GLOUCESTERSHIRE COUNTY COUNCIL

RESIDUAL WASTE PROCUREMENT PROJECT

EXPRESSION OF INTEREST

30 September 2007

FINAL

Residual Waste Procurement Plan: WIDP Expression of Interest

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Glossary of terms and abbreviations.

AD	Anaerobic Digestion. Biological degradation of organic material in the absence of air.
AONB	Area of Outstanding Natural Beauty.
ATT	Advanced Thermal Treatment. This includes gasification and pyrolysis. These are thermal processes that require medium/high temperatures to recover energy from waste.
BaU	Business as Usual. Continuing to landfill all untreated residual waste.
BMW	Biodegradable Municipal Waste. Waste from the municipal sector that is capable of being broken down through biological processes.
CHP	Combined Heat and Power. CHP is the simultaneous generation of usable heat and power (usually electricity) in a single process. CHP can be used to provide energy to a single home, to a large industrial plant, or even a whole city. CHP units are sited close to where their energy output is to be used.
CPO	Compulsory Purchase Order. A legal function that allows certain bodies which need to obtain land or property to do so - without the consent of the owner.
DBFO	Design, Build, Finance and Operate. The most common form of PFI, in which a private company is involved in the day-to-day running of the completed project.
DPD	Development Plan Document. A document containing detail of an aspect of planning policies (part of GCC's Minerals and Waste Development Framework for waste).
EfW	Energy from Waste.
EiP	Examination in Public.
ELFF	End of Life Fridges and Freezers
EoI	Expression of Interest.
GCC	Gloucestershire County Council.
GGD	Great Gloucestershire Debate - consultation and promotional campaign to get people living and working in Gloucestershire talking about the issues that matter most to them including waste.
GSP	Gloucestershire Strategic Partnership - formed in 2002 to enable organisations to better work together for the benefit of the county. Members include Gloucestershire County Council, the six district councils, Gloucestershire Constabulary, the health community, business sector and voluntary and community groups.
GWP	Gloucestershire Waste Partnership – It is made up of the seven Councils within the County of Gloucestershire. The partnership meets quarterly and is a mix of waste officers, senior officers and County/District Councillors.

HRC	Household Recycling Centre.
IVC	In-vessel Composting. The composting of biodegradable material in a closed reactor where the composting process is accelerated by optimising air exchange, water content and temperature control.
JIB	Joint Improvement Board. This is a high-level strategic board including Chief Executives and Leaders of all seven local authorities in Gloucestershire.
JMWMS	Joint Municipal Waste Management Strategy. The strategy sets out our GCC's position, and the aims, objectives and future plans of the Gloucestershire Waste Partnership regarding waste management to 2020.
LATS	Landfill Allowance Trading Scheme. A scheme devised by Government whereby disposal authorities have targets to divert biodegradable municipal waste from landfill to meet EU targets. The scheme can involve trading between English authorities and was implemented by the Waste and Emissions Trading Act 2003.
MBT	Mechanical and Biological Treatment. MBT systems combine the mechanical sorting of materials for recycling and the biological treatment of the remaining waste that will have a high organic content. The bio treatment rapidly composts the waste, in an enclosed facility. Anaerobic Digestion (*see above)* is part of the family of MBT technologies.
MSW	Municipal Solid Waste - In the UK MSW is household waste and non-household waste with a similar composition that is collected by, or on behalf of, a local authority.
MTFS	Medium Term Financial Strategy.
MTT	Modern Thermal Treatment. Modern technologies used to deal with mixed municipal waste by combustion resulting in a reduction in the volume of waste to landfill. This can also be used to generate energy
MWDF	Minerals and Waste Development Framework. System of documents for determining how minerals and waste management is to be planned for in the future.
MWDS	Minerals and Waste Development Scheme. This sets out the timetable for preparing the MWDF and the documents intended to be produced.
NPC	Net Present Cost.
OBC	Outline Business Case.
OHiO	Own House in Order. This is the name for a range of activities that contribute to "getting our own house in order" within GCC to improve our waste related environmental performance.
OJEU	Official Journal of the European Union.
PFI	Private Finance Initiative - this is a procurement route used in central and local government. In projects procured by local government authorities, the capital element of the funding enabling the local authority to pay the private sector for these projects is given by central

	government in the form of what are known as PFI "credits".
PID	Project Initiation Document.
PQQ	Pre-Qualification Questionnaire. Initial questionnaire seeking information about a company such as financial status, legal compliance, customer base, policies and procedures, etc.
PRG	Project Review Group.
RDF	Refuse-Derived-Fuel. This is a fuel made from (municipal) solid waste. RDF typically consists of pelletised or fluff MSW that is the by-product of a material recovery operation whereby the majority of the non-combustible materials such as rocks, glass, and metals are removed, and the remaining combustible portion of the solid waste is chopped or shredded. The resulting material is then sold as RDF.
ROC	The Renewables Obligation (RO) is designed to incentivise the generation of electricity from eligible renewable sources. This places an obligation on licensed electricity suppliers in the United Kingdom to source an increasing proportion of electricity from renewable sources. Suppliers meet their obligations by presenting Renewables Obligation Certificates (ROCs).
RSS	Regional Spatial Strategy. Its main purpose is to provide a long term land use and transport planning framework for the Region (the South West).
RWPP	Residual Waste Procurement Plan. Overall plan for the procurement of facilities to enable sustainable management of residual municipal waste.
SCI	Statement of Community Involvement. The SCI sets out how all 'stakeholders' will be engaged and consulted during the process of plan preparation and during the consideration of planning applications.
SEA	Strategic Environmental Assessment. Local Planning Authorities must comply with European Union Directive 2001/42/EC which requires a high level, strategic assessment of local development documents and other programmes that are likely to have significant effects on the environment.
SWRA	South West Regional Assembly.
UA	Unitary Authority.
VfM	Value for Money.
WCA	Waste Collection Authority
WCS	Waste Core Strategy.
WDA	Waste Disposal Authority.
WEEE	Waste Electrical and Electronic Equipment.
WIDP	Waste Infrastructure Development Programme
WLP	Waste Local Plan. A waste planning document that balances the need

	for facilities to handle municipal, commercial, industrial and construction/demolition waste with the environmental, social and economic implications of its management and disposal. This system is being replaced by DPDs (see above).
WPB	Waste Programme Board. This body was formed to make the necessary decisions during our project; this includes signing off of reports and stages of our project as they progress. Consists of GCC members and senior officers.
WRAP	Waste & Resources Action Programme

Executive Summary

Introduction

1. Gloucestershire County Council ("GCC") is submitting its Expression of Interest ("EoI") to the Waste Infrastructure Development programme ("WIDP") for Private Finance Initiative ("PFI") credits to support the implementation of our long-term residual waste treatment solution.

2. The following sections of this Executive Summary provide: the context for change, our previous PFI experience, an overview of our Joint Municipal Waste Management Strategy ("JMWMS") and our Residual Waste Procurement Plan ("RWPP"); the options considered; the components for our Long-term and Interim Solutions, risk management, governance arrangements and the basis for our OBC.

3. GCC is submitting this EoI with support from the Waste Programme Board, which is composed of key cabinet members and chief officers (Please see accompanying letter).

Background

4. Gloucestershire is a rural county, bisected by the M5. Fifty one percent of the county is classified as an Area of Outstanding Natural Beauty ("AONB"). The county supports a population of over 575,000 people who generate over 300,000 tonnes of household waste per annum.

5. Historically, waste growth has risen by about 3% per year however it is forecast that with the implementation of waste minimisation schemes and government initiatives, household waste growth can be reduced to zero by 2020. GCC plans to reduce residual waste arisings in line with the targets set out in the National Waste Strategy 2007.

6. Gloucestershire is a two-tier authority; GCC is the Waste Disposal Authority ("WDA") and there are six District Councils who are the Waste Collection Authorities ("WCAs").

Joint Municipal Waste Management Strategy 2007

7. Since 2001, the seven waste authorities have been working closely together under the Gloucestershire Waste Partnership ("GWP"). The GWP currently recycle and compost 32% of household waste but through the delivery of the Joint Municipal Waste Management Strategy ("JMWMS"), the GWP plans to improve collection services and treatment infrastructure to enable householders to recycle and compost 60% of their household waste by 2020.

8. The GWP aims to adopt the JMWMS by December 2007.

9. Gloucestershire's JMWMS recognises that in an ideal world waste should not be produced in the first place. GCC is investing heavily in waste prevention and re-use projects and changing householder behaviour is one of its highest priorities. GCC is also continually improving our recycling performance (both at the kerbside and our Household Recycling Centres) including composting (with home composting being seen as the best option).

Procurement Strategy

Previous PFI Procurement Process

10. After submitting an Outline Business Case to DEFRA, GCC was awarded £30.1M of PFI credits towards the delivery of an "integrated waste management contract". GCC hoped to deliver an integrated and continuously improving waste management contract that would enable it to achieve 55% recycling and composting by 2020.

11. On 6 September 2005, following a substantive review, GCC approved a cabinet decision to end the PFI procurement process based on market risks and affordability of the contract. In addition the report recommended developing a separate residual waste management plan aimed at providing a dedicated residual waste solution by about 2013.

Procurement of Short to Medium Term Services

12. Since the decision to terminate the PFI procurement process, GCC has procured the following services:

    - The management and operation of 5 household recycling centres ("HRCs"). This contract was awarded to Environmental Waste Controls ("EWC") in August 2006 until 2016.

    - The bulking, transfer, and landfill, and organic waste treatment of municipal waste. This contract was awarded to Cory Environmental and expires in 2016 (there is an option to extend the contract in annual increments for up to five years – to 2021) with a potential breakpoint in 2013. The break point is designed to accommodate a future residual waste treatment facility. The landfill element of the contract provides GCC with the flexibility to ensure that BMW can be diverted from landfill in line with LATS.

13. GCC is currently procuring In-vessel Composting capacity to allow the introduction of kitchen (food) waste collection (collected with or separate to garden waste). GCC is working through the GWP to agree supply of food waste agreements with the WCAs. Contract award and agreement with the WCAs is anticipated by December 2007.

Residual Waste Procurement Plan

14. GCC is preparing the Residual Waste Procurement Plan that will be taken to Cabinet for approval on 28 November 2007 which will recommend an approach to managing Gloucestershire's residual waste over the short, medium and long term.

15. The underlying objective is to find an acceptable, feasible, flexible and environmentally sustainable solution that ensures Value for Money and Best Value for Gloucestershire. GCC recognises that it needs to identify the best interim and long-term solution, or range of solutions, to minimise the combined impact of the Landfill Tax and LATS on council tax payers. The Plan will cover:

    - Technology Appraisal (an analysis of all available residual waste treatment configurations to divert residual waste in the interim and long term after kerbside and HRC recycling and composting has taken place);

    - Procurement and Funding Review (considering the procurement options available to the Council); and

    - Land Review (selecting the best available site(s) for strategic waste activities).

16. A communications plan has also been prepared to advise on the best way to engage with the community of Gloucestershire. The Residual Waste Procurement Plan will include recommendations on strategic sites, technical specifications (for procurement), funding, the implementation of a range of interim measures designed to mitigate GCC's LATS exposure and how we will ensure a competitive process, leading to a value for money solution.

17. GCC appraised a long-list of 34 potential waste technology solutions that were taken through a series of selection stages, or filters. Evaluation was carried out by a professional technical consultancy applying a best practice scientific and economic appraisal. Based on the technology performance appraisal, and within the context of GCC's strategic issues, the following options and evolutions were taken forward for detailed cost modelling:

    - Modern Thermal Treatment with Combined Heat & Power ("CHP") (interim LATS trading)
    - Mechanical Biological Treatment producing a fuel to power dedicated CHP (with interim stabilised material going to landfill).
    - Mechanical Biological Treatment producing a biologically stabilised material that is sent to landfill.
    - Business as usual (landfill) continuing to landfill all untreated residual waste.

18. Detailed financial analysis was also carried out and final analysis will be reported to Cabinet on 28 November 2007. Further work will be undertaken to complete an Outline Business Case.

Sites and Planning

19. GCC adopted its Waste Local Plan ("WLP") in 2004. This plan (including certain policies and site allocations) is proposed to be saved until the Waste Core Strategy ("WCS") is adopted in December 2009. The WCS is currently at Preferred Options stage and public consultation will take place in January 2008. Waste Sites Allocations Development Planning Documents will not commence until February 2009 with adoption planned in 2011/12.

20. GCC, in its capacity as the WDA, has identified the securing of a strategic waste site as a key risk for the authority. A detailed comparative site assessment study identified Javelin Park, a site allocated in the WLP, as the preferred site for a strategic waste facility.

21. GCC is actively negotiating for the acquisition of 12 acres of Javelin Park and is confident that GCC will secure the land within the next few weeks. However, as a contingency, GCC has gained approval from Cabinet to acquire the land using its compulsory purchase powers once sufficient preparations have been made.

Costs and Budget

22. GCC has learnt from its previous PFI experience and this has led GCC developing a stronger in-house procurement team. In addition, financial provision has been made for use of external advisors over the next 3 years, for whom GCC has commenced procurement.

23. Financial provision has also been made in the Capital Programme for the acquisition of a strategic waste site. Members have been made aware and will continue to be informed on budgetary implications of the procurement and delivery of waste disposal services for Gloucestershire.

Stakeholder Communication

24. GCC has developed a communication and engagement strategy/consultation plan designed to assist GCC through the procurement and planning process and to aid delivery of major new waste facilities.

Development of OBC

25. On 28 November 2007 the Cabinet will be asked to approve the residual waste procurement plan, for the delivery of the JMWMS objective, to treat residual waste as a resource. It is planned, if the EoI is successful,

that the Cabinet report will also recommend the development of an Outline Business Case to support an application for PFI credits for a long term residual waste treatment facility.

26. GCC will in parallel:

- Secure the preferred site and subsequent planning permission for residual waste infrastructure at the most appropriate time prior to contract award.

- Seek approval and commence implementing an interim solution.

- Ensure provision is made for the funding outcome of the OBC in the Medium Term Financial Strategy (MTFS).

- Continue to engage with, consult and respond to questions from the public.

1 Background

1.1 Expression of Interest for PFI Funding

1.1.1 In accordance with the Department of Environment, Food and Rural Affairs ("Defra") letter to Local Authority Chief Executives dated 8th February 2007, Gloucestershire County Council ("GCC") is submitting its Expression of Interest ("EoI") to the Waste Infrastructure Development programme ("WIDP") for Private Finance Initiative ("PFI") credits to support the implementation of our long-term residual waste treatment solution.

1.1.2 GCC understands that you are intending to evaluate this EoI submission by the end of November 2007 and provide feedback on the likely level of PFI credits that GCC should factor into our Outline Business Case ("OBC"). GCC supports this approach and, as requested, is expecting to be in a position to submit our OBC and PFI application at the end of April 2008, for consideration for Project Review Group ("PRG") approval.

1.1.3 The detailed sections of this submission follow the Pro Forma EoI headings, provided by our Transactor on 4 September 2007. Should you have any queries or points of clarification, please contact us. In addition, GCC has submitted a letter stating our support for this EoI.

1.1.4 The following sections of this Executive Summary provide: the context for change, our previous PFI experience, an overview of our Joint Municipal Waste Management Strategy ("JMWMS") and our Residual Waste Procurement Plan ("RWPP"); the options considered; the components for our Long-term and Interim Solutions and the basis for our OBC.

1.2 Details of the key characteristics of the WDA.

1.2.1 Gloucestershire is located within the northern extremity of the South West of England. It is bounded by Monmouthshire to the west, Herefordshire, Worcestershire and Warwickshire to the north, Oxfordshire to the east and Wiltshire and South Gloucestershire to the south.

1.2.2 The County is substantially rural in nature with the main urban development in Cheltenham and Gloucester. The River Severn divides the County, focusing east/west journeys to major bridging points. There are good north/south road connections via the M5 and the main east/west road being the A40. The green and rural landscape is a key county asset; Areas of Outstanding Natural Beauty (AONB) account for 51% of the county area.

1.2.3 Gloucestershire has a population of approximately 565,000 (Census, 2001) which has grown at 0.5% per annum over the last 10 years and is predicted to grow to between 595,000 and 642,500 by 2026. The 2005

mid-year estimate for Gloucestershire was 575,225, an increase of around 10,000 people from the 2001 census (ONS, 2005).

1.2.4 Gloucestershire has a population density of 2.1 people per hectare. This is in line with the South West density, and below the UK density of 3.4 people per hectare. At District level, Cheltenham and Gloucester both stand out with densities of 23.6 and 27.1 people per hectare respectively. However, this is expected in urban areas.

