

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

Minutes of the Meeting held on 30 March 2010

Present:

Mr A Byrne (Vice Chairman) in the Chair

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

Substitute Members:

Dr M Strong

Cabinet Members Present:

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

Deputy Cabinet Member Present:

Mr B H A Spratt	Planning and Transportation
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1 Apologies and Substitutions

Apologies were received from Mr J Joyce and Mr N Dixon.

2 Declarations of Interest

Members declared the following interests:

- Andrew Boswell declared a personal interest as a member of the Waste Project Board.
- Michael Langwade declared a personal interest as a Borough Councillor, Kings' Lynn and West Norfolk.
- Brian Long declared a personal interest as a member of the Waste Project Board and portfolio holder for the environment at King's Lynn and

West Norfolk Borough Council.

- Tony White declared a personal interest as a Borough Councillor, King's Lynn and West Norfolk.

3 Items of urgent business

There were no items of urgent business.

4 Public Questions

4.1 Question from Jennifer Parkhouse, Norwich and Norfolk Friends of the Earth.

“Despite overwhelming opposition to energy from waste plant at Costessey several years ago, it would appear that the County Council is to embark yet again on a project utilising this type of technology. When this announcement was made on 24th March, Project director Mr Joel Hull was quoted as saying that "There was no evidence that there had been health issues at similar projects, both in the UK and elsewhere in Europe". “

“Would you please provide details of the relevant studies you consulted to arrive at this viewpoint to enable you to make this decision, including site details.”

Reply by the Cabinet Member for Environment and Waste.

The Cabinet Member explained that Norfolk County Council was citing the views of a range of bodies:

- The Health Protection Agency's statement that 'incinerators that are well run and regulated do not pose a significant threat to public health'.
- A Defra statement that it 'found no evidence for a link between the incidence of disease and the current generation of incinerators'.
- The Committee on Carcinogenicity of Chemicals in Food, Consumer Products and the Environment which concluded that any potential risk of cancer due to residency near to municipal waste incinerators was exceedingly low and probably not measurable by the most modern techniques.

For instance in Europe the dioxin issue was addressed a long time ago. This was because the European Union Waste Incineration Directive led to old facilities being closed. So while old incinerators used to be a large source of dioxins, these days they were amongst the lowest.

Facilities could be looked at in Paris, Amsterdam, Vienna, more than 60 across Germany and in the UK in places like the centre of Sheffield, or in Portsmouth or Southampton, and these facilities could be seen operating in a different regime where controls were far tighter and waste from the community was being used for community benefits, like generating

electricity, creating cheap heat, delivering more materials for recycling and importantly stopping waste going to landfill and delivering massive CO2 savings.”

A supplementary question was asked as follows:

“What guarantee, if any, can you give that this incinerator will only ever be fed with waste created within Norfolk county, and there will be no need to import waste from other counties to either offset the astronomical costs of running such a plant, or to meet contractual tonnage commitments, or for any other reason?”

The Cabinet Member explained that it was intended that the incinerator would take 170,000 tonnes of municipal waste from Norfolk, primarily from West Norfolk and Breckland. Waste from any other part of Norfolk, like North Norfolk, would be bulked up before it was transported. So while it was not intended to take municipal waste from anywhere else it cannot be guaranteed that during the 25 year contract period it would not take waste from, for example, the Fens or Cambridgeshire.

Jennifer Parker thanked the Panel and asked that the responses be forwarded to her by email.

5 Local Member Issues/Questions

There were no local member issues raised.

6 Waste PFI Contract – Shortlist Approval

6.1 The Project Director, Residual Waste Services, gave a presentation on the Waste PFI – A local response to global issues (attached at Annex A).

