

**NORTH YORKSHIRE COUNTY COUNCIL**

**EXECUTIVE COMMITTEE**

**30 November 2010**

**AWARD OF LONG TERM WASTE MANAGEMENT SERVICE CONTRACT - PART A**  
**REPORT OF THE MEMBERS' WORKING GROUP**

**The Appendix to this report contains exempt information of the description contained in paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 as amended by the Local Government (Access to information) (Variation) Order 2006**

**1.0 PURPOSE OF THE REPORT**

To consider the report of the Members' Working Group on the Waste PFI.

**2.0 BACKGROUND**

2.1 The attached report has been prepared by the Members' Working Group. The Terms of Reference of the Group were -

“to review the PFI procurement process and proposed contract and advise the Executive accordingly whether

- (a) the procurement process carried out was appropriate, lawful and in accordance with the Council constitution and procurement rules
- (b) the commercial terms proposed in the contract represent value for money for the Council
- (c) the share of risk reflected in the contract is acceptable and equitable between the Contractor and the Council
- (d) appropriate arrangements have been agreed as between the City of York Council and NYCC regarding the allocation of cost and risk arising from (b) and (c) above
- (e) the evidence / advice taken into account during the process was contemporary and comprehensive”

2.2 In preparing this report, the Working Group has had access to information that is **NOT FOR PUBLICATION** under the terms of description contained in paragraph

3 of Part 1 of Schedule 12a of the Local Government Act 1972 as amended by the Local Government (Access to information) (Variation) Order 2006.

- 2.3 Paragraph 3 referred to above concerns information that relates to the "financial and business affairs of any particular person (including the authority holding the information)" In this particular case there are aspects of the financial information in this report that relate to the terms of the bid submitted by AmeyCespa that are commercially confidential for that company and equally, there is information relating to the affordability of the project that is confidential for the two Councils.
- 2.3 To recognise this issue but so as to not destroy the flow of the report those details that are regarded as exempt have been redacted. The text that has been redacted is then reproduced in the Appendix that is NOT FOR PUBLICATION.

### 3.0 RECOMMENDATION

- 3.1 That the Executive considers the report of the Members' Working Group.

County Hall  
Northallerton

18 November 2010

**Background documents:** None

# North Yorkshire County Council

## Members' Waste PFI Working Group

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## **1. Introduction and conclusion**

### **1.1 Introduction**

At its meeting on 27th July 2010 the Executive of North Yorkshire County Council (NYCC) agreed to set up a Members' Working Group to review the Waste PFI procurement process and proposed contract, and advise the Executive as to whether

- (a) the procurement process carried out was appropriate, lawful and in accordance with the Council constitution and procurement rules
- (b) the commercial terms proposed in the contract represent value for money for the Council
- (c) the share of risk reflected in the contract is acceptable and equitable between the Contractor and the Council
- (d) appropriate arrangements have been agreed as between the City of York Council and NYCC regarding the allocation of cost and risk arising from (b) and (c) above
- (e) the evidence/advice taken into account during the process was contemporary and comprehensive.

The full Terms of Reference are set out in Annex A, with the report to the NYCC Executive setting up the Working Group

The Members of the Working Group are:

County Councillor Keith Barnes (Chair)

County Councillor Roger Harrison-Topham

County Councillor Patrick Mulligan

Mr David Portlock, independent, external member of the County Council's Audit Committee.

The Group has been supported by John Moore, Corporate Director – Finance and Central Services

In undertaking its review, the Working Group has had unrestricted access to lead officers and specialist technical, legal and financial advisors as appropriate. The Group has also had access to key documentation.

The Working Group is satisfied that the specialist advisors have the required expertise and are competent to advise the Councils. Although we have gained a good understanding of the project by interviewing them at length, ultimately we rely on their expertise and knowledge. The people consulted by the Working Group are listed in Annex B and the Schedule of meetings is at Annex C

This report does not describe in any detail the technologies involved in the preferred bid, as this is dealt with in the separate officers' report to the Executive.

The Waste PFI project is an alternative to the Councils adopting a do-minimum approach. The latter is essentially to continue with the current arrangements, which involve Municipal Solid Waste (MSW) going direct to landfill and operating Household Waste Recycling

Centres (HWRCs) as at present, also involving some residual landfill. District Councils would continue to be incentivised to increase kerbside recycling.

The Working Group has not performed an audit; nor has it reviewed every aspect of the procurement process that has taken place over more than five years. Rather, it has selected specific matters for examination, by reference to the priorities implied by the Terms of Reference.

The Working Group has also received a series of papers from various individuals and organisations. Much of the content of these papers is outside the Working Group's Terms of Reference, which focus on the procurement process, rather than the merits of alternative technologies. However, we have read these papers with interest and asked officers and advisors for comments on them.

## 1.2 Conclusion

Based on the evidence described in the rest of this report, in supporting documentation and from interviews with key parties, the Working Group has concluded that items (a) to (e) above can all be given a positive response, with one or two caveats as described below.

(a) Nothing has come to the notice of the Working Group that would suggest that the procurement process was other than lawful and in accordance with the NYCC constitution and procurement rules. The Working Group has also received a copy of written assurance to the Waste Infrastructure Development Programme (WIDP), the government agency responsible for the delivery of waste infrastructure projects. This assurance, provided by NYCC's solicitor, is based on assurances she had received from NYCC's external legal advisors. (section 3.4)

(b) The principal benchmark used by the Council has been the do-minimum option. The proposed contract demonstrates value for money against this benchmark, (section 13.4) which the Working Group believes to be a legitimate criterion. This positive difference is substantially eroded if landfill tax was not to continue to rise in nominal terms and therefore to fall in real terms below its known values (i.e. the floor of £80 per tonne in 2014/15); based on historical evidence this is considered unlikely by the Working Group.

Although the length of the process and its rigidity do not necessarily work in the interests of the Council, with ten bidders offering seventeen different solutions, the Working Group believes that full advantage was taken of the competitive tensions inherent in the Competitive Dialogue process, thereby maximising value for money (section 3.4).

Comparison with other local authority PFI waste projects shows that, in terms of cost, North Yorkshire is in the lower half of the group (section 14) with six other projects ranging from 2% to 9% more expensive, ranked by gate fee per tonne, and two other projects ranging from 5% to 7% cheaper. However, a group of four projects are between 12% and 38% cheaper. The defining characteristic of these projects is that all are solely energy from waste and imply that plant size relates to increasing economies of scale.

The Working Group has noted (section 13.3) that approximately a quarter of the proposed capital expenditure is devoted to the mechanical sorting facility and the anaerobic digester. The contribution to waste diversion and to third party income of these two facilities is materially less and therefore value for money, in purely financial terms, might have been greater had they been omitted. However the Councils' requirements included

a 5% increase in recycling. While this requirement was part of the Council's strategy, was set with proper advice and was reasonable in the circumstances, this, together with other evaluation criteria, may have contributed to increasing the overall processing cost of the facility.

On balance, the Working Group believes that the commercial terms proposed in the contract represent value for money for the Councils.

(c) In waste PFI contracts the manner in which financial risk is apportioned is predetermined by a standardised government approved contract. Lending banks are effectively relieved of virtually all risk. The risk therefore falls initially on the contractor, to the extent that he contributes equity to the project [REDACTED] and ultimately to the Council.

[REDACTED] The Working Group regards the risk of contractor failure as remote but considers that because of the potentially serious consequences, it is desirable to build in safeguards where possible. As the arrangements described above will only be put in place at Financial Close these will need to be monitored at the time.

Mitigation of risk has been achieved in terms of construction costs, waste composition and the manner in which the Council may satisfy minimum tonnage requirements (section 9.3)

It should be appreciated that the PFI contract is not merely a financing arrangement. Under the PFI contract the successful bidder will also be required to construct and operate the facility to the specification outlined in section 4.2 below. So, although the financial, construction and operational risks lie mainly with the Contractor, the Council retains some exposure.

The Working Group believes that giving weight to precedents relating to PFI contracts is reasonable in this context.

Several European countries currently use incineration for a significantly higher percentage of their municipal waste than the United Kingdom (section 11.3). Some reports suggest that there may be some over-capacity in parts of Europe but the Working Group has not seen any in-depth investigation of this.

As a consequence of the credit crunch there was an increase in the margins sought by banks for funds lent to PFI projects. These margins are expected to reduce if market conditions stabilise, and the Council will have powers to require refinancing if, during the period of the contract, there are further material reductions in these margins. The Working Group is reassured that the government has recently confirmed that the £65m PFI credits remain available for this project.

Subject to the above remarks, the Working Group believes that the share of risk reflected in the contract is acceptable, provided that planning consents do not involve onerous restrictions on the sourcing or the type of waste.

(d) Throughout the procurement process so far North Yorkshire County Council and City of York Council have worked together. Latterly the project has been led by NYCC, and the Working Group has not met anyone from City of York Council. The contract, if the project goes ahead, will be between NYCC and AmeyCespa. There will then be a back-to-back agreement between NYCC and the City of York, such that income and expenditure will be shared in the ratio 79% (NYCC) to 21% (City of York). The agreement will also cover the allocation of the PFI credits, contract risks and affordability issues. Recognising the likelihood of variations in tonnages over the life of the contract, there will be arrangements to cover the impact of these on how the Unitary Charge (section 8) will be split between the two Councils. There are evidently good working relationships between NYCC and City of York, but the Working Group has not had sight of the back-to-back contract, which is still being drafted. So while we are confident that 'appropriate arrangements' (as per our Terms of Reference) have been agreed in principle between the two authorities, we cannot comment on the detail of those arrangements.

The Working Group considers that the decision to work together with the City of York has brought important benefits to both councils (section 3.1).

(e) With the possible exception of the European capacity issue noted above, nothing has come to the attention of the Working Group that would suggest that evidence and advice taken into account during the process was other than contemporary and comprehensive.

## **2. The problem and the preferred solution**

As early as 2001 NYCC determined that it could not carry on dumping Municipal Solid Waste (MSW) in landfill. Landfill space would soon run out – and also NYCC would be liable for crippling landfill taxes and fines in the future. It would also be the worst environmental option. Landfill, through methane emissions, is a major contributor to climate change, significantly worse than carbon dioxide. Although the Landfill Allowance Trading Scheme (LATS) will allow the Council a specific, but decreasing amount of landfill, with the option of purchasing further allowances, this will become increasingly unviable in both financial and environmental terms.

The preferred bid, from AmeyCespa, is, in essence:

- 90% diversion of Municipal Solid Waste from landfill
- Mechanical treatment (MT) – sorting recyclables such as plastics and metals (up to 408,000 tonnes per annum (tpa) on three shifts or 272,000 tpa on two shifts)
- Anaerobic digestion (AD) of organic waste (40,000 tpa), with some power generated from methane
- Energy from waste (EFW) (incineration) – creating electricity from the waste which is not recycled, including digestate from the AD plant (up to 320,000 tpa)
- Aggregate production - using bottom ash from the EFW plant
- Planned operational commencement date, early/mid 2015.

AmeyCespa is a joint venture between two sister companies owned by Ferrovial, one of the world's largest infrastructure companies. Amey is a leading public services provider in the UK. Cespa is one of Spain's major waste management companies.



### **3. How the project has been conducted**

#### **3.1 Background to the Private Finance Initiative (PFI)**

The decision to select AmeyCespa as the preferred bidder to become the Councils' private sector waste management partner is the culmination of a process that began some eight years ago, in 2002, when City of York Council (York) and NYCC drew up a Joint Municipal Waste Management Strategy, acting in conjunction with the Borough and District Councils responsible for collecting waste. The Waste Emissions Trading Act 2003 (WET Act) imposed an obligation on all two-tier authorities to have a municipal waste management strategy.

The strategy, entitled 'Let's Talk Rubbish', committed both York and NYCC to increasing the volume of waste recycled and to reducing the quantity of waste being sent to landfill. The Councils undertook public consultation (see section 5) and used the results to inform a decision as to what might be the Best Practicable Environmental Option (BPEO) for future management of the Councils' waste. The BPEO then prompted the revision of the waste management strategy resulting in the publication of 'Let's Talk Less Rubbish' in June 2006. A copy of this strategy can be found on [www.letstalklessrubbish.com](http://www.letstalklessrubbish.com), and is summarised in section 4.1.

The BPEO analysis made it clear that, in order to meet the strategy objectives, the Councils would need to invest in capital infrastructure to manage future waste and to comply with their obligations under the WET Act. So the Councils jointly applied to the government for PFI (Private Finance Initiative) Credits and were awarded £65million. This is essentially a grant paid in tranches over the life of the project.

In accepting PFI Credits, the Councils committed themselves to procuring the required infrastructure within the rules of the Government's Private Finance Initiative. Those rules require that not only must an Outline Business Case (OBC) be submitted to the relevant government department before the start of the procurement, but also that a Final Business Case (FBC) be submitted before the identification of the selected private sector partner.

In addition, the Councils have to stick to rules relating to the contract terms (Standardisation of PFI Contracts – 4<sup>th</sup> edition SoPC4). The Waste Infrastructure Development Programme (WIDP), the government agency responsible for the delivery of waste infrastructure projects, also seeks to ensure adherence to its preferred form of waste PFI contract.

The decision of the two Councils to work together has been beneficial both in terms of the financial viability of the whole project and some flexibility in contract waste tonnages. NYCC has taken the lead in managing the procurement process for the project.

#### **3.2 The law governing the procurement of the project**

When a public body, such as NYCC, wants to award a large contract, it may only do so by following the requirements of the Public Contracts Regulations 2006 (Regulations). These regulations put into UK law the requirements of a 2004 European Union directive. The purpose of the Regulations is to ensure that large procurements are run in a fair,

transparent and competitive way, particularly to avoid discrimination by nationality. It is evident that in the present case, the EU regulations have had the intended outcome.

The advice given by central government to the Councils was that for a complex contract, such as the waste management one, and in order to secure PFI credits, the procedure known as Competitive Dialogue should be followed.

There are three particularly relevant aspects of the Competitive Dialogue procedure:

- (a) When using the Competitive Dialogue procedure, the procuring authority may not specify the technology to be selected, only the required outcome – in this case the diversion of waste from landfill and increased recycling.
- (b) The authority may only award the contract under competition to the bidder (called a 'participant') whose solution it has evaluated (using evaluation criteria that were specified at the beginning of the procurement) as offering the "Most Economically Advantageous Tender", which is measured using a price:quality ratio. In this case scoring of the tenders was split 60% technical, quality and environmental criteria, and 40% financial and commercial criteria
- (c) To ensure that the procurement is genuinely competitive, the Regulations impose an express obligation of confidentiality on the procuring authority. In running the procurement and to ensure that the Competitive Dialogue involved a genuine interchange of ideas between the Councils and the participants, the Councils undertook to all participants that their solutions and all aspects of the Competitive Dialogue would be treated as confidential.

The Councils are an obvious beneficiary to the extent that the Regulations enhance competition. However, there are some demerits to the Competitive Dialogue procedure:

- The procedure is lengthy and allows little or no scope for democratic supervision by elected members. This flows ineluctably from (c) above, and is reinforced by the governance convention that officers should handle the mechanics of procurement
- The process is rigid, and there is effectively no scope for a change of mind concerning the required outcomes (mainly those relating to diversion of waste and recycling in the current case - see section 4.2 below), nor the bases on which bids will be evaluated
- The length and intensity of the process results in high costs both for the authority and for the bidders.
- Options involving local solutions operated by local companies are less likely to emerge unless those companies are able to form a consortium able to present a coherent single proposition, from the start of the process, that meets the Councils' necessarily stringent specification. Nevertheless there was an opportunity for such a bid to be made during the process.
- Although various options are considered and evaluated during the procedure, from a Councillor's perspective the procedure results in a single solution being presented rather than several options.

### 3.3 Publicising the PFI contract

At the same time as making the application for PFI Credits, the Councils were making waste management contractors aware of the impending PFI procurement so as to ensure that, when the contract came to be advertised, there would be strong interest from that community. Such a level of interest was important in ensuring that as wide a range of participants (offering a varied range of technologies) as practicable would seek to participate in the procurement, thereby ensuring that the procurement would be genuinely competitive and would offer value for money. To that end also, an advertisement was published in the Official Journal of the European Union (OJEU) letting waste management contractors know of the Councils' forthcoming procurement.

Following the publication of the advertisement a number of meetings were held with likely participants and likely financiers to advertise the project.

The procurement was formally commenced with the publication of a further advertisement in the Official Journal of the European Union on 4 September 2007.

### 3.4 The procurement process

Initially, all respondents had to complete a Preliminary Qualifying Questionnaire (PQQ) to show that they were entitled to enter the competition. The Councils did not exclude any respondents at this stage, and all were invited to submit outline proposals. There was no limit on the number of solutions each participant could propose.

NYCC received 17 outline solutions from ten participants in December 2007. The Councils evaluated these solutions against the criteria they had sent out to all respondents. In January 2008 a short list of four participants was drawn up.

The Councils asked each of these participants to develop their solutions in more detail and they submitted these at the end of May 2008. The Councils' advisors then carried out further detailed analysis on these solutions against the original criteria and as a result, in early September 2008, two participants were asked to go forward to the final stages of procurement. Following contract negotiations (i.e. Competitive Dialogue) with these two participants a Call for Final Tenders (CFT) then occurred in September 2009 and the two remaining bidders were given one week to submit their final bids.

In early October 2009 both sets of proposals arrived and advisors assessed them against the same set of evaluation criteria. With this assessment the advisors determined that the proposals submitted by AmeyCespa were, in the context of the evaluation criteria, the Most Economically Advantageous, and therefore the Councils may now only consider AmeyCespa when deciding to award the contract under this competition.

In parallel with the conclusion of the competitive dialogue process, the Councils engaged closely with WIDP to ensure that they had carried out the procurement in accordance with WIDP's requirements. That engagement involved a number of legal, commercial and financial reviews, including an overall value for money review conducted on behalf of the incoming coalition Government when it took office.

The Council's Final Business Case (FBC) was approved by WIDP at the end of June, 2010, and AmeyCespa was declared the Preferred Bidder. Work is continuing with AmeyCespa to clarify and fine tune the proposal and engross relevant documentation into an agreed Project Agreement. Completion of this Agreement will constitute Commercial Close and will constitute a binding contract between the parties that commits the Councils. The contract will set out explicit requirements on the parties to financially close the contract, subject to achieving a satisfactory planning consent and the project remaining affordable within the budget provision demonstrably set aside. At the same time it will be necessary for the County Council and City of York Council to enter into a similar back-to-back agreement.

The split between Commercial Close and Financial Close is in order to reduce the financial risks to which the Councils are exposed. Therefore, Financial Close will not take place until planning permission is granted, at which point a set of agreements between AmeyCespa and funders relating to the funding package will be executed.

The Working Group has formed the view that NYCC has followed the procedures and regulations described above diligently and effectively.

#### **4. The waste strategy and output specification**

##### 4.1 Objectives

'Lets talk less rubbish' (found at [www.letstalklessrubbish.com](http://www.letstalklessrubbish.com)) is the waste strategy developed in 2006 by the York and North Yorkshire Waste Partnership, which comprises North Yorkshire County Council, City of York Council and the Districts within North Yorkshire. The strategy sets out the Partnership's vision and objectives to:

- work with the community and stakeholders of York and North Yorkshire to meet their waste needs and deliver a high quality, sustainable customer-focussed and cost-effective waste management service
- reduce the amount of waste produced in York and North Yorkshire to make us one of the best performing areas in the country by 2013
- promote the value of waste as a natural and viable resource by reusing, recycling and composting the maximum practicable amount of household waste
- maximise the opportunities for reuse of unwanted items and waste by working closely with community and other groups
- maximise the recovery of materials and/or energy from waste that is not reused, recycled or composted to further reduce the amount sent to landfill.

##### 4.2 Specification

As an expression of the strategy, and after much work on the Outline Business Case, the Councils' main output specification was as follows, with AmeyCespa's (AC) guaranteed performance in brackets.

- 80% diversion of Municipal Solid Waste (MSW) from Landfill (AC 90%)
- 70% diversion of Biodegradable Municipal Waste (BMW) from landfill (AC 95%)

- 5% of residual waste recycled (AC 5%); this is in addition to the kerbside recycling carried out by the Districts
- turnaround times for waste vehicles, 20 mins average, 30 mins maximum (AC 20 mins average, 30 mins maximum).

The specification indicated that the contract would have the following objectives with regard to the management of contract waste:

- Comply with the statutory obligations of the County Council and the City Council under the Environmental Protection Act and other applicable legislation (e.g. WET Act duty to divert waste from landfill)
- Achieve the BMW diversion and recycling targets detailed in this specification
- Comply with any licensing, permitting, and consent requirements placed on the contractor in the execution of the services
- Apply the waste management hierarchy, maximising recycling of materials from the waste, before recovery of resources and energy from the waste
- Protect and improve the environment, prevent environmental pollution and control environmental impact
- Support the Councils' Joint Municipal Waste Management Strategy (JMWMS) and achieve the JMWMS targets
- Contribute to the national recycling and MSW recovery targets in the Waste Strategy for England 2007
- Secure the provision of facilities to recover materials and energy from contract waste by the most appropriate methods and technologies
- Secure the optimum return on all assets utilised under the contract
- Achieve a seamless transition from the current service approach
- Utilise the Councils' available sites for waste treatment facilities, unless the Contractor can identify and proposes alternative sites
- Secure markets for the sale of recyclates, recovered materials and energy
- Develop a flexible service that can accommodate changes in waste arisings and composition and respond to changes in technology and the requirements of future technology
- Provide reasonable flexibility for changes in waste practice and legislation
- Encourage and promote partnering and collaborative working arrangements between the contractor and the County Council, City of York Council, the Waste Collection Authorities and the Councils' other contractors as appropriate
- Support stakeholder, public and community liaison in the management of waste in the region.

The Working Group has established that these objectives were robustly judged in each tender, as described under 'Evaluation Criteria' in section 7 below. The tenderers were required to produce a Service Delivery Plan that included an Overall Project Plan, Project Programme, Works Development Plan, Method Statements and Contingency Plan to illustrate in detail how all of the key components of the Services will be delivered over the contract period.

## 5. Consultation

Public consultation on the project has been carried out in two main tranches as follows.

- Consultation around waste strategy development (up to 2006):
  - The Joint Municipal Waste management Strategy (JMWMS) (Summer 2001)
  - The Best Practical Environmental Option (BPEO) (throughout 2004 and 2005)
  - Household Waste Recycling Centre (HWRC) Policy including recycling priorities
  - The revised JMWMS (December 2005); this included the issue of a leaflet to every house in the strategy area at the end of November 2005.
- Public engagement and information concerning the outcome of the procurement, started in June 2010 and is still ongoing.

In between these two tranches of consultations the Councils' officers and advisors have carried out the Competitive Dialogue procedures described above. County Councillors have been advised of progress but have not been directly involved in the procurement process nor consulted on the alternatives being considered during the Competitive Dialogue. This is a consequence of the procurement regulations for the PFI process, so that:

- bidders' commercial confidentiality can be maintained
- the marketplace can be expected to come up with the Most Economically Advantageous Tender, subject to published evaluation criteria, but without the procuring authority specifying the technology to be used.

## 6. Central government view

The government's strategy at the time of the procurement was set out in the Waste Strategy 2007. An assessment of the project against this strategy has been undertaken by WIDP, and the project has been found to be fully aligned with it.

The Coalition Government, and their recently announced views on waste technology, did not exist at the time the evaluation was completed. However in line with the general market, the majority of tenderers had commenced the move away from Waste Strategy 2000 (which placed undue emphasis on the production of refuse derived fuel, without addressing how that fuel could be disposed of) towards a mixture of technologies including incineration and anaerobic digestion. Current government thinking seems to be a mix of incentivising electricity generation with a greater emphasis on anaerobic digestion than in earlier waste strategies.

Furthermore, prior to the announcement of the preferred bidder, the Coalition Government reviewed the project as part of its review of commitments given by the previous government and it has agreed that the project is to continue; this is taken as an indication that the project does assist in meeting the Coalition Government's Waste Strategy. The Final Business Case for the project has been reviewed by both the Treasury and WIDP/DEFRA, thus endorsing the approach taken by the Councils.

## **7. Evaluation of bids**

As indicated above, the scoring of the tenders throughout the Competitive Dialogue process was split 60% technical, quality and environmental criteria, and 40% financial and commercial criteria. In addition there was a legal and contractual test that was simply Pass or Fail, without any numerical scoring. Once established, the criteria could not be changed during the procurement process. The procurement would have had to stop and start again if the criteria were amended because it would open the Councils to challenge through procurement law, and potential compensation claims from participants in the procurement process.

Under technical, quality and environmental criteria there were eight elements, each with several sub-elements, providing 60% of the evaluation:

- Compliance with the output specification (12%)
- Deliverability of solution (12%)
- Adaptability of solution (9%)
- Level of participant's reliance on third parties for performance (3%)
- Any impacts on existing services/systems/waste collection authorities and level of mitigation proposed (6%)
- Extent of integration and partnering with the Waste Partnership and approach to interface management (3%)
- Sustainability (12%)
- Social (3%)

Under the financial and commercial criteria there were three elements, with sub-elements, providing 40% of the evaluation:

- Financial robustness, in terms of assumptions, sensitivity analysis, third party income (12%)
- Economic Cost/Affordability, in terms of the Net Present Cost of each bid and how that compares with the Councils' affordability envelope (18%)
- Commercial viability in terms of deliverability of funding package, guarantees and robustness of contracting structure and payment mechanisms (10%)

The evaluation exercise was carried out by the County Council's consultants Enviros (technical), Ernst & Young (financial), and Watson Burton (legal) with as much objectivity as possible. Given the evaluation criteria outlined above, the lowest cost bid would not necessarily be successful.

## **8. Performance and payment framework**

The contract will include a performance framework that satisfies the following principles -

- Primary purpose is to monitor operational performance
- Performance against contract targets will be reflected in the payment mechanism
- Deductions will be commensurate with damages incurred by the Councils
- Non-rectification of a performance failure past a 'long stop' period will be linked to a requirement for AmeyCespa to change management

- Overall performance failure past a threshold will trigger potential contract termination.

These principles will be put into practice through a points system coupled with 'resolution' and 'rectification' periods.

The payment mechanism is a 'Unitary Charge' such that:

- The Councils only pay for services when they are delivered
- There are positive incentives to the contractor to exceed targets
- Costs incurred as a result of contractor failure are not passed to the Councils
- Payment streams to the contractor match the underlying cost drivers.

The overall Unitary Charge will comprise a monthly charge and an annual reconciliation payment.

## **9. Waste arisings/tonnages**

### 9.1 Introduction

York and North Yorkshire currently produce approximately 450,000 tonnes per annum (tpa) of municipal waste. Of this approximately 278,000 tonnes was sent to landfill in 2009/10 as 'residual' waste. This included nearly 37,000 tonnes of commercial waste collected by District Councils and 18,000 tonnes of inert waste.

The Councils have used a model to predict future waste volumes. As a precursor to the model a detailed analysis of the makeup of residual, black bag waste had been carried out. This has helped determine the potential for more recycling and composting. The model is based on the assumption that volume growth would be broadly in proportion to predicted growth in the number of households with the following adjustments:

- The amount produced per household would reduce annually by a notional 0.25% to recognise the aspiration for waste prevention (equivalent to a compound reduction of 7.4% over 25 years)
- Amounts of commercial waste collected by District Councils would remain constant throughout the period
- Recycling and composting would increase broadly according to District Council projections to a combined performance of 48% in 2014/15 (start of operations)
- The effect of the economic downturn would result in reduced waste for the first three years of the model
- Household and commercial waste delivered to Household Waste Recycling Centres (HWRCs) would reduce in the first years of the model as a consequence of revised operating policies.

At the time of the Call for Final Tenders (CFT) (i.e. September 2009) the model predicted that residual waste at the end of the contract (2039/40) would be 298,000 tpa.



## 9.2 Sensitivity of assumptions

Waste forecasts are updated regularly. Sensitivity analysis has been undertaken to test the possible effects of the following:

- Deeper and more prolonged recession than first envisaged
- Some District Councils no longer collecting commercial waste
- Potential impact of the repeal of the Regional Spatial Strategy
- Basing waste projections on population forecasts from the Office of National Statistics, rather than household forecasts.

The compound impact of these sensitivities would be to reduce CFT tonnage from 298,000 to 248,000 tpa in 2039/40.

The waste flow model uses individual waste compositions for each district. Actual and predicted recycling performance is compared to waste composition to show capture rates for each recycled material. Taking an optimistic view on improving the lower performance districts, a further reduction in CFT tonnage might be envisaged, to 236,000 in 2039/40. With this particularly pessimistic forecast tonnages are still above the guaranteed minimum tonnage (GMT) (see section 9.3 below) for all but the final four years of the contract.

There is no certainty that these reductions in CFT tonnage will occur – they are scenarios developed to help assess sensitivities on the tonnage forecasts, and actual volumes may be higher than forecast. It is prudent to recognise the possibility of the higher estimates.

## 9.3 Plant capacity and Guaranteed Minimum Tonnage

AmeyCespa has proposed a waste treatment plant sufficient to treat approximately 305,000 tpa of residual waste (maximum capacity 320,000 tpa). The contract will include a guaranteed minimum tonnage (GMT) of 80% of the CFT forecast tonnage (i.e. 238,400 tpa in 2039/40). Importantly, the contract does not require that waste supplied to satisfy the GMT should have any minimal thermal value. The capacity not used by the Councils will be filled using locally available commercial and industrial waste.

## 9.4 Recycling performance

York and North Yorkshire currently recycle or compost about 45% of household waste. Current estimates are that this will improve, peaking at 48%. AmeyCespa guarantee to recycle a minimum 5%, but plan to actually recycle 10% (of what they receive), resulting in 53% of household waste being recycled. If recycling of incinerator bottom ash (IBA) is included the combined recycling and composting performance will exceed 65%. However, IBA is currently excluded from the definition of recycled material.

Given the differential recycling rates of the districts, there is potential, as mentioned above, of stretching the recycling rate (excluding IBA) to 55%, comparing favourably with other counties in England. Recycling appears to be subject to the law of diminishing returns. Also, of course, it will be important that any recycling technology used does not generate more greenhouse gases than it saves.

## 9.5 Food waste

AmeyCespa propose that the mechanical treatment plant will extract 40,000 tpa of food and other organic waste from black bag waste. This will then go through anaerobic digestion, with the digestate being fuel for the EFW plant. In addition methane produced will be used to generate electricity. Because the food waste will not be separately collected, but will have been extracted from residual waste, it will be 'contaminated', so the resulting digestate cannot be used on land and does not currently 'count' as recycling. It does however represent diversion from landfill and provides some energy recovery.

The effects of separate food collection have been considered, though to have such a separate collection would be a decision for the waste collection authorities (i.e. the districts). Separate collection would be more costly and require the willingness of householders to participate. Trial schemes suggest, typically, capture rates of only 40%. If that were the case, although the resulting 'uncontaminated' digestate could be used on land, and would 'count' towards recycling, significantly less food waste would be captured for treatment than proposed by AmeyCespa.

## 9.6 Commercial and industrial waste

AmeyCespa propose using any spare capacity in their plant to process commercial and industrial waste.

The Working Group does not subscribe to the view that any new plant should be restricted to municipal waste. Commercial and industrial waste is there and has to be dealt with. It is produced in a society to which we all belong and which therefore has some responsibility for its disposal. Crucially, the AmeyCespa proposal does not involve the Councils subsidising the treatment of this waste, but in fact allows the income to be shared. Just as important it gives Councils a buffer, i.e. flexibility in the amount of municipal waste that can be processed.

AmeyCespa has commissioned the consultancy firm Urban Mines to advise on the availability of commercial and industrial waste in North Yorkshire. The conclusion is that the predicted requirement for commercial and industrial waste in order to operate the plant at full capacity is small compared to the amount available. At most it is about 10% of the available market. The requirement would reduce in time as the municipal contract volumes increase.

## 9.7 Uncertainties

The Working Group has challenged some of the assumptions in the above analyses and has been reassured that NYCC has taken extensive professional, including governmental, advice in coming to the conclusions described.

This project is to run for 25 years and predicting that far ahead is very difficult. But it is clear from both cost and sustainability aspects that the do-minimum approach is not acceptable. At the same time, waste treatment plant is expensive and therefore investors, and their funders, require a long-term commitment in order to make their required return on that investment at a price the Councils can afford. Periods significantly less than 25 years would be unaffordable for the Councils. So there has to be a coming together of the need for long-term investment and best estimates of future waste volumes. In terms of the inevitable uncertainties this PFI procurement has the following advantages -

- The long procurement process has tested the marketplace very carefully, through Competitive Dialogue, in terms of what is cost-effective and economically sustainable
- The officer team, with the help of advisors, have negotiated a deal which implies that the various bidders, and their potential funders, were comfortable with the predicted waste volumes
- The major market risk in construction and operation of the plant, and the possible appearance of competitors is being taken by AmeyCespa
- The PFI credits allow private funders (the banks) to set up long term borrowings (to AmeyCespa) that would not otherwise happen (see section 13)
- The processing capacity of the proposed facility is capable of taking the forecast volumes of municipal waste at the upper end of the range. Given the possibilities for maintaining throughput from other sources, the Working Group believes that it is reasonable to bias the judgement towards higher rather than lower capacity. There are also benefits from economies of scale as suggested by comparison with other waste projects (see section 14).

## 10. Public health

We note that NYCC has considered the public health aspects of all parts of the proposed plant, and is satisfied that the danger to public health is minimal. A detailed consideration of this is outside our Terms of Reference. However, given the public interest we quote below the Summary from the report published in February 2010 by the Health Protection Agency, entitled "The Impact of Emissions to Air from Municipal Waste Incinerators"

*"The Health Protection Agency has reviewed research undertaken to examine the suggested links between emissions from municipal waste incinerators and effects on health. While it is not possible to rule out adverse health effects from modern, well-regulated municipal waste incinerators with complete certainty, any potential damage to the health of those living close-by is likely to be very small, if detectable. This view is based on detailed assessments of the effects of air pollutants on health and on the fact that modern and well-managed municipal waste incinerators make only a very small contribution to local concentrations of air pollutants. The Committee on Carcinogenicity of Chemicals in Food, Consumer Products and the Environment has reviewed recent data and has concluded that there is no need to change its previous advice, namely that any potential risk of cancer due to residency near to municipal waste incinerators is exceedingly low and probably not measurable by the most modern techniques. Since any possible health effects are likely to be very small, if detectable, studies of public health around modern, well managed municipal waste incinerators are not recommended.*

*The Agency's role is to provide expert advice on public health matters to Government, stakeholders and the public. The regulation of municipal waste incinerators is the responsibility of the Environment Agency."*

## 11. Environmental issues

### 11.1 Greenhouse gases

As indicated earlier in this report continuing to put waste in landfill, as well as being financially crippling in the future, would also be the worst environmental option.

Landfill, through methane emissions, is a major contributor to climate change, significantly worse than carbon dioxide.

In the proposed plant, methane produced through anaerobic digestion will be used as fuel to generate electricity.

The table below shows the global warming potential (kg CO2 equivalent) for the AmeyCespa solution in comparison with the landfill scenario, per tonne of contract waste in 2019/20.

	AmeyCespa (kg CO2 equivalent, per tonne)	Landfill (kg CO2 equivalent, per tonne)
Transport	1.1	-
Recycling	-65.9	-
Treatment and Recovery	24.0	-
Landfill	2.2	188
<b>Total</b>	<b>-38.6</b>	<b>188</b>

So overall the whole project will be carbon positive and very much less damaging than the landfill (ie do minimum) scenario.

## 11.2 Planning

It was originally envisaged that any planning application would be made after the adoption of the Waste Site Allocation Development Plan Document (DPD), which was anticipated around, May 2009. However, following observations made by a planning inspector in September 2008, and with the Secretary of State's approval, the proposed Minerals and Waste Development Waste Core Strategy was redrawn. As a consequence all work on the Waste DPD was stopped and the evidence base withdrawn. Work on a new Waste DPD will start in May 2011, with an anticipated adoption date in December 2013. Therefore any planning application for this waste project will be considered against the following development framework:

- The Yorkshire and Humber plan 2008
- North Yorkshire Waste Local Plan 2006
- Harrogate Borough Council Core Strategy 2009

The Councils have tested the robustness of their planning strategy in several ways:

- An assessment of alternative sites was undertaken by Land Use Consultants in 2006, applying established planning and environmental criteria
- The Councils involved their own in-house planning officers to test assumptions concerning the suitability of sites and the fit with the development framework
- Enviro Consulting was commissioned to prepare a Review of Planning Risks for possible sites
- Jacobs Ltd (NYCC's property advisor) were commissioned to identify any potential constraints which might affect shortlisted sites.

All this work, and more, has formed part of a planning strategy check undertaken with the Waste Infrastructure Development Programme (WIDP) the government agency responsible for the delivery of waste infrastructure projects.

AmeyCespa has submitted its proposals to CABA (Commission for Architecture and the Built Environment). This resulted in positive and constructive comments from CABA and the company has continued to engage with CABA to refine its proposals.

The Working Group has discussed planning issues with the Corporate Director responsible for planning and NYCC's planning advisor, and the Corporate Director confirmed that he is confident that procedures are in place to deal properly with any planning application that is submitted.

### 11.3 Other European countries

The extent to which other European Union countries incinerate their municipal waste suggests a low level of concern about the impact of incineration on the environment and public health. In terms of the percentage of municipal waste incinerated, the seven leading European Union countries are:

Denmark	54%
Sweden	45%
Luxembourg	42%
Belgium	36%
France	34%
Netherlands	33%
Germany	23%

By contrast, the equivalent figure for the United Kingdom is 8%. It has been reported that Germany is importing waste from Italy (9% incinerated) and therefore may have over-capacity, but the Working Group has not seen any analysis of this. A further point to note is that many of the incineration facilities in the above mentioned European Union countries are sited in or in immediate proximity to urban centres because of the potential to use additional heat in combined heat and power schemes.

## **12. Risks**

NYCC has carried out a risk analysis of the overall project and also of the final two tenders. The resulting risk register has been categorized as shown below, and under each item the register shows whether the risk is borne by the Councils, the Contractor or whether it is shared. By definition risks arise from inevitable uncertainties, and the purpose of the register is to provide an analysis of these uncertainties so that the Councils can mitigate the risks where possible. The register has been compiled with advice from the Councils' legal advisors who have also advised on the consequences of each risk. A key part of the contract with the contractor will be an allocation of risks. The table below shows the project risk register headings, the number of risks under each category and how they will be allocated.

<b>Risk category</b>	<b>Councils</b>	<b>Contractor</b>	<b>Shared</b>
Performance	5	5	2
Financial	0	18	6
Taxation	3	2	1
Planning	3	3	0
Demand	3	0	5
Technology & Obsolescence	0	2	0

Risk category	Councils	Contractor	Shared
Operational	7	15	12
Construction	2	20	3
Design	3	6	1
Regulatory	7	3	0
Residual Value	5	3	1
<b>TOTAL</b>	<b>38</b>	<b>77</b>	<b>31</b>

Clearly some risks are more important than others, so the above table is no more than an indication of how the risks will be shared. It does, however, show that the financial, operational and construction risks fall mainly to the service provider. This is a key part of the rationale for PFI projects.

As well as using the register for an initial analysis of risks, it will be important that the Councils monitor all of the risk-related issues as the project develops.

The public health risks are not covered in the risk register, but have been considered as described in a previous section of this report.

Key risks are:

- **Not enough waste:** the Councils are obliged to deliver a minimum tonnage (GMT). If there is a shortfall, the Councils have to pay the contractor for the undelivered tonnage and may also have to compensate the contractor for any lost electricity income. However, the contractor is obliged to make reasonable endeavours to obtain waste from elsewhere to make up the shortfall.
- **Not enough electricity:** if the waste delivered is of a lower calorific value than the contractor had expected such that less electricity is generated and sold, the risk (loss of income) is taken by the Contractor.
- **Poor performance:** if the plant is poorly run resulting in the contractor making less income than expected, the funder has the right to step in and run the plant. The funder has the ability to require the parent companies to underwrite the performance of the operating company.
- **Cost overrun:** the Contract will deliver the facility for a fixed price (this is a fundamental aspect of PFI). That price will become fixed at financial close. Delays (e.g. through the planning process) could result in the construction costs escalating. The Councils have taken the risk of such cost escalation but have the right to refuse to take the contract forward e.g. if it became unaffordable or simply because Members did not wish to do so, the Councils have the right to walk away.

- **Contractor default:** a worse case scenario is that at some stage the plant becomes inoperable not due to an insurable reason and AmeyCespa put themselves into administration; funders could then replace AmeyCespa but might choose not to do so, but instead terminate the contract. Then the Councils would have little choice but to pay compensation equal to the debt outstanding. NYCC would then inherit the plant. This is discussed in more detail in section 13.2

### 13. Finance and affordability

#### 13.1 Structure and costs - overview

The contract will be delivered through a Special Purpose Vehicle (SPV), whose only activity will relate to the provision of services associated with the Councils' PFI contract.

Costs and income of the AmeyCespa solution are shown below as per the Final Business Case submitted to central government to secure the PFI credits. These are nominal costs for the life of the contract inflated by estimated indices, but without any discounting back to present values.

Item			
Unitary Charge			
Third Party Income:			
Electricity			
Commercial waste			
Recyclables			
<b>Total SPV Income</b>			
Capital costs			
Operating costs			
Financing Costs			
Taxation			
Dividends			
<b>Total SPV Costs</b>			



#### 13.2 The Councils' contingent liability

Contractor default would be a worst case scenario which the Working Group considers to be a highly unlikely eventuality. However, because of the severe effects of such an eventuality it is prudent to consider the consequences and the protections available to the Council.



[REDACTED]

[REDACTED]

[REDACTED]

Because these arrangements are not finalised until Financial Close, the Council will need to monitor the documentation closely at that stage.



### 13.3 Capital expenditures and contributions

As indicated above, nominal capital expenditure is expected to amount to

[REDACTED]

[REDACTED]

[REDACTED]

However, the inclusion of MBT matches the NYCC strategy and enables the contractor credibly to claim that recycling will be increased by a minimum of 5%.

### 13.4 Affordability

The Councils have reviewed their respective budgets, plus PFI credits, against the prospective cost of the overall Waste Strategy including the PFI solution. The latter comprises the PFI Unitary Charge, plus Pass Through Costs (business rates, lease option costs, rent costs for the site and stamp duty costs) plus non-PFI costs (recycling, transportation, waste minimisation initiatives etc). Over the period of the project, the net cost of the overall Waste Strategy to the Councils, after PFI credits, is expected to be £1,489m, which is within the Councils' combined Medium Term Financial Strategies and is estimated to be £324m less than the do-minimum option.

Unitary Charge of PFI		
Less PFI credits		
Plus non-PFI costs		
Total		

Non-PFI costs in the above table include the running costs of Household Waste Recycling Centres, recycling credits and incentive schemes payable to the Districts, transfer station infrastructure costs, landfill gate fees and transport between sites. The PFI credits in the above table are nominal costs and will be spread out over the life of the project. Their Net Present Value is £65m.

In addition to the sensitivity testing on waste arisings, described above in section 9.2, financial sensitivity testing has been carried out in terms of the following:

- Increase in debt price
- Adverse movement in foreign exchange rates impacting capital costs
- Delay to achieving planning permission

- Compound sensitivity of all three of the above

- Landfill Tax

In all of these tests the calculated net cost to the Councils was less than respective budgets, and considerably less than the do-minimum option, confirming affordability within the boundaries of the assumptions and tests.

All the values above are 'nominal' - either fixed over the period of the project or inflated by estimated increases in indices, with the Councils' costs inflated by 2.5%. Arguably, a more realistic approach would be to calculate discounted, net present values, which take account of the fact that, for example, £100 in five years time is worth less than £100 now, over and above any effects of inflation. However, since the analysis is either a comparison of options, or a comparison of elements within totals, the choice of monetary scale is not crucial, and does not effect the affordability conclusion. Nevertheless, the Net Present Value of the net cost to the Councils or the total SPV costs is less than half of the costs quoted above using nominal costs.

### 13.5 Impact of split close

The Working Group recognises that as a consequence of the separation of commercial close and financial close (see section 3.4), the final tender fixes all costs except variations during the planning process caused by:

- Indexation relating to capital expenditure
- Foreign exchange movements, since approximately 50% of the capital plant will be sourced in the Eurozone
- Interest rates on debt.

The compound effect of these sensitivities has been modelled as part of the consideration of affordability (section 13.4) and found to be within the combined affordability of both Councils. Furthermore, the Councils have the right to enforce the refinancing of the debt in the first seven years.

## **14. Comparison with other projects**

Many other local authorities are carrying out waste treatment projects. It is difficult to compare like with like as there are variations on tonnages, specifications, technologies and services provided. Nevertheless the table on the next page shows 14 projects, with different solutions and relative gate fees. Project 8 is the North Yorkshire and York project, which has been given a cost per tonne index of 100, and all the others scaled in proportion to this. Using an index has been necessary because the actual figures are subject to commercial confidentiality.

Project	Solution	Annual Capacity 000s tonnes	Gate fee per tonne excluding PFI credits (1 <sup>st</sup> year), scaled to NYCC as 100
Project 1	Mechanical Biological Treatment (MBT) with Energy from Waste (EFW)	202	133
Project 2	Energy from Waste	220	109
Project 3	MBT with Energy from Waste	187	106
Project 4	Energy from Waste	300	105
Project 5	Energy from Waste	179	105
Project 6	MBT with Energy from Waste	179	102
Project 7	Energy from Waste	180	102
<b>Project 8</b>	<b>NYCC and York PFI: MBT with Energy from Waste</b>	<b>320</b>	<b>100</b>
Project 9	MBT with Energy from Waste	150	94.6
Project 10	Energy from Waste	90	93.0
Project 11	Energy from Waste	225	88.4
Project 12	Energy from Waste	240	76.0
Project 13	Energy from Waste	300	67.4
Project 14	Energy from Waste	400	62.0

The table shows that the NYCC and City of York PFI project compares favourably with most other projects involving Mechanical Biological Treatment (MBT) and Energy from Waste. Some (but not all) projects that involve just Energy from Waste, without MBT, have a significantly lower cost per tonne. As noted earlier, the evaluation criteria for this project include, but go beyond cost, so the comparative data suggest that MBT is more expensive than Energy from Waste, but clearly scores well on the technical, quality and environmental criteria. However, there is significant technical doubt as to whether MBT on its own can achieve sufficient diversion from Landfill.

**NORTH YORKSHIRE COUNTY COUNCIL**

**EXECUTIVE**

**27 July 2010**

**ESTABLISHMENT OF WASTE PFI WORKING GROUP**

**Report of the Assistant Chief Executive (Legal and Democratic) Services**

**1.0 PURPOSE OF REPORT**

- 1.1 To present to Members, for their consideration and determination, proposals for the establishment of a Members' Working Group to undertake a due diligence process in relation to the Council's Waste PFI Project.

**2.0 BACKGROUND**

- 2.1 Council Members have indicated that they wish to set up a Working Group, to undertake a due diligence check on the Council's Waste PFI Project. It is therefore recommended that a Working Group be established on the basis set out below.

**3.0 ESTABLISHMENT OF EXECUTIVE WORKING GROUP**

- 3.1 The function of undertaking a due diligence check on the Waste PFI project is an executive function. The broad remit of the body, subject to its terms of reference being set, will be to review the key principles and terms of the PFI contract and related issues to ensure that a proper process has been undertaken.
- 3.2 It is therefore recommended that the Executive establishes a Working Group to review the necessary PFI information, to conduct a due diligence process and to make any necessary recommendations to the Executive and thereby to Council as necessary.
- 3.3 The Working Group is a flexible vehicle for undertaking the due diligence process. It does not have to be politically balanced and there are no restrictions on membership; there can, therefore, be any number and mix of executive and/or non-executive Members sitting on the Group. The Working Group provides the most flexible format for enabling the group to work responsively on the exercise within the available time window.
- 3.4 Members are therefore recommended to determine an appropriate number and mix of Members to sit on the Working Group, and to agree its terms of reference.
- 3.5 After completing the due diligence process, the Working Group would then report back to the Executive, which will include the Group's views in its report to the Council on the project.

