING WASTE PFI CREDITS

Defra Waste PFI Criteria	Cross Reference to Relevant Part of FBC
1. Schemes (which may involve more than one Authority) must demonstrate how they will contribute to delivery of their authorities' adopted Municipal Waste Management Strategies (regardless of whether they are Unitary or Two-tier Authorities).	Sections 3.1, 3.2, 3.3, 3.4, 3.5 and 3.6
Local Authorities are strongly encouraged to have explored with neighbouring authorities the opportunities for joint working when considering a major procurement. Scale and strategic impact are two important aspects to consider when proposing a scheme. In line with Government policy, PFI projects with a capital value below £20 million will not be supported. However, Defra's upper threshold of £40m for the availability of PFI credits for individual projects no longer applies.	Sections 4.2 and 6.3
In two-tier areas, proposals should demonstrate how the two tiers of local government will work together to deliver their targets under legally binding agreements or constitutions, which should be in place by the start of procurement. By Final Business Case (FBC) stage we would expect a minimum of a detailed Memorandum of Understanding (covering major points of principle), or establishment of joint waste management structures or formal contractual arrangements.	Sections 2.4.4, 2.5.1, 3.2, 9.5, Appendix 2
In two-tier areas, a Joint Municipal Waste Management Strategy will be a requirement towards this and should include clear, long-term targets for Biodegradable Municipal Waste diversion; recycling; etc., which have been adopted or are close to adoption by all stakeholders.	Section 3.2
In other types of partnership, such as regional or multi-area partnerships, plans should demonstrate evidence of strong joint working and the intention to have legally binding agreements or arrangements (e.g. joint waste management boards) in place by the start of the dialogue process.	Section 6.3

Defra Waste PFI Criteria	Cross Reference to Relevant Part of FBC
2. PFI credits are awarded to authorities primarily to deliver increased diversion of biodegradable municipal waste from landfill. Proposals should demonstrate how the schemes: • Contribute to or complement longer-term national targets for recycling and composting as well as diversion of biodegradable and other municipal waste from landfill, indicating the amount of biodegradable and other municipal waste expected to be diverted from landfill over the whole life of the project; • Support or complement the authorities' plans for recycling set out in their Municipal Waste Management Strategies.	Section 3.4.4 and 3.6 and Appendix 3
3. Proposals should show how schemes will provide additional contribution to national landfill diversion during the contract period and up to 2020 as required under the Landfill Directive, where appropriate.	Section 3.5
4. Waste minimisation is at the top of the waste hierarchy. While PFI is frequently not an appropriate mechanism for addressing waste reduction, proposals should make clear what other action the Authority is taking to reduce generation of MSW.	Section 3.3
5. The use of residual waste treatment options involving recovery, including energy from waste solutions, will have an integral role in treating the waste we cannot 'design out', re-use or recycle. Such options should be considered while also demonstrating that there is no future barrier to meeting reduction, reuse and recycling targets. The Authority should have done sufficient analysis of the technical, environmental and economic options to have identified a preferred solution within the FBC, so that bidders will not be expected or required to carry-out their own repetitious options appraisals.	Section 3.7 and original OBC 3.6, 4.5 and 4.6. Section 4.5, 4.6 and 4.7
6. Proposals should demonstrate that other relevant authorities, the public, and interested parties have been consulted and that there is a broad consensus supporting a recognised long term waste management strategy which is reflected in the proposed solution.	9.1, 9.2, 9,4, 9,5, 9.6, 9.7 and original OBC 3.2.

Defra Waste PFI Criteria	Cross Reference to Relevant Part of FBC
7. Proposals should follow HMT value for money guidance and clearly demonstrate that the proposed project offers a value for money solution when compared with other procurement options. Evidence is required to demonstrate that the authorities have considered and approved all on-going funding requirements necessary to make the project affordable over its whole life. This evidence should include signed commitments from members, or minutes of members meetings clearly demonstrating that they have committed to the ongoing affordability of the project.	Appendix D for VFM assessment, Sections 8.5 and 8.6
8. Proposals must follow the extant guidance for PFI procurement; i.e. Defra-issued specific guidance, the WIDP Waste Procurement Pack, SoPC4 and other HMT guidance on PFI procurement. Authorities should also be aware that even if a proposal receives PFI credits support from Defra all OBCs will have to gain final approval from the inter-departmental Project Review Group (PRG) that they are ready to proceed to procurement. The criteria for the PRG assessment of business cases are available on the HM Treasury website (www.hm-treasury.gov.uk).	Sections 5.3, 5.4, 5.5 and 5.7
9. Residual disposal solutions (e.g. refuse derived fuel, fibre, soil improvers) must demonstrate the destination of any residual output and the existing or intended commitments for and cost of effecting such disposal. Proposals should include findings from soft market testing indicating a market appetite for the proposed residual product, so as to secure value for money. Where there is a potential for third-party income (e.g. from sale of recyclate, electricity, heat, etc.), this should be considered as part of the value for money analysis. Where new or alternative technologies are proposed in the reference project, they should be shown to be bankable and deliverable.	Sections 5.6 and 8.3
10. Preferential consideration will be given to capital projects which focus on residual treatment plant only, including, but not limited to, Energy from Waste, Mechanical Biological Treatments, and Anaerobic Digestion.	Section 4.8
11. Proposals should demonstrate how the potential for community sector involvement in service delivery through the project has been assessed. Where, as a result of such work, a decision is made to exclude or displace such services, a value for money case must be put to support such an approach.	Sections 3.3, 3.4, 9.6 and 9.7

Defra Waste PFI Criteria	Cross Reference to Relevant Part of FBC
12. Projects should consider the potential for including other waste streams such as commercial or industrial waste, on the basis of securing a value for money solution. However, projects must demonstrate that: • The project continues to deliver value for money in relation to the biodegradable municipal waste being managed through it; • Any cross subsidisation of the costs of disposing of non-municipal waste streams is transparent and acceptable to all stakeholders.	Section 4.8
13. Projects should have potential sites under consideration which accord with the relevant waste planning Authority's statutory development plan. Where this is being updated to reflect Planning Policy Statement 10 (PPS10) projects should align with the policies in PPS10.	Sections 7.4, 7.5 and Appendix F.
14. Authorities responsible for projects will be expected to engage in the preparation of the relevant regional spatial strategy and local development plan documents so as to help secure an up-to-date and supportive planning context in line with PPS10, including appropriate land allocations.	Section7.4 and Appendix F.
15. Authorities should take proactive action to acquire sites in line with the development plan, or which they are confident will accord with the development plan if components of the development plan are under review or in preparation. Consideration will be given on a case by case basis to the status and substance of those planning policies and plans currently in place at authorities.	Sections 7.3, 7.4 and Appendix F.

APPENDIX B – PROJECT DATA TEMPLATE

Respondent Details	
Name:	
Job Title:	**Project Director**
Telephone Number:	
Email Address:	
Address:	South West Devon Waste Partnership Plymouth City Council Civic Centre Floor 13 Plymouth PL1 2AA

Date Form Completed:	**6th December 2010**

Section 1 – General Project Information		
1.01 Project Name:	**South West Devon Waste Partnership Residual Waste Treatment and Disposal contract**	
1.02 Category: Tick as appropriate.	√	PFI – Using HMT Definition
		PPP – Other Public Private Partnerships
		Other Joint Venture – Projects which cannot be categorized using the preceding options.
1.03 Sector: The business, service or industry sector most applicable to the project.	Waste	
1.04 Project Details: Provide a short description of the project and its key features.	The Contractor, MVV Umwelt GmbH (MVV), has proposed to build, own, finance and operate a 245k tpa Energy from Waste (EfW) solution, with Combined Heat and Power (CHP) capability. MVV has already incorporated a Special Purpose Vehicle (SPV), MVV Environment Devonport Ltd, to deliver the Project. The facility will be located in the North Yard of HM Naval Base Devonport, in Plymouth, and the site has been acquired under an Agreement for Lease which has been signed by the SPV and the Ministry of Defence (MOD) The Contractor has entered into an Energy Services	

	Agreement (ESA) with the MOD to supply heat and electricity generated by the facility, with any excess electricity being sold to the National Grid. Third party waste will be processed to utilise any plant excess capacity above the contract waste tonnage received. MVV will build the EfW CHP facility itself, with MVV O&M acting as EPC contractor to the SPV. MVV O&M will also assist MVV to operate and maintain the plant over the 25 year service period.
1.05 Region: Enter the County, Unitary Authority or London Borough where the project is based.	**South West Devon** The project will be based in Plymouth, an area covered by Plymouth City Council as Unitary Authority.
1.06 Specific Location(s): Enter the specific location of the project if it is not detailed in the above field.	North Yard, HM Naval Base Devonport, Plymouth
1.07 Parliamentary Constituencies covered by relevant Waste Disposal Authorities:	**Plymouth City Council (Unitary Authority)** Plymouth Moor View; Plymouth Sutton and Devonport; South West Devon, **Torbay Council (Unitary Authority)** Torbay (covering Torquay, Paignton and Brixham) **Devon County Council** Exeter*; East Devon *; Central Devon *; North Devon*; South West Devon; Torridge* and West Devon; Newton Abbot; Tiverton and Honiton*; and Totnes (*not within Partnership area).
1.08 What date was the OJEU dispatched?	27 October 2008
1.09 What date was the Outline Business Case Approved by the Department?	3 October 2008

Section 1 – General Project Information (cont)	
1.10 Who were the bidders invited to participate in dialogue?	Amey/Cespa Mvv Umwelt GmbH Shanks/Wheelabrator SITA UK Ltd Urbaser SA Veolia Environmental Services Viridor Waste Management Ltd Waste Recycling Group

1.11 Date Preferred Bidder appointed:	to be completed before contract signing
1.12 Date project will reach financial close:	[21 March 2011 to be completed before contract signing]
1.13 Date project will reach Commercial Close:	[21 March 2011 to be completed before contract signing]
1.14 Name of the Central Government Sponsor Department:	DEFRA
1.15 Special features relating to the project: Detail special features, e.g. any awards that the project may have won, an innovative approach to procurement or design.	The proposed solution has secured a long-term significant Combined Heat and Power opportunity with another public sector body from operational commencement. The procurement is an example of effective partnership working across three Waste Disposal Authorities with a legal Joint Working Agreement and a shared procurement team.
1.16 Confirm any conditions on the project stipulated on the award of PFI-credits either by Defra or PRG and provide details of how they have been addressed:	Conditions as set out by Defra and the PRG: 1. That the project continues to meet all the published criteria in the Department for Communities and Local Government "Local Government PFI Project Support Guide". SWDWP believe we have met all criteria and have maintained continuous contact with WIDP through the transactor interface. 2. To use the standardised contract documentation and to share documentation, including publication of OBC on the website. The Partnership has used SoPC4 alongside WIDP standard guidance and documentation as the template for its contractual documentation. Any derogations and departures have been discussed and/or agreed with WIDP. The OBC is available to view on the Partnership's website along with each Partner Authority's waste strategy. 3. To provide a letter of comfort to the PRG before issue of OJEU from the technical advisors confirming the costings within the shadow mid model. SWDWP provided an Entec letter of comfort to Defra dated 8th October 2008. 4. The level of credits being dependant upon the technology being CHP enabled The Partnership has required all bidders to provide a CHP

[redacted]	enabled facility as part of their solution proposals.

