

**MINUTES of the meeting of Cabinet held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Thursday 7 January 2010 at 2.00 pm**

**Present:** Councillor RJ Phillips (Chairman)

**Councillors:** AJM Blackshaw, H Bramer, JA Hyde, JG Jarvis and PD Price

**In attendance:** Councillors

**11. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors LO Barnett, JP French and DB Wilcox.

**12. DECLARATIONS OF INTEREST**

Councillor PJ Edwards, Chairman of Overview and Scrutiny Committee declared a personal interest as a Board Member of the Herefordshire and Worcestershire Joint Members Waste Resource Management Forum.

**13. HEREFORDSHIRE AND WORCESTERSHIRE WASTE DISPOSAL CONTRACT - FUTURE ARRANGEMENTS**

The Chairman reminded Cabinet that the sole item on the agenda had been deferred from the Cabinet meeting of 18 December 2009. Prior to consideration of the item the Leader advised Cabinet of an amendment to recommendation (d) of the report, with the following additional words being added to the recommendation as previously published; '*... and that the Waste Advisory Steering Group received monthly reports to include a rigorous approach to risk management*'.

The Cabinet Member for Environment and Strategic Housing introduced the report which sought authorisation for Mercia Waste Management Ltd, the Council's Waste Disposal Contractor, to progress proposals for the development of an Energy from Waste Plant at Hartlebury Trading Estate near Kidderminster (the EFW Proposal). The Cabinet was advised that authorisation had been approved by the Cabinet of Worcestershire County Council to this proposal. The Cabinet Member stated that the additional wording for consideration at recommendation (d) was to provide assurance that there was overview of the financial spend and monitoring of risk. Cabinet was advised that authorisation was required to progress necessary contract negotiations in relation to potential variation with Mercia and to progress the Planning Application, together with a contribution of up to £650,000 towards an indemnity. Should the planning application be approved by the planning authority and a contract variation be agreed the indemnity would no longer be required.

In response to a question regarding the siting of the proposed EfW Plant Cabinet was advised that as it was close to the A449 and away from centres of population, the location was most favourable. The local parish council was currently seeking assurances on various aspects relating to the Plant. Cabinet was informed that planning consultants and QCs were satisfied that the proposed site was the best available for the proposed EfW Plant.

Assurance was sought and given that there was ongoing risk management to minimise the liability costs which would lie outside the remit of both Worcestershire County Council and Herefordshire Council.

Councillor PJ Edwards, as a Herefordshire Council representative of the Joint Members Waste Resource Management Forum welcomed the proposal and the fact that all was on target in line with the Joint Municipal Waste Management Strategy. Concern was however expressed by Councillor Edwards that Herefordshire would be wholly reliant on a Worcestershire based EfW Plant, though he acknowledged that the county's population (180,000) was not large enough to accommodate a EfW for sole use.

The Herefordshire Independents Group Leader welcomed the report and the amendment to recommendation (d).

## **RESOLVED**

**THAT: 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 the report (the EfW proposal), and the Joint Municipal Waste Management Strategy, the Cabinet:**

- (a) Supports in principle the concept contained in the EfW proposal and the progression of the proposal to planning stage;**
- (b) Authorises the Director of Environment and 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;**
- (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; and**
- (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 received monthly reports to include a rigorous approach to risk management.**