**4.0 POLICY IMPLICATIONS**

- 4.1 There are no significant policy implications arising from this report.

5.0 **FINANCIAL IMPLICATIONS**

5.1 There are no significant financial considerations arising from this report.

6.0 **LEGAL IMPLICATIONS**

6.1 The legal implications of the proposed amendments are set out earlier in the body of this report.

7.0 **CONSULTATION UNDERTAKEN AND RESPONSES**

7.1 Consultation on the proposals set out in this report has taken place with the Chief Executive Officer, relevant senior officers, the Leader and the relevant Portfolio Holder, who are in agreement with the proposals.

8.0 **HUMAN RESOURCES IMPLICATIONS**

8.1 There are no significant resource considerations arising from this report.

9.0 **EQUALITIES IMPLICATIONS**

9.1 The report is compliant with the County Council's equalities' responsibilities.

10.0 **HEALTH AND SAFETY IMPLICATIONS**

10.1 The report is compliant with the County Council's health and safety responsibilities.

11.0 **REASONS FOR RECOMMENDATIONS**

11.1 In order to enable a Working Group of Members to work flexibly to undertake a due diligence check on the Council's Waste PFI project, it is recommended that, subject to any comments Members may have, the recommendations set out below be agreed.

12.0 **RECOMMENDATIONS**

12.1 That, subject to any comments Members may have, a Members' Waste PFI Working Group be established by the Executive in order to conduct a due diligence check on the Council's Waste PFI project, in accordance with a defined remit, the precise details of which to be determined by Corporate Director Business and Environmental Services in Consultation with the Executive Portfolio Holder

12.2 That Members determine the number and mix of Members to sit on the Working Group.

12.3 After the due diligence review has been completed, that the the Working Group's views will be included as part of the Executive's overall report to Council on the Waste PFI project.

CAROLE DUNN

Assistant Chief Executive (Legal and Democratic) Services and Monitoring Officer  
COUNTY HALL  
NORTHALLERTON

19 July 2010

Authors of report – Carole Dunn (ext 2173) and Moira Beighton (ext 2458)

Background Documents:

- The Council's Constitution
- The Local Government Act 1972
- The Local Government Act 2000, as amended

**Annex A continued**

**Members' Waste PFI Working Group**

**Terms of Reference**

**Purpose:** to review the PFI procurement process and proposed contract and advise the Executive accordingly whether

- (a) the procurement process carried out was appropriate, lawful and in accordance with the Council constitution and procurement rules
- (b) the commercial terms proposed in the contract represent value for money for the Council
- (c) the share of risk reflected in the contract is acceptable and equitable between the Contractor and the Council
- (d) appropriate arrangements have been agreed as between the City of York Council and NYCC regarding the allocation of cost and risk arising from (b) and (c) above
- (e) the evidence / advice taken into account during the process was contemporary and comprehensive

In undertaking its review, the Working Group will have unrestricted access to lead officers and specialist technical, legal and financial advisors as appropriate. The Working Group will also have access to key documentation including:

- (a) Outline and final business cases
- (b) Relevant reports to the Council, Executive and Project Board
- (c) Tender evaluation reports
- (d) Contract documentation

Due to the commercial sensitivity and confidential nature of some of the above documents, meetings of the Working Group will be held in private. Members of the

Working Group will also be required to enter into a suitable non-disclosure agreement.

The Working Group will meet as necessary to undertake the review and report to the Executive on 29 September 2010. [subsequently put back to 30 November]

The lead officer assigned to support the Working Group will be the Corporate Director – Finance and Central Services.



## **Annex B**

### **People Consulted by the Working Group**

Dr Mark Broomfield, specialist in air quality, odour and health impacts. Lead author of the Defra study "Review of Environmental and Health Effects of Waste Management".

Keith Corden, Director, SKM Enviros, Technical and Environmental Consultants.

Phil Davies, Kinetic Consultancy Solutions Ltd. Member of Defra's Waste Infrastructure Development Programme (WIDP) commercial team advising local authorities on PFI issues.

Paul Hatherley, Associate SKM Enviros, specialist in development control and environmental impact assessments.

Steve Hazelton, Executive Director, Ernst & Young's Energy and Environmental Infrastructure Advisory Team, advising on Project Finance

Luan Kane, Legal Consultant, Watson Burton. Has been working on the Waste PFI project with NYCC since 2004.

David Bowe, NYCC Corporate Director of Business and Environmental Services

Ian Fielding, NYCC Assistant Director, Waste Management

Carole Dunn, NYCC Solicitor and Assistant Chief Executive, Legal and Democratic Services

Sian Hansom, NYCC Assistant Director, Performance and Finance

Cllr John Savage, past Chairman of NYCC

Cllr John Watson, NYCC Executive Member responsible for Education Issues

Cllr Clare Wood, NYCC Executive Member responsible for Waste Management

Bill Jarvis, Project Director, AmeyCespa

# Annex C - Schedule of Working Group Meetings

Date		Time	Attending Officer
MEETING 1 Thursday	August 12	2pm	John Moore
		3pm	Sian Hansom / Ian Fielding
MEETING 2 Thursday	August 19	10am	✓ OBC – to understand Policy / Strategy context and identify key issues for inquiry
			✓ Wasteflow model
			✓ Output specification
	1pm	✓ Evaluation criteria	
MEETING 3 Thursday	August 26	10am	✓ Evaluation results
			✓ Standard Contract (SOPC 4) and derogations
		12noon	✓ Performance SLA / Environmental / Technology issues
		2pm	✓ Principles of tender submission (technology vs price, etc)
MEETING 4 Thursday	September 2	10am	✓ Legal opinion on diligence of procurement process
		11am	✓ Pay mechanism
		oro	✓ VFM / affordability vs do-minimum option vs a "No" decision (Session 1)
			✓ Panel discussion re drafting report
MEETING 5 Thursday	September 9	2pm	✓ Risk allocation / Compensation / Liabilities
		4pm	✓ Agreement with CoYC
MEETING 6 Thursday	September 16	10am	✓ Waste tonnages / recycling / plant capacity (Session 2)
		12noon	✓ Health issues
		2pm	✓ Planning
		3pm	✓ Comparison of nominal/discounted (ie NPV) methodologies (Session 2)

<b>MEETING 7</b>						
Monday	September 27	10am			Clr J Savage	✓
		11am			Planning authority (ie NYCC) issues	✓
		12.15pm			Clr C Wood	✓
		1.30pm			Clr J Watson	✓
		3pm			Costings (Session 3)	✓
					Sian Hansom	
<b>MEETING 8</b>						
Thursday	October 14	10.00am			National Waste Strategy / Role of WIDP, etc	✓
<b>MEETING 9</b>						
Thursday	October 21	10.00pm 1.00pm	-		Report	✓
<b>MEETING 10</b>						
Thursday	October 28	2.00pm - 5.00pm			Report	✓
<b>MEETING 11</b>						
Thursday	November 4	10.00am			Report	✓
<b>MEETING 12</b>						
Thursday	November 11	10.00am			Report Parent Company guarantee	✓
					Report	✓
<b>MEETING 13</b>						
Tuesday	November 16	2.00pm			Report sign-off	✓
					John Moore	
					John Moore	
					John Moore	
					Luan Kane	
					John Moore	
					John Moore	

**NORTH YORKSHIRE COUNTY COUNCIL**

**EXECUTIVE**

**30 NOVEMBER 2010**

**AWARD OF LONG TERM WASTE MANAGEMENT SERVICE CONTRACT**  
**PART B**

This report contains information of the type defined in Schedule 12A Local Government Act 1972 paragraph 3 of part 1.

**1.0 PURPOSE OF REPORT**

- 1.1 To advise the Executive on the outcome of the procurement of a contract for a long term waste management service.
- 1.2 To request that the Executive recommends that the County Council:
- a) Agrees to award the long term waste management service contract to AmeyCespa.
  - b) Commits to making sufficient budgetary provision for the term of the contract in the event that the contract proceeds to financial close.
  - c) Authorises the provision of certificates under the Local Government (Contracts) Act 1997 and the indemnification of the Corporate Director, Finance and Central Services, in connection with the provision of such certificates.

**2.0 BACKGROUND**

**Introduction**

- 2.1 The County Council and City of York Council currently rely on landfill as the primary method of disposing of waste that cannot be recycled or reused. This is not a sustainable strategy for the future as:
- Landfill capacity is reducing and under current waste inputs the two main sites serving North Yorkshire and York in the next few years will be Allerton Park and Harewood Whin.
  - The cost of landfill is increasing as a result of landfill tax and there are significant potential penalties for failure to meet targets under the Landfill Allowance Trading Scheme (LATS).

- The Department for Environment, Food and Rural Affairs (Defra) has identified landfill as the least acceptable option in environmental terms for disposing of waste. Methane from landfill accounts for 40% of UK methane emissions and is 21 times as powerful a greenhouse gas as carbon dioxide (Consultation on the introduction of restrictions on the landfilling of certain wastes, Defra, March 2010).
- 2.2 Furthermore, the Government has made it clear that the bulk of the current national deficit reduction will be achieved through reductions in public spending, which will have a significant impact on both Councils' budgets.
- 2.3 York and North Yorkshire Councils have therefore worked together to identify an appropriate and proportionate solution for the treatment of residual waste which maximises benefits, value for money and offers the opportunity to reduce future costs and minimise risk.

#### **Duties and strategy**

- 2.4 Part II of the Environmental Protection Act 1990 sets out a regime for regulating and licensing the acceptable disposal of controlled waste on land. Controlled waste is defined as any household, industrial and commercial waste. The County Council as a Waste Disposal Authority has a statutory duty to arrange for the disposal of household and commercial waste collected by waste collection authorities, and to provide places where residents can take their own waste for disposal. The City of York Council, as a unitary authority, has a statutory duty for both waste collection and waste disposal.
- 2.5 The EU Landfill Directive 1999 sets targets to reduce biodegradable waste going to landfill to 75% of 1995 tonnages by 2010, 50% by 2013 and 35% by 2020. These targets have been incorporated into UK legislation through the Waste and Emissions Trading Act 2003 (the WET Act).
- 2.6 The WET Act provides the legal framework for the Landfill Allowance Trading Scheme (LATS). The scheme requires Waste Disposal Authorities to reduce reliance on landfill as a method of disposal for biodegradable municipal waste each year. A penalty of £150/tonne will be incurred if either the County Council or City of York Council breaches its annual landfill allowance target. Furthermore, should the UK exceed its annual target under the Landfill Directive the Councils may be liable for an element of any national fine from the EU.
- 2.7 Landfill tax is levied on each tonne of waste sent to landfill. In 2010/11, the rate for active (biodegradable) waste is £48 per tonne and £2.50 per tonne for inactive (inert) waste. The Government have confirmed that the rate for active waste will rise at £8 per tonne per year until it is at least £80 per tonne. The combined cost to the County Council and City of York Council in relation to landfill tax in 2010/11 will be over £12 million.

- 2.8 The key objectives of the Waste Strategy for England 2007 (see **Appendix 1** Background Documents) are to:
- Decouple waste growth (in all sectors) from economic growth and put more emphasis on waste prevention and re-use.
  - Meet and exceed the Landfill Directive diversion targets for biodegradable municipal waste in 2010, 2013 and 2020.
  - Increase diversion from landfill of non-municipal waste and secure better integration of treatment for municipal and non-municipal waste.
  - Secure the investment in infrastructure needed to divert waste from landfill and for the management of hazardous waste.
  - Get the most environmental benefit from that investment, through increased recycling of resources and recovery of energy from residual waste using a mix of technologies.
- 2.9 The National Strategy includes targets for:
- Recycling and composting of household waste – at least 40% by 2010, 45% by 2015 and 50% by 2020.
  - Recovery of municipal waste – 53% by 2010, 67% by 2015 and 75% by 2020.
- 2.10 The Government is currently undertaking a full review of waste policy in England due to be completed by summer 2011. However, the Coalition Government has stated that: “We will introduce measures to promote a huge increase in energy from waste through anaerobic digestion” (The Coalition: our programme for government, May 2010).
- 2.11 The Coalition Government has also stated that: “Energy from Waste (EfW) can be an effective waste management option” (Defra review of waste policy, background information, 29 July 2010).
- 2.12 More recently, Waste and Recycling Minister Lord Henley is reported as stating: "I think there are many occasions where incineration is going to be the preferred route over anything else because it is the only route" (speaking on a visit to SITA UK's materials recycling facility in West Sleekburn in Northumberland, August 17 2010).
- 2.13 Furthermore Defra's Deputy Director in charge of waste strategy, Diana Linskey, spoke at the Local Authority Recycling Advisory Committee (LARAC) 2010 conference outlining how the Coalition Government was approaching EfW incineration. She is reported as saying it was looking at: "Developing a more mature narrative on incineration," adding "We all know it's good and clean and has a place to play" (Diana Linskey, Deputy Director Defra, LARAC 2010 conference, 3 November 2010).

- 2.14 The York and North Yorkshire Waste Partnership (YNYWP), which includes the County Council, the seven district and borough councils and the City of York Council, adopted a Joint Municipal Waste Management Strategy in 2002 called Let's Talk Rubbish. A revised version of this strategy called Let's Talk Less Rubbish was adopted by all Councils including the County Council and the City of York Council in 2006 (see **Appendix 1** Background Documents). The strategy identifies the following key objectives:
- To reduce the amount of waste produced in North Yorkshire and York.
  - To promote the value of waste as a natural and viable resource, by:
    - Re-using, recycling and composting the maximum practicable amount of household waste
    - Maximising opportunities for re-use of unwanted items and waste by working closely with community and other groups
    - Maximising the recovery of materials and/or energy from waste that is not re-used, recycled or composted so as to further reduce the amount of waste sent to landfill
- 2.15 The strategy is not specific in identifying the technology to treat residual waste in the future. It states that the Partnership: "Consider it prudent to keep the specific choice of treatment option open and to assess the available options offered by the market at the time of going to tender" (Let's Talk Less Rubbish, 2006-2026, page 22).

#### **Progress to date**

- 2.16 The Executive has previously considered a number of reports on the long term waste management service procurement process (see **Appendix 1** Background Documents).

#### Executive Decisions

- 2.17 The Executive approved submission of an Outline Business Case (OBC) to Defra for joint procurement of future waste services with the City of York on 12 September 2006. On 22 May 2007 the Executive authorised the Corporate Director, Business and Environmental Services, to commence formal procurement of residual waste treatment facilities as a PFI project.
- 2.18 On 6 November 2007 the Executive authorised the Corporate Director, Business and Environmental Services, to complete final drafting and enter into an Inter-Authority Agreement (IAA) with City of York Council. On the 21 January 2008, the Councils jointly signed the IAA (see **Appendix 2 (a)**) which sets out arrangements relating to the joint procurement of certain waste management services. This agreement was subsequently updated and re-signed on the 24 November 2009 to clarify the arrangements for decision making relating to the project (see **Appendix 2 (b)**).

- 2.19 Although a joint procurement approach has been adopted, the Councils were advised that the project would be more attractive to the competitor market if there was a 'lead' authority. Therefore, if it is decided to proceed with the contract, it is the County Council alone which will enter into the proposed contract with AmeyCespa; and the County Council will agree with AmeyCespa to deliver waste from both the North Yorkshire and York areas. At the same time the County Council will enter into a separate Waste Management Agreement (WMA) with the City of York Council under which the County Council will agree to arrange for the management of the waste collected in the City of York area. The City of York Council will agree to arrange for delivery of waste and pay the County Council for its treatment by AmeyCespa. The latest draft version of the Waste Management Agreement is available for inspection by Members on request as a confidential background document to this report. This document is available for inspection in the offices of the Assistant Chief Executive (Legal & Democratic Services) and the Democratic Services Manager
- 2.20 This report is primarily concerned with the decision whether to award the proposed contract to AmeyCespa and with the related contract between the County Council and the City of York Council. Should it be decided to award the contract, AmeyCespa will be responsible for securing planning permission and an operating permit from the Environment Agency (EA) for the proposed facility, which it is proposed be located at the existing Allerton aggregates quarry and landfill site.

#### Current performance

- 2.21 The Let's Talk Less Rubbish Strategy identifies the following key minimum performance targets:
- Recycle or compost 40% of household waste by 2010
  - Recycle or compost 45% of household waste by 2013
  - Recycle or compost 50% of household waste by 2020
  - Divert 75% of municipal waste from landfill by 2013
- 2.22 Although the National Indicator Set is under review by Government there are currently 3 National Indicators (NI) upon which Waste Disposal Authorities are required to report. A breakdown of performance for North Yorkshire, City of York and the combined York and North Yorkshire Waste Partnership is included as **Appendix 3** and a summary presented in the following paragraphs.



- NI 191 - Residual household waste per household (kg/household)
- 2.23 This indicator measures the amount of waste that is sent to landfill after reuse, recycling and composting. In the York and North Yorkshire area, waste arisings have always been high when compared to other Shire counties, although waste arisings have been reducing in recent years. The reasons for high waste arisings are understood to be a function of complex factors including affluence, rurality, demographics, collection methodologies and tourism. Combined performance on NI 191 is currently in the third quartile when compared to other similar areas. A common characteristic of the best performers is that they collect food waste at the kerbside separately which is taken either to an anaerobic digestion plant or to an in-vessel composting plant. Many also have tough restrictions at household waste recycling centres, such as limits on quantities of specific materials or restrictions on vehicle types that can use the sites.

- NI 192 - Percentage household waste sent for reuse, recycling and composting
- 2.24 This indicator measures the amount of materials that are reused, recycled or composted. The partnership target of 40% by 2010 has been exceeded and current performance is over 44%. Projections show that combined performance will be over 45% this year, achieving the 2013 target early. When compared to other Shire counties, the partnership is an average performer. This has been achieved by incremental increases year on year. The best performers only recycle or compost around 5% more and so small increases in performance can make a huge impact on comparative figures. Projected partnership recycling performance after implementation of the proposed solution will be amongst the best for Shire county areas. Those councils that perform well in this indicator generally also perform well in NI191 i.e. have low waste arisings.

- NI 193 - Percentage of municipal waste sent to landfill
- 2.25 This indicator measures the amount of waste sent to landfill. It includes household waste and any commercial and industrial waste collected by the Councils. Compared to other counties, North Yorkshire is in the bottom quartile for this indicator, landfilling 58% in 2009/10. A common characteristic of Councils in the bottom quartile is that they do not have treatment infrastructure in operation, although many are in the process of procuring it. The best performers in this indicator are those that have residual waste treatment infrastructure, including energy from waste technology, in place and in operation e.g. Hampshire, Staffordshire and Kent (who landfill only 10%, 28% and 30% respectively).

## **3.0 PROCUREMENT**

### **Outline Business Case**

- 3.1 On 27 July 2004 the Executive approved the submission of an Expression of Interest (Eoi) to Defra to develop an Outline Business Case (OBC) to secure Private Finance Initiative (PFI) funding.
- 3.2 The OBC (see **Appendix 1** Background Documents) set out the proposed procurement strategy and made the case for securing PFI credits as a contribution towards the funding required to deliver an affordable and sustainable waste management solution for York and North Yorkshire. The OBC was approved by the County Council Executive on 12 September 2006.
- 3.3 The Executive have been regularly briefed on project progress and have made several decisions to approve updated project cost profiles. On 10 April 2007, the Executive resolved to commit to finding the additional resources to make the project affordable over the life of the contract. On 22 May 2007, the Executive approved the start of the procurement process, and on 26 June 2007, as part of the quarterly performance monitoring report for quarter 4, the Executive resolved to reaffirm that the County Council was committed to funding the project with revised affordability figures.

### **Private Finance Initiative (PFI)**

- 3.4 The Private Finance Initiative is an initiative to help stimulate private sector investment in the delivery of public services that has been used by Government since the mid 1990s. Rather than the public sector funding the development of infrastructure, that development is instead funded by the private sector which recovers its outlay by charging for the use of the infrastructure asset. The cost of borrowing to the private sector is higher than it would be to the public sector; however other factors ensure the service provided to the public sector still represents value for money. The private sector is responsible for the maintenance of the asset throughout its planned life and the public sector only make payment for the use of the asset once it is being used. Therefore the private sector contractor is highly incentivised to ensure that the asset is delivered to a higher quality than might otherwise be the case and that it is also delivered on time and on budget. Approval is only given for a PFI transaction where the public sector can demonstrate to HM Treasury that a sufficient level of risk has been transferred from the public sector to the private sector to outweigh the higher cost of funding.

- 3.5 PFI involves a complex contract being entered into between the public body and the private company; typically the private company is set up specifically for the purpose of the project. PFI contracts require the contractor to design, build, finance and operate the facility which will deliver the required services, typically, over a long period of up to 30 years. This duration facilitates the cost of the capital investment to be recovered in part by a charge made to the public body. A successful PFI will also attract revenue support from the Government, in the form of PFI credits.
- 3.6 In July 2007 the Councils received confirmation from the HM Treasury's Project Review Group and Defra that the project had been awarded £65m of PFI credits (see **Appendix 4 (a)**). The approval of the Final Business Case by Defra in June 2010 included an assessment of strategic fit with the new Coalition Government's priorities. Defra have also reaffirmed, post Comprehensive Spending Review October 2010 that the Government is still fully committed to the project and provision of the PFI credits (see **Appendix 4 (b)**).

#### **Role of Waste Infrastructure Delivery Programme**

- 3.7 The Waste Infrastructure Delivery Programme (WIDP) was set up by DEFRA in 2006/07 and works to ensure cost-effective and timely delivery of major waste infrastructure. WIDP brings together the resources and roles of Defra, Partnerships UK and Local Partnerships to support local authorities to accelerate investment in the large-scale infrastructure required to treat residual waste.
- 3.8 Throughout the procurement process dedicated support, known as a transactor, has been provided to the project by WIDP. A requirement of waste PFI projects is that WIDP are required to sign-off key stages of the procurement process to ensure the project remains deliverable and affordable. For this procurement the four stages have been; Outline Business Case (OBC); Final Business Case (FBC); 2<sup>nd</sup> Stage Review of affordability; and satisfaction of conditions applied prior to Commercial Close. These stages are all detailed in Section 3 of this report.

#### **Role of Yorwaste**

- 3.9 The Councils own the Local Authority Waste Disposal Company (LAWDC) Yorwaste. Yorwaste owns or controls a number of strategically placed sites and is the main waste management contractor for both the County Council and City of York Council. Yorwaste also provides services to other Local Authorities within North Yorkshire and the Region.

- 3.10 On 12 September 2006 the Executive resolved that Yorwaste be requested not to participate in the PFI residual waste treatment procurement process. This was due to a range of issues but primarily because of the likely impact Yorwaste's involvement would have on competition and the potential for prejudicing the award of PFI credits (due to a lack of risk transfer and impact on competition). However, it is anticipated that Yorwaste will participate in the competition for waste handling and recycling services subject to normal competitive procurement processes.

### **Project Governance**

- 3.11 Procurement of the long term waste management service has been overseen by a Project Board consisting of officers from the County Council, City of York Council and the WIDP transactor. Decisions relating to the project have been taken under the delegated authority granted by the Executive to the County Council Corporate Director, Business and Environmental Services, in appropriate consultation with the Project Board.
- 3.12 The process has been delivered by a Project Team led by the Corporate Director, Business and Environmental Services, working closely with the Director of City Strategy (City of York Council). Support has been provided by a Project Director. This role was previously undertaken by an external consultant, but is now carried out by the Assistant Director Waste Management. The Project Team consists of officers from the County Council and City of York Council, a number of external advisers (legal, financial, technical, insurance and planning), and the transactor from WIDP.

### **Competitive dialogue procedure**

- 3.13 The County Council and City of York Council carried out formal procurement using the competitive dialogue procedure, which is regulated by the Public Contracts Regulations 2006. Procurement has also been undertaken in accordance with the Councils' own Contract Procedure Rules which form part of the Constitution. The competitive dialogue procedure is used in the award of complex contracts, where there is a need for the contracting authority to discuss all aspects of the contract with potential providers. Such dialogue would not be possible under the alternative 'open' and 'restricted' procedures. It requires the client to specify the procurement objectives in terms of outcomes rather than inputs or specified processes. The Council has therefore not specified the location for the facility, nor the technology required to operate it, both of which were for bidders to propose as part of the competitive dialogue procedure. Specifically, the Councils have sought to procure a solution to divert waste from landfill without specifying the technology. This is consistent with the Councils' waste strategy; Let's Talk Less Rubbish.

- 3.14 A Prior Information Notice (PIN) was published through the EU Commission on 8 July 2006 (see **Appendix 1** Background Documents). The purpose of this exercise was to give advanced notice to the market of the forthcoming opportunity and it did not form part of the formal procurement. Interested parties were invited to participate in a 'funder' market testing day and a 'waste management provider' market testing day.
- 3.15 A Contract Notice was published through the EU Commission in the Official Journal of the European Union (OJEU) (see **Appendix 1** Background Documents) on 4 September 2007.
- 3.16 On 21 September 2007, the Councils held a Bidders' Day at the National Railway Museum in York. Around 20 companies from the waste management sector attended the event, received a presentation about the project and had the opportunity to meet members of the Project Team.
- 3.17 Companies that expressed an interest in bidding for the contract were issued with a Pre-Qualification Questionnaire (PQQ) and Descriptive Document (see **Appendix 1** Background Documents) that contained important information about all elements of the project.
- 3.18 In October 2007 completed PQQs were received from 12 companies or consortia. The PQQs were assessed in accordance with the Public Contracts Regulations 2006 by the application of predetermined criteria. This assessment included minimum pass criteria that applicants were required to fulfil.
- 3.19 The evaluation criteria used to assess potential solutions are included as **Appendix 5**. The Executive approved indicative evaluation criteria on 22 May 2007 and authorised the Corporate Director, Business and Environmental Services, to develop and implement evaluation criteria in consultation with the Corporate Director, Finance and Central Services, and Head of Legal Services.
- 3.20 These evaluation criteria were applied consistently throughout the process and were split as follows; 60 percent technical, quality and environmental criteria; and 40 percent financial criteria. The legal element of bids were assessed on a pass / fail basis. The evaluation criteria were lodged with Internal Audit on 18 December 2007.
- 3.21 At each evaluation stage; Invitation to Submit Outline Solutions (ISOS); Invitation to Submit Detailed Solutions (ISDS); and Call for Final Tender (CFT); independent expert technical, legal and financial advisers assessed the solutions that were submitted against the evaluation criteria. The Project Team then held moderation sessions to provide challenge and scrutiny to these assessments. These moderation sessions were attended by the WIDP transactor to ensure compliance with their conditions. The Project Board then received recommendations from the Project Director on the outcome of each evaluation stage and approved the short listing.

- 3.22 Ten companies or consortia were invited to submit 'outline solutions' (of the original 12, one withdrew and two others combined). A total of 17 solutions were submitted in December 2007. The participants were free to propose the technology and site (s) they considered most appropriate to meet the waste management needs of North Yorkshire and the City of York.
- 3.23 By the end of the ISOS stage of the procurement both Councils were fully satisfied that they had been able to secure 'outline solutions' that in general were in line with the contract requirements and were considered both robust and affordable. This stage of the procurement identified suitable participants to engage with in further dialogue to develop detailed solutions.
- 3.24 On 29 January 2008, a shortlist of four consortia was invited to submit detailed solutions (ISDS). On 1 September 2008, following assessment against the same evaluation criteria as at the ISOS stage, the final two participants were invited into further dialogue to develop their solutions towards final tenders.
- 3.25 In March 2009, the Councils introduced a draft Call for Final Tender (CFT) stage. There was no formal evaluation at this stage, but bids were submitted and reviewed to ensure they were broadly deliverable, affordable and acceptable in terms of risk profile. Further dialogue after this stage enabled the Councils to achieve a better bid position and level of risk transfer with both bidders whilst there was still a competitive tension.
- 3.26 The Call for Final Tender in September 2009 marked the close of dialogue with bidders. Prior to close of the competitive dialogue, WIDP undertook a commercial review of the project against their Commercial Close Conditions and concluded that dialogue could be closed. As part of the commercial review all documentation was reviewed for consistency against their standard. It was concluded that there were no unusual derogations from the HM Treasury's Standardisation of PFI Contracts Version 4 requirements and the risk positions were acceptable.
- 3.27 In Autumn 2009 the two final tenders were evaluated and at Project Board on the 17 December 2009, the Corporate Director of Business and Environmental Services endorsed AmeyCespa becoming the selected partner as they had scored highest against the evaluation criteria. The evaluation scores are a matter of fact and commercially confidential, and their precise detail is not directly relevant to the decision now being considered by Members whether or not to award the proposed contract. However, copies of the evaluation reports submitted to the Project Board are available for inspection by Members on request as confidential background documents to this report. This document is available for inspection in the offices of the Assistant Chief Executive (Legal & Democratic Services) and the Democratic Services Manager

3.28 As a condition of the Treasury Project Review Group's approval of the award of the PFI credits in July 2007, there was a stipulation that the project would need to go through a 2<sup>nd</sup> stage review of affordability prior to the Preferred Bidder being confirmed and announced. This 2<sup>nd</sup> stage review was successfully signed off by WIDP in June 2010.

3.29 A summary of the technical proposals submitted at each stage of the procurement process is included as **Appendix 6**. NB Financial variant bids are excluded from the appendix.

#### **Procurement outcome**

3.30 The AmeyCespa proposal has been identified, using objective criteria, as the 'most economically advantageous tender'. That is the tender best meeting the Councils needs when assessed using the agreed criteria. In accordance with the Public Contracts Regulations 2006 Members can now only consider whether to award the contract to AmeyCespa, or not.

3.31 In most PFI projects other than waste, the interval between the identification of the Preferred Bidder and that contractor obtaining planning permission is relatively short and it is common for the contracting authority to have previously obtained outline permission for new facilities. Once planning permission is secured there follows a three month interval and the contract then reaches financial close.

3.32 In the case of long term waste contracts the situation is not so straightforward. Firstly, outline planning permission is not available in the case of waste treatment sites; and secondly determination of a planning application for a waste facility can take considerably longer than in other developments.

3.33 The proposed solution has therefore been procured under a 'split' commercial / financial close arrangement, which reduces the financial risks that the Councils are exposed to should the planning application be unsuccessful. Should the County Council award the proposed contract to AmeyCespa then the Project Agreement will be signed and this will mark Commercial Close. Financial close will not take place until planning permission is granted, at which point a set of agreements between AmeyCespa and funders relating to the funding package will be executed. Further detail on the consequences of a 'split' commercial / financial close is provided in Section 9.

#### **Preferred Bidder Final Business Case**

3.34 WIDP required that a Final Business Case (FBC) (see **Appendix 1** Background Documents) was completed and approved prior to announcing the Preferred Bidder. The purpose of the Pre-Preferred Bidder FBC is to provide sufficient supporting evidence to demonstrate that the solution proposed by AmeyCespa is viable, affordable and in line with the previously approved Outline Business Case. A copy of the Defra FBC approval letter is included as **Appendix 7**.

- 3.35 As a result of the Council's decision to opt for a 'split' Commercial / Financial close, WIDP imposed 11 conditions which must be satisfied prior to Commercial Close (see **Appendix 7**). These conditions can only be satisfied fully after contract documents and supporting ancillary agreements are completed. However, there are no known issues which will prevent WIDP from being able to confirm that these conditions have been satisfied at that time.

#### **4.0 COUNTY COUNCIL MEMBERS' WORKING GROUP**

- 4.1 On 27 July 2010, the County Council Executive resolved that a Members' Waste PFI Working Group be established in order to conduct a due diligence check on the Council's Waste PFI project. The Working Group worked to an agreed set of Terms of Reference.
- 4.2 The Working Group comprised County Councillor Keith Barnes as Chairman of the Working Group, County Councillors Roger Harrison-Topham and Patrick Mulligan, and Mr David Portlock, an independent Member of the Audit Committee. The supporting officer to the Working Group was the Corporate Director, Finance and Central Services.
- 4.3 The Working Group held a number of meetings between the 12 August 2010 and 11 November 2010 to gather evidence for their report. They had sessions with key members of the Project Team and Advisers and also invited County Councillors to meet the Working Group to discuss key issues/concerns.
- 4.4 At the time of writing it is understood that the Working Group report will be presented to the Executive immediately prior to consideration of this report.

#### **5.0 THE PROPOSED SOLUTION**

##### **Technology description and location**

- 5.1 The proposed service includes the design, construction and operation of an integrated waste management facility which will receive, accept and treat waste. The facility will be located, subject to obtaining planning consent, on the site of the existing Allerton aggregates quarry and landfill and be known as the Allerton Waste Recovery Park.
- 5.2 Principally the service will receive residual collected household waste, residual waste from Household Waste Recycling Centres (HWRCs) and an element of commercial waste which will be similar in nature to household residual waste.



- 5.3 The proposed facility is designed to be a self-contained unit that provides the full service on a single site. The facility will treat waste through a series of materials recycling, anaerobic digestion and thermal treatment processes to fulfil the Councils' requirements for recycling, and landfill diversion.
- 5.4 The proposed solution is Mechanical Biological Treatment (MBT) with front end separation of metals, plastics and paper; separation and treatment of the organic fraction through Anaerobic Digestion (AD); and treatment using Energy from Waste (EfW) incineration for the remainder.

#### Mechanical Treatment Plant (MT plant)

- 5.5 The MT plant is a twin stream plant with a maximum design capacity of 408,000 tonnes per annum (tpa) though typically the plant will process 264,000 tpa. The plant separates plastics, metals, paper and cardboard, and organic fractions.
- 5.6 Recycled plastics, metals, paper and cardboard are sent to markets and the organic fraction is passed through to the Anaerobic Digestion plant. The residual fractions coming from the MT are sent to the Energy from Waste plant for incineration.

#### Anaerobic Digestion (AD) Plant

- 5.7 The AD plant has a design capacity of 40,000 tpa and will treat the organic fraction of waste coming from the MT plant. The process will produce a biogas (a mixture of methane and other gasses) that will be combusted directly in two dedicated engines. This will generate renewable electricity for direct sale to the National Grid.
- 5.8 The digestate coming from the AD plant will be mixed with the MT plant residual fraction and sent to the EfW plant for incineration.

#### Energy from Waste Plant

- 5.9 The EfW maximum design capacity is 320,000 tpa although it will typically treat about 305,000 tpa. The plant has been sized to meet the needs of the Councils, but where the Councils don't deliver waste to the full capacity of the plant, commercial waste will be used to top up. The inputs to the EfW come from the MT and AD plants, from the direct delivery of HWRC wastes, and from other third party wastes.
- 5.10 The EfW plant has been designed as an energy recovery plant, fulfilling the requirements for classification as a recovery facility under the Waste Framework Directive. The plant will produce electricity (which will be exported and sold to the National Grid), an inert bottom ash material (that will be sold as aggregate for use in highway construction), and an Air Pollution Control residue (APC waste) which will be sent to a hazardous waste facility.

#### Air pollution control technology

- 5.11 The facility will require an Environmental Permit to operate from the Environment Agency (EA), which will ensure that the emissions are being effectively managed well within the legal limits. Energy from Waste plants are subject to strict monitoring by the EA and if the plant failed to meet these criteria the operating permit could be withdrawn.
- 5.12 The air pollution control system proposed by AmeyCespa is in accordance with established practice at comparable EfW facilities in the UK. It can be viewed as a current state-of-the-art approach, and the overall concept is proven for use at comparable facilities. As part of the Environmental Permitting process (regulated by the Environment Agency), AmeyCespa will need to demonstrate that this technique represents the Best Available Technique (BAT) for the proposed development.
- 5.13 The basis of the design and operation of the proposed air pollution control process is to achieve compliance with the Waste Incineration Directive limits. This represents a minimum standard. AmeyCespa has also left open the opportunity to further reduce emissions if this should become necessary in the future, in response to tightening legislation or local environmental constraints. At an appropriate stage (e.g. planning application or Environmental Permit application), AmeyCespa should provide an assessment of BAT for control of emissions to air, which considers the potential costs and benefits of reducing emissions to levels below those specified in the Waste Incineration Directive.

#### Location

- 5.14 A location plan and aerial photograph of the proposed site are included as **Appendix 8 (a) and (b)**. AmeyCespa selected Allerton aggregates quarry and landfill as the best available site predominantly because of its location close to the largest areas of population where most waste is produced and strategic transport links. AmeyCespa will be required to include a full site selection audit trail as part of their planning application.
- 5.15 It is separately proposed that there will be a series of waste transfer stations (WTSs) provided by the County Council and City of York Council to serve each district / borough council area, which will receive waste following collection and bulk it up for efficient transfer to Allerton Park. The Allerton Waste Recovery Park will negate the need for a separate WTS in Harrogate Borough. The WTSs will become operational in conjunction with, but separate from, the facility at Allerton Park.

#### **Performance**

- 5.16 AmeyCespa commits to accept all residual waste from the Councils, regardless of composition, with no disruption to the service under any scenario.

- 5.17 AmeyCespa has committed to the following minimum performance levels:
- Recycle a minimum 5% of contract waste
  - Divert a minimum 90% of contract waste from landfill
  - Divert a minimum 95% of biodegradable municipal waste in contract waste from landfill

NB Recycling of contract waste is in addition to kerb side recycling and from HWRCs which will be unaffected by the proposed contract

- 5.18 The proposed solution will improve recycling rates and enable the York and North Yorkshire Waste Partnership to achieve its 2020 recycling target at least 5 years ahead of schedule. Whilst AmeyCespa commit to recycle a minimum 5% of waste delivered to them by the Councils, they anticipate that they will be able to recycle close to 10%. AmeyCespa will use local markets for the recycling of ferrous metal, non ferrous metal and plastic material wherever possible.

#### **Environmental benefits**

- 5.19 The Waste and Resources Assessment Tool for the Environment (WRATE) is the Environment Agency's approved tool for evaluating the environmental aspects of waste management activities. WRATE has been used in this procurement to evaluate the potential CO2 saving of the solution.

- 5.20 For evaluation purposes the year used is 2019/20. The proposed solution is shown to offer a carbon offset of circa 10 million kg CO2 eq. in 2019/20, while the same amount of waste sent to landfill would produce a burden of circa 49 million kg CO2 eq. There is therefore a benefit from the proposed solution of circa 59 million kg CO2 eq. per annum in comparison with landfill. Using the Defra/ DECC Greenhouse Gas Conversion Factors (2010) this is equal to the emissions of over 140 million miles in an average car. Assuming the average car travels 12 thousand miles per annum, this is equivalent to the annual usage of almost 12 thousand average cars.

#### **Strategic fit**

- 5.21 The proposed solution fits well with European Union, national and local strategies in a number of ways.
- 5.22 The National Waste Strategy identifies a key objective as: "Using PFI to encourage a variety of energy recovery technologies (including anaerobic digestion) so that unavoidable residual waste is treated in the way which provides the greatest benefits to energy policy. Recovering energy from waste (EfW) which cannot sensibly be recycled is an essential component of a well-balanced energy policy" (Waste Strategy for England, 2007, page 15).

- 5.23 The National Waste Strategy also states that: “Evidence from neighbouring countries, where very high rates of recycling and energy from waste are able to coexist, demonstrates that a vigorous energy from waste policy is compatible with high recycling rates” (Waste Strategy for England, 2007, page 78).
- 5.24 The Waste Framework Directive (WFD) provides an updated waste hierarchy that allows Energy from Waste to be included as part of ‘recovery’. Energy from waste facilities which meet the necessary criteria, including the proposed Allerton Waste Recovery Park, are classed as ‘recovery’ rather than ‘disposal’ operations and can therefore be placed in a higher position in the waste hierarchy. Legislation to implement the WFD will be in place in England and Wales by late 2010 and will require the waste hierarchy to be applied as a priority order in waste prevention and management legislation and policy.
- 5.25 The Renewables Directive has a target to deliver 20% of all Europe’s final energy demand from renewable sources by 2020. The UK’s share of this target is 15% renewable energy by 2020, which compares to current levels of around 1.5%. The Renewable Energy Strategy outlines the ways the UK could increase the uptake of renewable energy to meet this target including:
- Discouraging landfill of biomass as far as is practical, thereby maximising its availability as a renewable fuel.
  - Encouraging Waste Incineration Directive compliant infrastructure and support for anaerobic digestion as a means of generating energy from waste.
- 5.26 The Let’s Talk Less Rubbish Strategy states that: “The Partnership expects that in accordance with the Best Practicable Environmental Option outcomes, residual waste will be treated by a combination of either or both Mechanical Biological Treatment and/or Energy from Waste incineration processes” (Let’s Talk Less Rubbish, 2006-2026, page 22).

## **6.0 CONTRACT OVERVIEW**

### **Standardisation of PFI Contracts**

- 6.1 PFI and similar type contracts have traditionally had a highly regulated structure. In certain circumstances, including this case, there is a requirement to adopt drafting issued by an agency of HM Treasury. The current required drafting is set out in version 4 of Standardisation of PFI Contracts (“SoPC4”) and it is intended to ensure that neither party to the contract bears any unreasonable amount of risk. In addition, waste PFI contracts are expected to follow a form of contract that has been specifically adapted from SoPC4 by WIDP.

- 6.2 As described earlier in this report, the proposed contract has been procured using the competitive dialogue procedure. At an early stage in the procedure, a draft contract was tabled by the Council, and during the course of the dialogue with tenderers the final form of the contract was negotiated.
- 6.3 Where negotiations involved a proposed divergence from the required wording of the WIDP Contract, WIDP's consent to the derogation was required. Where the negotiations resulted in a divergence from the wording required by SoPC4, Treasury's consent to the derogation was required.
- 6.4 All commercial negotiations have now been completed and final drafting of the contract is taking place. Regulation 43 of the Public Contracts Regulations 2006 imposes a duty of confidentiality on the Councils. Commercially sensitive positions negotiated by the Councils that might hamper AmeyCespa's ability to negotiate deals elsewhere cannot be divulged. However, the latest draft of the proposed contract is available for inspection by Members on request as a confidential background document to this report. This document is available for inspection in the offices of the Assistant Chief Executive (Legal & Democratic Services) and the Democratic Services Manager

### **Contract Structure**

- 6.5 The Waste PFI Contract imposes four basic obligations on the Contractor (to design, build, finance and operate the proposed facility) and two obligations on the Council (to supply waste and to pay the Contractor for treating that waste). Each of those six obligations is considered below.

#### 1. The Contractor's obligation to design

- 6.6 There are two aspects to this obligation: planning and permitting.
- 6.7 The Contractor has to design the facility in such a way as to facilitate the award of planning permission. The consequences of failing to do so are a risk for the Contractor. Under the Contract, all other obligations (i.e. build, finance and operate) are suspended until the Contractor has obtained a satisfactory planning permission. If, despite having used its reasonable efforts to do so, the Contractor is not able to achieve a satisfactory planning permission, then the Contractor and the Councils will work together to try and identify what changes could result in a satisfactory planning permission. If no such changes can be identified or agreed the Contractor is entitled to withdraw from the Contract and to receive a partial reimbursement of its costs.
- 6.8 The Contractor has to design the facility to sufficiently high technical standards that it can satisfy the Environment Agency that the facility and its method of operating do not pose an environmental risk. The contractor must obtain a permit from the EA to operate the plant.

6.9 The Contractor has to design the facility so that it can meet or exceed the Councils' requirements. In general terms, those requirements are to assist the Councils in achieving the strategy set out in Let's Talk Less Rubbish, but, in particular they are to deliver the committed minimum performance levels.

6.10 Failure on the part of the Contractor to meet or exceed those requirements will result in the Council withholding payment and, in a serious case would give the Councils the right to (as an interim measure) require the Contractor to dismiss individual members of staff and/or sub-contractors responsible for non-performance, and in an extreme case would give the Councils the right to terminate the contract.

### 2. The Contractor's obligation to build

6.11 Having achieved the planning permission, the Contractor has to build the facility. When built the facility must be fit for purpose and must continue to be so for at least the following 25 years. If there are any design failures or if the facility is poorly built and the required level of service is not delivered, the Councils have no obligation to contribute to the cost of repairs and would be entitled to withhold payment, require dismissal and in extreme cases, to terminate the Contract. The facility is expected to take three years to build and commission. If the Contractor takes significantly longer to build the facility, the Councils have the right to terminate the Contract. If the Contractor encounters problems that result in cost overruns, the Councils are under no obligation to increase the amount paid.

6.12 During the build period the Contractor is to carry insurance as required under SoPC4; for example to protect against a delay in commissioning or damage to the works.

### 3. The Contractor's obligation to finance

6.13 The provision of finance by the Contractor is at the heart of PFI and historically, there has been a ready pool of willing lenders for PFI projects. The economic environment over the past few years has seen a change with a smaller number of lenders each wishing to lend smaller amounts at higher margins. Certainly, conditions in the banking market are better than they were, but there is no way of knowing what conditions will be like in the future. At the height of the banking crisis, the Treasury issued an amendment to SoPC4 which is incorporated in the Waste PFI Contract. The amendment states that, if after the Contractor has borrowed at a high rate of interest, rates subsequently fall, the Councils may compel the Contractor to refinance at the lower rates and up to 75% of the resulting savings are to be paid to the Councils.

- 6.14 Delays in financing associated with poor market conditions are a risk to the Councils as the capital cost of the project would continue to be indexed during the period of delay. The Council has a right to terminate to protect itself from such additional costs that cause the project to be unaffordable. If that right were exercised, compensation would be payable to the Contractor. The Council has been able to negotiate a favourable position in respect of the compensation and the Contractor would, in effect, be seriously out of pocket if the Councils were to terminate.

#### 4. The Contractor's obligation to operate

- 6.15 It is during the operating phase that the Contractor discharges its principal obligation – the diversion of waste from landfill. Whatever waste the Councils deliver (with very limited exceptions in respect of deliveries of waste that ought not be in the waste stream, for example waste contaminated by radiation) must be accepted and treated by the Contractor. No matter what quantities of recyclables have been removed from the waste before delivery to the facility, the Contractor has to recycle a further 5% by weight. Cost overruns in the operation of the plant are a risk for the Contractor and if the Contractor makes excess profits through sale of any spare capacity, those are to be shared with the Councils.
- 6.16 The Contractor's performance is monitored through a number of key performance indicators, poor performance against which can result in payment deductions, the dismissal of individuals or sub-contractors responsible for poor performance and, in extreme cases, termination by the Council of the Contract.
- 6.17 At all times, the Contractor has to comply with the requirements of the planning permission, the permit issued by the Environment Agency (as regulator) and all other relevant legislation, and also keep in force quality, environmental and health and safety accreditation.
- 6.18 During the operating period, the Contractor is required to carry insurance as required by SoPC4; for example to provide the ability to continue to service its debt during an outage or to repair any structural damage during the operating period.
- 6.19 At the end of the contract period the Contractor must hand back the facility to the Councils free of charge and it must be capable of being operated for a further five years. Before the end of the operating period, the County Council and the contractor have the ability to agree a five year extension of the contract.

6.20 Throughout the operating period the relationship between the Councils and the Contractor will be subject to a partnering regime designed, as far as practicable, to ensure a non antagonistic and mutually beneficial approach to the contract. This will be particularly necessary when responding to the anticipated environmental and societal changes and the associated impact on the composition of the waste collected in York and North Yorkshire during the life of the Contract.

5. The Councils' obligation to supply waste

6.21 The Councils have to provide sufficient waste to enable the facility to operate. The Councils have provided the Contractor with projected future waste arisings. The Councils have not accepted liability for the accuracy of those projections but they have accepted the obligation to deliver at least 80% by weight of those projected tonnages. Failure to deliver to that 80% level would result in the Councils having to pay for that waste as if it had been delivered. Future waste projections, plant capacity and guaranteed minimum tonnages are detailed in paragraph 11.1.