Information redacted due to commercially sensitive and confidentiality reasons

Section 3 - Public Sector Authority Details				
3.01 Name of the Contracting Authority:	South West Devon Waste Partnership, comprising: Plymouth City Council Devon County Council Torbay Council			
3.02 Key Contact(s): Provide details of the key members of the Contracting Authority's project team				
Name				
Job Title	PFI Project Director	PFI Project Manager		
Telephone Number				
Email Address				
Address	South West Devon Waste Partnership Plymouth City Council Civic Centre Floor 13 Plymouth PL1 2AA	South West Devon Waste Partnership Plymouth City Council Civic Centre Floor 13 Plymouth PL1 2AA		
3.03 Status of Authority: Tick as appropriate			Central Government	
			Non Departmental Public Body	
			Agency	
	•		Local Government	
			Other Local Body (e.g. Emergency Services, NHS Trust)	
3.04 Lead Public Sector Advisors: Provide names of the lead advisors to the Contracting Authority.	Financial Advisor		Ernst and Young LLP	
	Technical Advisor		Entec UK Ltd	
	Legal Advisor		Bevan Brittan LLP	
	Insurance Advisor		Willis Group	
	Other Key Advisor(s)		Communications: Coast Communications and Marketing Ltd Andy Joss Ltd	

3.05 Name of the Audit Body Responsible for the Contracting Authority?		National Audit Office
	•	Audit Commission
		Audit Scotland
		Northern Ireland Audit Office
		Wales Audit Office / Swyddfa Archwilio Cymru

Section 4 - Private Sector / Contractor Details		
4.01 Name of the Private Sector Partner:	MVV has incorporated a SPV - MVV Environment Devonport Ltd - to deliver the Project. This SPV is 100% owned by MVV Umwelt UK GmbH (HoldCo), which in turn is wholly owned by MVV Umwelt GmbH (MVV).	
4.02 Type of company or partnership: Tick as appropriate.	•	Company Limited by Shares (CLS)
		Company Limited by Guarantee (CLG)
		Limited Liability Partnership (LLP)

4.03 Details of all the Shareholders (past and present) of the Project Company:

	Shareholder 1	Shareholder 2	Shareholder 3
Shareholder Name:	MVV Umwelt UK GmbH		
Percentage Shareholding:	100%		
Date Holding Commenced:	20 October 2010		
Date Holding Ceased: (if applicable)	n/a		
	Shareholder 4	**Shareholder 5**	**Shareholder 6**
Shareholder Name:			
Percentage Holding:			
Date Holding			

Commenced:			
Date Holding Ceased (if applicable):			

Information redacted due to commercially sensitive and confidentialty reasons

APPENDIX C2 – COMMERCIAL TEAM SIGN OFF

Dear Martin,

Please find below a confirmation from Amar Qureshi and he will send you this in letter form in due course.

Following completion of our commercial review (which incorporates review of derogations from SOPC4), on the basis of the Issues Log and the Derogations tables for each bidder (in each case the version received today), we are pleased to confirm that we are content for you to close dialogue on this project. This confirmation is issued subject to resolution of the following matters prior to appointment of preferred bidder (depending of course on which bidder is selected):

General

Information redacted due to commercially sensitive and confidentiality reasons

Please note that this confirmation should not be taken as a guarantee of the issue of PFI credits which remains subject to approval of the FBC and any other necessary approvals as well as the project remaining consistent with departmental policies and spending priorities.

Regards,

Amar Qureshi

Head of Commercial Team & Contracts
Waste Infrastructure Delivery Programme
Defra

APPENDIX D – STAGE 3 QUALITATIVE VALUE FOR MONEY ASSESSMENT

1 Market Failure

"PFI needs a robust competitive process to deliver fully its benefits. Delivering the long term outcomes at a good price relies on competitive tension during the procurement phase"[3]

Issue	***Question***	***Response***
Market abuse or failure	Is there any evidence from similar projects (in scope or location) to suggest that there will be a shortage of good quality financially robust bidders?	There has been no evidence to suggest a shortage of financially robust bidders.
	Is there any evidence of market abuse?	In section 4 of the FBC, the Partnership has documented a competitive process for the procurement and is satisfied that competitive tension has been maintained.
Procurement	Was there a good response to the PIN/OJEU notice?	The Partnership received a great deal of interest from the OJEU notice and 45 private sector organisations attended the Bidders' Day.
	How many potential bidders passed the PQQ criteria? Are the financial robustness and capacity of the bidders sufficient?	Eight of the nine bidders passed the minimum thresholds within the PQQ criteria, demonstrating at that time sufficient financial robustness and capacity for the project by reference to the PQQ assessment criteria used.
	Is there evidence of good competitive tension in pricing of risks etc?	Throughout all stages of the procurement, the Partnership tested price. This was in response to taking advice from Queen's Counsel.
OVERALL	Overall, in considering this procurement, is the project team satisfied that there is a sound competition?	As documented in section 4 of the FBC and summarised here, the Partnership is satisfied there has been a competitive process.

[3] Value for Money Assessment Guidance November 2006

Efficient Procurement Process

"A good procurement is important to sustain market interest"[4].

Issue	*Question*	*Response*
Efficient Procurement	Is there a realistic project plan, and has this been adhered to without undue delays?	The Partnership has maintained a project plan throughout the procurement. Additional time has been added with the inclusion of the ISDS First Stage. This was seen as a necessary and beneficial requirement.
	Are bid costs likely to be proportionate to the contract value?	Information redacted due to commercially sensitive and confidentiality reasons
	Will any aspect of the procurement impact adversely on market interest? (e.g. restrictions imposed by Competitive Dialogue procedure)	The Partnership has been mindful of the need to keep bid costs down and do not believe that this procurement has had an adverse affect on bidders.
	Are there any problems emerging with the way the procurement is structured?	There are no particular problems that have been identified.
Authority Resources	Does the procuring authority have the necessary resources to conduct a good procurement?	The Partnership established a strong core Project Team from project inception which has been augmented by further internal resources as required to satisfy the particular needs of the project. The Partnership is also supported by experienced external advisors and has the benefit of an experienced WIDP transactor.
	Are sound project governance arrangements in place?	The project is governed by a Joint Committee that monitors progress of the project and makes certain key decisions. The Joint Committee oversees the waste Project Executive comprising chair, a lead officer from each Authority and is advised by the Defra WIDP transactor and other internal officers. The Project Executive oversees the delivery of the procurement process through the Project Team.
OVERALL	Overall, is the way that the procurement process is proceeding likely to have an adverse impact on the delivery of VfM?	Following the recent announcement that the project will retain its PFI credits, there is no reason to believe that there will be adverse delays to the procurement timetable impacting on the delivery of VfM.

[4] Value for Money Assessment Guidance November 2006

Risk Transfer

"The decision to proceed with PFI is dependent on the market appetite for the project"[5]

Issue	***Question***	***Response***
Wider issues	Is the competition delivering the proposed risk transfer?	Information redacted due to commercially sensitive and confidentiality reasons The expectations at the start of procurement were based on market guidance and standardised WIDP documentation.
	Does the Authority confirm that the nature of the deal and/or the strategic importance of the work still make it suitable for delivery through PFI?	The Partnership confirms this project is still suitable for PFI and this has been reaffirmed by Defra with continuing support of PFI credits.
	Is there still confidence that all the key VfM drivers will be preserved.	The Contract that will be finalised through the fine tuning process is based upon SoPC4, with an Output Specification and linkage to a performance based Payment Mechanism and Performance Framework. Output delivery is incentivised through the Payment Mechanism and Performance Framework as part of the Contract. As outlined in this document, the Partnership has deployed capacity and capability through both internal resource and retained advisors. The capacity of, and capabilities in, the market has been demonstrated through the competitiveness of the process as outlined in the Final Business Case.
OVERALL	Overall, is the risk transfer achievable, given an assessment of the competition, and the procuring authority's constraints?	Given the quality and competitiveness of both Bidders' CFT submissions, the Partnership believes that the proposed risk transfer is achievable. The degree of risk transfer will be carefully monitored at the Preferred Bidder stage to ensure that there is no erosion of the current commercial position.

[5] Value for Money Assessment Guidance November 2006

APPENDIX E – KEY PERFORMANCE INDICATORS

Information redacted due to commercially sensitive and confidentiality reasons

APPENDIX F – PLANNING HEALTH FRAMEWORK

Information redacted due to commercially sensitive and confidentiality reasons

APPENDIX G – RISK REGISTER

Information redacted due to commercially sensitive and confidentiality reasons

APPENDIX H – RISK ALLOCATION MATRIX

Information redacted due to commercially sensitive and confidentiality reasons

APPENDIX K – WIDP ACCOUNTING ASSESSMENT FOR BUDGETARY AND NATIONAL ACCOUNTS

Information redacted due to commercially sensitive and confidentiality reasons

Appendix 2 – Waste Arisings

2.1 Introduction

The following sections provide a more comprehensive analysis of waste arising information than that provided in Section 2.3 of Chapter 2 and includes a breakdown by partner Authority. This section also provides more detailed breakdown on the individual performances than in Section 2.5 for each partner Authority against statutory indicators between 2003/04 and 2009/10.

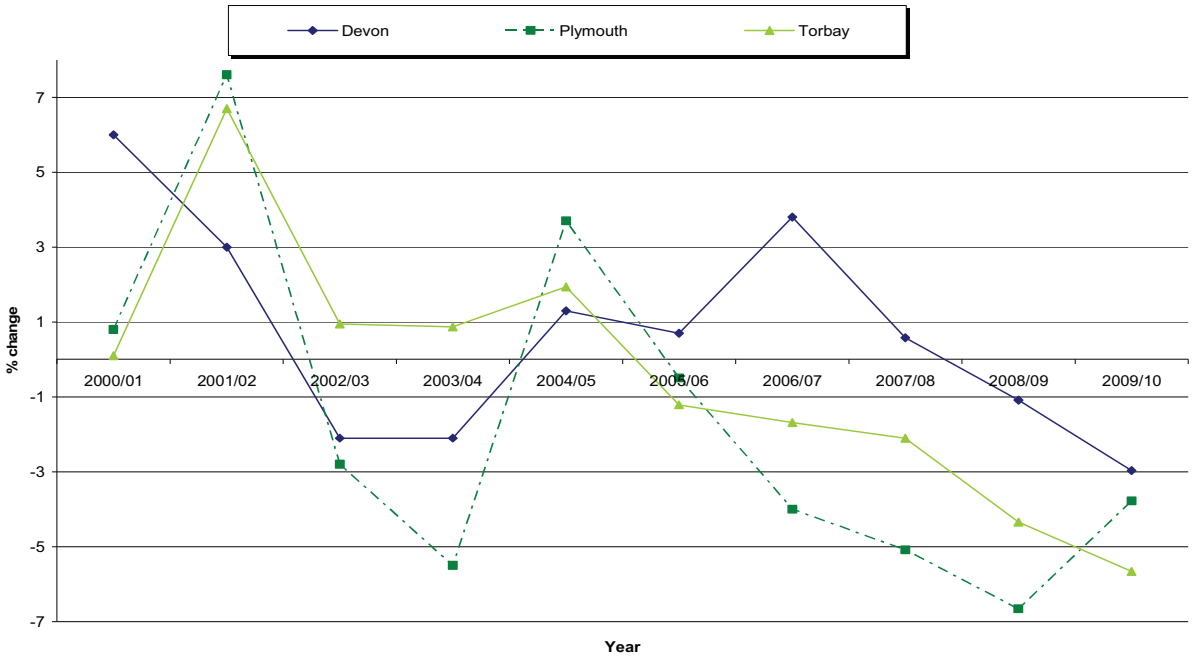
2.2 Analysis of Waste Arisings

2.2.1 Updated Waste Arising Statistics

In the financial years 2008/09 and 2009/10, there were rapid reductions in waste arisings in all three of the Partnership Authorities. This trend was common across the country and is, for the most part, to be attributed to the rapid decline in economy activity.

