

The BEaR Project



**Sustainable Communities
Overview & Scrutiny Committee
25 March 2010**

Key Project Drivers

- **Minimise Risk**
- Current National waste policy/legislation
 - Landfill Allowance Trading Scheme (LATS) fines
 - Landfill tax escalator (rising by £8/t/yr)*
- Risk of future changes to legislation
- Availability of landfill & other waste disposal facilities
- Housing growth
- Climate change
- Need for alternative sources of energy
- Target of 60% recycling/composting by 2020

Residual Waste Treatment Solution

- Primary deliverable of Project
- Alternative solution to landfill for waste that is not recycled / composted
- Technology neutral approach
- Competitive Dialogue process (EU Law)
- Target operational date 2016
- Requirement to treat approximately 60kt per annum
- The Contractor will, design, build & fund solution, CBC may at later date consider other funding options

Available Options

Technologies

- Mechanical Biological Treatment (MBT)
 - Autoclave
- **Energy from Waste (EfW)**
 - Gasification

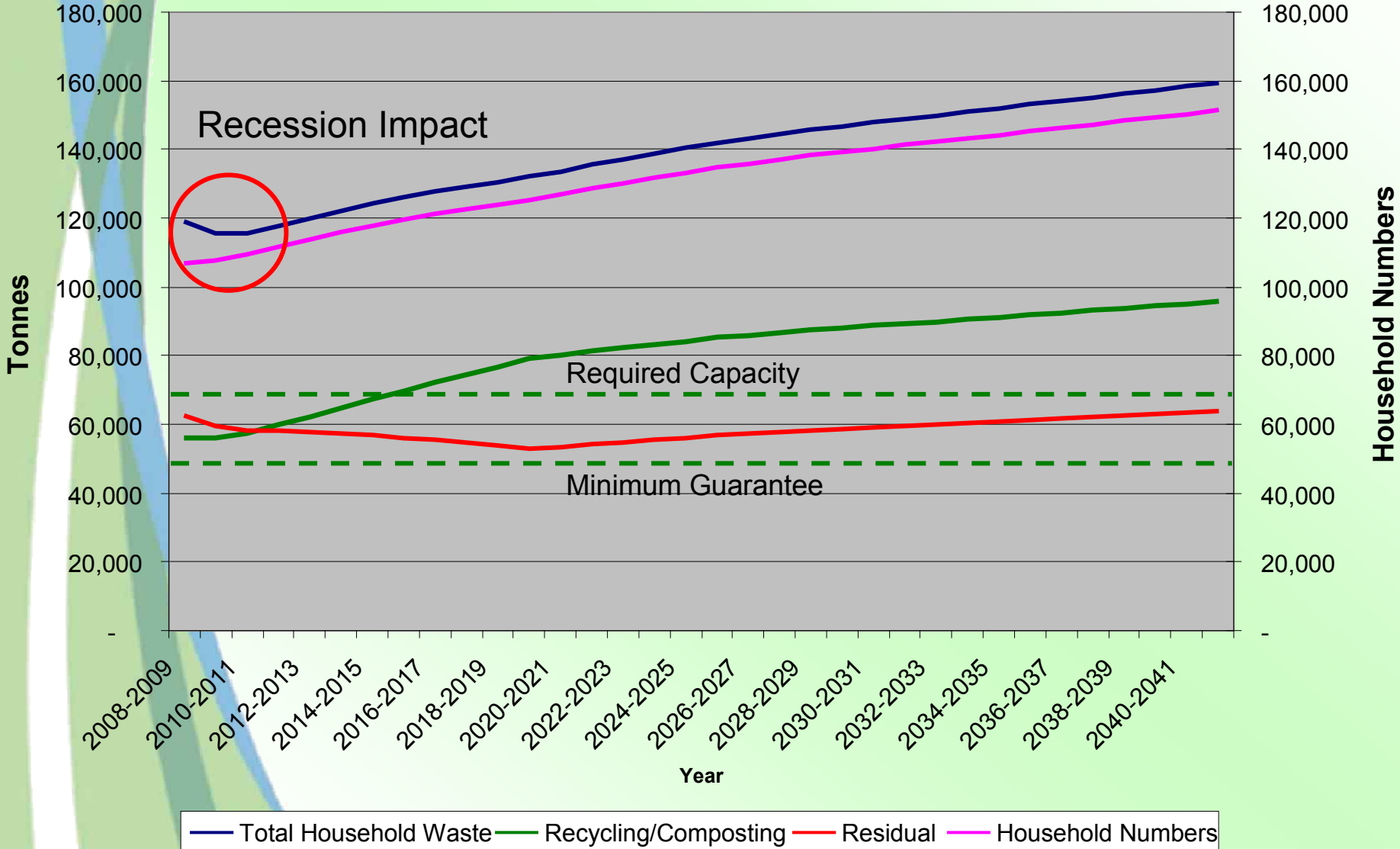
Contracting Options

- **Bespoke facility**
- Oversized facility
- Merchant capacity
 - In CBC area
 - Outside CBC area

Local Authority Procurement Update

- Buckinghamshire CC (PPP) – Final Tenders stage, expected to reach Preferred Bidder stage Sept 2010
- Milton Keynes & Northamptonshire CC (PFI) – Detailed Solutions stage, expected to reach Final Tenders stage end of 2010
- Hertfordshire CC (PFI) – Detailed Solutions stage, expected to reach Final Tenders stage Oct 2010
- Cambridgeshire CC (PFI) – MBT facility in commission stage, full operation expected Nov 2010
- Leicestershire CC (PFI) – Detailed Solutions stage, expected to reach Final Tenders stage Spring 2010