1.2.5 As shown in Table 1, the 2001 Census found there were just under 240,000 households in Gloucestershire. This has risen to approximately 246,800 households by 2006 and this number of households is expected to increase to between 275,000 and 295,000 by 2026 (between 286,000 and 311,000 dwellings).

Table 1. Population and households in Gloucestershire (*Source: Census 2001)*

Cheltenham	Cheltenham	Forest of Dean	Cotswold	Gloucester City	Stroud	Tewkesbury	Total
Population	110,000	80,400	80,100	109,900	108,100	76,500	**565,000**
Households	48,164	43,424	32,530	45,765	44,617	32,372	**237,872**
Average household size	2.21	2.29	2.41	2.37	2.38	2.33	**2.33**
Dwellings	49,959	36,833	33,645	46,992	45,975	33,428	**246,832**

1.2.6 GCC is the Waste Disposal Authority ("WDA") and is therefore responsible for:

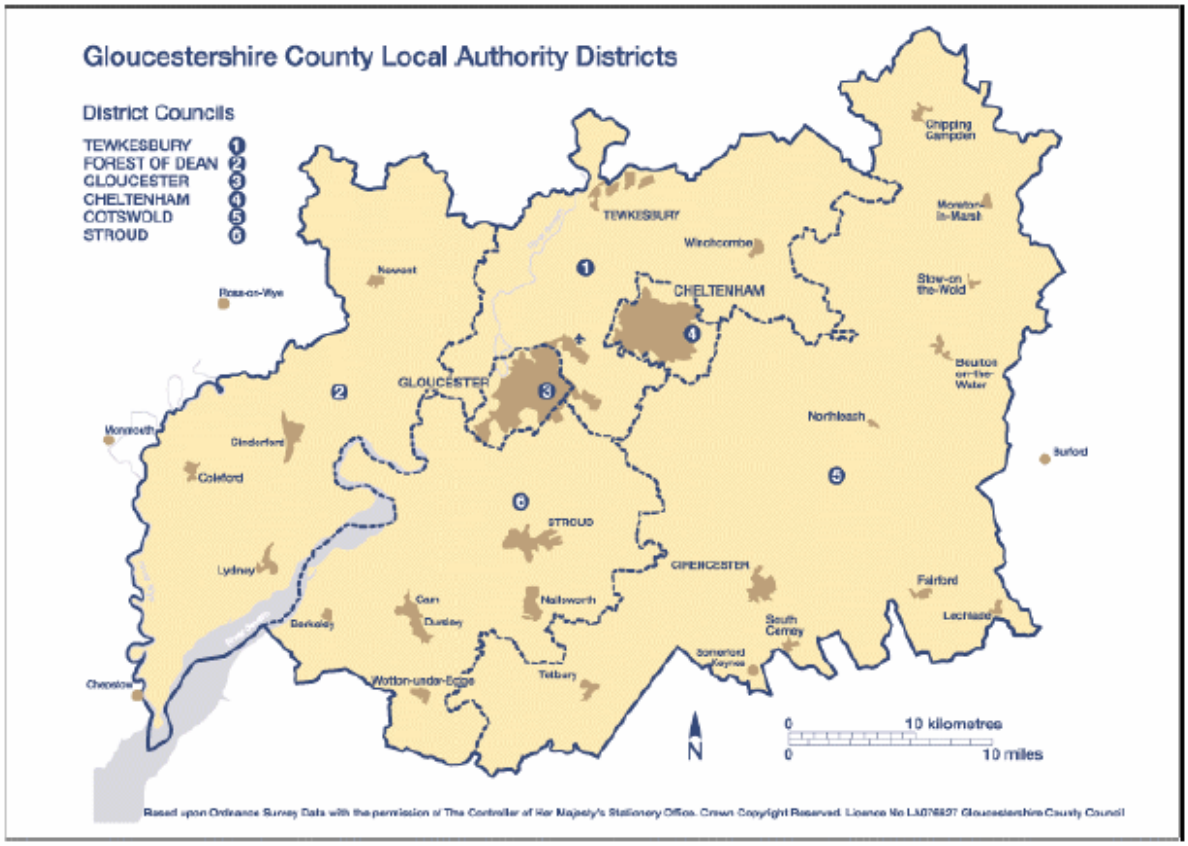
- the disposal of municipal waste collected by the district councils;
- the provision of Household Recycling Centres ("HRCs") for the public to deposit waste materials;
- leading the preparation of the Joint Municipal Waste Management Strategy ("JMWMS"); and
- issuing recycling credits to recyclers of household waste and the management of closed landfill sites previously operated by GCC.

1.2.7 GCC is also the Waste Planning Authority and responsible for:

- preparation of the Minerals and Waste Development Framework; and
- the determination of planning applications for and enforcement of planning control over most waste management development proposals.

1.2.8 Figure 1 shows Gloucestershire with its constituent Local Authority District boundaries.

Figure 1. Gloucestershire County and its local authority Districts



1.2.9 Gloucestershire contains six Districts:

- Cheltenham Borough Council;
- Cotswold District Council;
- Forest of Dean District Council;
- Gloucester City Council;
- Stroud District Council; and
- Tewkesbury Borough Council.

1.2.10 The six Districts as illustrated in the map are the Waste Collection Authorities ("WCAs") for Gloucestershire. They are responsible for the collection of household waste and recyclable materials (and commercial waste upon request from the waste producer) and for the transport of this waste to management sites. The WCAs also provide recycling facilities for segregated material.

1.2.11 Further details on the key characteristics and strategic context for GCC the may be found in JMWMS, which is provided in Appendix 1. (JWMWS Baseline Report (Volume 3))

1.3 Analysis of Waste Arising, Composition and Expected Growth Rates.

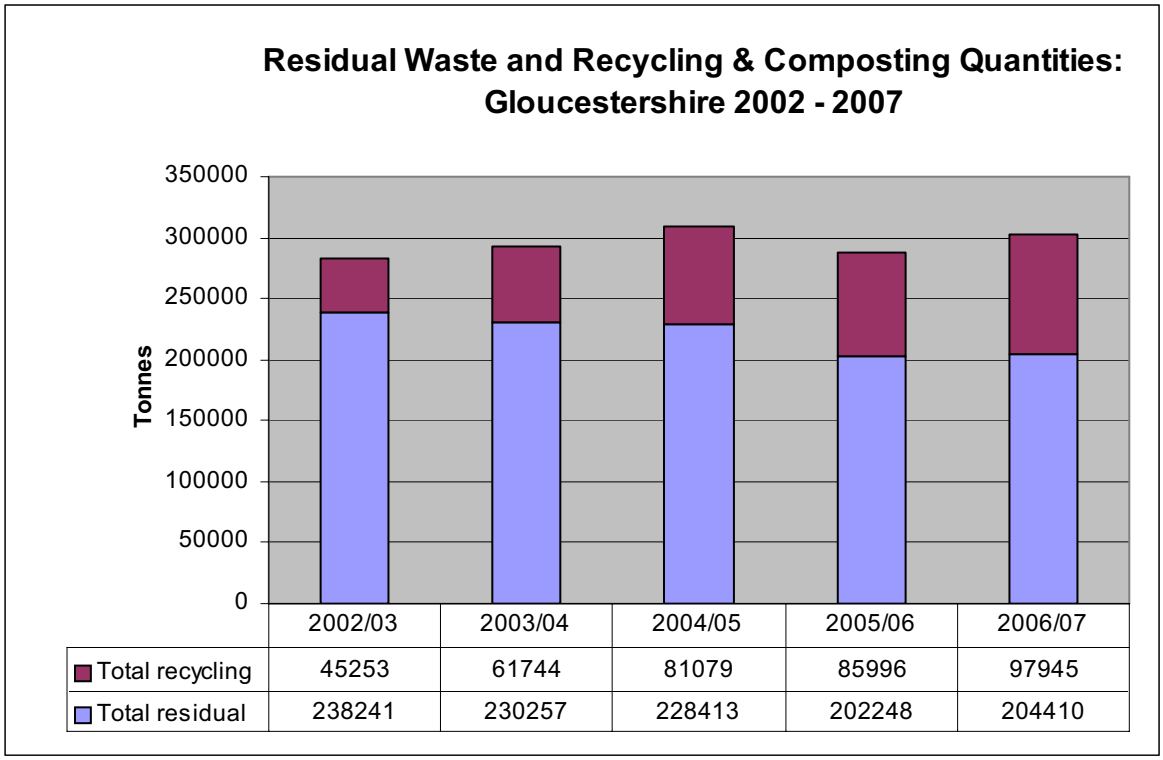
1.3.1 Waste Arisings

1.3.1.1 Gloucestershire's municipal waste arisings have risen by approximately 3% per annum over the last 10 years. Recycling rates have increased steadily resulting in a reduction in the amount of municipal waste being landfilled. Household waste makes up over 96% of Gloucestershire's municipal waste arisings.

1.3.1.2 In 2006/7, the county produced 324,143 tonnes of municipal waste, of which just over 302,355 tonnes was household waste. This equates to 525kg of household waste per head of population per annum, and about 1,220 kg per household per annum.

1.3.1.3 In 2006/7 the BVPI recycling and composting rate for household waste was 32% (that is 97,945 tonnes out of the total waste stream of 302,355 tonnes) (see Figure 2).

Figure 2. Gloucestershire's waste arisings 2002-2007.

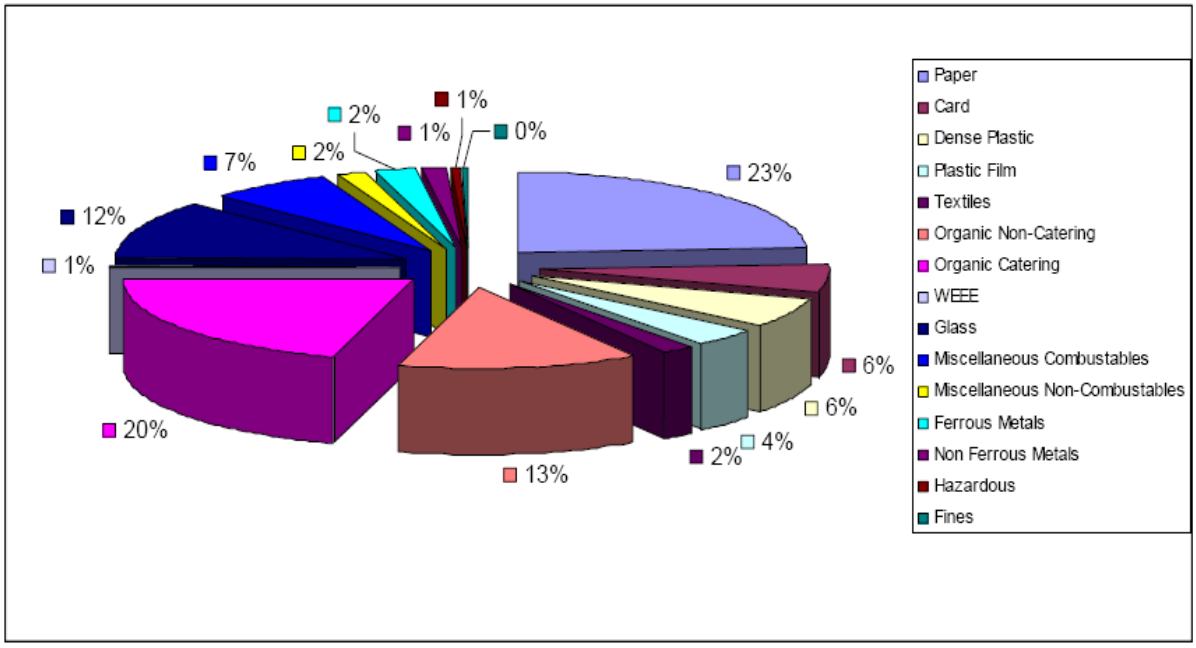


	2002/03	2003/04	2004/05	2005/06	2006/07
Total recycling	45253	61744	81079	85996	97945
Total residual	238241	230257	228413	202248	204410

1.3.2 **Household Waste Compositional Analysis (2004/5)**

1.3.2.1 Having recognised the importance of identifying the composition of our waste stream, GCC commissioned a household waste composition study during 2004/5. A breakdown of an average household bin (including separately collected recyclables and compostables) is shown in Figure 3.

Figure 3. Average breakdown of household waste arising in Gloucestershire (2004/5).



1.3.2.2 This study identified that approximately 70% of the materials produced by a household can be re-used, recycled or composted. Sixty eight percent of the waste stream was found to be biodegradable, and of that 34% is organic (kitchen and garden waste). The report is available on request.

1.3.2.3 GCC is considering undertaking a further waste composition analysis exercise in the near future as it is critical to understand the characteristics of our waste arisings, and the impact of our culture and shopping habits as GCC moves forward into procurement. This is likely to commence around the spring of 2008 with several audits spread over the course of the year. The aims of the analysis will be:

- To provide evidence to inform future household waste reduction and recycling improvements in the county by;
  - Mapping waste and recycling profiles/performance across different socio-economic groups in relation to material types;
  - Mapping waste and recycling differences across the six districts;
- To understand the characteristics of the above by weight;

- To determine seasonal variations in waste arisings; and
- To determine the characteristics of residual waste in relation to potential treatment and energy recovery options.

1.3.3 **Expected Waste Growth Rates**

1.3.3.1 GCC recognises the importance of waste growth on the management of future waste arisings. The compounding percentage increases in the waste stream over recent years will have a significant impact on the quantity of waste that Gloucestershire must manage. If growth continues at the current rate of 3%, it will double in 25 years.

1.3.3.2 Recent work has been undertaken by Eunomia on behalf of GCC, as part of the strategic analysis for the development of the JMWMS. This determined a sensible projection of future waste arisings on which planning for waste treatment and disposal facilities can be based.

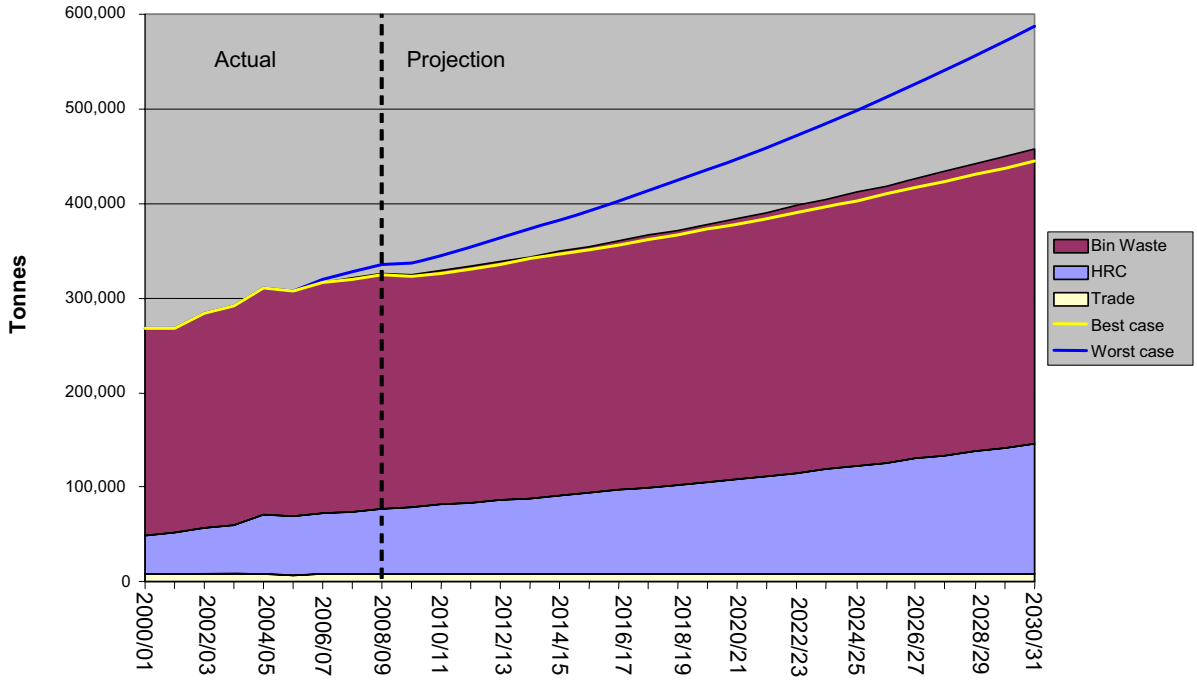
1.3.3.3 Total arisings are predicted to grow from just over 300,000 tonnes per year in 2005/6 to some 457,000 tonnes by 2030/31. This is equivalent to an annual growth rate of 1.6%. This is based on recent and future waste growth and analysis of whether increases can be attributed to 'one-off' events such as:

- the recent introduction of kerbside collection of green waste;
- changes and improvements at HRCs;
- the future introduction of reduced residual waste collection by all authorities by 2010/11; and
- new recycling and composting schemes.

