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**Leaders, Cabinet Members, Chief Executives and
Lead Waste Officers
District and Borough Councils**

Date: 21 May 2007
Ref: PM/LT

Dear Colleague

Subject: Essex Waste Strategy and the PFI Project for Essex and Southend

As I am sure you are aware, the County Council has been collaboratively working with Essex District and Borough Councils to develop the Joint Municipal Waste Management Strategy (JMWMS) for Essex. Southend Borough Council has also been a key partner in this project.

In summary, Essex must change the way it currently deals with household waste. The County Council has been set challenging landfill diversion targets by Government and all authorities have local recycling targets to meet. The key objective of the JMWMS is to achieve high recycling, with the ultimate goal of recycling 60% of household waste. In order to meet these targets and deliver a sustainable and cost-effective waste management system for Essex, we must fund, build and operate new facilities in the county to maximise the recycling, composting and treatment of waste.

It is estimated that the investment required to do this is in the region of £300m of capital funding. To help Essex meet the cost of this, the County Council, jointly with Southend Borough Council, is intending to submit an application to Government for Private Finance Initiative (PFI) credits at the end of July 2007.

To date Government has provisionally allocated Essex and Southend £90m of PFI credits which will equate to approximately £7m per annum revenue. This will not meet the entire affordability gap between current and future costs, but it will help. The 'do nothing' option is simply not an option and in the long run will cost Essex taxpayers significantly more money to pay for a failing waste management system.

The County Council cannot do this alone. It is vital that we continue to work in partnership with Essex District and Borough Councils to ensure that any new system

we develop and deliver meets the needs of all partner authorities, Essex communities and residents.

The three area (East, West and Thames Gateway) Waste Management Joint Committees have been fully involved in the development of the PFI application. In order to bid for PFI credits, an Outline Business Case, which includes a Reference Project, has been produced giving details of what a new waste management system for Essex may look like that will meet high recycling and landfill diversion targets and deliver the objectives of the JMWMS.

At the next round of Joint Committee meetings (in late May and early June) and at the County Council's Environment Policy Development Group meeting on the 29 May, the PFI application will be discussed with details of the Outline Business Case and Reference Project being made public.

I appreciate that in some cases, after the local elections, final positions within your authority have yet to be formally confirmed, but I wanted to take the opportunity to inform you now (in advance of the meetings above) of some of the key details of the PFI application and provide further background information on the Essex Partnership and joint Strategy.

For this purpose I enclose a briefing note which is intended to cover:

- Background information on the Essex Waste Management Partnership;
- The waste management challenges facing Essex;
- Key targets and objectives of the draft Joint Municipal Waste Management Strategy for Essex;
- The Private Finance Initiative (PFI) Project, with a summary of the application that Essex and Southend are intending to submit to Government, including projects costs, performance, technology options and timetable.

I appreciate that there may be issues and questions that you wish to discuss with me face to face so I would be happy to arrange a meeting in the next few weeks.

Yours sincerely



Cllr Peter Martin
Cabinet Member for Environment, Planning and Assets
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