

Planning, Transportation, Environment and Waste Overview and Scrutiny Panel

Date: **Wednesday 9 September 2009**

Time: **10.30am**

Venue: **Edwards Room, County Hall, Norwich**

Persons attending the meeting are requested to turn off mobile phones.

Membership

Mr A D Adams	Mr T East
Mr R A Bearman	Mr J M Joyce
Mr S W Bett	Mr M C Langwade
Mr A P Boswell	Mr B W C Long
Mr J S Bremner	Ms A Steward
Mr A J Byrne	Mr J M Ward
Mrs M Chapman-Allen	Mr A M White
Mr P G Cook	Mr R J Wright
Mr N D Dixon	

Non Voting Cabinet Members

Mr A J Gunson	Planning and Transportation
Mr I Monson	Waste Management and the Environment

Non Voting Deputy Cabinet Member

Mr B H A Spratt	Planning and Transportation
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**For further details and general enquiries about this Agenda
please contact the Committee Administrator:**

Jo Martin on 01603 223814
or email jo.martin@norfolk.gov.uk

A g e n d a

1. **To receive apologies and details of any substitute members attending.**

2. **Minutes**

To confirm the minutes of the meeting held on 8 July 2009.

(Page)

3. **Members to Declare any Interests**

Please indicate whether the interest is a personal one only or one which is prejudicial. A declaration of a personal interest should indicate the nature of the interest and the agenda item to which it relates. In the case of a personal interest, the member may speak and vote on the matter. Please note that if you are exempt from declaring a personal interest because it arises solely from your position on a body to which you were nominated by the County Council or a body exercising functions of a public nature (e.g. another local authority), you need only declare your interest if and when you intend to speak on a matter.

If a prejudicial interest is declared, the member should withdraw from the room whilst the matter is discussed unless members of the public are allowed to make representations, give evidence or answer questions about the matter, in which case you may attend the meeting for that purpose. You must immediately leave the room when you have finished or the meeting decides you have finished, if earlier. **These declarations apply to all those members present, whether the member is part of the meeting, attending to speak as a local member on an item or simply observing the meeting from the public seating area.**

4. **To receive any items of business which the Chairman decides should be considered as a matter of urgency**

5. **Public Question Time**

15 minutes for questions from members of the public of which due notice has been given.

Please note that all questions must be received by 5.00pm Friday 4 September 2009. Please submit your question(s) to the person named on the front of this agenda. For guidance on submitting public questions, please refer to the Council Constitution Appendix 10, Council Procedure Rules or www.norfolk.gov.uk/reviewpanelquestions

6. **Local Member Issues/Member Questions**

15 minutes for local members to raise issues of concern of which due notice has been given.

Please note that all questions must be received by 5.00pm Friday 4 September 2009. Please submit your question(s) to the person named on the front of this agenda.

7. **Cabinet Member Feedback on Previous Overview and Scrutiny Panel Comments** (Page)

Joint Report by the Cabinet Member for Planning and Transportation and the Cabinet Member for Waste Management and the Environment.

Items for Scrutiny

8. **Forward Work Programme: Scrutiny** (Page)
To review and develop the programme for scrutiny.

Items for Review

9. **Hunstanton to Kelling Shoreline Management Plan – Consultation Response Programme** (Page)
To comment on the content of the Plan prior to Cabinet agreeing a final response.

10. **Department for Transport “A safer way ahead” Consultation** (Page)
To consider the issues raised by the consultation and the Cabinet Member’s response.

11. **Residual Waste Treatment PFI Project – Shortlist of Bidders** (Page)
To consider which applicants should be placed on a shortlist and agree a recommendation to Cabinet.

12. **Exclusion of the Public**
The committee is asked to consider excluding the public from the meeting under section 100A of the Local Government Act 1972 for consideration of the item below on the grounds it involves the likely disclosure of exempt information as defined by Paragraph 3 of Part 1 of Schedule 12A to the Act, and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. The committee will be presented with the conclusion of the public interest test carried out by the report author and is recommended to confirm the exclusion.

13. **Residual Waste Treatment PFI Project – Shortlist of Bidders** (Page)
To consider which applicants should be placed on a shortlist and agree a recommendation to Cabinet.

14. **To consider any items of business which the Chairman decides should be considered as a matter of urgency**

Group Meetings

Conservative	9.30am	Colman Room
Liberal Democrats	9.30am	Room 504
Green	9.30am	Room 532

Chris Walton
Head of Democratic Services
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Martineau Lane
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Date Agenda Published: Tuesday 1 September 2009



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Planning, Transportation, the Environment and Waste Overview and Scrutiny Panel

Minutes of the Meeting held on 8 July 2009

Present:

Mr A D Adams	Mr T East
Mr R A Bearman	Mr J M Joyce
Mr S W Bett	Mr M C Langwade
Mr A P Boswell	Mr B W C Long
Mr J S Bremner	Mr J M Ward
Mr A J Byrne	Mr A M White
Mrs M Chapman-Allen	Mr R J Wright
Mr P G Cook	
Mr N D Dixon	

Substitute Members:

None

Cabinet Members Present:

Mr A Gunson	Planning and Transportation
Mr I Monson	Environment and Waste

Deputy Cabinet Member Present:

Mr B H A Spratt	Planning and Transportation
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1. Apologies

1.1 Apologies were received from Ms A Steward

2. Election of Chairman

2.1 Mr S Bett was elected as Chairman of the Planning, Transportation the Environment and Waste Overview and Scrutiny Panel for the ensuing year.

3. Election of Vice-Chairman

3.1 Mr A Byrne was elected as Vice-Chairman of the Planning, Transportation the Environment and Waste Overview and Scrutiny Panel for the ensuing year.

4. Minutes

- 4.1 The minutes of the meeting that took place on 4 March 2009 were signed as a correct record by the Chairman.

5. Declarations of Interest

Members declared the following interests:

- Mr A Byrne declared a personal and prejudicial interest in item 8 (Andrew Boswells question regarding the Norwich Northern Distributor Route, NDR), having been a member of the NDR Procurement Board.
- Mr T East declared a personal and prejudicial interest in item 8 (Andrew Boswells question regarding the Norwich Northern Distributor Route, NDR), having been a member of the NDR Procurement Board.
- Mr J Joyce declared a personal interest in item 13 (Recycling Commodity Markets), owing to the fact his household had taken part in a trial recycling scheme.
- Mr B Long declared a personal and prejudicial interest in item 18 (Hunstanton to Kelling Shoreline Management Plan), being a Member of King's Lynn and West Norfolk Borough Council which had already agreed that the document was fit for consultation. He confirmed that he would leave the room and not take part in the decision.

6. Matters of Urgent Business

- 6.1 The Chairman reported that Norfolk County Council's Casualty Reduction Team had been awarded 'Team of the Year' in the national Council Worker of the Year Awards and offered his congratulations to the team on behalf of the Panel.

7. Public Question Time

7.1. Question from John Martin

- 7.1.1 The Chairman reported that Mr John Martin had asked a question and, as he was not present at the meeting, a written response would be provided. A record of the question and answer is provided below:

- 7.1.2 Will the Panel agree to recommend that Norfolk County Council forthwith adopts and complies with, in its entirety, "Probity in Planning", the revised guidance note published by the Local Government Association in May 2009 on good planning practice for councillors and officers dealing with planning matters?

Response from the Chairman

- 7.1.3 Norfolk County Council already has a set of procedures to ensure probity of its planning and other functions. "Probity in Planning" was a relatively recent

publication which has only just been received by the Council. The County Council needed to consider its recommendations in detail before, if necessary, making any changes to its existing practices. If it was felt there was a need to change the way in which officers and members undertake their duties as a result of this guidance, recommendations would be made to the appropriate bodies within the Council

8. Local Member Issues

8.1 Question from Andrew Boswell

Andrew Boswell, Local Member for Nelson Division, commented that the Department for Transport (DfT) had written to the Director of Environment, Transport and Development on 27 March 2009 concerning the Postwick Hub Community Infrastructure Bid. The letter expressed strong doubts over the proposal and raised many issues relating to the project that needed to be resolved by September 2009. It also made the following strong suggestion to the Council:

“[DfT] would also be open to Norfolk County Council to review the Postwick Junction design and prepare an alternative option that is less dependent on the NNDR”.

Andrew Boswell asked whether the Council would inform and then formally seek the views of elected members on the options for transport in East and North East Norwich, in particular whether the Planning, Transportation, Environment and Waste Overview and Scrutiny Panel, and then whether the Full Council would wish officers to prepare an alternative option for Postwick Junction that was less dependent on the Norwich Northern Distributor Route (NDR).

Response from the Cabinet Member for Planning and Transportation

The Cabinet Member explained that the route of the NDR, and the design of key junctions, had been subject to extensive consultation with the public, elected Members and stakeholders. The County Council had looked at some 15 options in arriving at the proposal for Postwick. Officers had provided details of these to Dr Boswell in Autumn 2008.

The County Council’s discussions with the DfT are ongoing. We continue to believe that, having been through an exhaustive exercise, no other practical solution had been identified.

Regarding transport options more generally, the County Council very recently consulted on the main elements of the Norwich Area transport Strategy (NATS) implementation plan, as part of the Joint Core Strategy consultation. There would be a further consultation on the NATS proposals in the autumn.

Andrew Boswell asked that the Cabinet Member report his concerns to the Cabinet.

8.2 Question from Richard Bearman

Richard Bearman, Local Member for Mancroft Division, asked for a breakdown and the total expenditure on the Waste Project Contract A since its inception until the current time, and also from the current time until the projected close of the project. He requested headline annual figures under the following categories:

1. Internal project management and staffing and office costs including the full Annual Staff costs including salary, County's NI and pension contributions.
2. Legal costs.
3. Consultancy.
4. Public Consultation.
5. Preparation of planning application.

Response from the Cabinet Member for Environment and Waste

The total expenditure on phase one of the residual waste treatment project was approximately £2.364m. A yearly breakdown was provided (below) for the categories of staff, legal, consultancy, public consultation and planning cost as requested.

While the consultant costs were only for Contract A, it was important to note that the staff costs were in fact for the full waste treatment project, i.e. Contract A and the Waste PFI. Contract A had not been managed in isolation and the experiences and knowledge gained here had had a direct influence on other parts of the process – notably the early success of the waste PFI in securing up to £169m of support for the Authority.

The countywide consultation in 2008, 'The Future of Waste In Norfolk', was to help inform the evaluation principles for the Waste PFI procurement and not directly relevant to Contract A. Nonetheless the cost of this was provided (below). Planning costs were a part of the bidders' costs for Contract A, and consequently no figures for this cost was included in the breakdown.

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total
Staff costs*	66,349	101,735	128,430	132,360	146,382	37,187	612,443
Legal	60,611	120,650	81,637	134,012	155,829	9,207	561,946
Financial Consultant	72,036	315,331	153,468	189,389	151,055	16,269	897,548
Technical Consultant	38,011	46,091	18,885	12,039	113,305	1,294	229,625
Insurance Consultant		6,500					6,500
Public Consultation**	0	0	0	22,882	33,929	0	56,811
Planning***	0	0	0	0	0	0	0
Total	237,007	590,307	382,420	490,682	600,500	63,957	2,364,873

Note: *staff costs cover both Contract A and the Waste PFI.

**consultation was for Waste PFI.

***planning costs were met by the bidders for Contract A.

9. Cabinet Member Feedback on Previous Overview and Scrutiny Panel Comments

9.1 The Panel noted the annexed joint report from the Cabinet Member for Planning and Transportation and Cabinet Member for the Environment and Waste, which provided some feedback on Cabinet discussion of the Panel's comments.

10. Forward Work Programme: Scrutiny

10.1 The Panel considered the annexed report from the Director of Environment, Transport and Development, which asked Members to review and develop the scrutiny forward work programme.

10.2 During discussion the Panel was advised:

- That Members could ask for issues identified on the scrutiny forward work programme to be brought forward, but they would need to take account of the time officers needed to prepare advice.
- The Panel could consider establishing a standing group to meet between Panel meetings to look at priority issues.
- The County Council had a response mechanism for dealing with genuine emergency issues.

10.3 The Panel:

- 1) Noted that Cabinet had agreed all of the Panel's recommendations relating to delays occurring on County and Trunk Roads as a Result of Roadworks and Incidents scrutiny item.
- 2) Noted that Membership of Working Groups would consist of three Conservative Members and 1 Liberal Democrat Member.
- 3) Agreed that Membership of the HGV Route Hierarchy Working Group should be: Alec Byrne, Tony White, James Joyce and one other Conservative Member (to be confirmed).
- 4) Agreed that a report should be brought to a future meeting to outline ways in which Panel Members might be involved between meetings in the Department's response to emergencies and incidents.

11. Partnership Working

11.1 The Panel noted the annexed report from the Director of Environment, Transport and Development, which reviewed four environment/sustainability partnerships.

12. Trade Waste Management Initiatives in Norfolk

12.1 The Panel noted the annexed report from the Director of Environment, Transport and Development, which provided an overview of the issues surrounding trade waste and initiatives to encourage businesses to manage their waste more sustainably.

13. Recycling Commodity Markets

13.1 The Panel considered the annexed report from the Director of Environment, Transport and Development, which provided an overview of the issues surrounding the recyclate commodity market. It identified measures that were being taken to ensure that the levels of recycling of municipal waste were sustained and improved, and materials continued to be sent for recycling despite current difficulties in the recyclate markets.

13.2 During discussion the Panel was advised:

- Rejected dry recyclables were a small part of the waste stream.
- The Waste Recycling Group (WRG) had made the decision to incinerate rejected dry recyclable waste as it felt that was the most effective method of disposal.
- Norfolk County Council had a duty of care for all waste and a breakdown of all the destinations of waste produced in Norfolk could be provided to Members.

13.2 The Panel noted the report and agreed that officers should provide Members with a breakdown of all the destinations of waste produced in Norfolk.

14. 2008-09 Revenue and Capital Budget Monitoring Outturn Report

14.1 The Panel considered the annexed report from the Director of Environment, Transport and Development, which reported the final outturn position for 2008-09. It highlighted that due to severe adverse weather conditions over winter and the impact of the current economic climate, resulting in the need to make bad debt provision, Planning and Transportation (including Environment and Waste) had overspent by £0.421m against the 2008-09 revenue budget.

14.2 During discussion the Panel was advised:

- At this time, there was no intention to reduce rural bus services.
- Renegotiation of passenger transport contracts due for renewal should deliver efficiencies and would help mitigate pressures on the public transport budget.
- The Bad Debt Provision identified in paragraph 2.3 of the report related to the same developer that had been involved in the Queen's Hill Development in Costessey.
- Officers would provide Members with clarification on the reasons for using lower voltage signals proposed for road crossings identified at Appendix A of the report.
- A joint committee had oversight of the operation of the Norwich City Agency (paragraph 5.4 of the report), the Norwich Highways Agency

Committee (NHAC), which included County Councillor representation. Separate accounts were prepared and audited for the Agency and considered by the joint committee on a regular basis. A copy of the NHAC reports could be shared with Panel members if requested.

14.3 The Panel agreed that an update report on the Norwich Northern Distributor Road at the September meeting, when the reprofiling of the scheme was completed.

15. Update of Planning and Transportation's Service Plan Action, Risk and Performance 2008/09

15.1 The Panel considered the annexed report from the Director of Environment, Transport and Development, which provided an update of progress against the 2008/09 Service Plan, the Corporate Improvement Plan (CIP) performance indicators and the mitigation of those risks deemed to be of corporate significance.

15.2 During discussion the Panel was advised:

- The action recorded as significantly off track related to one stream of activity, non minerals and waste applications. The minerals and waste applications were on target.
- A report would be presented to a future meeting of the Panel about progress on air quality management in the King's Lynn area.
- Officers would look into roll-out of the climate change strategy across all departments of the County Council.
- The County Council had achieved the Governments target to reduce road casualties by 40% a year earlier than required.

15.3 The Panel noted the report.

16. Planning and Transportation Risk Register 09/10

16.1 The Panel noted the annexed report from the Director of Environment, Transport and Development, which provided an introduction to the Planning and transportation risk register 2009/10. The register included risks carried over where appropriate from the 2008/09 register and new risks identified from the 2009/10 Service Plans.

16.2 The Panel approved the Risk Register as appended to the Panel report.

17. Highway Asset Performance

17.1 The Panel considered the annexed report from the Director of Environment, Transport and Development, which informed Members of the performance of the significant highways assets and sought comment on service levels, and the format of the report to be taken forward into future years.

17.2 During discussion the Panel was advised:

- There was an increasing proportion of the highway network with defects. The percentage of assets in need of significant attention had not changed much since the previous year, but the percentage that had nearly reached the threshold for significant attention was increasing.
- The increasing volume of traffic is a factor in the deterioration of assets. However, it was the increasing number of large vehicles rather than general volume that had the most impact.
- The Government grant had remained roughly the same since 2004/05, which meant a reduction of 32% in real terms, this means that the County Council would need additional investment to prevent further deterioration of assets and a decline in performance. This should be brought to the attention of the Council as part of the budget planning at the beginning of the autumn.
- A long-term solution for area wide drainage problems would require tens of millions of pounds of investment, which was not currently available.
- Officers were developing the whole life costing approach to the management of assets to enable cost effective interventions to be identified. On minor roads surface dressing was an effective and wholly appropriate treatment for roads which had been patched, to seal and improve the skid resistance of the surface and delay further deterioration.

17.3 The Panel considered the implications for budget planning and service levels arising for the deterioration of our Highway assets and agreed the proposed priorities for the distribution of the anticipated structural maintenance budget.

18. Hunstanton to Kelling Shoreline Management Plan

18.1 Mr B Long left the room for this item and took no part in the decision taken.

18.2 The Panel considered the annexed report from the Director of Environment, Transport and Development, which asked Members to approve the consultation process for the draft Hunstanton to Kelling Shoreline Management Plan, to ensure that public opinion is properly tested before it is recommended for adoption.

18.3 During discussion the Panel was advised:

- Consultation on the Wash plan was running slightly behind the Hunstanton to Kelling plan, so it would not be possible to discuss the two together.
- The County Council had already stated that it did not support managed retreat.

18.4 The Panel:

- 1) Approved the consultation process for the draft Hunstanton to Kelling Shoreline Management Plan.

- 2) Agreed that the Environment Agency should be invited to the Panel's next meeting to present the key points of the Plan to Members and allow a detailed discussion to take place as part of the formal consultation process.

19. Planning for Prosperous Economies: A Consultation on Planning Policy Statement 4 by the Department for Communities and local Government.

19.1 The Panel considered the annexed report from the Director of Environment, Transport and Development, which invited Members to approve responses to the consultation questions as set out in appendix B to the report.

19.2 During discussion the following comments were made:

- The philosophy of all sectors having a low carbon approach was aspirational but not currently achievable. The response to question 7 therefore needed to be strengthened to include a comment on the need to strategically target particular sectors.
- The population in Norfolk's rural communities was over-represented by people of retirement age, which was putting a strain on key services, and young people were leaving because of a lack of employment. It was essential, therefore, that the comment at paragraph 2.6 of the report was strengthened to state that planners must take into account the need to provide employment and services in rural communities, without which they would cease to exist.

19.3 The Panel agreed that the responses to the consultation questions should be strengthened to reflect the comments at paragraph 19.2 of these minutes.

20. Local Bus Service Reliability and Performance

20.1 The Panel considered the annexed report from the Director of Environment, Transport and Development, which provided information about performance of the major bus operators in Norfolk during 2008/09.

20.2 The Chairman, on behalf of the Panel, commended officers for improving the reliability and quality of services.

20.3 During discussion the following comments were made:

- Officers would now need to focus on improving the reliability and quality of services in rural areas.
- Bus operators had committed to maintain and improve their performance over the coming months.

20.4 The Panel noted the report and agreed that a letter of thanks should be sent from the Panel to local bus operators.

21. Transport Provision for young people in education aged 14-19: Update on progress

21.1 The Panel considered the annexed report from the Director of Environment, Transport and Development, which provided an update on the progress of the 14-19 transport member/officer project team.

21.2 The Panel noted the progress made and nominated the following Members to the member/officer project team: Alec Byrne, Tony White and James Joyce.

22. Procurement of Phase One of the Residual Waste Treatment Project – Contract A

22.1 The Panel considered the annexed report from the Director of Environment, Transport and Development, which advised the Panel to resolve to recommend to Cabinet that Contract A be abandoned on the grounds of cost.

22.2 Tim East, Member of the Panel and Local Member for Costessey Division, raised the following concerns about the decision to abandon Contract A:

- Transporting waste out of the county in the interim period until Contract B came on stream seemed short sighted and unsustainable.
- Using smaller scale schemes around the county to accommodate the 130,000 tonnes of waste disposal per annum, which would be lost through abandonment of Contract A, in the interim period was unrealistic.
- Contract B could accommodate up to 170,000 tonnes of waste disposal per annum. However, as the plant would not be in operation until 2015 the County Council would have no treatment plant capacity in place to meet the 2013 Landfill Allowance Trading Scheme (LATS) requirements.
- The County Council was currently fined £150 per tonne and together with landfill gate fees and the rising cost of landfill tax, the projections for 2019/2020 (based on 69,766 tonnes per annum of biodegradable municipal waste) would translate into a potential LATS fine of about £10.5m.
- Implications of the decision to abandon Contract A on the County Council's financial liabilities under the European Landfill Directive needed consideration.
- If the County Council chose Energy from Waste (Incineration) as the favoured technology for Contract B, this decision could generate public opposition and planning problems to overcome, thus inevitably delaying the delivery of Contract B.

22.3 During discussion the following comments were made:

- It was clarified that the tonnage for the Waste PFI was yet to be established but that the business case assumed up to 155,000 tonnes per annum.

- It was reasonable to recommend abandoning Contract A as it no longer represented a good value for money solution. The project had increased by more than 50% in cost since the selection of a preferred bidder in 2007, so needed to be reconsidered.
- Other operators in the region could provide services that would enable the County Council to meet the statutory targets imposed upon it for dealing with waste.
- Similar projects had been successful in Europe because they were funded in a different way, were not affected by exchange rates and involved a different set of legislative requirements.
- Members had been made aware of risks to the County Council in negotiating Contract A through reports made to the Panel and Cabinet, going back as far as 2007.
- Approximately £2.3m had been spent on the process to date.
- The technology for the Waste PFI had not been pre-determined and solutions would be judged on their merits in the round.

23. Exclusion of the Public

23.1 The Project Manager (Residual Waste Treatment Contracts) presented the following reasoning for exclusion of the public and conclusion in respect of the public interest test:

“The report contains information about commercial organisations that would significantly weaken their positions in a competitive environment by revealing market sensitive information and information of potential usefulness to competitors and would adversely affect those organisations bargaining positions.

The public interest test concluded that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.”

23.2 Richard Bearman commented that speculation about Contract A in the local media was likely to have arisen because much of the information had been excluded from the public. He proposed that the Panel should not exclude the public from the meeting for item 24 on the agenda.

With 12 votes in favour of excluding the public and 1 against it was
RESOLVED:

That the public be excluded from the meeting under section 100A of the Local Government Act 1972 for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.

SUMMARY OF MINUTES EXCLUDED FROM PUBLIC DEPOSIT

24. Procurement of Phase One of the Residual Waste Treatment Project – Contract A

24.1 The Panel received and discussed legal, financial and bid issues that were considered to be exempt under Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

24.2 The recommendation at paragraph 9.1 (i) of annexed report 22 was moved by Mr Byrne and seconded by Mr White. With 11 votes for, none against and two abstentions it was **RESOLVED**:

That the Panel recommend to Cabinet that Contract A be abandoned on the grounds of cost.

(The meeting closed at 12:30 pm)

Chairman



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Cabinet Member feedback on previous Overview and Scrutiny Panel comments

A joint report by the Cabinet Member for Planning and Transportation
and Cabinet Member for Waste Management and the Environment

Summary

This short report gives feedback to Overview and Scrutiny Panel on Cabinet discussions and the outcome of Panel's comments and views on any issue that has been considered by the Panel prior to going to Cabinet.