However latest statistics indicates that the reductions are slowing. There is evidence, particularly in the case of Torbay, that residual waste reduction is now being driven by improvements in recycling performance while the total volume of household waste arisings remain stable. The updated growth in total MSW arising by Authority is shown in Figure A2.1 below.

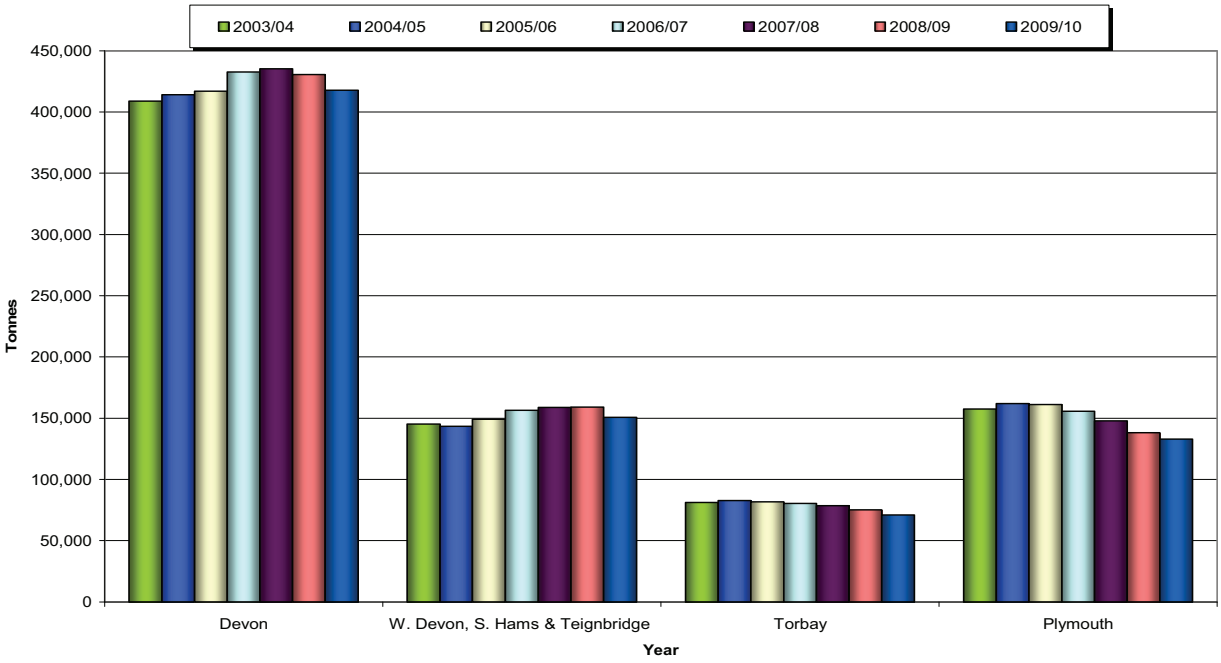
Figure A2.1 Percentage Municipal Solid Waste (MSW) Growth by Authority from 2000/01 to 2009/10



The original OBC modelling made allowance for increases in recycling and so, while it may be the case that improvements take place sooner than originally expected, this should not affect the projected overall waste tonnage available to the residual waste facility.

The updated total MSW arising from each partner Authority over time is given in Figure A2.2.

Figure A2.2 Total MSW Arisings by Authority 2003/04 to 2009/10



A breakdown of the MSW tonnage into landfill, reuse, recycled, composted and recovered for the Partnership and each Authority included within Tables A2.1 to A2.4. The three districts of Devon account for 36% of the County waste arisings although since 2006/07 waste has dropped slightly in the County and in the Districts. Both Torbay and Plymouth have seen ongoing falls in overall waste arisings.

Table A2.1 Analysis of Waste Arisings from the Partnership Area of Devon 2006/07 to 2009/10

Year	WCA Household Collected Waste	WCA Collected Trade Waste	HWRC Household Waste	Other MSW	Total MSW Arising	Annual Percentage Change
	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes	%
2006/07	248,857	25,616	113,893	4,645	393,011	
2007/08	241,855	27,285	112,230	3,889	385,259	-1.97
2008/09	232,582	20,138	113,558	6,066	372,345	-3.35
2009/10	230,687	17,353	102,087	4,856	354,984	-4.66

Table A2.2 Analysis of waste arising from Plymouth 2006/07 to 2009/10

Year	WCA Household Collected Waste	WCA Collected Trade Waste	HWRC Household Waste	Other MSW	Total MSW Arising	Annual Percentage Change
	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes	%
2006/07	94,786	11,477	47,162	2,462	155,887	
2007/08	91,834	10,033	44,352	1,710	147,929	-5.10
2008/09	81,359	7,496	45,627	3,594	138,077	-6.66
2009/10	83,046	5,867	41,847	2,152	132,913	-3.74

Table A2.3 Analysis of waste arising from Torbay 2006/07 to 2009/10

Year	WCA Household Collected Waste	WCA Collected Trade Waste	HWRC Household Waste	Other MSW	Total MSW Arising	Annual Percentage Change
	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes	%
2006/07	49,115	8,583	22,107	767	80,,612	
2007/08	49,303	9,735	18,856	809	78,703	-2.37
2008/09	50,007	6,355	17,803	876	75,041	-4.65
2009/10	48,307	5,738	15,849	1,146	71,040	-5.33

Table A2.4 Analysis of waste arising from Teignbridge, South Hams and West Devon 2006/07 to 2009/10

Year	WCA Household Collected Waste	WCA Collected Trade Waste	HWRC Household Waste	Other MSW	Total MSW Arising	Annual Percentage Change
	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes	%
2006/07	104,916	5,556	44,624	1,416	156,512	
2007/08	100,718	7,517	49022	1,370	158,627	1.35
2008/09	101,216	6,287	50128	1,596	159,227	0.38
2009/10	99,334	5,748	44391	1,558	151,031	-5.15

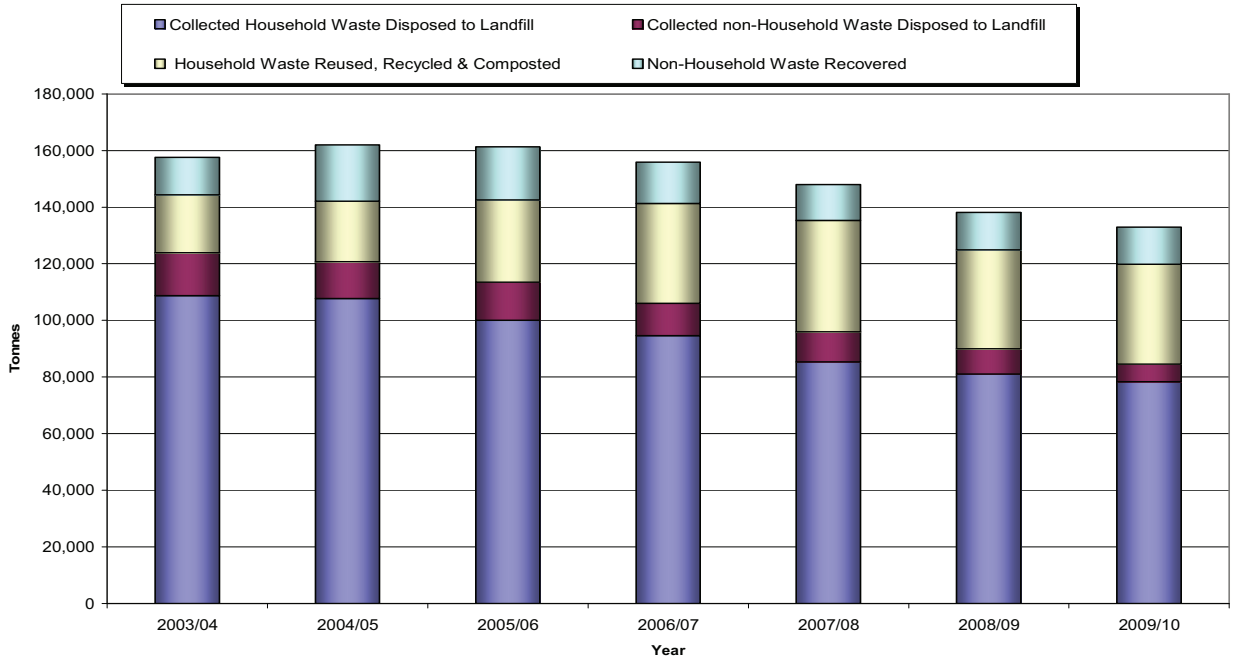
Although waste tonnages have fallen in the last few years, the Partnership is anticipating waste arisings to grow looking forward. This projection is based on the expected population increases in the Partnership area together with an increase in waste as a result of the economic recovery. The Partnerships waste projections over the life of the Contract are shown in Table A2.5 below.

Table A2.5 Waste arising forecast for the Partner WDAs over the anticipated duration of the contract.