1.3.3.4 The best-case scenario assumes moving to alternate weekly collection of residual waste to enhance recycling and reduce waste production. In a worst-case scenario (if the events were not 'one-offs') waste growth could be as high as 2.8% on average. Figure 4 below illustrates the projected municipal waste arisings up to 2030/31 providing best and worst case scenarios.

1.3.3.5 The below projection also accounts for the impacts of decreasing household size (number of persons per household). The number of households within Gloucestershire has increased at a faster rate than the population and mirrors the national trend of smaller household size. The size of the average Gloucestershire household is predicted to decrease from 2.31 persons in 2004 to 2.1 persons by 2026. Smaller households produce more waste per capita than larger households.

Figure 4. Gloucestershire municipal solid waste (MSW) arisings projection (up to 2030/31)



1.3.3.6 A higher number of homes will result in increased costs of waste collection and disposal. In addition, Gloucestershire has an ageing population, with a greater than average proportion of its residents above 50 years of age and a lower than average proportion of its residents below 35 years of age. Whilst older residents are often believed to be more likely to participate in recycling than younger age groups, older residents may require additional services such as assisted (or back door) collections.

1.3.3.7 Waste growth projections will continue to be reviewed as collection services change and waste minimisation schemes are implemented. In addition, the current JMWMS aims to meet new residual waste per capita targets and reach recycling and composting targets of 60%. The JMWMS waste modelling has assumed that waste minimisation schemes introduced over time and Government initiatives for producer responsibility will facilitate the reduction of waste growth to zero by 2020.

1.3.3.8 For our Outline Business Case ("OBC"), GCC intends to revisit our forecast waste arising projection to ensure that any change in waste minimisation activities, waste composition, collection schemes and treatment infrastructure is reflected in our forecast for future waste

arisings.

1.4 Current Waste Collection arrangements.

1.4.1 There is some commonality in the way that dry recyclables are collected by the District Councils (Waste Collection Authorities or WCAs) in Gloucestershire. Each WCA provides a kerbside recycling service for paper, glass and cans, which are manually sorted at the kerbside and loaded on to a vehicle. Some Councils collect additional materials such as plastic bottles, textiles and batteries. Five WCAs have introduced kerbside garden waste collection schemes; four schemes offer free collections and the fifth charges for the collection of green waste. Each WCA provides a weekly collection of residual waste ('rubbish') in black bags or in wheelie bins.

1.4.2 There is a special collection service for 'bulky' household waste enabling residents to dispose of large household items e.g. mattresses, fridges and freezers. Five WCAs offer a waste (refuse) collection service for commercial waste. Gloucester City currently offers commercial waste recycling collection of cardboard and mixed glass, and Cheltenham BC has begun trialling a mixed glass commercial waste recycling scheme to businesses in Cheltenham. The scheme allows trade customers to recycle their glass bottles and jars with collections being offered at a cheaper rate than normal landfilled waste.

1.4.3 In addition to a kerbside service, each WCA provides a network of bring banks for various dry recyclables. GCC provides five Household Recycling Centres (HRCs) for the receipt of recyclables, green waste, hazardous waste and residual waste. Cheltenham Borough Council also operates a discretionary civic amenity site.

1.4.4 Recyclable materials are currently sorted within the County and materials such as clean glass, paper and magazines are sent elsewhere in the UK or overseas for reprocessing or onward transfer. (Further information is available in JMWMS Volume 3 Baseline Report, Appendix 1). Garden waste collected at the HRCs and at the kerbside is windrow composted at three composting sites located in Gloucestershire. All residual waste is landfilled at two sites within Gloucestershire.

1.4.5 Table 2 below summarises the kerbside collections and bring banks available in the individual districts in Gloucestershire.

1.5 **Current Disposal arrangements.**

1.5.1 To manage the current waste arisings within the county, GCC's contractors use a number of existing facilities throughout the county. The details of the facilities used to deliver the existing waste service and their ownership are found in Table 3 and Figure 5. The waste disposal service currently comprises:

- five Household Recycling Centres;
- three windrow composting sites;
- two transfer stations;
- two active landfill sites;
- WEEE (Waste Electrical and Electronic Equipment) and ELFFs (End of Life Fridges and Freezers) storage and recycling; and
- a number of other ancillary facilities.

1.5.2 The WDA has in place two waste management contracts to manage the above. The contracts are as follows:

- Haulage and transfer of organic waste and residual waste, windrow composting of green waste, and disposal of residual waste to landfill contract. Cory Environmental (Gloucestershire) Ltd were awarded the contract for the receipt, transfer and disposal of residual waste to landfill, and the windrow composting of organic waste. The 10-year contract commenced on 7 August 2006 with a break point in 2013. Cory Environmental also manage the three closed landfills.

- Household Recycling Centre operation and management contract was awarded to Environmental Waste Controls (EWC) on 7 August 2006 and is due to expire on 6 August 2016 (there is an option to extend the contract in annual increments for up to five years – to 2021). The service is for the operation and management of the five HRCs in Gloucester, together with the reception of household waste.

1.5.3 GCC is in the process of procuring the delivery of in-vessel composting capacity for the receipt, treatment and disposal of kitchen and garden waste delivered by the Waste Collection Authorities. It is anticipated that the contract will be awarded [*withheld under exception 12 (5) (e) (f)*] in December 2007.

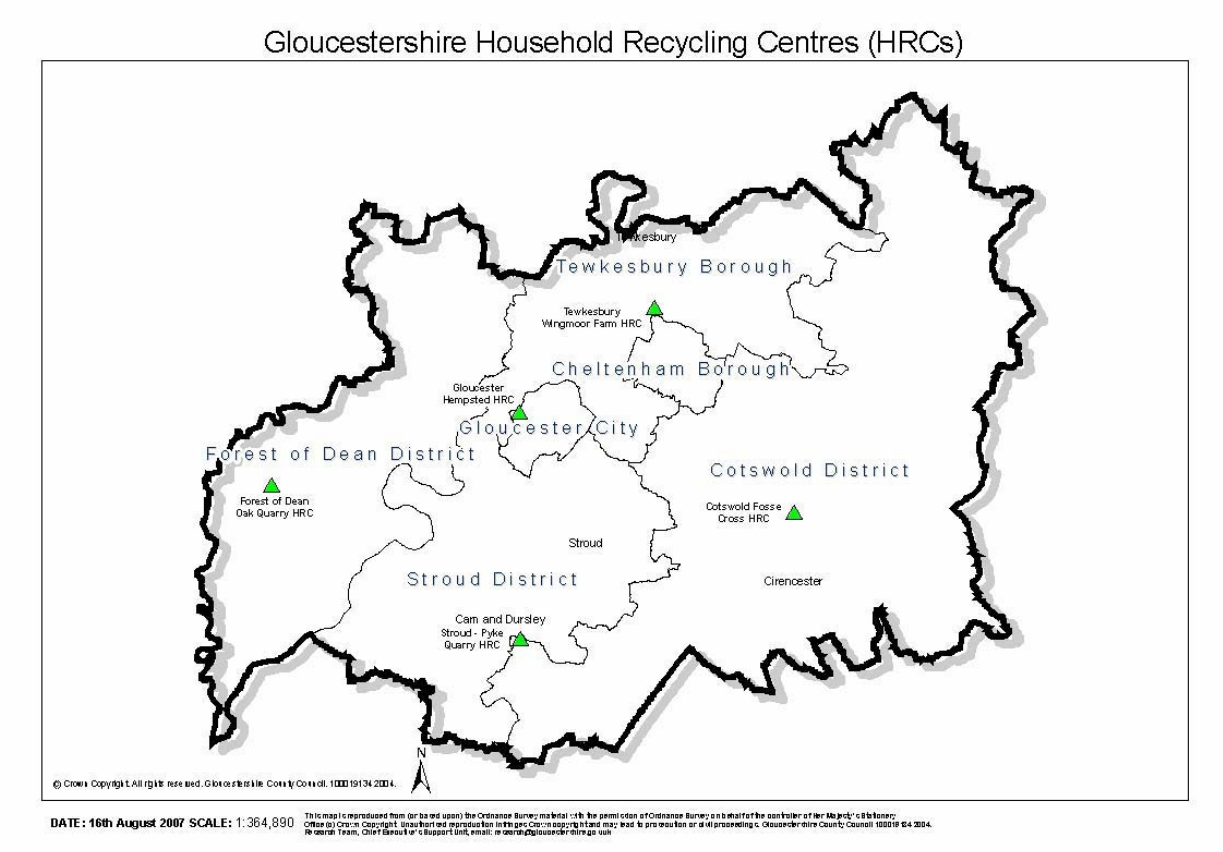
Table 2. WCA (District) waste collections and bring bank systems in Gloucestershire

WCA (District)	Dry Kerbside Recyclables Frequency, receptacle and materials	Bring Banks Materials Materials shown not necessarily collected at all sites.	Green Waste Collections Type of Scheme	Residual waste Collection
Cheltenham	Fortnightly 55 litre box paper, glass and cans	glass, paper, cans, foil, textiles, shoes plastic bottles card and oil.	• Fortnightly sack collection, • First sack free then £2 a sack (reusable sack) Opt out (41,000 hhs using the scheme (85%))	Wheeled bin, weekly
Cotswold	Fortnightly 44 litre box and lid paper, glass and cans	books, card, cans, foil, glass, paper, plastic bottles, shoes, textiles	• Fortnightly 240 litre wheeled bin (paper sack where requested) • No charge Opt out (34,500 hhs provided the scheme (100%))	Sacks Weekly,
Forest of Dean	Fortnightly 55 litre box paper, glass and cans	Glass, paper, cans, textiles, shoes, foil and plastic bottles.	• Fortnightly 240 litre wheeled bin • Bins purchased for £20 Opt in (25,000 hhs using the scheme (66%))	Sacks, weekly
Gloucester City	Weekly 55 litre box paper, glass, cans, plastic milk bottles, textiles	books/videos, glass, paper, cans, shoes, textiles, plastic bottles and cardboard.	• No charge • 240 l wheeled bin Opt out (44,000hhs using the scheme (most households))	Wheeled bin, weekly
Stroud	Fortnightly 55 litre box paper, glass, cans, foil, batteries and plastic bottles.	glass, paper, cans, textiles, cardboard, books/videos and shoes.	N/A (Opt –in bags for garden waste; NOT composted; 60p per bag) (Food waste collection trial (October 2007 – weekly collections in two pilot areas)).	Sacks, Weekly
Tewkesbury	Fortnightly 55 litre box and lid paper, glass and cans	glass, paper, textiles, foil, cardboard, plastic bottles and books/videos	• Fortnightly charged collection (£27.50/annum) introduced March 06 • 240 litre wheeled bin Opt in (10,500hhs signed up to the scheme (30%) September 2007)	Wheeled bin, weekly

1.5.4 **Household Recycling Centres**

1.5.4.1 GCC is responsible for the county's five HRCs, the locations of which are shown below in Figure 5.

Figure 5. Household recycling centres (HRCs) in Gloucestershire



1.5.5 **Haulage, Transfer and Landfill Arrangements**

1.5.5.1 Current transfer facilities and landfill capacity available to GCC are:

- Lydney Transfer Station, Lydney (Forest of Dean);
- Cirencester Transfer Station, Love Lane, Cirencester (Cotswold);
- Hempsted Landfill Site, Hempsted, Gloucester;
- Wingmoor Landfill Site, Stoke Orchard, Nr. Cheltenham.

1.5.5.2 Waste derived from Cotswold is currently transferred to Wingmoor Farm Landfill site via Cirencester transfer station, and waste from the Forest of Dean is transferred via Lydney transfer station to Hempsted landfill site.

1.5.5.3 Both landfill sites are owned and operated by Cory Environmental Ltd. Hempsted landfill site is likely to close within the first five years of this contract, meaning that, in the longer-term, only transfer facilities (as well

as a HRC) will be available at this site. Wingmoor Farm is anticipated to be available for about another 12 years.

1.5.6 Composting Facilities

1.5.6.1 GCC has procured windrow composting capacity through its contract with Cory Environmental to compost garden waste collected at the kerbside and from the HRCs. This will be composted at three facilities:

- Rosehill Farm Composting Plant, Dymock, owned and operated by Mr. M. Bennion;
- Wingmoor Composting Plant, Bishops Cleeve, Cheltenham, owned and operated by Cory Environmental;
- Sunhill Composting Plant, Poulton, Cirencester, owned and operated by Agricultural Supplies.

1.5.6.2 There are also a small number of community composting sites within Gloucestershire. Details can be found at www.gcwp.org.uk.

1.5.6.3 Table 3 below lists the main waste facilities used by GCC, their ownership and wastes accepted at those facilities.

Table 3. Gloucestershire's existing waste facilities, their ownership and accepted wastes.

Waste Facility	Accepted wastes	Ownership
Hempsted Landfill, Gloucester	Inert wastes, metal wastes (bulk loads not permitted), household wastes, commercial wastes, filter cake/zinc, nickel hydroxide.	Cory Environmental
Wingmoor Farm Landfill, Stoke Orchard, Cheltenham	Household, commercial and industrial wastes.	Cory Environmental
Lydney Transfer Station, Lydney	Non hazardous household, commercial and industrial waste, difficult wastes, Group E clinical wastes, garden waste.	SITA
Cirencester Transfer Station, Cirencester	Inert wastes, general and biodegradable wastes, metals and discarded (scrap) composite equipment, animal carcasses, ELFF, garden waste.	Cory Environmental
Hempsted Garden Waste Composting Facility, Gloucester	Green wastes being defined as biodegradable wastes consisting of tree branches, grass cuttings, bushes and other vegetation.	Cory Environmental
Wingmoor Garden Waste Composting Facility, Cheltenham	Green wastes being defined as biodegradable wastes consisting of tree branches, grass cuttings, bushes and other vegetation.	Cory Environmental
Rosehill Farm Windrow Composting Facility, Nr. Dymock	Green wastes and cardboard	M Bennion
Smiths, Moreton Valance Asbestos Delivery Point	Household asbestos, delivered by the public and District Councils if fly-tipped.	Smiths
Fosse Cross Household Recycling Centre, Calmsden	Domestic waste only; household waste, scrap metal, waste oil, materials for recycling. No asbestos and/or other special wastes.	GCC
Gloucester Household Recycling Centre, Hempsted, Gloucester	Domestic waste only; household waste, scrap metal, waste oil, materials for recycling. No asbestos and/or other special wastes.	Cory Environmental
Oak Quarry Household Recycling Centre, Broadwell, Coleford	Domestic waste only; household waste, scrap metal, waste oil, materials for recycling. No asbestos and/or other special wastes.	Forest Enterprise
Pyke Quarry Household Recycling Centre, Horsley,	Domestic waste only; household waste, scrap metal, waste oil,	Mrs Thorogood

Waste Facility	Accepted wastes	Ownership
Nailsworth	materials for recycling. No asbestos and/or other special wastes.	
Wingmoor Farm Household Recycling Centre, Stoke Orchard, Cheltenham	Domestic waste only; household waste, scrap metal, waste oil, materials for recycling. No asbestos and/or other special wastes.	Cory Environmental
Sunhill Composting Facility	Green wastes	Agricultural Supplies (ASC)

2 Strategic Waste Management Objectives.

2.1 Joint Municipal Waste Management Strategy ("JMWMS")

2.1.1 The Gloucestershire Waste Partnership ("GWP") (the seven authorities) has an existing joint waste strategy that was adopted in 2002. Since 2005, the joint strategy has been under review. Following early consultation and the termination of the previous PFI contract, a draft JMWMS has been developed by GWP and was approved by each authority for full consultation in November 2006.

2.1.2 This year, a revised JMWMS (based on consultation responses) and the accompanying Environmental Report (Strategic Environmental Assessment ("SEA") was consulted upon. The consultation ended on 6 September 2007 and it is planned that the final version of the Strategy and accompanying documents will be adopted by all seven authorities by the end of 2007. GCC plans to formally adopt the JMWMS in October 2007.

2.1.3 The JMWMS sets out Gloucestershire's current position, and the aims, objectives and future plans of the Gloucestershire Waste Partnership (GWP - see section 5.3 for description of the GWP). It establishes the route map for the management of Gloucestershire's municipal waste and provides a framework for the development of municipal waste management services through to 2020, which will inform the business and financial planning of each of the Gloucestershire Local Authorities. It sets key aims and objectives to ensure waste is managed effectively.

2.1.4 The diagram below (Figure 6) summarises how GWP is approaching the waste issue in the county in the long term. It is taken from the JMWMS and shows the key targets and milestones to 2020.