Planning and Transportation issues

Report/issue	Question raised by Dr Boswell
Date considered by O&S Panel:	8 July 2009
O&S Panel comments:	Dr Boswell asked a question about the Postwick Hub Community Infrastructure Bid, in particular whether Panel would wish officers to prepare an alternative option for Postwick Junction (the full question and response is included in the minutes of the meeting). Dr Boswell also asked the Cabinet Member for Planning and Transportation to feed back his views to Cabinet.
Date considered by Cabinet:	10 August 2009
Cabinet feedback:	The Cabinet Member fed back Dr Boswell's views to Cabinet.

The Environment and Waste issues

Report	The Norfolk Coast Area of Outstanding Natural Beauty (AONB) Management Plan
Date considered by Review Panel:	8 July 2009
Review Panel comments:	Panel received an update on progress with the review of the Norfolk Coast AONB Management Plan by the Norfolk Coast Partnership. Members heard that the review was proceeding as planned.
Date considered by Cabinet:	13 July 2009

Cabinet feedback: Cabinet received a report which sought approval to formally adopt the new Management Plan and agreed to approve it, as recommended by the Norfolk Coast Partnership Core Management Group.

Report **Procurement of Phase One of the Residual Waste Treatment Project – Contract A**

Date considered by Review Panel: 8 July 2009

Review Panel comments: Panel agreed to recommend to Cabinet that Contract A be abandoned on the grounds of cost.

Date considered by Cabinet: 13 July 2009

Cabinet feedback: Cabinet agreed to abandon Contract A on the grounds of cost.

Officer Contact

If you have any questions about matters contained in this paper please get in touch with:

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Forward work programme: Scrutiny

Report by the Director of Environment, Transport and Development

Summary

This report asks Members to review and develop the programme for scrutiny.

1. The programme

- 1.1. The attached Outline Programme for Scrutiny (Appendix A) has been updated to show progress since 8 July 2009 Overview and Scrutiny Panel.
- 1.2. Members of Overview and Scrutiny Panel are asked to add new topics to the scrutiny programme in line with the criteria below:-
 - (i) **High profile** – as identified by:
 - Members (through constituents, surgeries, etc)
 - Public (through surveys, Citizen’s Panel, etc)
 - Media
 - External inspection (Audit Commission, Ombudsman, Internal Audit, Inspection Bodies)
 - (ii) **Impact** – this might be significant because of:
 - The scale of the issue
 - The budget that it has
 - The impact that it has on members of the public (this could be either a small issue that affects a large number of people or a big issue that affects a small number of people)
 - (iii) **Quality** – for instance, is it :
 - Significantly under performing
 - An example of good practice
 - Overspending
 - (iv) It is a Corporate Priority

2. **Standing Group for Urgent and Priority Issues**

2.1 At their July meeting, Panel asked that consideration be given to establishing a standing group that could meet between Panel meetings to look at urgent and priority issues for scrutiny. Urgent and priority issues are any potential scrutiny subjects that Panel Members would like to propose that they feel warrant immediate consideration i.e. those issues where they feel it would not be suitable or appropriate to wait for discussion at the next full Panel meeting. A proposed process for dealing with these issues, incorporating a standing panel, is set out below.

2.2 It is not thought likely that there would be a significant number of urgent and priority issues likely to arise relating to the remit of this Panel. In addition, the majority of those that do arise could be looked at as part of existing arrangements, including:-

- Existing emergency planning procedures
- Cabinet Scrutiny
- Overview and Scrutiny Strategy Steering Group

However, should Panel wish to set up a standing group then a proposal for how this could work is set out below.

2.2 Panel Members who would like to suggest a scrutiny item which they consider to be an urgent/priority issue could do so by sending details of the issue to the Panel Chair (any non-urgent/priority scrutiny issues should continue to be proposed in the normal way e.g. under the Forward Work Programme item on the agenda for each Panel meeting). The Panel Chair will then liaise with the Party Spokespersons to agree how the item should be progressed, considering the following four main options.

2.2.1 **Hold the item for discussion at the next full Panel meeting**

After consideration, the Chair and Party Spokespersons may consider that the urgency/priority of the scrutiny item is such that it would be appropriate to wait until the next full Panel meeting for discussion. In this case, the Member proposing the item will be informed and the item could then be raised in the normal way, or included in the Forward Work Programme report as an item for consideration.

2.2.2 **Allocate the item to an existing Member Working Group to consider**

Where there is already a Member Working Group in place, the Chair and Party Spokespersons may consider that it would be appropriate for this Working Group to consider the item and report their findings to the next full Panel meeting. It may be that this option is considered appropriate because the Working Group already has a meeting arranged before the next full Panel meeting, or one could easily be arranged, or because the proposed item is related to the subject already being considered by the Working Group. The Chair/Party Spokespersons may also consider inviting the Member proposing the scrutiny to join the Working Group for discussions on this item.

2.2.3 **Allocate to a PTEW Overview and Scrutiny Panel Standing Group**

A Standing Panel could consider urgent/priority items, as they arise, and report their findings back to the next full Panel meeting. At that point, Panel could consider whether any further scrutiny is required and the most appropriate way for it to be carried out, which may including asking the Standing Group to continue with the scrutiny exercise. Bearing in mind that it is unlikely that there would be significant number of urgent/priority issues, meetings could be held on an ad hoc basis, as issues arise, rather than being programmed in advance.

2.2.4 **Forward to another of the Council's Scrutiny Groups for consideration**

For items where it is felt that the scope of the scrutiny would fall outside the remit of the PTEW Overview and Scrutiny Panel, or where it is felt that a joint approach with other Panels/Groups is needed, the Chair and Party Spokespersons may consider it appropriate to forward the item to another of the Council's Scrutiny Groups to consider. This may include Cabinet Scrutiny Committee, the Overview and Scrutiny Strategy Group or feeding into emergency planning arrangements.

2.3 Panel are asked to consider the above proposal, in particular whether they would like to set up a Standing Panel that could be called upon to consider priority items for scrutiny. At the last meeting, Panel agreed membership of scrutiny Working Groups would consist of three Conservative and one Liberal Democrat Member, and it may be appropriate to set up a Standing Group on the same basis.

3. **Section 17 – Crime and Disorder Act**

3.1 The crime and disorder implications of the various scrutiny topics will be considered when the scrutiny takes place.

Action Required

Members are asked to:

- (i) consider any new topics suitable for adding to the work programme, in line with the criteria at 1.2, and to agree the topics and reporting dates listed on the work programme.
- (ii) consider setting up a scrutiny Standing Panel that could consider urgent and priority issues in between full Panel meetings.

Background Papers

None.

Officer Contact

If you have any questions about matters contained in this paper please get in touch with:

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Outline Programme for Scrutiny

Standing item for Planning, Transportation, Environment and Waste Overview and Scrutiny Panel :
update for 9 September 2009

This is only an outline programme and could/should be amended as issues arise or priorities change

Scrutiny is normally a two stage process:

- Stage 1 of the process is a scoping and costing stage. Draft terms of reference and intended outcomes will be developed as part of this stage.
- The detailed scrutiny will be carried out by the full Panel or a Member Group but other approaches can be considered, as appropriate.
- On the basis that the detailed scrutiny is carried out by Member Group, Stage 2 is reporting back to the Panel by the Group.

Changes to Programme from that submitted to Panel on 8 July 2009

Added

- None.

Completed / Removed from Programme

- Waste and recycling - general scoping report received 4 March, and two further reports on business waste and recycling commodity markets received 8 July. Panel Members will also be provided with a breakdown of all of the destinations of waste produced in Norfolk.

Other

- Partnership working – two year rolling programme of review commenced on 05/11/08. Reports are presented to each Panel meeting – the report to Panel in July 2009 covered some environment/sustainability partnerships.

Topic	Outline Objective	Cabinet Area	Stage 1 (scoping report)	Stage 2 (report back to Review Panel)	Initiated by	Comment
1. Partnership working	To scrutinise P&T partnership working using the questionnaire developed by Cabinet Scrutiny Committee.	Planning and Transportati on	14 May 2008	<i>Ongoing - see comment</i>	5 March 2008 O&S Panel	Two year rolling programme of review with reports to every Panel meeting until September 2010. The September 2009 report is included in the Member Briefing this month, but can be discussed/scrutinised in more detail at Panel's next meeting, if needed.
2. HGV Route Hierarchy	To scrutinise the process for setting and enforcing the route hierarchy.	Planning and Transportati on	7 January 2009		14 May 2008 O&S Panel	Panel approved proposed way forward in January (ToR to be finalised) – Working Group meetings being arranged.
3. Transfer of landfill sites to the County Council	To monitor the outcomes of the scrutiny carried out by Cabinet Scrutiny.	The Environment and Waste	N/A	4 March 2009	9 July 2008 O&S Panel	Discussed 05/11/08 and 04/03/09 – agreed to receive a further report, planned for Nov 2009.
4. Climate related decisions of Norfolk County Council	A Cabinet Scrutiny Committee has scrutinised this area – PTEW to monitor progress against the recommendations agreed as part of this.	Environment and Waste AND Planning and Transportati on	N/A	7 January 2009 and 9 July 2009	Cabinet Scrui ny / 9 July 2008 O&S Panel	Update report presented to January 2009 Panel. Agreed to receive a further report on the Carbon Trading Scheme in Summer.

Topic	Outline Objective	Cabinet Area	Stage 1 (scoping report)	Stage 2 (report back to Review Panel)	Initiated by	Comment
5. Street lighting	To review street lighting policies/procedures and to consider potential changes to the lighting arrangements to reduce the need for full lighting e.g. dimming.	Planning and Transportation	<i>No scoping report (raised as an urgent scrutiny item)</i>	24 January 2007	30 October 2006	In January 2009 Panel agreed to the use of Citizens Panel – there will be a report on the findings of this (and an update on the trial being carried out by Essex CC) in November.
6. Use of Civilian Traffic Marshalls	To review the use of civilian traffic marshals in Norwich over the Christmas period to determine whether it was successful and could be extended to other areas of the county.	Planning and Transportation	4 March 2009		7 January 2009 Review Panel	Panel agreed to receive a further report on this in March 2010, when the use of accredited traffic marshals has been trialed.
<i>Community Infrastructure Levy</i>	<i>TBC</i>	<i>Planning and Transportation</i>	<i>TBC</i>	<i>TBC</i>	<i>14 May 2008 Review Panel</i>	<i>To be considered for Scrutiny once a body of evidence becomes available</i>

Scrutiny items completed since 2001

Date completed	Topic	Method
5 December 2002	Trading on the highway	Full Panel
5 December 2002	Safer Journeys to School	Task & finish group
23 January 2003	Norfolk Waste Partnership	Full Panel
23 January 2003	20mph speed limits	Task & finish group
14 April 2003	Draft Local Performance Indicators for 2003/04	Full Panel
14 April 2003	Accident rates for different modes of transport	Full Panel
4 March 2004	S106 Agreements – phase 1	Task & finish group
15 July 2004	Snow situation 28 January 2004	Full Panel
16 September 2004	Trading on the highway	Full Panel
16 September 2004	Impact of Castle Mall and future developments on city centre traffic	Task & finish group
16 September 2004	Effectiveness of walking & cycling schemes	Task & finish group
25 November 2004	Signage to local business and tourist destinations	Task & finish group
9 March 2005	County Council travel plan	Full Panel
8 June 2005	Residual waste treatment and disposal contract	Full Panel
8 November 2005	Concessionary travel schemes	Task & finish group
15 March 2006	Temporary road closures & cost implications of H&S legislation- phase 2	Task & finish group
17 May 2006	S106 Agreements – phase 2	Task & finish group
19 July 2006	Safer and Healthier Journeys to School – school travel plans	Full Panel
24 January 2007	Operation of intelligent transport systems	Full Panel
18 July 2007	Coastal protection and the Marine Bill	Task & finish group
18 July 2007	County parking standards for new development	Task & finish group
18 July 2007	Management of commuted sums	Full Panel
14 November 2007	Casualty reduction strategy	Full Panel
14 November 2007	Effectiveness of new waste recycling contracts	Full Panel

Date completed	Topic	Method
14 November 2007	Validity of financial forecasts for waste budgets	Full Panel
9 January 2008	Drainage protocol between district councils, Environment Agency and NCC	Full Panel
9 January 2008	Bus Net system cost effectiveness and use of information	Full Panel
14 May 2008	Environmental impact of grass cutting on highway verges	Full Panel
7 January 2009	Diplomas for 14-19 year olds – transport implications	Full Panel
4 March 2009	Delays occurring on county and trunk roads as a result of accidents & incidents	Task & Finish group
4 March 2009	Drainage protocol	Full Panel
8 July 2009	Waste and recycling (including business waste and recycling markets)	Full Panel

**Hunstanton to Kelling Shoreline Management Plan –
Consultation response programme**

Report by the Director of Environment, Transport and Development

Summary

Members agreed, at the Planning, Transportation the Environment and Waste Overview and Scrutiny Panel of the 8 July 2009, to support the consultation process for the draft Hunstanton to Kelling Shoreline Management Plan (SMP) and requested that they be afforded the opportunity to comment on the content of the SMP, prior to Cabinet meeting on the 12 October 2009 to agree this Council's formal response.

This report acts on these agreed actions and identifies key opportunities for any Members with an interest, not just those on the Panel, on how best to get engaged with the consultation process; including suggestions on how those Councillors representing electoral divisions directly affected by the SMP be offered the opportunity to feed in their views to help inform this Council's formal response.

The report concludes that the principles underpinning the SMP and the overall approach to its delivery and review should be supported.

1. Programme

- 1.1. The lead organisation for this SMP is the Environment Agency. The formal consultation period will run for three months from the 20 July to the 16 October 2009. The Environment Agency is offering an open invitation for everyone to attend one or more of the following drop-in exhibitions, where attendees can pick up a summary of the draft plan, ask questions and discuss the recommendations with members of the project team.

Exhibitions will be held on:

- Thursday 10th September – The Maltings, Wells-next-the-sea, 2pm – 7pm
- Friday 11th September – Brancaster Staithe village hall, 2pm – 7pm
- Saturday 12th September – Blakeney Harbour Rooms, 9.30am – 1.30pm

Interested parties can also request a paper copy of the summary document by calling 08708 506 506 (Mon-Fri, 8am - 6pm). They are also available at Hunstanton and Wells-next-the-Sea libraries, the Environment Agency office at Dragonfly House in Norwich and the offices of the Borough Council of King's Lynn & West Norfolk and North Norfolk District Council.

The public will also be able to view the draft SMP and supporting information on the Environment Agencies own web site on:

<http://www.environment-agency.gov.uk/research/planning/105014.aspx>

Additionally the Environment Agency has agreed to make a presentation to this Panel on the 9 September 2009 allowing an opportunity for questions and answers and to receive views from Members on the SMP and its recommendations.

A further opportunity is available for Members through the Coastal Issues Forum at the offices of North Norfolk District Council at 10am on the 23 September 2009. Where community representatives and Members will get the opportunity to meet and discuss the implications of the SMP at a local level.

It has been arranged that Councillors representing electoral divisions directly affected by the SMP be invited both to the P & T E & W OSB meeting and Coastal Issues Forum mentioned above.

2. **Report to Cabinet**

- 2.1. It is intended that a first draft of the Council's consultation response be prepared immediately after the Panel meeting on the 9 September and that this could then be further developed, if needed, following the Coastal Forum Meeting on the 23 September. This process should allow Members the opportunity to address the key issues, gauge opinion and allow the Councils response to fully address the needs, expectations and concerns of local people.

A report to Cabinet on the 12 October 2009 will allow this Council to agree and submit its formal response just before the end of the consultation period.

3. **Considerations**

- 3.1 The Non Technical Summary of the draft SMP – July 2009 (copy available in the Members Room or copies can be sent to Members, on request) provides a very helpful and straightforward overview of the SMP. It explains the complexity of the coastal processes, how these have informed the Plan and the role shoreline management plays in this area, and how the Plan will help guide the management of the shoreline over the short term (now to 2025), the medium term (2026 to 2055) and the long term (up to 2105). Ultimately the Plan aims to identify the best ways to manage coastal flood and erosion risk to achieve the best possible balance in protecting, people, property and wildlife.
- 3.2 At its heart the Plan recommends a cautious 'no regrets' (i.e. one that doesn't compromise future decisions) agenda based on current knowledge and understanding. Many factors surrounding sea level rise and natural processes are difficult to determine at present. It is also helpful that the Plan acknowledges the importance of, and seeks to identify opportunities for, partnership arrangements and joint working to deliver improvements. Currently the draft Plan includes few policy changes in the short term (first epoch). Those that are recommended are modest in scale and potential impact and were

selected as “test cases”. It is understood that these will need to be planned and delivered carefully; and subsequently monitored and evaluated thoroughly to ensure they provide the appropriate evidence to help inform future decisions.

- 3.3 Much depends on the outcome of the consultation exercise and the flexibility and willingness shown in adapting the Plan to deliver local solutions in response to local knowledge and opinion. The engagement process needs to build confidence, without which it will be very difficult to build consensus and agreement around a longer term vision for the coast. The SMP provides the means of opening a debate about how best to plan over time for change, rather than react to events. The timescales involved should allow sufficient time to grow understanding and gradually adapt the way we view and manage coastal defences. The cyclical nature of reviewing and updating SMP’s before they reach the end of the first epoch also ensures that this Plan will not run on into actions proposed for the medium to long term without subjecting these policies to further scrutiny and public consultation. Overall its suggested that the principles of this measured approach should be cautiously supported.

4. **The draft Wash Shoreline Management Plan**

- 4.1 Consultation will commence in September 2009 on the draft SMP for the Wash. The Environment Agency has agreed that in making its presentation to this Panel on the 9 September 2009, it will include information on the Wash SMP, affording Members an early opportunity to preview, ask questions and comment on this Plan and its recommendations.

5. **Resource Implications**

- 5.1. **Finance** : The preparation of the SMP and consultation exercise is funded by the Environment Agency. Norfolk County Council does not contribute towards these costs.
- 5.2. **Staff** : None
- 5.3. **Property** : None
- 5.4. **IT** : None

6. **Other Implications**

- 6.1. **Legal Implications** : None.
- 6.2. **Human Rights** : None
- 6.3. **Equality Impact Assessment (EqIA)**: Although it is not yet a statutory requirement of the Environment Agency to carry out an Equality Impact Assessment they utilise a 'Building Trust with Community' Toolkit which is applied as standard to all major exercises they consult on which ensures that consultation is transparent and inclusive. Application of this toolkit to the Hunstanton to Kelling SMP consultation has meant that a stakeholder analysis has been carried out which was inclusive of local communities and key

stakeholder meetings have been held, with those attending being identified through this analysis process. This process has included Local Authorities and Communication officers. This toolkit was applied from commencement of the exercise and will continue to do so throughout its 'life' The Environment Agency have also voluntarily signed up to the national code of conduct for consultation.

6.4. **Communications** : The Environment Agency has prepared a Stakeholder Engagement Strategy to inform and direct this consultation exercise. Norfolk County Council's Communications Team was involved in a working group that helped to draw this strategy together. A copy of this strategy is available in the Members room.

7. **Section 17 – Crime and Disorder Act**

7.1. None

8. **Risk Implications/Assessment**

8.1. None.

9. **Alternative Options :**

9.1. This consultation exercise allows this Council to support an inclusive process aimed at engaging with local people and interest groups to ensure that their views help inform the measures and recommendations included in this SMP. However this Council has no statutory responsibilities with regard to preparing this SMP and could decide not to support this process.

10. **Conclusion**

9.1 The suggested programme allows Members sufficient time and opportunity to engage with the consultation process to help inform this Councils formal response to the SMP and its recommendations.

9.2 The 'no regrets' approach to the plan is welcomed and the measured delivery and review process should be supported.

Action Required

- (i) That Members note the recommended programme and the opportunities available to help them engage with the consultation process and to enable them to comment on the content of the draft Hunstanton to Kelling Shoreline Management Plan, prior to Cabinet agreeing a final response.
- (ii) Members support the overall approach taken in the SMP and the principles underpinning it.

Background Papers

Report and minutes of the meeting of the Planning, Transportation the Environment and Waste Overview and Scrutiny Panel held on 8 July 2008

North Norfolk Shoreline Management Plan 2, Environment Agency (Anglian Region)

Officer Contact

If you have any questions about matters contained in this paper please get in touch with:

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If you need this report in large print, audio, Braille, alternative format or in a different language please contact John Jones on 01603 224306 or textphone 0844 8008011 and we will do our best to help.

North Norfolk Shoreline Management Plan



Borough Council of
King's Lynn &
West Norfolk



Norfolk County Council



Background

- North Norfolk - Old Hunstanton to Kelling
- SMP is a High-level policy document for managing flood and erosion risk for the coastline over the short, medium and long term
- Draft SMP presents a preferred plan based on full appraisal of options against a wide range of criteria
- Outcome of the SMP will be the ‘intent of management’ for the shoreline that achieves that best possible balance of all values and features



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Work done so far

- Client Steering Group CSG
 - overall responsibility for the delivery of the SMP
 - main client local authorities, plus representatives from Natural England and other authorities such as Norfolk County Council



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• Elected Members Forum

- reflects the ‘Cabinet’ style approach to decision-making operating in many local authorities
- elected member representatives from;
 - North Norfolk District Council
 - Kings Lynn & West Norfolk Borough Council
 - Norfolk County Council
 - RFDC
- Members are involved from the beginning, thereby minimising the risks of producing a draft document with policies that are not approved by the operating authorities



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- Key stakeholders

- person or organisation with a significant interest in the preparation of, and outcomes from, a shoreline management plan
- includes agencies, authorities, organisations and private bodies with responsibilities or ownerships that affect the overall management of the shoreline in a plan
- provides representation of the primary interests within the study area, making sure we consider all interests during the review of issues.