Year	WCA Household Collected Waste	WCA Collected Trade Waste	HWRC Household Waste	Other MSW	Total MSW Arising	Annual Percentage Change
	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes	%
2010/11	231,119	21,664	100,593	1,322	354,698	-0.08%
2011/12	232,113	21,812	102,319	1,329	357,573	0.81%
2012/13	234,486	22,050	104,077	1,342	361,955	1.23%
2013/14	236,885	22,291	105,527	1,355	366,058	1.13%
2014/15	239,309	22,534	107,001	1,369	370,213	1.14%
2015/16	241,760	22,780	108,499	1,382	374,422	1.14%
2016/17	244,238	23,029	110,021	1,396	378,684	1.14%
2017/18	246,734	23,281	111,568	1,409	382,992	1.14%
2018/19	249,257	23,535	113,141	1,423	387,355	1.14%
2019/20	251,807	23,791	114,739	1,437	391,774	1.14%
2020/21	254,386	24,051	116,363	1,451	396,251	1.14%
2021/22	256,992	24,314	118,014	1,465	400,785	1.14%
2022/23	259,628	24,579	119,692	1,480	405,378	1.15%
2023/24	262,292	24,848	121,397	1,494	410,031	1.15%
2024/25	265,046	25,119	123,131	1,509	414,805	1.16%
2025/26	267,833	25,394	124,893	1,524	419,643	1.17%
2026/27	270,533	25,643	126,550	1,538	424,264	1.10%
2027/28	273,105	25,894	128,233	1,553	428,785	1.07%
2028/29	275,703	26,147	129,944	1,568	433,363	1.07%
2029/30	278,329	26,403	131,682	1,583	437,998	1.07%
2030/31	280,982	26,662	133,449	1,599	442,691	1.07%
2031/32	283,663	26,923	135,243	1,614	447,443	1.07%
2032/33	286,372	27,187	137,067	1,630	452,255	1.08%
2033/34	289,109	27,453	138,920	1,645	457,128	1.08%
2034/35	291,876	27,722	140,803	1,661	462,062	1.08%
2035/36	294,672	27,993	142,717	1,677	467,059	1.08%
3036/37	297,497	28,267	144,662	1,693	472,120	1.08%
3037/38	300,352	28,544	146,639	1,710	477,245	1.09%
3038/39	303,238	28,823	148,648	1,726	482,436	1.09%

The charts (Figures A2.3 to A2.5) below subdivide the total MSW tonnage into landfill, reuse, recycled, composted and recovered for each Authority. It should be noted that the Devon figures only refer to municipal waste from Teignbridge, West Devon and South Hams as this is the feedstock for the proposed Partnership treatment facility. The charts have been updated to include data from 2007/08 to 2009/10.

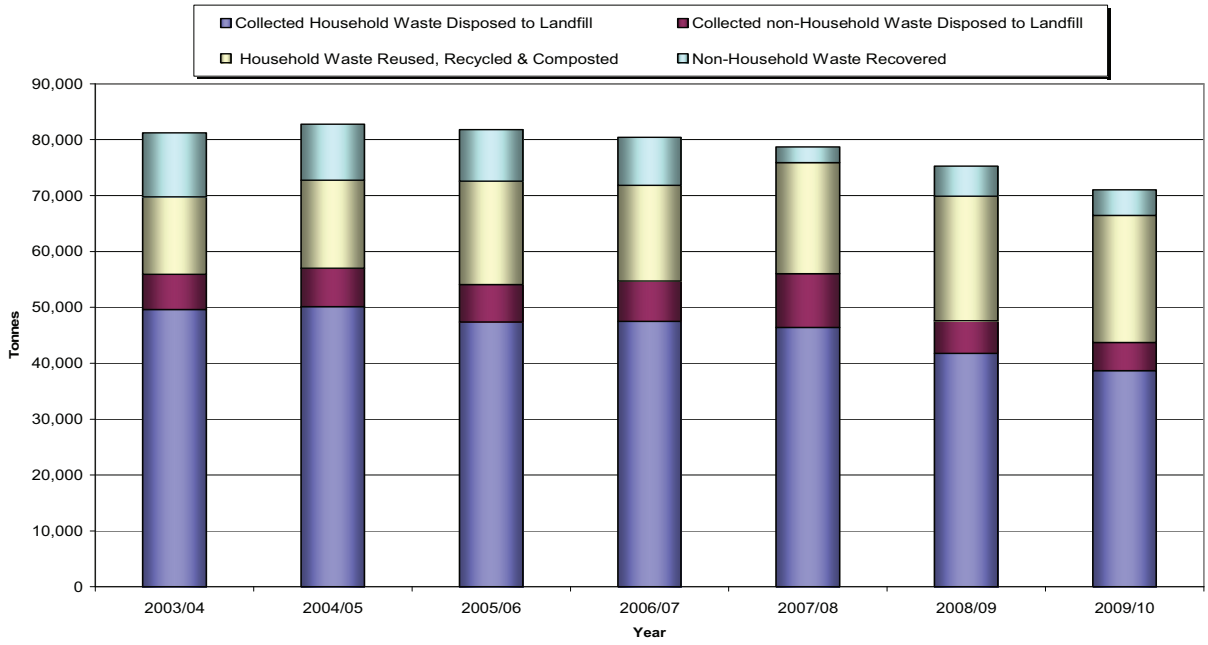
Figure A2.3 Analysis of Municipal Waste Arising for Plymouth City Council: 2003/04 to 2009/10



Source: Plymouth City Council

As can be seen above, Plymouth continues to see a reduction in the amount of both household and non-household waste landfilled. Recycling and composting has improved from 16% to 31% over the period.

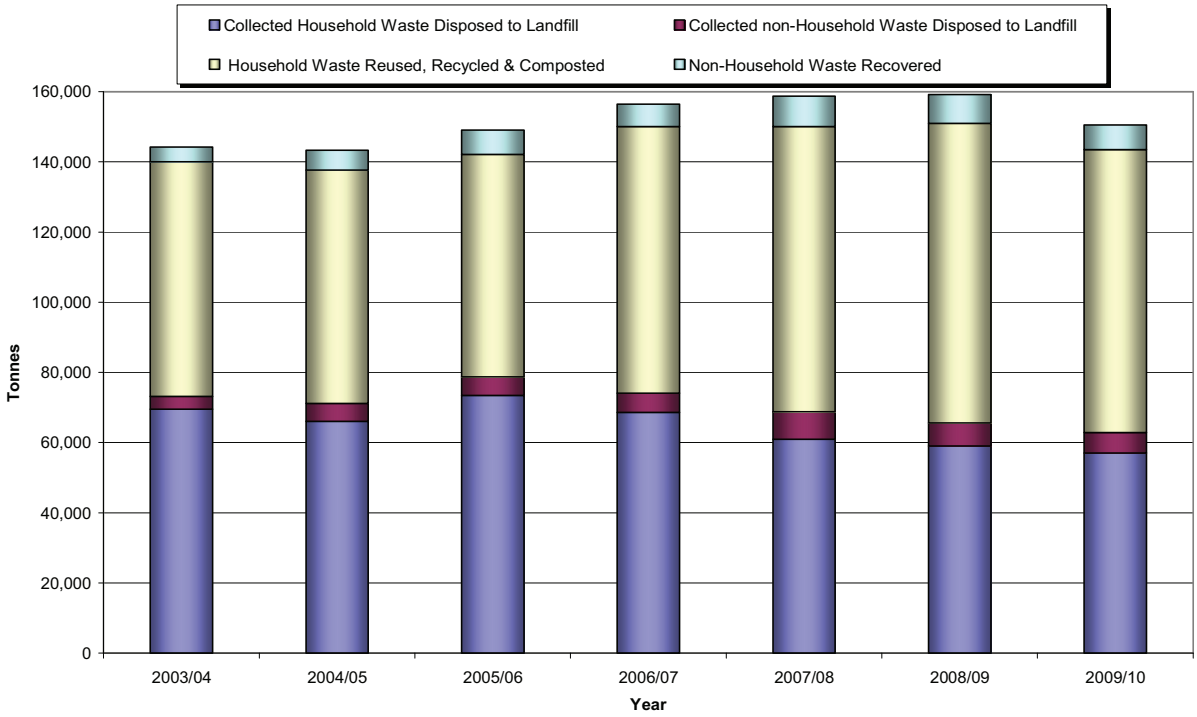
FigureA2.4 Analysis of Municipal Waste Arising for Torbay Council: 2003/04 to 2009/10



Source: Torbay Council

Figure A2.4 above also shows Torbay has seen an overall reduction in material sent to landfill and an increase in household waste reused, recycled and composted since 2003/04 with a slight peak in 2004/05. The recycling rate has improved steadily year on year from just under 21% in 2003/04 to nearly 36% in 2009/10.

Figure A2.5 Analysis of Municipal Waste Arising for Devon (Teignbridge, West Devon & South Hams only): 2003/04 to 2009/10



Source: Devon County Council

Figure A2.5 clears shows the trend of the three District Councils towards reuse, recycling and composting performance over the four years. The tonnage to landfill is relatively flat over the same period, which reflects the maturity of the diversion programme and the previous significant investment in infrastructure. Devon as a whole is recognised as one of the leading recycling and composting performers and this is reflected here. Previous investment has led to recycling and composting rates of 49% in 2003/04 increasing to 53% in 2006/07.

2.3 Performance of Existing Services

2.3.1 Recycling and Composting Performance

As a result of the improvements and new initiatives, recycling and composting performance has improved across the Partnership area and each Authority has met and exceeded its recycling targets set out in the original OBC.

Since publication of the OBC, Best Value Performance Indicators have been replaced by National Indicators which measure a smaller range of indicators. The statutory BVPIs for household waste recycling and composting (82a and b) for 2003/04 to 2006/07 indicate that each Authority has made consistent progress to improve performance. The quantity of waste collected per head (BVPI 84) has exhibited some variability but remained relatively consistent over time for each Authority. Overall, each Authority is working consistently to improve recycling and composting and control the quantity of waste collected.

Tables A2.6 and A2.7 below show the progressive BVPI and NI performance for Plymouth City Council from 2003/04 until 2009/10.

Table A2.6 Best Value Performance Indicators (BVPI) for Plymouth's Waste – 2003/04 to 2007/08

BVPI no.	BVPI Description	2003/04	2004/05	2005/06	2006/07	2007-08
82a	% household waste recycled	11.9%	12.3%	16.9%	19.9%	23.4%
82b	% household waste composted	3.4%	3.7%	5.6%	6.9%	7.75%
	Combined 82a and 82b	15.3%	16.0%	22.5%	26.8%	31.15%
82d	% household waste landfilled	83.7%	83.8%	77.7%	73.3%	67.88%
84	Kg of household waste collected per head of population	527 kg	530 kg	519 kg	520 kg	499 kg
86	Cost of waste collected per household	£50.61	£52.68	£48.93	£47.76	£50.92
87	Cost of waste disposal of municipal waste per tonne	£14.50	£23.54	£28.35	£28.76	£29.93
89	% people satisfied with cleanliness	50%	N/A	N/A	58%	N/A
90a	% people satisfied with household waste collection	79%	N/A	N/A	75%	N/A
90b	% people satisfied with recycling	69%	N/A	N/A	72%	N/A
90c	% people satisfied with Civic Amenity sites	85%	N/A	N/A	81%	N/A

Table A2.7National Indicators (NI) for Plymouth's Waste 2008-09 to 2009-10

NI no.	NI Description	2008/09	2009/10
NI 191	Residual household waste per household	718.5 kg	691 kg
NI 192	Percentage of household waste sent for reuse, recycling and composting	30.0%	31.0%
NI 193	Percentage of municipal waste landfilled	63.3%	63.7%
BVPI 84a	Collected household waste (Kg per person)	463 kg	445 kg

Tables A2.8 and A2.9 below show the progressive BVPI and NI performance for Torbay Council from 2003/04 until 2009/10.