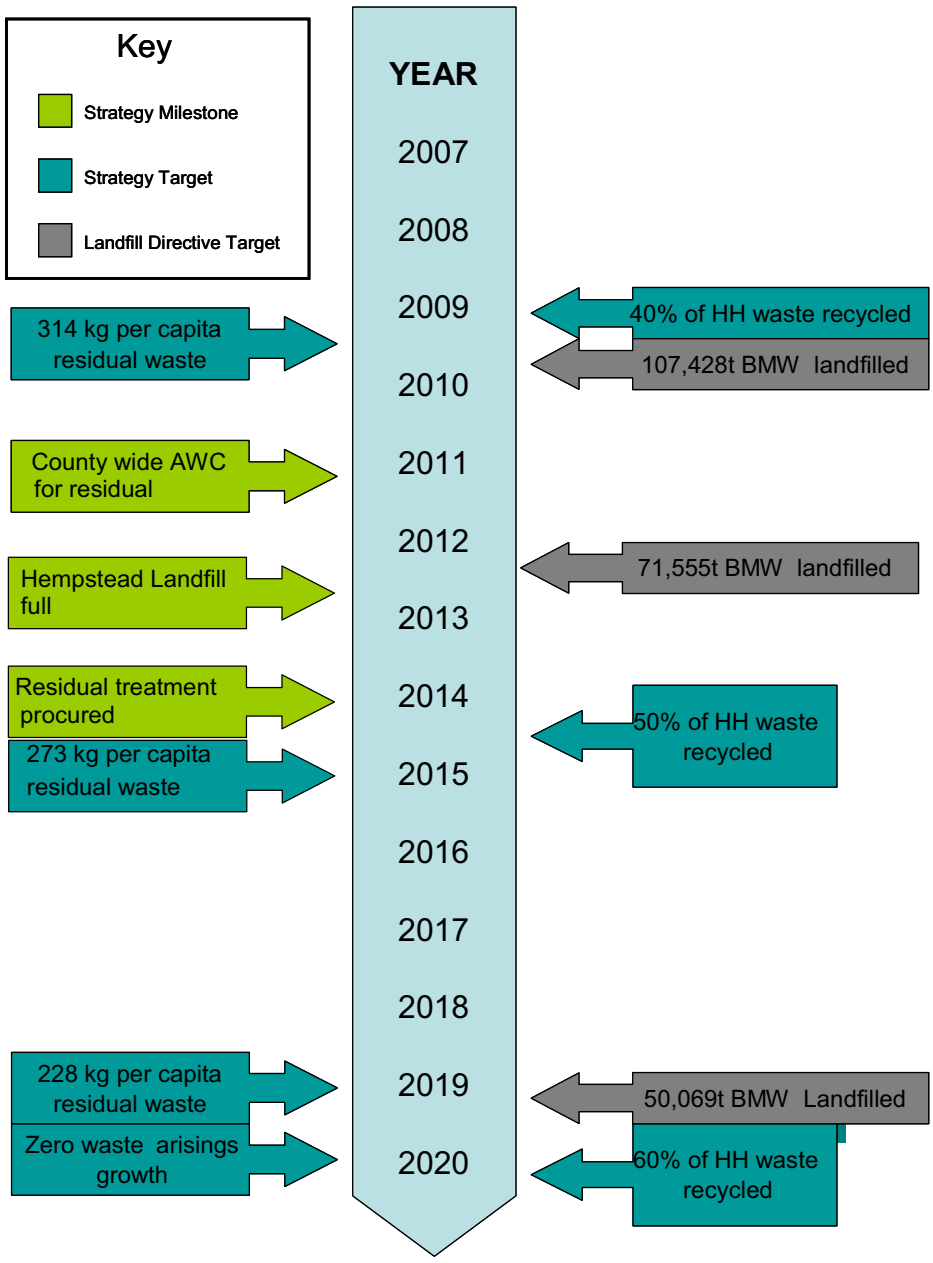
2.1.5 The strategy aims to drive the management of municipal waste up the waste hierarchy setting composting and recycling targets to 60% by 2020. In addition, where residual waste is created this is seen as a resource. Objective 5, **"Residual Waste as a Resource"** aims:

> ***"To provide residual waste treatment capacity to divert waste from landfill, and find or develop markets for recovered materials. Our preferred treatment processes will optimise recovery of recyclables and gain further value from residual waste before disposal."***

2.1.6 Residual waste treatment includes a number of technologies and techniques that can recover additional materials for recycling and gain further value including energy from combustion.

2.1.7 The draft JMWMS and actions plans are appended (Appendix 1).

Figure 6. GCC strategy approach and key targets to 2020.



2.2 Details of any ongoing consultation process.

2.2.1 GWP has just completed over 20 weeks public consultation on the draft JMWMS, and has followed Defra practise guidance for Municipal Waste Management Strategies to ensure the community of Gloucestershire was involved. The JMWMS Volume 5 consultation report detailing all the consultation carried out is available in Appendix 1.

2.2.2 Early consultation was carried out to assist the preparation of the strategy document. In addition, a widespread public consultation of the headline JMWMS (November 2006 to January 2007) was completed in parallel with

the Great Gloucestershire Debate[1], a media led debate that focussed on waste from November 2006 until May 2007.

2.2.3 During the public consultation phase (November 2006- January 2007), stakeholder workshops were held for Industry, non-governmental organisations and Members, a community panel consultation exercise was carried out which developed criteria for the evaluation of residual waste technologies, and a random post survey was sent out to 4,000 people. 1,220 out of 4,000 people responded (30.5%) which is considered very good; roughly double what might typically be expected. This high level of response may have been stimulated to a certain extent by the Great Gloucestershire Debate, but equally is likely to reflect a relatively high level of interest in waste services among the general public.

2.2.4 Key stakeholders were written to in order to obtain their further input into the development of the JMWMS. These include:

- All seven authorities in Gloucestershire
- Natural England
- English Heritage
- The Environment Agency
- 282 Parish Councils in Gloucestershire
- Local non-governmental groups
- Representatives from previous consultation workshops
- GCC planners
- Other individuals and organisations that have contributed to the JMWMS previously.

2.3 **Measures to address waste minimisation objectives.**

2.3.1 GCC as a partner of GWP recognises that further growth in Gloucestershire's municipal waste arisings is not sustainable; environmentally and financially. Complementary to the new National Waste Strategy 2007 objectives, the draft JMWMS sets out two key objectives aimed at tackling waste growth (*Objective 2: "Reduction First"*), consumer behaviour and society's attitude to consumption and disposal (*Objective 1: "Changing Behaviour").*

2.3.2 The GWP aims to reduce Gloucestershire's municipal waste by addressing waste generation at the household level and further up the supply chain. A target to reduce the growth of municipal waste arisings to

[1]The Great Gloucestershire Debate (GGD) is a consultation and promotional campaign to get people living and working in Gloucestershire talking about the issues that matter most to them. The initiative has been developed on behalf of the Gloucestershire Strategic Partnership (GSP), which was formed in 2002 to enable organisations to better work together for the benefit of the county. Members include Gloucestershire County Council, the six district councils, Gloucestershire Constabulary, the health community, business sector and voluntary and community groups. The GGD utilises a variety of mainstream media channels to connect with the public

zero by 2020 has been set. Analysis has demonstrated that with good waste minimisation schemes waste growth can be reduced to at least 1% growth by 2020[2]. However it is believed that Government's Producer Responsibility incentives can reduce waste growth to zero by 2020.

2.3.3 In addition, GWP has set minimum county-wide improvement targets to reduce residual waste per capita to 228kg by 2019/20. This is supported by waste minimisation initiatives, improvements in collection and treatment infrastructure, and communications and education programmes to promote these initiatives and maximise householder participation.

2.3.4 Currently GCC is working on a number of public education initiatives to instil behavioural change in the public in line with the waste hierarchy. Existing waste minimisation/changing behaviour initiatives include:

2.3.4.1 **Recycle for Gloucestershire campaign** (www.recycleforgloucestershire.com) The campaign has been in existence since 2004 and uses high level advertising and consistent branding to raise awareness of waste minimisation issues. As well as the website, other campaign methods include direct mail, outdoor media (adshels, billboards and on public transport), press advertising, roadshows and doorstep canvassing.

2.3.4.2 **Getting our Own House in Order (OHiO)** – this includes implementing a range of activities that contribute to "getting their own house in order" within our own business. This includes engaging all GCC staff to manage waste in line with the principles of the waste hierarchy and how to recognise the importance of "green procurement".

2.3.4.3 **Provision of recycling facilities for school premises** In order to support waste education activities, GWP has sought to provide recycling facilities for schools. In addition a new countywide waste recycling contract has been set up that is available to all GCC premises, including schools, in 2006. The contract will include as a minimum the recycling of paper, cardboard and fluorescent tubes.

2.3.4.4 **Waste minimisation projects** include

- the Real Nappy Campaign, including the provision of real nappy vouchers;
- no junk mail;
- home composting. GCC provides home compost bins and accessories at a subsidised rate through a partnership with WRAP (Waste Resources Action Programme), with ongoing support and advice material issued to the public; and
- furniture reuse.

[2] GCC developed a Municipal Waste Prevention Strategy in 2006 that identifies a robust business case, based on cost benefit, for an intensive 'top-of-the-hierarchy' element for Gloucestershire's Waste Management Strategy

2.3.4.5 **Working in schools to minimise waste and educate children to adopt a less wasteful lifestyle.** GWP officers currently liaise with head teachers, develop waste related activities, which support the national curriculum and visit schools to deliver these activities. GCC is also part of the Gloucestershire Global Education Network (GLEN). The network links various organisations, both community and local authority, who are all involved in educational activities throughout Gloucestershire. The aim of the group is to co-ordinate education activities and share experiences.

2.3.4.6 **Supporting community groups**. GCC supports a variety of community-based activities such as the furniture recycling projects, re-paint schemes and community composting. In addition, GCC supported the establishment of the Gloucestershire Community Waste Partnership (www.gcwp.org.uk) which is open to all waste-based enterprises in Gloucestershire and aims to improve partnership working between community enterprises and increase contact between the community and the public sector within waste management.

2.4 Consistency between the Gloucestershire Joint Municipal Waste Management Strategy and the Waste Strategy for England 2007.

2.4.1 The Gloucestershire Joint Municipal Waste Management Strategy supports the principles of the Waste Strategy for England 2007 in the following key ways as illustrated in the following table (Table 4):

Table 4. How GCC's Joint Municipal Waste Management Strategy (JMWMS) supports the Waste Strategy for England 2007.

Waste Strategy for England 2007. Issue/action from High-level implementation plan	How GCC's JMWMS supports the principles of the national strategy
Chapter 2, Household incentives for recycling – actions 4, 5.	The JMWMS leaves this open for the partner authorities to consider this and is exploring the possibility of a joint response.
Chapter 3, Household hazardous waste – action 17.	The JMWMS encourages and promotes the separate collection of household hazardous waste (Objective to depollute the waste stream).
Chapter 4, Key waste materials – actions 27-33.	The JMWMS supports these actions by developing strong policies for reducing waste for key materials and by encouraging involvement with producers and retailers. The JMWMS will also seek to take advantage of the opportunities to tackle these key materials through securing investment to procure facilities to obtain the most environmental benefit.
Chapter 5, Advice to local authorities – action 51.	The JMWMS promotes increasing the value obtained from recyclate and supports strengthening advice to local authorities.
Chapter 5, Recovering energy from	The JMWMS acknowledges the development of technologies

Waste Strategy for England 2007. Issue/action from High-level implementation plan	How GCC's JMWMS supports the principles of the national strategy
waste – action 53.	that may provide the maximum environmental benefit through processing waste.
Chapter 5, Anaerobic digestion – actions 54, 55	The JMWMS promotes increasing the value obtained from recyclate.
Chapter 5, Supporting business change – action 57	The JMWMS promotes the support of the local business community's waste performance through the BREW scheme.
Chapter 5, Markets for recycled materials – action 58	The importance of this is acknowledged and supported by the JMWMS.
Chapter 6, Local waste performance indicators – actions 59-60	The JMWMS focuses on the development of new types of waste performance indicators. It exceeds the target for waste per person.
Chapter 6, Local authority partnership working – actions 61, 62	The JMWMS also supports the principle of closer collaborative working.
Chapter 7, Information and awareness – action 68.	Waste prevention by working with local residents and schools through better information is a top priority of the JMWMS.
Chapter 7, Third sector– action 71.	The JMWMS stresses the importance of working with the voluntary sector to increase environmental and social benefits too.
Chapter 7, Education and action in schools – actions 75-78.	Waste prevention by working with local schools is a top priority of the JMWMS. There is a dedicated programme of work with schools in terms of waste education and in actual recycling and waste prevention actions.
Chapter 7, Government's own waste – actions 79, 80.	GCC is tackling its own waste in a practical way through its OHiO project (Own House in Order) as described in the JMWMS.
Chapter 7, Government procurement – action 81.	GCC is tackling its own waste in a practical way through its OHiO project (Own House in Order) and includes procurement issues.

3 Procurement Strategy.

3.1 GCC's previous PFI.

3.1.1 In June 2003, after submitting an Outline Business Case to DEFRA, GCC was awarded £25.1M[3] of PFI credits towards the delivery of an "integrated waste management contract". The OJEU was published on 3 October 2003 and GCC developed an "Output Specification" which outlined the aspirations of GCC to deliver an "integrated and continuously improving" waste management contract that would enable GCC to achieve 55% recycling and composting by 2020.

3.1.2 In addition, as a condition of the PFI credits, any solution could not include incineration.

3.1.3 At the Best and Final Offer stage (February - May 2005), the two remaining bidders both brought forward Mechanical Biological Treatment ("MBT") solutions for the management of residual waste. The one solution was a 'bio-drying' process and produced a Refuse Derived Fuel that could then be used as a fuel in Cement Kilns or burnt in a dedicated gasification plant. The other MBT solution was similar to an aerobic composting system and produced a 'stabilised' product that could be landfilled with minimal LATS impact.

3.1.4 On 6 September 2005, following a substantive review, GCC approved a cabinet decision[4] to end the PFI procurement process based on market risks and affordability of the contract. In addition the report recommended the development of a separate residual waste management plan aimed at providing a dedicated residual waste solution by about 2013.

3.1.5 The cabinet report also recommended procuring immediately for statutory services including the provision of landfill capacity, household recycling centres, composting capacity (both windrow and in-vessel) and haulage and transfer of household waste. These contracts were awarded in August 2006.

3.1.6 It is also important to note that, at this time, the Waste Unit was judged as "Excellent" by the Audit Commission's Best Value inspectors. This was largely due to our approach to, and management of the complex and high risk PFI project. The inspectors were particularly impressed with our project management, risk management and governance arrangements. All the best practice and learning from the previous project will be carried forward to the current procurement.

3.1.7 Our previous experience and subsequent learning has substantially affected our emerging Residual Waste Procurement Plan ("RWPP") and the delivery of services to date.

[3] This amount was increased to £30.1 during the PFI process.
[4] September 2005 Cabinet Report entitled "Waste Contract Procurement Strategy". Appendix 6

3.1.8 The Waste Programme Board ("WPB") has given its support to submit this Expression of Interest to Defra and GCC is also seeking Cabinet approval on 10th October 2007 for this submission.

3.2 Planned procurement and LATS strategy.

3.2.1 The Gloucestershire JMWMS identifies a route map for the delivery of collection, treatment and disposal waste infrastructure. The commitment in the GCC Corporate Strategy, GCC Council Plan (2007) and GCC Level 2 Business Plan also commits us to delivering new waste facilities.

3.2.2 In order to deliver the JMWMS and develop the required waste collection and treatment infrastructure in Gloucestershire, GCC has identified the range of objectives and secured the necessary resources that will help achieve this (Council Plan 2007). To date, GCC has successfully benefited from recycling and composting initiatives to mitigate its LATS exposure and in the short to medium term the Gloucestershire Waste Partnership aims to promote the following range of activities:

- Increased collection of dry recyclables through kerbside, bring sites and HRCs to maximise diversion of biodegradable materials;
- Introduction of kitchen (food) waste collection (collected with or separate to garden waste);
- Delivery of in-vessel composting capacity;
- Continuation of the composting of green waste using windrow composting where collected separately; and
- Reduction of residual waste collection capacity once recycling and composting collection schemes are in place.

3.2.3 In support of our efforts to recycle and compost more, the Gloucestershire Local Government Association has also produced a recycling and composting vision which states "all households in Gloucestershire will have convenient and easy-to-use collection services, enabling them to recycle and compost at least 70% of their rubbish by April 2010".