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Principles

- To manage the coast to reduce reliance on defences and to promote flexible coastal management options for present and future generations.
- To ensure that local policy decisions do not adversely affect wider natural coastal processes
- To work with coastal change to take account of uncertainty about the future in the timing of policies
- To consider social and economic wellbeing and allow communities and individuals to adapt to coastal change
- To consider the effects of coastal change on local industries (tourism, agriculture, fisheries, etc.)
- To take account of the value of the North Norfolk coast area to wider society
- To ensure that the timing of the policies allows the land use planning system to respond to any shoreline management changes and their consequences
- To contribute to maintaining and enhancing protected sites and species, subject to natural change
- To support maintenance and enhancement of biodiversity in the wider coastal zone
- To contribute to maintaining and enhancing the character of the coastal landscape
- To have regard for the historic environment and its value for the heritage, culture and economy of the area



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Timetable

SMP stage	Details	Timing
Prepare the draft plan	<ul style="list-style-type: none"> • Scoping • Assessments to support policy development • Develop policy 	March 2007 to June 2009
Public consultation	<ul style="list-style-type: none"> • Consult with all people and organisations with an interest 	20 July to 16 October 2009
Final SMP	<ul style="list-style-type: none"> • Review and incorporate consultation responses • Prepare action plan • Produce final SMP 	16 October 2009 to April 2010
Disseminate plan		May 2010 onwards
Monitor and review		Ongoing



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Public consultation

- North Norfolk SMP is out for public consultation until Friday 16 October 2009.
- Summary document and full draft document available from Environment Agency website.
- Includes Strategic Environmental Assessment (SEA), the Appropriate Assessment (AA)
- Comments can be submitted online, via email or by post (details online)



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Project area

- 75 kilometres of coastline
- Shoreline is supported by a variety of protected habitats
- Settlements connected by A149 which runs from Hunstanton to Cromer
- Shoreline is essential for economy of the area
- Character of the landscape is unique – part of the Norfolk Coast Area of Outstanding Natural Beauty



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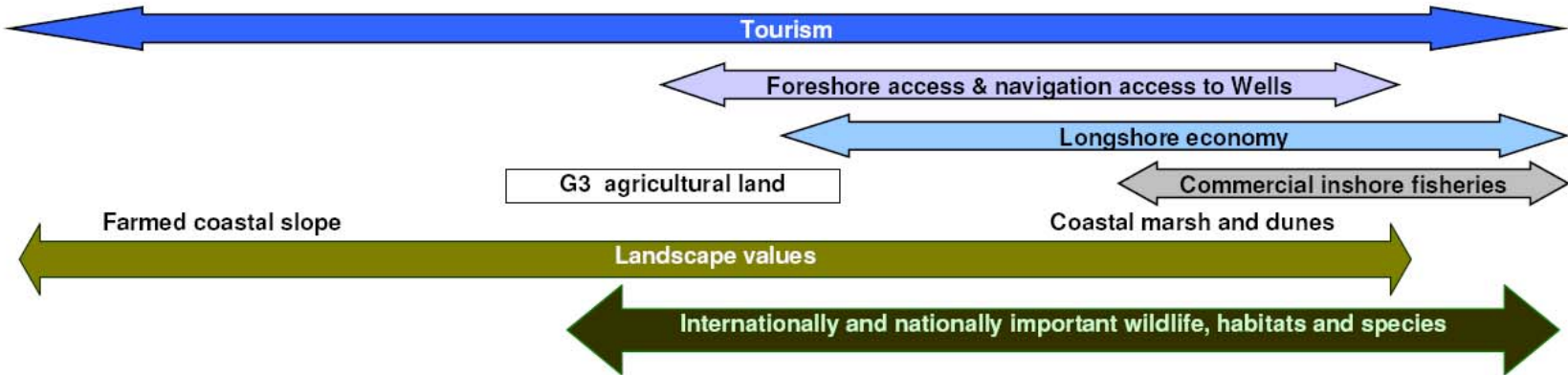
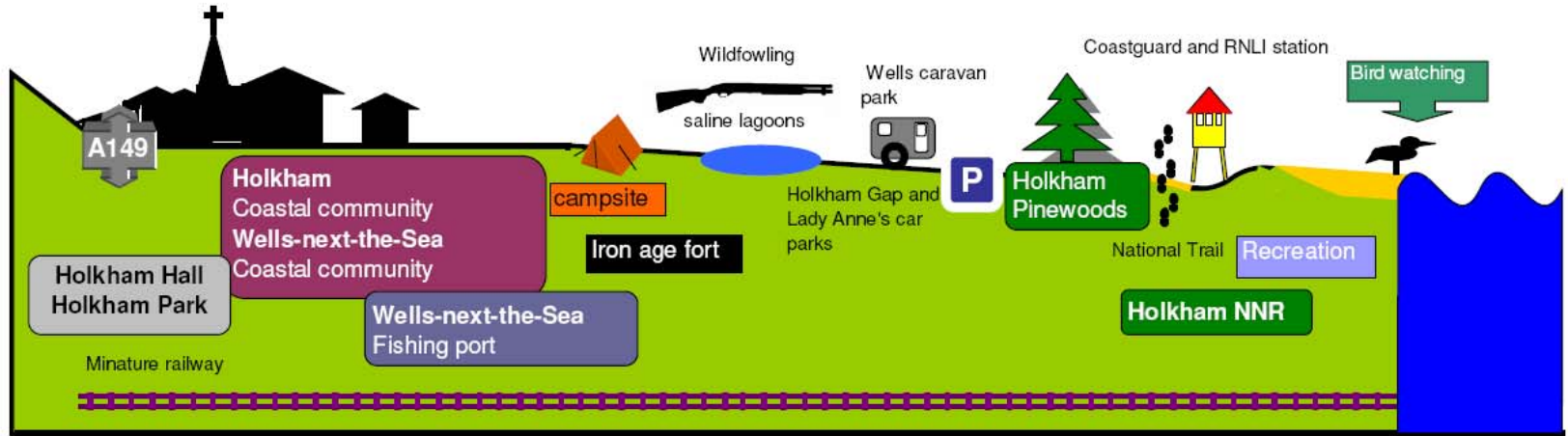


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Key values

Frontage E - Holkham Bay and Wells Harbour



SMP Policies

- Four generic policy options
 - Hold the Line
 - Advance the Line
 - No Active Intervention
 - Managed Realignment
- Policy timeframes
 - Short term < 20 years
 - Medium term 20-50 years
 - Long term 50-100 years



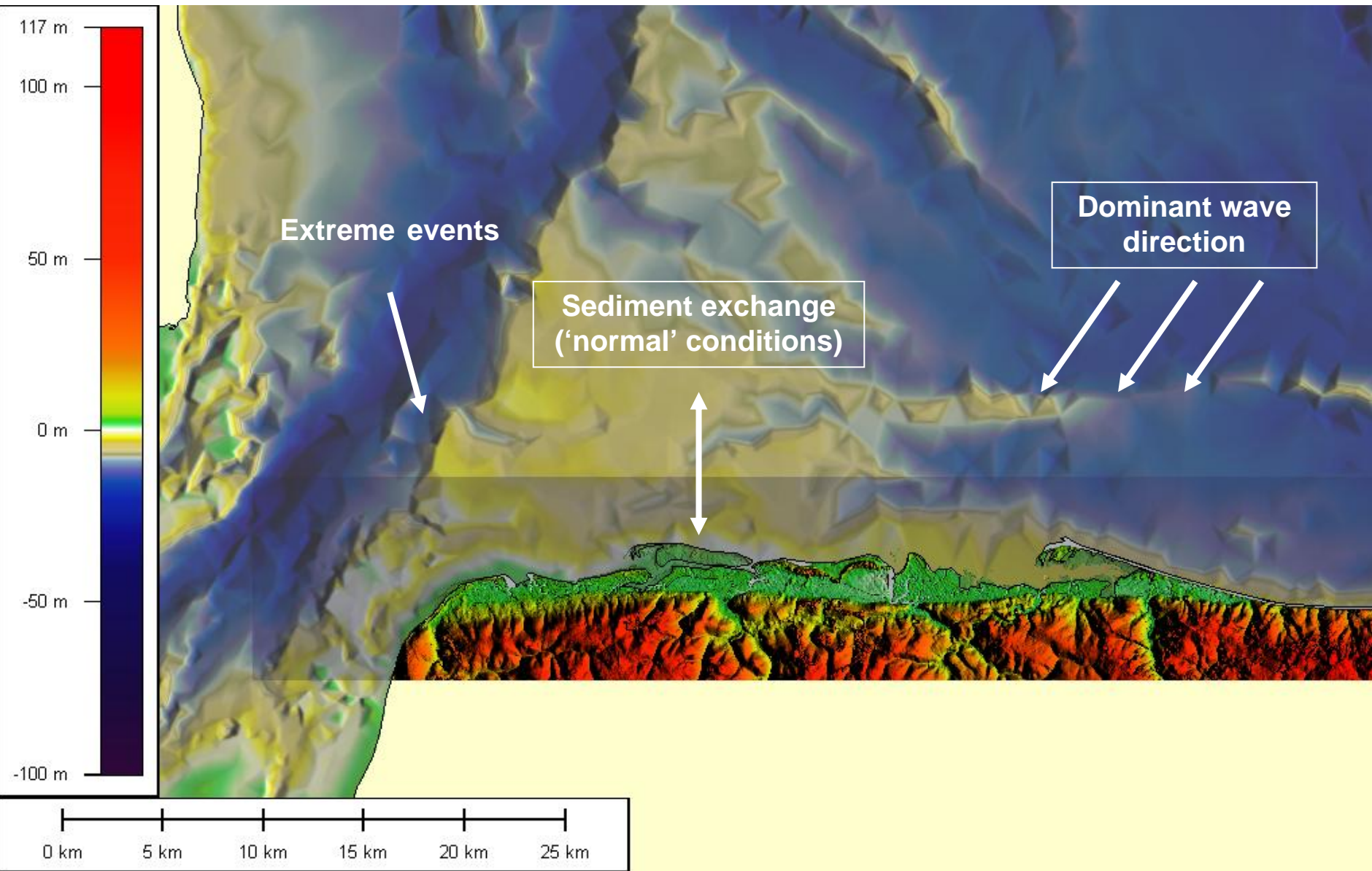
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Coastal Processes



Coastal Processes

Basic concepts from theory:

- **Tidal prism in estuaries**
 - Large tidal area →
More water flowing in and out →
Larger channels
- **Formation of bays**
 - Parabolic shape between control points (hard points & deltas)
 - Change controls → Change shoreline
- **Response of dunes to sea level rise**
 - High sea levels and waves push sand up
 - Dunes get higher, steeper and roll back



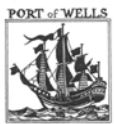
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Super-frontages



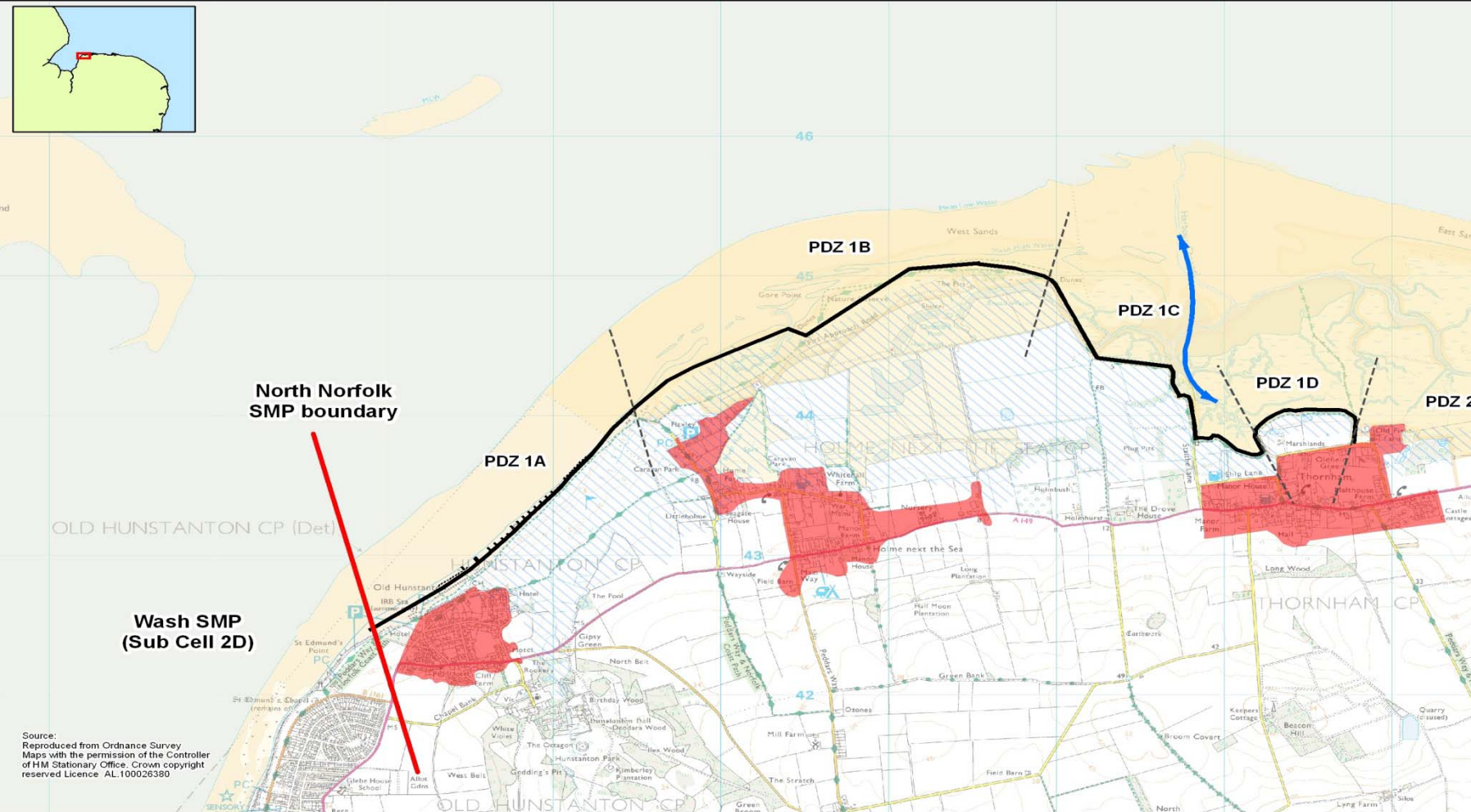
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North Norfolk Shoreline Management Plan 2
Policy Development Zone 1 (1A – 1D)
Old Hunstanton to Thornham



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KEY: Policy (for full details see relevant policy statement)

Policy Unit	Policy Plan		
	Short-term (present - 2025)	Medium-term (2025 - 2055)	Long-term (2055 - 2105)
1A	Old Hunstanton Dunes Hold the existing line	Sustain natural defence with minimum intervention *	Sustain natural defence with minimum intervention *
1B	Holme Dunes Sustain natural defence with minimum intervention	Sustain natural defence with minimum intervention	Sustain natural defence with minimum intervention
1C	Thornham Sea Bank Hold the existing line	Hold the existing defence line or breach of frontline defence after construction of landward defence *	Hold the line at the realigned position *
1D	Thornham No active intervention	No active intervention	No active intervention

Key

-
-
-



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ENGLISH HERITAGE



Old Hunstanton dunes PDZ 1A

Plan: To keep the flood defence function of the dunes which protect properties in Old Hunstanton, Holme-next-the-sea and Thornham, the A149 and other features in The tidal flood zone. Also to allow the dune system to develop as naturally as possible. Intervention to protect property likely to be required in long-term

Holme dunes PDZ 1B

Plan: To sustain the flood defence function of the dunes which protect properties in Old Hunstanton and Holme next-the-Sea, the A149 and other features in the tidal flood zone. This will be done by minimum intervention in the natural development of the dunes which is what happens now.



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Thornham sea bank PDZ 1C

Major area for Managed Realignment in Epoch 2 resulting in loss of designated fresh water habitat.

Plan: To keep flood defences for all houses and infrastructure and increase the tidal exchange in Thornham harbour channel by moving Thornham sea bank, **if Confirmed during epoch 1.**



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Thornham PDZ 1D

Plan: To stop maintaining the existing bank as a flood defence because it does not protect any properties. This would gradually convert the currently defended area (which is relatively high) to intertidal habitat.

In long-term, a small number of properties may become at risk of flooding due to climate change and they may then need adaptation or local defence. The effect of the draft plan on the footpath along the sea bank needs to be managed.



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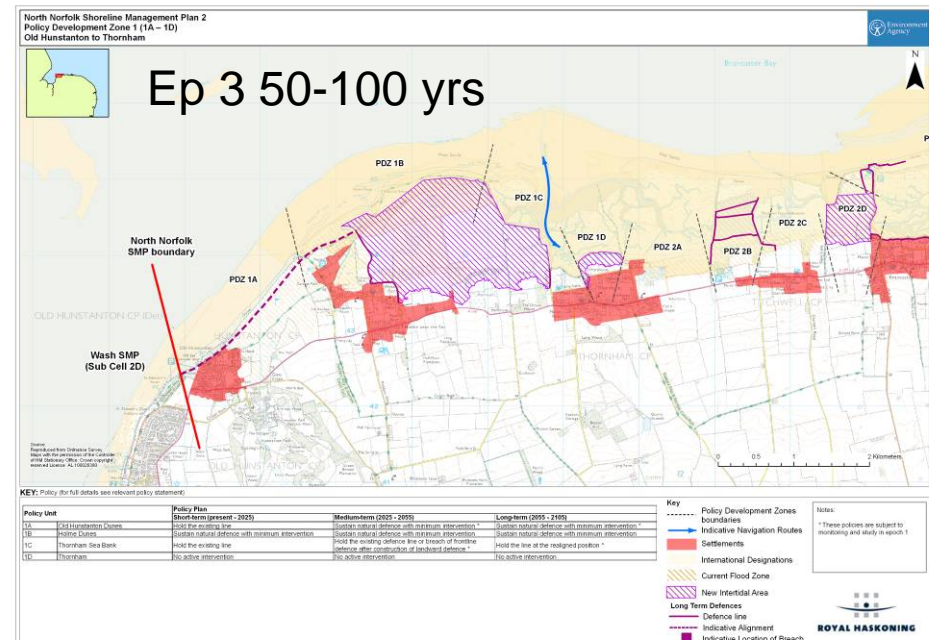
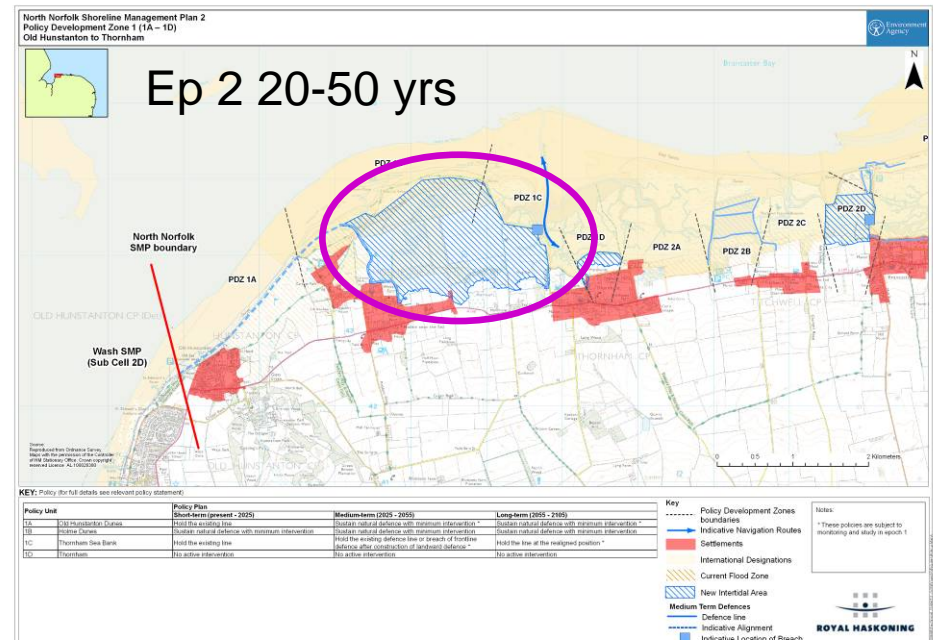
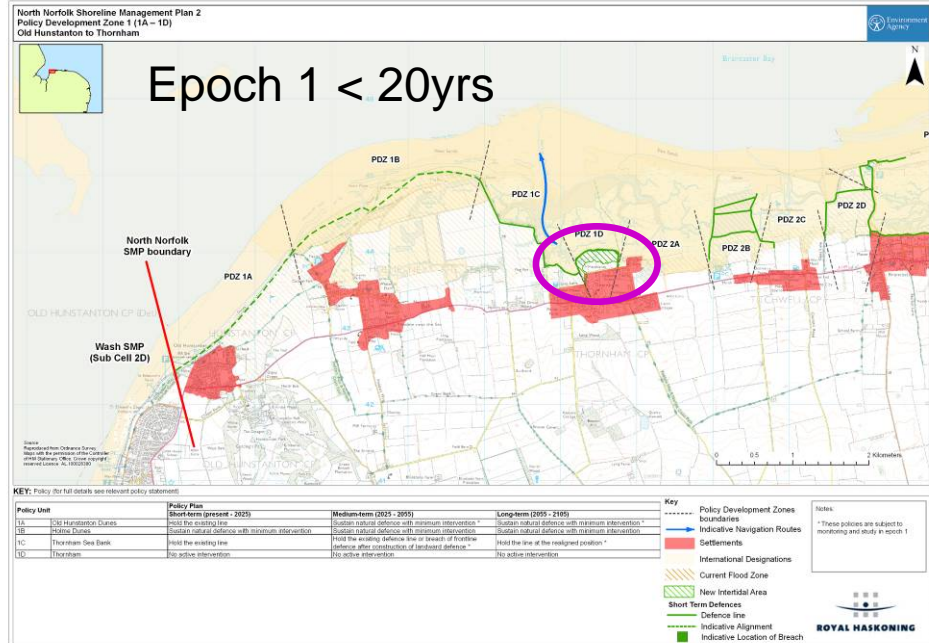
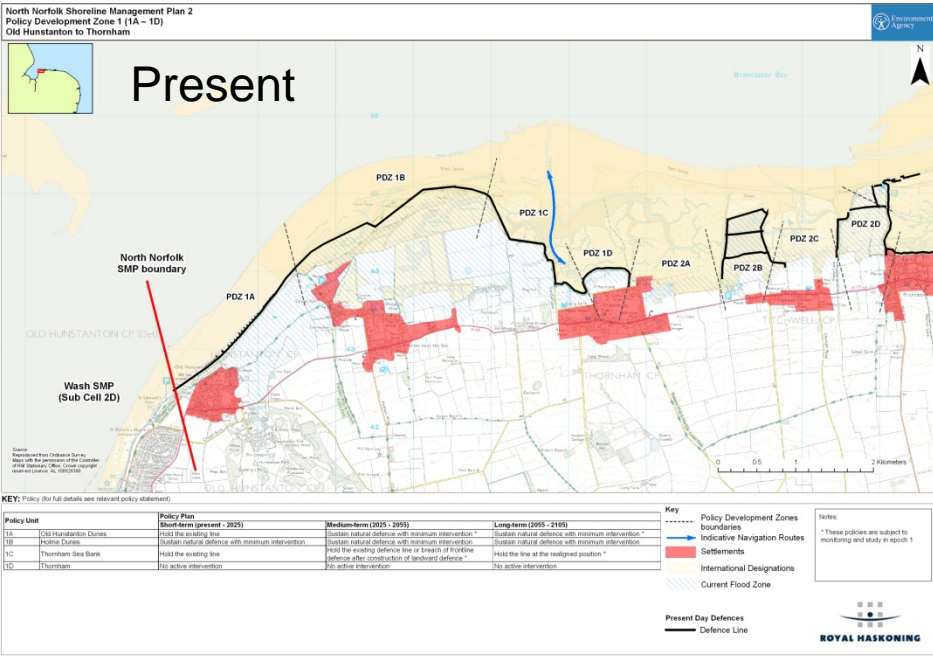


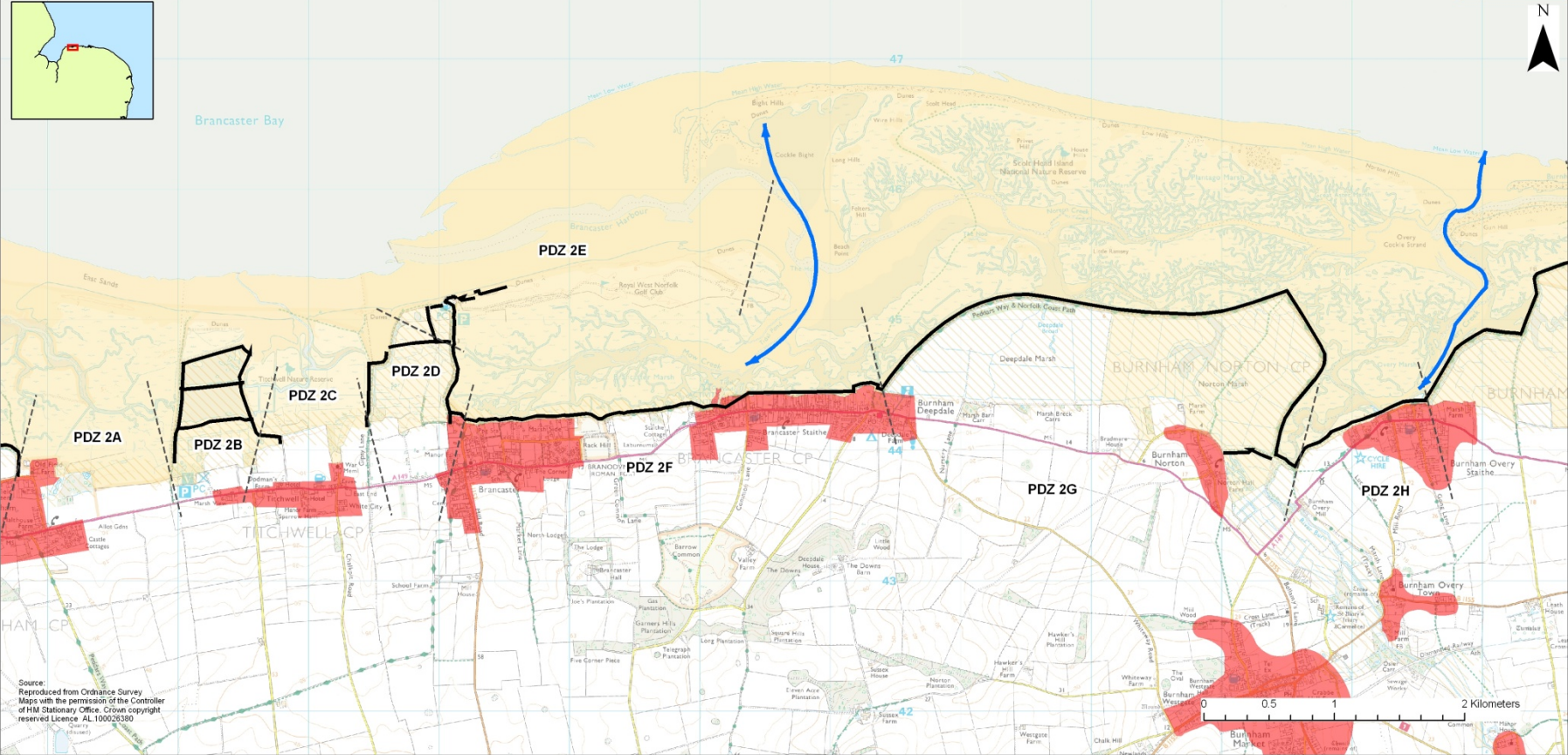
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NORFOLK COAST
PARTNERSHIP
PROTECTING AN AREA OF OUTSTANDING NATURAL BEAUTY







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KEY: Policy (for full details see relevant policy statement)

Policy Unit	Policy Plan	Short-term (present - 2025)	Medium-term (2025 - 2055)	Long-term (2055 - 2105)
2A	Thornham to Titchwell	No active intervention	No active intervention	No active intervention
2B	Titchwell RSPB Reserve	Hold the line at retreated alignment	Hold the existing defence line	Hold the line
2C	Titchwell Village	No active intervention	Hold the existing defence line or breach of frontline defence, no construction of landward defence *	No active intervention
2D	Reclaimed grazing marsh at Brancaster	Hold the existing defence line	Hold the existing defence line	No active intervention
2E	Royal West Norfolk Golf Club	Hold the existing defence line	Hold the existing defence line	Hold the existing defence line
2F	Brancaster and Brancaster Staithe	Hold the existing defence line	Hold the existing defence line	Hold the existing defence line
2G	Scott Head Island			
2G.1	Deepdale and Norton Marshes	Hold the existing defence line	Hold the existing defence line or breach of frontline defence after construction of landward defence *	Hold the line at the realigned position
2G.2	River Burn Outfall	Hold the existing defence line	Hold the existing defence line	Hold the existing defence line
2G.3	Overy Marshes	Hold the existing defence line	Hold the existing defence line	Hold the existing defence line or breach of frontline defence after construction of landward defence *
2H	Burnham-Overy-Staithe	Hold the existing defence line	Hold the existing defence line	Hold the existing defence line

Key

- - - - - Policy Development Zones boundaries
- Indicative Navigation Routes
- Settlements
- International Designations
- ▨ Current Flood Zone

Present Day Defences

- Defence Line

Notes:

- * These policies are subject to monitoring and study in epoch 1

Thornham PDZ 2A

Plan: To continue to allow the frontage to evolve naturally. Currently it is undefended and there are unlikely to be any reasons for introducing defences in the future.