6.22 The risk that the projections are wrong is subject to a number of mitigants. First, the projections themselves are based on sound evidence and the best available information drawing on data from the Office of National Statistics and the Department for Communities and Local Government (DCLG). Second, there are very few constraints on the types of waste that the Councils may deliver (this position contrasts very favourably with other waste contracts which, generally, require waste to fall within a tightly defined calorific value). Third, there is currently a strong link between economic activity and waste tonnages. Fourth, the Contractor is under a duty to attempt to procure substitute waste (for example from shops, restaurants or offices). The Contractor has undertaken surveys and has satisfied itself, the Councils and the funders that there are adequate supplies of such waste available in the York and North Yorkshire area to further manage this risk.

6. The Councils' obligation to pay for the treatment of waste

6.23 Provided the Contractor accepts and treats waste and diverts / recycles to the levels it has contracted, it is paid a fee for doing so. If it fails in any aspect, the fee payable is reduced. The fee is largely composed of a fixed price and it is indexed by reference to RPIx (measure of inflation) and not by reference to for example material costs to the Contractor.

The role of the funders

6.24 The essence of PFI is that the private sector party is responsible for borrowing the funding needed and accordingly, whilst not a party to the Waste PFI Contract directly, there is a need for formal engagement between the funders and the Councils.

6.25 SoPC4 is designed to ensure a balance between the risks shouldered by the public sector, the private sector and the funders. The overriding principle is that risk is best borne by the party best able to bear it.



- 6.26 As well as entering into the Contract, the Council will enter into an agreement with the funders (the Funders Direct Agreement). Under the Funders Direct Agreement, the Council will agree that it will not exercise its right to terminate the Contract without first giving the funders the opportunity to 'step-in' with a view to resolving whatever shortcoming gave rise to the potential termination. This provides the Councils with comfort that the funders are generally better positioned to 'step-in' than the Council might be and are also better able to fund any changes required as a result of the Contractor's failure.
- 6.27 Funders carry out detailed due diligence into any proposed contract. Whilst the Councils may not rely on this due diligence exercise (instead relying on the evaluation process detailed earlier in the report), they may draw comfort from the fact that, having carried out its due diligence, a funder is prepared to lend.

#### Parent Company Guarantee

- 6.28 A parent company guarantee (PCG) is an arrangement under which the parent company stands behind undertakings made by a company established to carry out a contract. In the case of PFI contracts, PCGs are not normally given to public sector employers because the parent company is deemed to have invested enough capital to incentivise them to support their subsidiary. SoPC 4 states: "A limited recourse structure is typically used in PFI projects as it isolates and limits the liabilities of the Project from those of the shareholders. Consequently, the obtaining of direct guarantees by the Authority is not normally appropriate. The Authority should generally not insist on receiving guarantees from the parent companies of a Sub-Contractor or the Contractor's shareholders in respect of the obligations of the Contractor."
- 6.29 In practice, PCGs have limited use in PFI transactions because, under the terms of the agreement between the County Council and the Funders (the Funders' Direct Agreement), the Council will agree not to exercise any security right until the debt to the Funder has been paid. The fact that there is not a PCG in place is therefore not considered to put the County Council in a disadvantageous position.

### Conclusion of Legal Advisors

- 6.30 The Council's legal advisors, Watson Burton have advised that they have considered the form of the proposed Waste PFI Contract and the apportionment of risks contained in that contract. Their conclusion is based on the draft of the Contract as at 5 November 2010. It is their view that, when taking into account the requirements of SoPC4, the risk apportionments contained in the WIDP Contract and the constraints imposed on the Councils by the requirements of the Public Contracts Regulations 2006, the risks contained in the proposed Contract represent a balance that is in favour of the Councils. Furthermore, the positions presently negotiated by the Councils and agreed to by AmeyCespa represent a balance of risks that is significantly more in favour of the Councils than would have been the case had the Council simply adopted in full the terms set out in the WIDP Contract.

### **Waste Management Agreement with City of York Council**

- 6.31 The County Council will enter into the Waste Management Agreement with City of York Council at the same time as entering into the contract with AmeyCespa.
- 6.32 At present, the proportion of waste arising in North Yorkshire and the City of York is approximately at a ratio of 79:21. For simplicity, the Waste Management Agreement assumes that all payments from the two Councils to the Contractor will be shared in these proportions. At the end of each year, actual tonnages will be known and reconciliation can take place. Discussions are continuing on the best mechanism for ensuring that both Councils get the appropriate credit for the diversion achieved as well as for any associated costs or benefits (e.g. Landfill Allowance Trading Scheme). The starting point for those discussions is that the 79:21 split will apply except where it would not be equitable. The Chief Finance Officers of the two Councils will identify mechanisms for apportioning risks that can presently be foreseen. The Waste Management Agreement incorporates a partnering regime that will provide protection to both Councils when facing unforeseen issues. Under the Waste Management Agreement each council will be obliged to contribute funds to the level of the agreed budgetary provision for the contract.

### **Novation Agreement at Contract Close**

- 6.33 At financial close a number of documents will need to be executed. Principally these will be agreements between AmeyCespa and funders relating to the funding package, but there will be two new agreements to be executed by the County Council; a Deed of Novation and the Funders Direct Agreement. Funders in PFI transactions will not lend to a company that has been trading for any period of time; they prefer to lend to a new (or “clean”) company. That is the reason why the Waste PFI contract will be signed at commercial close by an “interim” company. At financial close the Waste PFI contract will be novated with the result that from financial close onwards the person with whom the County Council is in contract will be the special purpose vehicle established by AmeyCespa to act as the contractor for the term of the contract. The Deed of Novation “novates” the Waste PFI contract and allows any necessary amendments to be made. The result is technically a “new contract” although one that (except for any amendments that might be made) is in the same terms as the original contract. In effect this will be a new contract between the Council and the special purpose vehicle (SPV) who replace the interim company.

## **7.0 FINANCIAL IMPLICATIONS**

- 7.1 The financial assessment of the AmeyCespa bid contains confidential commercial information and is therefore provided in the separate **Appendix 9(a) and (b)** (private appendices, not for publication). However the AmeyCespa costs form part of the costs of the overall waste strategy for the County Council and the City of York Council. The following paragraphs therefore explain the overall affordability of the waste strategy including the proposed PFI contract relative to the budget provision in the current Councils Medium Term Financial Strategy.

### **Affordability**

- 7.2 The County Council started to provide for the estimated costs of the future overall waste strategy in 2008/09. It has updated the baseline figures each year as part of the Medium Term Financial Strategy (MTFS), taking into account known changes to non-PFI costs. The costs as set out in the current MTFS (section 10.13 of the Executive report 2 February 2010) effectively set the budget for the overall waste strategy moving towards the commencement of the PFI contract; these have then been extrapolated forward at an assumed inflation rate of 2.5% for the length of the PFI contract.

7.3 The budget as set out above has been the basis of comparison of the estimated costs for the County Council and the overall waste strategy including the costs of the PFI contract using forecast waste tonnages and the PFI credits. The impact in the early years is as follows:

NYCC only	Total (29 years) £000	10/11 £000	11/12 £000	12/13 £000	13/14 £000	2014/15 £000	15/16 £000	16/17 £000
Cost including PFI	1,212,934	20,681	23,329	27,238	28,950	35,064	36,147	36,655
Current budget	1,425,016	21,635	24,623	28,562	29,939	38,779	39,068	40,045
Headroom	(212,082)	(954)	(1,294)	(1,324)	(989)	(3,715)	(2,921)	(3,390)

7.4 It should be noted that, in 'nominal' terms, on the basis of the assumptions as set out in **Appendix 9(a) (private appendix, not for publication)** the County Council can afford the overall waste strategy including the PFI contract.

### Sensitivities

7.5 Costs are based on the key assumptions set out in the confidential **Appendix 9(a)** (private appendix, not for publication). As part of the Final Business Case submission to WIDP for approval the Councils provided sensitivity analysis on changes in assumptions to ensure the PFI project continues to be affordable.

7.6 The Councils have identified that the key sensitivities in relation to affordability relate to the assumptions arising from the 'split' close approach, (i.e. interest rate movement, foreign exchange movement and delay in commencement) plus a combined sensitivity defined by WIDP.

NYCC only	'Baseline' costs at final tender submission See para 7.3 above £k	Sensitivities Interest Rate Increase by 1.2% £k	Adverse Foreign Exchange €1 : £1 £k	1 year delay, 10 yr historic index £k	Combined Sensitivity set by Councils * £k	Combined sensitivity required by WIDP <sup>A</sup> £k
Cost including PFI	1,212,934	1,276,218	1,253,762	1,259,307	1,273,410	1,290,270
Current Budget	1,425,016	1,425,016	1,425,016	1,425,016	1,425,016	1,425,016
Headroom	212,082	148,798	171,254	165,709	151,606	134,746

\* Increased interest rate by 0.5%, Euro exchange rate €1.05: £1 delay and assuming 2.5% per annum increase in the indices used to inflate capital expenditure

<sup>A</sup> Increased interest rate by 1% and a 2 year delay assuming 2.5% per annum increase in the indices used to inflate capital expenditure

- 7.7 The sensitivity analyses are included in **Appendix 9(b)** (private appendix, not for publication) in graphical form. The impact of recent programme changes aligns to the 1 year delay scenario in the table above.
- 7.8 Based on this sensitivity analysis the County Council is able to afford all of the scenarios modelled.

**Value for Money (VFM)**

- 7.9 The County Council will only enter into the PFI project if it offers value for money, both compared to its own projected costs of the ‘do minimum’ position and other similar projects.
- 7.10 The ‘do minimum’ option is essentially continuing the current arrangements of operating and transporting to/from HWRCs, incentivisation of Districts through recycling credits and landfill costs including landfill tax and LATS implications.
- 7.11 The comparison of the costs of the waste strategy (including the PFI contract) with ‘do minimum’ using the assumptions set out above demonstrates that entering into the PFI contract within the overall waste strategy offers value for money.

	<b>NYCC £000</b>	<b>CYC £000</b>	<b>Total £000</b>
Costs of Waste strategy inc PFI LATS Sales	1,212,934 (35,035)	276,438 (13,922)	1,489,372 (48,957)
<b>Net cost of waste strategy inc PFI</b>	<b>1,177,899</b>	<b>262,516</b>	<b>1,440,415</b>
Costs of ‘do minimum’	1,441,721	322,331	1,764,052
<b>Saving of waste strategy inc PFI over ‘do minimum’</b>	<b>263,822</b>	<b>59,815</b>	<b>323,637</b>

- 7.12 The overall conclusion therefore is that:
- The PFI project offers value for money, based on key assumptions and allowing for sensitivities.
  - Compared to the do minimum scenario the project is expected to avoid costs of £264m for the County Council over the life of the contract.
  - The PFI project is affordable, based on key assumptions and allowing for sensitivities.

## **8.0 OPTIONS APPRAISAL**

- 8.1 From the outset of the process there has been thorough consideration of alternative solutions. The Councils have been technology and site neutral and bidders were free to propose location(s) and technology which they felt were deliverable and would offer the best value solution to the Councils.
- 8.2 In January 2005 the final report on Assessment of the Best Practicable Environmental Option (BPEO) for Municipal Solid Waste Arising in North Yorkshire and City of York was published (**see Appendix 1 Background Documents**). BPEO is a strategic tool to help identify and assess the options available for managing waste. Various scenarios were assessed in a systematic and balanced way taking into account a wide range of environmental criteria, as well as financial costs and reliability of delivery. The BPEO provided an assessment of different options at the time and was an essential building block of the Councils' revised waste strategy Let's Talk Less Rubbish. However, the BPEO has not influenced the selection of a contractor or the solutions proposed throughout the procurement.
- 8.3 The Outline Business Case included an appraisal of options to help develop a Reference Project which encompassed the services associated with managing municipal waste. The Reference Project was a solution which satisfied the aims and objectives of Let's Talk Less Rubbish, rather than a specification for future delivery of the service and was not necessarily the solution which would be delivered by the procurement. The Reference Case infrastructure comprised a Mechanical Biological Treatment (MBT) facility and an energy from waste (EfW) facility.
- 8.4 The procurement process detailed earlier appraised all of the options put forward by participants (the Councils received 17 proposals at Invitation to Submit Outline Solution Stage) and resulted in AmeyCespa being judged to be the most economically advantageous tender.
- 8.5 The matter requiring decision now is for the County Council to consider whether to award the long term waste management service contract to AmeyCespa, or not.
- 8.6 Members are not able to consider alternative options whether tendered or not. At this point in time the County Council are also not considering the suitability of the proposed location and/or the technology at this location. These issues will be considered through the planning approval process.
- 8.7 Responses to the announcement of the Preferred Bidder have included alternative solutions purporting to be cheaper and more sustainable than the proposed contract. The costs of these alternative solutions have not been verified or established through a competitive process and it is unclear what risks and guarantees would be associated with them. The costs of these solutions are not directly comparable to the proposed contract and should be disregarded.

- 8.8 In many cases the alternative solutions proposed are similar to the technologies proposed by the PFI contractor in the use of mechanical separation of recyclables and anaerobic or aerobic digestion of organic waste. The difference is that they propose the remaining residual waste is prepared as a fuel and combusted at a remote site. This would involve a further process to prepare a fuel suitable for use in a remote plant and additional haulage. It would be inherently less flexible than the proposed solution and would require arrangements with third party markets for the fuel. This would add additional cost, risk and environmental impacts.
- 8.9 As stated above the alternative solutions are not relevant at this time, however if these alternative options had been proposed they would have been evaluated against the other bids on a like for like basis. It is only this type of competitive process that allows for direct comparisons. These alternative solutions are speculative and over simplify the process and risks the Councils would face.
- 8.10 Responses to the announcement of the Preferred Bidder have also queried whether the Councils considered the use of existing capacity available in or outside the area. The Councils placed no restrictions on tenderers about where proposed facilities should be located. Tenderers were open to propose existing facilities in or outside the County and City areas. Proposals to use existing facilities were put forward as part of the procurement, but they did not score as well as other bids against the evaluation criteria.
- 8.11 Should a decision be taken not to award the contract, there will be a number of likely consequences:
- The current procurement exercise would be abandoned (note combined County Council and City of York Council project costs from 2005/06 to 2009/10 inclusive are £4.8 million).
  - The loss of approved £65 million PFI credits.
  - The Council would be expected to clearly identify those elements of the proposed solution that are not acceptable in order to enable officers to procure an alternative solution and/or review the waste strategy.
  - There would be a delay of several years before another contract for residual waste management could be considered (note the current procurement exercise started in 2006).
  - The risk of Landfill tax and LATs would be significantly greater.
  - The ability of both Councils to attract competitive bids in any future procurement could be prejudiced. There would be significant reputational damage to both Councils and it is probable that a smaller number of contractors would take part in any future procurement making it more difficult to achieve value for money.

- There would be an impact on the delivery of the Councils' waste strategy Let's Talk Less Rubbish and potential need to review the strategy and identify different objectives. This is likely to take some considerable time given the strong and diverse opinions that may be presented following a refusal to award the proposed contract.
- Subject to the City of York Council having first resolved to enter into the Waste Management Agreement, the County Council would be liable to compensate the City Council its proportion of waste procurement costs. This is likely to be in the order of £2 - £2.5m

8.12 In summary it could take 1 – 3 years to develop a new waste strategy and up to a further 4 years to procure a new solution. Therefore there could be a 5-7 year delay before another contract could be considered and a potential 10 year delay before any infrastructure would be in place. Indicative costs of a 10 year delay in developing waste treatment infrastructure include a liability for the Councils to pay over £300m in landfill tax and a risk of a further £120m in LATS penalties over this period.

## 9.0 **RISKS**

9.1 The key risks can be split into contractual risks pre financial close, planning risk and project risks. Contractual risks are those associated with entering into the contract, planning risks occur between commercial and financial close and project risks arise once the contract is operational. The overall risk analysis for the project is set out at **Appendix 10(a)**.

### **Contractual risks pre financial close**

9.2 The key contractual risks pre financial close are set out below:

- One or both of the Councils do not sign the contract (including the Waste Management Agreement). This could occur at commercial close or financial close.
- AmeyCespa do not sign the contract, at either commercial or financial close. Not signing at financial close could be caused by contractor termination or by a material breach of contractor obligations.
- The project becomes unaffordable or does not offer value for money for the Councils between commercial and financial close. This could occur due to a number of factors such as delay, increased debt costs or adverse foreign exchange movements.
- There is a challenge to the decisions taken by the Councils relating to the contract award prior to commercial close.
- There is a failure or delay in achieving planning permission (addressed separately below).

9.3 The contractual risk relating to affordability primarily arises from the financial implications of a 'split' commercial and financial close.



- 9.4 Work continues to be undertaken on the planning application, and the Councils believe the proposal represents a potentially deliverable project. However, the biggest risk to the project is achievement of planning permission.
- 9.5 At financial close all Funders' Agreements are in place. This triggers access to the funding and with it the commitment to pay the banks by way of one off arrangement fees of 0.2 to 0.3% of debt and commitment fees at 50% of the agreed margin until the loans are drawn down. This ensures access to fixed rate funding. Once funding is drawn down, interest and capital repayments become payable. Therefore contract costs start to be incurred from financial close.
- 9.6 Should a decision have been taken to have financial close in advance of achievement of planning permission, the Councils would become liable for financial arrangement and commitment fees from commercial close. The Councils would also be responsible for the costs of unwinding financial arrangements if planning permission were to be refused. However, if financial close takes place after planning permission is obtained then the Councils become liable to debt charge movements as a result of market changes until the debt is drawn down. Thus the longer it takes to achieve planning permission the higher the commitment fees. This aspect was particularly pertinent because the cost of debt and particularly the banks' margins were at an all time high at CFT, thus increasing the Councils exposure. In addition the Councils are exposed to foreign exchange changes until Euro currency is purchased. This is in line with the sensitivities models in Section 7.
- 9.7 The financial consequences of these risks and cross-reference to clauses in the project agreement (contract) are set out in **Appendix 10(b)** (private appendix, not for publication). On balance taking the risk of movement in costs as a result of fluctuations in funding and foreign exchange rates is preferable to the certain exposure to commitment fees payable in advance of obtaining planning permission.

#### **Planning risk**

- 9.8 A critical risk to the project is failure to achieve or delay in achieving planning permission. It is AmeyCespa's responsibility to secure a satisfactory planning consent and to use reasonable endeavours in doing so. A failure to use reasonable endeavours would put them in breach of their contractual obligations.
- 9.9 Until the equipment and materials are ordered the costs of capital are subject to agreed indexation (and thus will continue to rise) and as a significant proportion of the equipment is sourced from the EU, the costs are subject to the impact of adverse foreign exchange movements.

- 9.10 In addition delays/failure to achieve planning permission incur additional development costs and additional exposure to current levels of landfill tax and LATS.
- 9.11 Any architectural enhancement costing more than £500k arising as a result of planning permission conditions, in addition to the cost of S106 and S278 enhancements (which relate to planning and highways requirements), will fall to the Councils.
- 9.12 The consequences of a delay in achieving planning permission are indicated in Section 7. The consequences of a failure to achieve planning permission are set out in **Appendix 10(b)** (private appendix, not for publication).

### **Project risks**

- 9.13 The key project risks as agreed with AmeyCespa are summarised in the paragraphs below.

#### Financial risks

- 9.14 The Councils are liable to pay costs incurred by AmeyCespa relating to lease costs and non-domestic rates. The contract includes indexation relating to inflation; the Council has the risk should the indices used not reflect actual increases in costs.
- 9.15 The contract includes guaranteed levels of third party income (electricity and recycle sales). The actual level of third party income is a risk for AmeyCespa subject to the Councils obligations to deliver minimum tonnages. Where third party income exceeds the guaranteed levels additional income is shared 50:50 with the Councils.

#### Tonnage Risk

- 9.16 The contract requires the Councils to supply waste to the 'guaranteed minimum tonnage' (GMT). For tonnages supplied above GMT the Councils pay at banded rates. If the Councils do not supply waste at GMT levels, AmeyCespa must make 'reasonable endeavours' to make up tonnages using locally available commercial waste. If it is unable to make up tonnages then the Councils will pay for the lost income and may be subject to paying compensation to AmeyCespa.
- 9.17 During the procurement process AmeyCespa provided an independent evaluation concluding that there is sufficient commercial waste arising of sufficient quality to ensure that commercial waste supply would not be a significant risk. This report was evaluated during the procurement process and considered sound and justified. The report was also considered to use a relatively conservative approach to estimating potentially available commercial waste tonnage.

- 9.18 Since appointment as Preferred Bidder, a further report projecting commercial waste arisings in North Yorkshire and York until 2026 has been produced by Urban Mines for AmeyCespa. This latest report confirms that there is likely to be sufficient commercial waste available from North Yorkshire and York for the duration of the Contract to effectively mitigate any risk that the Councils will have to compensate AmeyCespa for deliveries below GMT. Further detail on the availability of commercial waste is included in **Appendix 11**.

Performance, design, planning construction/ property, technology and operational Risk

- 9.19 In general these risks are with AmeyCespa. The facilities have been designed by AmeyCespa and their advisers including the choice of technology and the subcontractors constructing and operating the plant.
- 9.20 However, the worst case scenario would be that the plant is fully constructed but fails to operate. The Special Purpose Vehicle (SPV) would be unable to repay its debts, thus requiring the banks to step in and 'run the plant'. If the banks are unable to make the plant operational then the Councils can terminate the contract. Termination would make the Councils liable to pay compensation to the contractor. That compensation is paid by the SPV to the banks. The precise amount would depend on the circumstances and timing of the termination, but it would be based on a theoretical valuation of the contract in the light of those circumstances at that time. The Councils will in turn take ownership of the plant (albeit that it does not work). This scenario is highly unlikely given the contractual arrangements in place and the experience of both AmeyCespa and the funders in this market. However, this scenario could equate to a significant repayment of outstanding capital plus interest.
- 9.21 The risk apportionment and implications are substantially in line with standard PFI contracts. Officers and advisers have endeavoured to improve terms throughout the competitive dialogue and the relevant risk positions proposed by tenderers were considered in the evaluation of tenders. The Council's legal advisors, Watson Burton have advised that the risks contained in the proposed Contract represent a balance that is in favour of the Councils.

## **10.0 CONSULTATION**

- 10.1 The principal requirement for consultation in relation to the project was at the formulative stage of strategy development. The consultation undertaken at that time is set out below. The current decision to be taken in relation to the outcome of the procurement process is the implementation of the strategy. Nevertheless, the Councils identified a need to make the public and stakeholders aware of the proposed solution and seek views prior to final determination of award of the contract.

### **Development of Let's Talk Less Rubbish strategy**

10.2 In revising the original York and North Yorkshire Joint Municipal Waste Management Strategy (Let's Talk Rubbish) extensive consultation was undertaken during 2005/06. The detail of this consultation is included in the Draft Waste Strategy Consultation Report (see **Appendix 1** Background Documents)

10.3 The consultation involved focus groups and 'stakeholder dialogue' to help inform the draft strategy followed by widespread public consultation on the draft strategy itself. The consultation exercise concluded that there was no clear preference on the option to treat residual waste. This is reflected in the revised version of the strategy Let's Talk Less Rubbish adopted in July 2006.

### **Preferred Bidder announcement**

10.4 The name of the Preferred Bidder for the Waste PFI contract and details of AmeyCespa's proposal were announced to the media on 29 June 2010. Detailed information about the proposed solution was provided to a number of key stakeholders including:

- Members of North Yorkshire County Council
- Members of the City of York Council
- MPs
- MEPs
- Local Parish Councils
- District and Borough Council Chief Executives
- Environment Agency
- English Heritage
- Highways Agency
- Commission for Architecture and the Built Environment (CABE)
- Natural England
- Yorkshire Forward
- Local Government Yorkshire and Humber
- Government Office Yorkshire and Humber

10.5 Members of North Yorkshire County Council have also had the opportunity to attend a number of briefing sessions from officers throughout the project, including sessions on the 2 September 2009, 2 June 2010 and a joint presentation with AmeyCespa on 7 July 2010. A Waste PFI contract workshop was also held on 25 August 2010. County Councillor Clare Wood, Executive Member for Waste Management, has made several statements to both the County Council and the Executive on progress with the project. County Councillors have also been copied into three letters about the Waste PFI which were sent to all parish and town councils within North Yorkshire in July, August and October 2010.

10.6 In addition to 6 public questions asked at County Council on 21 July 2010 and 1 public question on 13 October 2010, several County Councillors and one City of York Councillor have been in contact with Council officers to discuss issues and concerns.

- 10.7 Presentations have been made to all North Yorkshire County Council Area Committees and a summary of the issues raised is attached as **Appendix 12** to this report (note these are not formally agreed minutes). Letters promoting the presentations were sent to all County Councillors, Area Committee co-opted members, Parish Council Clerks and Parish Councillors. The meeting details were available on the County Council website and in the September addition of NY Times. The presentation was held immediately prior to the normal meeting session to enable questions from the public without prior notice.
- 10.8 Parish councils closest to the proposed facility were invited to a presentation and discussion on key issues. Two further meetings have been held with representatives from Marton cum Grafton Parish Council to discuss the assumptions made by the Councils on projected recycling, housing growth and waste tonnage figures.
- 10.9 There has been extensive publicity for the proposal in the printed media, both independently and in the NY Times, in the broadcast media and on the County Council, City of York Council and York and North Yorkshire Waste Partnership websites. This has raised awareness of the project among residents of York and North Yorkshire.
- 10.10 As part of their pre-planning application public information campaign AmeyCespa have independently held exhibitions on the proposal in the locality of the proposed Allerton Waste Recovery Park, at various other locations across the county and in York city centre. AmeyCespa have also initiated the Community Liaison Group (CLG) for local residents, which now has 19 registered members. The Group is independently facilitated and made up of representatives of the local community and its format allows for detailed discussion of key issues.
- 10.11 Presentations have been made by Council officers to local interest groups, including the Institution of Civil Engineers (Yorkshire and Humber), Harrogate Action for the Environment, Scarborough Sustainability Group, the AmeyCespa Community Liaison Group, the Council for the Protection of Rural England - Hambleton (CPRE) and the Officer and Member Groups of the York and North Yorkshire Waste Partnership.
- 10.12 The Councils are aware of two petitions relating to the proposed solution. The first is a hard copy petition reported as containing over 5,000 signatures which was presented to 10 Downing Street on 18 November 2010. The Councils have not had sight of this petition at the time of writing this report and the figure for signatories is that quoted by the petition organisers. The second is an on-line petition that at 14 November 2010 was understood to contain 1,951 signatures. The Councils have reviewed the on-line petition prior to its submission and noted that there were a number of anonymous responses and apparent duplication. This petition calls on the Councillors of North Yorkshire County Council and the City of York Council:

1. To listen to the community;
2. To vote against the proposed waste management plant at Allerton Park;
3. To urgently review their waste management strategy; and
4. Specifically to review in full a wider set of more innovative and sustainable solutions for the future that match current national policy, reflect up to date technology and the state of the economy by going beyond large-scale incineration, reflecting the views of the public of North Yorkshire today through full, open and responsive dialogue with the public, and safeguard the heritage of those who live and work in the county now and in the future.

Main concerns raised by respondents

10.13 An analysis of the views expressed to the Councils since the announcement of the Preferred Bidder is given below.

<b>Respondent</b>	<b>Number</b>
Campaign Group	10
Commercial organisation	6
District Council Members	4
MP / MEP	2
Members of the Public	118
Parish/Town Council	40
<b>Total</b>	<b>180</b>

10.14 A summary of all the comments / views received from these respondents is provided in **Appendix 13**.

10.15 Fourteen percent of respondents have supported the proposal and thirty three percent of respondents specifically recorded opposition. The remainder raised concerns and an implied criticism of the project. The most common concerns raised by respondents are detailed in the table below and addressed elsewhere in this report.

<b>Main concerns raised by the public</b>	<b>% of respondents commenting</b>
Higher levels / targets for reduction/reuse/recycling	39%
Further information requested	39%
Cost / affordability	38%
Environmental pollution, traffic and health concerns	37%
Alternative solutions suggested	31%
Criticism of communication	26%
Should review solution/ question need for the proposed solution	26%
Site selection and centralisation of solution	21%
No consultation / ignores current opinion and relies on out of date consultation	19%

- 10.16 In addition to general responses to the announcement of Preferred Bidder the Councils are aware of detailed representations and reports from a number of special interest groups opposing the project. Detailed reports have been prepared by:
- Marton cum Grafton Parish Council
  - Friends of Allerton Castle
  - Harrogate Friends of the Earth
  - York Residents Against Incineration
- 10.17 Many of the concerns raised by respondents relate to suitability of the proposed location and/or the technology at this location. These are issues which will be considered fully as part of the planning process. However where appropriate, comments are provided in Section 11 below.

## **11.0 COMMON THEMES / KEY ISSUES**

### **Waste flows and plant capacity**

- 11.1 A common concern raised by a number of respondents is the future need for the proposed waste treatment plant against a background of increasing recycling and recent reductions in overall waste tonnages.
- 11.2 **Appendix 14** details how future waste tonnages have been forecast and compares the plant capacity and future requirement against the proposed guaranteed minimum tonnage under the contract. Various sensitivities are also explored where key assumptions are varied to test the robustness of forecasts under different scenarios. These include changes to underlying growth predictions and recycling performance.
- 11.3 Predicted future waste tonnages are based on the key assumption that increases will be driven by predicted growth in the number of households in the area with the following adjustments:
- The amount produced per household would reduce annually by a notional 0.25% to recognise the aspiration for waste prevention (equivalent to a compound reduction of approximately 7.4% over the period).
  - Amounts of commercial waste collected by district and borough councils would remain constant throughout the period.
  - Recycling and composting would increase broadly according to district and borough council projections to a combined performance level of 48% in 2013/14.
  - The effect of the economic downturn would result in reduced waste tonnages for the first years of the model.
  - Household and commercial waste delivered to household waste recycling centres (HWRCs) would reduce in the first years of the model as a consequence of revised operating policies.

- 11.4 Waste flow projections at the time of Call for Final Tenders (CFT) for the proposed contract estimated that the amount of residual waste requiring treatment by the contractor would increase to approximately 298,000 tonnes per annum (tpa) in 2039/40. This was within the lower range of forecasts in the Regional Waste Strategy and less than forecast population growth for the same period.
- 11.5 AmeyCespa have proposed to build a waste treatment plant to treat 305,000 tpa of residual waste, with a requirement for a guaranteed minimum tonnage (GMT) equivalent to 80% of residual waste forecast at Call for Final Tenders (CFT). At the time of final tenders, the waste from York and North Yorkshire was predicted to account for between 61% of the provided capacity in year one, to 98% in year twenty five. The remaining capacity is to be filled using locally available commercial waste.
- 11.6 Waste forecasts are updated regularly to take account of changes to waste collection practices, baseline performance and other impacts. Changes that may have an effect on future waste forecasts since the Call for Final Tenders include:
- Deeper and more prolonged economic recession than first envisaged.
  - Externalisation of collection arrangements by Hambleton and Richmondshire District Councils.
  - Repeal of Regional Spatial Strategies and local determination of future housing numbers.
  - Revised Office of National Statistics (ONS) population forecasts.
- 11.7 The potential impact and sensitivity of waste forecasts to these issues is discussed in detail in **Appendix 14** and summarised below.
- 11.8 The combined impact of rebasing forecasts to take account of the continuing recession and removing trade waste from future projections for Hambleton and Richmondshire District Councils is to reduce projected contract waste in 2039/40 from approximately 298,000 tonnes at CFT to 278,000 tonnes. Projected contract waste under this scenario is approximately 116% of GMT for all years of the contract.
- 11.9 The Office of National Statistics published revised population forecasts in 2009 which show a reduction in population forecasts for York and North Yorkshire compared to previous projections. Residual waste projected on the basis of updated population forecasts would be some 12,000 tpa less in 2039/40 than projected using previous population forecasts.
- 11.10 The level of this difference is not considered sufficient alone to question the validity of continuing to project waste growth on the basis of housing forecasts, and forecast residual waste growth from 2009/10 to 2039/40 remains lower than growth in both housing and population forecasts.



- 11.11 However, the impact of combining rebased projections, removing trade waste from Hambleton and Richmondshire Districts and then projecting growth on the basis of future population forecasts is to reduce predicted residual waste arisings for 2039/40 from 298,000 tonnes to 248,000 tonnes. Forecast contract waste under this scenario varies from 113% of GMT in the first year of the contract to 104% in the final year. However, a projection on this basis ignores the potential for increasing trade waste collections from other Waste Collection Authorities and the trend towards lower household occupancy and therefore proportionally higher waste arisings per head.
- 11.12 It has been suggested that residual waste treatment capacity would be significantly reduced if the York and North Yorkshire Waste Partnership targeted higher recycling performance. Whilst there is some potential to improve recycling beyond the predicted levels (through improving capture rates or increasing targeted materials), the opportunity through traditional kerbside recycling is limited.
- 11.13 The impact of this stretch in recycling performance, if combined with the sensitivities of rebasing the model with growth based on revised population forecasts rather than housing projections, and reduced trade waste, would be to further reduce projected contract waste in 2039/40 to approximately 236,000 tonnes. However, forecast tonnages still exceed GMT in all but the final four years of the contract. The total tonnage below GMT in these final four years under this scenario is less than 5,000 tonnes.
- 11.14 It is important to note that there is no commitment or statutory obligation on the waste collection authorities to improve recycling performance beyond current levels. There is therefore a risk that planned improvements and/or further stretch performance beyond planned levels will not materialise and residual waste tonnages may be higher than forecast.
- 11.15 Equally, commercial waste collected by district councils may increase with general economic growth in the sub region and as local authority prices become more competitive. A further sensitivity has been modelled where district council commercial waste (where still collected by the council) increases broadly in line with an assumed economic growth of 2.5% per annum. Combining increased commercial waste with the other sensitivities of increased recycling and household growth based on population forecasts results in approximately 257,000 tonnes of residual waste requiring treatment in 2039/40. This is equivalent to approximately 108% of GMT.
- 11.16 This scenario is no more or less realistic than the other sensitivities referred to above, but provides some balance to indicate the potential that waste arisings may increase beyond projected amounts as well as potentially decrease.

- 11.17 It has also been suggested that the separate collection of food waste will enable significant increases in recycling performance. The argument is that this would divert food waste from landfill and significantly reduce the need for residual waste treatment capacity.
- 11.18 Food waste diverted through these means would count towards recycling under the current definition, provided the material is returned to land. A strategy including separate collection and processing of food waste in this way can therefore deliver higher recycling performance, although it offers no benefit compared to the proposed contract in terms of diversion from landfill. It also necessarily entails a separate collection mechanism for food waste to be introduced, with associated costs, and householders to participate in its use.
- 11.19 Analysis shows that the benefit of separate food waste collections rolled out across the area would be increased recycling performance, but amounts of food waste collected would not avoid the need for waste treatment of the remainder.

#### **Health impacts**

- 11.20 The National Waste Strategy states that: “Concern over health effects is most frequently cited in connection with incinerators” (as opposed to other waste treatment solutions). The strategy confirms that: “Research carried out to date shows no credible evidence of adverse health outcomes for those living near incinerators” (National Waste Strategy for England, 2007, page 77).
- 11.21 The Health Protection Agency state that: “While it is not possible to rule out adverse health effects from modern, well regulated municipal waste incinerators with complete certainty, any potential damage to the health of those living close-by is likely to be very small, if detectable. This view is based on detailed assessments of the effects of air pollutants on health and on the fact that modern and well managed municipal waste incinerators make only a very small contribution to local concentrations of air pollutants” (The Impact on Health of Emissions to Air from Municipal Waste Incinerators, Health Protection Agency 2010 – see **Appendix 1** Background Documents)
- 11.22 The Committee on Carcinogenicity of Chemicals in Food, Consumer Products and the Environment advise: “That any potential risk of cancer due to residency near to municipal waste incinerators is exceedingly low and probably not measurable by the most modern techniques” (The Impact on Health of Emissions to Air from Municipal Waste Incinerators, Health Protection Agency 2010).
- 11.23 The European Commission Directive 2000/76/EC on the Incineration of Waste sets out emission limits. This Directive sets the most stringent emissions controls for any type of thermal process regulated in the EU.

- 11.24 Fichtner Consulting Engineers have carried out assessments on behalf of AmeyCespa. Fichtner state that in terms of particulates, the small dust particles emitted from everyday uses such as transport, agriculture and fires, the Allerton area is at present at 75% of the Air Quality Objective Standard, primarily due to both the A1M, local agriculture and quarry activities. In contrast the proposed Allerton Waste Recovery Park is predicted to contribute a further 0.25% to this level.
- 11.25 In addition, Fichtner state that the general area in the vicinity of the proposed site is at present at about 80% of the Air Quality Objective for nitrogen dioxide emission levels, mainly due again to the closeness of the A1 motorway. In comparison, the nitrogen dioxide levels from Allerton Waste Recovery Park are predicted to be a maximum 3.3% of the allowable level.
- 11.26 Furthermore, emissions dispersal modelling undertaken by Fichtner, based on the impact of using the worst case weather data from the Met Office, demonstrates that there is a limited dispersal area close to the proposed facility and that this dispersal area is well within European air quality limits. Particulate impact from the proposed facility will be undetectable beyond 1.5 km from the site.

#### **Traffic, landscape and visual impact**

- 11.27 The proposed site is already used as a quarry and landfill and it is expected that traffic flows to and from the site when the proposed facility is operational will be broadly similar to the current flows. Traffic movements into and out of the site will be subject to a full assessment and scrutiny as part of the planning application process. A comprehensive traffic management plan will be required to the satisfaction of the planning and highway authorities.
- 11.28 Whilst some of the existing movements associated with the landfill will remain, the quarry operation is planned to cease in 2011. Transport impacts will also be minimised by the use of local delivery points serving each district and borough council area which will bulk up the waste to provide the most cost effective and efficient transport arrangements.
- 11.29 The potential visual impact of the facility on the surrounding landscape has been identified as an environmental issue which may require mitigation through the planning process. AmeyCespa are continuing to work with various organisations including English Heritage and specialist landscape architects at both Harrogate Borough Council and the County Council to identify and develop mitigations to potential landscape and visual impacts of the proposed facility, prior to the submission of their planning application. Mitigation measures may include both on-site and off-site work.

- 11.30 At certain times the EFW will produce a visible plume of water vapour. A plume visibility assessment has been carried out by Fichtner Consulting Engineers on behalf of AmeyCespa. The assessment concluded that the plume would be visible for approximately 30 percent of the time (10% during daylight hours) with an average visible plume length of 40 metres. The likelihood of the plume being visible is different depending on the time of day. There is a slightly higher likelihood in the morning (6.00 am to 10.00 am) and a slightly lower likelihood in the afternoon (2.00 pm to 6.00 pm). Over the year, the plume is likely to be rarely visible in summer (June to September) and most visible in January and February.

### **State Aid**

- 11.31 It has been suggested that the award of the proposed contract to AmeyCespa would breach State Aid rules. Article 107 (1) of the Treaty on the Functioning of the European Union states: "Save as otherwise provided in the Treaties, any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the internal market."
- 11.32 Any question of whether or not there has been unlawful State Aid is decided by the European Commission. The Commission has considered the question of whether or not contracts like the proposed waste contract constitute unlawful State Aid in two cases: London Underground Public Private Partnership and Welsh Public Sector Network Scheme. In both cases, the Commission concluded that neither undertaking had received an economic advantage and as such did not constitute State Aid.
- 11.33 On the basis that AmeyCespa was selected following a procurement exercise in which it was evaluated as offering the most economically advantageous tender, it follows that the payments to AmeyCespa represent a market price and do not confer an economic advantage. The Councils legal advisors have therefore concluded that award of the proposed contract would not breach State Aid as prohibited by Article 107 (1) of the Treaty.

### **Validity of outcome**

- 11.34 Some comments received since the announcement of the Preferred Bidder have questioned the validity of the outcome given the time that has elapsed since the adoption of the joint waste strategy Let's Talk Less Rubbish. There are a number of reasons why the proposed solution remains sound and appropriate:
- The legislative framework at European Union and national level remains in place and has indeed been strengthened by the adoption of the National Waste Strategy in 2007.

- The Coalition Government has given two approvals to proceed with the project at Final Business Case stage and post Comprehensive Spending Review 2010. On both occasions the Government has been confident in the ability of the project to deliver on their priorities.
- Waste forecasts have assessed the impact of the recession on waste flows and concluded that the proposed solution remains viable.
- The competitive dialogue procedure is lengthy, but sufficiently flexible, to ensure that the final tenders reflected the current situation.

## **12.0 LEGAL IMPLICATIONS**

12.1 The proposed long term waste management contract is the primary method by which the Councils will discharge their statutory duties as defined earlier in the report.

### Contractual Arrangements

12.2 PFI is a highly complex form of procurement as detailed in this report. If it is decided that this contract should proceed, the Councils and AmeyCespa will enter into various contractual documents. Whilst the principal agreement comprises the Project Agreement it should be noted that a number of other agreements will require completion, principally the Funder's Direct agreement,

12.3 Also because this is a joint procurement with the City of York Council, and the Project agreement will not include the City of York Council as a party, the County Council will also enter into a separate waste management agreement with the City of York Council. Detail of the contractual structure is dealt with throughout the report.

12.4 There will also be ancillary agreements. Entering in to the arrangements will create contractual obligations upon the parties, which are described in this report at Section 6.

### Powers

12.5 In summary, the Council is empowered to enter into the contractual arrangements referred to in this report by the following legislation:

a) Section 51 Environmental Protection Act 1990 which places a duty upon waste disposal authorities to make arrangements for the disposal of waste in their area, as set out below:

Section 51(1) It shall be the duty of each waste disposal authority to arrange—

for the disposal of the controlled waste collected in its area by the waste collection authorities; and

for places to be provided at which persons resident in its area may deposit their household waste and for the disposal of waste so deposited;

- b) Section 111 Local Government Act 1972 which contains powers enabling the Council to do anything to facilitate, or is incidental or conducive to the discharge of its functions, as set out below:

Section 111(1) Without prejudice to any powers exercisable apart from this section but subject to the provisions of this Act and any other enactment passed before or after this Act, a local authority shall have power to do any thing (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

- c) Section 2 Local Government Act 2000, which empowers authorities to do anything for the promotion of the well-being of their area, as set out below:

Section 2 (1) Every local authority are to have power to do anything which they consider is likely to achieve any one or more of the following objects—

- (a) the promotion or improvement of the economic well-being of their area;
- (b) the promotion or improvement of the social well-being of their area, and
- (c) the promotion or improvement of the environmental well-being of their area.

#### Local Government Contracts Act 1997 Certificates

- 12.6 The Local Government (Contracts) Act 1997 facilitates PFI contracts by removing concerns about authorities' power to enter into contracts of this nature. In particular the Act enables it to be certified, in relation to a contract, that the local authority both has the power to enter into the contract and has exercised that power properly in doing so. It is proposed that the Corporate Director (Finance and Central Services) be empowered to issue certification under the Act to enable the contract to be entered into. The giving of a certificate under these provisions is a personal undertaking by the officer involved and accordingly the Council is asked to indemnify the officer in respect of any potential liability on giving the certificate.

### Procurement Process

- 12.7 The Public Contracts Regulations 2006 prescribe how public sector procurement for works, supplies and services should be undertaken, and also include detailed provisions in relation to the competitive dialogue procedure referred to in Section 3 of this report. In accordance with the requirements of the procedures followed under the Regulations, the principal decision for the Authority at this stage will be whether or not to award the contract to AmeyCespa.
- 12.8 The County Council is also required to comply with its standing orders in relation to contracts, which are set out in the Contract Procedure Rules, and which reflect the need to undertake procurement in accordance with the statutory requirements set out in the report.
- 12.9 Throughout the procurement process the County Council has instructed external legal advisers with experience in the procurement of large scale projects such as the long term waste management contract. The procurement has been conducted in accordance with their advice and they have been fully involved in the negotiation and agreement of the terms of the Project Agreement and associated documents.
- 12.10 The Council's external legal advisers, Watson Burton, have advised the Council that, in their view, the procurement to date has been carried out in compliance with the requirements of the Public Contracts Regulations 2006.
- 12.11 In making its decision the Council is required to comply with the provisions of the Constitution including the following decision making principles as follows:
- Respect for human rights and equality of opportunity
  - Presumption of openness
  - Clarity of aims and desired outcomes
  - Decisions will be proportionate to the intended objective
  - Having regard to relevant facts and considerations, and disregarding irrelevant ones
  - Due consultation and taking professional advice from Officers
  - Explaining options considered and giving reasons

### **13.0 PROPERTY IMPLICATIONS**

- 13.1 In anticipation of the procurement, the Council entered into discussions with a number of owners of sites that were potentially suitable as the site for a waste facility. Those discussions included discussions with the freeholder of Allerton Park and the Council has an option with the right to call for the grant of a lease. Throughout the procurement, the Council made it clear to tenderers that, whilst options had been obtained over a number of sites, this was to ensure a competitive procurement and the Council would not accept any risks associated with the chosen site. The Councils also made it clear that the securing of options for potentially suitable sites did not constitute a request to use those sites or an implied opinion on the suitability of those sites for the solutions offered.
- 13.2 AmeyCespa is presently finalising negotiations with the freeholder of Allerton aggregates quarry and landfill that will result in the agreement of terms of a lease to be granted to AmeyCespa as the Council's nominee under the option agreement.
- 13.3 The Council will not lease the land themselves but will have the ability (without being obliged) to call for an assignment of AmeyCespa's lease when the proposed contract comes to an end. All assets used in the PFI including the contractors lease will revert to the County Council at no cost on termination of the contract.

### **14.0 EQUALITIES IMPLICATIONS**

- 14.1 Compliance with the statutory obligations in relation to equalities under the equalities legislation was a criterion for the selection of the contractor in the procurement process, as is required by the Council's equality policies. The PFI contract will also require compliance with equalities legislation including any future legislative requirements during the life of the contract.
- 14.2 The Output Specification for the project contains a service output stating that: "The Contractor shall address issues of equality, disabled access and social exclusion where relevant to aspects of the Service." AmeyCespa has responded to this requirement in the Contractors Proposals documents to ensure they meet the Council's requirements.
- 14.3 In the course of dealing with the planning application for the facility, consideration will be given to an equalities impact assessment of the project. Appropriate equalities impact assessments will also be carried out in advance of service delivery.



## **15.0 HUMAN RIGHTS IMPLICATIONS**

- 15.1 The procurement has been conducted in a manner consistent with the Councils' obligations under Human Rights legislation.
- 15.2 The Council is bound to have regard to Human Rights implications in its decision making. The subject matter of this report however is about the award of the waste PFI contract as a culmination of the procurement process, which follows a statutory procedure. That being so, the Human Rights implications of this decision in itself are limited. However, if the County Council ultimately resolves to award the contract to AmeyCespa, the next key stage will be the submission and determination of a planning application for the site upon which the waste facility will be located. Human Rights will be a matter for consideration at that stage, and the following provisions together with any others identified at the time as being relevant, will be subject to consideration, as well as the general requirement that the Councils' actions must be proportionate.

### Human Rights Provisions

- Protocol No 1: Article 1

Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.

The preceding provisions shall not, however, in any way impair the right of the State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure payment of taxes or other contributions or penalties.

- Article 6: Right to a fair trial

(1) In the determination of his civil rights and obligations or of any criminal charge against him, everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law. Judgment shall be pronounced publicly but the press and public may be excluded from all or part of the trial in the interests of morals, public order or national security in a democratic society, where the interests of juveniles or the protection of the private life of the parties so require, or to the extent strictly necessary in the opinion of the court in special circumstances where publicity would prejudice the interests of justice.

(2) Everyone charged with a criminal offence shall be presumed innocent until proved guilty according to law.

- Article 8: Right to privacy
  - (1) Everyone has the right to his private and family life, his home and his correspondence.
  - (2) There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others.