3.2.4 GCC believes these activities will go some way to meet our LATS targets but it is predicted that even with increased recycling and composting, there will still be a LATS deficit from 2009/10. GCC is prepared to use a LATS trading strategy if it is lower cost to the authority.

3.2.5 Attitude to trading is positive and GCC has already purchased permits to mitigate the LATS exposure in 2008/9 (34,000 tonnes worth of allowances and has spent £600,000, paying an average of £17 per tonne allowance). It is anticipated that the cost will rise each year from 2009/10 as more authorities reach their permitted allowances and available waste processing capacity is no longer available.

3.2.6 GCC is also preparing the Residual Waste Procurement Plan that will be taken to Cabinet for approval on 28 November 2007 that will recommend

an approach to managing Gloucestershire's residual waste over the short, medium and long term.

3.2.7 The approach being taken by GCC to develop future waste management service provision draws upon the JMWMS Options Appraisal (Volume 4 of the JMWMS), a GCC IVC Business Case (2007), and the Residual Waste Procurement Plan evaluation process.

3.3 Procured GCC Services: Recycling, Composting & Landfill.

3.3.1 An OJEU notice was published in September 2005 to procure landfill, composting and the management of the household recycling centres. Due to the urgency of ensuring business continuity since the previous contracts were due to expire, initial emphasis was placed on securing landfill and HRC contracts by August 2006.

3.3.2 Therefore, GCC has procured services for the management and operation of its HRCs. This contract strives to enhance reuse, recycling and composting rates and was awarded to Environmental Waste Controls ("EWC") in August 2006 until 2016. The contract sets recycling targets of over 65% BVPI recycling and composting by 2008 with continuous improvement thereafter.

3.3.3 In addition, GCC procured services for the bulking, transfer, and landfill, and organic waste treatment of municipal waste. This contract was awarded to Cory Environmental and expires in 2016 (there is an option to extend the contract in annual increments for up to five years – to 2021) with a potential breakpoint in 2013. The break point is designed to accommodate a future residual waste treatment facility. The landfill element of the contract provides GCC with the flexibility to ensure that BMW can be diverted from landfill in line with LATS.

3.3.4 Planned contract renewals or future procurement arrangements will be developed as part of the OBC.

~~3.3.5~~ [*withheld under exception 12 (5) (e) (f)*]

3.3.6 A target back stop date of 1 April 2010 has been set to deliver a fully operational IVC plant to enable 60,000 tonnes of kitchen and garden waste to be treated annually. This will divert an extra 20 - 25ktpa of biodegradable waste from landfill. Also, modelling has indicated that the cost of treating food and garden waste in an IVC system is significantly cheaper than the cost of landfilling food waste (including landfill tax) and garden waste composting to GCC.

3.3.7 GCC has received an options appraisal [*withheld under exception 12 (5) (e) (f)*] outlining a recommended approach utilising existing planning permissions in the county with indicative costs. The final bid-back and marked-up contract is expected in early October 2007.

3.3.8 Provision of in-vessel composting capacity is only a partial solution. Close partnership working across the two tiers with good co-ordination of new collection systems (separate food waste or co-mingled food and garden waste) and the provision of back-end treatment facilities is required.

3.3.9 Through the GWP, GCC is negotiating with the WCAs to finalise contracts to deliver food waste (and where required by the WCA co-mingled with garden waste) for treatment.

3.3.10 GCC is programmed to produce a cabinet report for approval in December 2007. Subject to satisfactory negotiations, this report will recommend the award of the 10-year IVC contract to the Preferred Bidder [*withheld under exception 12 (5) (e) (f)*] and agree the WCA supply agreements for kitchen and garden waste to align collection and treatment infrastructure.

3.4 The Residual Waste Procurement Plan.

3.4.1 It is estimated that even with the implementation of waste minimisation schemes, enhanced recycling & composting collection schemes and a good communication programme, GCC will still generate approximately 130,000 to 150,000 tonnes of residual waste in 2020. Given the pressing LATS demands on GCC, and the strategic aim of moving away from landfill, GCC identified the need to find a way of managing our residual waste that is "***acceptable, feasible, flexible, environmentally sustainable solution that ensures Value for Money".*** GCC is also striving to achieve Best Value.

3.4.2 GCC has been developing a residual waste procurement plan to determine how residual waste will be dealt with over the next 25 years. As mentioned previously, the procurement plan will be presented to Cabinet for approval on 28 November 2007 that will recommend an approach to managing Gloucestershire's residual waste over the short, medium and long term. The Plan will cover:

- A Technology Appraisal
    - An analysis of all available residual waste treatment configurations to divert residual waste in the interim and long term (after kerbside and HRC recycling and composting has taken place).This will provide the preferred technology(ies) or specification to treat residual waste in the long term, and the interim residual waste options to meet early year LATS targets (based on high recycling and composting performance).

- This will build on the Cabinet Report that will be taken on 10 October 2007 to recommend that the short listed waste management options are accepted as the best options for Gloucestershire at the present time and are taken forward for further detailed full lifecycle cost modelling.

- Procurement and Funding Review
  - Procurement and funding review of the options available to GCC based on the technologies being considered. (This includes PFI, PPP and prudential borrowing).

- Land Review
  - The comparative site assessment of the best available strategic waste site(s) in Gloucestershire. This will determine the preferred site and fall-back sites. In addition the approach to secure site(s) will be addressed and how GCC intends to mitigate planning risk.

- The timeline, commissioning, capacity, reliability and sustainability of markets for output materials including a review landfill capacity for waste that cannot be treated; and

- Analysis of the evolving LATS trading markets;

- Review of regional solutions and partnering with other authorities and review of opportunities for treating commercial waste; and

- The engagement and communication approach to all key stakeholders.

3.4.3 The Plan will also address how we will ensure a competitive process, leading to delivering a value for money solution that will provide Best Value for GCC.

3.5 **Appraisal of "Whole System" Technology Solutions.**

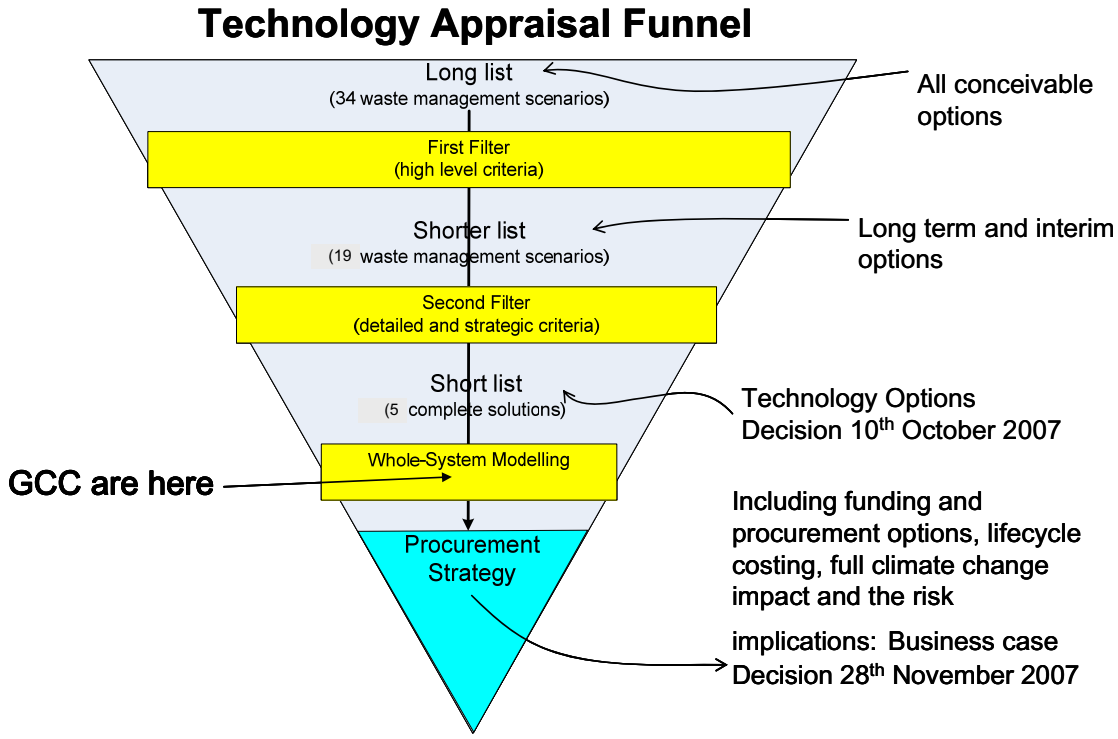
3.5.1 The draft JMWMS outlines GCC's intention to undertake an extensive appraisal of residual waste treatment solutions. GCC has carried out detailed modeling to appraise the residual waste technology solutions[5]. GCC has deliberately assessed 'whole systems' throughout the appraisal process to ensure that the full process and outputs/markets are considered.

3.5.2 Initially, GCC considered all possible technology combinations and identified a long list of 34 potential residual waste technology scenarios

[5] This builds upon the initial findings of our JMWMS options appraisal (contained within volume 4) and SEA work (volume 6).

that were taken through a series of selection stages, or filters (see figure 7). The objective was to select solution(s) for dealing with residual waste that are acceptable, feasible, flexible, environmentally sustainable and provides balanced risk and value for money.

Figure 7 The Technology Appraisal 'Funnel' process



3.5.3 These residual waste treatment scenarios were appraised against five high level criteria to deselect options that were unviable. These were:

- National Policy/Legislation
- Product Marketability
- Efficacy: Proven technology
- Landfill Allowance Trading Scheme
- Excessive cost

3.5.4 This removed a number of novel, unproven, highly expensive and undeliverable options, reducing the long-list to a shorter list of 19 technology solutions (refer to Table 5). These technologies can be grouped under five core processes, namely: autoclave, MBT (Mechanical Biological Treatment), AD (Anaerobic Digestion), MBT (Aerobic), Modern Thermal Treatment (MTT), Advanced Thermal Technology (ATT) and Autoclave (AUT).

Table 5. List of possible interim and long-term technology solutions (excluding the base case landfill only which was assessed in parallel)

Technology Reference No.	GCC Scenario No.	Description
Possible Interim Solutions		
AUT1	8	Autoclave technology with floc, residue to land application
AUT2	9	Autoclave technology with floc to anaerobic digestion to biogas and digestate production
AUT3	10	Autoclave technology with floc to partially stabilised material for landfill
MBT1	17	MBT (aerobic) with stabilised material to contaminated land
MBT2	18	MBT (aerobic) with partially stabilised material to landfill
MAD1	20	MBT (anaerobic) with biogas, and digestate to aerobic treatment to produce partially stabilised material for landfill
MAD2	24	MBT (anaerobic) with biogas, and digestate to composting for application to contaminated land
Possible Long-Term Solutions		
AUT4	1	Autoclave technology with floc to dedicated combustion (MTT/ATT (CHP))
AUT5	3	Autoclave technology with floc to industrial combustion plant(s)
AUT6	4	Autoclave technology with floc to merchant combustion plant(s) (MTT/ATT (CHP))
MBT3	12	Biodrying with RDF to dedicated MTT/ATT (CHP)
MBT4	14	Biodrying with RDF to merchant plant facilities (MTT/ATT (CHP))
MBT5	15	Biodrying with RDF to an industrial power plant (Cement kiln, power plant etc.)
MTT1	28	Modern Thermal Treatment with electricity production only
MTT2	29	Modern Thermal Treatment with electricity production and recovery of heat energy (CHP plant)
ATT1a	31	ATT with syngas used for electricity production only, via steam turbine
ATT1b	31	ATT with syngas used for electricity production only, via gas engine
ATT2a	32	ATT with syngas used for electricity production, via steam turbine, and recovery of heat energy (CHP plant)
ATT2b	32	ATT with syngas used for electricity production, via gas engine, and recovery of heat energy (CHP plant)

3.5.5 Of these 19 technologies solutions, 11 were considered suitable as potential long term solutions and 8 as interim solutions. The 8 interim solutions are capable of treating residual waste and avoiding LATS penalties but they are not considered to be environmentally sustainable in the long term. This was due to the fact that the process output was destined for either landfill disposal or application to land.

3.5.6 It was recognised that, as markets and technologies advance, de-selected options may become viable technologies in the near future. Therefore a Research and Development “Watch-List” was established to capture those scenarios. Nineteen whole system technology options were agreed by the Project Sponsor (see section 5.4.1.2) to be taken forward for further detailed performance analysis.

3.5.7 In the second filter, evaluation was carried out by a professional technical consultancy applying a best practice scientific and economic appraisal.

Each of the 19 options was therefore subjected to a very rigorous and detailed evaluation against the criteria listed in table 6 below. This includes mass flow and climate change impact modelling. A weighted score was then applied to each technology option.

Table 6 Technology Performance Criteria

High-level criteria	Criteria	Measure
Feasibility	Planning Risk	What is the public perception and political position?
	Track Records	Does the technology have a proven track record for reliability?
Flexibility	Adaptability	How readily can the technology adapt to changes in composition/waste volume?
Environmental Sustainability	Climate Change	What are the net Greenhouse gas (GHG) emissions arising per tonne of waste treated (excluding transport) measured by CO2 equivalent?
	Health	What are the health effects of emissions of pollutants with a localised impact?
	Materials Balance	What demand on primary materials extraction does the technology make? What is the technology's contribution to recycling/composting.
	Energy Balance	What is the net energy generation/use associated with the technology (including energy benefits derived from any recycling/energy generation).

3.5.8 Technology performance criteria were developed by a community panel that was consulted during the JMWMS consultation phase.

3.5.9 The next stage applied a strategic overlay which considered the issues that were deemed important to GCC, including fit with the JMWMS, affordability, product market risk, attitude to solutions relying on landfill, and how to address the 'LATS-gap'.

3.6 **Results of the Detailed Technology Appraisal.**

3.6.1 Based on the technology performance appraisal, and within the context of GCC's strategic issues, the following options and evolutions were suggested to take forward for detailed cost modelling:

- Modern Thermal Treatment with Combined Heat & Power (CHP) (interim LATS trading) (MTT2)
- Mechanical Biological Treatment (MBT) producing a fuel to power dedicated CHP (with interim stabilised material going to landfill). (MBT2 evolving to MBT3)
- Mechanical Biological Treatment (MBT) producing a biologically stabilised material that is sent to landfill (MBT2)
- Business as usual (landfill) (LF) continuing to landfill all untreated residual waste.

3.6.2 The business as usual case (landfilling -LF) essentially needs to be taken forward for detailed financial modelling in order to present a clear business case for changing the current residual waste treatment system. Without this very basic comparison of the 'do nothing' scenario against any other option, or evolution of options, a financial argument for procuring new technology is unfounded. Given the strategic importance placed on cost by GCC, such a comparison is essential, particularly since landfilling may indeed provide the least expensive option. Landfill is included as a comparison – the extremely poor performance under Climate Change Impacts has contributed to landfill's low ranking.

3.6.3 Top ranking long-term solutions are MBT3 and MBT4 where both MBT solutions produce an RDF which is combusted in a Waste Incineration Directive compliant CHP facility. These options have comparatively low climate change impacts and high net energy balance. They benefit from slightly higher levels of recycling. Gloucestershire is however aspiring to reach high recycling and composting levels through source segregation and so this is not considered a significant issue as all options recover a percentage of recyclables.

3.6.4 MTT2, Combined Heat and Power, is the highest ranking, stand-alone thermal option in the technology appraisal, and ranks third after MBT3 and MBT4.

3.6.5 MBT producing a stabilised material (MBT2) was considered as only an short term solution for Gloucestershire as it is reliant on landfill and thus this system does not 'divert waste from landfill'. However, as this option performed well environmentally, it has been considered beneficial to examine the financial implications of procuring MBT2 as a long-term solution.

3.6.6 [*withheld under exception 12 (5) (e) (f)*].

3.6.7 [*withheld under exception 12 (5) (e) (f)*].

3.6.8 [*withheld under exception 12 (5) (e) (f)*].

3.7 Financial Modelling of Technology Solutions.

3.7.1 GCC is assessing the financial implications of each technology solution (including interim measures) and the risks involved, in addition to procurement and funding options.

3.7.2 The three technology options and Business as Usual ("BaU") highlighted above were financially modelled to present an indication of the estimated financial cost associated with delivering the solutions based on a Design, Build, Finance and Operate (DBFO) procurement[6]. In addition, two alternative options were also modelled as fall back scenarios. CHP solutions (MTT2 and MBT2-MBT3) have been modelled as Modern Thermal Treatment solutions producing electricity only. This allows GCC to assess the costs should heat markets not materialise. These options are summarised in Table 7 below.

Table 7. Summary of technology solutions financially modelled.