Titchwell RSPB reserve PDZ 2B

Plan: To allow the scheme of managed realignment that is currently underway to be completed. Then to allow the current private undertaker to maintain the new defence line. The defences are privately funded and there are no obvious negative effects from this policy.



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Titchwell village PDZ 2C

Plan: To maintain the current situation where the frontage is allowed to develop naturally. Currently it is undefended and it is unlikely there will be any reasons for introducing defences in the future.

Reclaimed grazing marsh at Brancaster PDZ 2D

Plan: To increase the tidal exchange in Mow Creek by moving the defence of the grazing marsh **if confirmed during epoch 1.**



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Royal West Norfolk Golf Club PDZ 2E

Plan: To allow the current private undertaker to maintain
The existing defences to the clubhouse and golf course.
The defences are privately funded and this policy has no
significant negative effects.



Borough Council of
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West Norfolk



Norfolk County Council



NORFOLK COAST
PARTNERSHIP
PROTECTING AN AREA OF OUTSTANDING NATURAL BEAUTY



ENGLISH HERITAGE



NATURAL
ENGLAND



Brancaster and Brancaster Staithe PDZ 2F

Plan: To maintain the defences where they are now to sustain the communities of Brancaster and Brancaster Staithe.



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Norfolk County Council



NORFOLK COAST
PARTNERSHIP
PROTECTING AN AREA OF OUTSTANDING NATURAL BEAUTY



ENGLISH HERITAGE



Reclaimed areas behind Scolt Head Island PDZ 2G

Plan: To sustain flood defence to all houses and infrastructure together with gradually increasing tidal exchange by moving the defences at Deepdale, Norton and Overy marshes, **if confirmed during epoch 1**. Also, to maintain the tidal flood defence function of the River Burn outfall.

Burnham Overy Staithe PDZ 2H

Plan: To maintain the defences where they are now to sustain the community of Burnham Overy Staithe.



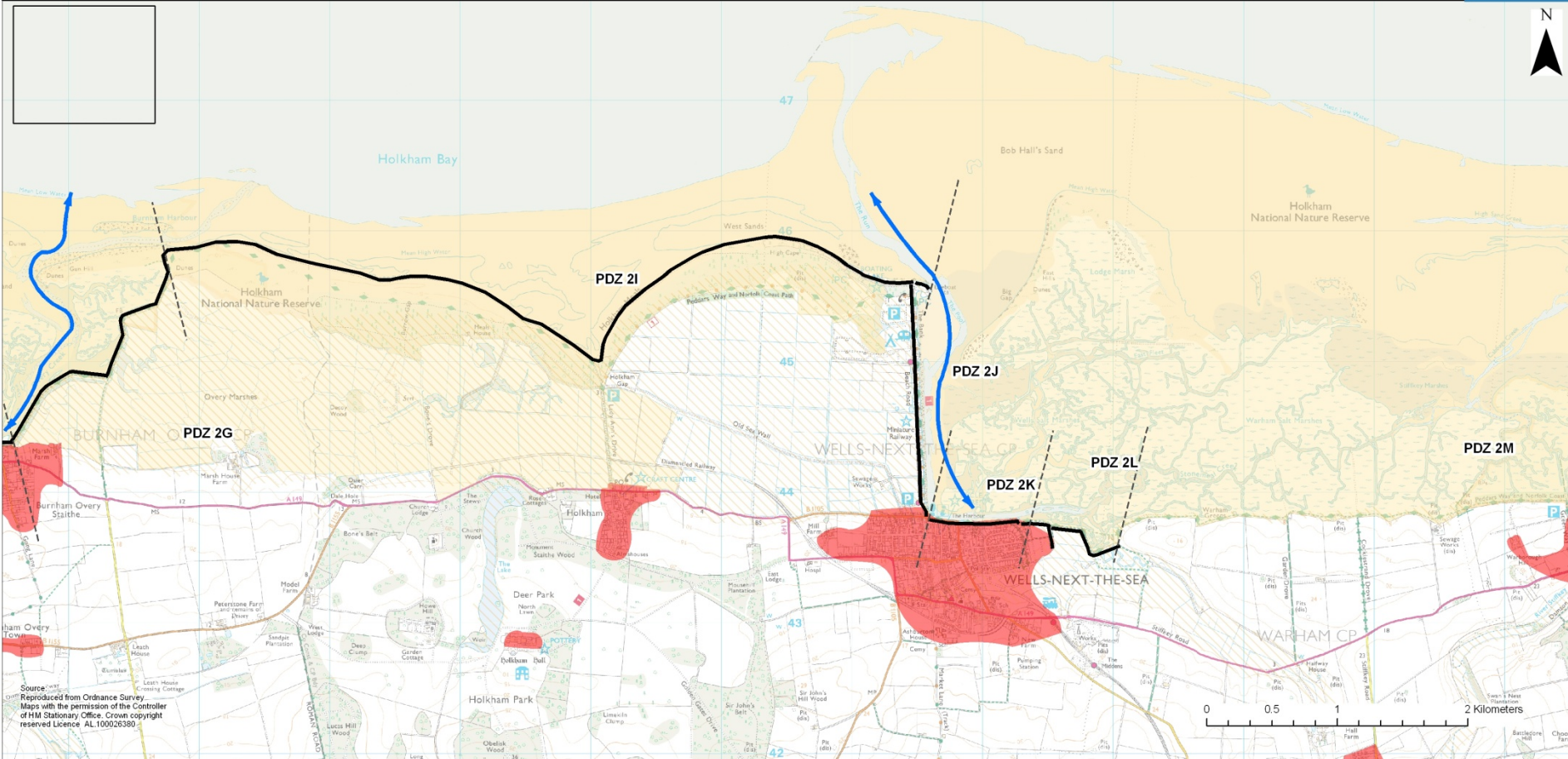
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Norfolk Shoreline Management Plan 2
Development Zone 2 (2I – 2M)
Holkham Dunes to Stiffkey



KEY: Policy (for full details see relevant policy statement)

Policy Unit	Policy Plan	Medium-term (2025 - 2055)	Long-term (2055 - 2105)
2I	Holkham Dunes	Sustain natural defence with minimum intervention	Sustain natural defence with minimum intervention
2J	Wells Flood Embankment	Hold the existing defence line	Hold the existing defence line
2K	Wells Quay	Hold the existing defence line	Hold the existing defence line
2L	Wells East Bank	Managed realignment to sustain flood defence but increase natural processes	Hold the line at the realigned position
2M	Stiffkey Bay	No active intervention	No active intervention

Key

- Policy Development Zones boundaries
- ➔ Indicative Navigation Routes
- Settlements
- International Designations
- Current Flood Zone

Notes:

* These policies are subject to monitoring and study in epoch 1

Present Day Defences
 — Defence Line

Holkham dunes PDZ 2I

Plan: To keep the flood defence function of the dunes which protect properties in Holkham and Wells-next-the-Sea, the A149 and other features in the tidal flood zone.

Wells flood embankment PDZ 2J

Plan: To maintain the defences where they are now to sustain current land use (tourism, beach access, agriculture and freshwater habitats) protected by the embankment.



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Wells quay PDZ 2K

Plan: To continue to maintain the defences where they are now to protect current use of the quayside and associated features in Wells-next-the Sea.

Wells east bank PDZ 2L

Area for Managed Realignment in Epoch 1

Plan: To sustain flood defence to all houses and infrastructure together with increasing the tidal exchange in Wells harbour channel by realigning Wells east bank. This increase in tidal exchange should support navigation in the harbour channel, which will create social and economic benefits.



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Stiffkey bay PDZ 2M

Plan: To allow the frontage to develop naturally which is what happens now. Currently it is not defended and there are unlikely to be any reasons for introducing defences in the future.

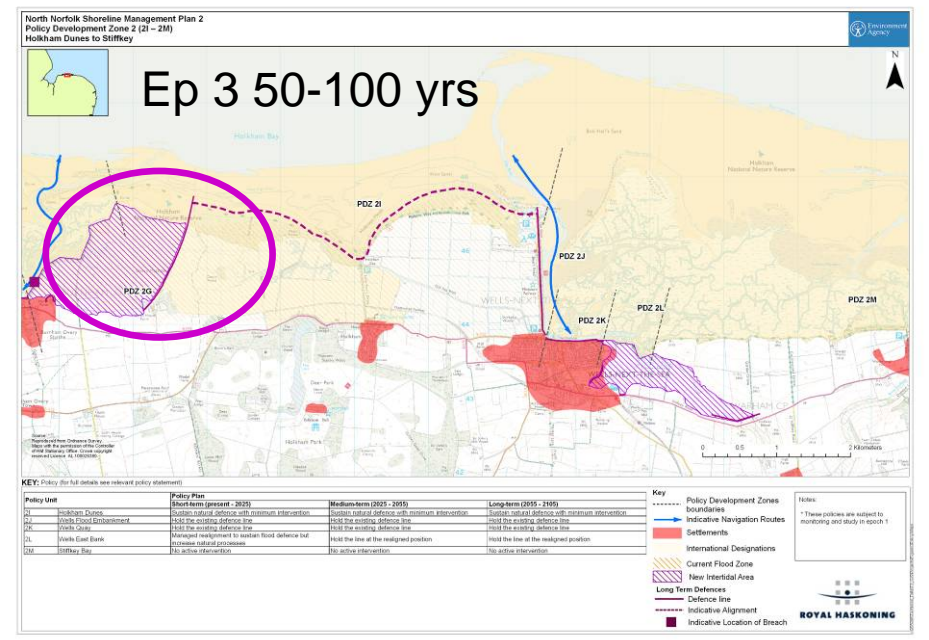
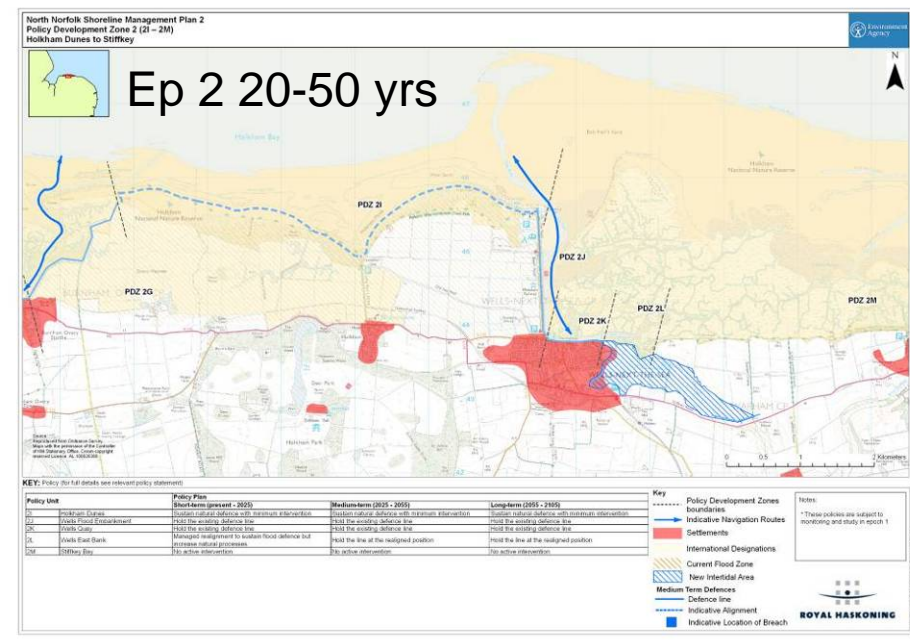
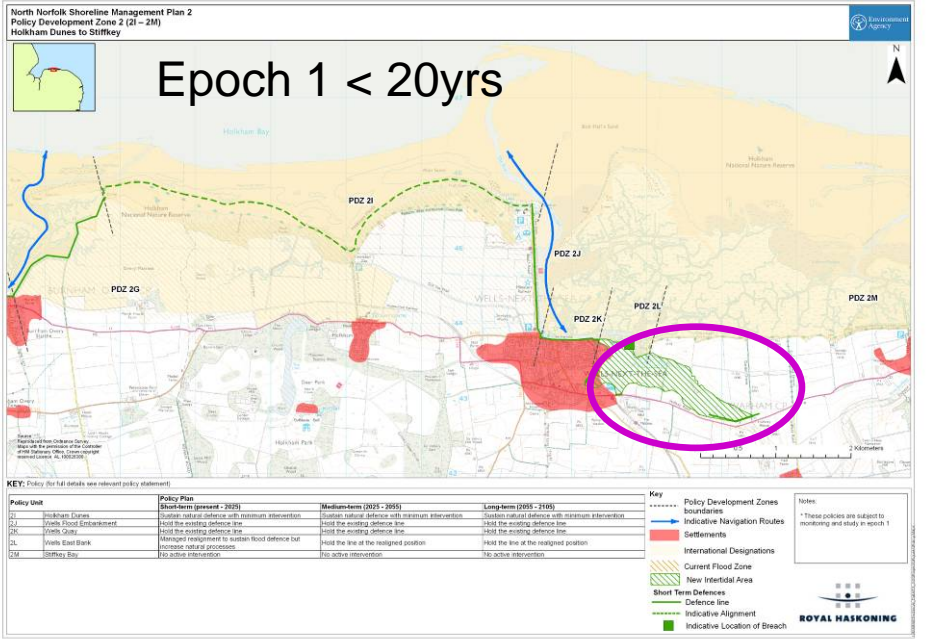
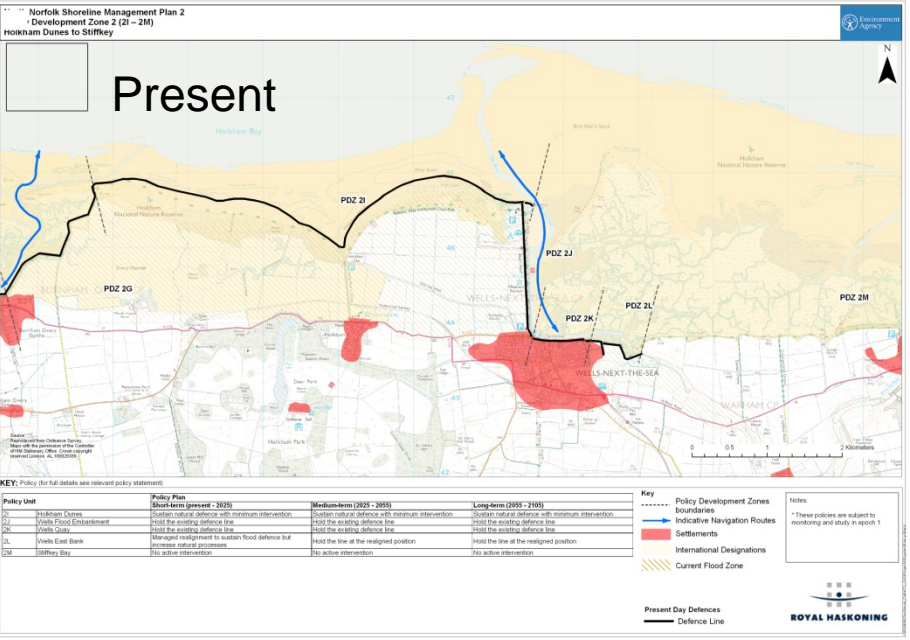


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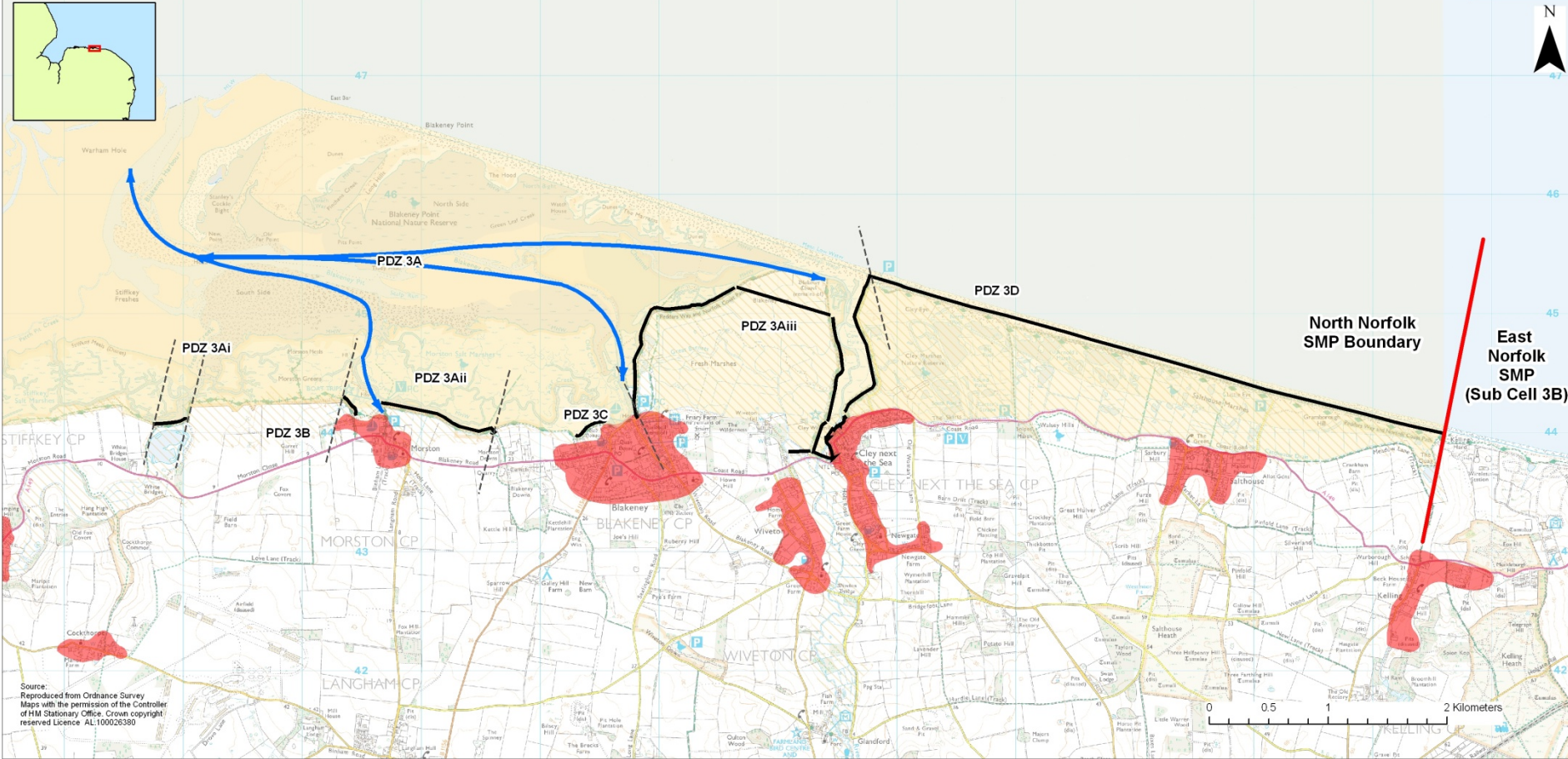


Norfolk County Council





North Norfolk Shoreline Management Plan 2
Policy Development Zone 3 (3A – 3D)
Holkham Dunes to Stiffkey



KEY: Policy (for full details see relevant policy statement)

Policy Unit	Policy Plan Short-term (present - 2025)	Medium-term (2025 - 2055)	Long-term (2055 - 2105)
3A	Reclaimed areas behind Blakeney Spit		
3A.1	River Stiffkey Outfall	Hold the existing defence line	Hold the existing defence line
3A.2	Morston	Breach of frontline defence after construction of landward defence	Hold the line at the realigned position
3A.3	Blakeney Freshes Marshes	Hold the existing defence line	Hold the existing defence line or breach of frontline defence after construction of landward defence *
3A.4	River Glaven Outfall	Hold the existing defence line	Hold the existing defence line
3A.5	Cley Marshes	Hold the existing defence line	Hold the existing defence line or breach of frontline defence after construction of landward defence *
3B	Stiffkey to Morston	No active intervention	No active intervention
3C	Blakeney	Hold the existing defence line	Hold the existing defence line
3D	Cley to Salhouse	Sustain natural defence with minimum intervention	Sustain natural defence with minimum intervention

- Key**
- Policy Development Zones boundaries
 - Indicative Navigation Routes
 - Settlements
 - International Designations
 - Current Flood Zone

- Present Day Defences**
- Defence Line

Notes:
 * These policies are subject to monitoring and study in epoch 1

Reclaimed areas behind Blakeney spit PDZ 3A

Morston (east bank) Area for Managed Realignment in Epoch 1

Plan: To sustain flood defence to all houses and infrastructure together with gradually increasing tidal exchange by moving the defences at Morston, and possibly also at Blakeney Freshes and Cley marshes **if confirmed during epoch 1**. Also to sustain the tidal flood defence function of the River Stiffkey and River Glaven outfalls.

Stiffkey to Morston PDZ 3B

Plan: To continue to allow the frontage to develop naturally. Currently it is not defended and it is unlikely there will be any drivers for introducing defences in the future.



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Blakeney PDZ 3C

Plan: To continue to maintain the defences where they are now to protect current use of the quayside and associated features in Blakeney.

Cley to Salthouse PDZ 3D

Plan: To allow the shingle ridge to continue to develop naturally while allowing for intervention in response to events that cause immediate risk to life and to residential and commercial buildings in Cley and Salthouse, or threaten the transport function of the A149. This continues the current approach.