6.2 During discussion the following points were noted:

- Currently all residual waste was sent to landfill where it generated landfill gas. Despite capturing this gas to generate electricity large volumes escaped in to the atmosphere.
- Recovering energy from waste would reduce the level of emissions by 46,800 tonnes of carbon dioxide each year over every 25 years of the contract.
- Moving from landfill to an energy from waste plant meant recovering value from materials that would otherwise be thrown away – by generating energy and materials for recycling.
- Treating 92% of waste was the minimum requirement under the bidding process, but it was hoped operators would get closer to 100% when the plant was up and running. All technologies would have some materials that could not be treated and these items would still

need to be disposed of by landfill or alternative processes.

- Bidders had spent between £2-3m on their bids so far. The proposal to reduce the number of bidders from four to two was based on the ranking following an evaluation process.
- It was normal at this stage of the process to go to the last two bidders.
- The environmental element of the bid evaluation criteria had been increased as a direct response to a public consultation and work with focus groups in 2008.
- At the pre-qualification stage it was only possible to infer each bidders preferred treatment method by looking at their track record. Of the 10, some had a strong track record for delivering energy from waste and others by MBT. Historical records, including finance, technical knowledge and track records had been scrutinised to ensure that interested bidders had been judged on their historical performances.
- Norfolk County Council was discussing with Centrica, as the immediate neighbour to the proposed plant, the implications around generation of electricity from waste.
- The facility would be able to generate and deliver heat to the existing boundary of the plant. Other developers would then be responsible for transferring generated heat as required.
- There was no requirement in the bidding process for the successful bidder to bear the cost of infrastructure associated with getting heat and electricity into the local community.
- The likely timescale for next steps was as follows (provided the bidders were agreed in April):
 - June 2010 - Final tenders received.
 - October 2010 - Preferred bidder confirmed.
 - March 2011 - Contract awarded
 - October 2010 to March 2011 - Planning application process to take place. This would take place at the start of the appointment of the preferred bidder and one year had been allowed for the process to take place.
 - Permitting process to run concurrently with the planning application process.
 - March 2011 - Financial close.
 - Construction/commissioning process would take approximately two and a half to three years.
 - 2015 – Full service starts.
- Despite metals recycling facilities there still remained large volumes of metals of all sorts of shapes and sizes that did not get recycled and were mixed in to residual recycling These would be recovered after

the burning process from the bottom ash for recycling.

- The Waste Incineration Directive set limits for particulate matter below 10 microns (referred to as PM10s), but Environment Agency guidance now existed for measuring particle emissions smaller than 2.5 microns (referred to as PM2.5s).
- Norfolk County Council would monitor background air quality at the proposed site for both PM10 and PM2.5.
- The facility would be required to comply with its licence to operate which would determine limits on emissions. It would also have to improve in line with any future more stringent requirements, or it would have to close.
- It was confirmed that the scrutiny of Contract A had identified a need for the PFI process to involve the Overview and Scrutiny Panel, although there was no requirement for intermediate contracts to go to the Overview and Scrutiny Panel.
- A recycling figure of 55% had been established using a hypothetical treatment plant in the PFI Business Case although with the recycling and composting schemes and kitchen waste schemes this figure could improve.
- With regard to changes in regulations/taxes, those risks would be applicable to any operator and the risk would sit with the public sector. On the upside potential there were financial subsidies for heat generation and other measures to support diversification of energy which were a positive part of energy from waste technology.
- Refuse collection vehicles from District Councils in the west of the county would feed their waste directly into the plant. Other areas which may need to bring waste to the plant would compact the waste and then transport it to the facility.
- Population increase and the fact that trade waste levels may increase could both lead to larger quantities of municipal waste. In 2004 a 3% increase each year had been predicted with a total of up to 500,000 tonnes per year anticipated by 2035. Therefore the County Council has been prudent in its assumptions that 170,000 tonnes of waste was to be treated at the plant.
- Similar energy from waste facilities in northern Europe transfer heat in distribution networks up to 30km.

