

Cabinet Member
Planning and Environment

Buckinghamshire County Council

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To:

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WPP/PB

All Buckinghamshire Parish and Town
Councils

Dear Parish/Town Clerk

I am writing to advise you that the county council's Cabinet today selected Covanta Energy as the preferred bidder to treat the county's residual waste for the next 25 years. The American-owned company proposes to build and operate an energy from waste (EfW) and materials recovery facility at Rookery South Pit near Stewartby, Bedfordshire. Covanta already operates 40 EfW plants in the United States.

As you may recall from earlier correspondence about the project, two final bidders were being considered: Covanta Energy and Waste Recycling Group (WRG). Both bids were of high quality and in terms of overall technology relatively similar – modern incineration using moving grate technology.

Following evaluation against pre-agreed weighted criteria, Covanta was selected on a first-past-the-post, points basis, having achieved a score 6.05% higher than WRG. The decision means WRG with its proposed Calvert site has been deselected. WRG will continue to operate the Calvert landfill site.

Initially, Covanta's proposed facility will convert some 390,000 tonnes of waste a year into energy. Ultimately, the company proposes to treat 585,000 tonnes of waste a year, producing enough green electricity to power around 82,500 homes and the potential to supply surplus heat to nearby developments. Buckinghamshire's household waste contract will represent around a quarter of the waste the final facility will treat. Importantly, the amount will reduce steadily as stretching recycling and composting targets are achieved. We currently recycle 43% of waste and are aiming for 60% by 2025.

Driving the need for change are EU and UK targets to cut greenhouse gases by reducing our dependence on landfill, a major producer of such gases. To achieve this objective, like all county councils, Buckinghamshire faces landfill tax rises year on year and potential fines. Last year (2008/09) landfill taxes cost the county £4.5 million.

Due to the proposed plant's power-generating capacity, Covanta's planning application will be decided by Government under Section 36 of the Electricity Act in consultation with regulatory authorities and the local community. The application is expected to be made later this year and the facility is expected to be running by 2014 subject to consent being obtained.

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INVESTOR IN PEOPLE



A single EfW plant brings economies of scale (as opposed to several, smaller plants where complex technology has to be replicated each time). To reduce traffic flows to the chosen site Covanta proposes to use three 'waste transfer stations' at existing Buckinghamshire Household Waste and Recycling Centre(HWRC) sites to 'bulk' waste into larger trucks for onward transportation to the EfW facility. The three sites proposed are:

- London Road HWRC, Amersham
- High Heavens HWRC, Wycombe
- Shanks' Griffin Lane site, Aylesbury

For this use, Covanta must apply for planning consent to the county council's independent Development Control Committee. Amenity and environmental issues such as traffic volumes and movements and noise will be considered by this statutory committee. At that time, there will be a planning consultation period when residents can make their views known to the committee.

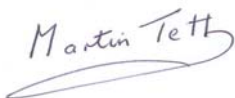
Cabinet's decision is still subject to confirmation after two standstill periods and the final contract award is unlikely to be finalised before spring next year due to continued fine tuning of contract detail with the preferred bidder. The two standstill periods are:

1. Call-in period: an internal council process in which, for up to three working days following the decision, any member of the county council may ask the BCC Overview & Scrutiny Commissioning Committee to consider calling in the decision for review. If this happens, then the Committee will meet to formalise the decision to call in the recommendation or decide that they are content with the decision taken.
2. Alcatel period: a formal process whereby the county council notifies the recommendation to the remaining 11 of the original companies expressing interest in the project and allows them 10 days from the date of decision (i.e. by 24 September 2009) in which to seek information, feedback and, if so minded, challenge the decision. (It is worth noting that of the seven companies which provided outline proposals for the contract, all but one proposed modern incineration. That one company later withdrew its submission for business reasons leaving only EfW solutions for consideration.)

This decision is a major milestone in the county's Joint Waste Strategy, developed after public consultation and adopted by the Buckinghamshire Waste Partnership (made up of the four districts and ourselves) in May 2007. Its main aims are to reduce waste at source, recycle more and find a complementary technology to treat leftover waste. The EfW technology is consistent with those aims, having been proven in Europe to work well with high recycling. The contract will save council tax payers £2 million in its first full year of operation alone (2015).

I hope that this information is useful to you. As the project reaches further milestones in its progress, we will continue to provide update communications via our website pages, correspondence, articles and news releases.

Yours sincerely,



Martin Tett
Cabinet Member
Planning, Environment & Development