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Norfolk County Council



Adjacent SMPs

- 3b Kelling to Lowestoft
 - Draft SMP 2005
 - Strategic Environmental Assessment
 - Appropriate Assessment
 - WFD Compliance Check
 - Due for Completion March 2010
- 2d The Wash
 - Mike Dugher – Northern Area Coastal Manager



Borough Council of
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Norfolk County Council



The Wash SMP2

Mike Dugher
Area Coastal Manager
09 September 2009



The Wash SMP2

EMF/CSG:



Borough Council of
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West Norfolk



Lincolnshire
COUNTY COUNCIL

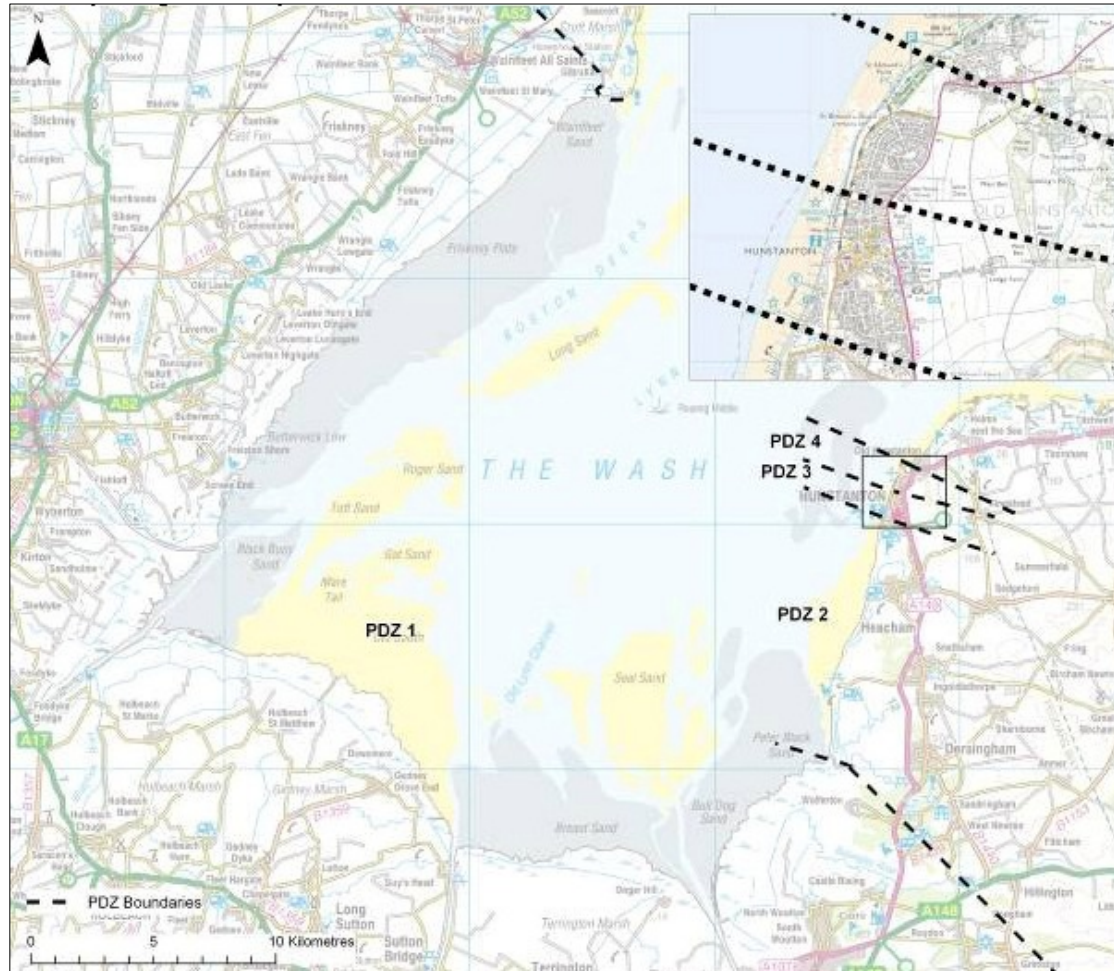


The Wash SMP2

- ➔ Commenced: March 2007
- ➔ Public Awareness events: March 2008
- ➔ Formal public consultation: Mid-October 2009 for 3 months
- ➔ Plan dissemination: Spring 2010



The Wash SMP2



The Wash SMP2

- ➔ Divided coast into 4 Policy Development Zones (PDZs):
 - ➔ PDZ1 – Gibraltar Point to Wolferton Creek
 - ➔ PDZ2 – Wolferton Creek to South Hunstanton
 - ➔ PDZ3 – Hunstanton Town
 - ➔ PDZ4 – Hunstanton Cliffs

The Wash SMP2

➔ Locally specific features, values and issues:

- ➔ Communities
- ➔ Agriculture
- ➔ Tourism
- ➔ Infrastructure
- ➔ Habitat
- ➔ Landscape
- ➔ Timing



The Wash SMP2

➡ PDZ1 – Gibraltar Point to Wolferton Creek

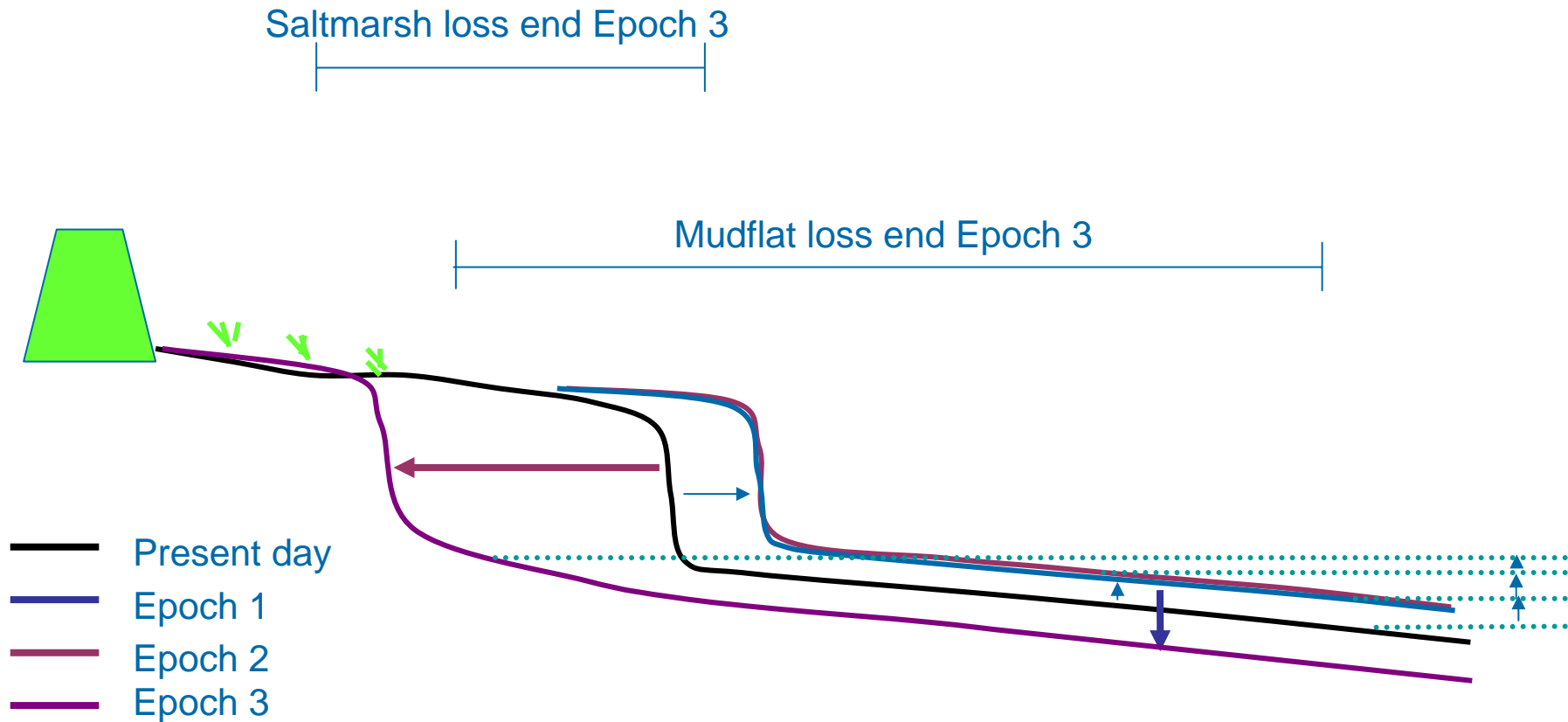
➡ Epoch 1 – Hold the line

➡ Epoch 2 – Hold the line/Managed Realignment

➡ Epoch 3 – Hold the line/Managed Realignment

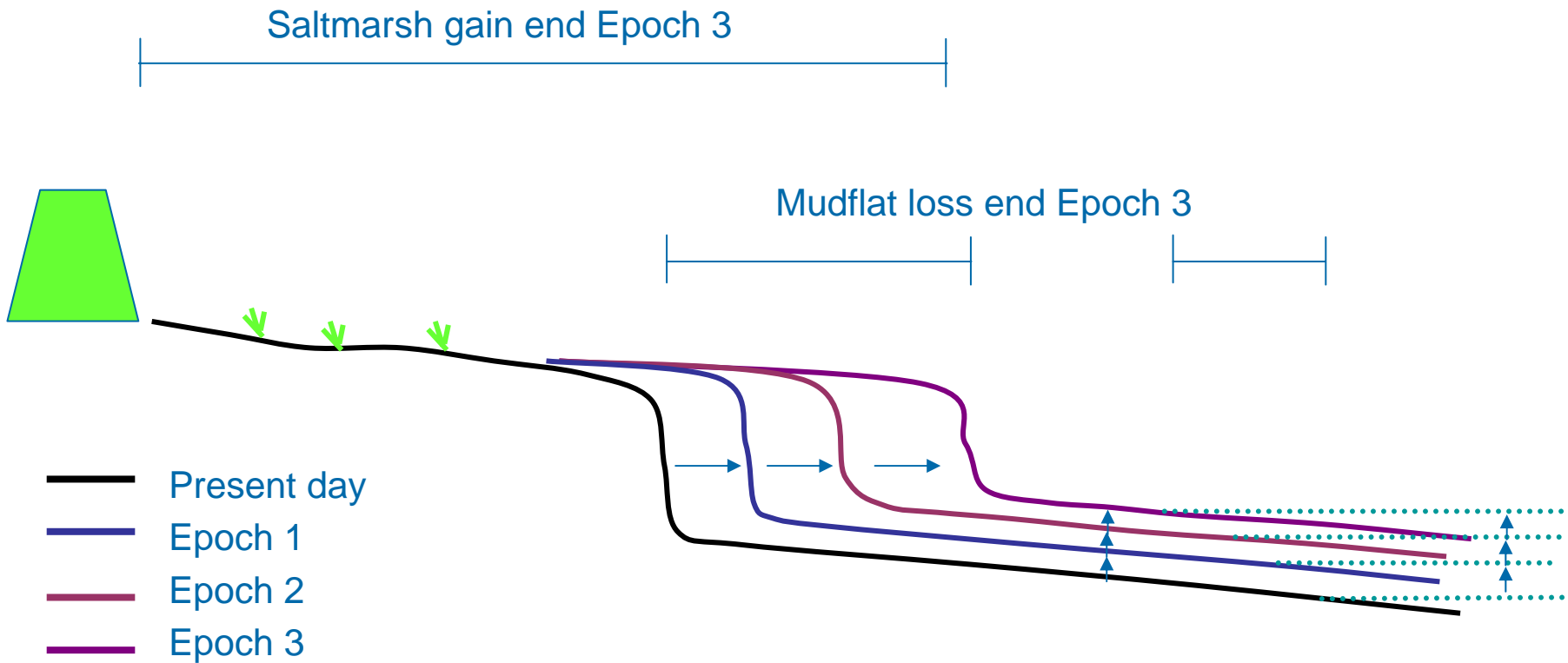
The Wash SMP2

Pessimistic future



The Wash SMP2

Optimistic future



The Wash SMP2

- ➔ PDZ2 – Wolferton Creek to South Hunstanton
 - ➔ Epoch 1 – Hold the line
 - ➔ Epoch 2 – Hold the line/Managed Realignment
/No Active Intervention
 - ➔ Epoch 3 – Hold the line/Managed Realignment
/No Active Intervention

The Wash SMP2

- ➔ PDZ2 – Wolferton Creek to South Hunstanton
 - ➔ Key stakeholder meeting, 24th August, Hunstanton
 - ➔ Positive response by local businesses/groups
- ➔ Stakeholder engagement meeting, 24th September
- ➔ Develop our engagement strategy

The Wash SMP2

➔ PDZ3 – Hunstanton Town

- ➔ Epoch 1 – Hold the line
- ➔ Epoch 2 – Hold the line
- ➔ Epoch 3 – Hold the line

The Wash SMP2

➔ PDZ4 – Hunstanton Cliffs

- ➔ Epoch 1 – No Active Intervention
- ➔ Epoch 2 – No Active Intervention
- ➔ Epoch 3 – No Active Intervention/Hold the line

Way Forward

- ➔ Requires full involvement of all partner organisations and local stakeholders
- ➔ Public consultation closes mid-January
- ➔ Final agreement
- ➔ Document sign-off

**Planning and Transportation, the
Environment and Waste Overview and
Scrutiny Panel**
9 September 2009
Item No. 10

DfT “A safer way ahead” Consultation

Report by the Director of Environment, Transport and Development

Summary
<p>This report seeks to inform Members about a DfT consultation document called “A safer way ahead” on new proposals for casualty reduction through, amongst other measures, the setting of lower speed limits. The new proposals, if ultimately adopted by DfT, will require a full review of the Council’s approach to speed management.</p> <p>The Cabinet Member for Planning and Transportation has already responded to the consultation, with advice from officers. This report provides an opportunity to consider the issues raised, and the Cabinet Member’s response. Once the DfT position is confirmed (expected December), the Panel will have an opportunity to consider a review of our Speed Management Strategy before any changes are recommended to Cabinet.</p>

1. Background

- 1.1. Casualty reduction is a top priority for the Council. We have an excellent track record of success in reducing serious accidents on Norfolk’s roads. The number of people killed or seriously injured has fallen from 862 in the 1994 to 1998 baseline average to 389 in 2008. This achievement, particularly our evidence led approach, resulted in the Council being awarded Beacon status for Road Safety in 2006. Speed management is an important part of our wider approach to casualty reduction.
- 1.2. In March 2001 “A Speed Management Strategy For Norfolk” was published in association with Norfolk Constabulary. In August 2006, the Department for Transport published “Setting Local Speed Limits” which included new guidance to local Authorities.
- 1.3. At their meeting in March 2007, Review Panel Members were updated on the new DfT guidance for the setting of local speed limits.
- 1.4. Review Panel Members were supportive of the proposed changes to our procedures resulting from the new guidance, although no changes were proposed to the strategy itself. In September 2007, this matter was presented to Cabinet who also supported the proposed changes.

2. **DfT Consultation – “A safer way ahead”**

2.1. This consultation seeks views on the vision, targets and measures for improving road safety in Great Britain for the period up to 2030.

A copy of the consultation document is available in the Member’s room and the consultation response is included as appendix A.

2.2. The response was submitted by the Cabinet Member for Planning and Transportation, with advice from officers. The purpose of this report is to give the Panel chance to consider the issues raised and the Cabinet Member’s response. We have highlighted where consultation proposals are likely to result in significant impacts on current policy and practice, which is the case with Q11 and 12 of the consultation document.

2.3. DfT are expected to publish revised guidance around Christmas 2009. If they adopt the consultation proposals, we will need to review our own approach. Panel will then have an opportunity to consider any proposed changes to our policies.

2.4 The consultation covers many issues within the field of casualty reduction; however, there are two questions, in particular, which would impact on Norfolk’s current speed management policies. These are as follows:

2.4.1 *Speed Limits on Rural Roads (Q.11): Do you agree that highway authorities reviewing and, where appropriate, reducing speed limits on single carriageway roads will be an effective way of addressing the casualty problem on rural roads? Are there other ways in which the safety of rural roads can be improved?*

2.4.2 **Officer Comment:** Currently, the national maximum speed limit i.e. 60mph is applied to this type of road, except where the collision rate is above average for the type of road. New DfT Guidance divides rural roads into tiers. Upper tier roads are those with a primarily through road function, where mobility and a relatively high speed of travel are to be expected, typically Class A and B roads each with 50 mph and 60 mph speed limits. Then the speed limit will be set to the geometric standard of the road and/or signed relating to it being an accident reduction area/site. As follows:

- A **60 mph speed limit** will be present on high quality strategic roads with few bends, junctions or accesses and where drivers will expect to be able to make headway on their trip.
- A **50 mph speed limit** will be present on lower quality strategic roads which may have a relatively high number of bends, junctions or accesses.

However it should be noted that research from the Department for Transport shows more than half of all road deaths occur on rural roads and this includes the non-strategic lower tier network. Methods will need to be found to influence driver behaviour on these roads without extensive signage or engineering interventions. This will be difficult and ultimately depends on a shift in what is seen as acceptable by society as a whole.

2.4.3 **Cabinet Member response:**

Agreed. In Norfolk, we have criteria for setting speed limits on our road network. Accordingly, when deciding upon a speed limit we would require for a 60 mph road the following criteria to be met: no facilities i.e. shops, schools etc, limited frontage development, limited groups or individual houses not exceeding 400m in length and that the road should be of a suitable standard. If these criteria are met the road is designated a 60 mph limit principal road. Other criteria have been set for other speed limits.

2.4.4 We accept that the risk of collision increases with settlements and the selected speed limits should be appropriate to the potential dangers. Speeding traffic also gives rise to severance and negatively affects the quality of life in communities. Even so, a balance also has to be struck between the interests of the community and the needs of the driver particularly where routes are the main traffic routes in the County.

2.4.5 The document points out that speed limit compliance on rural single carriageway roads is good, yet accident numbers and severity are too high. The standards of road edge protection, junction provision and hazard awareness are generally in need of up-grading. However, reducing the speed limit from 60 to 50 mph, on these roads, will not of necessity reduce casualties but would almost certainly reduce levels of compliance.

2.4.6 Drivers on routes that link larger settlements will expect to be able to make progress at reasonably high speeds within the national speed limit. It is important, from an economic/business point of view that restrictions should be kept to a minimum and where appropriate enforcement (and enforcement costs) can be kept to a minimum.

2.5. *Q.12: How can we most effectively promote the implementation of 20 mph zone schemes in residential areas? What other measures should we be encouraging to reduce pedestrian and cyclist casualties in towns?*

2.5.1 **Officer Comment:** It is widely recognised that 20mph is the appropriate speed in order to avoid death and serious injury to vulnerable road users – the issue has always been one of driver compliance. To achieve reasonable levels of compliance there is an imbalance between the additional costs attributable to the increased levels of enforcement and the physical traffic measures to ensure compliance is achieved and what this authority can provide unless additional funding is to be made available via DfT/central government.

In addition there are inherent difficulties in achieving compliance without physical measures, non enforcement, driver attitude and lack of perceived hazards being some of those problems experienced. Physical measures can provoke strong reactions both for and against in communities with irreconcilable differences on both sides making these measures often difficult to implement.

2.5.2 **Cabinet Member response:**

Current practice in Norfolk is to use 20 mph limits on non-link roads in new residential areas, spine roads outside shops, or a specific hazard and cul-de-sacs in existing residential areas i.e. where they are self-enforcing. **Other than these situations, we do not impose these limits.**

2.5.3 In larger areas and where speeds are close to 20 mph we install 20 mph zones e.g. in town centres, larger residential developments and home zones. These are expected to be self-enforcing by design. However, such schemes need to be delivered in a manner to support sustainable transport choices, CO2 reduction and climate change initiatives.

2.5.4 The proposed guidance i.e. *“to introduce 20mph limits for all residential and shopping streets with little or no through traffic”* implies that successful 20 mph zones and speed limits should be generally self-enforcing. However, 20 mph limits are unlikely to be complied with on roads where vehicle speeds are substantially higher than this and, unless such limits are accompanied by the introduction of traffic calming measures, the police may find it difficult to routinely enforce the 20 mph limit. In East Ayrshire there have also been instances where 20 mph limits have resulted in increased 85%ile speeds i.e. a form of reactive resentment to the imposed limit.

2.5.5 Previous study work into the introduction of blanket 20mph limits around schools in Norfolk suggest conservative estimates in the region of £2.0M for mandatory speed limits or £0.50M for advisory speed limits. Will DfT/Central Government offer LAs additional funding to assist in provisions of this scale?

2.5.6 20mph speed limits do not produce speeds of 20mph. Transport Research Laboratory(now known as TRL) have reviewed low speed-limit zones in this country and abroad, where physical measures have not been used extensively to influence speed, and reliance is placed primarily on signing. The results of this review are reported in TRL Report 363 - "Urban Speed Management Methods". The review has indicated that using 20 mph speed limit signs alone, without supporting traffic calming features, led to reductions in 'after' speeds, on average, of 1 mph.

2.5.7 Therefore, whilst casualty reduction has a high profile in Norfolk the wholesale introduction of 20mph limits cannot be supported.

2.5.8 This targeted approach is likely to be successful around schools, in particular, a simplified, cost effective, traffic Order process is needed to support this and the Cabinet Member has sent a supplementary response to DfT to emphasise this.

3.0. **Resource Implications**

3.1. **Finance:** There are likely to be two areas of significant cost increase as a result of the possible future DfT guidance. Firstly, the possible changes to speed limit signing (i.e. 50 mph limits) on rural B class roads which are yet to be assessed but is likely to be significant. Secondly, any changes which may be required for the provision of urban 20 mph limits.

For each of these cases, it is important to stress that where lower speed limits occur there may be additional costs generated, such as officer analysis time, legal costs, and cost of physical works i.e. enforcement measures.

In addition to the above if DfT propose significant changes to County Council policy and practice for the setting of speed limits there will be a high level of public expectation to manage. This will have cost attributable to it which is unknown at this time.

Not all of the above elements can be estimated at this time but it is clear that implementation is likely to impose significantly higher costs. In the absence of additional funding, this could result in a reduction in the total number of traffic management/road safety schemes we can implement.

3.2. **Staff** : see comment in 3.1

3.3. **Property** : None

3.4. **IT** : None

4.0. **Other Implications**

4.1. **Legal Implications:** May involve a significant amount of Traffic Regulation Orders if new guidance is contrary to our current policy/practice.

4.2. **Human Rights** : None

4.3. **Equal Opportunities:** This consultation will inform the development of policy to define how DfT guidance could be used in Norfolk, and a full equality impact assessment will be prepared as part of this policy development. In the meantime, no equality issues have been identified.

4.4. **Communications:** If significant changes to current policy and practice are required, this topic will generate a high level of public expectation which will require managing.

5.0. **Section 17 – Crime and Disorder Act:** None

6.0. **Risk Implications/Assessment**

6.1. To be considered as part of the review of our strategy, once the revised DfT guidance is published.

7. **Alternative Options**

7.1. To be considered as part of the review of our strategy, once the revised DfT guidance is published.

8.0. **Conclusions**

8.1. The DfT consultation document attempts to gauge support for new national measures to reduce road casualties and may, in time, result in new guidance on setting speed limits. Currently, it is anticipated that new guidance may be issued in late 2009.

- 8.2. The consultation document raises the possibility of some significant changes to the guidance on the use of 20mph limits, and on limits for rural roads. While a reduction in speeds would be desirable in some locations, particularly around schools, officers have concerns about how compliance will be achieved and the cost of implementation.
- 8.3. If the consultation proposals are ultimately adopted as guidance, the Council will need to review its own approach.

Action Required

Members are asked to:

- (i) note the contents of this report.

Background Papers

Norfolk Speed Management Strategy
DfT guidance report "Setting Local Speed Limits".
Appendix A Consultation response

Officer Contact

If you have any questions about matters contained in this paper please get in touch with:

Name	Telephone Number	Email address
Owen Jenkins	01603 222211	owen.jenkins@norfolk.gov.uk



If you need this report in large print, audio, Braille, alternative format or in a different language please contact (Owen Jenkins) on (01603 222211) minicom 01603 223833 and we will do our best to help.

