

Report to Environment & Planning Standing Scrutiny Panel

Date of meeting: 12 January 2006

Subject: West Essex Waste Management Joint Committee

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Committee Secretary: Z Folley (ext 4532)



Recommendations/Decision Required:

To receive and note the executive summary of the outline business case for the Essex Waste Project

1. Part of this Standing Panel's work programme for 2005/06 was to consider the Outline Business Case (OBC) for the Essex Waste Partnerships PFI bid to DEFRA. It had been intended for this consideration to take place prior to its submission to DEFRA.
2. Unfortunately the timescale for the preparation of the OBC became very compressed, and this, alongside the commitments of this Panel towards the end of 2005, did not allow the OBC to come before this Panel prior to its submission, the deadline for which was 17 December 2005.
3. As can be seen from agenda item 6 (summary of decisions from the West Essex Area Waste Management Committee of 30 November 2005) the executive summary of the OBC was considered at that meeting and was unanimously agreed to be submitted to DEFRA. The executive summary is attached for the Panel's information. It is important to note that the "Reference Project", as described in part 6 of the executive summary is exactly that, and it represents in effect the base position. It is certain that in order to achieve the high levels of recycling and diversion required to mitigate the effects of landfill tax and penalties, industry will come forwards with alternative scenarios, in respect of both technologies and site locations.
4. DEFRA will now review the OBC (the full detailed version) over the next 3 to 4 months, following which it will be forwarded to the Treasury. It is worthy of note that DEFRA has indicated that it has set aside in the region of £90 million pounds of PFI funding should the bid be successful.
5. Further reports will be made to the Panel as the PFI bid process progresses.