Table A2.8 Best Value Performance Indicators (BVPI) for Torbay's Waste – 2003/04 to 2007/08

BVPI no.	BVPI Description	2003/04	2004/05	2005/06	2006/07	2007/08
82a	% household waste recycled	14.1%	15.3%	18.9%	18.6%	21.1%
82b	% household waste composted	6.6%	6.6%	6.8%	7.6%	6.99%
	Combined 82a and 82b	20.7%	21.9%	25.7%	26.1%	28%
82d	% household waste landfilled	79.3%	78.1%	74.5%	73.9%	72.12%
84	Kg of household waste collected per head of population	477 kg	488 kg	480 kg	482 kg	485 kg

BVPI no.	BVPI Description	2003/04	2004/05	2005/06	2006/07	2007/08
86	Cost of waste collected per household	£31.38	£32.91	£35.94	£36.10	£42.33
87	Cost of waste disposal of municipal waste per tonne	£41.16	£37.46	£41.40	£44.74	£44.70
89	% people satisfied with cleanliness	51%	N/A	N/A	52%	N/A
90a	% people satisfied with household waste collection	81%	N/A	N/A	78%	N/A
90b	% people satisfied with recycling	75%	N/A	N/A	72%	N/A
90c	% people satisfied with Civic Amenity sites	86%	N/A	N/A	78%	N/A

Table A2.9 National Indicators (NI) for Torbay's Waste 2008-09 to 2009-10

NI no.	NI Description	2008/09	2009/10
NI 191	Residual household waste per household	657.6 kg	604.5 kg
NI 192	Percentage of household waste sent for reuse, recycling and composting	32.8%	35.7%
NI 193	Percentage of Municipal waste landfilled	63.3%	61.5%
BVPI 84a	Collected household waste (Kg per person)	468 kg	447 kg

Tables A2.10 and A2.11 below show the progressive BVPI and NI performance forDevon County Council from 2003/04 until 2009/10.

Table A2.10 Best Value Performance Indicators (BVPI) for Devon's Waste – 2003/04 to 2007/08

BVPI no.	BVPI Description	2003/04	2004/05	2005/06	2006/07	2007/08
82a	% household waste recycled	17.7%	21.2%	23.9%	26.2%	26.35%
82b	% household waste composted	9.1%	11.5%	16.7%	19.6%	20.71%
	Combined 82a and 82b	26.8%	32.7%	40.6%	45.8%	47.06%
82d	% household waste landfilled	73.3%	67.3%	59.4%	54.2%	52.85%
84	Kg of household waste collected per head of population	530 kg	524 kg	522 kg	536 kg	547 kg
86	Cost of waste collected per household	N/A	N/A	N/A	N/A	N/A
87	Cost of waste disposal of municipal waste per tonne	£38.42	£39.91	£42.20	£44.90	£47.97
89	% people satisfied with cleanliness	N/A	N/A	N/A	N/A	N/A
90a	% people satisfied with household waste collection	N/A	N/A	N/A	N/A	N/A
90b	% people satisfied with recycling	N/A	N/A	N/A	N/A	N/A
90c	% people satisfied with Civic Amenity sites	85%	N/A	N/A	85%	N/A

* Changed methodology

Table A.2.11 National Indicators (NI) for Devon's Waste 2008-09 to 2009-10

NI no.	NI Description	2008/09	2009/10
NI 191	Residual household waste per household	552.2 kg	527kg
NI 192	Percentage of household waste sent for reuse, recycling and composting	51.6%	52.6%
NI 193	Percentage of Municipal waste landfilled	47.6%	46.6%
BVPI 84a	Collected household waste (Kg per person)	519 kg	503

Appendix 3 - Strategic Waste Management Objectives

3.1 Introduction

The following sections provide a more detailed breakdown of the recycling and composting projections for each partner Authority than shown in Section 3.4 of the main report. It also provides a breakdown of each partner Authority's expected LATS positions with and without MVV's solution which enlarges on Section 3.5 of the main report. These projections have been derived from the updated Partnership's waste flow model.

3.2 Recycling and Composting

3.2.1 Plymouth City Council

Through the initiatives described in the main section 3 Plymouth is working toward steadily increased recycling and composting rates. These are expected to progress as follows over the life of the facility.

Table A3.1 Recycling Projections – Plymouth City Council

Year	OBC projections for Plymouth		FBC Projections for Plymouth	
	Tonnes	% of HHW	Tonnes	% of HHW
2009/10	27,797	20.4%	23,378	20.8%
2010/11	30,332	22.2%	29,410	25.9%*
2011/12	34,521	24.9%	31,890	27.8%*
2012/13	35,990	25.6%	32,799	28.2%
2013/14	38,816	27.3%	34,357	29.3%
2014/15	40,442	28.1%	35,334	29.8%
2015/16	42,358	29.1%	36,307	30.2%
2016/17	43,171	29.4%	36,958	30.4%
2017/18	43,905	29.5%	37,522	30.5%
2018/19	44,709	29.7%	38,125	30.6%
2019/20	47,453	31.2%	40,041	31.8%
2020/21	47,997	31.2%	40,564	31.8%
2021/22	48,542	31.2%	41,095	31.8%
2022/23	49,110	31.2%	41,647	31.9%
2023/24	49,655	31.2%	42,193	31.9%
2024/25	50,199	31.2%	42,748	31.9%
2025/26	50,883	31.3%	43,179	31.9%

2026/27	51,295	31.3%	43,749	31.9%
2027/28	51,706	31.3%	44,328	31.9%
2028/29	52,118	31.2%	44,915	31.9%
2029/30	52,529	31.2%	45,511	32.0%
2030/31	52,940	31.2%	46,116	32.0%
2031/32	53,351	31.2%	46,730	32.0%
2032/33	53,763	31.2%	47,353	32.1%
2033/34	54,174	31.1%	47,986	32.1%
2034/35	54,585	31.1%	48,628	32.1%
2035/36	54,997	31.1%	49,280	32.1%
2036/37	55,408	31.1%	49,942	32.2%
2037/38	55,820	31.1%	50,614	32.2%
2038/39	56,232	31.0%	51,296	32.2%

***This assumed a kerbside glass collection comes on line during 2010/11 and 2011/12 in accordance with original OBC timings. Glass removal options are currently being considered by PCC as part of a wider business case – hence these step improvements may slip but will be on-line before the EfW becomes operational**

Table A3.2 Composting Projections – Plymouth City Council

Year	OBC projections for Plymouth		FBC Projections for Plymouth	
	Tonnes	% of HHW	Tonnes	% of HHW
2009/10	12,734	9.3%	10,245	9.09%
2010/11	14,678	10.7%	12,940	11.4%
2011/12	15,851	11.4%	13,965	12.2%
2012/13	16,050	11.4%	14,162	12.2%
2013/14	16,661	11.7%	14,406	12.3%
2014/15	16,921	11.8%	14,654	12.4%
2015/16	17,131	11.8%	14,862	12.4%
2016/17	17,618	12.0%	15,239	12.5%
2017/18	17,827	12.0%	15,455	12.6%
2018/19	18,151	12.1%	15,768	12.7%
2019/20	18,707	12.3%	16,086	12.8%
2020/21	18,921	12.3%	16,315	12.8%
2021/22	19,136	12.3%	16,547	12.8%
2022/23	19,351	12.3%	16,783	12.8%
2023/24	19,565	12.3%	17,023	12.9%
2024/25	19,780	12.3%	17,266	12.9%
2025/26	20,118	12.4%	17,614	13.0%
2026/27	20,275	12.4%	17,866	13.0%

2027/28	20,431	12.4%	18,123	13.0%
2028/29	20,587	12.3%	18,383	13.1%
2029/30	20,743	12.3%	18,648	13.1%
2030/31	20,899	12.3%	18,917	13.1%
2031/32	21,056	12.3%	19,191	13.2%
2032/33	21,212	12.3%	19,469	13.2%
2033/34	21,368	12.3%	19,751	13.2%
2034/35	21,524	12.3%	20,038	13.2%
2035/36	21,680	12.3%	20,330	13.3%
2036/37	21,836	12.2%	20,627	13.3%
2037/38	21,993	12.2%	20,928	13.3%
2038/39	22,149	12.2%	21,235	13.3%

3.2.2 Torbay Council

Working thorough a recently established joint venture company Torbay Council are planning to achieve a combined recycling and composting rate of 50% by the time the proposed facility becomes available. This projection is based on plans which are currently in place and take no account of further developments in technology and markets which may permit further recovery activity during the life of this contract.

.Table A3.3 Recycling Projections – Torbay Council

Year	OBC projections for Torbay		FBC Projections for Torbay	
	Tonnes	% of HHW	Tonnes	% of HHW
2009/10	14,684	22.2%	15,616	26%
2010/11	15,349	23.0%	15,316	28.0%
2011/12	17,543	24.9%	15,857	29.6%
2012/13	18,370	25.8%	16,169	30.0%
2013/14	19,189	26.7%	16,568	30.6%
2014/15	19,823	27.3%	16,954	31.2%
2015/16	20,441	27.9%	17,323	31.7%
2016/17	21,003	28.4%	17,585	32.1%
2017/18	21,571	28.9%	17,850	32.4%
2018/19	22,019	29.3%	18,116	32.7%
2019/20	22,475	29.6%	18,385	33.1%
2020/21	22,700	29.6%	18,492	33.1%
2021/22	22,927	29.6%	18,599	33.1%
2022/23	23,156	29.6%	18,707	33.1%

2023/24	23,388	29.6%	18,816	33.1%
2024/25	23,621	29.6%	18,925	33.1%
2025/26	23,858	29.6%	19,036	33.1%
2026/27	24,096	29.6%	19,147	33.1%
2027/28	24,337	29.6%	19,258	33.1%
2028/29	24,581	29.6%	19,371	33.1%
2029/30	24,826	29.6%	19,484	33.2%
2030/31	25,075	29.6%	19,597	33.2%
2031/32	25,325	29.6%	19,712	33.2%
2032/33	25,579	29.6%	19,827	33.2%
2033/34	25,834	29.6%	19,943	33.2%
2034/35	26,093	29.6%	20,060	33.2%
2035/36	26,354	29.6%	20,178	33.2%
2036/37	26,617	29.6%	20,296	33.2%
2037/38	26,883	29.6%	20,415	33.2%
2038/39	27,152	29.6%	20,535	33.2%

Table A3.4 Composting Projections – Torbay Council

Year	OBC projections for Torbay		FBC Projections for Torbay	
	Tonnes	% of HHW	Tonnes	% of HHW
2009/10	5,816	8.8%	5,720	9.54%
2010/11	6,138	9.2%	6,764	12.4%
2011/12	7,853	11.1%	7,325	13.7%
2012/13	11,110	15.6%	9,505	17.6%
2013/14	12,370	17.2%	10,358	19.1%
2014/15	13,768	19.0%	10,461	19.2%
2015/16	14,847	20.3%	10,509	19.2%
2016/17	15,462	20.9%	10,557	19.2%
2017/18	15,616	20.9%	10,606	19.2%
2018/19	15,773	21.0%	10,654	19.2%
2019/20	15,930	21.0%	10,703	19.2%
2020/21	16,090	21.0%	10,752	19.2%
2021/22	16,250	21.0%	10,801	19.2%
2022/23	16,413	21.0%	10,851	19.2%
2023/24	16,577	21.0%	10,901	19.2%
2024/25	16,743	21.0%	10,951	19.2%

2025/26	16,910	21.0%	11,001	19.1%
2026/27	17,079	21.0%	11,052	19.1%
2027/28	17,250	21.0%	11,102	19.1%
2028/29	17,423	21.0%	11,153	19.1%
2029/30	17,597	21.0%	11,205	19.1%
2030/31	17,773	21.0%	11,256	19.0%
2031/32	17,951	21.0%	11,308	19.0%
2032/33	18,130	21.0%	11,360	19.0%
2033/34	18,311	21.0%	11,412	19.0%
2034/35	18,495	21.0%	11,464	19.0%
2035/36	18,679	21.0%	11,517	19.0%
2036/37	18,866	21.0%	11,570	18.9%
2037/38	19,055	21.0%	11,623	18.9%
2038/39	19,245	21.0%	11,677	18.9%

3.4.3 Devon County Council

The areas of Devon to be served by this facility have consistently high recycling rates. There are no additional recycling activities currently planned for in these areas and the following table reflects a gradual improvement to be achieved through the ongoing enhancement of existing services leading to a recycling rate or 65% by the end of the contract period.