Solution	Summary of facilities	Description
MTT1	Single facility – 130k tonnes pa Electricity generation 500 kWh per tonne	Modern Thermal Treatment (electricity only) as a complete solution.
MTT2	Single facility 130k tonnes pa Electricity generation 270 kWh per tonne Steam generation 1,681 kWh per tonne	Modern Thermal Treatment as a complete solution using Combined Heat and Power (CHP).
MBT2	Two MBT facilities – 70k and 60k tonnes pa Landfill 56% of throughput with 75% reduction in BMW content	Mechanical Biological Treatment as a partial solution to stabilise residual waste before disposal to landfill.
MBT2-MBT3 (MTT1)	Two MBT facilities – 70k and 60k tonnes pa One MTT1 facility – 80k tonnes pa Electricity generation 500 kWh per tonne	MBT (70k tonnes) to meet early LATS targets followed by additional MBT and MTT1 (electricity only) to provide a complete solution.
MBT2-MBT3 (MTT2)	Two MBT facilities – 70k and 60k tonnes pa One MTT2 facility – 80k tonnes pa Electricity generation 220 kWh per tonne Steam generation 1,400 kWh per tonne	MBT (70k tonnes) to meet early LATS targets followed by additional MBT and MTT2 to provide a complete solution with CHP.

3.7.3 [*withheld under exception 12 (5) (e) (f)*]

[6] Finance provided by shareholders and lending institutions representing a typical project finance structure (similar to PFI)

3.8 **Financial Modelling Results.**

~~3.8.1~~ [*withheld under exception 12 (4) (d) and 12 (5) (e) (f)*]

3.8.2 The results show that in comparison to the Business as Usual ("BaU") option, all technology solutions perform better in total nominal cost terms when either the maximum LATS penalty is applied or LATS costs are in line with Scenario 2.

3.8.3 The total estimated cost of the Business as Usual (Landfill only) option including maximum LATS penalties is approximately [*withheld under exception 12 (5) (e) (f)*] in nominal terms over the project period.

3.8.4 Over a similar period the highest cost technology solution, MBT2-MTT1, will cost an estimated [*withheld under exception 12 (5) (e) (f)*] including all associated landfill and LATS penalty costs. On the same basis the lowest cost solution is MTT2 with an estimated total nominal cost of [*withheld under exception 12 (5) (e) (f)*].

~~3.8.5~~ [*withheld under exception 12 (5) (e) (f)*]

3.8.6 These are indicative costs and may not reflect those presented by the market during procurement. Previous experience has shown that indicative costs have been lower than those bid. There are also sensitivities associated with the assumptions made including LATS, landfill tax and revenue generated from heat energy. Further information on capital expenditure, operating costs, revenue, net present cost is appended (Appendix 2).

3.8.7 In summary, both MTT and MBT technology solutions are capable of mitigating the GCC's exposure to LATS penalties at a lower cost than continuing Business as Usual. The Cabinet Report in November will aim to clarify the preferred route for GCC.

3.9 Strategic Environmental Assessment ("SEA")

3.9.1 In parallel with the technology appraisal of the technology solutions, a SEA was also performed. The SEA was carried out as part of the JMWMS process. The aim was to enable GCC to:

- take account of the environmental impacts (benefits and dis-benefits) of the technology solutions;
- allow full consideration of the impacts; and
- enable mitigation of impacts where they are unfavourable.

3.9.2 A number of the criteria used in the SEA and the residual waste evaluation purposely overlapped. The SEA appraised the four technology scenarios presented above:

- Business as Usual – All residual waste to landfill
- Mechanical Biological Treatment (MBT) (stabilisation) with material to landfill, evolving into MBT (biodrying) with Refuse Derived Fuel (RDF) to MTT:
- MBT (stabilisation) with material to landfill;

- Modern Thermal Treatment with Combined Heat and Power (CHP)

3.9.3 The SEA also appraised Autoclave with stabilised fibre to landfill, evolving into autoclave with fibre to Modern Thermal Treatment (MTT).

3.9.4 The SEA Report (also known as the Environmental Report) states that "as long as the existing situation is not maintained, the strategy generates improvements in the performance regarding residual waste treatment, especially in respect of climate change." It is recognised that this is not just because of the reduced quantity of residual waste to be dealt with, "but due to the improved performance of the majority of other treatments relative to the landfilling of untreated waste".

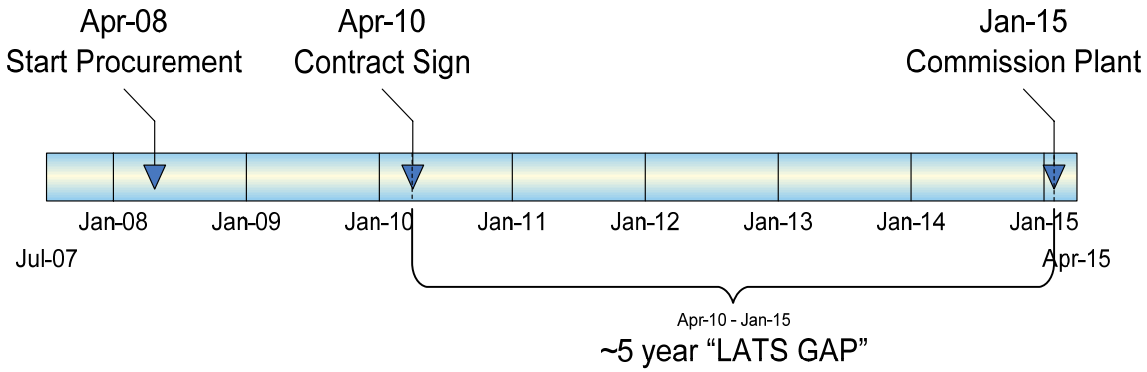
3.9.5 However, all treatment technologies have some environmental issues, with each having potentially negative impacts against a number of the SEA criteria. However, these impacts can be mitigated to a large extent (although not totally) through the use of advanced abatement technologies, careful monitoring and appropriate site management.

3.9.6 Mitigating measures have been proposed where the assessment has shown the potential for negative environmental, social and economic effects of a policy or initiative. These will be considered during the development of the OBC and during the procurement process and specifically the development of the technical specification.

3.10 Interim Solutions to "bridge the LATS gap"

3.10.1 Technology solutions considered include options for 'bridging the LATS gap' in the period prior to the strategic waste facility becoming operational. Figure 9 provides an indicative timeline for the procurement of a large residual waste facility, and based on a number of assumptions if procurement commenced in April next year, the facility would not possibly be commissioned until January 2015. This causes just under a 5 year LATS gap.

Figure 9 Indicative timeline scenario for the procurement of a thermal residual waste treatment plant (long lead time)



3.10.2 Therefore, an interim solution to address the LATS gap is an integral part of the residual waste procurement plan that will be presented to Cabinet on 28 November 2007.

3.10.3 GCC has a limited number of options available to it to address this problem. These include:

- LATS trading;
- Export to merchant facilities; and
- "fast to procure and develop" technology solutions.

3.10.4 The soft market testing exercise will assist GCC in understanding the full range of options available.

3.11 Procurement and Funding Options.

3.11.1 Ernst & Young (E&Y) has undertaken a detailed Procurement and Funding Options Appraisal for GCC. This considered the various approaches available to us in procuring waste management facilities, including DBFO, PFI, prudential borrowing and strategic partnering. The key conclusions of the report were that for the types of high-capital facilities that were emerging as front runners in our technology appraisal, a privately financed DBFO-type model would be the best approach, especially if supported by PFI funding.

3.11.2 The lower cost of prudential finance has to be balanced against the risk to GCC taking on the role of project funder. Initial financial analysis by E&Y, assuming a capital requirement of approximately [*withheld under exception 12 (5) (e) (f)*], clearly demonstrates that a PFI grant of 50% would make this the most affordable option.

3.11.3 GCC intends to carry out a more detailed financial analysis for the OBC which will take account of a full risk assessment, including those risks that would be retained by GCC if a Prudential Borrowing approach were to be adopted. The OBC will be developed to test funding from both Prudential Borrowing and PFI, and to confirm affordability and value for money.

3.11.4 Particular financial aspects of the solutions that are still to be addressed include;

- The uncertainty regarding steam off-take for CHP facilities;
- The MBT solution is only a partial solution which is highly dependant on landfill availability and costs; and
- The interface risks and higher capital costs associated with the MBT to CHP solution.

3.12 Possibility of joint procurement with neighbouring Authorities.

3.12.1 GCC has had talks with a number of neighbouring Authorities regarding residual waste treatment and procurement options. The most promising has been with Hereford & Worcestershire, Swindon and the West of England Partnership (WoEP).

3.12.2 GCC spoke to Hereford & Worcestershire and Swindon about sharing facility capacity during staggered procurement and construction phases, but timeline uncertainty has prevented that from developing further for now. GCC had more detailed discussions with WoEP about joint procurement. These discussions stalled due to two main issues – facility location and political complexity.

3.12.3 The issue of facility location is related to the problem of importation of waste. [*withheld under exception 12 (5) (e) (f)*]. This also became a very early stumbling block in discussions with Oxfordshire.

3.12.4 [*withheld under exception 12 (5) (e) (f)*].

3.12.5 Early market soundings suggest that the key industry players feel that Gloucestershire's 130-200ktpa is an attractive enough residual waste tonnage to participate in a procurement exercise that would deliver an economic solution and VfM.

3.12.6 A number of organisations have suggested that a partnership of two or more WDAs, whilst increasing the tonnage, also increases the risk and complexity of project delivery and political decision-making. This decreases the attractiveness of such projects to the private sector. From GCC's perspective, such negative market perception of Local Authority partnerships could potentially reduce bidder interest and competitive tension so decreasing VfM of the selected solution.

3.12.7 GCC is aware of the current position of its neighbouring authorities with regard to their waste management strategies and procurement plans on long-term residual waste procurement (see Table 9 below). GCC will continue to work with neighbouring counties to identify any opportunities that can be will explored such as the delivery of interim measures to divert residual waste from landfill. In addition, during the soft market testing exercise this autumn, GCC is also testing the attractiveness of Gloucestershire's pending residual waste procurement.

Table 9 What neighbouring Waste Disposal Authorities (WDAs) are doing.

Waste disposal authority	What they are doing/considering
Herefordshire/ Worcestershire	Autoclave being considered for MSW. [*withheld under exception 12 (4) (d) and 12 (5) (e) (f)*]

Warwickshire	Options: EfW favoured in Municipal Waste Management Strategy. Residual waste going to EfW facility in Coventry/Solihull. Considering working with Coventry/Solihull in the future to build another facility. Also considering the possibility of joint working with Staffordshire.
Oxfordshire	Oxfordshire is 'technology neutral'. This means that the county does not have a preferred option and will consider the environmental and financial impact, as well as the public support for, all available options.
Swindon (UA)	Considering a partnership with Wiltshire CC. Likely to involve a facility close to Swindon as urban centre serving the town and Wiltshire County. Considering joint diversion project with Wiltshire – in early stages.
Wiltshire	Proposal to go for MBT. Some MSW is also going to the Slough EfW facility. Considering joint diversion project with Swindon UA – in early stages.
West of England (Partnership between Bristol, Bath & NE Somerset, S. Gloucestershire, & N. Somerset)	West of England Partnership – technology and site options to considered taking into account consultation stage. Bristol – Compact Power pyrolysis plant is under construction (small demonstration plant).
Monmouthshire	Part of the South East Wales Regional Waste Group. Options for technologies and areas of search to go through consultation exercise (October – December 2007). Seven technology/combinations being considered.

4 Risk Management, risk allocation and contractual structures.

4.1 Details of initial risk analysis.

4.1.1 Through our Project Initiation Document ("PID") for the Residual Waste Procurement Plan GCC identified key risks for our project, for both the interim and long term.

4.2 Approach to be adopted in relation to identifying, recording and managing risk throughout the project.

4.2.1 Risk management is seen as a fundamental part of our Business Planning process. GCC has a Risk Manager who has developed a Practical Guide to Risk Management. This approach is used by the Waste Management Unit to establish, monitor and review risks and opportunities.

4.2.2 The Waste Management Unit has a risk register which holds a record of all current risks and opportunities. These are reviewed and monitored against the activities of the Unit that are detailed in the Unit's Business Plan. The process used is detailed in Appendix 3.

4.2.3 Each month the manager within the Unit responsible for the Project produces a highlight report which sets out a summary of work undertaken and planned for a particular theme or project, this includes a review of risks. The latest highlight report for the residual waste procurement plan can be seen in Appendix 4. This details the status of the current risks.

4.2.4 Quarterly the most significant risks within the Waste Management risk register are recorded on the Environment Directorate risk register which in turn is consolidated onto a Corporate risk register. At this time the risks associated with LATS and delivery of a residual waste facility are seen as two significant risks for the Directorate.

5 Project Team and Governance.

5.1 Description of project team.

5.1.1 The Project Lead is Head of Waste Management, **Mike Williams**, who reports to the Waste Programme Board. He has overall responsibility for the delivery of the project and the subsequent procurement process. Mike also manages the Procurement Project Team that consists of:

Haze Reid – Programme Manager – Oversees project management and assists project administration of the Residual Waste Procurement Project as part of the Waste Management Programme. Monitors tolerances set by the Waste Programme Board and advises of any anticipated exceptions.

Lisa Pritchard – Waste Technical Manager – Day-to-Day management of the Residual Waste Procurement Project and responsible for the delivery of the outputs of the project. Development of work packages and review of work undertaken by external and internal advisers. During procurement, the Waste Technical Manager will be responsible for the delivery of all technical aspects of the project, and management of work packages given to the technical advisors, supporting the Programme Manager.

David Rees – Solicitor – Provision of internal legal advice to project. Seconded internally within GCC for the procurement of the residual waste project. Commissioner and reviewer of external legal advice.

Finance Officer - Provision of internal financial service input to project. Recruitment has been authorised and it is anticipated that this post will be filled by January 2008. Commissioner and reviewer of external financial advice.

Rachel Ferris – Waste Technical Officer - Input to technical aspects of the project including, in liaison with Mike Williams and Lisa Pritchard, the development of relevant work packages and review of work undertaken by advisors.

Tony Privitera – Waste Technical Officer - Input to technical aspects of the project including, in liaison with Mike Williams and Lisa Pritchard, the development of relevant work packages and review of work undertaken by advisors.

David Revell (DEFRA Waste Infrastructure Development Programme transactor) - Link to DEFRA. Offer advice and support on the options appraisal, regional issues, procurement process and assist the project team to maximise the benefit of the WIDP programme.

5.1.2 Other officers with GCC has been and will continue to be involved in the procurement process:

Pam Jell – Internal audit, risk monitoring, audit process and officer advice and feedback to help ensure a well managed and executed procurement process.

Tony Childs – Waste Contract Manager - Manages all disposal and household recycling centre services for the County, including LATS. Input to technical aspects of the project including, in liaison with Mike Williams and Lisa Pritchard, the development of relevant work packages and review of work undertaken by advisors.

David Hughes – Waste Communications Manager – responsible for the communications of the Waste Management Unit, in particular the delivery of the WRAP campaign and advising on the development of the residual waste communications and engagement plan.

Melissa Neill – Corporate Communications Manager – manages communication and media for GCC and advises on the development of the residual waste communications and engagement strategy.

Clare Davis – Deputy Manager Customer Intelligence – manages consultation for GCC and advises on the development of the residual waste communications and engagement strategy, in particular the consultation elements.

Kevin Phillips – Team Leader, Planning – overseeing the Waste and Minerals Local Framework Documents. Key planning officer who liaises with the Waste Unit on strategic planning issues including development of the Local Framework Documents, and consultation.

Project Administration Officer – to assist in project documentation, including configuration management. Also progress-chasing and organising meetings. Post to be appointed in 2008.

5.1.3 As the project moves into procurement, involved of district officers will be reviewed.

5.1.4 The Project Team is responsible for:

- Assisting in the delivery of project objectives;
- The production of the required products either internally or through other specialist areas if appropriate; and
- Carrying out research and oversee technical support and project delivery by contributing parties (internal and external).

5.2 Plans for procuring external specialist advice.

5.2.1 GCC has appointed external specialist advice in relation to technical, financial, land and communication issues to support current procurement and strategy work.

5.2.2 The advisors GCC is currently working with to develop the residual waste procurement project are:

- **Entec UK**: developing the land strategy, and advising on technology issues
- **Eunomia Research and Consulting**: carrying out the detailed technology evaluation and consultation aspects
- **Ernst & Young**: financial analysis, and advising on procurement and funding options
- **PSS**: specialist communication consultancy developing communication and engagement strategy for residual waste procurement plan

5.2.3 GCC is currently in the process procuring external advisors for the procurement process. This will also include assisting in the development the OBC. GCC will be procuring legal, technical (including planning), communication and financial advisors so they are in place by the end of December 2007.