Appendix A

Response to “A safer way ahead” consultation

Vision and targets (Chapters 3 and 8)

1. Do you agree that our vision for road safety should be to have the safest roads in the world? (Chapter 3).

Response

This is a sound vision however the context of this guidance with other transport and climate change guidance would be beneficial. This would assist local authorities in producing coherent transport strategies and Local Transport Plans that are fit for purpose.

2. Do you agree that we should define a strategy running over twenty years to 2030, but with review points after five and ten years? (Chapter 3).

Response

Agree.

3. Do you agree that our targets should be to reduce:
 - road deaths by at least 33 per cent by 2020 compared to the baseline of the 2004–08 average number of road deaths;

Response

Agree.

- the annual total of serious injuries on our roads by 2020 by at least 33 per cent;

Response

Agree.

- the annual total of road deaths and serious injuries to children and young people (aged 0–17) by at least 50 per cent against a baseline of the 2004-08 average by 2020;

Response

Two groups 0-15 and 16-18 (or 16-21) with separate targets would be more applicable as this would more accurately reflect the differing experiences these groups have and the differing measures used to reduce casualties.

- by at least 50 per cent by 2020 the rate¹ of KSI per km travelled by pedestrians and cyclists, compared with the 2004–08 average? (Chapter 8).

Response

There are issues around how as a local authority can we measure this, what would be used as a baseline as we have no background data and how could we take forward as we have no monitoring processes or funds for monitoring. The link to rates is however welcomed.

4. We are proposing a set of indicators in order to help us to monitor performance (Appendix A). Do you believe these cover the right areas? (Chapter 8).

Response

Many of the proposed targets and performance indicators are not replicable below the national level, either due to the small numbers involved or the need for vehicle/user kilometreage. This will break the link between national progress and that of individual local authorities, which will reduce ownership of the targets. Performance Indicators do help an organisation measure what is important and many of the indicators are valuable however, there are serious problems with the collection and accuracy of data.

Additionally we believe that there ought to be a specific motorcyclist **KSI target**. M/C account for around 1% of traffic and over 25% of all KSI's. This is a national concern and should be elevated beyond PI level.

Context (Chapters 2, 3 and 4)

5. We have identified a number of factors that may affect our ability to deliver road safety improvements in the future world we are planning for. Do you think we have taken account of the key risks and opportunities? Are there others you would add? (Chapter 3).

Response

Government policy on motorcycling needs a rethink for large, high performance bikes. It needs to move beyond protecting these users to actively discouraging these vehicles (through financial means). High performance motorcycles are a dangerous hobby not a form of low carbon transport.

Resource and funding issues may affect our ability to implement measures to support the vision.

6. We think that the key challenge for road safety from 2010 is better and more systematic delivery, rather than major policy changes. Do you agree? (Chapter 4)

Response

Motorcycle policy needs to be revisited (points stated above). Drink and drug drive policy and strategy needs to be agreed.

7. This consultation document sets out the current evidence on the key road safety challenges. Do you agree with our analysis? Would you highlight any others? (Chapter 2)

Response

A good analysis of the facts and issues however it is of concern that “drug” is always used in the context of “we believe”. This is meant to be an evidence led document therefore it is important that it highlights the facts or where facts aren’t known what the issues with data collection are and how they are to be resolved so a valid strategy can be formed.

New performance framework (Chapters 4 and 8)

8. We are proposing a number of measures to support the effectiveness of the road safety profession. Do you think they will be effective? What else might need to be done? (Chapter 4)

Response

Agree

9. Do you agree that an independent annual report on road safety performance, created on an annual basis, would be a worthwhile innovation? (Chapter 4)

Response

Agree. The format and themes should be consulted upon so it can be developed as a document to demonstrate and disseminate best practice.

10. Do you agree that the Road Safety Delivery Board should be tasked with holding Government and other stakeholders to account on the implementation of a new national road safety plan? (Chapter 8)

Response

Agree. Clarification and consultation of the membership of this board is required.

Roads and local authorities (Chapter 5)

11. Do you agree that highway authorities reviewing and, where appropriate, reducing speed limits on single carriageway roads will be an effective way of addressing the casualty problem on rural roads? Are there other ways in which the safety of rural roads can be improved? (Chapter 5)

Response

Agreed.

In Norfolk, we have criteria for setting speed limits on our road network. Accordingly, when deciding upon a speed limit we would consider for 60 mph road the following criteria to be met, no facilities i.e. shops, schools etc, limited frontage development, limited groups or individual houses not exceeding 400m in length and that the road should be of a suitable standard. If these criteria are met the road is designated a 60 mph limit principal road. Other criteria have been set for other speed limits.

We accept that the risk of collision increases with settlements and the selected speed limits should be appropriate to the potential dangers. Speeding traffic also gives rise to severance and negatively affects the quality of life in communities. Even so a balance also has to be struck between the interests of the community and the needs of the driver particularly where routes are the main traffic routes in the County.

The document points out that speed limit compliance on rural single carriageway roads is good, yet accident numbers and severity are too high. The standards of road edge protection, junction provision and hazard awareness are generally in need of up-grading. However, reducing the speed limit from 60 to 50 mph, on these roads, will not of necessity reduce casualties but would certainly reduce levels of compliance.

Drivers on routes that link larger settlements will expect to be able to make progress at reasonably high speeds within the national speed limit. It is important, from an economic/business point of view that restrictions should be kept to a minimum and where appropriate enforcement (and enforcement costs) can be kept to a minimum.

12. How can we most effectively promote the implementation of 20 mph zone schemes in residential areas? What other measures should we be encouraging to reduce pedestrian and cyclist casualties in towns? (Chapter 5)

Response

Current practice in Norfolk is to use 20 mph limits on non-link roads in new residential areas, spine roads outside shops, or a specific hazard and cul-de-sacs in existing residential areas i.e. where they are self-enforcing. **Other than these situations, we do not impose these limits.**

In larger areas and where speeds are close to 20 mph we install 20 mph zones e.g. in town centres, larger residential developments and home zones. These are expected to be self-enforcing by design. However such schemes need to be delivered in a manner to support sustainable transport choices, CO2 reduction and climate change initiatives.

The proposed guidance i.e. *“to introduce 20mph limits for all residential and shopping streets with little or no through traffic”* implies that successful 20 mph zones and speed limits should be generally self-enforcing.

20 mph limits are unlikely to be complied with on roads where vehicle speeds are substantially higher than this and, unless such limits are accompanied by the introduction of traffic calming measures, police forces may find it difficult to routinely enforce the 20 mph limit. There have been instances where 20 mph limits have resulted in increased 85%ile speeds i.e. a form resentment reaction to the imposed limit.

Previous study work into the introduction of blanket 20mph limits around schools in Norfolk suggest conservative estimates in the region of £2.0M for mandatory speed limits or £0.50M for advisory speed limits. Will DfT/Central Government offer Las additional funding to assist in provisions of this scale?

In addition, TRL have reviewed low speed-limit zones in this country and abroad, where physical measures have not been used extensively to influence speed, and reliance is placed primarily on signing. The results of this review are reported in TRL Report 363 - "Urban Speed Management Methods". The review has indicated that using 20 mph speed limit signs alone, without supporting traffic calming features, led to reductions in 'after' speeds, on average, of 1 mph.

Therefore, in Norfolk we do not introduce any new 20mph limits without physical measures however; 20mph speed limits zones are still being introduced in accordance with existing criteria.

Where 85%ile speeds are already low (24mph or below), especially where a reduction in peak time parking has been achieved, advisory peak time 20mph signs with amber flashing lights should be used to remind drivers they are entering a different environment and therefore need to modify their behaviour and speed.

It is widely recognised that 20mph is the appropriate speed in order to avoid death and serious injury to vulnerable road users – the issue has always been one of driver compliance. To achieve reasonable levels of compliance there is an imbalance between the additional costs attributable to the increased levels of enforcement and the physical traffic measures to ensure compliance is achieved and what this authority can provide unless additional funding is to be made available via DfT/central government). Therefore, whilst casualty reduction has a high profile in Norfolk the wholesale introduction of 20mph limits cannot be supported.

13. How can we provide better support to highway authorities in progressing economically worthwhile road safety engineering schemes? (Chapter 5)

Response

Repay those authorities investing in local safety schemes a proportion of 'rate of return' achieved.

Partner better performing authorities with those or that are not performing as well.

Have a bank of 'Professionals' that can be loaned to local authorities to help them develop their schemes and structure.

Provide additional financial support where schemes deliver both safety and environmental benefits.

Vehicles (Chapter 6)

14. What should Government do to secure greater road safety benefits from vehicles?

Response

Legislation is the best solution to supporting the introduction of new technologies. The DfT should be taking the lead in European legislation delivery. However these solutions and the timescale of their introduction will need to take into account the affordability to the residents of Norfolk and the fact that as a rural county the car will remain a primary method of transport for many people. A lack of affordability will lead to an ageing fleet with a poorer than average safety performance. These technologies must not have a negative impact on CO2 reduction, fuel performance and other issues related to climate change.

The technical solutions that are delivered need to be suitable for a rural road network like Norfolk's.

It must also be born in mind that the driver must feel responsible for their actions and that technical solutions must not undermine the sense of responsibility or lead to lack of attention whilst driving. The aim should be safe vehicles and safe drivers.

It is essential that education and training continue to be developed and delivered alongside any changes in car safety technology.

15. Do you agree that, in future, crash avoidance systems will grow in importance and will have the potential to greatly reduce casualties?

Response

This technology does have significant potential impact on crash avoidance. However, we believe that there are barriers to be overcome in terms of:-

- Development of a safe system
- Trials and evaluation
- Investigation into driver risk compensation issues
- Network adaptability, local, national and trans national
- Liability issues of failing or inappropriately used technologies

- The mix of technologically advanced cars with older less sophisticated vehicles

16. How can we best encourage consumers to include safety performance in their purchasing decisions?

Response

Genuine insurance or taxation incentives for the purchase of safer vehicles (This could also be linked to the driver with insurance incentives for higher qualifications/experience). Other measures to improve journey time and journey time reliability for suitably equipped vehicles.

Education and information to help drivers understand the benefits of safer vehicles both to them in an individual and family context as well as a wider social context.

Behaviours (Chapter 7)

17. We have highlighted what we believe to be the most dangerous driving behaviours. Do you agree with our assessment?

Response

Needs to include undue care – those drivers who drive badly. Also, drug concerns need to be given a body of research.

18. What more can be done to persuade the motoring public that illegal and inappropriate speeds are not acceptable behaviours?

Response

Mandatory retraining.

Enforcement of road safety issues with Home Office led Police targets to support them-joined up Government.

Linking speed limits to the built environment, i.e. all residential areas are 20mph (more logical and understandable).

Linking inappropriate speed to climate change.

Educating the public to the financial disbenefits of inappropriate speeds and the benefits of eco-safe driving.

Advertising and educational campaigns both national and Local targeted campaigns.

19. What more can be done to encourage safe and responsible driving?

Greater national promotion and encouraged locally for:-

- Management of occupational road risk policy development.

- Eco-safe driving.
- Genuine insurance discounts for use of safer vehicles/skills acquisition.
- Recognising and promoting the benefits of double BST so as to allow for it's introduction within the life of the strategy.

20. Should more be done to reward good driving? If so, what?

Response

Reward safer drivers with the revenue generated from camera partnerships, safe driving history etc using ANPR technology.

Additional Comments

Remove the word Accident from the next strategy document. The consultation document uses this term and the DfT should lead the way on removal of its use.

Totally disagree with the statement made on Single Double Summertime – 7.39. The impact on darker mornings was made in the trial in the 1970s. It will save 800 lives and 21,200 serious injuries in the first 10 years of the strategy.

Motorcycling: Is an important means of transport for those who wish to commute into and around cities. It is a low carbon form of transport. However, as casualties fall in other road user categories, the number of KSI for motorcyclists is falling at such a slow rate that they are taking up a larger and larger proportion of all KSI. The DfT must consider that the use of large sports bikes in rural areas is not commuting but a form of recreation that occurs on the roads.

Residual Waste Treatment PFI Contract – Shortlist Approval

Report by the Director of Environment, Transport and Development

Summary

The intention of the pre-qualification process for the Waste PFI (Private Finance Initiative) contract is to establish a short list of a manageable number of participants who are genuinely and demonstrably capable of developing and operating a facility capable of providing a service to treat around 170,000 tonnes each year during a 25 year contract.

The evaluation of ten pre-qualification questionnaires from separate applicants for the Waste PFI contract has led to the recommendation of a shortlist of the following applicants:

- (a) Cory Environmental Management Ltd / Wheelabrator Technologies Inc.
- (b) AmeyCespa (Amey UK plc / Cespa SA).
- (c) MVV Umwelt GmbH.
- (d) Resources from Waste (United Utilities plc / Laing O'Rourke plc / John Laing Investments Ltd).

Shortlisted applicants would be invited to participate in a series of meetings before the submission of their proposals for treating residual waste are received early in 2010. Although in some cases it is possible to infer an applicant's favoured approach it will not be certain what technology / technologies or locations applicants intend to propose until detailed solutions are returned early in 2010.

1. Background

- 1.1. The Authority's Outline Business Case for PFI credits to support the cost of a residual waste treatment contract received ministerial approval on 12 February 2009 followed by Treasury approval on 17 March 2009 for the provisional award of £91m PFI credits which would provide £169 support over the period of a 25 year contract.

On 06 April 2009 Cabinet approved the placement of a contract notice for the Waste PFI contract in the Official Journal of the European Union in April 2009, this notice was sent on 23 April 2009. This supplemented a Prior Information Notice that was placed in February 2009.

The Outline Business Case identified a site for bidders to use at the Willows Business Park on the Saddlebow Industrial Estate south of King's Lynn. The costs of an Energy From Waste facility were used as a reference project to help establish theoretical costs of a future service.

However, it should be noted that whilst a specific technology has been selected for the reference project the Authority remains genuinely technology neutral and as such has encouraged participants to propose solutions incorporating any technology / technologies that may offer best value and fulfil the requirements of the output specification.

2. Information Provided to Applicants and an Explanation of the Pre-Qualification Stages

- 2.1 An applicants' conference was held on 06 May 2009 at the Ramada Hotel, King's Lynn. Interested parties and potential applicants received a presentation on the Waste PFI procurement and were able to ask questions and visit the site on the Willows Business Park.
- 2.2 Using a project extranet potential applicants were provided with:
- (a) Pre-Qualification Questionnaire guidance and questionnaire.
 - (b) An Initial Descriptive Document. This document is used as an initial general reference document for applicants and included: background information on the Authority, contract objectives and scope of the services, detail of the reference project, the approach to sites and planning, affordability constraints, proposed payment arrangements and the approach to procurement.
 - (c) Site specific Combined Heat and Power initial business case studies for Mechanical Biological Treatment with Anaerobic Digestion and Energy From Waste solutions.
 - (d) Joint Municipal Waste Management Strategy for Norfolk.
 - (e) Initial Environmental Assessment for the Willows Business Park.
 - (f) Site Investigation Reports for the Willows Business Park.
 - (g) The Authority's Outline Business Case for PFI credits.

The extranet provides a remotely hosted online document storage and communication system which, through the provision of unique user names and passwords, all parties can share in a single document and communication system.

- 2.3 The Pre-Qualification Questionnaire guidance set out the instructions for the pre-qualification process, the questions and the procedure by which responses would be evaluated and applicants selected. The structure of the questionnaire is outlined below:

Section A General Information - requests general details of the applicant including how it is organised and, where appropriate, what the relationship is between the relevant organisations.

Section B Economic and Financial Standing - asks for economic and financial information for each relevant organisation.

Section C Technical and Professional Ability, Corporate Responsibility and Management Systems - asks for information about health and safety and equal opportunities policies and management systems relating to quality, environmental issues, staff management and supply chain management.

Section D Technical and Professional Ability, Experience - asks for details of each relevant organisation's technical and staff experience and experience of working on similar projects.

2.4 The Pre-Qualification Questionnaire assessment is a four stage assessment process (the full evaluation model is detailed in Appendix A):

Stage 1: Compliance – legal eligibility and information requirements.

Stage 2: Assessment against the minimum thresholds for technical and professional ability and financial standing.

Stage 3: Scoring against the criteria for technical and professional ability and financial standing.

Stage 4: Selection to participate in dialogue.

Applicants that pass the compliance stage were assessed against minimum thresholds for economic and financial standing and technical and professional ability, e.g. £40m turnover or £45m net assets. An applicant may be excluded at any stage of the procurement process if it fails to meet the minimum thresholds.

Applicants meeting the minimum thresholds were then assessed against the criteria in order to derive a ranking of applicants to help establish the recommendation for a shortlist of applicants who will be invited to participate in the competitive dialogue. The two areas with the largest weighting are technical experience and financial solvency and strength (Appendix A, Table A3.1).

3. **The Applicants**

3.1 The closing date for receipt of responses to the Pre-Qualification Questionnaire was 18 June 2009 and returns were received from ten applicants:

1. AmeyCespa (Amey UK plc / Cespa SA).
2. Biffa Waste Service Ltd.
3. Cory Environmental Management Ltd / Wheelabrator Technologies Inc.
4. Donarbon Ltd / Viridor Waste Management Ltd.
5. MVV Umwelt GmbH.
6. Resources from Waste (United Utilities plc / Laing O'Rourke plc / John Laing Investments Ltd).
7. Shanks Group plc.
8. Sustainable Solutions for Norfolk (Cyril Sweett Investments Ltd / Sterecycle Ltd / Bowen Construction Ltd).
9. Urbaser SA.
10. Waste Recycling Group Ltd.

The sections below provide a background description of each applicant.

3.2 **AmeyCespa (Amey UK plc / Cespa SA)**

The AmeyCespa consortium consists of Amey UK Plc and Cespa SA, sister companies within the Ferrovial Group. VolkerFitzpatrick has been identified as the Engineer, Procure and Construct contractor, with Visser & Smit Hanab, Energos, Stadler and Organic Waste Systems taking on the role of technology providers.

The consortium has relevant experience from Cespa's Spanish operations, which includes residual waste treatment amongst other waste management activities. However, the consortium is unable to provide relevant UK-based experience for securing appropriate sites, obtaining necessary consents, and operation of a waste treatment facility. UK PFI experience has been indicated by the consortium, although this experience is not within the waste treatment industry, with examples provided including schools and hospitals.

Cespa has waste treatment facilities in Spain. Portugal and Andorra, comprising:

- 36 Sorting and Selection Plants / Material Recovery Facilities.
- 23 Composting or Anaerobic Digestion Plants.
- 50 Municipal Solid Waste Transfer Stations.
- 16 Clinical/Hazardous Waste Treatment Plants.
- 1 Energy From Waste Plant.
- 34 Non Hazardous Landfills.
- 1 Hazardous Landfill.

3.3 **Biffa Waste Service Ltd**

Biffa Waste Services Limited is the entity bidding for the project. An Engineer Procure and Construct contractor has not been identified; however, Biffa states it will undertake a competitive tendering exercise to select the technology supplied and Engineer Procure and Construct contractor.

The Operations and Maintenance contract will be held by Biffa and advisors have not been identified. Biffa is involved in West Sussex and provides services under the Leicester waste PFI.

Biffa is one of the top three operators of landfill services in the UK and has a growing range of treatment and recycling services, including:

- Separation and Sorting.
- Composting and Anaerobic Digestion.
- Mechanical Biological Treatment pre-treatment.
- In Vessel Composting facilities.

Biffa also provides waste collection and recycling services to over 70,000 commercial and industrial customers and almost 1 million households.

3.4 **Cory Environmental Management Ltd / Wheelabrator Technologies Inc**

The Cory and Wheelabrator consortium consists of a joint venture between Cory Environmental Management Limited as the lead applicant and Wheelabrator Technologies Inc. Recent waste experience can be seen in the Riverside Energy From Waste project.

Wheelabrator would provide the Engineer, Procure and Construct contract. Von Roll Inova would act as a subcontractor to the Engineer, Procure and Construct company to provide the technology. An entity would be formed to provide the Operations and Maintenance contract.

Wheelabrator has strong technical and project experience in waste treatment gained in the US, operating hundreds of landfill sites and transfer stations and 16 Energy From Waste facilities.

3.5 **Donarbon Ltd / Viridor Waste Management Ltd**

The consortium is led by Donarbon Limited with Viridor Waste Management Limited. Bam Nuttall is identified as the Engineer, Procure and Construct contractor and Donarbon and Viridor the Operations and Maintenance contractor.

Viridor has recently been involved with South London Waste Partnership Contract 3, West Sussex Council, Lakeside Energy From Waste facility and the Greater Manchester Waste PFI project (in joint venture with John Laing). Donarbon Waste Management Ltd reached financial close on the Cambridgeshire County Council PFI waste treatment project in March 2008 for a Mechanical Biological Treatment facility which is due to start receiving waste in late 2009.

3.6 **MVV Umwelt GmbH**

MVV Umwelt GmbH is the entity bidding for the project (Mannheimer Versorgungs-und Verkehrsgesellschaft mbH was re-organised in 1988 as MVV GmbH).

MVV Operations and Maintenance, a wholly owned subsidiary of MVV Umwelt GmbH, would take on the role of Engineer, Procure and Construct and Operations and Maintenance contractor. It is, however, mentioned in the submission that in order to ensure best value MVV Umwelt GmbH would also consider CNIM for the role of Engineer, Procure and Construct contractor.

MVV has recent experience of funding European waste projects. Notably, MVV has given examples of obtaining corporate finance raised by MVV Energie for two Energy From Waste projects.

MVV has good technical experience in delivering Energy From Waste treatment solutions in Germany including, planning, construction, securing markets for outputs and contract management.

3.7 **Resources from Waste (United Utilities plc / Laing O'Rourke plc / John Laing Investments Ltd)**

The Resources From Waste (RFW) submission is a consortium application comprising of United Utilities Plc, Laing O'Rourke Plc and John Laing Investments Limited.

Laing O'Rourke Construction Limited, a wholly owned subsidiary of Laing O'Rourke, has been identified as the Engineer, Procure and Construct

contractor. United Utilities Waste Management Limited, a wholly owned subsidiary of United Utilities, has been identified as the Operations and Maintenance contractor.

The submission states that the consortium has a long history of working together and the RFW consortium has made progress with the Merseyside Waste Disposal Authority contract

RFW partners have other recent experience in the market, with United Utilities being selected as Preferred Bidder for the Derby City and Derbyshire Waste Treatment procurement and John Laing recently reached financial close on the Greater Manchester Waste Project, an integrated project which includes the design construction and operation of:

- 5 Mechanical and Biological Treatment facilities.
- 4 In Vessel Composting Facilities.
- 1 Materials Recovery Facility.
- 7 Transfer Stations.
- 2 Green Waste Facilities.
- 24 Household Waste Recycling Centres.
- 1 Energy From Waste Facility.

3.8 **Shanks Group plc**

Shanks Group Plc is the entity bidding for the project.

Shanks would form an entity to provide the Engineer, Procure and Construct contract. Shanks Waste Management Limited will form an entity, MBT Co., which will provide the Operations and Maintenance contract. Shanks has been in discussion with an operator of Waste Incineration Directive compliant facilities as a sub-contractor for the role Solid Refuse Fuel off-taker.

Shanks has experience of four UK based waste projects, most recently Shanks reached financial close on the Cumbria County Council project in June 2009. In the UK Shanks has a number of contracts with local authorities for the provision of a variety of waste management services and presently manages in excess of 700,000 tonnes of Municipal Solid Waste each year. To date Shanks has also constructed three large scale Mechanical Biological Treatment facilities with a combined capacity of 425,000 tonnes each year.

3.9 **Sustainable Solutions for Norfolk (Cyril Sweett Investments Ltd / Sterecycle Ltd / Bowen Construction Ltd)**

Sustainable Solutions for Norfolk (SS4N) is a consortium led by Cyril Sweett Investments Limited as the lead applicant with Bowen Construction Limited and Sterecycle Limited.

Bowen has been identified as the Engineer, Procure and Construct contractor and Sterecycle as the Operations and Maintenance contractor.

Sterecycle has delivered an autoclaving facility in the UK and CSI was an equity partner in the Authority's Contract A based on Mechanical Biological Treatment

and Anaerobic Digestion and landfill.