Table A3.5 Recycling – Projections Teignbridge South Hams and West Devon

Year	OBC projections for Plymouth		FBC Projections for Plymouth	
	Tonnes	% of HHW	Tonnes	% of HHW
2009/10	42,360	28.0%	39,817	29%
2010/11	42,927	28.1%	41,241	30.7%
2011/12	43,485	28.1%	41,880	30.8%
2012/13	44,046	28.2%	42,530	30.8%
2013/14	44,611	28.3%	43,059	30.8%
2014/15	45,207	28.3%	43,594	30.8%
2015/16	45,802	28.4%	44,132	30.8%
2016/17	46,342	28.5%	44,798	30.9%
2017/18	46,844	28.5%	45,340	30.9%
2018/19	47,352	28.6%	45,889	30.8%
2019/20	47,864	28.7%	46,445	30.8%
2020/21	48,440	28.8%	47,031	30.8%

2021/22	48,861	28.8%	47,625	30.9%
2022/23	49,285	28.8%	48,227	30.9%
2023/24	49,711	28.8%	48,837	30.9%
2024/25	50,139	28.8%	49,948	31.2%
2025/26	50,569	28.8%	50,704	31.3%
2026/27	51,001	28.9%	51,299	31.3%
2027/28	51,434	28.9%	51,903	31.3%
2028/29	51,870	28.9%	52,515	31.4%
2029/30	52,309	28.9%	53,137	31.4%
2030/31	52,749	28.9%	53,741	31.4%
2031/32	53,191	28.9%	54,354	31.5%
2032/33	53,636	28.9%	54,975	31.5%
2033/34	54,083	29.0%	55,606	31.5%
2034/35	54,532	29.0%	56,246	31.6%
2035/36	54,983	29.0%	56,895	31.6%
2036/37	55,436	29.0%	57,554	31.7%
2037/38	55,892	29.0%	58,222	31.7%
2038/39	56,350	29.0%	58,901	31.7%

Table A3.6 Composting - Projections Teignbridge South Hams and West Devon

Year	OBC projections for Plymouth		FBC Projections for Plymouth	
	Tonnes	% of HHW	Tonnes	% of HHW
2009/10	44,715	29.6%	41,361	30%
2010/11	45,487	29.8%	39,553	29.5%
2011/12	46,270	29.9%	40,473	29.7%
2012/13	47,107	30.2%	41,410	30.0%
2013/14	47,956	30.4%	41,934	30.0%
2014/15	48,683	30.5%	44,075	31.2%
2015/16	49,418	30.7%	44,634	31.2%
2016/17	49,889	30.6%	45,369	31.2%
2017/18	50,344	30.7%	45,940	31.3%
2018/19	50,763	30.7%	46,519	31.3%
2019/20	51,184	30.7%	48,036	31.9%
2020/21	51,607	30.7%	48,834	32.0%
2021/22	52,031	30.7%	49,642	32.2%
2022/23	52,457	30.7%	50,461	32.3%

2023/24	52,884	30.7%	51,292	32.4%
2024/25	53,313	30.7%	53,146	33.2%
2025/26	53,745	30.7%	53,964	33.3%
2026/27	54,177	30.7%	54,695	33.3%
2027/28	54,612	30.7%	55,435	33.4%
2028/29	55,048	30.7%	56,184	33.6%
2029/30	55,486	30.7%	58,458	34.6%
2030/31	55,926	30.7%	59,031	34.5%
2031/32	56,368	30.7%	59,610	34.5%
2032/33	56,812	30.7%	60,195	34.5%
2033/34	57,257	30.7%	60,785	34.5%
2034/35	57,705	30.7%	61,382	34.5%
2035/36	58,154	30.7%	61,984	34.4%
2036/37	58,605	30.7%	62,592	34.4%
2037/38	59,059	30.7%	63,205	34.4%
2038/39	59,514	30.7%	63,825	34.4%

3.3 Landfill Objectives

3.3.1 Plymouth City Council

Recent reductions in waste arising has enabled Plymouth to meet its LATs liabilities for longer than originally expected. However with no new treatment capacity from 2012/13 the City will have a LATS shortfall which will increase in subsequent years.

Table A3.7 Landfill Projections for Plymouth City Council if no alternative disposal secured.

Year	LATS Allowance	Carry over + Purchases	BMW Landfilled	Surplus/ (Deficit)
	Tonnes	Credits	Tonnes	Tonnes
2008/09	76,983	37,062	65,480	48,565
2009/10	66,397	6,666	63,041	10,022
2010/11	59,007	11,000	58,939	11,068
2011/12	51,616	13,769	58,344	7,041
2012/13	44,225	0	58,763	(14,538)
2013/14	42,328		58,971	(16,643)
2014/15	40,431		59,144	(18,713)
2015/16	38,534		59,359	(20,825)
2016/17	36,637		59,713	(23,076)
2017/18	34,740		60,318	(25,578)

2018/19	32,843		60,845	(28,002)
2019/20	30,946		60,414	(29,468)

Introduction of new treatment capacity from 2014/15 will limit Plymouth's requirement to trade LATS permits to the period 2012 to 2014.

Table A3.8 Landfill Projections for Plymouth City Council with MVV's solution

Year	LATS Allowance	Carry over + Purchases	BMW Landfilled	Surplus/ (Deficit)
	Tonnes	Credits	Tonnes	Tonnes
2008/09	76983	37,062	65,480	48,565
2009/10	66397	6,666	63,041	10,022
2010/11	59007	11,000	58,939	11,068
2011/12	51616	13,769	58,344	7,041
2012/13	44,225	0	58,763	(14,538)
2013/14	42,328	2,022	58,971	(14,621)
2014/15	40,431	(2,022)	31,916	6,493
2015/16	38,534	7,543	407	45,670
2016/17	36,637	44,320	404	80,553
2017/18	34,740	79,200	408	113,532
2018/19	32,843	112,166	410	144,599
2019/20	30,946			

3.3.2 Torbay Council

A combination of reduced waste arising and improved recycling rates has reduced Torbay's exposure to LATS trading until 2014/15. This coincides with the planned readiness date for the Energy from Waste Facility and should ensure the authority remain in surplus.

Table A3.9 Landfill Projections for Torbay Council if no alternative disposal secured.

Year	LATS Allowance	Carry over + Purchases	BMW Landfilled	Surplus/ (Deficit)
	Tonnes	Credits	Tonnes	Tonnes
2008/09	35,976		31,213	4,763
2009/10	32,224		29,357	2,867
2010/11	28,637		24,129	4,508
2011/12	25,050	4,251	22,738	6,563
2012/13	21,463		20,511	952

2013/14	20,542		19,611	931
2014/15	19,622	236	19,508	350
2015/16	18,701		19,448	(747)
2016/17	17,780		19,449	(1,669)
2017/18	16,860		19,451	(2,591)
2018/19	15,939		19,453	(3,514)
2019/20	15,018		19,454	(4,436)

Table A3.10 Landfill Projections for Torbay Council with MVV's solution

Year	LATS Allowance Tonnes	Carry over + Purchases Credits	BMW Landfilled Tonnes	Surplus/ (Deficit) Tonnes
2008/09	35,976		31,213	4,763
2009/10	32,224		29,357	2,867
2010/11	28,637		24,129	4,508
2011/12	25,050	4,251	22,738	6,563
2012/13	21,463		20,511	952
2013/14	20,542		19,611	931
2014/15	19,622	236	14,633	5,225
2015/16	18,701	9,457	3,232	24,926
2016/17	17,780	27,554	3,259	42,075
2017/18	16,860	44,733	3,289	58,304
2018/19	15,939	60,994	3,318	73,615
2019/20	15,018		3,343	11,675

3.3.3 South Hams, Teignbridge and West Devon areas of Devon County Council

LATS allowances are allocated to Devon as a waste disposal authority and not to indivicual waste collection authorities. The tables below show a theoretical allocation to Teignbridge, West Devon and South Hams based on their waste arising at 2001. While these districts are due to go into LATS deficit in 2012/13 that Liability will be offset against the overall LATS performance in Devon as a whole.

Table A3.11 Landfill Projections for Devon County Council area of Teignbridge, South Hams and West Devon if no alternative disposal secured.

Year	LATS Allowance Tonnes	Carry over + Purchases Credits	BMW Landfilled Tonnes	Surplus/ (Deficit) Tonnes
2008/09	64,364		44,607	19,757
2009/10	57,023		42,761	14,262

2010/11	50,676		31,266	19,410
2011/12	44,329	7,912	31,298	20,943
2012/13	37,981		31,324	6,657
2013/14	36,352		31,693	4,659
2014/15	34,723		31,231	3,492
2015/16	33,094		31,611	1,483
2016/17	31,465		31,794	(329)
2017/18	29,836		32,184	(2,348)
2018/19	28,206		32,579	(4,373)
2019/20	26,577		32,490	(5,913)

Table A3.12 Landfill Projections for Devon County Council area of Teignbridge, South Hams and West Devon with MVV's solution

Year	LATS Allowance*	Carry over + Purchases	BMW Landfilled	Surplus/ (Deficit)
	Tonnes	Credits	Tonnes	Tonnes
2008/09	64,364		44,607	19,757
2009/10	57,023		42,761	14,262
2010/11	50,676		31,266	19,410
2011/12	44,329	7,912	31,298	20,943
2012/13	37,981		31,324	6,657
2013/14	36,352		31,693	4,659
2014/15	34,723		31,231	3,492
2015/16	33,094		31,611	1,483
2016/17	31,465		31,794	(329)
2017/18	29,836		32,184	(2,348)
2018/19	28,206		32,579	(4,373)
2019/20	26,577		1,375	25,202

* LATS allowance calculated pro-rata from Devon total allowance based on waste arising in each district 2000-01

South West Devon Waste Partnership
Draft Final Business Case
Redacted version

APPENDIX 4A – PROCUREMENT

TECHNICAL ADVISOR LETTER OF SUPPORT

Information Redacted due to commercially sensitive and confidentiality reasons

APPENDIX 4B – PROCUREMENT

AUDIT REPORT

Internal Audit
Final Report

South West Devon Waste Partnership

CALL FOR FINAL TENDERS

BID OPENING AND EVALUATION

December 2010

Devon Audit Partnership

The Devon Audit Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay and Devon councils. We aim to be recognised as a high quality internal audit service in the public sector. We work with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks and achieving their goals. In carrying out our work we are required to comply with the CIPFA code of practice for Internal Audit and other best practice and professional standards.

The partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of the Service would be pleased to receive them at Martin.Gould@devonaudit.gov.uk

Confidentiality and Disclosure Clause

This report is issued under strict confidentiality and, whilst it is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself must not be copied/circulated/disclosed to anyone outside of the Council without prior approval from the Head of Devon Audit Partnership.

This report is prepared for the Council's use. We can take no responsibility to any third party for any reliance they might place upon it.

1 Introduction

1.1 Following the receipt and evaluation of Invitation to Submit Detailed Solutions (ISDS) in Spring 2010, the South West Devon Waste Partnership (SWDWP) continued the Competitive Dialogue process with bidders until the issue of Call for Final Tenders (CFT) on 8 October 2010.

1.2 An invitation was sent to two bidders, MVV Umwelt and Viridor, asking them both to submit their final submissions, for a long-term solution for the disposal of residual controlled waste, to the Civic Centre in Plymouth by noon on 5th November 2010.

1.3 In addition, the CFT set out the minimum information requirements for responses, the format and content, as well as the number of hard and electronic copies of documents.

1.4 Procurement best practice outlines the requirements for submission and opening of bids, namely:

- Bids must be submitted in accordance with the requirements set out in the CFT.
- Bids must be kept in a safe place and remain unopened until the time and date specified for their opening;
- Tenders must be opened by authorised officers;
- An immediate record be made of the bids received including names, addresses and the date and time of opening.

1.5 Best practice also outlines the requirements for the evaluation of submissions, namely:

- Bids must be evaluated in accordance with the weighted evaluation criteria set out in the CFT and notified to bidders;
- Evaluation criteria must be pre-determined, given weighting, and listed in the CFT documentation;
- Criteria must be strictly observed at all times throughout the CFT process by any officer involved in the CFT evaluation.

1.6 This report details the process that was followed for receiving and opening the CFT submissions and their subsequent evaluation and whether this was in line with procurement best practice and the agreed evaluation methodology.

2 Executive Summary

Opening of CFT Bids

2.1 The CFT bids submitted by MVV Umwelt and Viridor, in respect of the South West Devon Residual Waste Treatment and Disposal Contract, were received and opened in accordance with recognised procedures.

2.2 Both bids were received before the deadline of noon on Friday, 5th November 2010.

2.3 Both bids were submitted in sealed, unidentifiable boxes and addressed satisfactorily.

2.4 The bids remained unopened until the date and time specified for their opening.

2.5 The bids were opened by authorised officers.

2.6 Initial checks indicated that the bid documentation was complete with some exceptions which did not have a material impact on their validity and they complied with the requirements as set out in the CFT instructions.

2.7 Both gate fees quoted were below the target gate fee generated from the Project Reference Case, both solutions complied with the Partnership's requirement for a thermal element and both bid solutions complied with the Partnership's requirement for a minimum threshold of 20% for Biodegradable Municipal Waste (BMW) diversion.

Evaluation of CFT Bids

2.8 The CFT bids submitted by the two bidders were evaluated in accordance with the bid evaluation methodology and criteria.

2.9 The methodology and criteria were approved by the South West Devon Waste Partnership Joint Committee in advance of the receipt of the bids.

2.10 The moderated results of the evaluation teams were recorded electronically during the team meetings and subsequent audit checks indicate that the overall scores for each bid have been calculated correctly based on the agreed scores given by each of the evaluation teams.

2.11 Errors identified in the economic and affordability evaluation model used by the project's financial advisors, Ernst & Young, have been corrected. Ernst & Young have carried out a review of their model and given assurance that it is robust.

2.12 Clarification of submissions has been dealt with correctly and evidence of bidder responses has been retained and checked.

2.13 Score sheets have been held securely with access limited to only authorised officers.

2.14 The evaluation findings, recommending a preferred bidder, are to be presented by the SWDWP Project Team for the Project Executive and the Joint Committee to consider and approve.

3 Detailed Findings

Bid Opening

3.1 The CFT submissions were delivered to the Civic Centre in Plymouth in sealed, unidentifiable boxes. Both bids were addressed appropriately although one was not exactly as set out in the CFT instructions. The bids arrived on the afternoon of Thursday 4 November and morning of Friday 5 November respectively. A record of their receipt was made and the boxes were date and time stamped as they were received, before being delivered to the SWDWP project office located on Floor 13. The first bid was held securely in the project office overnight until the appointed opening time the following day.

3.2 The bids were opened at noon on 5 November 2010, as agreed, in the SWDWP project office. The following officers were present:

- Information redacted due to commercially sensitive and confidentiality reasons

3.3 A record sheet was completed with the name of the bidder, time of receipt, indication of whether the bid was addressed and packaged correctly, number of boxes as well as whether the CFT response, financial models and Bid Back Forms had been provided as instructed i.e. under separate covers. It was noted that both bidders had included financial data within their CFT response and both were asked to supply the financial data separately.

3.4 The contents of each box were checked against the instructions set out in Section 3.4 of the CFT document issued to bidders, to ensure that the correct number of copies was supplied in the correct format i.e. seven written (hard) copies and fifteen electronic copies of the full tender on CD. In addition, bidders were asked to provide two electronic copies of the WRATE model, five electronic copies of the financial models and two hard copies and five electronic copies of the Bid Form Workbook. MVV supplied all their submission in the correct way. Due to printing difficulties, Viridor could only supply three full hard copies of their CFT response document. This had been discussed with the Project, via clarification, in advance of the opening of the bids and it was agreed that the remaining hard copies could be supplied at a later date. These copies were subsequently received on 12 November 2010.

3.5 Following the recording of these initial completeness checks, the bids were then examined for the following information or evidence by the named officer:

Information redacted due to commercially sensitive and confidentiality reasons

3.6 A checklist was completed to record the gate fee quoted by each bidder, as shown either on their financial model or in their bid's executive summary, the BMW diversion rate quoted as well as confirmation that appropriate evidence of a thermal element was found in the bids.

3.7 All checklists were signed by the appropriate officers.

3.8 Once the necessary completeness checks had been carried out, one set of documentation from each bid was marked as the "Master Copy", to be held securely within the SWDWP project office. The remaining hard copies of the bids were placed back in their boxes, ready for distribution to each of the three Councils and external advisors.

Bid Evaluation

3.9 Evaluation of the two bids received on 5th November 2010 was undertaken in accordance with the methodology agreed by the SWDWP Executive Board and Joint Committee in July 2010, in advance of the issue of CFT documents which took place on 8 October 2010.

3.10 The methodology sets out the criteria and scoring for each of the following quality elements:

- Planning/Licensing;
- Technical;
- Environmental;
- Deliverability;
- Financial & Economic;
- Legal & Contractual

3.11 The agreed methodology gave details of the evaluation teams established to assess these quality elements in each of the two bid solutions. Teams were drawn from the core Partnership project team, representatives from each Council and technical, financial and legal external advisors where appropriate.

3.12 Each team was lead by a co-ordinator whose role was to facilitate evaluation team meetings and bring together and record the scores and views of individual team members into an agreed consolidated, moderated score. In addition, teams were asked to identify strengths, weaknesses and observations for each bid solution as well as considerations to be taken forward to "preferred bidder" stage.

3.13 At the same time, a separate assessment of the financial models and submitted gate fee was undertaken by the Partnership's financial advisors, Ernest & Young.

3.14 An Evaluation Workshop was held on 3 November 2010, two days before the opening of the bids, where evaluators were briefed on the evaluation process and the scoring methodology. Evaluators were asked to evaluate individually each bid submission, comparing them to the project requirements rather than against the

other bid. Arrangements were then made for each evaluation team to meet with their nominated co-ordinator to moderate and agree scores.

3.15 Presentations by the bidders were held in the Plymouth Guildhall on Monday 8 November 2010. The presentations were not to be assessed but to be used for clarification of bids and to give evaluators a better understanding of submissions. Bidders were told to exclude any reference to financial information, such as gate fee or other third party income, in their presentations so as not to influence evaluators scoring.

3.16 Following the presentations, copies of bid documents and CDs were distributed to evaluators. Each CD was individually numbered and all evaluators were required to sign a record sheet to indicate receipt. Members of the financial evaluation team were also given copies of the financial models and data submitted by the bidders. Any further release of bid documentation was recorded by the project team as part of their document management procedures.

3.17 Evaluators were then given time to read the bid submissions before the evaluation team meetings which took place between 19 – 25 November. A representative from Devon Audit Partnership was present at each of these evaluation meetings to observe the process.

3.18 Co-ordinators recorded the strengths, weaknesses and observations made by the team members for each of the criteria set out in the Bid Evaluation Procedure document, for each bid and following reasoned discussion between team members an agreed overall moderated score for each criteria was recorded on a separate score sheet. Completed evaluation documents were then passed to the project team. The “provisional” record of strengths, weaknesses and observations were then re-issued to team members to enable any inaccuracies to be corrected and seek their final agreement. Final, signed documents are now held securely by the project team.

3.19 The scores from each evaluation team were recorded by the project team on an overall spreadsheet. This gave an overall score for the “qualitative” aspect of the bids.

3.20 The evaluation of economic cost and affordability has been undertaken primarily by the project’s financial advisors, Ernest & Young using their agreed evaluation model and an agreed scoring framework set out in the Bid Evaluation Procedure document.

3.21 Under section 4.1.4.3 and 4.1.4.4 of the Bid Evaluation Procedure document, bidders were informed that the price of their bids would be adjusted to reflect any additional costs that would be retained by the Waste Partnership should their solution be adopted. In addition, the price of their bid could be adjusted to reflect the economic cost impact of risks not accepted by the bidder. In order to evaluate these, a "Price" evaluation team was set up in addition to the teams dealing with the quality elements listed in 3.10. The Price Team met on 19 and 25 November, at the start and end of the evaluation process. The team met to discuss any additional costs to the Partnership as well as risk positions and any costs that appeared not to be included within a bidder's financial model. As a result of the discussions a number of adjustments were agreed and recorded, with Ernest & Young reflecting these in their evaluation model.

3.22 It was noted that throughout the process every effort was made to withhold financial information, in particular the submitted gate fees, from all but the financial evaluators. This was done so as not to influence the evaluation of the qualitative areas and, in the main, was achieved.