5.2.4 GCC has built up the waste management team so that during the procurement GCC can internalise advice (technical/legal/financial), and enhance organisational learning and reduce costs to GCC in the long term. See section 7.1 for more detail.

5.3 Collaborative working with District Councils in their capacity as Waste Collection Authorities.

5.3.1 Gloucestershire has a long history of successful partnership working between the seven authorities. The Gloucestershire Waste Partnership (GWP) is made up of the seven Councils within the County of Gloucestershire. The partnership meets quarterly and is a mix of waste officers, senior officers and County/District Councillors (see JMWMS).

5.3.2 Members of GWP have also participated in our residual waste seminars that GCC has held and GWP members have also been invited to attend our site visits to different types of facilities.

5.3.3 The GWP is supported at Officer level by the Joint Working Group that meets monthly to discuss practical issues of significance. The two main

areas for discussion are the JMWMS and the IVC (In-Vessel Composting project).

5.3.4 Through GWP, GCC is developing a waste supply agreement with respect to the delivery of an In-Vessel Composting facility for food/garden waste.

5.3.5 GCC has set up the Joint Improvement Board (JIB). This is a high-level strategic board including Chief Executives and Leaders of all seven local authorities in Gloucestershire. Its purpose is to seek improved ways of working together and a project to improve waste management in the county has been established that is looking towards the potential to form a joint waste authority. Two tier working, even under partnership with a Joint Waste Municipal Waste Management Strategy is challenging and a joint waste authority would help deliver strategic and operational benefits. This is a new initiative that will periodically report on progress.

5.4 Project governance arrangements.

5.4.1 The current governance arrangement exists for the residual waste procurement project. (A structure of governance arrangements can be found in Appendix 5):

5.4.2 The Cabinet is responsible for all key decisions including the approval of the residual waste procurement plan on 28 November 2007.

5.4.3 The Waste Programme Board (WPB) was formed to make the necessary decisions during our project; this includes signing off of reports and key stages of our project as they progress. The Project Sponsor and the Head of Waste Management (also the Project Director) report to the WPB. The Waste Programme Board consists of:

- Head of Waste Management, Mike Williams, is the project lead, who has overall responsibility for project delivery and to represent the needs of GCC, District Councils and the public. Oversees the project management arrangements.
- Group Director Environment Duncan Jordan, who provides challenge and seek assurance on strategic issues.
- Environment Director, Paul Galland, who is the Project Sponsor and has overall accountability for the delivery of the procurement project.
- Group Director Business Management Stephen Wood, who represents legal and financial views including provision of internal resource to support the needs of the project in these areas.
- County Councillor Julie Girling (Lead Cabinet Member, Environment and Community), who provides a Cabinet/Member project assurance view and has responsibility for environment and communication issues.

- County Councillor John Waddington (Cabinet Member and Portfolio Holder for Waste Management), who provides a Cabinet/Member project assurance view and has responsibility for waste.

- County Councillor Raymond Theodoulou (Lead Cabinet Member, Resources), who provides a Cabinet/Member project assurance view and has responsibility for business management and resources.

- Programme Manager Haze Reid, who manages the WBP and the future procurement process.

5.4.1 The role and responsibilities within the Waste Programme Board are being reviewed as part of 'Pre-residual procurement set-up' project. The purpose of this project is to establish the governance arrangements, including the project team, Waste Programme Board or equivalent and cross-party engagement (A scrutiny waste task group has been undertaking a project assurance role on waste procurements in the last four years, this or a Cabinet Panel is likely to continue to remain a key element of the governance arrangements in the new structure). It is also considering the use of a 'virtual data room' to store project documentation electronically for stakeholders to access.

5.4.4 The 'set-up' project is due to conclude at the same time as seeking Cabinet approval of the Procurement Strategy on 28 November 2007. A Project Initiation Document which will capture the governance arrangements, based on PRINCE 2 methodology will be contained within the document, clearly identifying the decision making mechanism for the Project products e.g. approval of the OJEU, PQQ, evaluation methodology.

5.4.5 A Waste Cabinet Panel has been formed to assist in the decision-making process as recommended by Scrutiny and Overview. Waste Cabinet Panel is a cross party board that will make recommendations to the Waste Programme Board. Waste Cabinet Panel consists of:

- County Councillor John Waddington (Cabinet Member and Portfolio Holder for Waste Management, Conservative)
- County Councillor Bruce Hogan (Labour)
- County Councillor David Len Tomlins (Conservative)
- County Councillor Roger Brown (Liberal Democrats)
- County Councillor Shaun Parsons (Conservative)

5.4.6 Environment and Community Safety Scrutiny Committee – A new structure was agreed in May 2007, which replaced the previous approach of service based Scrutiny committees with issue-based, time limited Task Groups. The intention is to replace the previously reactive and party

politically based approach with a more in-depth, cross-party investigation of the issues. A Task Group is being established, focussing on residual waste management issues, including procurement. At the time of writing the existing Scrutiny Working Group is completing activity on IVC contract work and the Terms of Reference of the replacement Task Group are still to be developed.

5.5 **Plans for securing member approval at key stages.**

5.5.1 The context for our current Residual Waste Procurement Plan is provided by approval of the following reports at Cabinet and future approvals. Key reports are appended (Appendix 6).

- 6 September 2005. Cabinet approved the recommendation to terminate the integrated waste PFI procurement process, procure statutory waste services and procure residual waste treatment capacity separately.

- July 2006. Informal Cabinet approved the draft JMWMS for consultation with Gloucestershire's people (this was an informal Cabinet decision).

- 19 July 2006. The Cabinet approved the award of a contract to EWC for the management and operation of Gloucestershire's Household Recycling Centres (HRCs) for 10 years.

- 3 July 2006. The Cabinet approved the award of a contract for haulage and transfer of residual waste and organic waste, and windrow composting of garden waste and disposal of residual waste to landfill, contract to Cory Environmental for 15 years with a breakpoint at 7 years.

- 18 July 2007. Acquisition of Javelin Park as a strategic waste site was approved and delegated powers were approved to the Lead Environment Member to use CPO to secure the site.

- 18 July 2007 The Cabinet approved the set up of a cross party Waste Cabinet Panel for the delivery of the residual waste procurement plan.

- 10 October 2007. The Cabinet will be presented with a report recommending the adoption of the JMWMS 2007.

- 10 October 2007. Cabinet Report on the residual waste technology solutions for Gloucestershire that will recommend the technology choices to be financially modelled. This report will summarise the findings and conclusions of the residual waste technology options appraisal.

- 28 November 2007. Report recommending the procurement approach for GCC. This will include the technical specification, the preferred funding and procurement option, the land strategy and communication strategy. It will also recommend that if successful at the EoI stage, the preparation of an OBC for the provision and interim and long term measures for the provision of residual waste management capacity.

- 18 December 2007. Cabinet Report recommending the appointment of the preferred bidder for the provision of In-vessel Composting Facilities for kitchen and garden waste, and the Waste Collection Authority supply agreement to secure delivery of kitchen and garden waste to the facilities.
-
- 23 April 2008 OBC report to be presented to Cabinet on (pending approval of this EoI).

5.5.2 At each key stage boundary a scrutiny committee followed by the Waste Programme Board will sign off reports if completed to the level of satisfaction. At the end of each key stage, the plans for the following stage will be agreed. Cabinet will always approve key decisions throughout the project.

6 Sites and Planning.

6.1 Status of Waste Local Plan and Development Plan Documents (DPDs).

6.1.1 The Gloucestershire Waste Local Plan 2002 - 2012 (WLP) balances the need for facilities to handle municipal, commercial, industrial and construction/demolition waste with the environmental, social and economic implications of its management and disposal. It was adopted in October 2004. This Plan is to be saved until October 2007. However, it is proposed to save a number of policies in the plan for a longer period until replaced by a Waste Core Strategy (WCS), Waste Site Allocations Development Plan Document (WSA-DPD) and Proposals Map.

6.1.2 However, beyond 2007 only some of the policies and proposals may be saved for a longer period. This saving process requires approval by the Secretary of State. The proposed saved minerals and waste policies for Gloucestershire beyond 2007 were submitted to the Government Office for the South West (GOSW) in April 2007. The Secretary of State will notify GCC in September 2007 as to those policies, which should be saved for a longer period. This includes the site allocations identified by the WLP. (At the time of writing it was confirmed by the Waste Planning Authority ("WPA") that notification is due around mid October).

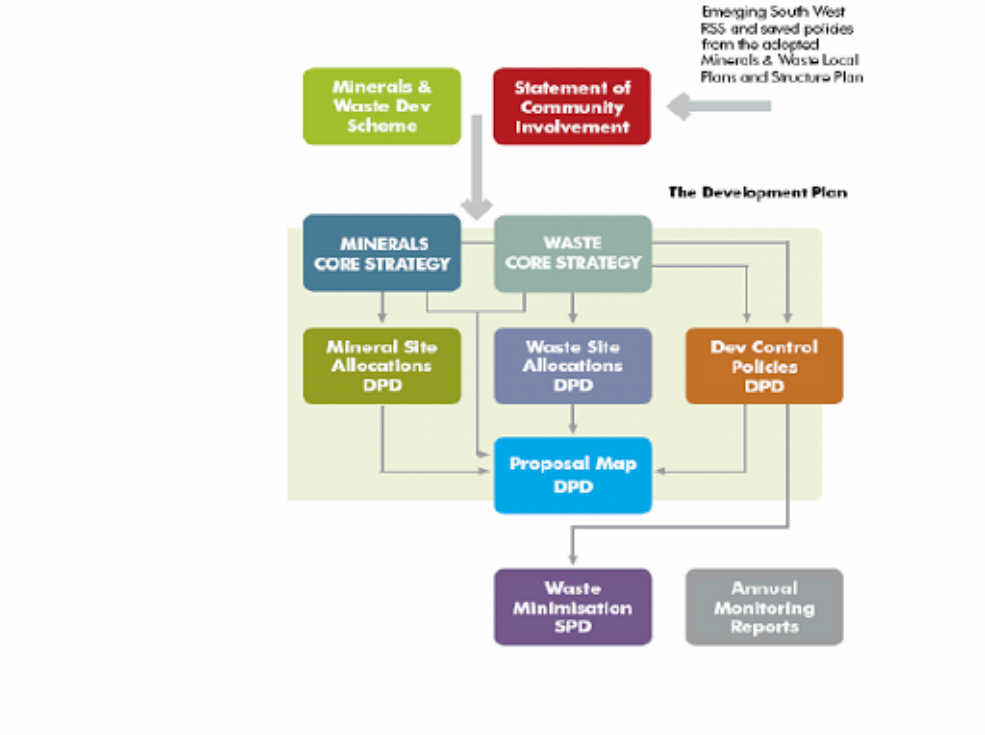
6.1.3 The Planning and Compulsory Purchase Act became law in September 2004. It replaces the system of Minerals and Waste Local Plans with a Minerals and Waste Development Framework (MWDF). The timetable for preparing the MWDF and the documents intended to be produced are to be set out in a Minerals and Waste Development Scheme (MWDS).

6.1.4 GCC published its first MWDS in May 2005 following approval by the Secretary of State. It covered the three-year period from May 2005 to May 2008. Two revisions of the MWDS have been made the latest approved in March 2007 provides a new three-year timetable, covering the period 1 April 2007 to 31 March 2010. It also identifies a series of proposed timetable revisions to the preparation of the documents to be included within the MWDF.

6.1.5 In preparing new style development plan documents a more holistic and 'spatial' approach must be taken. This involves a consideration of economic, social and wider environmental matters as well as the traditional physical aspects of location and land use.

6.1.6 The documents that will comprise GCC's MWDF are as follows (see Figure 10):

Figure 10. GCC's Minerals & Waste Development Framework (MWDF).



6.1.7 A key aim of the new planning system is to ensure the active, meaningful and continued involvement of local communities and stakeholders at all stages. As a result, one of the other constituent documents of the MWDF is the Statement of Community Involvement ("SCI"). The SCI, which was adopted in December 2005, sets out how all 'stakeholders' will be engaged and consulted during the process of plan preparation and during the consideration of planning applications.

6.2 Engagement with the development of Regional Spatial Strategies.

6.2.1 The South West Regional Assembly (SWRA) has prepared the Final Draft Regional Spatial Strategy (RSS). It was formally signed off at the full Regional Assembly meeting on 10 March 2006.

6.2.2 Representations were made by GCC, and after consideration, GCC was invited to appear at the Examination in Public (EiP). GCC's representations were examined by the Examination in Public panel, which was conducted between April and July 2007. GCC's written statement can be viewed by going to: http://www.southwesteip.co.uk/downloads/documents/20070412132830.pdf

6.2.3 The EiP panel will report by October 2007 and modifications to the RSS will be made by early 2008 at which stage there is further opportunity for GCC to comment. It is likely that the RSS will be adopted by late 2008.

6.2.4 Core policies for minerals and waste will need to be taken into account in the emerging spatial policies provided by the submission version of the Regional Spatial Strategy (RSS), which seeks to replace the interim RSS, Regional Planning Guidance for the South West (RPG10).

6.3 Timetable for adoption of development plans.

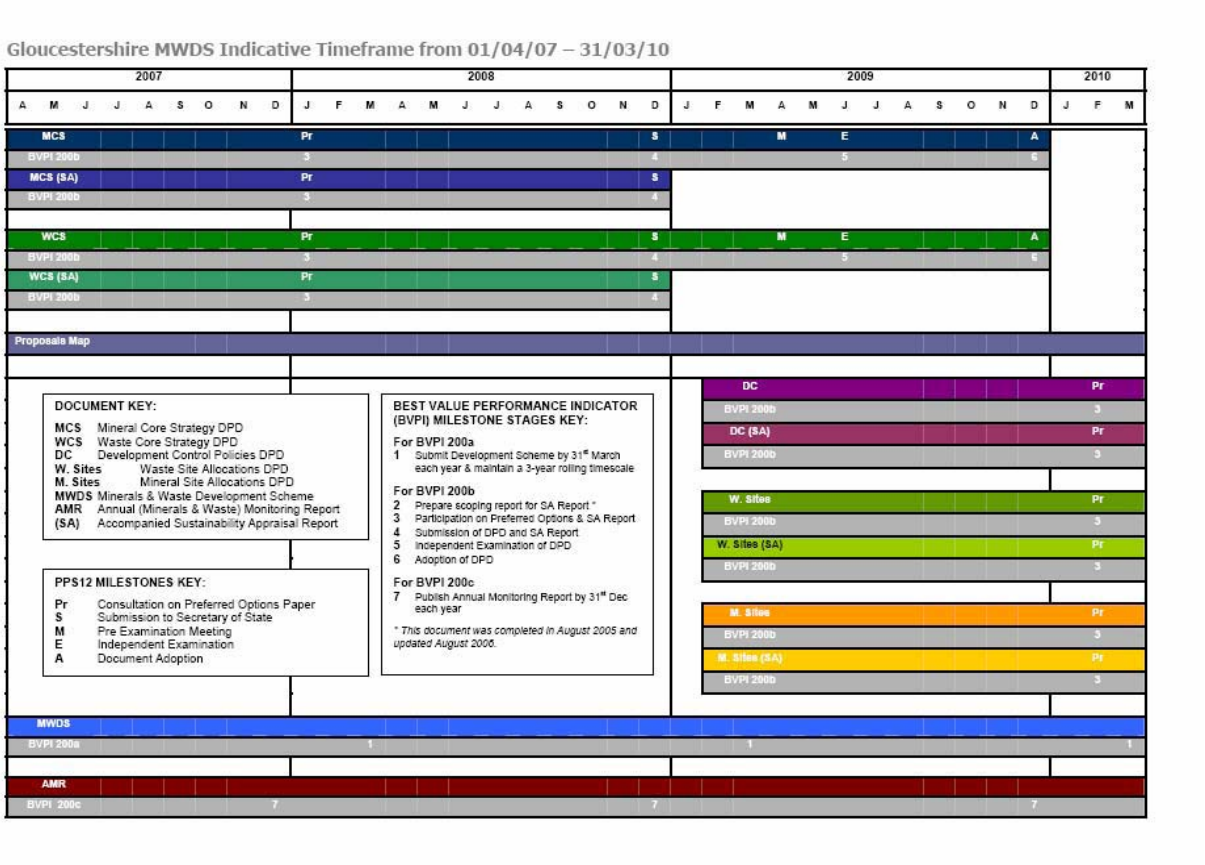
6.3.1 The timetable for the Gloucestershire Minerals and Waste Development Scheme (MWDS) is shown in Figure 11. This covers the period from April 2007 to end March 2010 and includes all the key documents and milestones relating to waste Development Plan Documents. The MWDS also includes document profiles in section 3 as to what DPDs may contain within them and potential longer-term milestones beyond 2010 for detailed DPDs.

