

CABINET**20 OCTOBER 2009**

SWINDON BOROUGH COUNCIL AND WILTSHIRE COUNCIL
MUNICIPAL WASTE DISPOSAL PROJECT**Executive Summary**

Over the last 12 months Wiltshire Council and Swindon Borough Council have continued to work together to develop an outline business case (OBC) for a joint procurement project for the management of residual municipal waste. This work is now substantially complete arising from this OBC are several key conclusions:

- The councils are at risk of exposure to increasing landfill charges and landfill tax in the short term and potential Landfill Alliance Trading Scheme (LATS) penalties in the longer term.
- A robust analysis of technology options has been undertaken based on the councils' growth and recycling assumptions.
- Three technology solutions have been chosen which match the councils' criteria.
- The three selected technology solutions and the do nothing option have been subject to a rigorous economic and financial appraisal.
- The do nothing option will not meet the councils' medium and long term strategic targets or requirements to divert waste from landfill.
- All options entail higher costs of residual waste management than are currently incurred by the councils with the do nothing option entailing the highest costs.
- A thermal treatment solution is therefore better placed to deliver the councils' long term residual waste treatment requirements.
- Selection of a single technology or preferred solution will be subject to the outcome of the proposed procurement process.
- A waste treatment facility funded through private financing will provide value for money for the councils based on a qualitative evaluation using the HM Treasury Value for Money Assessment.
- The estimated project cost of the solution has been assessed as approximately £445 million over the life of the project.
- Over the life of the project a thermal treatment solution will be approximately £11m cheaper than the do nothing option.
- Taking account of potential LATS penalties at £150 tonne the saving could increase to £62m.
- The preferred procurement route for the thermal treatment solution is the competitive dialogue process.

Proposal

That Cabinet:

- (i) Endorse the findings of the OBC.
- (ii) Note the risks associated with the do nothing option for Wiltshire Council.
- (iii) Agree that officers prepare tender documents to procure the provision of a residual waste treatment solution in line with the conclusions of the OBC under the competitive dialogue procurement route.
- (iv) Delegate authority to the Director of Transport, Environment and Leisure to continue discussions with neighbouring councils.
- (v) Note the timescales and costs associated with the preparation of tender documentation during 2009-10.

Reason for Proposal

To meet the requirements of the Landfill Directive minimising Wiltshire Council's exposure to fines and the impact of increasing Landfill Tax costs, and to contribute to the achievement of Wiltshire Council's climate change and sustainability objectives by utilising waste as a resource.

Name and Designation of appropriate Director

George Batten, Director for Transport, Environment and Leisure