## **16.0 NEXT STEPS**

- 16.1 City of York Council will consider a proposal to enter into the Waste Management Agreement with the County Council at the meeting of their Executive on the 30 November 2010. It is then expected that the matter will be decided at a meeting of the City of York Council on the 9 December 2010.
- 16.2 Should the County Council decide to approve the award of the contract to AmeyCespa the formal signing of the contract (commercial close) is likely to take place in January 2011. The decision to award the contract will not preclude the outcome of the planning application.
- 16.3 If the contract is awarded AmeyCespa expects to submit a planning application in January 2011. The Environmental Permit application will also be made to the Environment Agency and twin tracked with the planning process.
- 16.4 Following the planning application, the planning process will involve statutory consultation and comprehensive assessment of environmental impacts including many issues raised following the announcement of the Preferred Bidder. AmeyCespa will need to demonstrate the reasons behind site selection and acceptability of any environmental impacts to achieve satisfactory planning consent.
- 16.5 Financial Close will occur around three months after a successful planning application.

## **17.0 CONCLUSIONS AND REASONS FOR DECISION**

- 17.1 For the reasons set out in the report and particularly Section 2 the Councils need to identify means to deal with the future disposal of waste for their areas, to ensure that they are able to comply with their statutory duties in relation to waste disposal. This procurement has therefore been carried out pursuant to the joint waste strategy. The procurement has been carried out in compliance with the requirements of the Public Contracts Regulations 2006 and the Councils own Contract Procedure Rules.
- 17.2 Throughout the process there has been thorough consideration of alternative solutions. The Councils have been technology and site neutral and bidders were free to propose location(s) and technology which they felt were deliverable and would offer the best value solution to the Councils.
- 17.3 The tender submitted by AmeyCespa has been determined, using objective criteria, to be the most economically advantageous tender. As such, in accordance with the Public Contracts Regulations 2006, it is now possible for Members to consider only whether to award the contract to AmeyCespa.
- 17.4 The proposed solution has a sound strategic fit with local and national policy and the Government continues to be fully committed to the project.
- 17.5 The Council's legal advisers, Watson Burton, have advised that the risks contained in the proposed Contract represent a balance that is in favour of the Councils.
- 17.6 The financial assessment has concluded that the project is affordable and offers value for money based on key assumptions and allowing for sensitivities.
- 17.7 Whilst the procurement process has been a lengthy affair, the project remains an appropriate solution to the Council's needs.

## **18.0 RECOMMENDATIONS**

- 18.1 That the Executive agree that the following recommendations are put to the County Council:
- 18.1.1 that the County Council agrees to award the Waste Private Finance Initiative (PFI) contract to AmeyCespa for the service operation period of 25 years with an option to extend for up to 5 years, and, in that event;
- 18.1.2 that the County Council commits to make sufficient budgetary provision for the contract for its term, and determines the limits of the affordability envelope within which financial close may be agreed, as set out in paragraph 7.3;

- 18.1.3 that delegated authority is given to the Corporate Director, Business and Environmental Services (acting in consultation with the Corporate Director, Finance and Central Services, and the Assistant Chief Executive, Legal and Democratic Services) to determine the final terms of the following documents at commercial and financial close as necessary:
- a) the Private Finance Initiative (PFI) contract between the County Council and AmeyCespa; and
  - b) the Waste Management Agreement between the County Council and City of York Council; and
  - c) the Funders Direct Agreement with AmeyCespa's funders; and
  - d) the Novation Agreement; and
  - e) any documents ancillary to the Private Finance Initiative (PFI) Contract, the Waste Management Agreement and the Funders Direct Agreement, and any other documents necessary to give effect to this project.
- 18.1.4 that delegated authority is given to the Assistant Chief Executive, Legal and Democratic Services, to execute on behalf of the County Council the following documents at commercial and financial close stage as necessary:
- a) the PFI Contract with AmeyCespa; and
  - b) the Waste Management Agreement with City of York Council.
  - c) the Funders Direct Agreement with AmeyCespa's funders
  - d) the Novation Agreement
  - e) any documents ancillary to the Private Finance Initiative (PFI) Contract, the Waste Management Agreement and the Funders Direct Agreement, and any other documents necessary to give effect to this project.
- 18.1.5 that the Corporate Director, Finance and Central Services, is authorised to issue the certificates under the Local Government (Contracts) Act 1997 to confirm the County Council's powers to enter into the contracts referred to at paragraph 18.1.3 a), b), c) and d) above;
- 18.1.6 that an indemnity be given by the County Council to the Corporate Director, Finance and Central Services, against any claim that may arise out of or in connection with the issue of the certificates under the Local Government (Contracts) Act 1997;
- 18.2 That the County Council note that in the event that the above is agreed by the County Council, the Executive will take all such decisions as may be required out of or in connection with the implementation of the Council's decision to award the PFI Contract to AmeyCespa, including agreeing that financial close may proceed within the limits of the affordability envelope set by the County Council.

DAVID BOWE  
Corporate Director, Business and Environmental Services

Background documents in support of this report: See Appendix 1

Authors: Ian Fielding  
Sian Hansom

## **GLOSSARY**

<b>AD</b>	Anaerobic Digestion
<b>BPEO</b>	Best Practicable Environmental Option
<b>CFT</b>	Call for Final Tenders
<b>DECC</b>	Department for Energy and Climate Change
<b>DEFRA</b>	Department of Environment, Food and Rural Affairs
<b>EA</b>	Environment Agency
<b>EOI</b>	Expression of Interest
<b>EFW</b>	Energy From Waste
<b>FBC</b>	Final Business Case
<b>GMT</b>	Guaranteed Minimum Tonnage
<b>HWRC</b>	Household Waste Recycling Centre
<b>IAA</b>	Inter Authority Agreement
<b>ISDS</b>	Invitation to Submit Detailed Solutions
<b>ISFT</b>	Invitation to Submit Final Tenders
<b>ISOS</b>	Invitation to Submit Outline Solutions
<b>LATS</b>	Landfill Allowance Trading Scheme
<b>MBT</b>	Mechanical Biological Treatment
<b>MT</b>	Mechanical Treatment
<b>MTFS</b>	Medium Term Financial Strategy
<b>OBC</b>	Outline Business Case
<b>OJEU</b>	Official Journal of the European Union
<b>ONS</b>	Office of National Statistics
<b>PA</b>	Project Agreement (“the contract”)
<b>PFI</b>	Private Finance Initiative
<b>PIN</b>	Prior Information Notice

<b>PQQ</b>	Pre-qualification Questionnaire
<b>SOPC4</b>	Standardisation of PFI Contracts (Version 4)
<b>SPV</b>	Special Purpose Vehicle
<b>VFM</b>	Value for Money
<b>WFD</b>	Waste Framework Directive
<b>WMA</b>	Waste Management Agreement
<b>WET Act</b>	Waste and Emissions Trading Act 2003
<b>WIDP</b>	Waste Infrastructure Delivery Programme
<b>WRATE</b>	Waste and Resources Assessment Tool for the Environment
<b>WTS</b>	Waste Transfer Station
<b>YNYWP</b>	York and North Yorkshire Waste Partnership

## APPENDICES

1. Background Documents
2.
  - a) Inter Authority Agreement 2008
  - b) Inter Authority Agreement (2009 update)
3. Summary of waste performance
4.
  - a) Defra PFI Credits approval letter
  - b) Defra confirmation of PFI Credits post CSR letter, October 2010
5. Evaluation Criteria
6. Technical Summary of proposals submitted at each stage of the PFI process
7. Defra FBC approval letter including WIDP Commercial Close Conditions
8.
  - a) Location plan of the proposed site
  - b) Aerial photograph of the proposed site
9.
  - a) Financial Implications (exempt information, not for publication)
  - b) Key financial Assumptions and Sensitivity Analyses (exempt information, not for publication)

**This section of the report contains exempt information of the type defined in paragraph 3 of part 1 of schedule 12A to the Local Government Act 1972 as amended by the Local Government (access to information) (variation) order 2006.**

10.
  - a) Risk analysis
  - b) Financial consequences of risk (exempt information, not for publication)

**This section of the report contains exempt information of the type defined in paragraph 3 of part 1 of schedule 12A to the Local Government Act 1972 as amended by the Local Government (access to information) (variation) order 2006.**

11. Availability of commercial waste
12. Summary of issues raised at Area Committees
13. Summary of issues raised in correspondence
14. Waste Forecasts and Residual Waste Treatment Capacity



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### Background Documents

- Waste Strategy for England 2007  
<http://www.defra.gov.uk/environment/waste/strategy/strategy07/documents/waste07-strategy.pdf>
- Lets Talk Less Rubbish – A Municipal Waste Management Strategy for the City of York & North Yorkshire 2006 – 2026  
<http://www.letstalklessrubbish.com/ltlr/Library0.nsf?OpenDatabase>
- Previous reports and minutes of North Yorkshire County Council Executive meetings about the long term waste management service procurement process.

14<sup>th</sup> October 2003 report

[https://www3.northyorks.gov.uk/n2cabinet\\_exec/reports\\_/20031014\\_/northyorks\\_hirec/NorthYorkshireCountyCouncilWasteManagementProcurementStrategy.pdf](https://www3.northyorks.gov.uk/n2cabinet_exec/reports_/20031014_/northyorks_hirec/NorthYorkshireCountyCouncilWasteManagementProcurementStrategy.pdf)

14<sup>th</sup> October 2003 minutes

[https://www3.northyorks.gov.uk/n2cabinet\\_exec/minutesdecision\\_/20031014meeting/2003-10-14-Meeting.pdf](https://www3.northyorks.gov.uk/n2cabinet_exec/minutesdecision_/20031014meeting/2003-10-14-Meeting.pdf)

27<sup>th</sup> July 2004 report

[https://www3.northyorks.gov.uk/n2cabinet\\_exec/reports\\_/20040727\\_/wastemanagement/WasteManagementProcurementStrategy.pdf](https://www3.northyorks.gov.uk/n2cabinet_exec/reports_/20040727_/wastemanagement/WasteManagementProcurementStrategy.pdf)

27<sup>th</sup> July 2004 minutes

[https://www3.northyorks.gov.uk/n2cabinet\\_exec/minutesdecision\\_/20040727meeting/2004-07-27-Meeting.pdf](https://www3.northyorks.gov.uk/n2cabinet_exec/minutesdecision_/20040727meeting/2004-07-27-Meeting.pdf)

4<sup>th</sup> July 2006 report

[https://www3.northyorks.gov.uk/n2cabinet\\_exec/reports\\_/20060704\\_/06jointmwmsrate/06jointmwmsrate.pdf](https://www3.northyorks.gov.uk/n2cabinet_exec/reports_/20060704_/06jointmwmsrate/06jointmwmsrate.pdf)

4<sup>th</sup> July 2006 minutes

[https://www3.northyorks.gov.uk/n2cabinet\\_exec/minutesdecision\\_/20060704execmin/20060704execmin.pdf](https://www3.northyorks.gov.uk/n2cabinet_exec/minutesdecision_/20060704execmin/20060704execmin.pdf)

12<sup>th</sup> September 2006 report

[https://www3.northyorks.gov.uk/n2cabinet\\_exec/reports\\_/20060912\\_/wastetreatmentp/wastetreatmentp.pdf](https://www3.northyorks.gov.uk/n2cabinet_exec/reports_/20060912_/wastetreatmentp/wastetreatmentp.pdf)

12<sup>th</sup> September 2006 minutes

[https://www3.northyorks.gov.uk/n2cabinet\\_exec/minutesdecision\\_/20060912execmin/20060912execmin.pdf](https://www3.northyorks.gov.uk/n2cabinet_exec/minutesdecision_/20060912execmin/20060912execmin.pdf)

10<sup>th</sup> April 2007 report

[https://www3.northyorks.gov.uk/n2cabinet\\_exec/reports\\_/20070410\\_/04pfiupdat edout/04pfiupdatedout.pdf](https://www3.northyorks.gov.uk/n2cabinet_exec/reports_/20070410_/04pfiupdat edout/04pfiupdatedout.pdf)

10<sup>th</sup> April 2007 minutes

[https://www3.northyorks.gov.uk/n2cabinet\\_exec/minutesdecision\\_/20070410exe cuti/20070410executi.pdf](https://www3.northyorks.gov.uk/n2cabinet_exec/minutesdecision_/20070410exe cuti/20070410executi.pdf)

22<sup>nd</sup> May 2007 report

[https://www3.northyorks.gov.uk/n2cabinet\\_exec/reports\\_/20070522\\_/04wastem anageme/04wastemanageme.pdf](https://www3.northyorks.gov.uk/n2cabinet_exec/reports_/20070522_/04wastem anageme/04wastemanageme.pdf)

22<sup>nd</sup> May 2007 minutes

[https://www3.northyorks.gov.uk/n2cabinet\\_exec/minutesdecision\\_/20070522exe cuti/20070522executi.pdf](https://www3.northyorks.gov.uk/n2cabinet_exec/minutesdecision_/20070522exe cuti/20070522executi.pdf)

26<sup>th</sup> June 2007 report

[https://www3.northyorks.gov.uk/n2cabinet\\_exec/reports\\_/20070626\\_/03quarterl yperf/03quarterlyperf.pdf](https://www3.northyorks.gov.uk/n2cabinet_exec/reports_/20070626_/03quarterl yperf/03quarterlyperf.pdf)

26<sup>th</sup> June 2007 minutes

[https://www3.northyorks.gov.uk/n2cabinet\\_exec/minutesdecision\\_/20070626exe cuti/20070626executi.pdf](https://www3.northyorks.gov.uk/n2cabinet_exec/minutesdecision_/20070626exe cuti/20070626executi.pdf)

6<sup>th</sup> November 2007 report

[https://www3.northyorks.gov.uk/n2cabinet\\_exec/reports\\_/20071106\\_/06wastepfi updat/06wastepfiupdat.pdf](https://www3.northyorks.gov.uk/n2cabinet_exec/reports_/20071106_/06wastepfi updat/06wastepfiupdat.pdf)

6<sup>th</sup> November 2007 minutes

[https://www3.northyorks.gov.uk/n2cabinet\\_exec/minutesdecision\\_/20071106exe cuti/20071106executi.pdf](https://www3.northyorks.gov.uk/n2cabinet_exec/minutesdecision_/20071106exe cuti/20071106executi.pdf)

7<sup>th</sup> April 2009 report

[https://www3.northyorks.gov.uk/n2cabinet\\_exec/reports\\_/20090407\\_/10wastepfi manag/10wastepfimanag.pdf](https://www3.northyorks.gov.uk/n2cabinet_exec/reports_/20090407_/10wastepfi manag/10wastepfimanag.pdf)

7<sup>th</sup> April 2009 minutes

[https://www3.northyorks.gov.uk/n2cabinet\\_exec/minutesdecision\\_/20090407exe cuti/20090407executi.pdf](https://www3.northyorks.gov.uk/n2cabinet_exec/minutesdecision_/20090407exe cuti/20090407executi.pdf)

27<sup>th</sup> July 2010 report

[https://www3.northyorks.gov.uk/n3cabinet\\_exec/reports\\_/20100727\\_/05establis hment/05establishment.pdf](https://www3.northyorks.gov.uk/n3cabinet_exec/reports_/20100727_/05establis hment/05establishment.pdf)

27<sup>th</sup> July 2010 minutes

[https://www3.northyorks.gov.uk/n3cabinet\\_exec/minutesdecision\\_/20100727exe cuti/20100727executi.pdf](https://www3.northyorks.gov.uk/n3cabinet_exec/minutesdecision_/20100727exe cuti/20100727executi.pdf)

- Outline Business Case Executive Summary  
This document is available in the useful downloads section of the Municipal Waste Strategy Page on the NYCC website  
<http://www.northyorks.gov.uk/index.aspx?articleid=3074>
- Prior Information Notice (PIN)  
PDF starting with letter o  
<http://www.letstalklessrubbish.com/ltlr/Library0.nsf?OpenDatabase>
- Contract Notice - Official Journal of the European Union Notice (OJEU)  
This document is available in the useful downloads section of the Municipal Waste Strategy Page on the NYCC website  
<http://www.northyorks.gov.uk/index.aspx?articleid=3074>
- Pre Qualification Questionnaire (PQQ)  
PDF starting with letter q  
<http://www.letstalklessrubbish.com/ltlr/Library0.nsf?OpenDatabase>
- Descriptive Document  
This document is available in the useful downloads section of the Municipal Waste Strategy Page on the NYCC website  
<http://www.northyorks.gov.uk/index.aspx?articleid=3074>
- Final Business Case (redacted to remove information of a confidential or commercial nature)  
This document is available in the useful downloads section of the Municipal Waste Strategy Page on the NYCC website  
<http://www.northyorks.gov.uk/index.aspx?articleid=3074>
- Best Practicable Environmental Option (BPEO)  
PDF starting with letter a  
<http://www.letstalklessrubbish.com/ltlr/Library0.nsf?OpenDatabase>
- Draft Waste Strategy Consultation report  
PDF starting with letter g  
<http://www.letstalklessrubbish.com/ltlr/Library0.nsf?OpenDatabase>
- The Impact on Health of Emissions to Air from Municipal Waste Incinerators, Health Protection Agency 2010  
[http://www.hpa.org.uk/web/HPAwebFile/HPAweb\\_C/1266228112244](http://www.hpa.org.uk/web/HPAwebFile/HPAweb_C/1266228112244)

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## Inter Authority Agreement 2008

THIS AGREEMENT is made the 21 day of JAN 2008

### BETWEEN

- (1) NORTH YORKSHIRE COUNTY COUNCIL of County Hall, Northallerton, North Yorkshire DL7 8AH ("North Yorks")
- (2) CITY OF YORK COUNCIL of the Guildhall, York, North Yorkshire YO1 9QN ("York")

### WHEREAS

- A North Yorks and York (together the "Councils" and each a "Council") have agreed to carry out a joint procurement of waste management services (the "Project").
- B In line with Government guidance the Project has been divided into a number of procurements of which one, for the long term treatment of waste (the "Treatment Contract") will be procured under the Government's private finance initiative.
- C The Councils have agreed, notwithstanding the Project is a joint procurement, that North Yorks will act as lead authority and will enter into the Treatment Contract with the Preferred Partner and will at the same time enter into a sub-contract with York (the "Sub-Contract") whereby waste arising in York will be treated under the Treatment Contract.
- D The Councils have agreed to enter into this Agreement for the purpose of setting out their rights and responsibilities in relation to the procurement of the Treatment Contract as well as the other procurements comprising the Project.

NOW THEREFORE in consideration of the steps to be taken by the Councils in connection with the Project it is hereby agreed as follows:

#### 1. Definitions and Interpretation

- 1.1 In this Agreement the following words or phrases shall, unless the context otherwise requires, have the following meanings:

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Agreed Proportions	At the date hereof York's proportion is 25% and North Yorks' proportion is 75% and those proportions may be adjusted by the Parties in line with the principles set out in clause 9.5
"Conflicting Arrangements"	has the meaning given to it in clause 8.3;
"Executive"	the executive for each Council as more particularly described in clause 5.2.1;
Front End Contract	means the contract to be let by North Yorks relating to the management of waste that does not extend to treatment under the Treatment Contract;
"Financial Allocations Principles Paper"	means the paper setting out the cost sharing arrangements for the Councils in relation to the Project attached at Schedule 1 to this Agreement;
"Financial Close"	the date on which the agreements between the Preferred Partner and its funders relating to the funding of the infrastructure to be delivered under the Treatment Contract are signed;
"First Inter Authority Agreement"	has the meaning given to it in clause 5.1;
"Interim Contract	means the contract or contracts for the interim treatment of waste to be let by North Yorkshire to cover the interim period ending with the commencement of services under the Treatment Contract;
"Non-Signing Council"	has the meaning given to it in clause 10.3;
"Preferred Partner"	the bidder selected following the conclusion of the procurement process and who will enter into the Treatment Contract;
"Project"	has the meaning given to it in Recital A;
"Project Board"	has the meaning given to it in clause

	5.2.3;
“Strategic Steering Board”	has the meaning given to it in clause 5.2.2;
Sub-Contract	means the sub contract referred to in Recital C whereby North Yorks will contract with York so that municipal solid waste arising within York will be treated under the Treatment Contract
“Treatment Contract”	has the meaning given to it in Recital B;
Wasted Costs	means the costs incurred by the relevant Council in the period from the 1 <sup>st</sup> September 2007 up to the date on which the Provisions of clause 10.4 apply to the other Council, out of or in connection with the Project, including without limitation, all such costs as are referred to in clause 9 (internal costs, external costs and costs in excess of budget). As the same may be agreed or determined following the procedure set out in clause 17;
“Withdrawing Council”	has the meaning given to it in clause 10.1;

- 1.2 In this Agreement the singular includes the plural and vice versa and any gender includes any other gender.
- 1.3 The clause headings do not form part of this Agreement and shall not be taken into account in its construction or interpretation.
- 1.4 References to clause(s) and schedule(s) are references to clause(s) and schedule(s) of this Agreement and this Agreement includes the schedules.
- 1.5 Reference to any statute or statutory provision includes a reference to that statute or provision as from time to time amended, extended, re-enacted or consolidated and to all statutory instruments or orders made under it.
- 1.6 Reference to any post or post holder by any title shall be taken as a reference to the function carried out by the post holder regardless of the title given to the person who carries out that function from time to time



**2. Statement of Intent**

- 2.1 Each of the Councils hereby confirms its intention to act in collaboration with the other with a view to procuring jointly the Treatment Contract and agreeing the Sub Contract.
- 2.2 Each of the Councils agrees to act reasonably towards and in good faith in its dealings with, the other Council in all matters connected with the Project.
- 2.3 Each of the Councils recognises the importance of the PFI credits awarded by DEFRA and agrees not intentionally to jeopardise the payment of the full amount of those PFI credits (£65 million).

**3. Provision of Resource**

- 3.1 (Subject to the necessary budgets having been duly approved on behalf of the respective Councils each Council will make available sufficient personnel and resource to support the procurement as such needs may be determined from time to time by the Project Board.

**4. Appointment of External Advisors**

- 4.1 Each Council agrees to the joint appointment of external advisors to the Project on terms from time to time agreed between those advisors and North Yorks (acting as lead authority) and to keep such appointments under review from time to time.. At the date of this Agreement the following (amongst others) have been appointed as external advisors to the Councils:

<b>Speciality</b>	<b>Advisor</b>
Finance	Ernst & Young
Technical	Enviros
Legal	Ward Hadaway
Insurance	Marsh

- 4.2 Neither Council shall appoint any external advisor to the Project without the prior consent of the other Council however this shall not prevent any Council that feels a need to have independent advice from appointing an independent external advisor for the purpose of providing that advice. Any such independent advice shall be paid for by the Council commissioning it.

- 4.3 The costs of such external advisors will be borne by the Councils in the Agreed Proportions.

5. **Management of the Procurement**

- 5.1 On 18<sup>th</sup> September 2006, the Councils executed an agreement (the "First Inter Authority Agreement") that set up a basic framework for the management of the Project. The First Inter Authority Agreement also established that

- neither Council was committed to entering into the Treatment Contract until the Treatment Contract had been approved by that Council's Executive;
- throughout the procurement itself, when there was any matter that was to be decided by both Councils and, that matter having been put to a vote and the vote being tied, North Yorks would have a casting vote.

- 5.2 The Councils have agreed that in substitution for the project management structure established by the First Inter Authority Agreement, the following governance arrangements should apply:

5.2.1 *The Executives*

The executive of each Council is the body by which relevant decisions, not delegated to officers or bodies of that Council, shall be taken. Without limiting the responsibilities of each Executive, the role of each executive shall include the:

- Approval of the strategy for the Project
- Approval of the resources required for the Project
- In the case of North Yorks: Approving the form of the Treatment Contract and taking the decision to enter into the Treatment Contract with the Preferred Partner and approving the form of the Sub-Contract and taking the decision to enter into the Sub-Contract with York
- In the case of York: Approving the form of the Sub-Contract and taking the decision to enter into the Sub-Contract with North Yorks.

### *Strategic Steering Board*

A Strategic Steering Board will be established for the Project. The members of the Strategic Steering Board will be (or will be those persons attending on behalf of) North Yorks' Chief Executive (who will chair meetings of the Strategic Steering Board) York's Chief Executive, North Yorks' Corporate Director Finance and Central Services, York's Director of Resources, North Yorks' Corporate Director Business and Environmental Services and York's Director of City Strategy. Other persons may attend meetings of the Strategic Steering Board at its invitation.

Without limiting the responsibilities of the Strategic Steering Board, the role of the Strategic Steering Board will be to :

- Ensure that the Executive of the relevant Council are kept briefed as to the progress of the Project
- Review the progress of the Project at key stages;
- Ensure strategic direction and alignment of the Project as a whole with the corporate objectives of each Council;
- Ensure that adequate resources are made available by each Council for the Project;
- Provide direction and guidance to the Project Board in the delivery of the key project objectives
- Consider those themes arising in connection with the Project that are common to both Councils or where the interests of one Council differ from those of the other, so as to ensure a joint approach across the Project
- Consider the respective interests of each Council in relation to the other contracts to be procured at or about the same time as the Project, being the Interim Contract and the Front End Contract.

The Strategic Steering Board will meet at such times as its members may agree but normally every 3 months and not less than once every six months until such time as the Treatment Contract achieves Financial Close.

*The Project Board*

The Councils will delegate such decision making powers as are necessary to progress the project and as are not reserved to the Executive of either Council and as are not inconsistent with that Council's scheme of delegation to a board, established pursuant to s 101 and 102 Local Government Act 1972 (the "**Project Board**"). The members of the Project Board will include North Yorks' Corporate Director Business and Environmental Services, North Yorks' assistant director Waste Management, an assistant director of finance of each Council, the Project Director, the Project Manager and a representative of the Council's external advisors. The chair of the Project Board will be North Yorks' Corporate Director Business and Environmental Services.

Subject to timely reporting to the Strategic Steering Board, The Project Board will have power to deal with all project specific issues including but not limited to:

- Approval and publication of the OJEU notice
- Selection and evaluation of bidders at all stages of the procurement
- Issue of all tender documents
- Management of all stages of the procurement
- Appointment of the Preferred Partner and issue of the preferred partner letter.

The Project Board shall meet at least once each month.

- 5.3 The Councils have also agreed that references in the First Inter Authority Agreement to the Treatment Contract should now be read as references to the Treatment Contract and the Sub Contract.

**6. Sites and Planning**

- 6.1 In line with Government advice the Treatment Contract will be procured by the Councils first identifying sites on which waste management facilities can be situated with the intention that the Preferred Partner, if it elects to develop facilities on such sites, will then obtaining planning permission for the erection on such sites of waste management facilities suitable to deliver the Treatment Contract.

- 6.2 The Councils have commissioned a search for suitable sites and the sites that align closest with the expected requirements of the Preferred Partner are located in North Yorks area. North Yorks will take the lead in the acquisition of options over those sites ("Suitable Sites").
- 6.3 The process of acquiring an option over the Suitable Sites consists of two phases. The first phase ("First Phase") consisted of commissioning land use consultants and other advisors in the process of identifying the Suitable Sites and the negotiation of the terms on which an option might be taken over the Suitable Sites. The second phase ("Second Phase") consists of the exercise of any option over any Suitable Site.
- 6.4 Any costs incurred in connection with the First Phase are to be treated as costs of the Project and are to be apportioned in the Agreed Proportions.
- 6.5 Where, in connection with the Second Phase any option is exercised and as a consequence the freehold or a long leasehold interest in any Suitable Site is acquired, both Councils shall contribute to the relevant purchase price, option exercise fee or assume liability for the payment of rent in the Agreed Proportions, and each Council shall be deemed (subject to any interests granted in favour of the Preferred Partner or its funder) to have acquired a corresponding proportionate interest in the relevant Selected Site and on any subsequent disposal shall be entitled to receive the corresponding proportion of any net gain, or shall be obliged to contribute the corresponding proportion of any net loss, arising on such disposal. The Councils recognise that the provisions of this clause are unlikely to create an interest in the Selected Site and agree to work together as a matter of good faith to procure that whatever interests the Councils have in any Selected Site are appropriately recorded and registered.
- 6.6 The Councils acknowledge that the terms of the Treatment Contract will contain provisions whereby, in certain circumstances, the interest of the Preferred Partner in any site used for the purposes of the Treatment Contract may be transferred to North Yorks and the Councils agree to include in the Sub-Contract provisions to ensure that (so far as practicable and subject to any compensation payment required under the Treatment Contract having been paid in the Agreed Proportions) each Council has its proportionate interest in that site.
- 6.7 Each Council shall be responsible for identifying and procuring appropriate front-end transfer and recycling sites within each Council's respective administrative boundaries.

**7. Duration**

This Agreement shall commence on the date first written above and (subject to the proviso below) shall terminate on the occurrence of any one of the following events:

- 7.1 a decision is made by both Councils that the Project should be abandoned;
- 7.2 full planning permission is not granted for all of the facilities and/or sites required to deliver the Treatment Contract within 3 years from the date of the letter appointing the Preferred Partner as preferred partner following the conclusion of the procurement process;
- 7.3 a decision is made by both Councils to terminate this Agreement;
- 7.4 support from the Government in the form of PFI credits falls below £65 million.

Provided that on the happening of any of the above events the Councils shall meet as soon as practicable with a view to deciding whether or not to continue with the Project in the light of that event having happened. If the Councils agree that the Project is to continue notwithstanding the happening of that event then this Agreement shall not terminate but shall continue in force *mutatis mutandis*.

**8 Exclusivity**

- 8.1 Both Councils recognise the mutual advantage of a joint procurement; however both Councils recognise that there may from time to time be tensions caused by the differing needs of the two authorities both of which have differing political and demographic complexions.
- 8.2 Both Councils recognise that the withdrawal from the procurement of one of them could make the continued procurement of the Treatment Contract and the Sub Contract unaffordable or may otherwise have an adverse effect on the Project. In particular, but without limitation, both Councils recognise that the withdrawal from the procurement of the Treatment Contract and/or the Sub Contract could result in the amount of PFI Credit paid in respect of the Treatment Contract being reduced or being made unavailable.
- 8.3 For the term of this Agreement neither Council shall (subject to 8.4) without the consent of the other Council (not to be unreasonably withheld) do anything which in the view of the other Council acting reasonably will undermine, prejudice or adversely affect the

procurement and/or terms of the Treatment Contract including, but not limited to, entering into any agreement for the treatment of waste (“**Conflicting Arrangements**”) or the issuing of any briefing or any press release Provided that the entry by the Councils into the Sub Contract will not constitute a Conflicting Arrangement.

8.4 At the date hereof, York has entered into a landfill contract with Yorwaste Limited and North Yorks has advertised its intention (by way of a prior information notice published in the Official Journal of the European Union under number 2007/S 101-124687) to procure interim waste management services. In both cases those waste management contracts (when awarded) are intended to run until services commence under the Treatment Contract and the entry by either Council into such contract and any extension thereof in accordance with its terms will not constitute a Conflicting Arrangement.

8.5 Where, pursuant to clause 8.3 either Council wishes to obtain the consent of the other Council to the first Council entering into any Conflicting Arrangements, the consent of the other Council may be given or withheld. If that consent is withheld and the first Council enters into any Conflicting Arrangements then the provisions of clause 10.4 will apply. If that consent is given it may be given on such terms as may be agreed (and in default of agreement shall be deemed not to have been given).

9. **Cost Sharing**

9.1 *Internal Costs of the Councils.* These shall be borne by the relevant Council and shall not bear any mark up or margin.

9.2 *External Costs.* Any external costs incurred by either Council in bringing this Project to fruition, including but not limited to the use of external advisors pursuant to clause 4.1, shall be borne by the Councils in the Agreed Proportions.

9.3 The Councils agree at the earliest opportunity to establish a budget for the Project which shall fix limits on expenditure for internal and external costs. Any Council that expends in excess of the budgeted limit shall not be reimbursed for the excess expenditure unless such expenditure is approved by the Councils.

9.4 Unless otherwise agreed all costs specifically relating to the Project will, in the first instance be paid by North Yorks . Thereafter North Yorks will on a quarterly basis issue an invoice to York for York’s Agreed Proportion of those costs together with the appropriate supporting documents. York will pay such invoice within 30 days. In any case

where the Councils are unable to agree the amount due under an invoice then the matter shall be resolved by following the procedure set out in clause 16 or clause 17.

- 9.5 The Agreed Proportions have been arrived at by taking the waste arisings in the areas of each Council as a percentage of the total arisings across the areas of both Councils. At the date hereof those percentages are 75% and 25%. It may be the case that from time to time those percentages may change and whenever either Council can demonstrate to the reasonable satisfaction of the other Council that the Agreed Proportions have changed by more than 2% then the Agreed Proportions shall be taken to have changed accordingly.

#### 10. **Withdrawal**

- 10.1 Where either Council (the “**Withdrawing Council**”) expresses the intention to enter into Conflicting Arrangements, without the consent having been given or obtained from the other Council, in breach of clause 8.3 then it shall first give notice to the other Council of its intention whereupon the Councils will work together (including but not limited to submitting to mediation) to minimise the impact on the Project of such intention.
- 10.2 If notwithstanding the efforts of the Councils pursuant to clause 10.1, the Withdrawing Council enters into any Conflicting Arrangements then the provisions of clause 10.4 shall apply.
- 10.3 If either Council (the “**Non-Signing Council**”), whether or not expressing the intention to enter into Conflicting Arrangements, fails to enter into the Treatment Contract or the Sub Contract or any analogous contract (as the case may be) with the effect that the Treatment Contract does not come into force or comes into force in an amended version with a resulting further cost for the Council that does enter into the Treatment Contract then the provisions of clause 10.4 shall apply.
- 10.4 If either Council enters into Conflicting Arrangements, without consent having been given or obtained from the other Council, in breach of clauses 8.3 and 8.5, or if either Council is a Withdrawing Council or a Non-Signing Council (as the case may be) then such Council shall within 30 days of demand in writing from the other Council reimburse to the other Council all of the other Council’s Wasted Costs.

#### 11. **Interim Nature of this Agreement**

- 11.1 This Agreement is intended to deal with the procurement of the Treatment Contract. In drawing up the terms of the Sub Contract



(which shall contain a proportionate pass-down of the terms of the Treatment Contract) the agree to work together to draw up the principles to be applied in the management of the Treatment Contract and all other aspects of the Councils working together as joint procuring authorities and such principles (including but not limited to the matters the subject of the Financial Allocations Principles Paper) will be in addition to and not in substitution for this Agreement

**12. Confidentiality and Publicity**

12.1 The Councils agree to work together to develop and thereafter comply with a joint communication strategy in relation to the procurement, which will include, but not be limited to, the approval process in relation to the type and extent of information that may be made available to the public and the manner in which it may be made available.

12.2 Without prejudice to clause 12.1, each Council agrees that it will not make public (unless required by law and in which case only to the extent so required) any information relating to the Project without the agreement of the other Council (such agreement not to be unreasonably withheld or delayed).

12.3 The Councils' acknowledge that they are subject to the Freedom of Information Act 2000 and Environmental Information Regulations 2004 and nothing within this clause 12 is intended to derogate from the Councils' obligations thereunder.

**13. No Partnership**

The Councils recognise that this Agreement requires an element of cost sharing but it is not their intention that any partnership should come into being between the Councils

**14. No Assignment**

Neither Council may assign or otherwise deal with the rights or obligations arising from this Agreement unless otherwise agreed by the other Council or as may be required by law to implement any reorganisation of local government in England.

**15. Variations**

No variation, modification or waiver of any provision of this Agreement, or consent to any departure therefrom, shall in any event be of any force or effect unless confirmed in writing and signed on behalf of each of the Councils.

**16 Dispute Escalation**

- 16.1 Any dispute between the Councils as to any matter connected with the Project ("Dispute") will first be referred to the next meeting of the Strategic Steering Board for determination.
- 16.2 If the Dispute is not determined by the next meeting of the Strategic Steering Board (or if the Dispute is of such urgency that it can not await the next meeting of the Strategic Steering Board) then the Dispute shall be referred to the Chief Executives of the Councils for determination.
- 16.3 If the Dispute is not determined by the Chief Executives of the Councils within 10 days of being referred to them then the Dispute may (without prejudice to either Council's right to require the matter to be determined by the High Court) be referred an Adjudicator in the manner set out in clause 17.

**17 Dispute Resolution**

- 17.1 Any Dispute shall be resolved in accordance with this clause.
- 17.2 If a Dispute arises, the Councils shall consult in good faith in an attempt to come to an agreement in relation to the disputed matter.
- 17.3 Without prejudice to clause 16.3, either party may give the other notice of its intention to refer the Dispute to adjudication ("the **Notice of Adjudication**"). The Notice of Adjudication shall include a brief statement of the issue to be referred and the redress sought. The party giving the Notice of Adjudication ("the **Referring Party**") shall on the same day and by the same means of communication send a copy of the Notice of Adjudication to an adjudicator selected in accordance with clauses 17.4 and 17.5 (Identity of Adjudicator).
- 17.4 The Adjudicator nominated to consider a dispute referred to him shall be selected by agreement between the parties.
- 17.5 If the Councils are unable to agree on the identity of the Adjudicator within five (5) Business Days either party may request, the President for the time being of the Chartered Institute of Arbitrators to appoint an Adjudicator within ten (10) Days of any application for such appointment by either party.
- 17.6 Within seven (7) days of the service of the Notice of Adjudication, or as soon thereafter as the Adjudicator is appointed, the Referring Party shall serve its statement of case ("the **Referral Notice**") on the Adjudicator and the other party ("the **Responding Party**"). The Referral Notice shall include a copy of this Agreement, details of the circumstances giving rise to the dispute as set out in the Notice of Adjudication, the reasons why the Referring Party is entitled to the redress sought, and the evidence upon which it relies.

- 17.7 The Responding Party shall serve its statement of case (“the **Response**”) on the Adjudicator and the Referring Party within a period of time to be directed by the Adjudicator. The Response shall include any arguments in response to the Referral Notice of the dispute set out in the Notice of Adjudication and any additional evidence on which the Responding Party relies.
- 17.8 Subject to clause 17.12, the Adjudicator shall have absolute discretion as to how to conduct the adjudication, including whether a meeting is necessary. He shall establish the procedure and timetable subject to any limitation within this Agreement. The Councils shall comply with any request or direction of the Adjudicator in relation to the adjudication.
- 17.9 In any event, the Adjudicator shall provide to both parties his written decision on the dispute, within twenty eight (28) days after the date of receipt of the Referral Notice (or such other period as the parties may agree). The Adjudicator shall be entitled to extend the said period of twenty eight (28) days by up to fourteen (14) days with the consent of the Referring Party. The Adjudicator shall state any reasons for his decision. Unless and until revised, cancelled or varied by the English courts, the Adjudicator’s decision shall be binding on both Councils who shall forthwith give effect to the decision.
- 17.10 The Adjudicator’s costs of any referral shall be borne as the Adjudicator shall specify or, in default, equally by the Councils. Each Council shall bear its own costs arising out of the referral, including legal costs and the costs and expenses of any witnesses.
- 17.11 The Adjudicator shall be deemed not to be an arbitrator but shall render his decision as an expert, and the provisions of the Arbitration Act 1996 and the law relating to arbitration shall not apply to the Adjudicator or his determination or the procedure by which he reached his determination.
- 17.12 The Adjudicator shall act fairly and impartially and may take the initiative in ascertaining the facts and the law. The Adjudicator shall have the power to open up, review and revise any opinion, certificate, instruction, determination or decision of whatever nature given or made under this Agreement.
- 17.13 All information, data or documentation disclosed or delivered by a Council to the Adjudicator in consequence of or in connection with his appointment as Adjudicator shall be treated as confidential. The Adjudicator shall not disclose to any person or company any such information, data or documentation and all such information, data or documentation shall remain the property of the Council disclosing or delivering the same and all copies shall be returned to such Council on completion of the Adjudicator’s work.
- 17.14 The Adjudicator is not liable for anything done or omitted in the discharge or purported discharge of his functions as Adjudicator unless the act or omission is in bad faith. Any employee or agent of the Adjudicator is similarly protected from liability.

17.15 Either Council may (within ninety (90) calendar days of receipt of the Adjudicator's decision or where the Adjudicator fails to give a decision pursuant to clause 17.9) give notice to the other party of its intention to refer the dispute to the courts of England and Wales for final determination.

17.16 The Councils shall continue to comply with, observe and perform all their obligations hereunder regardless of the nature of the Dispute and notwithstanding the referral of the Dispute for resolution under this clause and shall give effect forthwith to every decision of the Adjudicator and the courts delivered under this clause.

**18. Entire Agreement**

This Agreement and the Agreement of the 18<sup>th</sup> September 2006 and the Joint Municipal Waste Management Strategy contain and embody the entire agreement of the Councils and no representations, inducement, or agreements, oral or otherwise, between the Councils not contained and embodied in this Agreement shall be of any force or effect.

**19. Severance**

In the event that any provision of this Agreement is deemed to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not effect the other provisions of this Agreement that shall remain in full force and effect

**20. Governing Law, Language and Jurisdiction**

This Agreement shall be governed by and construed in accordance with the laws of England the parties hereby submit to the non exclusive jurisdiction of the English Courts.

**21. Notices**

Any notice or communication to be given pursuant to this Agreement shall be given in writing and delivered by hand or sent by both (i) mail and (ii) email to the addresses given below or to such other address as may be notified in writing by the relevant Council from time to time:

North Yorks - marked for the attention of Legal Services at County Hall,  
Northallerton, North Yorkshire DL7 8AH

York - marked for the attention of the City Solicitor at Guildhall, York, North  
Yorkshire YO1 9QN

**22. Contract (Rights of Third Parties) Act**

The Councils do not intend that any of the terms of this agreement should be enforceable by anyone who is not a party to this Agreement. Any rights of any person to enforce the terms of this Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 are excluded.

**IN WITNESS WHEREOF** the hands of the authorised representatives of the Councils were hereunto set the day and year first before written

<p><b>SIGNED</b> for and on behalf of <b>NORTH YORKSHIRE COUNTY COUNCIL</b> in the presence of:</p> <div data-bbox="300 645 710 840" style="border: 1px solid black; height: 87px; width: 257px;"></div>	<div data-bbox="758 526 1168 766" style="border: 1px solid black; height: 107px; width: 257px;"></div>
<p><b>SIGNED</b> for and on behalf of <b>CITY OF YORK COUNCIL</b> in the presence of:</p> <div data-bbox="300 1077 710 1339" style="border: 1px solid black; height: 117px; width: 257px;"></div>	<div data-bbox="735 987 1241 1339" style="border: 1px solid black; height: 157px; width: 317px;"></div>

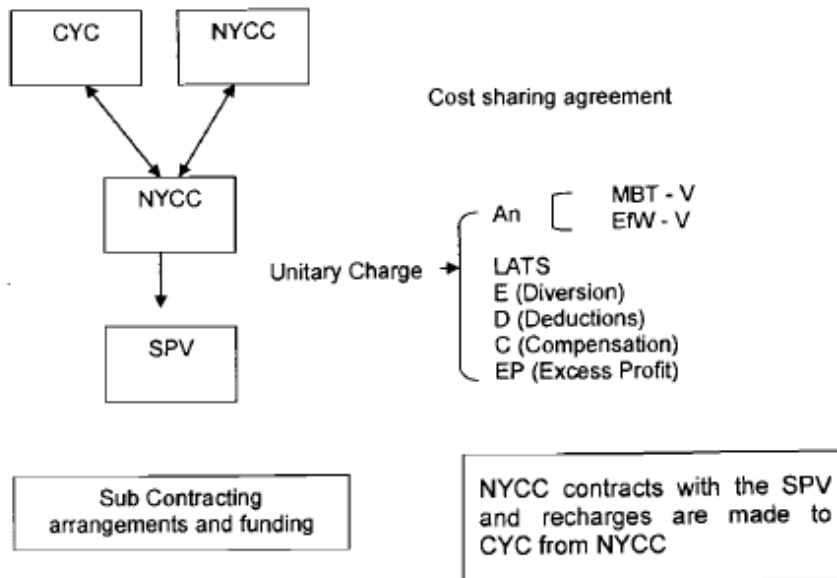
**Schedule 1**  
**FINANCIAL ALLOCATIONS MECHANISM**  
**PRINCIPLES PAPER**

Introduction

This paper supplements the Financial Allocation Mechanism Discussion Document and outlines the principles underpinning the mechanisms to share the costs associated with the PFI Reference Project between North Yorkshire County Council and City of York Council.

The Financial Allocation Mechanism reflects the Payment Mechanism for the Residual Waste Treatment facilities as outlined in the Reference Project.

The diagram below represents diagrammatically the arrangements for the payment of the Unitary Charge to the Contractor



## Payment Mechanism

$$\text{Unitary Charge} = \text{An} +/- \text{V} +/- \text{E} +/- \text{LATS} + \text{C} + \text{W} + \text{NC} - \text{EP} - \text{D}$$

Principles

We set out below the basis for allocating each of the cost elements between the Councils.