3.10 **Urbaser SA**

Urbaser SA is the entity bidding for the project; Urbaser is a wholly owned subsidiary of ACS Servicios y Concesiones, S.L. Urbaser has proposed providing both the Engineer, Procure and Construct and Operations and Maintenance contracts.

Urbaser has experience in the European waste market having recently been involved in two large waste projects. Urbaser acted as sole sponsor to a Municipal Solid Waste / Biowaste incineration plant in France and as equity sponsor to a Municipal Solid Waste treatment plant in Spain.

3.11 **Waste Recycling Group Ltd**

Waste Recycling Group Limited (WRG) is the entity bidding for the project; a subsidiary of Fomento de Construcciones y Contratas, S.A.

Waste Recycling Limited has been identified as the Operations and Maintenance subcontractor. Fisia Babcock Environmental GmbH has been identified as the Engineer, Procure and Construct contractor. Waste Recycling Group and Fisia Babcock Environmental GmbH have experience of working together on previous projects.

Waste Recycling Group has experience of closing UK waste PPP and PFI projects. It has provided five examples where it has raised project and/or corporate finance: the Allington Energy From Waste plant in Kent, Central Berkshire PFI and the Wrexham PFI waste treatment and recycling facility, the Luton Council Materials Recovery Facility and the Wigan Council Materials Recovery Facility.

Waste Recycling Group has been selected to submit a final tender on several UK waste projects and was previously the Preferred Bidder for the Authority's Contract A.

Waste Recycling Group currently manages around 120 contracts for 60 local authorities, manages around 200 permitted waste management facilities including a number of Materials Recycling Facilities, 78 Household Waste Recycling Centres and 31 transfer stations. The group also manages 140,000 tonnes of green waste composting and operates two large Energy From Waste facilities at Nottingham and Kent and has the largest bank of consented landfill void space in the country.

4. **The Evaluation Process and Outcome**

4.1 The full evaluation model applied to the ten applicants' Pre-Qualification Questionnaires is detailed in Appendix A. The evaluation process was split in to three discrete areas led by specialist advisors co-ordinated and directed by the Project Team:

(a) Financial - Ernst & Young LLP.

- (b) Legal - Sharpe Pritchard.
- (c) Technical - Enviros Consulting Ltd.

The process involved contributions from the Project Team, the Project Assurance Team, and a Defra representative. Clarification was only used to resolve ambiguities and to rectify errors and not to give an applicant an opportunity to improve a poor answer.

4.2 The ranking following the evaluation is detailed below:

1. Cory Environmental Management Ltd / Wheelabrator Technologies Inc.
2. AmeyCespa (Amey UK plc / Cespa SA).
3. MVV Umwelt GmbH.
4. Resources From Waste (United Utilities plc / Laing O'Rourke plc / John Laing Investments Ltd).
5. Shanks Group plc.
6. Donarbon Ltd / Viridor Waste Management Ltd.
7. Urbaser SA.
8. Waste Recycling Group Ltd.
9. Biffa Waste Service Ltd.
10. Sustainable Solutions for Norfolk (Cyril Sweett Investments Ltd / Sterecycle Ltd / Bowen Construction Ltd).

4.3 The results are generated by application of the evaluation model detailed in Appendix A and are based purely on the nature and quality of the information provided by applicants in response to this Pre-Qualification Questionnaire returned for this Waste PFI procurement.

Due to the nature of this information and with regards to the Local Government Act 1972 (as amended 01 March 2006), Schedule 12A, Part 1, clause 3 ('Information relating to the financial or business affairs of any person (other than the Authority)') this information is exempt and is covered in the exempt report on the agenda which identifies what commercial information was considered in the evaluation. The public interest in disclosing these issues is outweighed by the public interest in non-disclosure. Disclosing sensitive business and financial information may also impact on the Authority attaining best value in future negotiations.

5. **Establishment of a Shortlist**

5.1 Cabinet on 06 April 2009 approved the adoption of a pre-qualification process that allows between four and six bidders, subject to at least four meeting the minimum requirements, to be taken forward. It is considered normal that only four participants would be invited to submit detailed solutions. It has been stated to applicants that:

- (a) The Authority intends to invite four applicants to participate in the dialogue and to submit detailed solutions.
- (b) A fifth or sixth applicant may be invited to proceed if, for example, there is a

negligible gap in the score between the fourth and fifth / sixth applicants or there is some genuine and founded doubt that one of the high scoring applicants will continue to participate.

Applicants were also informed that in circumstances where more than four were taken forward a further stage would be introduced to the competitive dialogue. This is to ensure that participants would only be asked to carry out substantially detailed work only when the participant numbers were sufficiently small to warrant it.

In the event that one or more of the participants on the shortlist drops out of the procurement process soon after the pre-qualification stage, the Authority has reserved the right to go to the next placed applicant (or applicants as appropriate) to ensure sufficient competition at the detailed solution stage is retained (provided always that such applicant(s) passed the Authority's minimum thresholds set out in the pre-qualification process).

These statements were consistent with the reassurance given to the Treasury's Project Review Group which, as a part of the PFI approval process, raised concerns about the impact on market interest where more than four participants were taken through to the dialogue phase.

- 5.2 To introduce another stage may add up to six months to the process, to allow for the development of supporting documents for a new stage and for the participants' responses to those documents. It is possible, but uncertain that some of this time, up to three months, could be recouped later in the process.
- 5.3 Both AmeyCespa and MVV Umwelt GmbH have withdrawn from waste PFI projects in the last year. AmeyCespa apparently withdrew from the South West Devon Waste Partnership PFI contract and MVV apparently withdrew from the Leeds City Council waste treatment PFI contract.

With regards to previous partnerships on other projects involving those who have involved in separate organisations for the purpose of this pre-qualification for the Waste PFI contract Shanks Group plc and Wheelabrator Technologies Inc have worked together in procurement on seven projects (including Suffolk and Staffordshire PFIs) and Viridor Waste Management Ltd and John Laing Investments Ltd reached financial close for the Greater Manchester PFI.

- 5.4 In the light of the ranking off the applicants following the evaluation the recommendation is for the following shortlist:
 - (a) Cory Environmental Management Ltd / Wheelabrator Technologies Inc.
 - (b) AmeyCespa (Amey UK plc / Cespa SA).
 - (c) MVV Umwelt GmbH.
 - (d) Resources From Waste (United Utilities plc / Laing O'Rourke plc / John Laing Investments Ltd).

Although in some cases it is possible to infer an applicants' favoured approach it will not be certain what technology / technologies or locations applicants intend

to propose until detailed solutions are returned early in 2010.

- 5.5 There is no need to invite more than four participants. It is considered normal that only four participants would be invited to submit detailed solutions. Applicants are actually expecting only four participants to be invited unless there are strong grounds to do otherwise.

Alternative approaches are considered in Section 14 of this report and the risks of different approaches are discussed in Section 12.

6. Waste PFI Timetable Including Decision Points

- 6.1 The Authority's provisional procurement timetable is set out below. Highlighted in bold are the foreseeable points at which the Project Board, Overview and Scrutiny Panel and Cabinet may be required to make recommendations or decisions.

September 2009	Applicants on the shortlist are invited to participate in dialogue and submit detailed solutions.
October 2009 – January 2010	Initial dialogue phase with participants.
January 2010	Detailed solutions returned which will augment the initial dialogue into a formal submission that provides further clarity regarding how participants' solutions meet the Authority's requirements, thereby allowing de-selection.
February 2010	De-selection of participants.
March – June 2010	Following de-selection further dialogue will be used to develop the final solutions, expected to be two, together with all project documentation prior to the call for final tenders. During this stage the Authority will test and define an approach to deal with all issues which could affect price or risk; this is likely to include substantial involvement from funders.
June 2010	Call for final tenders.
July 2010	Final tenders submitted. On the close of dialogue, final tenders will be submitted for evaluation in accordance with the defined criteria, the result of which will determine the selection of the preferred bidder.
October 2010	Preferred bidder selected.
November 2010	Submission of full business case to Defra.
February 2011	Defra/Treasury approval of full business case.
March 2011	Contract award.
31 March 2011	Financial close.

7. Bid Evaluation Criteria

- 7.1 Cabinet on 06 April 2009 approved the adoption of an evaluation model to assess bids for the Waste PFI. This was informed by the results of a large public consultation in March 2008, the findings of a series of four focus groups in May 2008 and a member and officer workshop in June 2008 that considered the

findings of these processes.

7.2 The contract will be ultimately awarded to the most economically advantageous tender. The evaluation criteria to be applied to determine the most economically advantageous tender, together with the relative weightings, are set out below.

Tier 1	Tier 2	Tier 3
Quality (50%)	Technical (25%)	Cost robustness (30%)
		Technology deliverability (55%)
		Added value and innovation (15%)
	Environmental (25%)	Treatment performance (35%)
		Treatment residues landfill diversion performance (35%)
		Analysis of carbon footprint (17.5%)
		Sustainable design and construction (12.5%)
Partnership (15%)	Timescales (55%)	
Waste Collection Authorities (15%)	Contract and service management (45%)	
Interfacing with the Waste Collection Authorities (100%)		
Planning (15%)	Planning (100%)	
Property (5%)	Property (100%)	
Affordability and Cost (40%)	Economic Cost (100%)	Economic cost of the bid (50-80%)
		Affordability of the cost of the service provision in the first five (to ten) years of the contract (20-50%)
Commercial (10%)	Financial Robustness (30%)	Financial robustness (100%)
	Deliverability of Funding (30%)	Deliverability of funding (100%)
	Legal & Contractual (20%)	Acceptability of contract documentation and risk profile therein. To include bidders mark up of payment mechanism (80%)
		Acceptability of ancillary documentation such as the forms of construction subcontract, Operations & Maintenance contract and off take arrangements (20%)
	Economic Standing (10%)	Acceptability of security suite such as collateral warranties and direct agreements to the Authority. Consideration of bank security requirements relating to special purpose vehicle/consortium structure, and the robustness and roles of special purpose vehicle/consortium (100%)
Overall Integrity (10%)	Overall integrity (100%)	

The Authority will publish the detailed evaluation methodology in a Descriptive Document to be provided with the Invitation to Participate in Dialogue. This will also set out the guidance for how the Tier 3 criteria will be evaluated.

Participants shall be evaluated at various stages of the procurement against the evaluation criteria. The evaluation criteria shall form the basis of de-

selection of participants throughout the procurement through to preferred bidder selection following the receipt of final tenders. Evaluation is currently anticipated to be following the submission of detailed solutions and final tenders by participants, although the Authority has reserved the right to deviate from this depending on the quality of submissions.

8. **Contract Targets**

8.1 The contract is to secure long term services capable of treating around 170,000 tonnes each year during a 25 year contract and to manage waste delivered by the Authority such that:

- (a) The amount of biodegradable municipal waste sent to landfill is significantly less than the Authority's landfill allowances.
- (b) Minimal waste is sent to landfill without prior treatment and recovery.
- (c) Opportunities to recycle or recover materials, energy and/or process residues are maximised.

8.2 To ensure this three main contract targets are established and participants will have to provide their proposals as to how they can meet or exceed these requirements:

- (a) Treatment and Recovery Target, 92% as a minimum. The definition of treatment incorporates recovery, i.e. recycling, composting and energy recovery all contribute to recovery.
- (b) Treatment Residues Diversion Target, 82% as a minimum.
- (c) Greenhouse Gas Reduction Target. The participants have to demonstrate how they will achieve a reduction in the average annual emissions of greenhouse gases (calculated as CO₂ equivalents per tonne of waste) on a rolling five year basis from the sixth year of a contract onwards.

The intention is to procure a total solution whereby the solution being offered by participants has little or no dependency on third parties for the delivery of the contract targets (or security of contracts with third parties can be guaranteed for the contract duration), i.e. to deliver the recovery and the diversion of waste from landfill.

9. **Resource Implications**

9.1 **Finance:** Cabinet on 02 March 2009 was notified of an urgent decision made on 02 February 2009 to proceed with the PFI procurement on the basis of an affordability gap that ranged from £271m to £414m.

This range was established by the cost of the theoretical reference project and the combined impact on its costs for a range of sensitivities, e.g. a 10% increase in capital costs, a 10% reduction in third party income or a years delay to the planning process.

The potential benefit of £91m PFI credits allocated to the Waste PFI by Defra is equivalent to a £169m cash grant over the life of the contract. This would be

provided from the first year of service delivery and the precise amount would be subject to approval of a full business case by the Treasury, expected to be in early 2011.

9.2 **Staff:** None.

9.3 **Property:** A site at the Willows Business Park on the Saddlebow Industrial Estate south of King's Lynn has been secured for the residual waste treatment project.

9.4 **IT:** An extranet website is being used for the Waste PFI procurement. The extranet provides a remotely hosted online document storage and communication system which, through the provision of unique user names and passwords, all parties can share in a single document and communication system.

10. **Other Implications**

10.1 **Legal Implications:** None.

10.2 **Human Rights:** None.

10.3 **Equality Impact Assessment (EqIA):** A full programme of equality impact assessments has been carried out covering all Planning and Transportation activities. However, this report is not directly relevant to equality in that it is not making proposals which may have a direct impact on equality of access or outcome.

10.4 **Communications:** Due to the large scale of the procurement it is likely that the nature of the recommendation and any subsequent decision will attract a high degree of interest.

11. **Section 17 – Crime and Disorder Act**

11.1 There are no issues arising from this report.

12. **Risk Implications/Assessment**

12.1 If participants on the shortlist withdraw this would lead to a reduction in the degree of competition which may impact on the ability to secure optimum value for money solutions.

If there is some genuine and founded doubt that one of the high scoring participants will continue to participate a fifth or sixth participant may be invited to proceed.

In the event that one or more of the participants on the shortlist drops out of the procurement process soon after the pre-qualification stage, the Authority has reserved the right to go to the next placed applicant (or applicants as appropriate) to ensure sufficient competition at the detailed solution stage is retained (provided always that such applicant(s) passed the Authority's

minimum thresholds set out in the pre-qualification process).

- 12.2 If the shortlist approval process or subsequent procurement process is protracted applicants or participants may withdraw which would reduce competition.

Any delays in the procurement also have a knock on effect by delaying the service benefits being procured. Where these delays are significant this would leave the Authority with a reliance on other strategies to comply with its landfill allowances and possibly leave the Authority exposed to further increased costs of landfill and landfill tax.

Significant delays to the procurement process could lead to the loss of the £91m PFI credits provisionally awarded to the Authority, equivalent to approximately £169m over the period of the contract.

- 12.3 Risks associated with progressing with more or fewer applicants are discussed in Section 14.

13. **Waste Project Board Comments**

- 13.1 On 26 August 2009 the Waste Project Board met to consider making a recommendation about the shortlist for the Waste PFI. The Project Board agreed to recommend to Cabinet that the following applicants are placed on shortlist and invited to participate in dialogue:

1. Cory Environmental Management Ltd / Wheelabrator Technologies Inc.
2. AmeyCespa (Amey UK plc / Cespa SA).
3. MVV Umwelt GmbH.
4. Resources from Waste (United Utilities plc / Laing O'Rourke plc / John Laing Investments Ltd).

Any recommendation of this meeting of the Planning and Transportation Environment and Waste Overview and Scrutiny Panel will be reported verbally to a meeting of Cabinet on 14 September 2009.

14. **Alternative Options**

- 14.1 To not approve any shortlist would not be justified. The Authority has been fortunate to benefit from applications from very strong organisations and the evaluation process has established a clear hierarchy. There are no grounds to not approve a shortlist and it would be equivalent to abandoning the procurement which would lead to the loss of the PFI credits and require an alternative long term strategy to be established.
- 14.2 There are no grounds to delay approving the recommended shortlist. However to do so would have negative impact on the Authority's Landfill Allowances, i.e. it would delay service benefit, it would increase the risk of losing the PFI credits, and it could lead to applicants losing interest in the Waste PFI contract

and have a negative impact on the credibility of the Authority's procurement processes.

- 14.3 There is no need to invite more than four participants. It is considered normal that only four participants would be invited to submit detailed solutions. Applicants are actually expecting only four participants to be invited unless there are strong grounds to do otherwise.

To invite more than four participants would require the introduction of an additional stage to the procurement, thereby extending the amount of time involved in the procurement. This may add up to six months to the process, to allow for the development of supporting documents for a new stage and for the participants' responses to those documents. It is possible, but uncertain, that some of this time, up to three months, could be recouped later in the process.

At this stage the award of PFI credits by the Treasury is not guaranteed and there is intensive competition for the available credits. There is a small risk that any significant delay to the procurement could lead to a reduction in the PFI credits available to support the project, i.e. they could be awarded to other projects that finish earlier. The Treasury's Project Review Group did raise concerns about the impact on market interest of taking more than four participants through dialogue.

Taking more than four participants through dialogue would put a strain on available resources and increase the costs of advisors and possibly lead to the withdrawal of participants.

- 14.4 There are no grounds to invite fewer than four participants. To invite fewer participants would lead to restricted competition and would increase the impact of any participant withdrawing later in the process. It is also contrary to the shared intent of the process to proceed with four participants and could invite a challenge.

15. **Conclusion**

- 15.1 The officer recommendation, and recommendation of the Waste Project Board, is that the following applicants should be placed on a shortlist and invited to participate in dialogue:

1. Cory Environmental Management Ltd / Wheelabrator Technologies Inc.
2. AmeyCespa (Amey UK plc / Cespa SA).
3. MVV Umwelt GmbH.
4. Resources from Waste (United Utilities plc / Laing O'Rourke plc / John Laing Investments Ltd.

There is no need to invite more than four participants. It is considered normal that only four participants would be invited to submit detailed solutions. It was stated to applicants that provided there are sufficient suitable applicants that the Authority intended to invite the four highest ranking applicants to participate in the dialogue and to submit detailed solutions.

Action Required

- (i) To recommend to Cabinet that the following applicants are placed on shortlist for the Waste PFI and invited to participate in dialogue:
1. Cory Environmental Management Ltd / Wheelabrator Technologies Inc.
 2. AmeyCespa (Amey UK plc / Cespa SA).
 3. MVV Umwelt GmbH.
 4. Resources from Waste (United Utilities plc / Laing O'Rourke plc / John Laing Investments Ltd).

Background Papers

1. Cabinet 06 April 2009, 'Phase Two of the Residual Waste Treatment Project – Bid Evaluation Methodology'.
2. Cabinet 02 March 2009, 'Notification of an Urgent Decision: Phase Two of the Residual Waste Treatment Project – Revised Affordability Assessment'.
3. Cabinet 01 December 2009, 'Phase Two of the Residual Waste Treatment Project – Reference Project and Affordability Assessment'.

Officer Contact

If you have any questions about matters contained in this paper please get in touch with:

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If you need this report in large print, audio, Braille, alternative format or in a different language please contact Joel Hull on 0344 800 8020 or 0344 800 8011 and we will do our best to help.

Appendix A - Pre-Qualification Evaluation Model

The Pre-Qualification Questionnaire assessment is a four stage assessment process:

Stage 1: Compliance – legal eligibility and information requirements.

Stage 2: Assessment against the minimum thresholds for technical and professional ability and financial standing.

Stage 3: Scoring against the criteria for technical and professional ability and financial standing.

Stage 4: Selection to participate in dialogue.

A1 **Stage 1 - Compliance**

A1.1 A compliance check was carried out on all submissions based on the Compliance Criteria set out in Table A1.1. The Compliance Criteria were not scored but marked pass or fail. Applicants had to pass each of the Compliance Criteria in order to progress to Stage 2 of the assessment and could be rejected if they failed to do so.

Table A1.1 Compliance Criteria

Compliance Criteria	Assessment Basis
Legal Eligibility	Pass/Fail
Information and Submission Requirements	Pass/Fail

A1.2 Legal Eligibility

In the first instance an assessment of the responses was carried out to eliminate any applicants that may be disqualified in accordance with Regulation 23 of the Public Contracts Regulations 2006.

Applicants were also assessed based on the responses to the full Pre-Qualification Questionnaire to determine that there were no legal impediments to their continued participation in the process (such as where to do so would be outside their powers or contrary to law).

A1.3 Information Requirements

Following confirmation that the applicant is eligible to participate in the procurement process, it was checked that the applicant had complied with the information and submission requirements and signed the declarations and documents set out in the Pre-Qualification Questionnaire.

A2 **Stage 2 - Assessment Against Assessment Criteria**

A2.1 Applicants passing Stage 1 were assessed to determine whether they passed the minimum standards of technical and professional ability and financial standing as described in this section.

A2.2 The Authority (acting fairly and in a non-discriminatory manner) reserved the right to put an applicant through to the next stage of the procurement process based on any mitigating circumstances which were considered by the Authority to be relevant to the assessment of the minimum thresholds. Conversely, where there were any aggravating circumstances considered to be relevant the Authority could use these as grounds to reject an applicant.

A2.3 Assessment of Technical and Professional Ability

Appendix A - Pre-Qualification Evaluation Model

The Authority is seeking demonstration that the applicant has the technical and professional ability (demonstrated by showing it has the necessary skills and experience) to deliver the project, as evidenced against the assessment criteria set out in Table A2.3 below.

Table A2.3 Technical and Professional Ability Assessment Criteria and Weighting

Technical and Professional Ability Assessment Criteria	Weighting
Technical Experience	50
Project Experience	15
Staff Experience	15
Corporate Responsibility	10
Management Systems	10
Total	100

The assessment of technical and professional ability was conducted as detailed below. For each assessment the team considered in the round all the proposed relevant organisations as a whole to inform the relevant score for each assessment criteria.

A2.3.1 Technical Experience

Assessment was through the consideration of the applicants' responses against the technical and professional ability assessment scoring system for the question as set out in Table A2.3.1 below. This was used to generate a score out of 50 for the technical experience assessment criteria as set out in Table A2.3 above.

Table A2.3.1 Technical Experience Scoring System

Score	Term	Explanation
0	Unacceptable	The information pertaining to technical experience is omitted.
1-2	Poor	The information submitted pertaining to technical experience does not demonstrate technical and professional ability with respect to relevant experience of waste treatment solution delivery in terms of partnering, consents, construction and service provision.
3-4	Fair	The information submitted pertaining to technical experience demonstrates only limited technical and professional ability with respect to relevant experience of waste treatment solution delivery in terms of partnering, consents, construction and service provision.
5-6	Satisfactory	The information submitted pertaining to technical experience demonstrates technical and professional ability with limited evidence with respect to relevant experience of waste treatment solution delivery in terms of partnering, consents, construction and service provision.

Appendix A - Pre-Qualification Evaluation Model

Score	Term	Explanation
7-8	Good	The information submitted pertaining to technical experience demonstrates evidence of technical experience and professional ability with respect to relevant experience of waste treatment solution delivery in terms of partnering, consents, construction and service provision.
9-10	Very Good	The information submitted pertaining to technical experience demonstrates strong evidence of technical experience and professional ability with respect to relevant experience of waste treatment solution delivery in terms of partnering, consents, construction and service provision.

A2.3.2 Project Experience

Assessment was through the consideration of the applicants' responses in the Pre-Qualification Questionnaire against the technical and professional ability assessment scoring system for the relevant questions set out in Table A2.3.2 below. This was used to generate a score out of 15 for the project experience assessment criteria as set out in Table A2.3 above.

Table A2.3.2 Project Experience Scoring System

Score	Term	Explanation
0	Unacceptable	The information pertaining to project experience is either omitted or in terms of damages and/or deductions (question D3) is fundamentally unacceptable to the Authority.
1-2	Poor	The information submitted pertaining to project experience does not demonstrate technical and professional ability with respect to relevant experience of waste treatment solution delivery in terms of partnering, consents, construction and service provision.
3-4	Fair	The information submitted pertaining to project experience demonstrates only limited technical and professional ability with respect to relevant experience of waste treatment solution delivery in terms of partnering, consents, construction and service provision.
5-6	Satisfactory	The information submitted pertaining to project experience demonstrates technical and professional ability with limited evidence with respect to relevant experience of waste treatment solution delivery in terms of partnering, consents, construction and service provision.
7-8	Good	The information submitted pertaining to project experience demonstrates evidence of technical experience and professional ability with respect to relevant experience of waste treatment solution delivery in terms of partnering, consents, construction

Appendix A - Pre-Qualification Evaluation Model

Score	Term	Explanation
		and service provision.
9-10	Very Good	The information submitted pertaining to project experience demonstrates strong evidence of technical experience and professional ability with respect relevant experience of waste treatment solution delivery in terms of partnering, consents, construction and service provision.