6.3.2 The Waste Core Strategy (WCS) Issues and Options DPD was issued for public consultation in between 17th July 2006 and 15th September 2006. Consultation and ongoing continuous involvement have been taken forward to develop the Preferred Options.

6.3.3 The preferred options consultation will take place in January 2008. There are three key issues to be addressed at the Preferred Options stage, based on making sure that there are enough facilities, of the right type and in the best locations to manage waste in Gloucestershire. These are to make provision and meet the capacity gap for facilities, particularly for residual waste, dealing with an approach for identification of strategic locations for waste management and making an appropriate contribution to hazardous waste management requirements. Following consideration of consultation on Preferred Options this will be followed by formal submission of the WCS in December 2008. Public examination is scheduled to commence in June 2009 followed by adoption in December 2009.

6.3.4 The Waste Site Allocations DPD will commence in February 2009. The preferred options consultation will take place in February 2010, followed by formal submission in April 2011. Public examination and adoption is scheduled in 2011/2012.

Figure 11. Timetable for the Gloucestershire Minerals and Waste Development Scheme (MWDS).



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6.4 Details of work undertaken to identity suitable sites.

6.4.1 An integral part of the Residual Waste Procurement Plan is the identification and acquisition of a suitable site for a residual waste facility. Land is identified as a key risk for the delivery of new waste infrastructure and as such considerable mitigation has been on going. In February 2007, GCC commissioned Entec UK to carry out a "Comparative Site Assessment for a Strategic Waste Management Facility". This report was commissioned by the WDA and is separate and distinct from the Waste Development Framework, which is being prepared by GCC as Waste Planning Authority.

6.4.2 The aim of report was to provide a comparative assessment of potential sites for a strategic waste management facility for residual waste treatment within Gloucestershire. The report was prepared within the context of GCC's preparation to procure a long term contract for the treatment of residual waste to meet statutory targets requiring more waste to be diverted away from landfill; and in particular to assist in the development of a land strategy to support that process.

6.4.3 The report draws on a number of previous reports prepared by GCC or its consultants.

6.4.4 The sites considered as part of this study were selected and agreed with GCC. The starting point was Schedule 1 of the Gloucestershire Waste Local Plan 2002-2012 (GWLP), which sets out Areas of Search or Preferred Sites for strategic waste facilities. Two WLP schedule 2 sites (preferred "local" sites), which are adjacent to schedule 1 sites, were also included due to their proximity to those sites. An additional site Quedgeley East was identified on the basis of detailed site consideration work commissioned by GCC as a Waste Disposal Authority. This work undertaken by Entec UK Ltd and GVA Grimley confirmed the potential of Quedgeley East as a strategic waste site. The full list of sites, which are included in this comparative study, is provided in Table 10 below.

Table 10. Sites subject to comparative site assessment.

Site	Area (ha)	District	Waste Local Plan Status
Site 1A- Wingmoor Farm West A	61.9	Tewkesbury	Schedule 1 Area of Search
Site 1B – Wingmoor Farm West B (The Park)	4.8	Tewkesbury	Schedule 1 Preferred Site
Site 2A – Wingmoor Farm East A	48.7	Tewkesbury	Schedule 1 Area of Search
Site 2B – Wingmoor Farm East B	22.3	Tewkesbury	Schedule 2 Preferred Site

Site 3A – Sudmeadow, Hempsted A	142	Gloucester City	Schedule 1 Area of Search
Site 3B - Sudmeadow, Hempsted B	9.2	Gloucester City	Schedule 2 Preferred Site/ Schedule 1 Area of Search
Site 4 – Former Moreton Valence Airfield (Javelin Park)	11.2	Stroud	Schedule 1 Preferred Site
Site 5A – Sharpness Docks Site A	17.2	Stroud	Schedule 1 Preferred Site
Site 5B – Sharpness Docks Site B	8.4	Stroud	Schedule 1 Preferred Site
Site 6 – Quedgeley East (MoD Hardwicke Site 6)	9.7	Stroud	None

6.4.5 The comparison has been undertaken using multi-criteria analysis (MCA) techniques. This allows potential sites to be assessed against a wide range of different appraisal criteria covering environmental, economic and social aspects of the development, as well as deliverability criteria. A key objective of the study as defined by GCC was to identify the most suitable site or sites for developing a strategic waste management facility.

6.4.6 The overall conclusion of the study is that the *Javelin Park* site (Site 4 – Former Moreton Valence Airfield) performs best against the average weighted score for the planning and deliverability criteria. The key advantages of Javelin Park can be summarised as:

- Proximity to M5, which forms part of the Advisory Freight Route;
- Well located in relation to main source of waste arisings in Cheltenham and Gloucester;
- Unaffected by key environmental constraints including Green Belt, floodplain, landscape, ecological or historic designations and Groundwater Protection Zone;
- Not close to residential properties;
- Allocated as a Preferred Site in the GWLP without any restrictions on the type of waste technology, which may be developed;
- Located on previously developed land; and
- Commercially independent of waste contractors.

6.4.7 Quedgeley East ranks 2nd and Sharpness Docks Sites A and B and Wingmoor Farm West Site B also perform well. Quedgeley East is also not significantly affected by planning constraints and has similar deliverability advantages to Javelin Park. It is not however allocated in the Waste Local Plan, which is likely to increase its planning risk. Wingmoor Farm West Site B and Sharpness Docks Sites A and B are also affected by planning and deliverability constraints.

6.5 **Securing suitable sites for a strategic waste site.**

6.5.1 Javelin Park is a commercial development site for which planning consent for B8 warehousing development exists notwithstanding that the site is designated for Waste Use in the approved Waste Local Plan.

6.5.2 GCC is actively negotiating with the owners of Javelin Park for the acquisition of 12 acres of the site. [*withheld under exception 12 (4) (d) and 12 (5) (e) (f)*].

6.5.3 GCC, in the event acquisition by negotiation becomes unsatisfactory, has gained Cabinet approval (18 July 2007) to allow the Lead Cabinet Member Resources, in consultation with the Lead Cabinet Member-Environment and Community, to use his delegated powers to resolve that 12 acres is acquired by compulsory purchase immediately he is advised by the Executive Director Environment that sufficient preparations for compulsory purchase have been made.

~~6.5.4~~ [*withheld under exception 12 (4) (d) and 12 (5) (e) (f)*]

6.6 **A plan for engagement with the Waste Planning Authority.**

6.6.1 The Waste Planning Authority (WPA) and the Waste Disposal Authority (WDA) officers of GCC have close working arrangements within their respective project areas as appropriate. Subsequently the Joint Municipal Waste Management Strategy (JMWMS) has been prepared side by side with the Waste Core Strategy (WCS), and therefore an iterative process is being followed whereby the JMWMS both informs and is informed by the WCS in line with the respective national guidance. It is important to note that the WCS sets strategic policies for determining the appropriate provision of land for locating waste management facilities in Gloucestershire over the next 10-20 years for all waste streams.

6.6.1 The WDA and the WPA strategy teams meet regularly as required by their respective projects and at least on a six weekly basis. There is a good working relationship between the two disciplines but “Chinese walls” are respected where necessary.

6.6.2 With respect to development of sites, where relevant, the Waste Disposal Authority will consult and communicate with the planning officers in accordance with the adopted Statement of Community Involvement (SCI) to develop a robust planning application.

7 Costs and Budgets.

7.1 Internal Resources

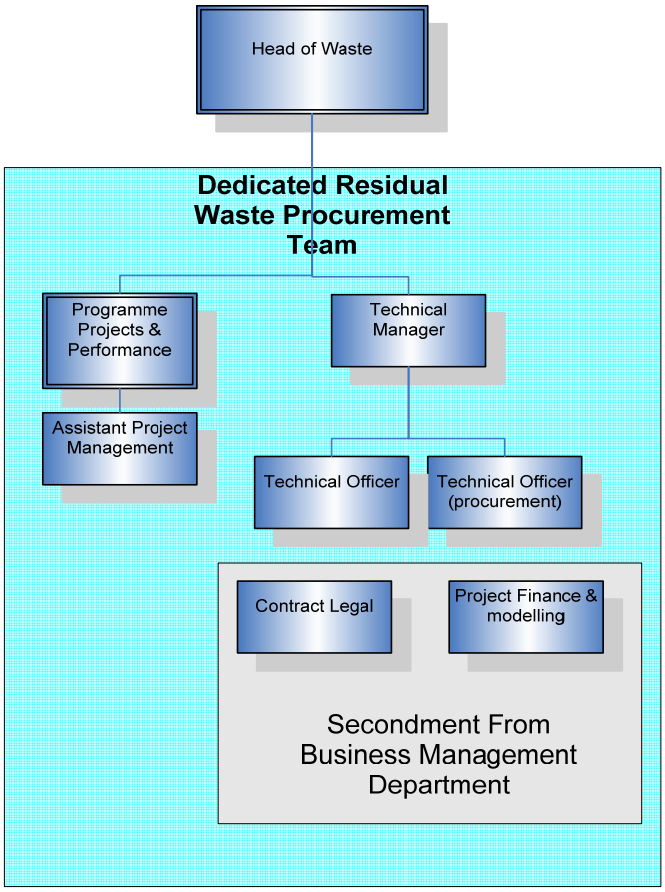
7.1.1 In February 2007, an internal resources plan was approved for the waste unit to gear up for future demands on the Waste Service and specifically for the Residual Waste Procurement Project.

7.1.2 Key learning from our previous PFI experience led us to the conclusion that GCC should develop a stronger procurement team in-house. GCC believe that investing in staff across technical, legal and financial disciplines; GCC would save money on external advice and transfer skills into GCC with wider Authority benefits.

7.1.3 GCC has now developed the in-house procurement team and have made sufficient provision in the medium term financial strategy (MTFS) for at least the following three years. GCC has a dedicated well-qualified technical team with project lead, plus two technical waste officers.

7.1.4 A senior GCC lawyer has been seconded full time into the waste team (as of July 2007) and the recruitment process for a finance secondee has commenced. A dedicated finance officer should also be in post by December 2007.

Figure 12 Structure of dedicated waste procurement team



7.1.5 The team also has a dedicated qualified project manager (with administrative support) to keep tight control of the procurement process. This element worked very well during the our previous waste PFI with a Partner at E&Y suggesting that this approach alone save us “a fortune” in process management and advisor cost control.

7.1.6 The dedicated procurement structure is illustrated in the diagram above.

7.2 External Advisors

7.2.1 Approximately £1.3 million provision has been made in the MTFS for external advisors including technical, financial, legal, communications, land and planning. The breakdown over the following three years is as follows:

- 2007/08 £275,000
- 2008/09 £505,000
- 2009/10 £505,000

7.2.2 The procurement process for a new set of legal financial and technical advisors has commenced.

7.3 Financial Provision for Land

7.3.1 As written above, GCC is currently in negotiation for the purchase of 12 acres at Javelin Park, a good site for waste management operations that is allocated in the Waste Local Plan. [*withheld under exception 12 (4) (d) and 12 (5) (e) (f)*] .

7.4 Members’ awareness of the budgetary implications of the increasing cost of waste management.

7.4.1 As well as the wider strategy consultation that GCC has undertaken over the last year, the Waste Management Unit in GCC is undertaking a series of awareness seminars to all GCC members to alert them to the LATS issue and the need to take an alternative approach to waste management in the future to reduce reliance on landfill. The seminars, billed as Residual Waste Management events, cover the main topics such as the need to stop waste growth, current levels of recycling and landfill, LATS and the financial and environmental reasons behind securing an alternative to landfill and the technologies themselves.

7.4.2 The seminars have been very interactive in nature and have invited all GCC members as well as officers from other departments in GCC and the districts. Part of the first and second seminar, held on 24 May and 4 July 2007 respectively, was a Q & A session and related to the financial implications of the increasing costs of waste management based on different LATS scenarios – these costs were expressed in terms of

different Council Tax levels in the county affected by different waste scenarios.

7.4.3 Various reports taken to Cabinet over the last two years have also alerted Members to the cost implications associated with waste management and disposal. For example, the report to Cabinet on 10 October 2007 highlights the budgetary implications of the increasing costs of waste management if GCC does nothing. In addition, waste is a Council priority as it has been considered a high risk area.

8 Stakeholder Communications.

8.1 Plans for managing consultation and engagement with major stakeholders

8.1.1 GCC recognises that informing and taking our community and stakeholders with us is vital to achieving the delivery of a residual waste solution for the County. In order to effectively consult and engage with major stakeholders, GCC has developed a Communications and Engagement Strategy. Full details of the strategy in terms of plans for managing consultation and engagement with stakeholders are provided in Appendix 7

8.1.2 This document sets out a communications and engagement strategy/consultation plan designed to assist GCC through the procurement and planning process and to aid delivery of major new waste facilities. In developing this strategy, there have been two discussion workshops with senior councillors and officers from the waste unit and corporate communications and consultation team.

8.1.3 In addition, GCC is currently carrying out soft market testing exercise. Companies have been invited to come and talk to GCC about its Residual Waste Procurement Plan. The aim of this is to provide the industry with more detail of our project and to gain views from industry that will be used to shape the residual waste procurement plan. The main purpose of this soft-market testing exercise is: -

- To help shape GCC's contract for the treatment of residual municipal waste, in the short, medium and long term.
- To gain an understanding from industry of the technological and contractual options that are available to GCC for the treatment of residual municipal waste; and
- To explore what makes a good procurement process from an industry perspective.

8.1.4 GCC aims to complete the soft market testing exercise by early November to ensure that the findings can inform GCC's procurement approach for interim and long term residual waste treatment capacity.

8.2 Analysis and identification of major stakeholders in the process

8.2.1 GCC has undertaken analysis of all potential stakeholders who need to be engaged throughout the development of the residual waste procurement plan.

8.2.2 The full list of stakeholders is found in the Communications and Engagement Strategy appended however the major stakeholders identified are:

- Members and Cabinet;
- District Members and officers;
- The local community (including businesses, non-governmental organisations and parish councils) where strategic waste facilities may be sited;
- The waste industry (particularly since the previous procurement process was terminated); and
- The media

8.2.3 The list of stakeholders is continuously monitored during this Project to reflect any variations in the Project at each stage.

9 Timetables for the OBC and the Procurement process.

9.1 A provisional plan for completion of the OBC.

9.1.1 GCC is taking advice on the development of its OBC and it is proposed to follow OBC templates. The Residual Waste Procurement Plan is to be taken to Cabinet on 28 November 2007 and by then GCC hopes to know the decision on the Expression of Interest submission.

9.1.2 GCC will then be able to proceed with the OBC if this submission is successful. It is planned that the Cabinet report will also recommend the development of an Outline Business Case to support an application for PFI credits for a long term residual waste treatment facility.

9.1.3 GCC will in parallel:

- Secure the preferred site and subsequent planning permission for residual waste infrastructure at the most appropriate time prior to contract award.
- Seek approval and commence implementing an interim solution.
- Ensure provision is made for the funding outcome of the OBC in the Medium Term Financial Plan.
- GCC continues to engage with, consult and respond to questions from the public.

9.1.4 For the avoidance of doubt, the Cabinet will not be asked prior to the procurement to make a final decision to build a residual waste treatment facility in Gloucestershire. The preference expressed in the OBC, if agreed by Cabinet, will be tested in the market and bidders will be free to propose other solutions. If the market were to come up with a proposal that better meets our needs, GCC would want to be in a position to adopt the new proposal if achievable at reasonable cost.

9.2 High Level Timetable for the Procurement of Residual Waste Treatment Infrastructure.

9.2.1 A high level timetable for the procurement is given in Table 11 below.

Table 11. Key procurement dates.

Procurement stage	Date
Submission of EoI	**30 September 2007**
Approval of EoI	**30 November 2007**
Business Case Approved by GCC	**23 April 2008**
Submission of OBC	**30 April 2008**
Mayoral Approval (if relevant)	
Defra Approval of OBC	
PRG Approval of OBC	
OJEU Published	**30 September 2008**
Descriptive Document Issued	
ISOS Issued	
ISOS Returned	
ISDS Issued	
ISDS Returned	
ISRS Issued	
ISRS Returned	
Call For Final Tenders	
Preferred Bidder Selected	
Submission of FBC	
Defra Approval of FBC	
Contract Awarded	
Financial Close	**December 2010**
Planning application submitted	**June 2010**
Operational Commencement (subject to planning, technology type, scale and complexity)	**April 2015**