

TO: JOINT WASTE DISPOSAL BOARD
24th February 2010

JOINT WASTE DISPOSAL BOARD – EfW Proposal
(Report by the Project Director)

1. INTRODUCTION

- 1.1 The purpose of this report is to record the proposal received by the re3 councils from WRG for an increase in the overall amount of Energy from Waste (EfW) capacity within the re3 PFI contract.

2. RECOMMENDATIONS

- 2.1 That Members decide on whether to recommend the proposals to their respective Councils.**

3. SUPPORTING INFORMATION

Background

- 3.1 The re3 councils have been approached by WRG with an offer for additional EfW capacity amounting to 10,000 tonnes per annum.
- 3.2 The deal proposed would run alongside the original PFI contract term and would commence on April 1st 2010.
- 3.3 Before agreeing any deal on additional EfW, the councils may need and would certainly be well advised, to engage in discussions with DEFRA. Clearly the councils would not wish to do anything which may bring into question the ongoing support from DEFRA.
- 3.4 Officers have made initial contact with DEFRA on this subject and both parties are seeking information prior to more detailed discussions.
- 3.5 It is thought that the terms of WRG's agreement with Lakeside mean that even if no waste is received, the owners of the 10,000t block of capacity must pay for it. For this reason, WRG are keen to receive a prompt answer from the councils to the proposal because if we are not interested, they may still be able to find a buyer elsewhere.
- 3.6 WRG have said that the 10,000t being offered is the maximum that Lakeside are prepared to offer 'co-terminus' with our existing PFI contract. It is also understood to be the only remaining EfW capacity at Lakeside until 2017.

Proposal

- 3.7 The details of the proposal, including financial information and an assessment of the proposal, are contained in a briefing note, previously sent to Members and appended to this report.
- 3.8 WRG have said that the 10,000t being offered is the maximum that Lakeside are prepared to offer 'co-terminus' with our existing PFI contract. It is also understood to be the only remaining EfW capacity at Lakeside until 2017.

Legal and Financial Support

- 3.9 If any of the councils intend to proceed with negotiations towards an acceptance of the proposed deal, they will wish to engage legal and financial support.
- 3.10 It is possible that funding for this support could be found within the PFI budget. The decision to utilise such funds would be for each of the parties wishing to engage financial and legal support.

BACKGROUND PAPERS

None

CONTACTS FOR FURTHER INFORMATION

Mark Moon, Project Director
0118 974 6308
Mark.moon@wokingham.gov.uk

Oliver Burt, Project Manager
0118 939 9990
oliver.burt@reading.gov.uk