3.23 At their meeting on 11th November 2010, the SWDWP Executive Board received a presentation from the Project Manager outlining the preliminary headlines from each bid. This was prior to the formal evaluation of the bids and members of the Executive were reminded of the need for confidentiality and no paper copies of the presentation were made available to ensure that the information remained secure.

3.24 Following the end of the formal evaluation process, Devon Audit Partnership carried out quality checks on the overall summary score sheet, the moderated score sheets for each of the evaluation teams and any supporting documentation. Spreadsheets were checked for input and formulaic errors as well as any manual arithmetic errors. All spreadsheets were found to have the correct formulae, score sheets had the correct weightings on them, as set out in the Bid Evaluation Procedure document, and these had been applied correctly to the agreed moderated scores given to each criteria by the evaluation teams. Any automatic links between spreadsheets were found to be working appropriately. Where data was manually transferred from one spreadsheet to another, this had been carried out correctly.

3.25 In addition, quality checks were carried out to ensure that the economic and affordability scores were correct, in line with the scoring framework and that they reflected all the agreed adjustments to the original bid prices submitted by the bidders. The audit review found these to be correctly calculated and applied with the exception of an error in the gate fee applied in one of the bids and in the application of weightings on waste flow profiles. The necessary amendments have been made and in the case of the second error, the overall summary score sheet adjusted to reflect the small revision to scores. At the time of the audit review, all the agreed adjustments had been included in the financial evaluation with the exception of an assessment of the financial impact an 18 month planning delay would have on the unsuccessful bid solution. This has been subsequently supplied and found not to have a material effect on the outcome of the evaluation process and the selection of a preferred bidder.

3.26 In light of the errors found by Devon Audit Partnership in the financial evaluation model, the Project Manager requested Ernst & Young to carry out a thorough review of their model and provide the Waste Partnership with the necessary assurance as to the model's robustness. Their review has taken place and the required assurance given.

4 Acknowledgements

4.1 We would like to express our thanks and appreciation to all those who provided support and assistance during the course of this audit review.

Dominic Measures
Audit Manager

Martin Gould
Head of Audit Partnership

APPENDIX 6 – S151 OFFICERS LETTERS

TORBAY COUNCIL

Please reply to: Richard Thorpe
Executive Head – Governance
Town Hall, Castle Circus, Torquay, TQ1 3DR
DX 59006 Torquay 1

My ref: RT/AB
Your ref:
Telephone: 01803 207280
Fax: 01803 207492
E-mail: Richard.Thorpe@torbay.gov.uk

Website: www.torbay.gov.uk
Date: 19 January 2011

Dear Sir / Madam

S151 Letter of Support for Approval of the Final Business Case incorporating MVV Umwelt's Solution

Following evaluation of final tenders, the Authority's Procurement Team identified that MVV Umwelt submitted the Most Economically Advantageous Tender (MEAT) to the Partnership. On this basis, I supported the recommendation to the Partnership Joint Committee that MVV Umwelt be appointed as preferred bidder, which was approved by them on 16 December 2010. This included having regard to various scenarios, including the cost of an 18 month planning delay combined with an adverse movement in foreign exchange rates post financial close.

I can confirm that I understand Torbay Council's estimated proportion of the overall cost of the solution put forward by MVV Umwelt as the preferred bidder, and that this is affordable to the Authority when compared to the Outline Business Case which was approved by the Council's Mayor, in consultation with his Cabinet, in April 2008.

I can also confirm that the Council's medium term budgets take account of the ongoing cost of this project to get to financial close and will take account of the ongoing costs to the point of service delivery. From the point of service delivery which is planned during 2014/15, the Council's medium term budgets will take account of the estimated service contract costs. These will include any revision to the forecast tonnages to be delivered and any inflation increases which form part of the contract.

Yours sincerely
RICHARD THORPE
Section 151 Officer

BEST ACHIEVING
COUNCIL OF THE YEAR

PLYMOUTH
CITY COUNCIL

To whom it may concern

Adam Broome
Director for Corporate Support

Plymouth City Council
Civic Centre
Plymouth PL1 2AA

T 01752 304940
F 01752 304923
E adam.broome@plymouth.gov.uk
www.plymouth.gov.uk

Please ask for:

Date 24 January 2011 My Ref AB/CR Your Ref

Dear Sir / Madam

S151 Letter of Support for approval of the Final Business Case incorporating MVV Umwelt's solution

Following evaluation of final tenders the Authority's procurement team identified that MVV Umwelt submitted the Most Economically Advantageous Tender (MEAT) to the Partnership. On this basis I supported the recommendation to the Partnership Joint Committee that MVV Umwelt be appointed as preferred bidder, which was approved by them on 16th December 2010. This included having regard to various scenarios, including the cost of an 18 month planning delay combined with an adverse movement in foreign exchange rates post financial close.

I can confirm that I understand Plymouth City Council's estimated proportion of the overall cost of the solution put forward by MVV Umwelt as the preferred bidder, and that this is affordable to the authority when compared to the Outline Business Case which was approved by Full Council in April 2008.

I can also confirm that the Council's medium term budgets take account of the ongoing cost of this project to get to financial close and will take account of the ongoing costs to the point of service delivery. From the point of service delivery which is planned during 2014/15, the Council's medium term budgets will take account of the estimated service contract costs. These will include any revision to the forecast tonnages to be delivered and any inflation increases which form part of the contract.

Yours sincerely

Adam Broome
Director for Corporate Support

Devon
County Council
Corporate Resources

Mary Davis
Director of Finance
County Hall
Topsham Road
Exeter
EX2 4QU

Tel: 01392 383310
Email: mary.davis@devon.gov.uk
Fax: 01392 382542

25 January 2011

Dear Sir/Madam

S151 Letter of Support for approval of the Final Business Case incorporating MVV Umwelt's solution

Following evaluation of final tenders the Authority's procurement team identified that MVV Umwelt submitted the Most Economically Advantageous Tender (MEAT) to the Partnership. On this basis I supported the recommendation to the Partnership Joint Committee that MVV Umwelt be appointed as preferred bidder, which was approved by them on 16th December 2010. This included having regard to various scenarios, including the cost of an 18 month planning delay combined with an adverse movement in foreign exchange rates post financial close.

I can confirm that I understand Devon County Council's estimated proportion of the overall cost of the solution put forward by MVV Umwelt as the preferred bidder, and that this is affordable to the authority when compared to the Outline Business Case which was approved by the Council in April 2008.

I can also confirm that the Council's medium term budgets take account of the ongoing cost of this project to get to financial close and will take account of the ongoing costs to the point of service delivery. From the point of service delivery which is planned during 2014/15, the Council's medium term budgets will take account of the estimated service contract costs. These will include any revision to the forecast tonnages to be delivered and any inflation increases which form part of the contract.

Yours faithfully

M. C. Davis

Mary Davis
Director of Finance

APPENDIX 9 - STAKEHOLDER COMMUNICATIONS

1. Councillors - all briefings

7th October 2008	all Members Briefing	Plymouth
29th April 2009	all Members briefing	Plymouth
29th July 2009	all Members briefing	Torquay
6th November 2009	all Members briefing	Exeter
23rd February 2010	PCC Cabinet meeting briefing	Plymouth
2nd March 2010	PCC Conservative Member briefing	Plymouth
8th March 2010	PCC Labour Members briefing	Plymouth
15th March 2010	all Members briefing	Plymouth
27th July 2010	all Members briefing	Devon
27th October 2010	all Members briefing	Torbay

2. MP Briefings (all in Plymouth)

13th March 2009	Linda Gilroy, Gary Streeter, Alison Seabeck
20th March 2009	Linda Gilroy, Gary Streeter, Alison Seabeck, Hugo Swire
9th October 2009	Linda Gilroy, Gary Streeter, Alison Seabeck
12th March 2010	Linda Gilroy, Gary Streeter, Alison Seabeck
16th July 2010	Oliver Colville, Gary Streeter, Alison Seabeck

3. Media Facilities (not including radio interviews)

In addition to previews of the exhibitions:
8th October 2008
30th April 2009

4. All public roadshows/exhibitions

2008

7th Oct	Council Chamber, Plymouth
8th October	Civic Centre, Plymouth
9th October	Guildhall, Plymouth
10th October	Ernesettle School, Plymouth
11th October	Guildhall, Plymouth
13th October	Ibis, Coypool, Plymouth
14th October	Cockington Court, Torbay
15th October	Brixham, Berry Head Hotel
20th October	Saltash Town Hall
21st October	Newton Abbot
22nd October	Tavistock, Community Centre
23rd October	Ivybridge, the Watermark

2009

9th November	Ernesettle School
10th November	Torquay Town Hall
11th November	Devonport – City College Kings Road
12th November	Saltash, Ashtorre Centre
13th November	Ivybridge, the Watermark
14th November	Plymouth Guildhall

9th December	Weston Mill Primary School

2010

14th June	Weston Mill Primary School
15th June	St Budeaux Social Club
17th June	Ivybridge, the Watermark
3rd July	Guildhall, Plymouth

5. Stakeholder briefings

8th October 2008	All Stakeholder briefing – Plymouth and SW Devon key stakeholders (Business briefings, for key business people within the catchment area)
Summer 2009	Plymouth Chamber of Commerce
2nd September 2009	Natural England
9th September 2009	Highways Agency
11th September 2009	Government Office South West
30th September 2009	Regional Development Agency
15th October 2009	English Heritage
27th November 2009	Civil Protection Unit
13th January 2010	Devon and Cornwall Fire Service

6. Council briefings

2nd December 2009	Section 151 officer briefing (finance) - PCC, DCC and TC
25th March 2010	South Hams Members and officers briefing, Totnes
7th April 2010	Section 151 officer briefing (finance) - PCC, DCC and TC
16th March 2010	Cornwall Unitary Council Members and officers briefing
7th April 2010	Section 151 officer briefing (finance) - PCC, DCC and TC
6th September 2010	Section 151 officer briefing (finance) - PCC, DCC and TC
5th October 2010	Insurance Managers briefing - PCC, DCC, TC
22nd October 2010	Monitoring officer briefing - PCC, DCC and TC

7. Opposition group briefings (all in Plymouth)

15th July 2009	STIFLE briefing
12th March 2010	IIW briefing
18th March 2010	STIFLE briefing
2nd July 2010	CAVIL meeting
10th September 2010	CAVIL presentation
29th October 2010	DAIA meeting

8. Environment Agency meetings - Communications

19th August 2009	Partnership Communications, EA - Bodmin
12th October 2009	Partnership Communications, EA - Bodmin
8th December 2009	Partnership Communications, EA - Exeter
10th March 2010	Partnership Communications, EA - Bodmin
20th May 2010	Partnership Communications, EA - Bodmin

9. Joint Committee meeting dates

South West Devon Waste Partnership

Draft Final Business Case

Redacted version

7th August 2008	Plymouth
6th October 2008	Exeter
14th January 2009	Torquay
16th July 2009	Plymouth
5th November 2009	Exeter
21st January 2010	Torquay
22nd April 2010	Plymouth
22nd July 2010	Exeter
28th October 2010	Torbay