	<b>Cost Allocation Method</b>
<b>Payment Mechanism</b>	
An (Unadjusted Unitary Charge)	Volume of waste delivered into the contract based on annual forecast inputs to the project.
V (Volume Adjustment)	Regular adjustments to An based upon forecast inputs to each facility.
E (Diversion adjustment)	A year end reconciliation is performed based upon actual inputs to each facility of each Council. Forecast levels of waste to be landfilled each year. Diversion deduction or bonus based upon weighted average/landfill gatefee for both Councils.
LATS	Volume of waste delivered into the contract based on annual forecast input to each facility.
C (Compensation) - For WCA's Actions/inactions which impact the contractor.	The Council responsible for deviation from the input specification will bear the associated additional costs
W (Waste Minimisation)	The Councils share of waste minimisation works will be pro-rata to An.
EP (Excess Profit)	The Councils share would be pro-rata to An.
D (Deductions) - unavailability/ poor performance	Volume of waste delivered into the contract based on annual forecast input to each facility.
PFI Credit	The total PFI credits will be used to net down An prior to calculating each Councils' respective share of An.
<b>Other Cost Share Considerations</b>	
Site and Planning costs (RWT Only)	The following costs will be based on a fixed 3:1(NYCC: CYC) basis:

	<b>Cost Allocation Method</b>
Benchmarking of costs	<ul style="list-style-type: none"> <li>• Site acquisition costs</li> <li>• Value of sites returned to Councils at end of contract.</li> <li>• Planning costs in excess of appeal contingency.</li> <li>• CPO compensation payable.</li> </ul> <p>Such changes would adjust the payments made to the contractor (Unitary Charge - An). The financial implications will therefore automatically flow through the adjustment to the payment mechanism elements set out earlier.</p>
Contract Change - Council	<p>If the change is requested by both Councils the additional costs will be agreed at the time dependent on the nature of the change.</p> <p>Where only one Council requires a change then such costs will be for the relevant Council to account for.</p>
Contractor (qualifying change)	<p>Where both Councils are affected by a qualifying change - the costs will be agreed at the time.</p> <p>Where only one Council is affected - that Council should be required to fund the associated costs.</p>
Termination of the Contract - Council Default	<p>Where due to both Councils default, the final payment to the Contractor will be apportioned to the Councils based upon the cause of the termination. The cost will be agreed at the time.</p> <p>Where only one Council causes the default, the Council at fault will bear the full costs.</p>
Failure to Agree	<p>Failure to agree issues will go for decision by the arbiter.</p>
VAT	<p>It is assumed that VAT will be payable by NYCC on the contract and recharges to CYC will be made and VAT applied.</p>



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Inter Authority Agreement (2009 update)

THIS AGREEMENT is made the 24 day of November 2009 BETWEEN (1) NORTH YORKSHIRE COUNTY COUNCIL of County Hall, Northallerton, North Yorkshire, DL7 8AH ("North Yorks") (2) CITY OF YORK COUNCIL of Guildhall, York, North Yorkshire, YO1 9QN ("York")

WHEREAS

- (A) North Yorks and York entered into an Agreement on 21 January 2008 ("the 2008 Agreement") relating to the joint procurement of certain waste management services ("the project")
(B) The Councils agree that it is necessary to amend the 2008 Agreement to clarify the arrangements for the making of decisions relating to the project

NOW THEREFORE it is hereby agreed as follows:

1. Definitions and Interpretations

1.1 In this Agreement words and phrases shall, unless the context otherwise requires, have the same meanings as in the 2008 Agreement

2. Amendment of 2008 Agreement

2.1 The Councils agree that the provisions of clause 5.2 of the 2008 Agreement which related to the Project Board and was headed as such shall cease to have effect from the date of this Agreement and shall be superseded by the wording in the Appendix hereto

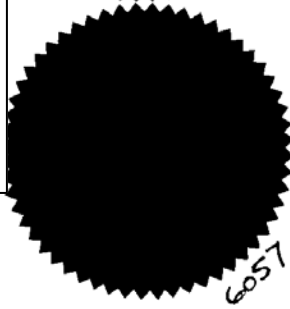
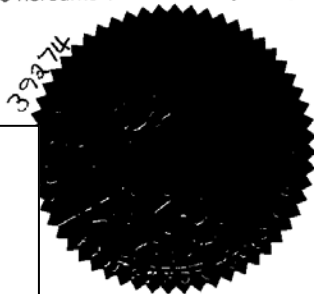
2.2 Subject to the amendment in clause 2.1 the Councils confirm that all the terms of the 2008 Agreement shall continue to remain in full force and effect

IN WITNESS WHEREOF the Common Seals of the Councils were hereunto affixed the day and year first before written

THE COMMON SEAL of NORTH YORKSHIRE COUNTY COUNCIL was affixed in the presence of:-

AUTHOR SIGNATURE

THE COMMON SEAL of OF YORK COUNCIL was affixed in the presence of:-



APPENDIX

*The Project Board*

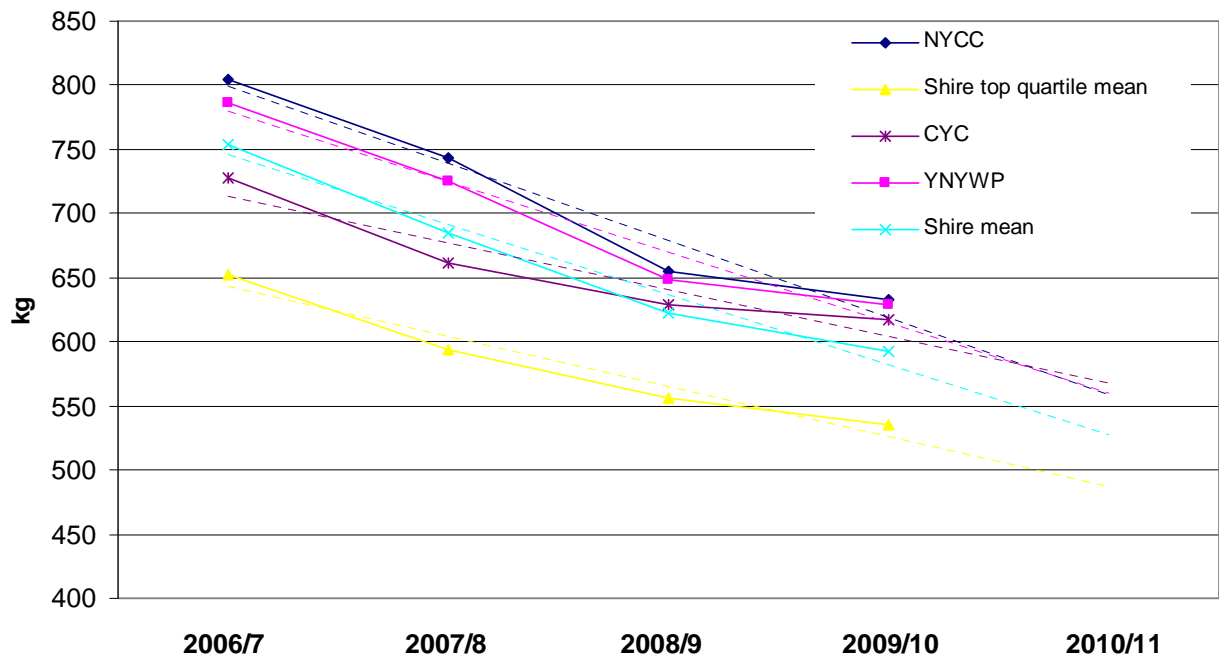
1. North Yorks and York agree that North Yorkshire will delegate such decision making powers as are necessary to progress the project and as are not reserved to the Executive of either Council to North Yorkshire's Corporate Director, Business and Environmental Services (in this and the following paragraphs "**the North Yorkshire Director**")
2. Subject to timely reporting to the Strategic Steering Board the North Yorkshire Director will have power to deal with all project specific issues including but not limited to:
  - ◆ approval and publication of the OJEU notice
  - ◆ selection and evaluation of bidders at all stages of the procurement
  - ◆ issue of all tender documents
  - ◆ management of all stages of the procurement
  - ◆ appointment of the preferred partner and issue of the preferred partner letter.
3. The North Yorkshire Director will exercise the power in 2 above in consultation with the Project Board referred to in 4 below as may be appropriate from time to time; wherever possible this will be in advance of any decision taken by the North Yorkshire Director provided that where this is not possible the North Yorkshire Director will report back to the Project Board as soon as practicable after the decision has been taken by him.
4. The Councils will establish a Project Board the members of which will include the North Yorkshire Director, North Yorks' Assistant Director Waste Management and Assistant Director of Finance of each Council, the Project Director, the Project Manager and a representative of the Councils' external advisers.
5. The Chair of the Project Board will be the North Yorkshire Director.
6. The Project Board shall meet at least once each month.

**Summary of waste performance**

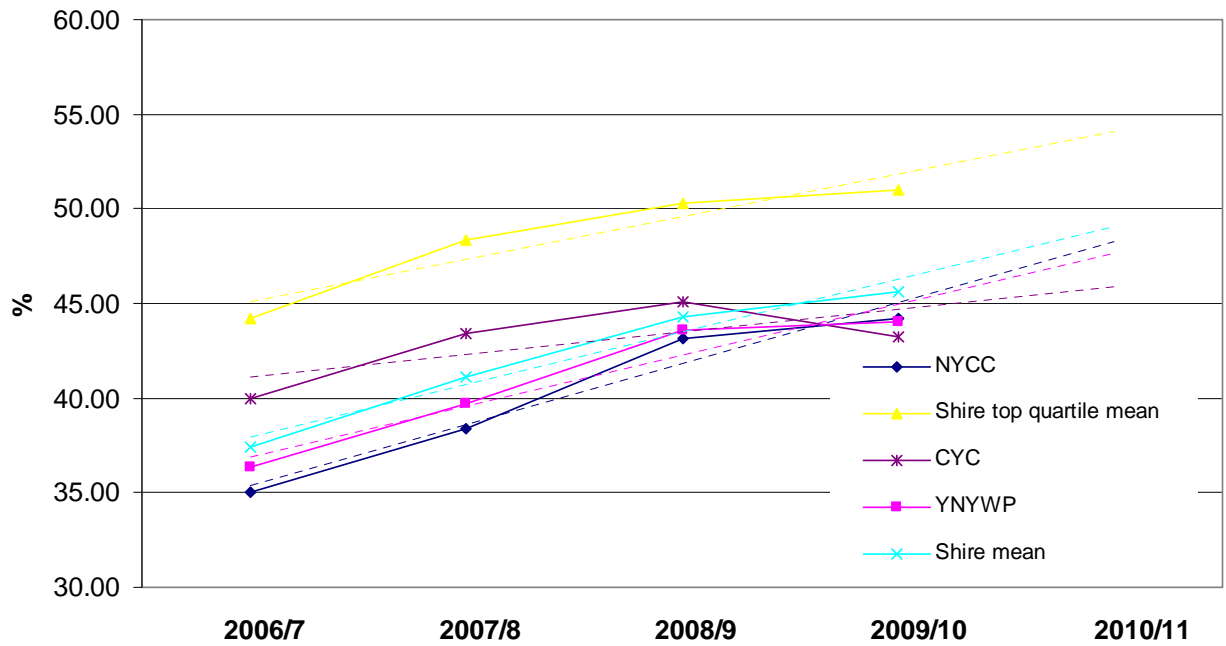
Graphs and tables showing the performance against National Indicators (NI):

- NI191 – Residual household waste per household (kg/household)
- NI192 – Percentage of household waste sent for reuse, recycling and composting
- NI193 – Percentage of municipal waste sent to landfill

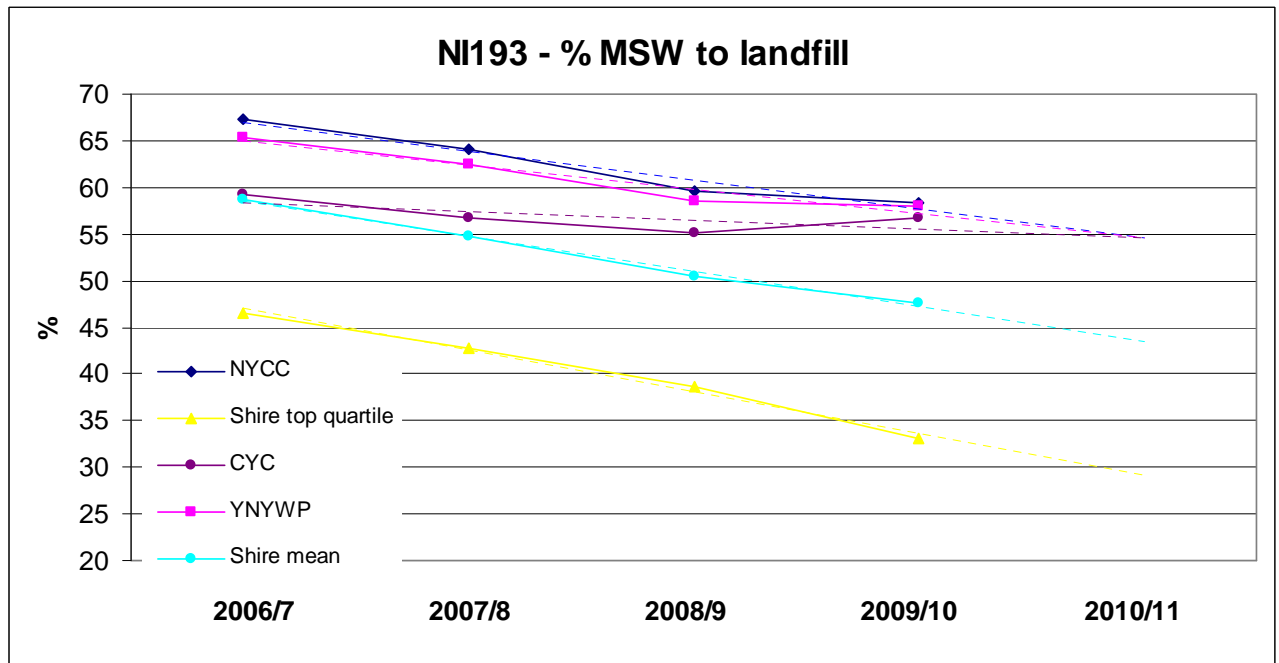
**NI191 - Residual HH waste per dwelling (kg)**



**NI192 - % HH waste sent for reuse, recycling and composting**



**NI193 - % MSW to landfill**



### NI Waste Performance Tables (tonnages) for NYCC, CYC and YNYWP

North Yorkshire County Council (2006 -10)

NYCC									
Year	HH Collected (t)	HH sent for reuse, recycling or composting (t)	Residual (t)	No. HHs	NI 191 (kg/HH)	NI 192 (%/HH)	Total MSW collected (t)	Total MSW sent to landfill (t)	NI 193 (% MSW to landfill)
2006-07	330,712.20	116,669.90	214,042.30	266,077	804.44	35.28	389,441.93	261,825.60	67.23
2007-08	325,273.69	125,347.73	199,925.96	268,733	743.96	38.54	385,571.91	247,390.71	64.16
2008-09	312,502.58	134,868.88	177,633.70	271,127	655.17	43.16	362,708.90	216,462.43	59.68
2009-10	307,919.32	136,264.93	171,654.39	271,127	633.11	44.25	352,115.88	205,336.99	58.32

City of York Council (2006 -10)

CYC									
HH Collected (t)	HH sent for reuse, recycling or composting (t)	Residual (t)	No. HHs	NI 191 (kg/HH)	NI 192 (%/HH)	Total MSW collected (t)	Total MSW sent to landfill (t)	NI 193 (% MSW to landfill)	
101,105.87	40,268.40	60,837.47	83,597	727.75	39.83	122,376.82	72,607.47	59.33	
98,829.10	43,089.24	55,739.86	83,983	663.70	43.60	118,602.37	67,234.50	56.69	
96,721.84	43,651.75	53,070.09	84,383	628.92	45.13	113,782.33	62,740.19	55.14	
91,725.97	39,677.92	52,048.05	84,383	616.81	43.26	106,288.76	60,295.72	56.73	

York & North Yorkshire Waste Partnership (2006 -10)

YNYWP									
HH Collected (t)	HH sent for reuse, recycling or composting (t)	Residual (t)	No. HHs	NI 191 (kg/HH)	NI 192 (%/HH)	Total MSW collected (t)	Total MSW sent to landfill (t)	NI 193 (% MSW to landfill)	
431,818	156,938.30	274,879.77	349,674	786.10	36.34	511,818.75	334,433.07	65.34	
424,103	168,436.97	255,665.82	352,716	724.85	39.72	504,174.28	314,625.21	62.40	
409,224	178,520.63	230,703.79	355,510	648.94	43.62	476,491.23	279,202.62	58.60	
399,645	175,942.85	223,702.44	355,510	629.24	44.02	458,404.64	265,632.71	57.95	

HH = household

t = tonnes

MSW = Municipal Solid Waste

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## Defra PFI Credits approval letter

6E Ergon House  
Horseferry Road  
London SW1P 2AL

**Telephone:** 0845 77 77 88

**Web:** [www.defra.gov.uk](http://www.defra.gov.uk)



Richard Flinton  
Corporate Director, Business and Environment  
Services  
North Yorkshire County Council  
County Hall  
Northallerton  
DL7 8AH

**Your ref:**

**Our ref:** North Yorkshire/PFI

**Date:** 11 September 2008

Dear Richard,

### City of York and North Yorkshire Waste PFI project

I am writing in lieu of the fact that formal confirmation that the York and North Yorkshire Waste PFI project was endorsed by the Project Review Group (PRG) was not provided at the time the project was endorsed last in July of last year. Please accept my sincere apologies for this oversight.

This letter is to inform you that consideration of the outline business case (OBC) submitted in May 2006 for the York and North Yorkshire Waste PFI project has been completed. I am pleased to be able to tell you that your project was endorsed by the Project Review Group (PRG) on 23 July 2007 as ready to enter into procurement. We expect that central Government revenue support will be given based on PFI credits of £65 million. Your scheme should be developed so that it is affordable within this offer.

### Conditions

Support for this project depends on the project continuing to meet all the published criteria in the Department for Communities and Local Government *Local Government PFI Project Support Guide*, available at [www.local.communities.gov.uk/pfi/pfigrant.htm](http://www.local.communities.gov.uk/pfi/pfigrant.htm). In particular, you are reminded of the requirements on the use of standardised contract documentation; and on sharing documentation, including publication of your OBC (barring any sensitive information) on your website as soon as possible.

This letter is without prejudice to any other consent that may be required, for example, in connection with planning legislation.

### Procedures

Please keep in touch with us about your project so that we can assess progress. We will monitor your progress during procurement and particularly at ISOS and preferred bidder. We have agreed that you are aiming to reach these stages by January 2008 and December 2008.





In particular, you are reminded of the requirements to negotiate a contract based on standardised contract documentation; comply with the Government's commitment to achieving "Better Public Buildings"; and share documentation with this Department or other local authorities procuring a similar project at no cost. Standardised contract documentation should be taken to mean 'Standardisation of PFI Contracts' (Version 4), available at

[http://www.hm-treasury.gov.uk/documents/public\\_private\\_partnerships/ppp\\_index.cfm](http://www.hm-treasury.gov.uk/documents/public_private_partnerships/ppp_index.cfm) . Any derogations are expected to be exceptional and must first be agreed with HM Treasury in line with its 21 March 2007 implementation letter. It is strongly advised that compliance with the standardised contract should be settled prior the appointment of a preferred bidder.

Your project should reach financial close by no later than December 2010. Failure to achieve financial close by this date could mean withdrawal of support for the project and you must therefore notify this Department with an explanation of the reasons if you should need an extension to the deadline.

The Department must be informed immediately if the scope, contract, need for credits, timetable, or any other aspect of the project is changed in any material way from the case agreed. If that happens you will need to obtain the Department's written agreement to all proposed changes in good time before the contract is signed. You will not be able to rely on existing letters as entitling your authority to a PFI credit and failure to secure prior agreement to deviations will invalidate any undertaking by the Department or PRG to support your scheme.

You should send a Final Business Case (FBC) to this Department before you select a preferred bidder. The FBC should provide re-assurance that the project continues to support the aims and outputs approved at OBC, and that the procurement process has been such as to ensure VfM. It should set out any proposed derogations to the standard contract conditions for each 'final tender' being assessed by the authority and these need to be agreed with the Department. Any post-preferred bidder risks should be highlighted. You should note that this project was selected for a second stage review. This review will cover the contract and continued affordability. Note that it is a Departmental requirement that you (the authority) meet with Defra (WIDP) to discuss the process before closing the Competitive Dialogue process.

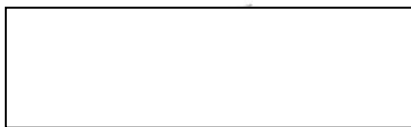
We will formally issue PFI credits on the basis of a letter from the authority confirming the date financial close was reached and reporting any post-FBC changes. In doing so we will provide you with details of how and when revenue support can be claimed as set out in the Local Government PFI Annuity Grant Determination for the financial year in which grant is first claimed. The interest rate which will be applied in calculating grant for your project will be 5.9%, and the scaling factor of 1. Your authority will need to ensure that funds are available to cover that part of the payments to the contractor which will not be met by central Government.

You will be eligible for grant when the first permanent asset is completed, which should be taken to mean when the beneficial treatment of waste begins. For your project, the first permanent asset has been agreed to be a Mechanical & Biological Treatment facility. Credits will be phased for your project as set out in the table below.

Phase	Facility	PFI Credits	Year
1	MBT	£38.25m	2012/13
2	EfW	£26.75m	2013/14

Revenue support is not intended to match or correlate directly to the payments that arise under a PFI contract. However, the Government is committed to supporting good PFI projects and to assisting the development of PFI in the local authority sector. Its policy is therefore to maintain revenue for PFI projects in the long term, consistent with the long-term nature of PFI contracts, even though formally such support cannot be guaranteed.

Yours sincerely



John Burns  
WIDP Programme Director

**Direct line:** 020 7238 4310  
**Email:** john.f.burns@defra.gsi.gov.uk

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**Defra confirmation of PFI Credits post CSR letter October 2010**

Nobel House  
17 Smith Square  
London SW1P 3JR

Telephone 08459 335577  
Email [helpline@defra.gsi.gov.uk](mailto:helpline@defra.gsi.gov.uk)  
Website [www.defra.gov.uk](http://www.defra.gov.uk)



Mr Richard Flinton  
Chief Executive  
North Yorkshire County Council  
County Hall  
Northallerton  
DL7 8AH

20 October 2010

From Lord Henley  
Parliamentary Under Secretary

A handwritten signature in black ink, appearing to read "Lord Henley". The signature is written in a cursive, flowing style.

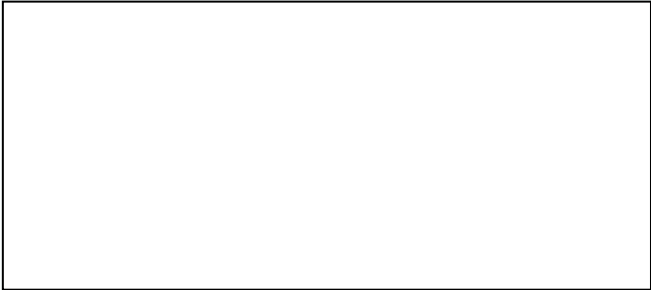
**NORTH YORKSHIRE AND CITY OF YORK RESIDUAL WASTE PFI PROJECT**

As part of the Spending Review process Defra has reviewed the amount of PFI grant that central government needs to put into local government funded waste treatment infrastructure

We have concluded that we must withdraw the provisional allocation of PFI credits from some projects, on the basis that, on reasonable assumptions these projects will no longer be needed in order to meet the 2020 landfill diversion targets set by the European Union.

I am pleased to be able to confirm that your project is one of 11 that continues to retain its provisional allocation of PFI credits. The financial support will also continue to be supplemented by Transactor and Commercial Team support from our Waste Infrastructure Delivery Programme (WIDP).

Please contact my office should you like to discuss this matter in person with me or my officials.



**LORD HENLEY**

cc: Ian Fielding Project Director



**NORTH YORKSHIRE COUNTY COUNCIL and the  
CITY OF YORK COUNCIL  
Waste Treatment Contract  
OJEU Notice Ref 208874-2007  
Evaluation Approach**

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### 1. APPROACH TO EVALUATION

The Council intends to use the evaluation process both as an opportunity to evaluate and establish the suitability of Participants' proposals and an opportunity for Participants to provide the necessary level of information to allow a sufficient understanding of their proposed waste treatment solutions. The Council is acting as the lead authority in the procurement process on behalf of itself and the City Council. To this end the evaluation process is aimed at providing participants with a framework to explain and justify to the Council in an objective manner why their proposal is both the most practical and deliverable solution that also represents value for money.

The evaluation criteria are based around and aligned to the Council's key needs as described below:

- the extent to which solutions offered will meet the Council's requirements not only at commencement but also throughout the Service Period;
- whether or not the Participants' technical proposals will be capable of meeting the requirements in the Output Specification relating to the provision of the Services;
- whether the proposal is deliverable both in terms of technical performance and financial;
- the flexibility of Participants' proposals to accommodate future changes in requirements;
- how sustainable is the solution offered;
- whether or not the Participants' proposals offer best value and value for money solutions;
- the extent to which the Participants' submission complies with the terms in the Draft Project Agreement;
- whether the Participant demonstrates an understanding of the Waste Partnership including the variety of activities, personnel, procedures and priorities;
- whether the Participant has demonstrated a clear commitment to work within a partnering arrangement to deliver the Services required and the extent to which they have the ability to manage the various interfaces with the Council and third parties in an effective and efficient manner;
- the risk to achieving closure of the contract.

### 2. THE EVALUATION PROCESS

The Waste Treatment Contract shall be awarded to the Participant that proposes the most economically advantageous solution for the Council. This may not necessarily be the Participant that proposes a solution which offers the lowest cost.



## Appendix 5

A key element of the evaluation process will be to determine whether the submissions achieve the objectives as set out in the documentation. The evaluation process will take into account the information provided by Participants in their submission documentation and responses provided to the Council in regards to any subsequent clarification process.

Each submission will undergo a two stage review, comprising:

- A Preliminary Check
- A Detailed Evaluation against a Core Criteria Matrix

These stages are described in detail below.

### 3. PRELIMINARY CHECKING

On receipt of the submissions, a preliminary review will be carried out to establish completeness and compliance with the submission requirements and to identify significant points of clarification and qualifications. In addition Participants will be asked for confirmation that their circumstances, including financial standing, have not changed materially since the ISDS stage.

Where submissions are not substantially complete or where inconsistent information is presented, one of the following courses of action, which are not necessarily mutually exclusive, will be taken:-

- Information presented will be analysed and, where necessary, specific clarification sought from the Participant;
- The submission may be rejected at this stage of the evaluation.

### 4. DETAILED EVALUATION

The evaluation of submissions received will be focused in three parts:

**Table 1: Core Evaluation Criteria**

Core Criteria	Relative Weighting
Technical, sustainability and added value	60%
Financial and Commercial	40%
Legal and Contractual	Pass/Fail

Each submission will undergo an initial evaluation against the core criteria listed above. The score assigned to each aspect of evaluation, apart from Legal and Contractual which is based solely on a Pass/Fail approach, will be subject to a weighting in accordance with its relative importance at that stage of the procurement to provide the overall evaluation score and the relative ranking of the Participant's submission against the other Participants.

## Appendix 5

There will then be a presentation/interview with each Participant and following the presentations/interviews the initial evaluation scores will be reviewed and if appropriate re-evaluated as a consequence of the presentation/interview.

On the interview day, Participants are asked to present as follows:

**Table 2: Format**

Format	Time allocated
Brief introduction including if appropriate consortium structure and any key supply chain members. A summary of the key aspects of their written responses to the submission requirements to support why the County Council should select their solution.	90 minutes
Questions from the Evaluation Panel	90 minutes

It is envisaged that the Evaluation Panel's questions will be a mixture of standard questions asked of both Participants and specific questions relating to individual Participants' submissions. Neither open debate nor Participant questions will be allowed.

Participants may be asked to confirm issues raised at the interview day subsequently as an aspect of clarification.

Participants should note that the Council reserves the right to reject any proposed solution, regardless of the overall score of the Participant, if the Participant's submission in any given category fails to reach a minimum score of 25%.

Apart from where described differently the submissions will be rated against the following scoring matrix for each criterion.

Score	Acceptability	Participant response demonstrates
<b>0</b>	Unacceptable	The information is either omitted or fundamentally unacceptable to the Council.
<b>1-2</b>	Poor	The information submitted has insufficient evidence that the specified requirements can be met and/or does not demonstrate acceptable level of experience and ability.
<b>3-4</b>	Fair	The information submitted has some minor omissions against the specified requirements and/or demonstrates only limited level of experience and ability.
<b>5-6</b>	Satisfactory	The information submitted meets the Council's requirements and/or demonstrates an adequate level of experience and ability.
<b>7-8</b>	Very good	The information submitted provides good evidence that the specified requirements can be met and demonstrates a good level of experience and ability.
<b>9-10</b>	Outstanding	The information submitted provides strong evidence of best of sector capability to deliver the specified requirements.

## 5. CORE CRITERIA FOR TECHNICAL, SUSTAINABILITY AND ADDED VALUE (60% OF OVERALL SCORE)

The weightings for Technical, Sustainability and Added Value evaluation sub-criteria are summarised in the table below.

**Table 5: Core Criteria for Technical, Sustainability and Added Value**

Aspect		Relative Weighting
Compliance with the Output Specification		20%
Does the proposed solution comply with the requirements of Service Outputs 2-7	50%	
Will performance against defined targets be achieved	20%	
Does the proposed solution support the Council's waste strategy aims	15%	
Is there a proven commercial track record of proposed approach/solution	15%	
Deliverability of Solution		20%
Has an adequate Service Delivery Plan and programme (Service Output 1) been included and can this be achieved	30%	
Has the overall level of risk of delivery of the proposed solution been evaluated and have adequate contingency plans been developed	20%	
What is the position with land ownership and the likely timetable for site availability	15%	
What are the site-specific/planning issues, does the proposed approach adequately manage to reduce any risk to ensure planning success	15%	
Level of adequacy of the approach to regulatory issues	10%	
Has sufficient evidence been provided that the Participant has adequate overall capacity and resources available to achieve Contract Award and Financial Close by the due dates	10%	
Adaptability of Solution		15%
Has the proposed solution assessed the potential effect of changes in waste or future legislation	20%	

## Appendix 5

Adaptability of solution to changes in legislation and economic conditions over the life of the contract	40%	
Flexibility of solution to changes in waste tonnage and composition	40%	
Level of Participant's reliance on third parties for performance achievement, e.g. end markets/outlets		5%
Does the proposal require securing markets and outlets	40%	
Are these markets available and proven	60%	
Any impacts on existing services/systems/WCAs and level of mitigation proposed		10%
Has the interface between the collection and treatment systems been assessed	20%	
Level of compatibility of proposed solution to other existing or proposed contracts under the Procurement Programme	15%	
Suitability of the access to facilities eg location, times, ease of use	15%	
Acceptability to any changes necessitated to existing WCA collection systems over the contract duration	20%	
Suitability of mechanisms for monitoring, responding to and mitigating any adverse impacts on existing services and collections systems	15%	
Appropriateness of the mechanisms proposed for data recording and information transfer to the Council	15%	
Extent of Integration and Partnering with Waste Partnership and approach to interface management, at contract, Authority and end user levels		5%
Appropriateness of proposals for partnership working with the Council, WCAs and other stakeholders and waste producers	50%	
How are common goals and objectives to be met	25%	
How flexible is the proposed approach to improving efficiency, value for money and options for 'gain share'	25%	
Sustainability		20%

## Appendix 5

Evidence of assessment of environmental impacts undertaken in developing the solution	10%	
Level of potential local, environment, biodiversity and social impacts from the solution proposed and how are these to be mitigated. <ul style="list-style-type: none"> <li>• Local impacts including landtake, local amenity impacts, ecological and health (20%)</li> <li>• Regional/global impacts as assessed by use of WRATE (50%)</li> </ul>	70%	
Proposals for continuous environmental improvements to service provision	10%	
To what extent does the proposal align with the UK's developing environmental policy eg 'green' policies, environmental management systems etc.	10%	
<b>Social</b>		<b>5%</b>
To what extent are community and local social/economic benefits demonstrated by the proposed solution	33%	
To what extent does the proposal intend to manage and reduce any impacts on the well being (respect for) local community	33%	
Adequacy of the approach to community relationship and local community engagement with the proposed solution	33%	

## 6. CORE CRITERIA FOR FINANCIAL AND COMMERCIAL (40% OF OVERALL SCORE)

This section sets out the methodology to be utilised by the Council in the evaluation of the financial and commercial aspects of the submissions. Together these criteria represent 40% of the overall score awarded.

The financial and commercial evaluation in relation to submissions will consist of three elements. These are shown in the table below together with their respective weighting for this ISFT stage.

**Table 6: Financial and Commercial evaluation core criteria**

Evaluation Criteria	Weighting out of 40%	Weighting out of 100%
Financial Robustness of the Submission	12%	30%
Economic Cost / Affordability of the Submission	18%	45%
Commercial	10%	25%
Total	40%	100%

## 7. FINANCIAL ROBUSTNESS OF THE SUBMISSION (12%)

This will consider the robustness of Participant's response and will assist the Council in assessing whether solutions can be delivered within the Council's threshold of affordability and associated economic cost. The specific criteria to be assessed are as follows:

**Table 7: Financial Robustness of the Submission Level 2 criteria**

Criteria		Relative Weighting out of 100%
Level 1	Financial Robustness of the submission	30%
Level 2	Are the assumptions used to determine the indicative gate fee and capital and operating costs reasonable and robust? This will take into account such matters as the reasonableness and robustness of commercial arrangements and gate fee underpinning any merchant facility, as well as the Participants ability to reconcile any change in the indicative gate fee from that bid at ISDS.	50%
	To what extent is third party income, including the sale of recyclables and power/heat offtake arrangements guaranteed?	25%
	Sensitivity analysis will be undertaken to ascertain the likely range of costs to the Council associated with each Solution (i.e. how sensitive the bid price is) for the purposes of the evaluation. This will include, without limitation, an evaluation of estimated	25%

	<p>variability of income from off-take contracts, and an estimated range of additional costs which might be incurred by the Council in relation to land filling of process residues and the extent to which amendments to the Output Specification or Project Agreement are required to meet the Council's affordability envelope</p>		
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A score out of 10 will be awarded to each of the level 2 criteria which will then be expressed as a percentage score for each of the above criteria using the scoring mechanism set out in Table 8 below:

**Table 8: Financial Robustness of the Submission scoring mechanism**

Range of Score out of 10	Term	Explanation
0 – 2.5	Poor	Information is omitted or fundamentally unacceptable to the Council
2.5 – 5	Fair	Information has some minor omissions or provides limited information or evidence to support an assessment of the Affordability and Economic Cost of the Solution
5 – 7.5	Satisfactory	Participant provides sufficient information or evidence to support an assessment of the Affordability and Economic Cost of the Solution
7.5 – 10	Good	Participant provides strong evidence and information to support assessment of the Affordability and Economic Cost of the Solution

**8. ECONOMIC COST / AFFORDABILITY OF THE SUBMISSION (18%)**

This will consider whether Participant's solutions can be delivered within the Council's threshold of affordability and associated economic cost. The specific criteria to be assessed are as follows:

**Table 9: Economic Cost / Affordability of the Submission Level 2 criteria**

Criteria		Relative Weighting out of 100%	
Level 1	Economic Cost / Affordability of the submission	45%	
Level 2	Comparison of the Net Present Cost (NPC) of each bid* with the NPC of other bids. The NPC of each bid will be scored relative to its deviation from the mean NPC of all other Participants' bids	66.7%	
	Comparison of the NPC of each bid* with the NPC of the Council's affordability envelope. The NPC of each bid will be scored relative to its deviation from the affordability envelope	33.3%	

\* The NPC of the bid may be adjusted for other factors which will impact the overall cost to the Council, for example; haulage costs, changes in collection costs, land/site costs, and any other costs where an additional financial burden is likely to fall upon the Council as a result of the Participants solution.

**9. COMMERCIAL (10%)**

The commercial element of the evaluation criteria is split into three criteria:

**Table 10: Commercial evaluation criteria**

Commercial Evaluation Criteria	Weighting out of 100%	Weighting out of 10%
Deliverability of Funding Package	6.25%	2.5%
Extent of guarantees and robustness of contracting structure	6.25%	2.5%
Payment Mechanism principles	12.5%	5%
Total	25%	10%

The specific criteria to be assessed are as follows:



**10. DELIVERABILITY OF FUNDING PACKAGE (2.5%)**

Due consideration will be given to the robustness of the participant's funding proposals and where applicable, the nature of supporting parent company guarantees in relation to funding as follows:

**Table 11: Deliverability of Funding Package Level 2 criteria**

<b>Commercial Criteria Level 1</b>			<b>Relative Weighting out of 100%</b>
Level 2	Deliverability of Funding Package		6.25%
Level 3	Assessment of the funding structure, including gearing levels and where a regional or merchant facility is proposed, how such facilities will be funded	30%	
	Where a corporately funded solution is proposed, the extent to which a parent company guarantee is available in relation to funding	30%	
	Evidence of the ability of the bidder to raise funding including funding history of the technology	30%	
	Timing of due diligence to be undertaken (Highest marks will be given to those Participants where due diligence has been completed or is substantially underway)	10%	

A score out of 5 will be awarded to each of the level 2 criteria which will then be expressed as a percentage score for each of the above criteria using the scoring mechanism set out in Table 12 below:

**Table 12: Deliverability of Funding Package scoring mechanism**

<b>Score</b>	<b>Deliverability of Funding Package</b>
1	Minimal or no support for funding proposals identified
2	Issues identified in relation to the funding proposals that are considered to place the deliverability of funding at significant risk
3	Issues identified in relation to the funding proposals that are considered to place the overall deliverability of funding at risk, but are considered unlikely
4	Issues identified in relation to the funding proposals that are considered to place a small portion of funding at risk, but are considered unlikely to impact on the deliverability of funding overall
5	No significant issues identified in relation to the deliverability of funding

**11. EXTENT OF GUARANTEES AND ROBUSTNESS OF CONTRACTING STRUCTURE (2.5%)**

Due consideration will be given to the robustness of the participant’s proposed contracting structure and where applicable, sub-contracting structure and the nature of supporting parent company or performance guarantees as follows:

**Table 13: Extent of guarantees and robustness of contracting structure Level 2 criteria**

Commercial Criteria Level 1		Relative Weighting out of 100%	
Level 2	Extent of guarantees and robustness of contracting structure		6.25%
Level 3	Evidence from proposed equity and or external funder confirming support for solution and technology, including performance risk	30%	
	Evidence of performance guarantees from sponsors where funders unwilling to take performance risk and where a regional or merchant facility is proposed, details of sub-contracts and performance guarantees offered	40%	
	Robustness of contracting structure, including role of consortium members and shareholdings and role and terms of subcontracting arrangements (including any market testing/benchmarking proposals)	30%	

A score out of 5 will be awarded to each of the level 2 criteria which will then be expressed as a percentage score for each of the above criteria using the scoring mechanism set out in Table 14 below:

**Table 14: Extent of guarantees and robustness of contracting structure**

Score	Extent of guarantees and the robustness of contracting structure
1	Problems or risks identified with the contracting structure of the bidder that they are considered unlikely to be capable of implementing the project
2	Problems or risks identified with the contracting structure of the bidder; considered to have the possibility of significantly impacting on the ability of the bidder to implement the project
3	Few problems or risks identified with the contracting structure of the bidder; considered unlikely to impact on the ability of the bidder to implement the project
4	Minor problems or risks only identified with the contracting structure of the bidder; considered highly unlikely to impact on the ability of the bidder to implement the project
5	No problems or risks identified with the contracting structure of the bidder

**12. PAYMENT MECHANISM PRINCIPLES (5%)**

This criterion will consider the Participant’s acceptance of the Council’s Payment Mechanism principles document as follows:

**Table 15: Payment Mechanism principles Level 2 criteria**

Commercial Criteria Level 1			Relative Weighting out of 100%
Level 2	Payment Mechanism principles		12.5%
Level 3	Acceptance of the Council’s Payment Mechanism Principles document, or if applicable, commentary or amendments to the extent to which such commentary or proposals are shown to demonstrate better VFM for the Council or expose the Council to greater risk	60%	
	Participants proposals for risk acceptance with regards to BMW diversion	40%	
	Acceptance of OGC guidance on refinancing	Pass/Fail	

A score out of 5 will be awarded to each of the level 2 criteria which will then be expressed as a percentage score for each of the above criteria using the scoring mechanism set out in Table 16 below:

**Table 16: Payment Mechanism principles scoring mechanism**

Range of Score	Payment Mechanism Principles
7.5 – 10	Participant either fully accepts the Payment Mechanism Principles (to the extent they are applicable to their proposed Solution) or, where amendments are proposed, those amendments are considered acceptable to the Council (e.g. on VFM grounds)
5 – 7.5	Participant clearly accepts the Payment Mechanism Principles (to the extent they are applicable to their proposed Solution) but proposes a number of amendments, the majority of which are considered acceptable to the Council (e.g. on VFM grounds) and the remainder are considered surmountable and therefore expose the Council to some but not significant risk
2.5 – 5	Participant accepts the Payment Mechanism Principles (to the extent they are applicable to their proposed Solution) but proposes a number of amendments, which either are unacceptable to the Council (e.g. against the core principles) or do not demonstrate VFM and may expose the Council to greater risk
0 – 2.5	Participant does not accept or does not clearly accept the payment Mechanism Principles and/or proposes a number of significant amendments which are unacceptable to the Council (e.g. on VFM or Risk grounds)

**13. CORE CRITERIA FOR LEGAL AND CONTRACTUAL (PASS/FAIL)**

Assessment of the acceptability of the legal proposals will be solely on a pass/fail basis generally against SOPC4 requirements.

Aspect	Relative Weighting
Acceptability of project terms proposed	Pass/Fail
Acceptability of risk exposure to the County Council	Pass/Fail

**Technical summary of proposals submitted at each stage of the PFI Process (Excluding financial variants)**

Invitation to Submit Outline Solutions

Outline solutions were received from 10 consortia on the 18<sup>th</sup> December 2007.

<p><b>1</b></p>	<p>Proposed solution is MBT with single line moving grate EfW but includes pre-treatment of some incoming organic waste through Anaerobic Digestion. Front end sort of metals and plastics. Compliant bid has excess capacity for C&amp;I waste. Variant bid takes HWRC residual and restricts C&amp;I waste to minimal input to compensate, increases MBT capacity through additional operating shift. MBT capacity: 225ktpa compliant bid, 263ktpa variant bid EfW capacity: 250ktpa compliant bid, 254ktpa variant bid AD capacity: 40ktpa compliant and variant bid</p> <p><b>MSW Diversion:</b> 78% if IBA to landfill, 98% if used in aggregates. Same % given for compliant and variant bids</p> <p><b>BMW Diversion:</b> 99% compliant bid, 97% variant bid</p> <p><b>Recycling:</b> 5%. Same % given for compliant and variant bids</p>
<p><b>2</b></p>	<p>Upfront segregation of metals by overhead magnets and eddy current separation followed by input to a 400,000tpa EfW (twin stream), [225,000tpa contract waste and 175,000tpa C&amp;I waste].</p> <p><b>MSW Diversion:</b> 96%</p> <p><b>BMW Diversion:</b> 100%</p> <p><b>Recycling:</b> ~4-6% (dependent on the quantity of metals within the residual waste)</p> <p><b>Residues:</b> IBA, FGTR</p> <p><b>Recyclables:</b> Metals</p>
<p><b>3</b></p>	<p>MBT (270,000tpa) to segregate BMW into Anaerobic Digestion plant (65,000tpa) for energy recovery. Non-BMW waste to undergo recovery of metals and plastics for recycling. Remaining material to EfW plant (218,000tpa) for energy recovery. Solution able to deal with 225,000 contract waste, HWRC residual waste and 40,000tpa C&amp;I waste.</p> <p><b>MSW Diversion:</b> 91%</p> <p><b>BMW Diversion:</b> 97%</p> <p><b>Recycling:</b> 5.1%</p> <p><b>Residues:</b> IBA (~54,000tpa), FGTR (~8,000tpa)</p> <p><b>Recyclables:</b> Metals + plastics (~11500tpa)</p>
<p><b>4</b></p>	<p>Combination of MBT and incineration technologies. The MBT facility incorporates <b>[proprietary name with held]</b> process with a capacity of 225,000tpa of contract waste. It includes the initial separation of recyclables. Percolation and digestion provide the biological component the MBT. An AD component produces a biogas for electricity generation and heat is also recovered. These elements are followed by dewatering and biodrying processes from which a Solid Recovered Fuel (SRF) is produced. The SRF is to be sent to the on-site Recovered Fuel Power Facility (RFPF) for combustion. The RFPF has a capacity of 145,000tpa and includes bubbling fluidised bed technology and the generation of electricity for export</p>

## Appendix 6

	to the grid.
	<b>Landfill Diversion:</b> 90%
	<b>BMW Diversion:</b> 94%
	<b>Recycling:</b> 11.5%
<b>5</b>	<p>Proposed solution is for MBT facilities (with front end sorting of recyclates) at two sites, producing SRF for gasification - also at one of the sites. In addition <b>[proprietary name with held]</b> propose use of a merchant autoclave facility at <b>[proprietary name with held]</b>.</p> <p>MBT capacity 210ktpa ( 140ktpa facility plus a 70ktpa facility)  Gasification capacity 125ktpa  Autoclave capacity 40ktpa</p>
	<b>MSW Diversion:</b> 82%
	<b>BMW Diversion:</b> 91%
	<b>Recycling:</b> 9%
	<p>Proposed solution is as for standard bid plus a HWRC residual waste treatment facility providing additional feedstock to MBT.  Capacities are as for the standard bid plus 40ktpa HWRC treatment plant capacity</p>
	<b>MSW Diversion:</b> 75%
	<b>BMW Diversion:</b> 92%
	<b>Recycling:</b> 12%
<b>6</b>	<p>Development of two sites:</p> <ul style="list-style-type: none"> <li>• a recycling plant with the capacity of 220,000tpa; and</li> <li>• further development of an existing EfW site, out of County with new EfW capacity (256,00tpa).</li> </ul> <p>The majority of residual household waste from the WCAs will be transported, via WTSs, to the recycling plant where various mechanical processes will be used to separate recyclables from the residual waste stream.  The RDF to be transported via a rail network 70miles to the EfW facility.</p>
	<b>MSW Diversion:</b> 95%
	<b>BMW Diversion:</b> 100%
	<b>Recycling:</b> 9%
<b>7</b>	<p>Proposed a combination of autoclave, MRF and incineration technologies.  The proposed autoclave facility will have a capacity of 260,000tpa, across four autoclave units.  Recyclables will be removed after the autoclave process and the <b>[proprietary name with held]</b> product will then be sent for combustion at the on-site 114,000tpa CHP facility. The high pressure steam produced in the CHP facility will be re-circulated into the autoclave and associated processes.</p>
	<b>MSW Diversion:</b> 71%
	<b>BMW Diversion:</b> 81%
	<b>Recycling:</b> 27%
<b>8</b>	<p>65k tpa MTB – <b>[proprietary name with held]</b> process – biodrying.  192k tpa of <b>proprietary name with held]</b> gasification plant. Modular, 4 plant @ 48k tpa.</p>

## Appendix 6

	65k tpa first delivered to MBT, biodried then sent to gasification where it is mixed with other MSW.
	<b>MSW Diversion:</b> 77.5% - 84%
	<b>BMW Diversion:</b> 98%
	<b>Recycling:</b> 5.3 – 9%
	<b>Residues:</b> IBA, FGTR.
	<b>Recyclables:</b> Metals 4%, Bulky & plastics 1.1% (RDF from MBT to gasification)
<b>9</b>	Compliant Bid: 225,000tpa EfW plant to take only contract waste. No upfront recycling. Variant Bid: 300,000tpa EfW plant to take contract waste and 75,000tpa C&I waste. No upfront recycling.
	<b>MSW Diversion:</b> 96%
	<b>BMW Diversion:</b> 97.8%
	<b>Recycling:</b> 0%
<b>10</b>	EfW plant of 240,900 tpa capacity. Supplier yet to be chosen from 3 [proprietary name with held]. Technology likely to be moving grate, multiple line with sufficient spare capacity to cover HHWRC waste. No up-front processing. Metals recycled from ash if ash not recycled.
	<b>MSW Diversion:</b> 89% (NB this relies on ash recycling)
	<b>BMW Diversion:</b> 89%
	<b>Recycling:</b> >20% if ash recycled, if not recycled metals recycling will be <5%

### Invitation to Submit Detailed Solutions

Detailed solutions were received from four short listed consortia on the 30<sup>th</sup> May 2008.

<b>1</b>	Proposed solution is MBT with twin line moving grate EfW but includes pre-treatment of some incoming organic waste through Anaerobic Digester. Front end sort of metals and plastics. MBT capacity: MT is 275ktpa (operating normal shift patterns). AD capacity is 40ktpa EfW capacity: 310ktpa
	<b>MSW Diversion:</b> 79% (guaranteed)
	<b>BMW Diversion:</b> 95% (guaranteed)
<b>2</b>	400 ktpa EfW (twin stream), to take circa 273-305 ktpa contract waste and remaining capacity filled by C&I waste. Will include shredder/breaker for elements of HWRC waste stream. Variant includes upfront segregation of metals (and glass in waste flow model) by overhead magnets and eddy current separation.
	<b>MSW Diversion:</b> 90% (reported as 'typical')
	<b>BMW Diversion:</b> 94% (reported as 'typical')
	<b>Recycling:</b> No 'NPI' recycling in base bid. Variant Bid offers to exceed 5% recycling however waste flow modelling based on wrong composition and preliminary analysis suggest 5% will not be achieved.



## Appendix 6

<b>3</b>	Overall 325,000 tpa plant capacity. MBT (260ktpa) to segregate organic rich (high in BMW) fraction of kerbside Contract Waste into AD plant (69ktpa) for energy recovery. Combustible rich fraction to undergo recovery of metals for recycling. ~45ktpa Shredded HWRC residual waste and ~188ktpa Mechanical Treatment residues plus 20ktpa dried AD digestate to go into single line EfW plant (260,000tpa) for energy recovery. Commercial waste input to EfW ranges from 30ktpa – 52ktpa depending on how much Contract Waste there is sent to the plant.
	MSW Diversion: 85%
	BMW Diversion: 92%
	Recycling: 3.1% based on metals recovery from kerbside collected material only.
<b>4</b>	311ktpa EfW (calculated at 89% availability), two lines – no up-front recycling. 3 <sup>rd</sup> party capacity as required to ensure the plant inputs are to the plant capacity.
	MSW Diversion: ~95% (guaranteed)
	BMW Diversion: ~95% (guaranteed)
	Recycling: 0% (potential to recover metals from IBA both at the facility and through additional reprocessing)

### Call for Final Tender

The final two consortia submitted final tenders on the 2<sup>nd</sup> October 2009.