Waste Flow Modelling



Affordability Modelling

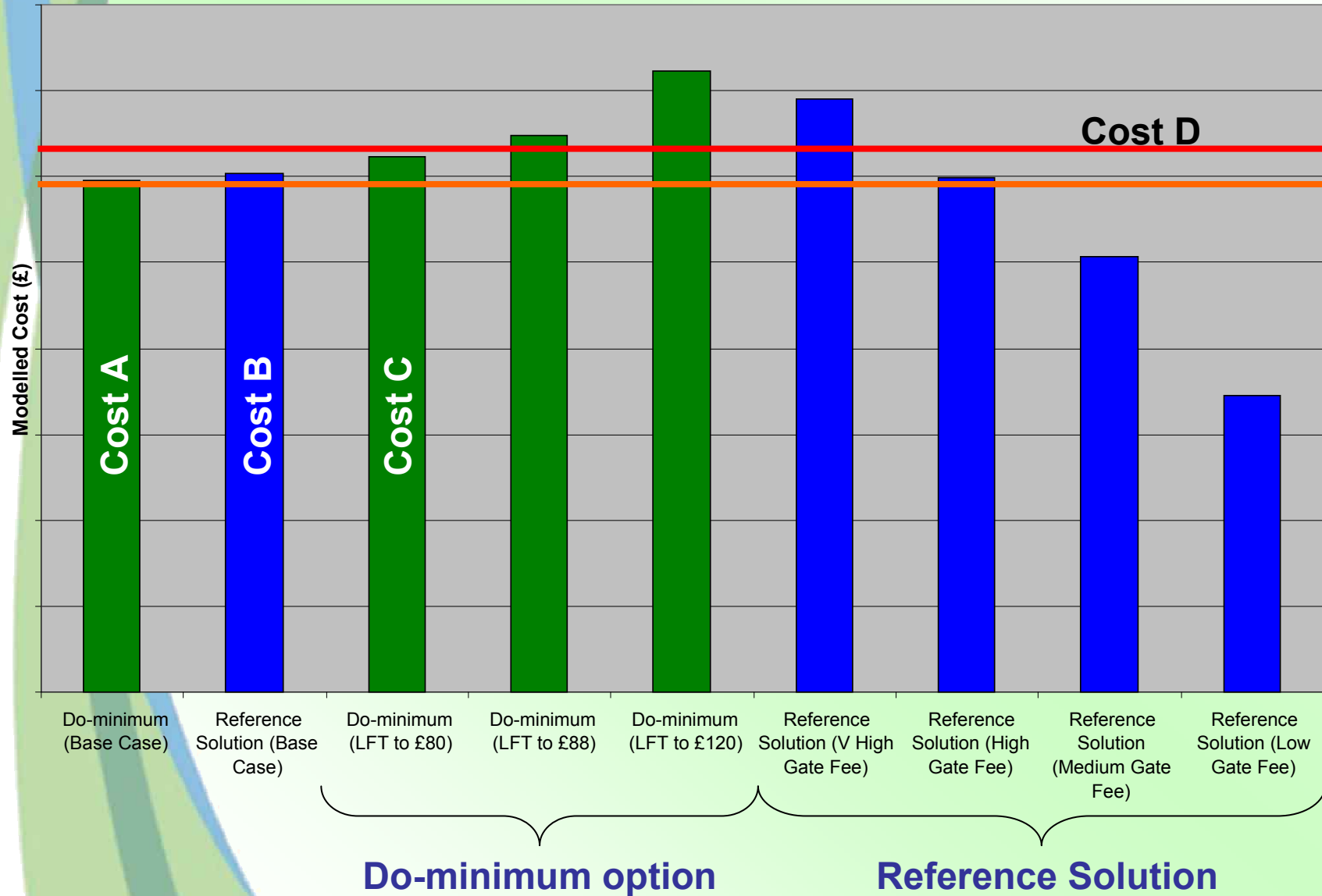
Do-Minimum Option

- Increase Recycling / Composting to 60% by 2020
- Continue sending remaining waste to landfill
- No new infrastructure delivered

Reference Solution

- Increase Recycling / Composting to 60% by 2020
- Send remaining waste to bespoke Energy from Waste facility within Central Bedfordshire for treatment
- Infrastructure required
- Technology & contract type selected for modelling only due to:
 - Known costs
 - High capital cost (prudent assumption)
 - Deliverability

Affordability Position



Modelling Variables

- Actual costs will only be realised during procurement
- Less capital-intensive solutions could be proposed
- Alternative funding options are being investigated (i.e. Capital injection by authority)
- Inclusion of additional elements could provide additional value for money

Additional Infrastructure

- **Kitchen Waste Treatment Solution**
Treat food waste collected across CBC area
- **Household Waste Recycling Centres**
Refurbish three existing HWRC sites & relocate fourth to new location
- **Waste Transfer Station**
For CBC to improve haulage efficiencies
- **Highways Depot**
Deliver vehicle parking, storage and maintenance

Key Project Benefits

Benefits of delivering Project:

- **Guaranteed disposal for life of contract**
- Environmentally superior solution to landfill
- **Known cost of long-term service**
- Avoidance of increasing landfill costs
- Avoidance of landfill availability risk
- **Risk transfer to contractor**

Benefits of delivering additional elements include:

- Procurement cost savings
- Possible co-location savings
- Delivery of the wider evolving Waste Strategy
- Interface risks removed/reduced

Thank you