A2.3.3 Staff Experience

Assessment was through the consideration of the applicants' responses in the Pre-Qualification Questionnaire against the technical and professional ability assessment scoring system for the relevant questions set out in Table A2.3.3 below. This was used to generate a score out of 15 for the staff experience assessment criteria as set out in Table A2.3 above.

Table A2.3.3 Staff Experience Scoring System

Score	Term	Explanation
0	Unacceptable	The information pertaining to staff experience is omitted.
1-2	Poor	The information submitted pertaining to staff experience does not demonstrate technical and professional ability with respect to relevant experience of waste treatment solution delivery in terms of partnering, consents, construction and service provision, and suitability and availability of key team members to achieve financial close on a relevant complex project.
3-4	Fair	The information submitted pertaining to staff experience demonstrates only limited technical and professional ability with respect to relevant experience of waste treatment solution delivery in terms of partnering, consents, construction and service provision, and suitability and availability of key team members to achieve financial close on a relevant complex project.
5-6	Satisfactory	The information submitted pertaining to staff experience demonstrates technical and professional ability with limited evidence with respect to relevant experience of waste treatment solution delivery in terms of partnering, consents, construction and service provision, and suitability and availability of key team members to achieve financial close on a relevant complex project.
7-8	Good	The information submitted pertaining to staff experience demonstrates evidence of technical experience and professional ability with respect to relevant experience of waste treatment solution delivery in terms of partnering, consents, construction and service provision, and suitability and availability

Appendix A - Pre-Qualification Evaluation Model

Score	Term	Explanation
		of key team members to achieve financial close on a relevant complex project.
9-10	Very Good	The information submitted pertaining to staff experience demonstrates strong evidence of technical experience and professional ability with respect relevant experience of waste treatment solution delivery in terms of partnering, consents, construction and service provision, and suitability and availability of key team members to achieve financial close on a relevant complex project.

A2.3.4 Corporate Responsibility

Assessment was through the consideration of the applicants' responses against the technical and professional ability assessment scoring system for the relevant questions set out in Table A2.3.4 below. This was used to generate a score out of 10 for the corporate responsibility assessment criteria as set out in Table A2.3 above.

Table A2.3.4 Corporate Responsibility Scoring System

Score	Term	Explanation
0	Unacceptable	The information pertaining to corporate responsibility is either omitted or engenders policy and/or practice that is fundamentally unacceptable to the Authority.
1-2	Poor	The information submitted pertaining to corporate responsibility does not demonstrate technical and professional ability with respect to relevant policy and/or practice.
3-4	Fair	The information submitted pertaining to corporate responsibility demonstrates only limited technical and professional ability with respect to relevant policy and/or practice.
5-6	Satisfactory	The information submitted pertaining to corporate responsibility demonstrates technical and professional ability with limited evidence with respect to relevant policy and/or practice.
7-8	Good	The information submitted pertaining to corporate responsibility demonstrates evidence of technical experience and professional ability with respect to relevant policy and/or practice.
9-10	Very Good	The information submitted pertaining to corporate responsibility demonstrates strong evidence of technical experience and professional ability with respect to relevant policy and/or practice.

A2.3.5 Management Systems

Assessment was through the consideration of the applicants' responses against the technical and professional ability assessment scoring system for the relevant questions set out in Table A2.3.5 below. This was used to generate a score out of

Appendix A - Pre-Qualification Evaluation Model

10 for the management systems assessment criteria as set out in Table A2.3 above.

Table A2.3.5 Management Systems Scoring System

Score	Term	Explanation
0	Unacceptable	The information pertaining to management systems is either omitted or engenders policy and/or practice that is fundamentally unacceptable to the Authority.
1-2	Poor	The information submitted pertaining to management systems does not demonstrate technical and professional ability with respect to relevant policy and/or practice.
3-4	Fair	The information submitted pertaining to management systems demonstrates only limited technical and professional ability with respect to relevant policy and/or practice.
5-6	Satisfactory	The information submitted pertaining to management systems demonstrates technical and professional ability with limited evidence with respect to relevant policy and/or practice.
7-8	Good	The information submitted pertaining to management systems demonstrates evidence of technical experience and professional ability with respect to relevant policy and/or practice.
9-10	Very Good	The information submitted pertaining to management systems demonstrates strong evidence of technical experience and professional ability with respect to relevant policy and/or practice.

A2.3.6 Technical and Professional Ability Total Score and Minimum Threshold

The score for each individual assessment criteria as calculated was added together and resulted in the technical and professional ability total score expressed as a percentage. The minimum threshold for the technical and professional ability total score was set at 50 out of the 100 points available in total for this section. This minimum score of 50 out of 100 was required in order to pass this Stage Two of the assessment. In addition, if an applicant scored a zero in response to any individual question within this section, it was stated that this may result in the Authority rejecting the applicant.

A2.4 Assessment of Economic and Financial Standing

To ensure that the contract will not excessively dominate the existing business of any applicant a minimum threshold for economic and financial standing was used that comprises two minimum thresholds that applicants were tested against:

- (a) Annual turnover.
- (b) Net assets.

A2.4.1 Where a consortia approach was followed, these thresholds were to be calculated on a weighted basis determined by the level of equity investments which the consortia members are making into the Special Purpose Vehicle (or equivalent arrangements).

Appendix A - Pre-Qualification Evaluation Model

A2.4.2 The annual turnover threshold is £40 million and the net asset threshold is £45 million. Any less than either of these amounts indicates that the Applicant may have insufficient economic and financial standing to deliver the project. The Authority may exclude an applicant without further evaluation if it does not meet these two minimum thresholds. However, if the applicant was supported by its parent company or other guarantor capable of passing the annual turnover and net assets minimum thresholds and was able to provide appropriate guarantees this may be deemed sufficient by the Authority. If an applicant relies on its parent company at this stage but fails to provide suitable guarantees or equivalent support later in the process, that applicant may be eliminated from the process.

A2.4.4 Exchange Rates and Translation of Financial Statements

When submitting financial statements disclosed in foreign currencies, the applicants were required to translate the accounts into English. The balance sheet were required to be translated into pound sterling at the prevailing opening exchange rate on 01 June 2009 and the profit and loss statement were to be translated into pound sterling at the average annual exchange rate for the financial statement year presented.

A3. Stage 3 - Assessment Against Selection Criteria

A3.1 Applicants passing the minimum thresholds were subjected to further assessment against the selection criteria as set out within this section. The results of the technical and professional ability and economic and financial standing assessments give each applicant a score out of 100 points respectively is added together to generate a grand total score out of 200 which is converted to a percentage score. Table A3.1 below sets out the selection criteria and associated weighting.

Table A3.1 Selection Criteria and Weighting

Technical and Professional Ability	Weighting
Technical Experience	50
Project Experience	15
Staff Experience	15
Corporate Responsibility	10
Management Systems	10
Technical and Professional Ability Sub-Total	/100

Economic and Financial Standing	Weighting
Financial solvency and strength	50
Extent of guarantees available and robustness of contracting structure between members of the consortium (or strategy for procuring subcontractors as applicable)	30
Deliverability of funding package	20
Economic and Financial Standing Sub-Total	/100

Grand Total	/200
Total Score	%

A3.2 Technical and Professional Ability

A3.2.1 The technical and professional ability selection criteria and associated weightings as set out in Table A3.1 above are the same as the technical and professional ability assessment criteria as set in Table A2.3. As such, the methodology of

Appendix A - Pre-Qualification Evaluation Model

assessment is the same as the methodology set out in the paragraphs in Section A2.

A3.3 Economic and Financial Standing

Set out below is the framework used to derive a score for economic and financial standing for each applicant at Stage 3. The analysis was dependent on reviewing the size, profitability and stability of each applicant, and its ability to deliver the project.

Table A3.3 Economic and Financial Standing Weighting

Economic and Financial Standing		Weighting for Relevant Criterion
Financial solvency and strength – assessed through:	• Profitability	6
	• Gearing	13
	• Liquidity	6
	• Turnover and net asset analysis	25
Extent of guarantees available and robustness of contracting structure between members of the consortium (or strategy for procuring subcontractors as applicable). Assessed in order to establish whether resources necessary to perform the contract will be available		30
Deliverability of funding package		20
Total		100

A3.3.1 Economic and Financial Standing Assessment Framework

The assessment of economic and financial standing was conducted as detailed below. A maximum weighted score of 50 was awarded to each applicant for Financial Solvency and Strength based on the weighting system given in Table A3.3. The constituent elements of this score are explained in further detail below. The financial attributes of each applicant was assessed using the financial information supplied in response to the Pre-Qualification Questionnaire. The assessment was based on the last three years' statutory accounts. The assessors examined absolute values and trends in each of the measures detailed below

A3.3.2 Profitability

The profitability of each applicant was assessed by evaluating turnover against:

- (a) Gross profit, to give a gross profit margin.
- (b) Profit on ordinary activities before tax, to give a net profit margin.

The applicant's profitability trend was reviewed with due account taken of the nature of the applicant and its performance comparative to its industry. The scoring framework is shown in the table below:

Table A3.3.2 Profitability Scoring

Gross Profit Margin		Net Profit Margin	
Margin (%)	Score	Margin (%)	Score
<4%	0	<2%	0

Appendix A - Pre-Qualification Evaluation Model

Gross Profit Margin	
4-7.99%	1
8-11.99%	2
12-15.99%	3
16-19.99%	4
20-23.99%	5
24-27.99%	6
28-31.99%	7
32-35.99%	8
36-39.99%	9
>40%	10

Net Profit Margin	
2-3.99%	1
4-5.99%	2
6-7.99%	3
8-9.99%	4
10-11.99%	5
12-13.99%	6
14-15.99%	7
16-17.99%	8
18-19.99%	9
>20%	10

For each of the three years being reviewed, the gross profit margin was calculated and a weighted average taken; the most recent year counting for 60%, the second most recent year counting for 30% and the third most recent year counting for 10% of the average, to derive the score for that measure. A weighted average net profit margin was also calculated (using the 60:30:10 split) to derive the net profit margin score.

The scores for the gross and net profit margin were then summed to give the total score for profitability (maximum 20, minimum zero). The score was then recalibrated to yield a sum out of 6, to be used in the total score out of 100 for the economic and financial standing of the applicant (as illustrated in Table A3.3).

A3.3.3 Gearing

Gearing is defined as the ratio of debt to equity and the higher the ratio of debt to equity the more highly geared a company is said to be. Assessing the financial gearing of each applicant assisted the assessor in reviewing the financial risk of each organisation. The following gearing ratios were assessed using information provided in statutory accounts:

- (a) Interest cover (operating profit / interest payable and similar charges).
- (b) Financial gearing (debt / debt plus equity).

Interest cover represents the number of times historical interest expense is covered by operating profits and is an important indicator of an applicant's historical financial risk. The financial gearing of an applicant is an indication of the debt burden borne by that applicant. The lower the gearing, the less constrained by debt the applicant is. The scoring framework is shown in the table below:

Table A3.3.3 Gearing Scoring

Interest Cover	
Ratio	Score
<0	0
0-0-0.49	1
0.5-0.99	2
1-1.49	3
1.5-1.99	4
2-2.49	5

Financial Gearing	
%	Score
100%	0
90-99.99%	1
80-89.99%	2
70-79.99%	3
60-69.99%	4
50-59.99%	5

Appendix A - Pre-Qualification Evaluation Model

Interest Cover	
2.5-2.99	6
3-3.49	7
3.5-3.99	8
4-4.49	9
= or >4.5	10

Financial Gearing	
40-49.99%	6
30-39.99%	7
20-29.99%	8
10-19.99%	9
0-9.99%	10

For each of the three years being reviewed, the interest cover ratio was calculated and a weighted average taken; the most recent year counting for 60%, the second most recent year counting for 30% and the third most recent year counting for 10% of the average, to derive the score for that measure. A weighted average gearing percentage was also calculated (using the 60:30:10 split) to derive the financial gearing score.

The scores for interest cover and financial gearing were then summed to give the total score for gearing (maximum 20, minimum zero), which was then recalibrated to yield a sum out of 13. This score was then included within the total score out of 100 for the economic and financial standing of the applicant (as illustrated in Table A3.3).

A3.3.4 Liquidity

Defined as a ratio that shows what proportion of an entity's assets can be readily turned into cash in the short term, each applicant's liquidity was assessed by reviewing the following ratios:

- (a) Current Ratio (current assets / current liabilities).
- (b) Quick ratio (current assets less stock / current liabilities).

The ratios above, when calculated, are simple indications of the current trading position of the organisation. Year on year comparisons also provide an indication of the trend in the liquidity position of an organisation over the period. However, care was taken with regards to short term fluctuations in the ratio as a result of short-term trading conditions prevailing at the date of the financial statements. It should be noted that the more historical ratios are of less relevance than the more recent ratios.

However, care was taken with regards to short term fluctuations in the ratios as a result of trading conditions as at the date of the financial statements. The following table outlines the scoring framework.

Table A3.3.4 Liquidity Scoring

Current Ratio	
Ratio	Score
0-0.19	0
0.2-0.39	1
0.4-0.59	2
0.6-0.79	3
0.8-0.99	4
1.0-1.19	5

Quick ratio	
Ratio	Score
0-0.09	0
0.1-0.19	1
0.2-0.29	2
0.3-0.39	3
0.4-0.49	4
0.5-0.59	5

Appendix A - Pre-Qualification Evaluation Model

Current Ratio	
Ratio	Score
1.2-1.39	6
1.4-1.59	7
1.6-1.79	8
1.8-1.99	9
= or >2.0	10

Quick ratio	
Ratio	Score
0.6-0.69	6
0.7-0.79	7
0.8-0.89	8
0.9-0.99	9
= or >1.0	10

For each of the three years being reviewed, the current ratio was calculated and a weighted average taken; the most recent year counting for 60%, the second most recent year counting for 30% and the third most recent year counting for 10% of the average, to derive the score for that measure. A weighted average quick ratio was also calculated (using the 60:30:10 split) to derive the quick ratio score.

The total score for liquidity (maximum 20, minimum zero) was then recalibrated to yield a sum out of 6, to be used in the total score out of 100 for the economic and financial standing of the applicant (as illustrated in Table A3.3).

A3.3.5 Turnover and Net Asset Analysis

In assessing the ability of each applicant to deliver the project the assessors reviewed:

- (a) The turnover of the applicant against the average annual nominal unitary charge used in the Outline Business Case reference case throughout the operational period of the contract.
- (b) The net asset position of the applicant in relation to the size of the project in nominal capital expenditure terms at the front end of the project.

The assessment of the applicant's experience in projects of a similar size and complexity gives some indication as to its prospects of success with this project. The tender process should seek to ensure that the applicant selected will not be dependent on this project for its future viability. This project should be manageable for the applicant in order to make it deliverable.

For each measure in the tables below, the estimated average annual nominal unitary charge and third party income from the Authority's business case was expressed as a percentage of the applicant's turnover (as defined per company accounts) for each of the previous three years. As with the previous measures, a weighted average was taken; with the most recent year counting for 60%, the next most recent counting for 30% and the third most recent counting for 10% of the average, and the corresponding score for that percentage derived from the tables below.

Table A3.3.5 Turnover and Net Asset Analysis

Turnover	
Income from the Authority's project as a percentage of historical	Score

Net Assets	
Net assets as a proportion of capital expenditure required for the Authority's project	Score

Appendix A - Pre-Qualification Evaluation Model

results			
75-100% +	0	0-9.99%	0
60-74.99%	1	10-19.99%	1
50-59.99%	2	20-29.99%	2
40-49.99%	3	30-39.99%	3
30-39.99%	4	40-59.99%	4
25-29.99%	5	60-89.99%	5
20-24.99%	6	90-129.99%	6
15-19.99%	7	130-179.99%	7
10-14.99%	8	180-239.99%	8
5-9.99%	9	240-309.99%	9
0-4.99%	10	= or >310%	10

To derive an overall score for each applicant, the turnover score counts one part and the net asset score counts as one part. The scores were then be summed to give the score for turnover and net assets (maximum 20, minimum zero) which was then recalibrated to yield a sum out of 25. This score was then included within the total score out of 100 for the economic and financial standing of the applicant (as illustrated in Table A3.3).

A3.3.6 Extent of Guarantees Available and Robustness of Contracting Structure

In some situations the parent company, ultimate holding company or group information may appropriately supplement the information for an Applicant. Such a scenario may arise where the ultimate holding applicant is the equity provider, or the parent company is providing guarantees, or the applicant has been newly incorporated for Public Private Partnership purposes. The Pre-Qualification Questionnaire asked the applicant to confirm whether the financial assessment was to be carried out on such entity's accounts.

The assessor decided, on an individual basis, on the inclusion or exclusion of a parent, guarantor or equity provider from the analysis. Where relevant the decision as to be documented and reasons for the decision justified.

A3.3.7 Historical Information

In some circumstances, historical information about the performance of an organisation may not present the assessor with a representative view of the likely future performance of an organisation. This may be the case with newer organisations, or companies that have experienced recent major expansion, or organisations that have experienced recent changes in management, focus or direction. In these circumstances particular attention would be paid to the comments included in the chairman's and directors' reports and any press releases and market information that had been obtained by the assessor. The methodology is detailed below.

A3.3.8 Financial Capabilities

The extent of guarantees and robustness of contracting structure is established through assessing:

Appendix A - Pre-Qualification Evaluation Model

- (a) Evidence from proposed equity and or external funder confirming support and demonstrating understanding and acceptance of Standardisation of PFI Contracts, version 4 (SOPC4) risk transfer.
- (b) Evidence of performance guarantees from sponsors where funders unwilling to take performance risk.
- (c) Robustness of contracting structure, including role of consortium members and shareholdings and role and terms of subcontracting arrangements.

An overall score was awarded taking account of the above criteria using the scoring mechanism set out below. The maximum score available is 10, which was then be recalibrated to yield a sum out of 30 which is the weighting for this financial capabilities criterion. This score was then included within the total score out of 100 for the economic and financial standing of the applicant (as illustrated in Table A3.3):

Table A3.3.8 Extent of Guarantees Available and Robustness of Contracting Structure Scoring System

Score	
0 – 2	Problems or risks identified with the contracting structure of the Applicant so that they are considered unlikely to be capable of resourcing, funding or implementing the project
3 - 4	Problems or risks identified with the contracting structure of the Applicant; considered to have the possibility of significantly impacting on the ability of the Applicant to resource, fund or implement the project
5 - 6	Few problems or risks identified with the contracting structure of the Applicant; considered unlikely to impact on the ability of the Applicant to implement the project
7 – 8	Minor problems or risks only identified with the contracting structure of the Applicant; considered highly unlikely to impact on the ability of the Applicant to implement the project
9 - 10	No problems or risk identified with the contracting structure of the Applicant

A3.3.9 Deliverability of Funding Package

The applicant's ability to raise finance is evaluated by reference to the applicant's previous history of successfully raising finance for a Public Private Partnership / Private Finance Initiative infrastructure project and the suitability and completeness of the strategies previously adopted in order to secure such finance. This assessment is retrospective and was carried out by considering the approach each applicant has used in the past to fund waste management infrastructure projects. Details of raising finance may include, but is not limited to experience of: project finance, corporate funding, capital injection and prudential borrowing.

Guidance on the range of scoring applied by the assessment team is given below. The maximum score available is 10 which was recalibrated to yield a sum out of 20 which is the weighting for this funding package criterion. This score was then included within the total score out of 100 for the economic and financial standing of the applicant (as illustrated in Table A3.3).

Appendix A - Pre-Qualification Evaluation Model

In assessing the suitability and completeness of the applicant's previous history of raising finance in a project finance or prudential borrowing scenario, assessors were to make reference to the following information, or make note of its absence:

- (a) Details of the levels of finance required to be raised.
- (b) How such financing was raised, including, but not limited to, the following:
 - (i) Details on the proposed financing including:
 - The type of project for which such finance was raised.
 - The form of finance raised (e.g. debt, equity, bond, corporate finance).
 - The amount raised and when it was raised.
 - The role played by the Applicant in that project.
 - Timescale for the successful issue of such finance.
 - (ii) Details of any equity provision and, if so, in what magnitude.
- (c) Details of the means used by the applicant to raise project finance for prior projects, including, but not limited to, the following:
 - (i) The method used to approach financiers.
 - (ii) The method used to obtain the best value funding terms (e.g. running a funding competition).
 - (iii) The funding strategies developed to help mitigate the risk of the applicant's proposed funder(s) not providing fixed financing terms.
 - (iv) Contingency plans put in place where the preferred financiers were unable to offer suitable funding terms.
 - (v) The applicant's approach to refinancing in order to offer value for money for the public sector client.

When assessing the completeness of the applicant's funding strategy, the assessors considered the level of details included within the strategy, using the criteria described above as a reference. Assessors, in particular, considered whether the strategy provided details across a broad range of issues or focuses on a limited number of areas. An overall score was to be awarded taking account of the above criteria using the scoring mechanism set out below.

Table A3.3.9 Deliverability of Funding Package Scoring System

Appendix A - Pre-Qualification Evaluation Model

Range of Score	Description	Commentary
0	No demonstration of a funding strategy	Applicant provides no information on its history of raising finance
1-2	Inadequate demonstration of a funding strategy	Applicant provides inadequate information on its history of raising finance. For example, no explanation on the levels of finance it has previously raised and the means by which it did so.
3-4	Limited demonstration of an adequate funding strategy	Applicant provides limited information on its previous funding proposals including some of the details described above. Issues are identified and considered to place the overall deliverability of funding at significant risk.
5-6	Acceptable demonstration of an adequate funding strategy	Applicant provides acceptable evidence of its previous experience of raising finance in a Project Finance scenario. Issues are identified and considered to place the overall deliverability of funding at significant risk. However, these are considered unlikely.
7-8	Good demonstration of a suitable funding strategy	Applicant provides detailed evidence of its previous experience of raising finance in a Project Finance scenario. Issues are identified but not considered to impact on the deliverability of funding overall.
9-10	Excellent demonstration of a suitable funding strategy	Applicant provides comprehensive evidence of its previous experience of raising finance in a Project Finance scenario and demonstrates its ability to limit the risks associated with finance raising (e.g. affordability and robustness of funders and funding terms). No significant issues identified in relation to the deliverability of funding.

A3.3.10 Economic and Financial Standing

The economic and financial standing of each applicant was assessed through consideration of the responses within the Pre-Qualification Questionnaire submitted, along with analysis of the applicant's annual reports and accounts submitted for the three most recent years and any interim accounts and press releases submitted. Searches of news information sources and credit ratings were also undertaken to verify the information provided and highlight any issues that were not brought to the attention of the Authority by the applicant's responses to the Pre-Qualification Questionnaire and the documents submitted with the Pre-Qualification Questionnaire. Where such information raises material concerns, the Authority reserved the right to request further information from the applicant or parent company / group. Where this information was not forthcoming, the Authority reserved the right to moderate the scoring.

Appendix A - Pre-Qualification Evaluation Model

Where the balance sheet of the most recent set of accounts submitted was more than 10 months out of date, the Chairman's half yearly statement and statement by the Director responsible for financial matters would be considered alongside the results of the financial solvency and strength assessment.

A4 Stage 4 - Selection to Participate in Dialogue

The results of the technical and professional ability and economic and financial standing assessments gives each applicant a score out of 100 points respectively which were added together to generate a grand total score out of 200 which was converted to a percentage score as set out in Table A3.1 above.

Provided there are sufficient suitable applicants it was stated to applicants that the Authority intended to invite the four highest ranking applicants with respect to the percentage score to participate in the dialogue and to submit detailed solutions.

A fifth or sixth applicant may be invited to proceed if, for example, there is a negligible gap in the score between the fourth and fifth/sixth applicants or there is some genuine and founded doubt that one of the high scoring applicants will continue to participate. However in circumstances where more than four are taken forward, a further stage will be introduced to the competitive dialogue to ensure participants are asked to carry out substantially detailed work only when the participant numbers are sufficiently small to warrant it. The Authority has generally reserved the right to add further stages to the competitive dialogue as necessary or as circumstance dictates.