Company Consortium /	1
Description of Solution / Capacities (inc merchant/spare capacity)	Proposed solution is MBT with twin line moving grate EfW but includes separation of the organic fraction of the residual kerbside waste through AD <b>[proprietary name with held]</b> process. Front end sort of metals, plastics and paper. MBT capacity: maximum design capacity is 408 ktpa., though typically will process 264 ktpa in 2 shifts. AD capacity is 40 ktpa EfW capacity: maximum design capacity is 310 ktpa (during typical operation (2014/15) based on NCV of 9.0 MJ/kg, dropping to 294 ktpa (2037/38)). Spare EfW capacity to be used for C&I waste.
Performance	MSW Diversion: 90% (guaranteed) BMW Diversion: 95% (guaranteed) Recycling: 5% (guaranteed) based on kerbside collected material only.
Sites/Locations	Allerton Park for whole process

Company Consortium /	2
Description of Solution /	Overall 325,000 tpa plant capacity. MBT (260ktpa) to segregate organic rich (high in BMW) fraction of kerbside Contract Waste

## Appendix 6

Capacities (inc merchant/spare capacity)	into AD plant (69ktpa) for energy recovery. Combustible rich fraction to undergo recovery of metals for recycling. 45ktpa Shredded HWRC residual waste and 140ktpa to 170ktpa Mechanical Treatment residues plus 20ktpa dried AD digestate to go into single line EfW plant (260,000tpa) for energy recovery. Commercial waste input to EfW ranges from 34ktpa – 81ktpa depending on how much Contract Waste there is sent to the plant.
Performance	MSW Diversion: 84% (guaranteed)
	BMW Diversion: 92% (guaranteed)
	Recycling: 2.7% (guaranteed) based on metals recovery from kerbside collected material only.
Sites/Locations	Allerton Park

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**Defra FBC approval letter including WIDP Commercial Close Conditions**

6E Ergon House  
Horseferry Road  
London SW1P 2AL



**Telephone:** 0845 77 77 88  
**Web:** www.defra.gov.uk

Richard Flinton  
Chief Executive and Project SRO  
North Yorkshire County Council  
County Hall  
Northallerton  
North Yorkshire DL7 8AH

**Your ref:**  
**Our ref:** North Yorkshire/PFI  
**Date:** 22 June 2010

Dear Richard

**North Yorkshire and City of York Waste PFI: Evaluation of Pre-Preferred Bidder Final Business Case (Pre-PB FBC)**

Thank you for the recent submission of the Pre-PB FBC for the above project, which was received by WIDP on 22 April 2010.

Having scrutinised your submission I am pleased to confirm that the Executive WIDP Team (EWT) have agreed that the project continues to comply with the relevant PFI criteria and the current award of £65m of PFI credits for the project will continue to apply. We are therefore content for the authorities to proceed in appointing the preferred bidder, as identified within the Pre-PB FBC.

In granting this approval, the EWT note that the Council's have decided not to proceed to financial close until planning permission has been secured for the proposed residual waste treatment infrastructure. WIDP must therefore highlight that the allocation of credits may be at risk and that costs to the Council's may increase due to finalising costs at a later stage than other projects that reach financial close prior to securing planning permission.

All terms and eligibility for grant are set out in the endorsement letter of 11 September 2008. Furthermore, approval is also granted subject to the following specific conditions arising from our evaluation:

- The resolution of the issues listed in Appendix A of this letter prior to Commercial Close.

Also, please note that the ESA95 review, which assessed the project to be off budget for Defra, will be subject to a satisfactory budget assessment and sign-off by Defra Finance prior to financial close.



## Appendix 7

The credit award is also subject to the submission of a satisfactory Final Business Case (FBC) prior to Financial Close and I understand that the authority is presently working towards financially closing the contract in November 2011. Please keep WIDP informed of any potential significant slippage in this date. Please refer to our guidance on the FBC process for advice on completing the FBC:

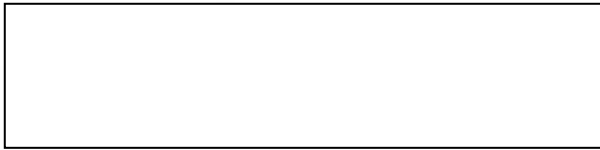
<http://www.defra.gov.uk/environment/waste/localauth/funding/pfi/guidance.htm>

You will require prior approval if, between now and contract signature, different terms are negotiated which affect either the nature of the project or the potential amount of PFI credits, or those terms differ from the relevant PFI standardisation documents. Any departure from these terms could affect the authority's entitlement to PFI credits, and will in any case risk delay to the project if PRG decides to have the proposed departures reviewed. Should we wish to support the revised project we would issue a further letter.

Please note that, in particular and without prejudice to the generality of the foregoing, the PFI credit allocation will be reviewed if, by the original anticipated Planning Longstop Date, a Satisfactory Planning Permission has not been achieved for the reference site as referred to in your FBC. The Authority will be required to submit all documentation, specified at the time by WIDP, in order for WIDP to complete the review. A possible outcome of the review may be that the allocation of credits is withdrawn.

Finally we encourage the publication of the Pre-PB FBC on your website at the earliest opportunity, albeit with any commercially sensitive information redacted.

Yours sincerely



John Burns  
Programme Director  
WIDP

**Direct line:** 020 7238 4310  
**Email:** [john.f.burns@defra.gsi.gov.uk](mailto:john.f.burns@defra.gsi.gov.uk)  
**Web:** [www.defra.gov.uk](http://www.defra.gov.uk)

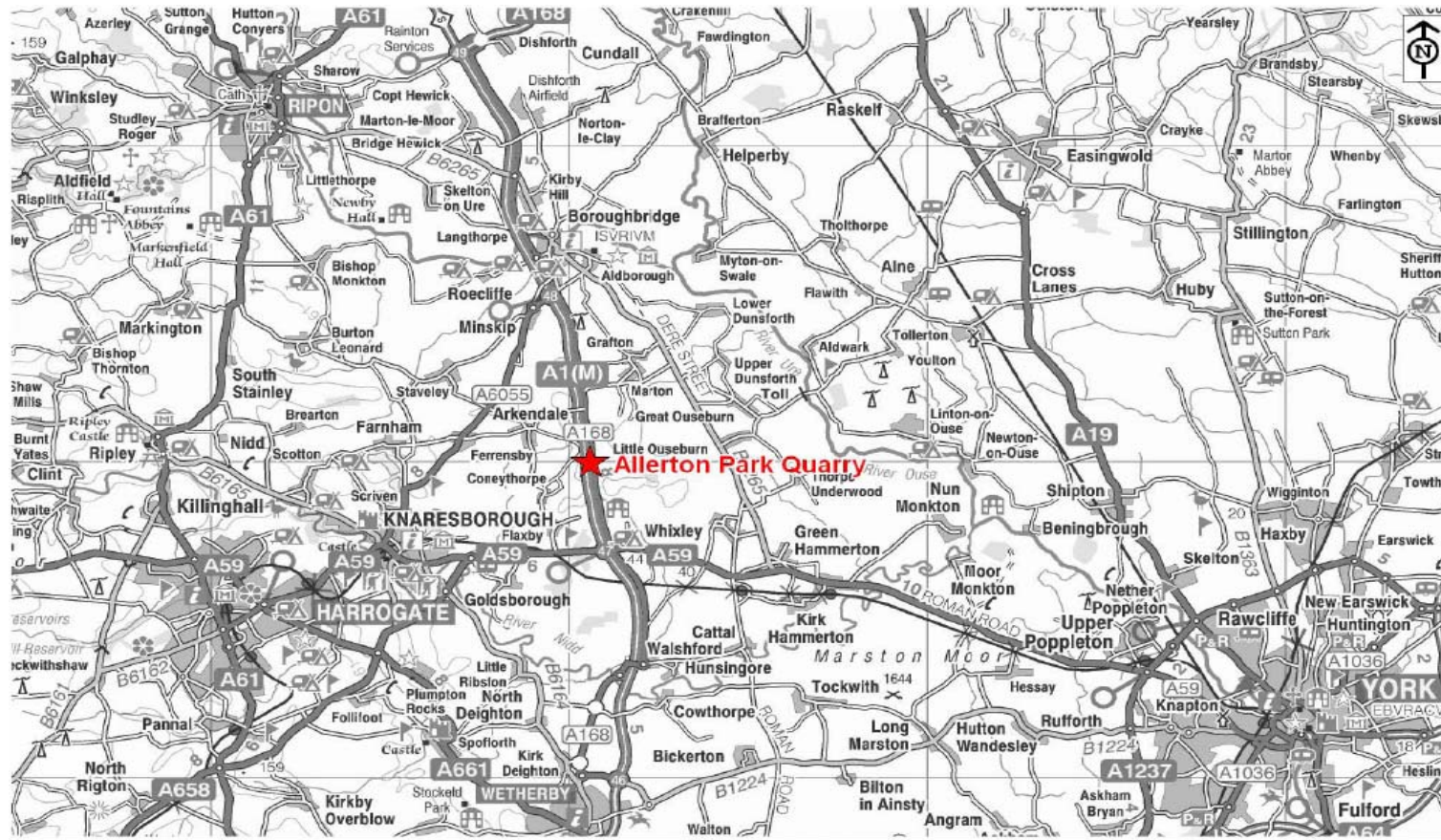
Cc: Ian Fielding - Project Director  
Daryl Hill - WIDP Project Transactor  
Amar Qureshi – Head of WIDP Commercial and Team and Contracts  
John Enright – Head of WIDP Project Development and Scrutiny

### Appendix A: Issues to be resolved prior to Commercial Close

- i. The Council's need to demonstrate to WIDP the appropriateness of potential funders Due Diligence at Commercial Close to provide assurance that new issues will not be raised between Commercial and Financial Close or if new issues are raised that they are managed appropriately so as to ensure Financial Close is achieved on obtaining Satisfactory Planning Permission or as soon as practicable thereafter.
- ii. WIDP will need to see a final version of the back-to-back sub contract between North Yorkshire County Council and City of York Council.
- iii. The Council's will need to demonstrate that the Council's liability, if any, in the scenario of failure to achieve Financial Close as a result of the project being unaffordable when Satisfactory Planning Permission has been achieved is documented appropriately. If the Council's are liable for costs under this scenario the Council's will need to demonstrate that budget has been allocated to pay such costs.
- iv. WIDP will need to understand what the Council's believe constitutes unaffordability for the project at Financial Close and how this will be reflected at Commercial Close and how the Council's, working with the Contractor, will manage the process of ensuring the project remains affordable between Commercial and Financial Close.
- v. The Council's will need to demonstrate that they have established an appropriate mechanism for managing the scenario were the Contractor fails to achieve a Satisfactory Planning Permission that results in Financial Close not being realised.
- vi. The Council's will need to demonstrate that Third Party Income compensation if Contract Waste is below GMT is appropriately set.
- vii. The Council's will need to demonstrate that the Capital Cost increase mechanism and the Longstop dates are appropriately set to ensure that the Council's have established a robust mechanism for ensuring the project remains deliverable in the event of delay on the delivery of a Satisfactory Planning Permission.
- viii. The Council's will need to demonstrate that they have appropriately incentivised the Contractor to complete the construction of the facility in accordance with the build timetable and that the Council's are not adversely affected by any delay.
- ix. The Council's will need to demonstrate that the financial Base Case that will be used for the purposes of the Project Agreement following Financial Close is appropriately set and that the mechanism for changing the model between Commercial Close and Financial Close is clearly documented.
- x. The Council's will need to demonstrate that they have agreed with the Contractor an appropriate level of senior debt funding coverage at Commercial Close that provides satisfaction that the project will be in a position to achieve Financial Close once a Satisfactory Planning Permission has been achieved. The Council's will also need to demonstrate that equity provision is also guaranteed to facilitate a timely Financial Close.
- xi. The Council's will need to demonstrate that the Project Agreement accurately documents the process for managing a split Commercial Close and Financial Close.

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Location plan of the proposed site



North Yorkshire County Council  
Waste Management

North Yorkshire  
County Council  
100017348 2010

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Aerial Photograph of the proposed site



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York and North Yorkshire Waste Partnership

Ref	Risk Heading	Definition	Contract Element
<b>1. PLANNING RISKS</b>			
1.1	Cost estimates for obtaining planning approvals	(a) Estimated cost of receiving detailed planning permission is incorrect;	Planning
1.2	Cost estimates for obtaining planning approvals	(b) Higher cost in satisfying unforeseen planning requirements (architectural enhancements)	Planning
1.3	Costs of appeal	Costs of appeal	Planning
1.4	Conduct and lodging of Planning not in accordance within the Project Plan	Lodgement not in accordance with the defined planning and construction timetable (planning submitted late) causing delay to project	Planning
1.5	Delayed planning permission	A delay in receiving planning permission may have broader cost implications for the project.	Planning
1.6	Rejection of planning application	Rejection of planning application will have knock on effect - delays, cost impact, and possible termination of contract specification deliverables	Planning

AmeyCespa		
Risk Allocation		
Public	Private	Shared
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Appendix 10(a)

1.7	Planning permission conditions	Planning permission is granted with onerous conditions attached, which will have a knock on effect - delays, cost impact	Planning
1.8	Failure by contractor to comply with conditions of planning consents	Additional costs arising out of facility suspension or failure to comply with the conditions of any planning consents	Planning

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<b>2. DESIGN RISKS</b>			
2.1	Failure to design to brief	Failure to translate the needs of the authorities, set out in the agreed Contract Specifications, into the design. Failure of design technology to provide a solution with effective integrated technology, may lead to additional design, construction or operational costs	Design
2.2	Design Development Timetable	The detail of the design should be developed within an agreed framework and timetable. A failure to do so may lead to addition design and construction costs.	Design
2.3	Failure to build to design (including life expectancy)	Misinterpretation of design or failure to build to agreed specification during construction may lead to additional design, construction	Design

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**Appendix 10(a)**

		or operational costs	
2.4	Change in project content by NYCC/CYC	The Council may require changes to the overall service specification - additional design and construction costs may be incurred.	Design
2.5	Change in design required by contractor	This is the risk that the operator will require changes to the design, leading to additional design costs.	Design
2.6	Failure of Design to meet environmental standards at contract award	Design may not comply with existing environmental standards	Design
2.7	Failure to design to incorporate flexibility	Design fails to accommodate change in terms of composition, calorific value, service input of waste	Design
2.8	Change in design required due to external influences	(a) There is a risk that the designs will need to change due to legislative or regulatory changes. (i) General	Operation
		(ii) Specific	

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**3. CONSTRUCTION AND PROPERTY RISKS**

Appendix 10(a)

3.1	Incorrect time estimate	The time taken to complete the construction phase may be different from the estimated time.	Construction
3.2	Unforeseen ground/site conditions on new sites	Unforeseen ground/site conditions (SSIs, ecological, archaeological, etc.) may lead to variations in the estimated costs or project delays or an inability to deliver	Construction
3.3	Delay in gaining access to sites not in Authorities ownership	A delay in gaining access to the sites may put back the entire project	Property
3.4	Availability of utilities/ Infrastructure etc to provide service	The non-availability of necessary utilities	Construction
3.5	Theft of/damage to equipment/materials	Use of sub-standard materials and/or theft and/or damage to equipment and materials may lead to unforeseen costs in terms of replacing damaged items, and delay.	Construction
3.6	Responsibility for maintaining site safety	The Construction, Design and Management (CDM) regulations must be complied with.	Construction
3.7	Third party claims	The risk refers to the costs associated with third party claims due to loss of amenity and ground subsidence on adjacent properties.	Construction

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Appendix 10(a)

3.8	“Compensation Events” (contractor gets time & money)	An event of this kind may delay or impede the performance of the contract construction phase and cause additional expense e.g. there is an Authority breach of obligation and therefore a change in contract influenced by the Authority or discriminatory or specific changes in law	Construction
3.9	“Relief Events” (contractor gets time but not money)	An event of this kind (outside of the Contractor's direct control) may delay or impede the performance of the contract construction phase and cause additional expense and lead to time extension. Examples include strike action, fire, explosion or shortage of power etc.	Construction
3.10	Force Majeure	In the event of Force Majeure additional costs will be incurred. Facilities may also be unavailable	Construction
3.11	Termination due to Force Majeure	There is a risk that an event of Force Majeure will mean the parties are no longer able to perform the contract	Construction
3.12	Main contractor default and sub-contractor cost for	In the case of main contractor default, additional costs may be incurred in appointing a	Construction

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**Appendix 10(a)**

	over runs	replacement, and may cause a delay	
3.13	Poor project management	There is a risk that poor project management will lead to additional costs.	Construction
3.14	Contractor/sub-contractor industrial action	Industrial action may cause the construction to be delayed, as well as incurring additional management costs	Construction
3.15	Protester action against development	Protester action against the development may incur additional costs, such as security costs	Construction
3.16	Underestimate of time and cost for commissioning new plant	Delays leading to further costs	Construction
3.17	Archaeological issues	The construction/development could be delayed by archaeological/antiquities issues	Construction
3.18	Ecological Issues	Construction/development could be delayed	Construction
3.19	Non-availability of sub-contractors	Sub-contracted work may be delayed due to availability of sub-contractors resources	Construction
3.20	Standard of sub-contracted work	Sub-contracted work may be below the required standard and need rectification	Construction

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**Appendix 10(a)**

3.21	Sub-standard materials	The materials used in the construction may not be of sufficient/adequate quality and need rectification	Construction
3.22	Delays in delivery of plan, equipment or materials	Time delays	Construction
3.23	Adverse weather	May cause delay/cost	Construction
3.24	Construction Price from Final Tender to Financial Close	The price of the construction costs and how it will impact the price payable by the Councils	Financial

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<b>4. OPERATIONAL RISKS</b>			
4.1	Latent defects in new build	Latent defects appear in the structure of the new build asset(s), which require repair	Operation
4.2	Change in specification imposed by NYCC/CYC	There is a risk that, during the operating phase of the project, the Authorities will require changes to the Contract's output specification	Operation
4.3	Performance of sub-contractors	Poor management of sub-contractors can lead to poor co-ordination, and under-performance by the contractors.	Operation
4.4	Performance of Waste Collection Authority (including CYC)	Actions of the WCA's impact on the Contract	Operation

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**Appendix 10(a)**

4.5	Interface with Waste Collection Authority and waste transfer contractor	Risk that vehicles do not deliver in accordance with Contractor's waste reception protocol	Operation
4.6	Interface with Waste Collection Authority and waste transfer contractor	Contractor doesn't act in accordance with their Waste Reception Plan	Operation
4.7	Interface with Landfill contract	Availability of landfill throughout the operational period	Operation
4.8	Interface with Landfill contract	Pricing of associated landfill	Operation
4.9	Default by contractor or sub-contractor	In the case of default by a contractor or sub-contractor, there may be a need to make alternative provision. There may also be additional costs involved in finding a replacement	Operation
4.10	"Relief Events"	An event of this kind may delay or impede the performance of the contract and cause additional expense eg strike action	Operation
4.11	Force Majeure	In the event of Force Majeure additional costs will be incurred. Facilities may also be available?	Operation

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Appendix 10(a)

4.12	Termination due to Force Majeure	There is a risk that an event of Force Majeure will mean the parties are no longer able to perform the contract	Operation
4.13	Obtaining and maintaining environmental permits etc.	There may be failure to obtain consents, many of which will require renewal on an annual basis	Operation
4.14	Sub standard plant operation	The assets may not operate as intended due to: - Sub standard maintenance - Sub standard materials - Sub standard quality of construction	Operation
4.15	Responsibility for maintaining health and safety, quality and environmental standards	Compliance with relevant health and safety, quality and environmental standards may be more than envisaged.	Operation
4.16	TUPE	(i) The cost of the transfer of the employment of staff under TUPE. This includes the cost of any legal appeals. (ii) Inaccurate information provided by the Council	Operation
4.17	TUPE - Estimated cost of restructuring the workforce providing services under the contract is incorrect	The cost of restructuring the workforce at any time during the operating phase, such as recruitment costs and redundancy payments.	Operation

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Appendix 10(a)

4.18	Public Liability	Cost of third party claim for death, injury or other loss.	Operation
4.19	Termination due to default by the Council	The risk that the Council defaults leading to contract termination and compensation for the private sector	Operation
4.20	Default by the operator leading to step-in by financiers	The risk that the operator or individual service providers default and financiers step-in leading to higher costs than agreed in the contract	Operation
4.21	Termination due to default by the operator	The risk that the operator defaults and step-in rights are exercised by financiers but that they are unsuccessful leading to contract termination	Operation
4.22	Operational, maintenance and life cycle costs	Actual operational, maintenance and life cycle costs are different to that in the base case financial model	Operation

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<b>5. DEMAND RISKS</b>			
5.1	Changes in the volume of demand for services	There is a risk that the volume of demand for waste services will change. This may occur due to demographic factors or changes in the size of the catchment area. i) below GMT	Demand
5.2		ii) between GMT and Forecast Level of Contract Waste	Demand

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**Appendix 10(a)**

5.3		iii) Above the Forecast Level of Contract Waste	Demand
5.4	Changes in general waste composition	There is a risk that the composition of waste inputs will change	Demand
5.5	Acceptance of Contract Waste	Acceptance of Contract Waste in accordance with the Contract	Demand

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<b>6. PERFORMANCE RISKS</b>			
6.1	Failure to meet performance standards	As set out in Schedule 1 Authority Requirements	Performance
6.2	Availability of service	Service is not available to accept Contract Waste	Performance
6.3	Contract Targets	a) Recycling Target as set out in Schedule 1 Authority Requirements	Performance
		b) Municipal Solid Waste Diversion as set out in Schedule 1 Authority Requirements	Performance
		c) Biodegradable Municipal Waste Diversion as set out in Schedule 1 Authority Requirements	Performance

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<b>7. TAXATION RISKS</b>			
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**Appendix 10(a)**

7.1	Changes in Corporate taxation	Changes in Corporate taxation may affect the cost of the project	Taxation
7.2	Changes in the rate of VAT	Changes in the rate of VAT may increase the costs of the project.	Taxation
7.3	Other changes in VAT	Changes in VAT legislation other than changes in the rate of VAT payable	Taxation
7.4	Landfill Tax	Changes in the prevailing <b>rate</b> of Landfill Tax in relation to the Authority's payment of the Service Provider's landfill costs up to the guaranteed level of diversion	Taxation
7.5	Landfill Tax	Changes in the prevailing <b>rate</b> of Landfill Tax where the Service Provider does not meet the guaranteed level of Municipal Solid Waste diversion as set out in Schedule 1 Authority Requirements	Taxation
7.6	Tradeable Permits ("The WET Act")	Changes in the basis of Tradable Permits	Taxation

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<b>8. FINANCIAL RISKS</b>			
8.1	Income from processing Non Contract Waste	i) Income from the processing Non Contract Waste could be less than that in the Service Provider's Base Case	Financial

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Appendix 10(a)

		Financial Model	
8.2	Income from sale of Recyclates	i) Income from sale of recyclates could be less than that in the Service Provider's Base Case but Contract Waste delivered to the facility is greater than any minimum tonnage provisions	Financial
8.3		ii) Income from sale of recyclates could be less than that in the Service Provider's Base Case and Contract Waste delivered to the facility is less than any minimum tonnage provision	Financial
8.4		iii) Income from sales of recyclates could be more than that in the Service Providers Base Case.	
8.5	Income from electricity sales	i) Income from electricity sales could be less than that in the Service Provider's Base Case Financial Model but Contract Waste delivered to the facility is greater than any minimum tonnage provisions	Financial

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Appendix 10(a)

8.6		ii) Income from electricity sales could be less than that in the Service Provider's Base Case Financial Model but Contract Waste delivered to the facility is less than the minimum tonnage provisions	Financial
8.7	General Inflation	i) impact on Unitary Charge	Financial
8.8		ii) impact on actual costs	
8.9	Business Rates	NNDR for the site	
8.10	Land Lease		
8.11	Excess Revenue Share	The Contractor may generate excess revenues for reasons other than third party income or refinancing gains	
8.12	Change in SPV structure	The contractor will continue to guarantee any performances as a result of any change in structure of the SPV	Financial
8.13	Insurance (I)	The contractor provides all necessary for the operation	Financial
8.14	Insurance (ii)	Cost of insurance through contract term	Financial
8.15	Insurance (iii)	Insurance of last resort	Financial
8.16	Foreign Exchange Risk up to financial close	Impacts the pricing of facilities and the unitary charge as part of the plant is sourced from the	Financial

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**Appendix 10(a)**

		Eurozone	
8.17	Foreign Exchange Risk after financial close	Impacts the pricing of facilities and the unitary charge as part of the plant is sourced from the Eurozone	Financial
8.18	Interest rate risk up to financial close	The risk that cost of financing increases above that used to initially price the contract	Financial
8.19	Interest rate risk after financial close	The risk that cost of financing increases above that used to initially price the contract	Financial
8.20	All in cost of finance (margins)	The risk of the all in cost of finance changing and the impact on the Unitary Charge (i) prior to financial close	Financial
8.21	All in cost of finance (margins)	(ii) After financial close	Financial
8.22	Refinancing	(i) Risk of ability to refinance as required by funders	Financial
8.23	Refinancing	(ii) Benefits arising from refinancing	Financial

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<b>9. TECHNOLOGY AND OBSOLESCENCE RISKS</b>			
9.1	Unexpected changes in technology	Unexpected changes in technology may lead to a need to re-scale or re-configure the provision of services.	Technology & Obsolescence

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Appendix 10(a)

9.2	Asset obsolescence	Buildings, plant and equipment may become obsolete during the contract.	Technology & Obsolescence
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<b>10. REGULATORY RISKS</b>			
10.1	Legislative / regulatory change: discriminatory	A change in local authority specific legislation, taking effect during the construction phase, leading to a change in the requirements and variations in costs	Regulatory - Construction
10.2	Legislative / regulatory change: waste industry specific	A change in waste industry specific legislation, taking effect during the construction phase, leading to a change in the requirements and variations in costs	Regulatory - Construction
10.3	Legislative / regulatory change: general	A change in non-local authority general legislation / regulations taking effect during the construction phase, leading to a change in the requirements and variation in costs	Regulatory - Construction
10.4	Legislative / regulatory change: discriminatory	A change in local authority specific legislation/regulations, leading to a change in the requirements and variations in costs	Regulatory - Operation
10.5	Legislative / regulatory change: waste industry specific	A change in waste industry specific legislation/regulations, leading to a change in the requirements and variations in	Regulatory - Operation

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Appendix 10(a)

		costs	
10.6	Legislative / regulatory change: general	A change in non-local authority general legislation/regulations, leading to a change in the requirements and variation in costs	Regulatory - Operation
10.7	Compliance with existing environmental regulations/legislation	The facilities may fail to meet existing environmental regulations/legislation due to : - Inadequate plant design - Inadequate maintenance - Use of Sub-standard materials	Operation
10.8	Compliance with (a) new non-foreseeable or (b) an agreed list of environmental regulations/legislation	The facilities may fail to meet new environmental regulations/legislation	Operation
10.9	Legislative / regulatory change having capital cost consequences: Sector specific	Local authority specific changes to legislation / regulations may lead to additional construction costs, and higher building, maintenance, equipment or labour costs (eg landfill directive)	Regulatory - Operation

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✓	.	.
✓	.	.

Appendix 10(a)

10.10	Legislative / regulatory change : compliance with Best Value obligations	Changes to legislation / regulations in respect of Best Value may lead to additional construction costs, and higher building, maintenance, equipment or labour costs	Regulatory - Operation	✓	.	.
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<b>11. RESIDUAL VALUE RISKS</b>				.	.	.
11.1	Rectification costs	the facility may require some form of rectification cost at handback	Residual	.	✓	.
11.2	Decontamination of sites which are transferred at the end of the PFI contract to either the Authorities or another incoming contractor	(i) Decontamination costs could be significant from any/all sites. (ii) Allowance should also be made for any known or predictable contamination at the start of the PFI contract where operational 'asset' sites are transferred from the Authority to the incoming PFI contractor	Residual	.	✓	.
11.3	"Fitness for purpose" of any premises transferred back to the Authorities at end of contract	The premises are required to be handed back in good condition	Residual	.	✓	.
11.4	Cost of decommissioning	Cost of decommissioning	Residual	✓	.	.

### **Availability of commercial waste**

During the procurement process both of the final two bidders used available reports and statistics (up to mid-2009) on commercial waste arisings to provide evidence that there would be sufficient commercial waste for them to target for supply contracts to their facilities. Both bidders provided in-house and independent evaluations concluding that there was sufficient commercial waste arising of sufficient quality to ensure that, with the correct marketing and gate price, commercial waste supply would not be a significant risk.

This was considered by both bidders within worst-case scenarios. The reports supplied by the bidders were evaluated during the bid assessment process and considered sound and justified, albeit based on the somewhat limited information available on commercial waste arising at that time.

The AmeyCespa commercial assessment report for their bid concluded that, considering estimates that 37% of the waste would be of an unsuitable composition for processing and that 50% of the waste would be recycled or recovered that there would still be in the region of 4.5 million tonnes of commercial waste arising within the Yorkshire and Humber region which might be suitable for targeting for waste supply. Reports from both final tenderers were considered by NYCC technical advisors during assessment of the final tenders and were considered to use relatively conservative approaches to estimating potentially available commercial waste tonnage although there is inherent uncertainty over the long-term predictions. This provided the councils with sufficient comfort on availability of commercial waste to enable appointment of Preferred Bidder.

Since appointment as preferred bidder, a further report projecting commercial waste arisings in North Yorkshire and York until 2026 has been produced by Urban Mines for AmeyCespa. The report identifies that commercial waste arisings are forecast to decrease by 0.45% in York and North Yorkshire between 2009 and 2026. This compares with a predicted 23% decline in commercial waste for the whole region by 2026 (Projection of Commercial & Industrial Waste Arisings in Yorkshire & Humber to 2026, Urban Mines 2009).

The difference is because North Yorkshire and York does not have the same level of manufacturing industry and therefore the reduction of waste related to a decline in these sectors is not expected to be as substantial as in other parts of the region. Retail & wholesale and other services make up a greater proportion of the economy and are forecast to continue to grow in York and North Yorkshire. These sectors, along with the public sector and food & drink are most likely to produce wastes that are combustible and suitable for treatment.

The recent report concludes that approximately 600,000 tonnes of commercial waste of a type suitable for treatment is produced annually in York and North Yorkshire (against a reducing forecast need of AmeyCespa from 60,000 tonnes to 10,000 tonnes over the life of the contract). This latest report confirms that there is likely to be sufficient commercial waste will be available from North Yorkshire and York for the duration of the Contract.

### **Competition for commercial waste**

Both of the final bidders pointed to diminishing landfill void reserves within the region and the need for alternative options for the disposal of the commercial waste. The National Waste Strategy promotes the development of treatment capacity to meet the needs of businesses as well as for municipal waste, and proposes mechanisms for diversion of commercial waste from Landfill. This and a rising landfill gate fee (with landfill tax) will make landfilling of commercial waste financially prohibitive and more waste producers will seek alternative outlets over time. As further evidence of commercial waste availability, AmeyCespa completed an assessment of expected commercial waste arising compared against existing facilities and future facilities within a 100-mile radius, which may compete for commercial waste supply contracts.

From this data and comparison against their expected commercial waste arising they conclude that the total demand for commercial waste from competing facilities will be in the region of 685,000 tpa. Compared against the 4.2mt of suitable available commercial waste arising, AmeyCespa concluded that approximately 3.5mt will still be available to target.

The Councils' Technical Adviser (SKM Enviros) considered that the assessment provided a reasonable appreciation of the facilities that are likely to be in direct competition for waste. SKM Enviros have also recently reviewed the data on planned and proposed facilities and, assuming the same 100 mile radius, they have concluded that other plants could also now be considered.

If these additional facilities become operational then they may also be in competition for the same waste streams. However, the majority of new facilities are part of PFI procurement processes where it is assumed that the majority of the waste will be municipal in origin and the need for commercial waste will be only a relatively small proportion of the capacity of the plant. The total additional capacity is approximately 4.0 million tonnes of which it is suggested approximately 1.2 million tonnes would be commercial. This would still leave a market for 2.3 million tonnes of commercial waste in the region (i.e 3.5mt identified by AmeyCespa above less 1.2mt identified by SKM Enviros).

## Appendix 11

Attention has been drawn to local competition for waste supply from alternative waste treatment facilities, notably the Ferrybridge facility. The proposed Ferrybridge plant has yet to be built and is targeting a different waste stream than AmeyCespa. Treatment of residual waste at Ferrybridge would be dependent on additional upfront treatment of mixed waste to provide a fuel. The production cost of the fuel plus the cost of transport of the waste to Ferrybridge would need to be taken into consideration to arrive at an overall cost of waste treatment. AmeyCespa's facility at Allerton Park will be able to treat mixed and unprocessed commercial waste streams, and they are therefore unlikely to be in competition with Ferrybridge for the same feedstock.

Other comments refer to "evidence of market saturation meaning there is not enough waste to fuel the growing regional, national and international market in waste for incineration." This assertion is not supported by the evidence. It is widely recognised that there is a significant shortfall in residual waste treatment capacity in the UK. Indeed, an article in the June 2010 edition of the Chartered Institution of Wastes Management (CIWM) Journal (Incineration Transformation, Metcalfe, pages 46 – 49) concludes that even if all the potential incineration capacity 'in planning' was added to the existing capacity in the UK this would only deal with approximately 40% of all municipal waste produced in the UK. The article goes on to note that it is unlikely that all the planned facilities would be developed and estimates that if half the potential capacity was realised before 2020 then there would be capacity for approximately 26% of the total MSW waste produced in the UK.

Others have suggested that the Councils should not fund facilities that would present a commercial advantage for AC in terms of commercial waste treatment. This misunderstands the nature of the contract.

The capacity of the plant was determined by AmeyCespa taking into account the needs of the Councils and that AmeyCespa were in a competitive environment. The overall capacity of the plant is therefore a commercial issue determined by AmeyCespa as part of their tender.

The Council is not funding the facility, AmeyCespa are. The Councils are contracting to use the facility. AmeyCespa are then proposing to offer any spare capacity to local commercial customers who require a more sustainable and cost effective option than landfill. Income from commercial waste contributes to AmeyCespa's overall income and is then used to subsidise the cost to the Councils. The net result of not providing for commercial waste, all other things being equal, would be an increased cost for councils and local businesses.



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### Summary of issues raised and questions asked at Area Committees

QUESTIONS/STATEMENTS - CRAVEN
PFI provides capital up front – proposals for the operations are rather open-ended. How can value for money be factored into the proposals for the local tax payer, in the long term, when the PFI provider is likely to be making substantial profits for a significant period of time?
There had been no mention of contractors' waste within the proposals. A large amount of building waste is generated in North Yorkshire, which currently goes to landfill. There is a huge potential for recycling and re-using that material. Have those possibilities been explored?
In respect of the Anaerobic Digestion phase this would still produce a residue, so why waste time going through that process rather than sending that material directly for incineration?
Would there be any flexibility for change written into the 25 year contract to take account of future progress made on re-use, recycling, etc. during that period of time, ensuring that any new developments on the treatment of waste are taken account of?
What work had been carried out to ensure that the consultation event had been widely publicised in the Craven District, as the lack of attendance suggested that the majority of people in the District were unaware of the event?
A lot of work had been carried out in recent years to make the A59 safer. The proposals would result in a greater number of HGVs having to travel along the road. What efforts were being made and proposals being put in place, to alleviate potential traffic problems on the A59?
The volume of waste is starting to decrease and under the coalition Government's plans was likely to decrease further. With expected improvements in respect of less packaging, re-use and recycling over the next 25 years how can it be guaranteed that the incineration method chosen would continue to receive the amounts of waste required to ensure that it remains cost effective?
Even where people were aware of the consultation meeting, many were unable to attend due to work commitments, because of the 10am start.
What risk is there, and, who is taking that potential risk, of advances in waste disposal leaving insufficient waste for the incineration process being proposed?
Part of the presentation outlined that there are a number of significant environmental impacts. Could more specific details of these impacts be provided?
Had anyone given consideration to the operation of the Cambridgeshire waste management system, provided by AmeyCespa, which did not use any thermal treatment, as requested at a previous presentation and was that information available?
Why was the meeting not moved to a more appropriate time to allow people who work to attend and express their views?
As the contractor has been identified, the detailed application will be determined by the Planning Committee and traffic issues would be included in the planning consultation, what would the Full Council Meeting be deciding in December?
As a member of Skipton Town Council, as far as I am aware, no notice has been provided to the Council of this consultation meeting.

What experience does the contractor have of running incinerators?
What would be the penalties if the Council decided that the project should not go ahead?
What guarantees could be given against the risk of contamination from the emissions to the surrounding area?
At the beginning of the process was any presumption made by either the Executive or Full Council as to what the technology used should be?
In respect of the Anaerobic Digestion phase what percentage of waste would be incinerated or thermally treated?
Is there a national energy strategy that this process can be linked to or are all Local Authorities developing individual projects to suit their own needs?
It would be beneficial to have comparable information from a similar facility, already operating in Hampshire, to provide guidance on what could be expected.
How many transfer stations were to be provided, where would these be located and would the planning applications for these be dealt with before the application for the main proposal?
Currently there is over 80000 tonnes of waste brought into Craven for disposal from the Bradford Metropolitan Borough, would this cease by 2014 at the latest?
Are Bradford Metropolitan Borough Council looking for a similar solution in respect of their waste disposal?
There are a number of concerns raised in relation to the potential effect emissions could have on health. Reassurance was felt that there is a stringent process that has to be met before the Licence is granted to carry this out.

<b>QUESTIONS/STATEMENTS - HAMBLETON</b>
What is the number of vehicle movements?
If the plant is shut down due to technical failure what is the capacity on site for storing waste and how long will it take before that storage reaches capacity?
What are the location details for the dispersion of noxious gases?
What is the prevailing wind direction?
Will the public be given access to documentation on dispersion modelling?
Timing of the meeting was criticised (midweek during the day) curtailed the number of people able to attend.
Have alternatives to thermal energy been considered?
Height of chimney stack (74M) excessive especially in what is a low lying tourist area next to A1.
If all recyclables were properly extracted, the volume of waste that remained to be incinerated would be negligible.
What percentage of ash will go to aggregate/landfill?

Do the statistics quoted for recycling include roadside collections?
What is the current cost of landfill, as compared to cost of landfill over next 25 years?
How many incinerators nationally were in the pipeline?
Will waste be imported from outside North Yorkshire to meet the targets?
Why is the NY recycling target 50%, when the target for other local authorities is 70%?
On 1/9/10 AmeyCespa took over the Cambridgeshire waste site (top performing waste treatment plant) that uses MBT to produce usable compost on farm land. At Cambridge no thermal treatment is used – NY should use Cambridge as example of best practice.
The location is environmentally sensitive and not suitable for thermal treatment because of local meteorological conditions and temperature inversions in the Vale of York.
What contingency plans does NYCC have for dealing with legal actions that will arise if decision to build plant is approved?
Cambridgeshire is comparable to North Yorkshire and should be used as an example of best practice as the treatment plant is both cost effective and realistic.
NY Times described PFI financing as a form of grant funding, is this correct?
If base rates increase as forecast to 8% or more, what will be the impact?
Who will the site belong to at the end of 25 years?
What happens if technology changes during the course of the contract?
What happens if during the course of the contract, the legal aspects of waste treatment change - who is responsible for covering the cost?
Why can't the compost the plant produces be used on farm land?

<b>QUESTIONS AND STATEMENTS - HARROGATE</b>
<p>The Allerton Park site could be used for greater recycling than that proposed at present. This would also save AmeyCespa money compared to the present arrangement. The County Council should not hand over waste to AmeyCespa on their terms which would be highly profitable for them. The PFI would increase both bankers' bonuses and the expense incurred by North Yorkshire residents. It was desirable for AmeyCespa to handle all the waste themselves without reference to other incinerators which were located on our boundaries which might be prepared to take the waste. The financial model was flawed as highlighted by comments from four MPs. The banks would be queuing to provide PFI investments given the relatively low risk and high reward involved. Payback would be in eight years and then 17 years of profit to follow. This would be the largest contract ever entered into by North Yorkshire County Council and the level of expertise was queried which existed within the Authority to handle this. There was no need to rush into a contract in 2011 funds could be better invested.</p> <p>In the spring of 2011 the results of a major new waste survey were due; would this have any impact upon the current proposals for Allerton Park? Ferrybridge Power Station will be converted into a multi fuel waste facility.</p>

## Appendix 12

<p>How has the County Council arrived at its present position particularly with regard to the 60:40 split? The financial aspects were often quoted as a secondary consideration however it was money and savings which came over most strongly in the presentations therefore why the 60:40 split?</p>
<p>The contract would not be viable, research suggested that there were flaws given the reliance of forecasts of waste volumes and recycling over 25 years. North Yorkshire County Council's "guesses" under estimated changes in custom and practice for example kerb side recycling. There was an over estimate regarding the growth in waste. If the facility was therefore over sized savings would never materialise in practice. The projected savings anticipated between 2020 and 2035 might actually become losses. Net present value would be minimal and therefore the County Council should perhaps re-evaluate the proposals. Pause signing the contract and review current waste trends with the view to developing a ten year contract instead.</p>
<p>What percentage of waste arriving at Allerton would be incinerated and what was the definition of recycling, would that include waste going to household waste and recycling centres or that extracted at the Allerton plant?</p>
<p>This was not very environmental friendly. Some operators used non incineration methods for example Dunarbon who had recently been taken over by AmeyCespa why couldn't use be made of that technology?</p>
<p>The Cambridgeshire situation was not that dissimilar to North Yorkshire and they had a fabulous environmental plant.</p>
<p>What modelling had been done regarding traffic flows as a result of the development of the Allerton site?</p>
<p>The Flincher Waste Management Policy rejected incineration as a way forward and were pursuing greener alternatives. They expected to divert 10% of their waste away from landfill by 2020.</p>
<p>Were arrangements not too far progressed to withdraw from the project?</p>
<p>Preference would be to see an alternative solution which excluded incineration.</p>
<p>Someone who had had involvement with PFI's previously was amazed at the length of the contract proposed and expressed concerns about North Yorkshire County Council's ability to manage such a large contract. Concern was expressed regarding the Great Ouseburn presentation which had been made by AmeyCespa at which no County Council Officers were present. Concern was expressed that the model proposed only looked at disposal arrangements undertaken by North Yorkshire County Council and it was felt that the model needed to look at both sides of the equation in terms of collection and disposal. It was also hoped that in view of the proposed duration of the contract that open book accounting would apply.</p>
<p>How would the scheme make energy from waste work given there is no market currently for heat capture?</p>
<p>Most effective energy from waste plants do utilise heat capture.</p>
<p>At the Parish Council meeting with the County Council some five to six weeks ago it had been agreed that a Professor would be given time to discuss his concerns in detail and there was disappointment that this had not been followed up to date. It was added that financial experts had noted that the proposed model was flawed. It was spoken of the difference between the capacity for 320,000 tonnes of waste to be accepted at the plant per annum when North Yorkshire is only expected to deliver 200,000. The short fall was anticipated to be met from industrial and commercial waste. On a recent feature on Radio York Bill Jarvis of AmeyCespa had spoken of the potential for landfill material to go through the plant. Reference was made to the Sheffield incinerator which had insufficient waste put through and were now applying gate fees of zero. Finally comment was passed about the democratic process which was felt was flawed and commented upon concerns previously raised by a County</p>

Councillor concerning Planning and Regulatory Committee.
So many meetings would not have been necessary if factual information had been readily available. Where would the commercial waste be burnt and would money arising from the production of electricity go to the County Council? Would out going steam from be fed back in to the boilers? What would be the noise levels arising from the use of fans to drive air over the roof fins? Would the chimney stack be high enough to distribute the emissions, would it be over 1,000 feet high? Had the Councillors been briefed on all of these aspects?
This was another example of new information coming out and not something that had previously been clear.
The life of the incinerator would be 25 to 30 years and would ownership at the end of this period reverted to the County Council? Would it be the County Council's role to decommission or dispose of the facility? What tonnages of heavy metals would be arising, dioxins etc? Concerns were expressed about fly ash and its impact upon infant mortality.
A recent survey of air quality in the region had found standards to be in breach of the desirable air quality targets. Would the incinerator help overcome this issue? Was the Allerton site originally due to be returned to a Greenfield site from 2015?
Would the scheme remain within budget and costs not escalate? Would any excess profits generated be reinvested to benefit North Yorkshire County Council projects?
Do the proposals take account of changes in packaging of goods? If there are no risks to human health why was such a tall chimney required? Before the decision is taken in December could a crane be put in place on site to simulate the height and visual impact of the chimney on the site?
Would the district continue to push for improvements in recycling rates rather than simply send waste direct to the Allerton facility? Why is such a tall chimney required?
County Councillors should feedback the concerns expressed at the meeting. The project would proceed to planning stage and registered concern about the planning process and the appropriateness of voting on your own project. An open vote which was not whipped should be taken on this issue. It was sad that a Councillor had had to leave the Conservative Group as a result of this issue. District and Parish Councillors' views should be heard within the process. Expressed concern that figures were not available regarding traffic movements and also wished to know the volumes concerned for transfer stations.
Had the County Council acquired unbiased consultants' views ahead of tenders being sought? If the waste were shipped elsewhere how many years could we cope? Could planning be refused on the basis of the proposed height of the chimney and if so could the height be reduced? Could the public know which Councillors had voted for and against the proposal? When would Harrogate Borough Council have better recycling facilities?
A County Councillor had brought valuable independent advice to the meetings. North Yorkshire County Council was England's largest rural County and nano particles were more concentrated in sheep by 30 times and even more so in cattle by 50 times. There had been no mention of these statistics today. Was this American research familiar and would account be taken of it? What cancellation costs would be incurred if the contract was not awarded? A number of local people were frustrated as they had had protest signs removed from their private property by the County Council.
Individual approaches to Councillors had not been made on this issue. He expressed reservations about the County Council acting as Judge and Jury at the planning stage.

## Appendix 12

Earlier comments regarding Planning and Regulatory Committee were repeated and noted that concerns had been expressed to the County Council's Standards Committee.
Concern was expressed about some of the figures quoted in the proposals, which strained credibility. Why burn non-domestic waste? This was probably permissible until capacity was reached, but what if it was burnt purely to keep the incinerator busy? Would it be right to subsidise operations in this way - effectively with rate payers money? If the contract was not signed including an incineration element, could the County Council insist upon a non incineration option, or would the Authority really have to go back to square one and start again with tenders?
The capacity requirements should stay the same?
A balance had to be appropriately struck for a risk and reward scenario and this needed to be understood particularly at a time when services were being cut.
A very informative session had been provided and for the future would be interested to see the likely impact on the A59 in terms of transport implications.
A concern was expressed that County Councillors may be whipped to agree the solution.
An article in the Yorkshire Post had stated that the Esk Valley was a magnet for pollutants. Would this be affected by the Allerton Plant? How was the County Council encouraging Districts and public to recycle and compost more? If waste was exported outside of North Yorkshire couldn't costs be negotiated every three to five years? He also noted that a Councillor's questions had not been fully answered.
The Waste PFI Working Party was looking at the whole of the procurement process to ensure that arrangements were rigorous and robust.
A County Councillor recorded his thanks for the open and frank discussion throughout the session.
What would happen following County Council in December and Planning in February?
A County Councillor asked if the plant would incinerate any toxic waste?
Thanks for a useful meeting and highlighted the relevant pages on the County Council's website which covered many of the issues raised today. Finally he noted what very difficult decisions lay ahead.
A County Councillor stated that it had been a very good meeting and looked forward to reading a transcription of all the public questions and statements made.
A County Councillor noted his appreciation for the opportunity to hear residents concerns on the issue.
Issues around the hazards to health had not been fully answered. Some effects might not manifest themselves until decades later for example chronic obstructive lung diseases these were caused by dust and irritant gases. Many Councillors would be dead before the effects of their decision might be felt. Concerns regarding fly ash were reiterated particularly regarding the dispersal of those at less than 2.5 microns which was very fine dust. It was explained that inorganic elements can attach to these and once ingested they will remain in the lungs some being carcinogenic. Direct evidence about the impact of this isn't available at the present time as it takes such a long time to develop.
It had been a very informative and useful meeting.
A Councillor advised that Harrogate Borough Council had that evening adopted a scheme to improve recycling rates by 2013.