6.3 Mr East raised concerns about shortlisting two bidders who were likely to use the same technology and the health risks posed by emissions from incinerators. He made the following proposal, seconded by Dr Strong:

“I formally propose we remove Cory Environmental/Wheelabrator from the short-list of two companies and replace them with Resources from Waste, which involves MBT and Gasification technologies. This is a more environmentally friendly process, which won't pose such a threat to public health, produces energy and won't generate so much public opposition. Amey/Cespa should be retained.

More importantly it gives the officers and us a genuine choice between two contrasting technologies, incineration through AmeyCespa and MBT/Gasification through Resources from Waste.

In effect we would be hedging our bets by not putting all our eggs in one Incineration basket, just as we did for Contract A. Right from the outset and despite the eventual outcome at Costessey, we also had two differing methods to choose from.

These two companies employing distinctly diverse methods for dealing with our municipal waste should be invited to participate in a series of meetings to discuss their differing proposals as our short-listed two, before the submission of their final proposals for treating residual waste in the King's Lynn area.

Therefore, in no particular pecking order, AmeyCespa (Incineration) and Resources from Waste (MBT and Gasification) should go forward as our recommendation from this Planning, Transportation, Environment and Waste Overview and Scrutiny Panel.”

Some Members welcomed the precaution, but didn't agree with the specific motion. It was suggested that setting policy in concrete until 2040 and using a recycling assumption of 55% was a mistake. It was suggested that the current proposals be halted until all other options, such as anaerobic digestion, had been considered.

Other members felt that it would be wrong to delay a decision that could prevent the County Council from meeting targets at a cost to the taxpayer.

The Cabinet Member for Environment and Waste emphasised the importance of the PFI for the future of waste in Norfolk, stating:

- The process for dealing with this very important and ambitious PFI project had been very thorough.
- Changing the recommendation at this stage would not make sense as there were no obvious grounds and the European fines and penalties would be catastrophic if landfill is continually used.
- The recycling level of 55% was an assumption for the business case and not a limiting target, and it needs to be borne in mind that Norfolk produces the least amount of waste per household in the country. Performance and any targets will be reviewed periodically, but need to be cautionary at this stage.

The Cabinet Member for Planning & Transportation stated that the proposed system was used widely in Europe and the current precautionary principle did not apply in this case. He confirmed he would like to see the project proceed.

The Project Director was thanked for his very informative presentation.

7 Exclusion of the Public

The Project Director - Residual Waste Services presented the following reasoning for exclusion of the public and conclusion in respect of the public interest test:

Financial and bid issues are outlined in detail for Members to consider. This information is considered to be exempt under Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 ('information relating to the financial or business affairs of any person (other than the Authority)').

The public interest test in disclosing these issues is outweighed by the public interest in non-disclosure. Disclosing sensitive business and financial information may impact on the Authority attaining best value in future negotiations.

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.

8 Summary of Minutes excluded from public deposit: Residual Waste Treatment PFI Project – Shortlist Approval.

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.

9 Return to public session

Dr Strong, who had seconded the proposal, reiterated concerns about the health implications of nano particulates and that it would be a mistake to only have two bidders, both of which were proposing incinerators. She said that the people in Norfolk wanted to be safe and feel safe and that incinerators would not make them feel safe.

The proposed motion (as recorded at paragraph 6.3 above) was put to the Panel. With 2 votes in favour, 11 against and 3 abstentions the motion fell.

Mr White proposed the recommendation at para 13.1(i) of the report, seconded by Mr Adams. With 11 in favour, 3 against and 2 abstentions it was

RESOLVED:

That, based on the ranking following the evaluation of bids received, to recommend to Cabinet that the following applicants should be placed on a shortlist for the Waste PFI and invited to participate in dialogue:

- Cory Environmental Management Ltd / Wheelabrator Technologies Inc.
- AmeyCespa (Amey UK plc / Cespa SA).

The meeting closed at 12.45pm.

CHAIRMAN



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