

## WRITTEN STATEMENT OF A KEY DECISION CABINET

<b>ITEM:</b>	<b>HEREFORDSHIRE AND WORCESTERSHIRE WASTE DISPOSAL CONTRACT - FUTURE ARRANGEMENTS</b>
Members Present:	Councillors: RJ Phillips (Leader), AJM Blackshaw, H Bramer, JA Hyde, JG Jarvis, PD Price.
Date of Decision:	7 January 2010
Exempt:	No
Confidential	No
This is a key decision because It is likely to result in the Council incurring expenditure above agreed budgets for the service or function (shown as a line in the budget book) to which the decision relates but allowing for virements between budget heads and savings within budget heads of up to £500,000	
The item was included in the Forward Plan.	
Urgency/Special Urgency: (As defined in Constitution)	No
Purpose:	To authorise, subject to similar approval from Worcestershire County Council, our Waste Disposal Contractor, Mercia Waste Management Ltd, to progress proposals for the development of an Energy from Waste Plant at Hartlebury Trading Estate near Kidderminster (the EfW Proposal).  To agree to indemnify the contractor the reasonable costs of Mercia in bringing forward and pursuing the EfW proposal. This indemnity be treated in the same way as other significant costs under the PFI contract in accordance with the current standstill arrangements should the costs prove abortive and no Variation be agreed.
<b>Decision:</b>	<b>THAT:</b>  <b>Subject to similar approvals being given by Worcestershire Council, in relation to (a), (b), (c) and (d) and having due regard to the technical assessment received from the technical advisers to the Councils in relation to the Energy from Waste proposal described in paragraph 8 of this report (the EfW proposal), and the Joint Municipal Waste Management Strategy, the Cabinet:</b>  <b>(a) Supports in principle the concept contained in the EfW proposal and the progression of the proposal to planning stage;</b>  <b>(b) Authorises the Director of Environment and</b>

	<p>Culture, in consultation with the Director of Resources and the Assistant Chief Executive (Legal and Democratic), to enter into negotiations with Mercia Waste Management Ltd (Mercia) and to prepare a potential variation (the Variation) to the existing Private Finance Initiative (PFI) Contract (the Contract) to give effect to the EfW Proposal for subsequent consideration by the Cabinet should planning permission be granted in respect of it;</p> <p>(c) Agree that the reasonable costs of Mercia in bringing forward and pursuing the EfW proposal be treated in the same way as other significant costs under the PFI contract in accordance with the current standstill arrangements should the costs prove abortive and no Variation agreed;</p> <p>and</p> <p>(d) Receives a further report in due course to consider any recommended Variation to the Contract or at the earliest opportunity if it becomes apparent that Herefordshire's contribution towards the indemnity may exceed £650,000, and that the Waste Advisory Steering Group receives monthly reports to include a rigorous approach to risk management.</p>
<p>Reasons for the Decision:</p>	<p>1 The Waste Disposal Contractor has presented the EfW Proposal in response to the councils' requirement for a suitable Residual Waste Treatment Solution.</p> <p>2 The Contractor's proposal is supported by the recently endorsed First Review of the Joint Municipal Waste Management Strategy.</p>
<p>Options Considered:</p>	<p>The Cabinet may decide not to authorise the proposals set out in this report. In this event the contractor will not be instructed to progress the EfW Proposal. This may put the authority at risk from not meeting its lawful obligations to meet necessary landfill diversion targets as set out under the Landfill Allowance Trading Scheme and incur significant cost.</p>
<p>Declaration of Interest:</p>	<p>Councillor PJ Edwards declared a personal interest as a member of the Herefordshire and Worcestershire Joint Members Waste Resource Management Forum</p>
<p>Date the key decision is due to take effect:</p>	<p>14 January 2010</p>

<p><b>COUNCILLOR RJ PHILLIPS</b> .....</p> <p><b>LEADER OF THE COUNCIL</b></p>	<p>Date: 7 January 2010</p>
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<b>To be completed by officer:</b>	
Date consent received from Chairman of Environment Scrutiny Committee:	No response received
Subject to Call-in:	This Decision was not called in
Was the decision modified?	No
If yes Cabinet Member (.....) decision reference:	Not applicable
If no any comment(s) to be noted	Not applicable
Date original decision took effect:	14 January 2010