<b>QUESTIONS AND STATEMENTS - RICHMONDSHIRE</b>
In terms of recycling would the proposals lead to all household waste being indiscriminately placed in one bin or would recyclables still be separated?
How long was the proposed contract for?
The figures provided did not appear to correlate with the experience of other incinerators operating in other parts of the Country. Where did the figures provided come from, and how had they been calculated? The financial viability of the scheme appeared to rely on 100,000 tonnes of commercial waste being available in the county at any given time, even taking into account potential inflation. What would happen if that was not available? There was likely to be further increases in recycling in the future which would further reduce the amount of waste available for the incinerator. Who would fund the project if it was not being used at the levels indicated and would recycling rates fall to ensure that the incinerator was being used to its maximum capacity?
There is a need for a change to be made, but there was an objection to incineration being the method used to change it. There are real concerns that other, safer methods of dealing with waste are not being considered. The solution being proposed was not based on environmental protection, as was purported, but was based on financial matters, as incineration gave more emissions and more CO2. There had not been an incinerator built in the USA for the last 15 years, for these reasons, and the developer was leading the Council by the nose in claiming to be the expert in these matters. In terms of the financial benefit, the figures quoted appeared to be changing by the week.
Only 4 County Councillors attended a conference last week that provided information on alternative plans for household waste. Why is the Council rushing head long into outdated technology with a 25-30 year contract?
Why has the Council abandoned usual commercial practice by not looking at alternative solutions?
Why has the Council not waited for the publication of the forthcoming DEFRA initiatives before making its decision?
The 'do minimum' figures provided do not add up.
Why are the Council not considering less risky alternatives?
What alternative solutions have been presented to the Council?
NYCC and AmeyCespa are spending a large amount of money selling the current proposal – what funding is being given to allow the case for alternative solutions to be sold to the public?
Have NYCC built the cost of de-commissioning the waste park, at the end of the contract, into the figures provided?
What will be the optimum level of recycling?
Why is the Council not working towards a 70% recycling rate?
Why are recycle and re-use not being promoted more?
A climate change representative has been looking closely at the development of Anaerobic Digestion, and noted that a new generation of this process is close to being announced. Could the project be altered at this stage to take account of factors such as higher Anaerobic Digestion or is



the proposal a 'fait accompli'?
Would the demand for commercial waste to assist the project compromise other projects in the area?
The real problem of transporting waste to a centralised facility, and the capital costs involved, could be addressed through the development of a number of smaller Anaerobic Digestion units throughout the area, with investment opportunities available for this through One North East. Has consideration been given to this?
Has any consideration been given to cross-border waste disposal and links into other regions?
What levels of particulates will be contained within the effluent?
Did the contract contain any financial penalties should the level of waste required to meet the optimum output fail to be met?
As the site chosen for the proposed facility was surrounded by trees and raised banks, what would be visible from a distance of around 1 mile away?
An attendee was unhappy with the timing of the Meeting and would have liked this to have been held at a time when more people could attend, as requested.
The presentation had mentioned that 17 different options had been considered, so why have County Council Members only being allowed to look at one of them?
In respect of the bottom ash from the Incinerator, how could this be considered to be a safe option? The Environment Agency have expressed concerns around the Zinc levels in this residue, and the USA have deemed them to be totally unsuitable for any purpose. What would happen if this material was found to be unsafe, having been used for highway maintenance, and then had to be dug up to widen the road, for example? A new EU directive was due to be published shortly on the re-use of bottom ash but the decision on the facility may come before this information is available.
Why did the recycling figures provided by the County Council's Treasurer not match those provided in relation to the consultation exercise?

<b>QUESTIONS AND STATEMENTS - RYEDALE</b>
What are the implications if the PFI didn't go forward, in particular re contracts with landfill sites?
Why was North Yorkshire County Council planning a facility that was twice as big as it needed to be? Why propose such a large plant and using a contractor who only operated one incinerator in the whole of Europe? Why speculate when the costs will not be known until two years time? There was a need to step back and look at recycling rather than build an oversized facility.
Describe the elements of risk within the contract?
What are the personal health risks?
To what extent had NYCC looked at increased recycling beyond 50%? There were many people in need of work and this could provide a good job creation opportunity compared to incinerating waste.
Why hadn't the meeting been held in the evenings to enable more people to attend? The presentation stated that North Yorkshire generates more

waste than the national average.
What is the height of the chimney on the new facility and would this be visible from Ryedale?
If most materials were to be recycled and only the residue burnt, what percentage would be burnt?
County Councillors probably wouldn't ask many questions, explaining that Members had in fact seen many similar presentations of this information already.
If the contract was not awarded, then the existing landfill facilities at Allerton and Harewood Winn would continue to be used. Given Harewood Winn, which was deemed to be state of the art 'landform' when it was built 20 years ago; why couldn't another Harewood be created now? This would probably be much cheaper than the PFI option? Appropriateness of pursuing the PFI route? AmeyCespa's incinerator in Andorra; if waste was imported to support its throughput, also why more countries weren't using AmeyCespa in this field?
A further contribution about the importing of waste from other countries to Andorra.
Reference to an article covered by the Yorkshire Post quoting a professor who lectured on recycling. An example from the United States; some states had adopted legislation which required businesses to minimise plastics and packaging etc. If a similar circumstance arose in the UK would the plant have the flexibility to respond to such a change in the composition of waste?
Concern expressed that no alternative approach appeared to have been looked at. Reference to the waste hierarchy and the preference to reduce, re-use and recycle waste, ahead of incineration or landfill. Landfill was not a good way forward, although it might provide an opportunity to temporarily store waste for which there may be future markets when technology had developed further. Regarding incineration what nano particles would come out of the stack to date no answer to this question? The example of San Francisco where in 2000, recycling was 50% and is now up to 75%. In Ryedale recycling was already over 50% and if food waste were added approximately 73% could be achieved. If card and plastics were also added that would take the performance to 75% plus. Concerns about incorporating bottom ash with recycling performance, taking it up to 65%. The approach would take something non-toxic and make it toxic. Greater efforts to be made to separate waste to avoid this. 70 jobs projected to be created at the plant was poor and that if recycling was taken to the 70% - 80% level, this could create between 500 to 1,000 jobs. This would also avoid the need to commit £1.4b of expenditure. How much would it cost to recycle at an 80% level across North Yorkshire, in terms of green house gases, materials saved etc? Exactly what was in the toxic ash and what could be salvaged? There was a need to know the answers to these questions before an informed decision could be made. Reiterated desire for the Authority to put forward an alternative approach, as the choice currently faced was poor: to either stay with landfill or only move up the waste hierarchy by one notch. Stressed the need to concentrate on reducing, reusing and recycling.
If that were the case then increased recycling had not been taken sufficiently seriously.
Query about the 17 options considered and asked why this hadn't become apparent during previous consultation? Reference to the Harewood landform site, reflecting that some 20 years ago the proposals for the site had been openly considered. Could documentation be made available to the public which showed how the current preferred proposal had been arrived at?
This was clearly a very complex issue but was disappointed that the paying public couldn't see the result i.e. the scored rankings for themselves.

<b>QUESTIONS AND STATEMENTS - SELBY</b>
What is the number of vehicle movements?
What was the anticipated number of vehicle movements from waste transfer sites to plant?
What was the exact location of waste transfer sites?
What was the anticipated number of vehicle movements to/from waste transfer sites?
Would waste be separated at transfer sites?
Would transfer sites store waste in enclosed buildings?
Would planning permission be needed for transfer sites?
Is NYCC confident about its ability to negotiate successfully a contract of this size and complexity?
What happens if during the course of the contract cheaper alternative methods of dealing with waste emerge?
Does NYCC have a contingency plan?
What happens if AmeyCespa go bankrupt?
What happens if NYCC can't meet the stipulated minimum target for the amount of waste to be disposed of at the plant?
As the plant is capable of separating recyclables, wouldn't it be cheaper and more efficient if the districts stopped separating waste, and domestic waste was collected from one bin and was then separated into recyclables at the plant?
Concern at cumulative impact of plant – the local area already has Drax and there is a planning application for a similar plant at Ferrybridge.
Is it necessary for each county to have its own waste treatment plant would it have been better to adapt an existing plant (e.g. Teesside)?
The efficiency of the power generation is poor at the projected 28%.
Why isn't the heat produced by the plant used?
Maintenance – will routine maintenance affect the operation of the plant?
If the plant is out of action due to technical failure what would happen to the waste routinely collected by the districts?
How will the flue gases be cleaned?
What is the difference between domestic/commercial waste?
What happens to commercial waste in North Yorkshire at present?
The targets quoted for recyclables are too low
The volume of plastics will drop due to the high price of oil – what will be the impact of this?
Is there motivation for the districts to keep recycling rates low?
District Councils have an incentive to recycle as they get income based on performance.
The predicted saving of £9.2M is misleading, as during the three years the plant is under construction the County Council will still be paying for

landfill costs.
The contract figures quoted, even allowing for inflation, are excessive and don't add up.
Will waste be imported from outside the county?
The site of the waste transfer stations needs careful consideration in order to minimise the number of miles the waste travels before being finally disposed.

<b>QUESTIONS AND STATEMENTS - YORKSHIRE COAST AND MOORS</b>
Why was the County Council pursuing a 25 year contract? This seemed a very long time. No allowance appeared to have been made for technical or social change. There was almost a disincentive to reduce waste and yet trends show that recycling is increasing. In view of this the excess capacity of the plant will it be used to process commercial and industrial waste – although it had been thought that the aim was to keep this to a very small amount?
Not against incineration but was against the hauling of waste over long distances across the County. Had a satellite arrangement been considered where plants would feed energy into the grid via incineration locally?
Concern regarding the timing of meetings, feeling that this was not conducive to optimising public attendance. Noted that AmeyCespa would have further road shows and sincerely hoped that these would not be during the day time but at evenings or weekends when people were more easily able to attend. In the event of a Judicial Review, North Yorkshire County Council and York City Council could find themselves in a difficult position regarding public consultation. The important decision would be taken on 15 December 2010. Rumours abounded regarding the imposition of penalties if the contract wasn't awarded, in the region of £5m? Was this correct? Comment about the huge financial consequences for rate payers, 25 years being a very long time during which there would be inevitable change – technology, governments, and public attitudes. Emphasis should be more on waste prevention then disposal. A Government report due out in 2011 would look at the nationwide strategy reflecting changes in public attitude and changing trends within the packaging industry and supermarkets. In view of this, wasn't a decision on 15 December therefore premature? Had all read the report of a Professor of Durham University which looked at issues around the composition of waste in the area? Changes in the practices of local industry were likely to have an impact upon the composition of waste. Reiterated view that there was insufficient emphasis upon the imperative to reduce waste and recycle. Had the County Council considered the alternatives thoroughly enough? The Professor's report supported the views expounded by a fellow attendee.
All County Councillors should be present to vote.
There was favour of diversion from landfill however no mention had been made of the emissions from the plant. What about carbon emissions, dioxins, heavy metals etc. How had these issues been considered?

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## Summary of issues raised in correspondence

Respondent Number	Correspondence Number	Issue	<b>Summarised Comments</b>
			<b>KEY</b>
			<b>Comments made by</b>
<b>CGr</b>			<b>Campaign and Representative Groups</b>
<b>Com</b>			<b>Commercial organisations</b>
<b>DCo</b>			<b>District Council Members</b>
<b>MPM EP</b>			<b>Member Parliament/Member of the European Parliament</b>
<b>PCo</b>			<b>Parish/ Town Councils</b>
<b>Pub</b>			<b>Public</b>

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PCo 001	PFI/ 015	01	When will the consultation start?
Pub 001	PFI/ 016	01	If NYCC is going to build a waste incineration plant, please make sure its a Waste to Energy plant and then at least we derive some use out of our waste
Pub 008	PFI/ 017	01	Information request response forwarded after previous dialogue
Pub 002	PFI/ 021	01	Waste Incinerator at Allerton Park makes very little sense - such an incinerator is designed to produce electricity this requires access to a large supply of water and access to the national grid. Allerton has neither of these therefore there will be a Financial cost and Environmental impact- pylons to tie up with the National Grid.
Pub 002	PFI/ 021	02	Local road system will have additional traffic which is already is great use.
Pub 002	PFI/ 021	03	Why, when the existing power stations near Selby possesses access to both water and the National Grid as well as having access to rail network, they are not being considered? The proposal to site the incinerator at Allerton makes no sense whereas locating it next to an existing power station, especially one that it is coal fired does. Please, therefore, let me know exactly why Allerton has been chosen
Pub 003	PFI/ 022	01	This will be deeply unpopular and I am disgusted that you have wasted taxpayers money on what will be at best a very expensive battle and at worst, and I sincerely hope this will be the case, a failed planning Application. You had the chance to go to consultation before deciding on a controversial strategy but have ignored that opportunity You say you will now consult. Will you drop plans for the incineration aspect of the strategy if the public are against it?
PCo 002	PFI/ 028	01	On behalf of Parish Council I would like to register an interest in the details of the long term PFI contract to manage household waste generated by residents of North Yorkshire and City of York at the Allerton site. Please send up to date information.
Com 001	PFI/ 029	01	I would appreciate if you could let me know the total value of the waste PFI contract (including civils value)
Com 001	PFI/ 029	02	and the design company working for the scheme

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Pub 004	PFI/030	01	Protest against waste strategy proposal, They are based on unrealistic targets for recycling that overplay the financial case for a single 'super-facility' for the entire County. They are misleading because recycling rates will be much higher than predicted, with the result that landfill costs will drop significantly
Pub 004	PFI/030	02	Strategy based on old technologies including incineration which has one of the highest levels of CO2 emissions.
Pub 004	PFI/030	03	Ignores new government commitments to a massive increase in recycling and a review of waste strategies
Pub 004	PFI/030	04	Ignores the public views of today relying on consultation completed several years ago.
Pub 004	PFI/030	05	Urges member to oppose and asks for a review to include increased recycling
Pub 004	PFI/030	06	At time of spending cuts it would be irresponsible to continue with the current strategy without careful review.
Pub 005	PFI/031	01	There is a lot of concern being expressed about NYCC waste treatment intentions and a lot of confusion. Request for information regarding contractors and are we going to build an incinerator at various location(s) My County Councillor can't or won't tell me anything. Your NY times only mention that May Gurney have taken over NY Waste management. Your web tells me that there is an Exhibition at Boroughbridge for local people on July 15 <sup>th</sup> . What is going on?
Pub 006	PFI/032	01	Incinerator would produce highly toxic nanoparticles. How will you ensure these particles do not damage health of local children as they inhale them in daily?
Pub 007	PFI/033	01	Request for detailed list of recyclable materials and non recyclable materials which you wish to incinerate.
Pub 007	PFI/033	02	Suggests the hire of a 250 ft high crane for a week to give local residents an in sight of what they will be living with.



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Pub 007	PFI/033	03	Where will the 6000 tons of toxic fly ash produced every year from the filters will be dumped?
Pub 007	PFI/033	04	Where will the 70 workers come from, I would expect as usual these will be migrant workers there are none locally!!
Pub 007	PFI/033	05	What penalties will NYCC suffer if they fail to come up with enough waste
Pub 007	PFI/033	06	You say 10% of waste will still go to landfill will this be at Allerton park if yes what is the remaining capacity of Allerton park
Pub 007	PFI/033	07	Will there be an operators licence to keep HGVs at Allerton park if so how many
Pub 007	PFI/033	08	Proximity to homes 200 m and 500m away - why weren't these houses taken into consideration when choosing the site
Pub 007	PFI/033	09	why haven't we been consulted (homes within proximity of Allerton Park)
Pub 007	PFI/033	10	With regards your reply to the property price we have already been informed by a NYCC council that property prices will fall by at least 20% in local villages I am 500m or so form the incinerator and my land adjoins the site I am currently having a before and after valuation carried out
Pub 008	PFI/034	01	How does the project save the Council £320 million - hasn't this figure just been estimated against 'do the minimum' option where escalating landfill taxes make 'doing the minimum' (ie continuing to put all rubbish in landfill ) a very expensive option, when in fact there are many more cost effective options to consider . Even to the extent that over 25 years, the Council is saddled with paying far more to you than would have been the case if the alternatives had been introduced from the start?
Pub 008	PFI/034	02	What happens after 25 years - do you dismantle the facility?

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Pub 008	PFI/034	03	Isn't the benefit of the electricity generation from incinerating the rubbish insignificant when you aim to produce annually 24mw, how can you justify the infrastructure for such a small amount of power.
Pub 008	PFI/034	04	What are your plans if planning permission for Allerton Park is refused?
Pub 008	PFI/034	05	Would you engage with the Council if they had a change of heart and decided to ask you to completely rethink the strategy along the principals of reduce, reuse and recycle - without an incinerator?
Pub 008	PFI/034a	06	Offer to work with the council to explore if there are viable, cleaner, greener and more economical alternatives to dealing with waste.
Pub 008	PFI/034a	07	Request for contact for details for Yorwaste (Scarborough Power project)
Pub 008	PFI/034b	01	Request for links to DEFRA LATS allocations and AmeyCespa Websites and details of the active and inert waste split
PCo 001	PFI/036	01	Could you please explain exactly what 'very extensive consultations' are, and what is their geographical extent? Surely the whole of NY should be involved?
PCo 001	PFI/036	02	Also, can you please explain why Marton cum Grafton is not on the planning consultees list on this NYCC webpage <a href="https://onlineplanningregister.northyorks.gov.uk/Online%20Register/">https://onlineplanningregister.northyorks.gov.uk/Online%20Register/</a>
Pub 009	PFI/037	01	Your support is needed - VOTE NO TO INCINERATION - I write to urge you to oppose this strategy so that a review can take place which will hopefully lead to a more environmentally friendly way forward.
Pub 009	PFI/037	02	These plans are based on unrealistic targets for recycling that overplay the financial case for a single 'super-facility' for the entire County. They are misleading because recycling rates will be much higher than predicted, with the result that landfill costs will drop significantly
Pub 009	PFI/037	03	The strategy is based on old technologies, including incineration, which has one of the highest levels of CO2 emissions

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Pub 009	PFI/037	04	It ignores the new Government's commitments to a massive increase in recycling as well as its plans for an immediate review of all waste management strategies
Pub 009	PFI/037	05	It ignores the public's view today, instead relying on consultations completed several years ago.
Pub 009	PFI/037	06	I have found it difficult to recycle with very little help from the local council. We have no recycle point that is less than 5 miles away and we have no facilities in the form of bins provided.
Pub 009	PFI/037	07	The colossal cost of this incineration plant could be better placed helping families by providing better facilities and educating the public about the benefits of recycling.
Pub 009	PFI/037	08	There are so many negatives around incineration, environmental, health and cost and is without doubt the wrong way forward
Pub 009	PFI/037	09	Would you please read the attached presentation and consider the points made?
Pub 010	PFI/038	01	If NYCC fall short in the supply of waste will AmeyCespa impose fines on NYCC?
Pub 010	PFI/038	02	Also has European recycling rates and co2 emissions been taken into consideration,
Pub 010	PFI/038	03	What happens if in 10 years time EEC says no incineration you are signed up for 25 years.
Pub 010	PFI/038	04	I live quite near this site I am also concerned about Nanoparticles entering my blood stream
Pub 010	PFI/038	05	You cannot guarantee this is safe they told us asbestos was safe in the 50's. What unbiased report has been carried out to show this is they best way of getting rid of waste you can not rely on AmeyCespa who have a financial interest in this facility

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Pub 011	PFI/039	01	We urge you to give careful consideration to what is proposed and to oppose it.
Pub 011	PFI/039	02	Do not commit us to a £900 million spend over 25 years. Given the current financial difficulties can we afford such expense? What about the other services that will suffer because of this commitment? Do you realize that there are significant penalty clauses associated with this proposal? As part of the contract it is understood that a certain level of waste is needed to feed the incinerator. If this level is not reached the contractor is able to recoup costs from North Yorkshire County Council (i.e. ratepayers) and these penalties are believed to be significant. Are you really prepared to expose the council and the ratepayers to this level of financial risk?
Pub 011	PFI/039	03	This proposal is in opposition to the new government's position on waste management in which they call for a "zero waste" strategy. In the coalition agreement it is stated in the Energy and Climate Change section that: "We will introduce measures to promote a huge increase in energy from waste through anaerobic digestion" -there is no mention of incineration.
Pub 011	PFI/039	04	The proposed facility locks us into outdated technology (incineration) for 25 years and creates increased CO2 emissions as outlined above.
Pub 011	PFI/039	05	Virtually all of this waste could be recycled or reused and disposed
Pub 011	PFI/039	06	Incinerators also prevent recycling as they have to be fed once built
Pub 011	PFI/039	07	They cost jobs in recycling/reuse and they prevent the take up of new and better emerging technologies due to their capital investment and 25 year lifespan
Pub 011	PFI/039	08	The deal centralises waste disposal when we should be de-centralising and dealing with the waste in smaller facilities, run by local companies that can react quickly to changing waste management technologies.
Pub 011	PFI/039	09	There is a huge amount of evidence worldwide that shows just how damaging waste disposal incinerators are to human health via air pollution.
Pub 011	PFI/039	10	Waste will be transported from across the entire county of North Yorkshire to this facility and possibly even from outside to feed this incinerator. Further HGV traffic will only further exacerbate the current problems, not to mention lead to even poorer air quality, which was recently highlighted as slipping below acceptable standards already in towns such as Knaresborough, which is very close by.
Pub 011	PFI/039	11	We urge you to and NYCC to take a lead in the country by exploring methods and technologies other than incineration and setting and achieving much more aggressive recycling targets

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Pub 012	PFI/040	01	I strongly oppose the proposed incinerator at Allerton Quarry and to ask you to vote against it when the time comes.
Pub 012	PFI/040	02	I don't believe that there is no health risk. .
Pub 012	PFI/040	03	The cost will be enormous and there are alternatives to incineration
Pub 012	PFI/040	04	Investment should alternatively be made in recycling companies.
Pub 012	PFI/040	05	If built the incinerator will have more capacity than there is waste, which means waste will be brought to it from outside the county
Pub 013	PFI/041	01	I am extremely concerned about the increase in our rates bills that would result from the building of a very expensive incinerator at Allerton. This would affect the North Yorkshire County Council residents for many years to come.
Pub 013	PFI/041	02	In the current economic climate this cost seems unnecessary and should not be rushed into before we have worked to increase our recycling rates and can see if there actually is a need.
Pub 013	PFI/041	03	I do not object to Allerton as a waste disposal site but urge you to take care as to the scale of the operation. We do not want to be saddled with processes that cost us huge amounts of money to set up and only seem to benefit AmeyCespa and other regions wishing to dispose of their waste!
Pub 014	PFI/042	01	I write to protest against the current NYCC waste strategy proposals they are based on unrealistic targets for recycling that overplay the financial case for a single 'super-facility' for the entire County. They are misleading because recycling rates could be much higher, with the result that landfill costs will drop significantly
Pub 014	PFI/042	02	The strategy is based on old technologies, including incineration, which has one of the highest levels of CO2 emissions
Pub 014	PFI/042	03	It ignores the new Government's commitments to a massive increase in recycling as well as its plans for an immediate review of all waste management strategies

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Pub 014	PFI/042	04	It ignores the public's view today, instead relying on consultations completed several years ago.
Pub 014	PFI/042	05	North Yorkshire has a recycling rate of 44%. The current plan is to only increase recycling by 0.5% between 2013 and 2020 (this just half of one percent in 7 years). This is totally unacceptable when other areas of the country are already achieving over 70% (South Oxfordshire). Other councils across the country have voted against incineration in favour of 100% Anaerobic Digestion, a clean and safe waste disposal method
Pub 014	PFI/042	06	I ask that you push for a big increase in recycling, thus removing the need for such a colossally expensive and risky venture. We should not be tied to a single contractor and a single method of waste disposal for the next 25 years. At a time of deep Government spending cuts, it would be irresponsible to continue the current strategy without careful review
Pub 015	PFI/043	01	I am writing to you to urge you to oppose these plans as they are based on unrealistic targets for recycling that overplay the financial case for a single 'super-facility' for the entire County. They are misleading because recycling rates will be much higher, with the result that landfill costs will drop significantly
Pub 015	PFI/043	02	The strategy is based on old technologies, including incineration, which has one of the highest levels of CO2 emissions
Pub 015	PFI/043	03	It ignores the new Government's recent recommendations for a moratorium on incineration projects and its commitments to a massive increase in recycling as well as its plans for an immediate review of all waste management strategies
Pub 015	PFI/043	04	It ignores the public's view today, instead relying on consultations completed several years ago.
Pub 015	PFI/043	05	I ask that you push for a big increase in recycling, thus removing the need for such a colossally expensive and risky venture. At a time of deep Government spending cuts, it would be irresponsible to continue the current strategy without careful review
Pub 006	PFI/044	01	The so called independent expert present (Harrogate Roadshow 17/07/10) is in fact paid by Cespa - so not really independent at all 'he who pays the piper etc'.
Pub 006	PFI/044	02	None of the presentation material mentioned the dangerous nanoparticles it will emit. When I spoke to the 'independent expert' on the subject of nanoparticles - the first three things she said to me were - yes it will emit nanoparticles - yes they are dangerous- yes they spread widely and cannot really be measured accurately QED After that she tried to reassure me that there was nothing to worry about!!

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Pub 006	PFI/ 044	03	This roadshow is strong on the so called pros and very weak on the cons - no surprise there. When are you and the Council going to put on a truly independent and balanced roadshow, giving the public both the pros and cons for their consideration?
Pub 006	PFI/ 045	01	The Scottish Protection Agency's (SEPA) comprehensive health effects research concluded "inconclusively" on health effects in Oct. 2009. The authors stress, that even though no conclusive evidence of non-occupational health effects from incinerators were found in the existing literature, "small but important effects might be virtually impossible to detect". The report highlights epidemiological deficiencies in previous UK health studies and suggests areas for future studies. Scotland is taking a much more cautious 'we do not know all the facts' stance. So why is England being so sanguine?
Pub 006	PFI/ 045	02	You quote the Health Protection Agency report - they say "any potential risk of cancer due to residency near to municipal waste incinerators is exceedingly low and probably not measurable by the most modern techniques" Just because something is not measurable it does not mean that it does not exist or that the risk is small. Any decent scientist would confirm this point. How can the HPA be sure that the cancer risk is low if it's not measurable? Please send me the 'proof' of how they reach this conclusion. Not the evidence (which is always partial) - I'm looking for their PROOF.
Pub 006	PFI/ 045	03	Bonfires and fireworks do emit higher percentages of nanoparticles but of course this argument is fallacious. These bonfires are dispersed across the British Isles and nanoparticles emitted are percentages of a relatively small plume of smoke in each case for a short period. What we are talking about at Allerton is 1% of an enormous amount of smoke concentrated in one location and generated day after day 24/7 for years, much of it likely to be being dumped on small children one mile away. And again because as you say there are no known proven links between ultra fine particles emitted from incinerators and measurable health impacts- does not mean there aren't any. What we do know is that these nanoparticles air emissions are NOT regulated or measured and are certainly not removed by the incineration plant's filters. They travel long distances penetrate deep into the lungs, cross into the bloodstream and then the blood/brain barrier. So - I ask again, how will you ensure these particles do not damage the health of these growing children as they inhale them in daily?
Pub 006	PFI/ 045a		America-like the UK is only just waking up to the potential dangers of nanoparticles Here are some findings from across there....(several non referenced points in support of above).
PCo 003	PFI/ 048	01	This parish has had no information or consultation regarding the above proposal. The subject of waste disposal (household and commercial) is continually discussed at every level, it affects us all and to assume that there is no need to explain not only the amount of money involved in setting up this scheme, but also the processes of incineration and what is involved, is both high handed and inexcusable of the County

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PCo 003	PFI/ 048	01	Our coalition government is advising that local communities be involved in how councils are spending their monies and this is a very good example of tax payers being side-lined by their County Council. We ask that you arrange a public meeting to clarify your proposals.
Pub 016	PFI/ 049	01	LIKE many York residents, I am worried the council is preparing to sign a contract for a new incinerator to be built at Allerton quarry.
Pub 016	PFI/ 049	02	Although the incinerator contains some positive design elements, most of its waste will be burnt - thus adding to York's CO2 emissions
Pub 016	PFI/ 049	03	The biggest problem with this incinerator is the fact that it ties the council into a contract for 25 years. This contract stipulates that York must supply the private operator with at least 80 per cent of a pre-arranged level of waste - if the city fails to do this, then the council must compensate the company.
Pub 016	PFI/ 049	04	York residents will surely be concerned about any contract which offers an incentive to the council to keep producing high levels of waste. If York is to play its part in combating climate change, then the council should be looking at long-term strategies to reduce the amount of waste produced in the city - not signing 25 year contracts that trap us into a cycle of consumption that the planet simply cannot afford
Pub 017	PFI/ 050	01	Can you confirm that all domestic waste and some commercial waste from every part of North Yorkshire is to be brought to Allerton? Is NYCC to be responsible for collection and delivery to Allerton? In view of escalating fuel costs and possible shortages in the foreseeable future, never mind congestion and wear and tear on the highways, this seems a ludicrous and very short sighted proposal. Not at all in keeping with a 'green image'. Do you have a transport scheme in mind which does not involve bin lorries travelling from every location in North Yorkshire to Allerton
Pub 006	PFI/ 051	01	Were Drax, Ferrybridge or other power station sites considered for this proposed incinerator? They have the space, the technology, the road network and one more chimney would not make any difference.
Pub 008	PFI/ 052	01	Request for information and links to the Defra website for the LATS Allocations per Council
Pub 008	PFI/ 052	02	What the Council will be paying per tonne of waste processed at Allerton once it is up and running?



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PCo 004	PFI/ 053	01	Against the NYCC Waste strategy proposals as they are based on unrealistic targets for recycling that overplay the financial case for a single 'super-facility' for the entire county and because recycling rates will be much higher than predicted, with the result that landfill costs will drop significantly
PCo 004	PFI/ 053	02	The strategy is based on old technologies, including incineration, which has one of the highest levels of CO2 emissions
PCo 004	PFI/ 053	03	It ignores the new Government's commitments to a massive increase in recycling as well as its plans for an immediate review of all waste management strategies
PCo 004	PFI/ 053	04	It ignores the public's view today, instead relying on consultations completed several years ago.
PCo 004	PFI/ 053	05	The Council urges the County Council to reconsider this plan and seek a thorough review of the way forward In particular it asks that the County council pushes for a big increase in recycling, thus removing the need for such an expensive and risky venture. At a time of Government spending cuts, it would be inappropriate to continue the current strategy without careful review
DCo 001	PFI/ 054	01	Cllr .... has been given a gate fee for the proposed plant by the above but wants to check if it is correct at between £80-85 per tonne as he was surprised it was as much as this especially compared to the Ferrybridge gate fee at £35/tonne. When I was on the group the latter did have the pre-treatment by an MBT prior to incineration which would be an additional cost presumably. Also he would like to know what the current gate fee is at Scorton?
Pub 018	PFI/ 055	01	I wish to protest against the current NYCC waste strategy proposals. They are based on unrealistically low targets for recycling that exaggerate the financial case for a single 'super-facility' for the entire County. The proposals are misleading because the amount of waste produced is already dropping due to less packaging, and recycling rates could rise much higher and more quickly than assumed in the current waste strategy, with the result that landfill costs would drop significantly. Such a large incinerator and waste management plant is simply not needed in North Yorkshire
Pub 018	PFI/ 055	02	NYCC's current proposals are based on North Yorkshire achieving a recycling rate of 50% only by 2020. We're not far from that figure today. If we recycle more, the need for a huge facility like this will go. Recycling reduces the need for landfill and what is left can be processed more efficiently using newer technologies.
Pub 018	PFI/ 055	03	NYCC's waste strategy proposals claim that incineration is the best way forward. Has NYCC calculated how much an alternative strategy based on increased recycling and waste reduction would cost? There appears to be no "Plan B" - only the one developed by a private contractor that has a vested interest in maximising the amount of waste it can incinerate. Where are the costs for an alternative, green solution based on higher levels of recycling?

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Pub 018	PFI/055	04	Surely North Yorkshire can recycle more. Within the county, some districts are already recycling over 50% and 60-70% could be achieved relatively easily and quickly. For example, this year Craven District Council announced that the amount of household waste going to landfill has plummeted since the introduction of Alternate Weekly Collections (AWC) Elsewhere, South Oxfordshire has just rolled out its new recycling scheme and in the first period of its operation has achieved rates of 71%.
Pub 018	PFI/055	05	Other counties are also reducing the amount of waste directed to landfill without resorting to incineration. Lancashire dropped its plans for incineration in favour of Anaerobic Digestion and Mechanical Biological Treatment (MBT). This process, common in Europe and the USA, Lancashire's target for recycling by 2020 is now 61%, compared to North Yorkshire's target of 50%. West Sussex County Council signed a £1 billion deal with Biffa to process 327,000 tonnes of waste per year, using similar technology to that used by Lancashire. Has NYCC been in contact with any of these councils to research an alternative strategy?
Pub 018	PFI/055	06	There will be no incentive to recycle more or to produce less waste. In fact, if waste levels fell and the district councils sent less waste to be incinerated, there would be financial penalties. Would waste then have to be brought in from outside North Yorkshire to fuel the incinerator?
Pub 018	PFI/055	07	Every person in North Yorkshire will end up paying for this, directly in unnecessary increases in Council Tax or indirectly in reduced investment in other public services.
Pub 018	PFI/055	08	North Yorkshire will be locked into a 25-year deal, unable to respond to new technical innovations in waste management, or to changes in national and EU regulations on waste management. What happens if the costs of incineration go up, or if waste levels fall dramatically as they are expected to do as we move towards a "Zero Waste" economy?
Pub 018	PFI/055	09	The current strategy is based on incineration, which has one of the highest levels of CO2 emissions of any method of waste disposal.
Pub 018	PFI/055	10	NYCC's current proposals fly in the face of the new coalition Government's commitment to reduce CO2 emissions, increase recycling and reduce waste, and comes at a time when a major review of all existing waste strategies is about to start. The new coalition is committed to massively increasing recycling - why is North Yorkshire not following this lead?
Pub 018	PFI/055	11	NYCC's current waste strategy proposals also completely ignore current public opinion, which is strongly in favour of large increases in recycling, instead relying on consultations completed several years ago.
Pub 018	PFI/055	12	I urge you to oppose this plan and instead ask for a thorough review of the best way forward. In particular I ask that you push for a big increase in recycling, thus removing the need for such a colossally expensive and risky venture. At a time of deep Government spending cuts, it would be irresponsible to continue the current strategy without careful review.

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Pub 018	PFI/055	13	Why build such a huge facility?
Pub 018	PFI/055	14	Where would the large amount of waste needed to continue to fuel the incinerator come from? Would it be brought in from outside North Yorkshire? If so, why should we pay for this?
Pub 014	PFI/056	01	I would be grateful if you could provide me with a list of venues in the whole of the North Yorkshire region, with the dates, where AmeyCespa will be hosting public exhibitions about the proposed Allerton Waste Recovery Park.
Pub 014	PFI/056	02	I would also be grateful if you could provide the names of the Country Councillors who will be present at each of the exhibitions to answer questions from the public relating to the scheme
Pub 014	PFI/056a	01	<p>On 15 June 2010, the Secretary of State for the Department for Environment, Food and Rural Affairs the Rt Hon Caroline Spelman MP announced that the Government would undertake a full review of waste policy in England.  <a href="http://www.defra.gov.uk/corporate/consult/waste-review/index.htm">http://www.defra.gov.uk/corporate/consult/waste-review/index.htm</a></p> <p>The Review of Waste Policy will look at all aspects of waste policy and delivery in England. Its main aim will be to ensure that we are taking the right steps towards creating a 'zero waste' economy, where resources are fully valued, and nothing of value gets thrown away.</p> <p>All comments and suggestions received in the discussion or to the survey before 9 September 2010 will be considered and fed into the Review. The Call for Evidence will close on 7 October 2010. The early results of the Review will be made available in Spring 2011. I would like to enquire if North Yorkshire County Council and City of York Council have any intention to participate in this national Review of Waste Policy and if not, the reason for that decision. As the date of the final vote about the proposed waste facility at Allerton Park in October 2010 is clearly out of sync with the above dates, I request that NYCC postpone the vote at least until the FINAL results of the national review are made public.</p>
Pub 019	PFI/058	01	What are you predicting to be the tonnage of municipal waste for each year between now and 2040 generated by NYCC?
Pub 019	PFI/058	02	How much do you think recycling efforts will reduce that amount by?
Pub 019	PFI/058	03	What assumptions do you make regarding population growth and how that may influence municipal waste levels?

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PCo 005	PFI/ 059	01	Very unhappy about NYCC's waste management plan and recent commitment to a 25yr deal to divert waste to a centralised facility
PCo 005	PFI/ 059	02	There was no consultation with our communities on this specific plan
PCo 005	PFI/ 059	03	We call on NYCC to implement a moratorium on the current plan and look at waste management requirements again in the light of recent technological developments and best practice
PCo 005	PFI/ 059	04	We call on NYCC to take a lead in the country setting and achieving much more aggressive recycling targets
Pub 020	PFI/ 060	01	I am writing to object to the proposal that there will be an incinerator at Allerton Park. I will do all in my power to oppose the incinerator.
Pub 020	PFI/ 060	02	According to reports I have read on incinerators, Health effects of Waste incinerators –British Society for Ecological Medicine (2008), there will be various pollutants emitted particularly dioxins. I do not want this land , my grazing animals and ourselves to be eating these pollutants
Pub 020	PFI/ 060	03	I don't believe incineration is the answer. Less rubbish will be recycled
Pub 020	PFI/ 060	04	It has been stated that this is the first incinerator of this type in the country, therefore untried and untested.
Pub 021	PFI/ 062	01	I would like to formally lodge my concerns with you, I can see no benefits to having the biggest waste facility in the UK on my doorstep, regardless of any future environment implications that we are unable to predict at this point.
Pub 021	PFI/ 062	02	I am sure that the incinerators that were banned in the nineties were regarded as 'safe' initially.
Pub 021	PFI/ 062	03	I would like to see alternative solutions pursued, for example, improve domestic recycling. Encourage supermarkets to retrieve the packaging from goods purchased from them - most of which is unnecessary advertising material.

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Pub 021	PFI/062	04	I was extremely disappointed that there was no representation from NYCC at the meeting last night, other than John Savage (presentation by AmeyCespa at Great Ouseburn village hall, 20 July)
Pub 021	PFI/062	05	I just don't want it on my doorstep without proper consultation and other avenues explored. This is a very serious matter that requires respectful consideration and dialogue between the local Community and the local Authority that serves us
Pub 022	PFI/063	01	First, let me make plain my position concerning the proposals for Allerton Park. Whilst in a perfect world I would much prefer not to have this facility anywhere near my home, I also recognise that there is a responsibility to take a wider view which appreciates the doomsday scenario of not radically re-organising our methods of waste generation and disposal. Thus my immediate concerns are about the safeguards which need implementation concerning health, transport implications, and the need to minimise the impact on the environment at and around Allerton Park
Pub 022	PFI/063	02	Second, I think it is a mistake for AmeyCespa to be fronting up the consultation process alone. There are fundamental national, regional and local political perspectives which should be, and are, the responsibility of politicians and their advisers to present, promote, and, if necessary, defend. At Great Ouseburn AmeyCespa were trying to do all these things - some effectively, some less so. Where was the politician who could describe the imperatives for change - and justify why so little is being done to reduce packaging and waste generation? Where is the client who prepared the brief? Where is the environment agency which dictates the construction of the so controversial chimney stack? Where are the local public health doctors who could refute some of the more grotesque statements made last night? I was particularly disappointed by the absence of any authoritative NYCC voice - I discount the contribution made by the sole NYCC councillor who attended. I thought it disgraceful that he should seek to distance himself from the Council's brief and in doing so has ensured that a difficult process will be more difficult
Pub 022	PFI/063	03	Third, there are some presentation details which I think need attention. You already intend to produce "what will it look like" pictures of the recovery park. I think it will also be useful to have cross sections to the 4 compass points showing contours and lines of sight from local communities - to indicate exactly who may or may not see some or all of the infamous chimney.
Pub 022	PFI/063	04	I also think there needs to be some indication of existing air quality in local communities, alongside the projected impact of the incinerator, to tackle the recurring theme of incipient health risk. Personally I am more worried about the exhaust fumes of the local buses in Little Ouseburn than of the combustion products at Allerton Park
Pub 023	PFI/064	01	Someone writing in the Knaresborough Post said that the Allerton Waste project would cost the taxpayer £1.4 billion over 25 years. Is this true? Please give me the estimated cost. I am very much for the project in principle.

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Pub 024	PFI/065	01	A number of things concern me over the plans to build an incinerator at Allerton but my question today is - can you tell me how advanced these plans are ahead of public consultation? I am presuming that before consultation takes place that there is no commitment to go ahead with the contract with AmeyCespa if the public decide that is not the way they wish to go?
Pub 024	PFI/065	02	I would not like to think that we were committed to such vast expenditure or that there would be any financial commitment in this direction ahead of the consultation process. Can you confirm to me that if your tax payers do not want this that you can pull out without financial penalties?
Pub 024	PFI/065	03	Also the Conservative Government made a pre-election speech (by Nick Herbert, Shadow Environment) to the effect that incineration would only take place with community consent, and I would like you assurance that NYCC and City of York Council will respect this?
Pub 024	PFI/065	04	One more question. Why is NYCC's target for recycling by 2020 only 50% when South Oxfordshire met 73% this year?
PCo 006	PFI/066	01	My Council has asked me to write to you about its concerns about the proposed option to commit to a long term expensive contract to divert all non-recycled waste to a large centralised facility managed by an outside contractor
PCo 006	PFI/066	02	My Council strongly urges you to investigate all the alternative options thoroughly on both an economic and environmental basis before asking about committing every local resident to this contract
Pub 007	PFI/067	01	Please could you advise how you are going to compensate me as my house price been devalued by 40%? This is backed up by two reports from local estate agents and also from Councillor John Watson at a meeting in Marton Cum Grafton school on the 25th June 2010. He explained house prices would fall by at least 20%. My house will over look the chimney about 400 metres away and will be Devalued more than most.
Pub 007	PFI/067	02	I would expect recycling to be a priority along with schools and old persons welfare not a Tory council hell bent on building a £900 million incinerator they cant afford
Pub 007	PFI/067	03	It does not comply with energy from waste strategy issued by the government on two accounts firstly it does not use the heat which will go into the atmosphere this should be used to heat a commercial swimming pool or green houses etc secondly the government say the local community should back the scheme clearly with the recent demonstrations you have no local community support.

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Pub 007	PFI/067	04	The co2 levels you talk about are flawed as Allerton park land fill collects all the methane gas and produces electricity from gas generators it is set up for 3mw and produces just under this amount, further more there is 2 million tons of land fill space available at Allerton park which by the way will be mothballed if you build an incinerator as it wont be worth while to keep it open if landfill levels fall.
Pub 007	PFI/067	05	Finally your business plan was formed when the economy was at a high there are now empty industrial units on every estate and there is very little if any house building taking place I think if you look at your business model you will find it is out of date just like incineration its self.
Pub 025	PFI/069	01	Incineration is a quick fix solution and comes as a result of the councils appalling ability to develop any degree of recycling process. It does nothing to encourage, better packaging design, reduced consumption, reuse of materials, recycling of products and rethinking of the waste process.
Pub 025	PFI/069	02	Incineration is also highly capital intensive and creates few jobs and binds ratepayers to a single course of action over the next 25 years. It also destroys jobs (in recycling) and creativity which we as a modern nation need
Pub 025	PFI/069	03	I have investigated the proposals for this site and in addition to above I also feel that the following should be considered: <ul style="list-style-type: none"> <li>- The contamination equivalent to hundreds of tons of toxic ash every year</li> <li>- Contamination of thousands of acres of farm land contamination</li> </ul>
Pub 025	PFI/069	04	- A doubling of our local traffic pollution
Pub 025	PFI/070	01	Unfortunately I find the engagement process which you refer to and which has historically operated around this matter somewhat lacking and rather frustrating. I have only recently been made aware of this proposed solution and as a resident in the local area I feel that significantly more could have been done to engage. Given that this process started in 2006 and my consequent recent awareness, I think this demonstrates the lack of initial engagement from the local council.  I recently tried to attend a local council meeting which was held last week in Northallerton. To my disbelief I was turned away from this meeting along with numerous other people (over 100) with the message that there simply wasn't enough room. I also understand that this meeting voted against holding a public enquiry which again demonstrates the lack of desire to engage with the public in the process and conflicts against all government engagement policies.
Pub 025	PFI/070	02	I am sure that there is a better long term solution to our waste disposal which doesn't include burning and generating 180,000 tons of unnecessary pollution (regardless of its safety issues where evidence is undetermined as the effects are difficult to measure)

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Pub 025	PFI/070	03	North Yorkshires current recycling rate is only reaching 45% and this is dreadful when compared to the UK normal distribution. The introduction of a waste disposal site will only increase recycling levels by a further 5 % which is surely not the way forward and still falls short of all UK averages. In the Harrogate district, we have been given no opportunity or leadership from our council to demonstrate that recycling is the way forward and the construction of an incinerator is therefore in my view an easy option.
Pub 025	PFI/070	04	I would also add that the incinerator plan predetermines the upcoming Waste Core Strategy based on flawed evidence that was rejected in a Public Examination by Jonathan King in December 2008.
Pub 025	PFI/070	05	I have significant knowledge of PFI builds and Signing up to an incineration plant for a period of 25 years is also bad business. This will preclude using the general market trends, technological developments, and waste reduction techniques and advancements in reuse and recycling that will, over that prolonged period of time become available. Indeed many of which are already in development and will also be encouraged by increased Landfill Taxation and legislation. Significant new trends have emerged as the cost profile for waste disposal to landfill has exploded and leading regions move towards 'Zero Waste.'
Pub 026	PFI/071	01	Worried about exactly what will come out of the stack – emissions.
Pub 027	PFI/072	01	What are the present recycling figures for each district council? What will the figures be in five and ten years time if the incinerator goes ahead and what will they be if it doesn't?
Pub 028	PFI/073	01	I am most keen to see this sort of project become a reality in North Yorkshire. It is well overdue and has the potential to be of great benefit to the community and is just plain common sense.
Pub 028	PFI/073	02	I would like to know the selection criteria and ranking for the preferred bidder and whether the selected contractor was the cheapest?
Pub 028	PFI/073	03	I would like to know is the County going to buy part of the electricity generated by the project to supply energy to schools and other similar facilities as well as selling to the Districts for their use in local authority buildings. If no, how exactly is the generated electricity to be credited in the contract?
Pub 028	PFI/073	04	I would like to know how long is the contract for the management of the site.



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Pub 028	PFI/073	05	I would like to know what financial benefits will accrue to the residents of North Yorkshire as a result of this facility.
Pub 029	PFI/074	01	Please find attached a true artist's impression of what the so called recovery park will be. (sourced from Calendar news) I am quite saddened to see that you do not report the truth when you write your articles. You should be ashamed of yourself for printing such a one side article are you not supposed to report a balanced view.
Pub 029	PFI/074	02	This so called recovery park will incinerate 80% why have you actually neglected to report that fact?
Pub 029	PFI/074	03	North York CC refused a motion to have a public debate on this, on the 21st July at Northallerton if it is so good for us why did they do this?
Pub 029	PFI/074	04	This will cost NY £900m the biggest investment ever - how does this save us £320m and why is NY not allowed to know the real facts on this.
Pub 029	PFI/074	05	MP's in this area do not support the incinerator - and the NYCC don't understand or care it is a short term fix for them.
Pub 029	PFI/074	06	How is burning 80% of NY rubbish a form or recycling how does it encourage people to change behaviour & reduce their consumption & how does it protect the health of our young children. On pg3 you report about the 19 household waste recycling centres - what will happen to these.
Pub 029	PFI/074	07	I try to recycle as much as I can, HBC do not provide much help, we can't recycle plastic or cardboard but small villages in the Yorkshire Dales can. HBC recycling rate is 30% as a wealthy, intelligent town they should be ashamed of themselves
Pub 029	PFI/074	08	My children have a right to breath healthy air & the knowledge that they have a healthy future - wind travels this will affect everyone. If this is all so safe why do we need a 250ft chimney or is this required because is it truly about commercial waste rather than household waste
Pub 030	PFI/075	01	What is the total capital cost of the Allerton Park scheme and does it include the cost of the site

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Pub 008	PFI/076	01	Last week I visited a private waste disposal contractor which operates 4 MT (Mechanical Treatment) plants, the largest of which is handling 250,000 tonnes per annum of mostly black bag waste and was achieving an 82% recycling rate. The plant was not perfect and could have been improved with a Biological element. However it was successfully sorting waste from all over the country at a cost of under £70 / tonne treated I don't know what NY is proposing to pay to the 'preferred contractor' but deduced from the figures I read in the press and in other publications I estimate it to be in the region of £130 - £140 /tonne.
Pub 008	PFI/076	02	The figure of £320 million which the 'preferred contractors' claim they are saving is, with all due respect, a nonsense as it is only being measured against escalating, both, tonnages of waste and landfill charges over the 25 year contract. If it was measured against the private contractor mentioned above, I calculate the saving to the Council would be in the order of £600 million over the life time of the contract or round about £25 million per year. This is also without increasing source separation of waste which is where the future is. To quote Yorwaste, 'Don't waste waste'. I would like to verify my figures with you.
Pub 031	PFI/077	01	This type of facility is long overdue. Scandinavian countries have had such facilities for decades. I fully support this proposal
Pub 031	PFI/077	02	However, there is still a role to allow for better sorting of plastic containers by the consumer at amenity sites. In my view there should be separate bins for each plastic type - 1 = polyester, 2 = polyolefin etc and all plastic should be recycled
Pub 032	PFI/078	01	I have read the NY Times dated Aug 2010 and am concerned on two points: 1.no where does it mention that an incinerator is proposed fro the site with the environmental implications attached thereto. The whole story if one of spin and gloss-not at all factual and no doubt designed to soften local people's attitude to the proposed development. 2/the County council has used the NY Times as a propaganda tool for the above purposes and surely as this is a newspaper paid for by local people thorough their community charge it is wholly unacceptable to use it for propaganda? The article should have been factual and given the reader a balanced report. Even in these days of cynical spin I was taken aback by its blatant bias.
Pub 033	PFI/079	01	I formally object to your plans to build a giant incinerator in North Yorkshire. Please save us tall the inconvenience and expense by ditching this highly controversial proposal and exploring the alternatives thoroughly.
Pub 033	PFI/079	02	My arguments have bee forcefully expressed by DISC NYWAG and Marton Cum Grafton PC
Pub 033	PFI/079	03	Relationship of Cllr Wood to Lord Mowbray?

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Pub 034	PFI/ 080	01	If the proposal goes ahead his property will be seriously devalued. Would we reduce his council tax? (Resident lives 400-500yds away from the proposed plant).
Pub 035	PFI/ 081	01	It seems there are 2 different targets being quoted, 0.5% increase over 7 years in the PFI contract, and 5% increase over 7 years in the AmeyCespa proposals. Are you please able to clarify which of these widely differing targets is the correct one
Pub 036	PFI/ 082	01	Further to my email below on the 15th July, I have received not ONE reply from anyone of the 73 NYCC Councillors. I would also like to know from the conservative councillors, why they either abstained or voted against a full public debate on this matter, when there is clearly so much public concern? I would appreciate a response.
Pub 036	PFI/ 083	01	I would appreciate a response to my letter please. Also I would like to know the details of the public meetings planned for September and how they are being publicised to the public.
Pub 008	PFI/ 093	01	Arrangements for a meeting with Assistant Director Waste Management
Pub 037	PFI/0 95	01	Read the article in the NY Times how big is the chimney and what is its circumference? Is it a pipe or a wide chimney?
Pub 037	PFI/0 95	02	In the NYCC press Release dated 29.06.10 it refers to a Mechanical Sorting and Reclamation facility dealing with 20,000tpa but at the public exhibition it said household waste produced was 470,000tpa. Is the 20,000tpa being burnt and will this figure gradually increase?
Pub 037	PFI/ 095	03	Would like traffic movement information, what roads will be used as the A59 is very congested already
PCo 008	PFI/ 096	01	Unanimously agreed to oppose the Allerton Waste Recovery Park proposal based on the alternative requirement for further recycling facilities
PCo 008	PFI/ 096	02	Opposed to incineration processes – which is felt is an outdated process for waste disposal

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PCo 008	PFI/ 096	03	May cause harm to the environment and will cause CF emissions.
PCo 008	PFI/ 096	04	May cause harm to landscape – particularly with a 250ft incinerator, which will be seen from many local parishes in the surrounding area
PCo 008	PFI/ 096	05	The parish council wishes other forms of recycling waste disposal treatments such as Anaerobic Digestion to be considered.
PCo 008	PFI/ 096	06	In addition, the plan proposed doesn't meet the new coalition governments' commitment to increasing recycling.
PCo 008	PFI/ 096	07	It is felt the financial penalties that could be applied, in the event of not enough waste being processed, will be coming direct out of North Yorkshire County Council taxpayers, but the waste will be coming from areas outside of North Yorkshire. This means North Yorkshire taxpayers may be paying for waste disposal facilities for other non paying tax
Pub 038	PFI/ 097	01	I have just received NY TIMES with its article on the proposed Allerton Waste Recovery Site. Nowhere is the cost of the site mentioned, only a PFI input, which amounts to a very expensive credit card, making us vulnerable to future interest charges. What is the total cost, and where is it coming from? Why was the total cost not mentioned?
Pub 038	PFI/ 097	02	In the light of the annual tonnage figures proposed: 20,000 for recycling, 40,000 for anaerobic digestion and 320,000 for incineration (this figure was somehow omitted from the article), why was the word 'incineration' not mentioned in the article? You could say that it was dressed up as 'thermal energy from waste treatment', but this sounds like deliberate misleading of the public to me
Pub 038	PFI/ 097	03	In view of the fact that many communities are now actively working to reduce waste, as we must because of the global waste crisis, will the site still be viable if in, say, five years' time we've managed to halve our waste production? Much waste comes from oil-based materials, which will become more scarce as oil prices rise and that in itself will reduce our extravagant waste production. What is the minimum tonnage at which it can operate? Will AmeyCespa like that, or are you putting us into some sort of strait-jacket of deliberate waste production? I understand that some similar European sites are already having to import waste from other countries to keep their incinerators running.
Pub 038	PFI/ 097	04	Have you looked into any emissions-free closed loop incineration? <a href="http://www.eclipsuk.co.uk">www.eclipsuk.co.uk</a> < <a href="http://www.eclipsuk.co.uk">http://www.eclipsuk.co.uk</a> > for example?
Pub 038	PFI/ 097	05	Request for further information on Waste PFI and Waste Strategy

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Pub 006	PFI/098	01	I would like to know what pollutants - and at what fractions - will be produced by this incinerator?
Pub 006	PFI/098	02	How they will be continuously monitored, since this represents a considerable challenge, particularly in the case of nanoparticles?
Pub 006	PFI/098	03	What assumptions have been made in modelling the pollutant outputs and their geographic spread, particularly in the light of these statements from the report above? <a href="http://www.airquality.co.uk/reports/cat05/1006241607_100608_MIP_Final_Version.pdf">http://www.airquality.co.uk/reports/cat05/1006241607_100608_MIP_Final_Version.pdf</a>
Pub 006	PFI/098	04	Research indicates that incineration creates many more PM2.5 and smaller particles than PM10 particles. This is true for both primary and secondary particulates (secondary particulates are formed beyond pollution controls in the incinerator stack and are "emitted unabated") and the WHO state that there is no safe level of PM2.5 and health effects have been observed at surprisingly low concentrations with no threshold. Are the Council members aware of the WHO statement and if so what is their view on it?
Pub 039	PFI/100	01	Various objections to the waste site at Allerton he said the Council has never until now consulted the public &
Pub 039	PFI/100	02	The council appears to be using public funds that will benefit the waste contractor & that is contrary to the PFI Regs
Pub 039	PFI/100	03	If the council advertised kerbside recycling more that would solve a lot of the waste problem
Pub 039	PFI/100	04	NYCC have not quoted the facts & figures correctly regarding the hazards of this site.
Pub 040	PFI/101	01	Suggested that the old Corus Steel Works site in the North East should be used as it will benefit employment in the north east, utilise an already industrial area and leave North Yorkshire in its present beautiful state.
PCo 009	PFI/102	01	What is the annual loan repayment including a breakdown on the interest charges on the PFI credits?

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PCo 010	PFI/ 103	01	We are writing to ask you to vote to reject the proposed waste facility at Allerton when the matter comes before you in October
PCo 010	PFI/ 103	02	The facility will become unnecessary as recycling rates improve, as they must under EU and UK targets, therefore household and industrial waste will have to be sourced from outside the county to fulfil the contract
PCo 010	PFI/ 103	03	New waste management strategies are changing so quickly now that to commit our Council Tax to a contract for the next 25 years would be foolhardy to say the least. Many UK counties have already rejected incineration in favour of cheaper, greener alternatives and remain in control, so they can adapt to change as it happens.
PCo 010	PFI/ 103	04	The 70 jobs created at Allerton would be at the expense of existing jobs at other sites, whereas investing in waste recovery sites and promoting a zero waste policy culture would create much more employment and would be self-financing.
PCo 010	PFI/ 103	05	Furthermore, our Parish Council would like to know why NYCC has not examined alternative strategies for waste management. Ferrybridge and Drax are already operational, with good road and rail links and have spare capacity for burning our non-recyclable waste, without need for further development.
PCo 010	PFI/ 103	06	It simply does not make sense to pay in excess of £200 per tonne when we could pay a fraction of that on the open market.
Pub 041	PFI/ 104	01	I write to protest against the current NYCC waste strategy proposals. They are based on unrealistic targets for recycling that overplay the financial case for a single 'super facility' for the entire county. They are misleading because recycling rates will be much higher than predicted, with the result that landfill costs will drop significantly.
Pub 041	PFI/ 104	02	The strategy is based on old technologies, including incineration, which has one of the highest levels of CO2 emissions
Pub 041	PFI/ 104	03	It ignores the new Government's commitments to a massive increase in recycling as well as its plans for an immediate review of all waste management strategies.
Pub 041	PFI/ 104	04	It ignores the public's views of today, instead relying on consultations completed several years ago.

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Pub 041	PFI/104	05	I urge you to oppose this plan and instead ask for a thorough review of the best way forward.
Pub 041	PFI/104	06	In particular I ask that you push for a big increase in recycling, thus removing the need for such a colossally expensive and risky venture. At a time of deep Government spending cuts, it would be irresponsible to continue the current strategy without careful review.
PCo 011	PFI/105	01	We hear that NYCC have stated that they will not be calling any Public Meetings to discuss waste. However I believe you propose to invite Local Parish Councils to discuss the plans. Unfortunately we are not one of the 11 you have earmarked so we'd like to ask for ..... Parish Council to be added to the list of PC attendees.
Pub 042	PFI/106	01	We write to protest against the current NYCC waste strategy proposals. They are based on unrealistic targets for recycling that overplay the financial case for a single 'super facility' for the entire county. They are misleading because recycling rates will be much higher than predicted, with the result that landfill costs will drop significantly.
Pub 042	PFI/106	02	The strategy is based on old technologies, including incineration, which has one of the highest levels of C02 emissions
Pub 042	PFI/106	03	It ignores the new Government's commitments to a massive increase in recycling as well as its plans for an immediate review of all waste management strategies.
Pub 042	PFI/106	04	It ignores the public's views of today, instead relying on consultations completed several years ago.
Pub 042	PFI/106	05	We would suggest household recycling provision for cardboard and plastic bottles rather than having to produce more C02 emissions taking carloads to Ripon every week.
Pub 042	PFI/106	06	We moved to the Village of Arkendale, an area of outstanding natural beauty and a protected area, for a quiet and peaceful existence and not to be surrounded by horrendous movement of waste with all the noise and disruption that this entails. In addition the attraction and value of our property would undoubtedly decrease due to this proposal.
Pub 042	PFI/106	07	We urge you to oppose this plan and instead ask for a thorough review of the best way forward.
Pub 042	PFI/106	08	In particular we ask that you push for a big increase in recycling, thus removing the need for such a colossally expensive and risky venture. At a time of deep Government spending cuts, it would be irresponsible to continue the current strategy without careful review

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Com 003	PFI/107	01	Can you please therefore explain to me why at the NYCC meeting last week a vote to have a public consultation was refused by 41 councillors present?
Com 003	PFI/107	02	Please can you list all the seminars, public libraries, venues etc where the councillors of North Yorkshire are present to discuss and explain to all residents throughout York and North York's the nature of the above project?
Com 003	PFI/107	03	I would also be pleased to receive a detailed breakdown of the costs associated with the above proposal over the next 25 years against a breakdown of costs for the recycling of waste over the same period, as I assume a comparison was made prior to North York's County Council choosing incineration as the way forward.
Com 003	PFI/107	04	Can you confirm why one large plant is being proposed when several smaller plants 'pepper potted ' throughout the region and I or existing facilities upgraded could be an alternative?
Com 003	PFI/107	05	I am a sure as we recycle more the need for a plant of the size in question will become redundant
PCo 12	PFI/108	01	After carefully considering all the information the Parish Council are very much against this incinerator being built unless the correct technology is used as contained in the Ferrybridge report compiled by Dr Dick Van Steenis.
PCo 023	PFI/110	01	Please will you let me know when NYCC wants responses from Parish Councils about Waste Management policy (your letter RF/CJB of 27th July refers)?
Pub 044	PFI/086	01	Support for project. Need to improve recycling of plastics and milk cartons
Pub 045	PFI/111	01	I am taking the unusual step of writing to each of the county councillors for North Yorkshire and the City of York because of the deep concerns I have about the outcome of the controversial North Yorkshire Waste Strategy Plan.
Pub 045	PFI/111	02	Not only will it be the biggest contract that NYCC has ever awarded, eventually costing taxpayers a total of £1.4b, it will also, in my opinion, turn out to be NYCC's biggest mistake. A mistake which will dog the taxpayers of North Yorkshire for 25 years or more. How can any NYCC or City of York councillor justify supporting this kind of risky venture when there are going to be such drastic cuts to other services in the region under the current austerity drive?
Pub 045	PFI/111	03	This plan was first mooted in 2006 in line with the objectives of the former government which, given the current state of knowledge and financial climate at the time, favoured incineration; a vastly more expensive solution than other options. We are now in 2010 and the economic climate, waste technology and local aspirations have all moved on into a very different era.



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Pub 045	PFI/ 111	04	A number of more forward-thinking councils have rejected incineration as part of the solution to their waste problem and opted for less expensive, more efficient, environmentally-friendly and healthier alternatives such as MBT (Mechanical Biological Treatment) and AD (Anaerobic Digestion) combined with more recycling and re-use.
Pub 045	PFI/ 111	05	If there does prove to be a problem with residual waste then why are existing alternatives not being examined, such as the spare capacity at Drax, Ferrybridge and Hartlepool all of which would welcome extra waste from North Yorkshire
Pub 045	PFI/ 111	06	Coalition government ministers (PM David Cameron and Secretary of State for the Environment, Caroline Spelman) have made announcements advocating these methods and indeed stating that they have a policy objective of zero waste.
Pub 045	PFI/ 111	07	So why does NYCC -and indeed as a conservative-dominated council -still seem determined to continue with this obviously outmoded, expensive form of waste management with such a long-term financial burden and risks?
Pub 045	PFI/ 111	08	I would urge you all to think very carefully about the present situation and the future and demand a re-examination of this waste strategy to take into account the developments in both technology and society.
Pub 046	PFI/ 112	01	I am writing to voice my opposition to the planned incinerator at Allerton in North Yorkshire.
Pub 046	PFI/ 112	02	Firstly it is planned to be built in a rural area, which to my mind cannot be right for a distinctly industrial unit, plus the area is very beautiful and will be marred terribly by the 76 metre high chimney required for the incinerator. This chimney will be visible for miles across the rural landscape it will clash very badly with the local scenery! Yorkshire is renowned for its beautiful countryside and an eyesore such as this will not help tourism.
Pub 046	PFI/ 112	03	Secondly incineration is very unpopular and is being phased out in many countries and areas. They produce vast quantities of greenhouse gasses which are not collected. Waste gasses will be produced 24 hours a day, 365 days a year and though we are assured these are within government limits and will be constantly monitored there will be faults which will cause it to exceed these limits. We are assured by AmeyCespa the exhaust gasses from the chimney will be no different than those of your car or central heating system exhaust, this is not true, cars and heating systems don't burn rubbish! Added to which I have yet to see a car or central heating exhaust 76 metres high and a several metres in diameter. It might be worth noting here that asbestos was once considered to be a safe and inert substance. Whoever is living down wind of this chimney will be constantly poisoned

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Pub 046	PFI/ 112	04	Thirdly the literature and promotion of this planned project makes it appear to be a recycling centre, this is not really true as only a small percentage will go to recycling and anaerobic digestion the largest amount by far will be burned! This will not encourage the local councils of North Yorkshire to improve their currently woeful kerbside recycling record. It will just be seen as the answer to the problem when in truth it will barely improve the overall recycling percentages of the county at all. There are counties within England who recycle far, far more than we do and if it can be done by them then why not by us, it is just excuses.
Pub 046	PFI/ 112	05	At a time of belt tightening is it really a good idea to tie our selves into an uncertain product with a 25 years lifespan. Improving recycling will be far easier to build up and without such high costs
Pub 046	PFI/ 112	06	Consultation with residents of North Yorkshire has been poor. Many people I have spoken to who will be affected by this proposal are entirely unaware of its existence.
Pub 046	PFI/ 112	07	I urge you to oppose this plan and instead, encourage you to work towards the new Government's commitments to a massive increase in recycling.
PCo 007	PFI/ 113	01	I have had many also from the villages around the site asking for backing to prevent the site ever happening. I have consulted with my Parish, and the majority view is against.
PCo 007	PFI/ 113	02	Why do we need it?
PCo 007	PFI/ 113	03	Can the costs and penalties ever achieve the IRR (not published as far as I know) to justify it
PCo 007	PFI/ 113	04	Why on this site, at the entrance to the Dales, and in the middle of farms and villages, opposite a high investment leisure facility and Hotel, a Stately home, and with a blot on the landscape emissions chimney over 200feet high.
PCo 007	PFI/ 113	05	Why do not investigate the already established sites of the power stations a few miles away where major road and canal systems would serve to ship the waste. These sites are already linked into the grid, and so would be much less intrusive and probably a cheaper option.

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PCo 007	PFI/ 113	06	Lastly but more importantly why are York and North Yorkshire not re-cycling more. I was recently in Spain, where in the area I was in Javia, Incineration had ceased, and there were numerous clean and discreet local sites to take rubbish for recycling 24 hours a day 365 days a year. The culture of bury or burn will not change if more facilities for the public are not provided in a sensible and convenient way.
PCo 007	PFI/ 114	01	I was not suggesting that the waste was disposed of through the current / biomass facilities at Ferry bridge but that the new proposed plant and its facilities be built and based there alongside the current power station, on the extensive grounds of that site with its road and canal and grid links.
PCo 007	PFI/ 114	02	I think the costs and benefits of such a project should be investigated before the move to accept Allerton as the preferred site. Further the actual figures that justify, or not, each site should be published. It would also be in the public interest to know the numbers of new houses estimated for the area that have been built into the calculation. This way a totally transparent presentation will allow a totally open opinion to be made by those from whom you are seeking input.
Pub 036	PFI/ 115	01	Unfortunately I haven't heard from you and given that the public meetings on this matter are scheduled for September, I would like to know when they are happening and where. I would appreciate a response in full ASAP. I live in ..... and I would like to know when the area committee will take place regarding the Allerton Park Incinerator Proposal. I would also like to know what efforts have/will be made to make these meetings publicly known.
Pub 008	PFI/ 116	01	If the cost of continuing to bury the combined Councils' rubbish would be £1.8 billion over 25 years , as you reported in the NY Times this month, and AmeyCespa are saving us £320 million, then the cost will be(£1,800,000,000 - 320,000,000) £1,480,000,000 If the total tonnage of waste treated is 350,000 tonnes/annum. Over 25 years that is a total of 8,750,000 tonnes. Therefore the cost of treating 1 tonne is; £169.14. Could you kindly let me know if this is correct or at least in the ' ball park'.
Pub 047	PFI/ 117	01	I have received, with my morning paper, today a leaflet from North Yorkshire waste Action Group that is against the incinerator being built. They say that it will cost me money and could impact on my health. Can you tell me what the impact on my health could be?
Pub 047	PFI/ 117	02	How much money per year it is going to cost me?
Pub 047	PFI/ 117	03	Could you also tell me how any heat energy will be used from the burning of the waste?

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PCo 013	PFI/ 118	01	First let me say that although the Parish Meeting has not met formally, on the evidence available it will certainly support the NYCC proposal, which it will wish to see implemented with all speed and no unnecessary cost
PCo 013	PFI/ 118	02	As someone whose professional expertise included location analysis, I would expect one large plant in Allerton quarry to be selected.
PCo 013	PFI/ 118	03	A criticism of NYCC is that it was slow to distribute information, thereby giving nimbyist objectors the opportunity to circulate misinformation. Thus people who should know better, if the full facts had been available, gave their support to the objectors. Hence NYCC should ignore comments expressed prior to its sending information to parish councils/meetings.
PCo 013	PFI/ 118	04	One objection was that apparently similar plants in Germany are white elephants and are having to import waste. Presumably NYCC tested its proposal for different waste recycling rates and this should be stated explicitly.
PCo 013	PFI/ 118	05	The coalition government is apparently examining a return to weekly waste collection. Although not NYCC's responsibility, it seems likely to increase the cost unless DCs can mix waste. Thus I am interested to know whether the combination of technologies at Allerton will enable householders to put all their waste in one bin.[Presently I have three bins and plastic bags for paper.] If that is the case, NYCC should say so, as the profusion of bins in National Park villages and older urban developments is an eyesore.
Pub 048	PFI/ 119	01	Why has the Allerton site been chosen?
Pub 048	PFI/ 119	02	What job opportunities will there be?
Pub 049	PFI/ 120	01	Want to know about opportunities to object to the proposals. Would like to know more about the expected process of Council approval to award the contract, and opportunities to make representations then. How many letter have we had?
PCo 014	PFI/ 121	01	Members were in general opposed to the use of incinerators and felt that alternative technology should be seriously investigated before going down the incinerator path.
PCo 014	PFI/ 121	02	More importantly, strong views were expressed about the poor performance of both North Yorkshire and Harrogate Borough in terms of recycling, both authorities being well down the league tables for this service. Because the proposals will have little impact on the village this has not been a major issue for the Council, but the view of members was that recycling must be improved if the alternative is an incinerator.

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PCo 015	PFI/ 122	01	.....Council would wish to support the request to pause and consider alternative options.
Pub 050	PFI/ 123	01	I trust you will register my strong opposition to this scheme.
Pub 050	PFI/ 123	02	I read the August NY Times Article which did not mention some important facts, the articles enthusiasm for the scheme implied that it was sound both environmentally and financially I beg to differ.
Pub 050	PFI/ 123	03	There are well documented and justifiable arguments against such facilities
Pub 050	PFI/ 123	04	Why was the word incinerator not used in the article?
Pub 050	PFI/ 123	05	The contract ties the Councils for 25 years, given the speed of technological advance both the need for waste processing and the method will change long before 25 years have elapsed, making the incinerator either redundant or too big.
Pub 050	PFI/ 123	06	The Councils efforts should be directed towards the reduction of waste, Ryedale has excellent recycling targets why not use this area as a standard. Why not have North Yorkshire take a national lead in encouraging all packaging to be reduced or to be entirely recyclable
Pub 050	PFI/ 123	07	I am deeply suspicious of PFI schemes a view endorsed by a senior economist. I believe they only benefit financiers and mortgage organisations.
Pub 050	PFI/ 123	08	This scheme proposes a central processing plant which would mean a massive increase in transportation of waste, more traffic and huge fuel costs. Is this wise at a time when we will see a continual rise in fuel charges? It is also a negative step with regards to pollution and the increase in greenhouse gases.
PCo 016	PFI/ 124	01	We urge you to reject this proposal for several reasons.
PCo 016	PFI/ 124	02	Any incinerator of domestic waste will create Toxins, the fall out from this site will cover a wide area North East of it - ten to 30 miles away, consequently we in our parish will be in the area affected.

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PCo 016	PFI/ 124	03	It will require a large amount of waste which will entail a lot of transport by road, if an incinerator must be used it should be near a railway so that waste transport can be moved away from the already congested roads.
PCo 016	PFI/ 124	04	A successful reduction in waste packaging will be discouraged, the incinerator will encourage the councils to divert more waste for burning instead of recycling
PCo 016	PFI/ 124	05	Any material which is burned is a loss of future resources.
PCo 016	PFI/ 124	06	I am aware that this contract is expected to involve the recovery of recyclable materials but past attempts to involve commercial organisations with incinerators resulted in very little recovery.
PCo 016	PFI/ 124	07	Appears to be another case of deliberately wasting tax payer's money by building a copy of something which is already there at DRAX which is on a railway. Why should we be employing overseas companies when we have such as Drax which with very little capital cost can do the job?
PCo 017	PFI/ 125	01	Parish Council met on 10/8 and discussed your paper/letter dated 27/7: York and North Yorks PFI, and at the same time the paper/letter from ..... Parish Council opposing the development of 'an industrial sized incinerator' as proposed by you. Parish Council is concerned at the cost and would prefer to see resources/finance put into recycling. At the moment Parish Council feels unable to support the incinerator proposal along with its repercussions
Pub 006	PFI/ 126	01	If in say 5 years time incineration of waste is outlawed or stopped in the UK for whatever reason, will the council tax payers of North Yorks still have to go on paying AmeyCespa under the terms of the PFI agreement for the following 25 years?
Pub 051	PFI/ 127	01	The council seem intent on signing us local tax payers up to a 25 year deal with a Spanish company to burn a large proportion of the county's waste as a way to avoid paying landfill tax. We feel this plan is a disaster in both environmental terms and as value for money for the tax payer.
Pub 051	PFI/ 127	02	North Yorkshire recycles a pretty poor amount (16s than 50%) of its waste and the cost effectiveness of this plan is based on the alternative being to do nothing, whereas simply recycling more - as other counties are doing (Oxfordshire for example recycles more than 70% of its waste) would also save a great deal of money and would not tie us into any long term deal
Pub 051	PFI/ 127	03	We would further point out that this plan does not fit with governments 'zero waste' strategy which is much more sensibly focused on reducing waste at source and improving re-use and recycling.
Pub 051	PFI/ 127	04	Burning waste as proposed here does nothing to reduce the amount of waste, will emit tonnes of CO2 and also some very nasty chemicals (burning plastic bin bags for example emits PCB's, some of the worst carcinogens known to man) which would blight the area for years to come and threaten our health and the safety of the farms that grow food here..

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Pub 051	PFI/ 127	05	This is to say nothing of the impact transporting all of North Yorkshire's waste here will have on local roads and infrastructure
Pub 051	PFI/ 127	06	We feel very strongly that the Allerton incinerator is a bad idea and the council must be made to stop and reconsider. We believe that the decision makers have not been given the full facts of the plan and have been given a false picture of the cost / benefit to bias them in favour of this plan. Please let us know that as our local representative we have your support in this matter and that you will do all in your power to make the council abandon this plan and seek a truly sustainable and cost effective alternative.
Pub 025	PFI/ 128	01	I am writing in response to the recent NY Times article which shows a lovely picture and tells us how the Allerton park waste disposal site is an "energy from waste plant". However there seems to be no mention of an incinerator or cost of £1.4bn over 25 years (source: NYCC)
Pub 025	PFI/ 128	02	I do feel that the REAL proposals do little to increase recycling and certainly offer no real solution for our waste.
Pub 025	PFI/ 128	03	This has not been effectively discussed in the article and to that end I would be grateful if you could let me now if you are to/ are willing to publish an opposing view?
Pub 053	PFI/ 129	01	I have received a copy of the NY Times and would like to comment on the above article. Why was there not a realistic artists impression of the incinerator which will, after all, be the dominant feature? I had to use a magnifying glass to see the chimney, although it will in actual fact be higher than York Minster! I feel this is a totally misrepresentative impression of the actual site and therefore a misleading view to have published. I am well aware that NYCC are fully behind this plant at Allerton Park, but to print such a untrue picture of the proposal is outrageous! Are you prepared to print an article about opposing views as well, I wonder? I have to say that I will now view everything I read in the NY Times as potentially suspect.
CGr 002	PFI/ 129	01	The Chimney Stack would be a prominent stand alone feature in an area of open quarried farmland with no other industrial development close by. Its presence would have a harmful visual impact on Allerton Castle a Listed Building and its Historic Parkland Setting; the chimney would be an alien feature which would be widely viewed from the surrounding Countryside. In our opinion the application would not meet with the requirements of PPS 5 Planning for the Historic Environment which sets out planning policies on the conservation of the Historic environment.
CGr 002	PFI/ 129	02	Quarries allowed on High Grade Agricultural Land should be restored back to agricultural use as a priority to feed the rising population.

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CGr 002	PFI/ 129	03	The local residents who will be the most adversely affected are strongly opposed to the scheme; all the meetings which we have been invited to have been well attended. There was not one person who offered support to the scheme in any of the meetings to our knowledge. Planning is about what the people want according to Government Guidance so the people's views must be taken into account as it is they who have to live with developments.
CGr 002	PFI/ 129	04	The height of the chimney is designed to disperse the remaining pollutants this will be effective to some extent, but on a damp foggy or wet day the pollutants we presume will come down around the plant area? On a normal day the prevailing wind will take them towards York? The pollution levels locally will be increased due to the proposed plant being large scale as it has to serve the entire area of North Yorkshire. Should other plants be made available this would lessen the pollution?
CGr 002	PFI/ 129	05	This site does not currently generate high levels of pollution, local people who have chosen to live away from built up areas are understandably angry by this proposal. Will AmeyCespa be offering any compensation to the owners of the properties which have suffered devaluation?
CGr 002	PFI/ 129	06	The impact on Human Health with a development of this scale is largely unknown; the impact on Agriculture and the Food Chain is again unknown? There is serious concern that this plant will be harmful to the Human Health and the Food Chain
CGr 002	PFI/ 129	07	We question the 25 year Contract using technology which is being updated all the time; this leads us to doubt whether now is, the right time to enter into such a massive investment? The plant at Seamer Carr has failed we are informed this was due to the costs associated to burning the waste and the waste plant being unable to produce saleable energy. We do not know exactly what happened but it has lead us to be cautious with this costly proposal
CGr 002	PFI/ 129	08	The scheme presented by AmeyCespa will not produce any heat for local dwellings; we are told the incinerator could produce heat for 40.000 homes or more had it been located closer to dwellings. Surely this is a waste of energy and it is unsustainable
CGr 002	PFI/ 129	09	The site chosen is not served by a Rail Link which would lead to HGV's and bin wagons bringing waste from all over NY. NY being the largest County in the UK this concerns us. It is the Governments policy to get more vehicles off the road's with the use of the existing rail network. The planning of new developments needs to take into account additional travel needs it is also a Government target to reduce emissions. The proposal will increase emissions and lead to more vehicles on the roads. The cost of fuel for the HGV's will be enormous which again questions the sustainability of the proposed plant.
CGr 002	PFI/ 129	10	The area of NY would be better served by at lest 3-4 waste treatment plants if they are needed at all.
CGr 002	PFI/ 129	11	Recycling targets and investments are low by comparison to other areas of the UK and other Countries; Harrogate being one of the worst in the UK. More money and efforts should be made available to reach better recycling targets before incineration is considered



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Com 02	PFI/ 131	01	We are opening an anaerobic digestion biogas plant on Teesside. The plant is due to start operating in June 2011. We are currently sourcing the feedstocks required to operate the plant. The plant requires 1420MT energy crops, 800MT organic/animal/food spoil, 750MT slurry per month. The energy crop can consist of almost anything from wheat chaff to grass cuttings. Are you able to provide any of these waste streams to us? I see that you plan to have your own AD facility operating by 2014 but hope that you may still be able to help us.
Pub 006	PFI/ 132	01	Would you please send me a list of the councillors who at the last meeting in Northallerton in July - when it was suggested there should be a public meeting on the Allerton Park Incinerator, voted AGAINST a public meeting.
PCo 18	PFI/ 133	01	I have been asked by the Parish Council to enquire if there is another plan other than the incinerator that is being considered by North Yorkshire County Council or is this the only proposal?
Pub 054	PFI/ 134	01	We are totally opposed to the siting of an Incinerator at Allerton Park. This is not the place for an incinerator. Please VOTE NO TO THE INCINERATOR AT ALLERTON PARK
Pub 054	PFI/ 134	02	There has not been enough public information
Pub 054	PFI/ 134	03	It is questionable whether or not incineration is the best process for waste.
Pub 054	PFI/ 134	04	Council must encourage more recycling and provide more drop off points for waste etc. surely then the need for incineration in the future would be less.
Pub 055	PFI/ 135	01	I am writing to ask you to reject the proposal that has been made to the planning authority to build a waste plant at Allerton.
Pub 055	PFI/ 135	02	Whilst superficially attractive with some token recycling activities at the planned site, the reality is that this facility would be a hugely profitable venture for its developers and a huge expense for the people of North Yorkshire for whom there is a much cheaper and much simpler alternative.
Pub 055	PFI/ 135	03	We simply need to increase the amount of recycling that is achieved in the sub-region; our performance is pathetic by comparison with other parts of Yorkshire, let alone other parts of the UK and other parts of the world.

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Pub 055	PFI/ 135	04	After we have minimised the waste that isn't recycled why can't we dispose of it to the area's power stations that are already incinerating material?
Pub 055	PFI/ 135	05	I fear that a huge incinerator chimney towering above everything else in the subregion would rapidly become an expensive white elephant and a dreadful eyesore that would conflict with the truthful and wonderful images portrayed so eloquently by Gary Verity and his colleagues at 'Welcome to Yorkshire'.
Pub 055	PFI/ 135	06	The pace of change is far to fast to be committing £900m to such a controversial project
Pub 006	PFI/ 136	01	Thank you for your response, but you have not answered my first question which was: if the Allerton Park Incinerator is closed- for whatever reason- will the council tax payers of North Yorkshire still have to go on paying AmeyCespa for the full term of the PFI contract ie 25 years (if this is the term).Non of us can see into the future, but we should know as council tax payers what our financial commitment is, should circumstances change.
Pub 006	PFI/ 136	02	I note your response on recording councillors votes, which appears to be a wildly undemocratic principle.
Pub 056	PFI/ 138	01	Will the proceedings, process and details of the due diligence check be made available to the public before the meeting in October?
Pub 056	PFI/ 138	02	In particular will the due diligence check publish their views and findings about the assumptions and calculations that give the reported savings of £320m over 25 years, given the current reductions in packaging and expected increases in recycling?
Pub 008	PFI/ 139	01	How much per tonne "gate fee" is the Council going to pay their contractor to dispose of the waste?
Pub 008	PFI/ 139	02	Is there any "rebate" to the Council for electricity or recyclables sold by the contractor
Pub 036	PFI/ 140	01	I have just read the September edition of the NY Times and finally found a tiny mention of the area committees on pg 6. This, in my opinion, is completely unsatisfactory in informing the public of this meeting, particularly as it does not reference the incinerator at all. Please advise on what publicity the NYCC intend to do on this matter. Please forward me a list of venues/dates and times in the whole of NY by reply

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Pub 036	PFI/ 140	02	<p>I recently read in an article in the Yorkshire Post that you are adamant "that the public was being fully briefed about the plans" and that David Bowe thinks it "very important to us that everyone has the opportunity to learn about the proposed Allerton Waste Recovery Park".</p> <p>If that was the case, then surely you would have mentioned the meetings in the main article on the incinerator in the NY Times and not tucked away on page 6 as a date for an area committee, with no reference to the incinerator as a discussion point of the meeting? I have seen no mention of the proposals in the Knaresborough library, nothing on my Parish notice board and I only know about this because I have made it my business to know.</p> <p>I find this approach very disappointing given that this is the largest contract ever issued by the NYCC and will affect everyone in our county for the next 25 years. There is no wonder that there is a view this is being rail roaded through.</p>
Pub 036	PFI/ 140	03	<p>May I point out that there was no article publicising the meeting in the NY Times, there is no poster in a prominent place in my local community and the meeting in my local area is on a working day in working hours and therefore I cannot attend. This is not a proper public consultation and therefore you cannot possibly take account of what people are telling to include in your report as a result. How can I include my comments if I cannot attend the meetings? The way that this is being conducted says to me that you can state that you followed a process of consultation, but in reality it's a farce.</p>
Pub 057	PFI/ 142	01	<p>The North Yorkshire and York Councils must be congratulated for their forward thinking in the fight against the use of landfill as a solution to manage waste. Their 25 Year Plan will use technologies to divert a targeted 75 percent of waste away from landfill.</p>
Pub 057	PFI/ 142	02	<p>Whichever technologies they ultimately utilise there seems to be a major oversight in the battle to achieve the best green solution. The Allerton Quarry location, at the bottom left hand corner of the Councils region, does not provide the greatest environmental benefit. Therefore, any transportation has to be kept to the lowest level possible. If you do a simple geographical population analysis of the councils zones you will find the centre of minimal travel is in fact York. There would be a 20% saving on road usage transporting waste if the facility was sited at York. Secondly, with York being the hub of the rail network, any use of rail to bulk transport waste from some of the conurbations (Northallerton, Thirsk and even the east coast) would significantly reduce the use of road transport and thus achieve an even greater reduction to the desired minimum emission of green house gases It is with this above logic in mind that I would welcome your input in requesting North Yorkshire Council's justification of Allerton Quarry as its potential waste facility, if green house gases are, as they say, a very important issue of concern.</p>

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Pub 058	PFI/ 143	01	In reference to the article in your house newsletter of August 2010; may I make the following observations; The characterisation of a Private finance initiative as a form of grant Funding is inaccurate and ingenuous. Surely a grant is a sum of money that by definition does not have to be repaid, whereas a PFI is an arrangement almost exactly the same as a mortgage or bank loan, repayable with interest over an agreed term. I use the word almost in the above sentence advisedly, since the problem with PFI schemes is that the term is fixed at the outset, as are the minimum interest and capital repayments. I wish I had been able to buy my house with a grant then I wouldn't have to repay it!
Pub 058	PFI/ 143	02	What would the cost of the scheme be if the local authorities concerned had raised the money themselves, and commissioned the building and running of the facility directly?
Pub 058	PFI/ 143	03	What is the duration of the PFI contract, and what will happen to the site and buildings on it at the end of it?
Pub 058	PFI/ 143	04	Technology and waste disposal regulations change constantly, and what Would the legal position be if burning or digesting waste on this site were to be made illegal; or the incinerator were to need uprating to meet a change in the law?
Pub 058	PFI/ 143	05	PFI contracts are in themselves a tradable commodity, and will there be provision for claw back of profits made on the resale of the proposed contract to a third party?
Pub 058	PFI/ 143	06	Will the contract contain covenants restricting the operation of it to UK based onshore taxpaying companies? This is not an idle or theoretical question for example, all of the offices of HM Revenue and Customs are currently owned by and leased back through a company registered in one of the Caribbean tax havens, so that all of the payments of rent and service charges represent a loss to the UK taxpayer.
Pub 058	PFI/ 143	07	What provision is there for the termination of the PFI contract in the event of non-performance by AmeyCespa, or insolvency by any successor company?
Pub 058	PFI/ 143	08	My own interest in asking these questions is both as a local council tax payer , and also as a resident within range of the plume of flue gases from the proposed plant, which will almost inevitably contain toxic products, such as dioxins, for which I am sure you are aware there is no safe level of exposure.
Pub 058	PFI/ 143	09	I am convinced that this proposal is a lazy way of disposing of waste, most of which could be dealt with by raising the level of recycling to the percentage achieved in Northern European EU countries I find it appalling for example, that many plastic items bearing recycling category logos have to go into landfill.

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Pub 058	PFI/ 143	10	All organic waste should be collected and processed in digesters, which could be sited and operated locally not needing large centralised facilities, such as the present proposal. Every settlement sends its domestic effluent to a local processing plant, and this could be combined with other organic waste (farm slurry, garden and food waste) to generate methane which can be used to generate process heat and electricity; and provide saleable by products such as compost and liquid fertiliser. Methane from landfill is a much more potent greenhouse gas than carbon dioxide, after all.
Pub 002	PFI/ 144a	01	Strategy - Why is this proposed waste facility, which is very long term, being considered at this stage when the Waste Core Strategy has not even been adopted? What is the fallback position of the Council if the Strategy, of which clearly this must constitute an integral part, is not adopted?
Pub 002	PFI/ 144a	02	<p>Financial Viability - As you are, no doubt aware, Amey UK plc and Cespa S.A. that make up the joint venture that is proposing to create the Allerton Park facility are both subsidiaries of Ferrovial S.A. which is currently in considerable financial difficulties – it made substantial losses in 2008 and 2009 which have been added to in the first quarter results of 2010 and quarter 2 is not expected to reflect any improvement. Its debt-to-equity ratio is exceedingly unattractive standing at almost 500% in March of this year. The Allerton Park proposal is for a contract between AmeyCespa and NYCC that has a 25 year term. The concern here is two-fold:</p> <p>a. Are the safeguards that are being put in place to protect the North Yorkshire residents and tax-payers in the event that AmeyCespa is unable to fulfil its contract adequate?</p> <p>b. In the event that AmeyCespa is unable to fulfil its contract what is the fall-back position NYCC?</p>
Pub 002	PFI/ 144a	03	Dioxins and Toxins - The PR department of AmeyCespa has attempted to reassure the public that 95% of the harmful toxins/dioxins will be removed from the exhaust released into the air (Public Meeting at Great Ouseburn on July 20th.). Recently a newly reconstituted incinerator on the Isle of Wight was closed down because the level of toxins/dioxins exceeded the legal limits by in excess of 800%. What are the safeguards in place for NYCC and its residents/taxpayers in the event that this occurs at Allerton Park?
Pub 002	PFI/ 144a	04	Location - Other than the comment that Allerton Park is central within the NYCC area, I have seen no justification for putting a very large tract of agricultural land at risk by locating the site there. It would have been far more sensible to locate it next to the Eggborough or Drax Power stations since they would not provide any greater risk that already exists at these sites. What are the safeguards that are being taken by NYCC to protect itself and the residents/taxpayers from litigation in the event that real damage is done to the agricultural land?

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Pub 002	PFI/144a	05	Quantity - At present NYCC has a very poor record in the level of recycling that it achieves, I understand that it is in the low twenties in percentage terms. This, I understand, has necessitated planning for the size of incinerator and the guarantees of levels of waste to be delivered to the facility. Why has more effort not been considered/made to increase this level? I understand that the city of Carlisle achieves up to 72%! If the level of recycling is increased, the taxpayers will, I understand, still be left with a large bill and the reported "savings" of £ 300m will be purely illusory. What safeguards and being put in place to protect the residents and tax-payers from this?
Pub 002	PFI/144a	06	In light of the entry into administration of BCB Environmental Management, the operator of the Tockwith waste facility, I would also be grateful if ..... would let me know the following:  1. Was this eventuality covered by the risk assessment prepared at the time of the award of the contract to BCB?  2. Will the residents and tax-payers have to bear any additional cost or is the performance bond adequate to take care of all costs involved?  3. Will this event have any impact on the level of the performance bond requested from AmeyCespa?
Pub 002	PFI/144a	07	I would like to know the financial penalties on the Council in the event that the contract is awarded but the planning permission is denied.
Pub 002	PFI/144b	01	Unfortunately you do not really appear to have not answered the questions that I raised. <b>Strategy</b> You are currently working on the Core Waste Strategy and, from your public pronouncements. you are clearly fully in favour of the proposed incinerator. The issue with which I am most concerned is what is the fallback position, in the event that NYCC reject your proposal in relation to the proposed incinerator? Since doing nothing is not a strategy, what are the alternatives that are being considered what are their anticipated costs? This issue was also raised under Financial Viability
Pub 002	PFI/144b	02	<b>Financial Viability</b> I sincerely hope that NYCC is doing its own due diligence since it would be a total abdication of their responsibilities effectively to delegate the due diligence process to the funding syndicate which will have substantially different objectives to NYCC. Part of the reason for raising this issue is that if AmeyCespa is the only "horse" left in the "race", I suspect that it would be very difficult to find a replacement in the event that Ferrovial SA fails thereby bringing down Amey plc, Cespa SA and their JV AmeyCespa, the proposed operator.
Pub 002	PFI/144b	03	<b>Financial Penalties</b> I was glad to learn that you have managed to mitigate the potential cost to NYCC in the event that the planning permission is refused. I hope, therefore, that, as prudence would dictate, this potential cost is covered by contingencies within the council budget

Pub 002	PFI/ 144b	04	<p>Health</p> <p>Unfortunately this is an issue on which the experts themselves disagree! My concern is to ensure that NYCC and the taxpayers are adequately protected in the event of a failure such as at in the Isle of Wight and at Biker in Newcastle. Please confirm that NYCC has taken adequate and competent legal advice to back up your that no cause of action would lie against NYCC since it would provide a field day Tort practitioners with NYCC involved.</p>
Pub 002	PFI/ 144b	05	<p>Site Location</p> <p>Of course AmeyCespa would prefer to have the site at Allerton. They stand to make more money that way. Why was the alternative of using the rail network not put in as a condition since it would have utilised the resource and removed a number of other problems as well?</p>
Pub 008	PFI/ 145	01	<p>Costs per tonne- Out of interest I did the arithmetic on compound interest at 2% per year on a base cost of £69 over a 25 year period which indicated the equivalent cost after 25 years would be £112 - then to average this over the period for comparative purposes would be at around £91. But in order for this to be meaningful we, I assume, need to apply the same RPI to your preferred contractors costs - or another way would be to identify your contractors first year cost and then we could assume that they would escalate by the same percentage depending on RPI, to give us accurate comparisons.</p> <p>Thank you for giving us the time yesterday afternoon. I think we left it that a) you would be given authority to assist us (by the provision of information) to correct any figures on my spread sheet which Ian and yourself felt needed adjustment in order for it to be a document which we could jointly recognise as accurate and consequently be suitable, for us, to present to members as an accurate reflection of the cost of the alternative strategies.</p>
Pub 008	PFI/ 145	02	<p>b) you could confirm, as mentioned at the meeting, that the previous request for tenders was aimed more or less exclusively at 'multi national' companies and did not encourage smaller local individual companies or consortiums of smaller local companies to bid. and</p>
Pub 008	PFI/ 145	03	<p>c) you could also kindly confirm that the prospect of having a large 'waste to energy' plant at Ferrybridge 20 miles from Allerton (and looking for 'Waste Derived Fuel' suppliers) was not a consideration at the time the tenders where being evaluated.</p>
Pub 008	PFI/ 145	04	<p>I've had a look at the website which is very interesting and, it seems to me and I hope you agree, with the substitution of some basic alternative numbers we should be able to produce a relatively accurate comparative. Would you kindly let me know when you will be able to get back to me with the information?</p>

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Pub 008	PFI/ 145	05	Not very satisfied with response.
DCo 002	PFI/ 146	01	In relation to the proposed 25 year contract to incinerate North Yorkshire's non-recyclable waste, could you therefore please tell me:1. If there are any minimum stipulated amounts of waste which the County will be obliged to supply to the incinerator over the course of the contract.
DCo 002	PFI/ 146	02	2. If there are such minimum commitments, what percentage of North Yorkshire's current non-recyclable waste do those levels represent?
DCo 002	PFI/ 146	03	3.Are there any financial penalties payable by the Council if it doesn't supply the stated amount?
DCo 002	PFI/ 146	04	4. If so, what would be the annual financial implication of a reduction of, say, 30% of the level of non-recyclable waste produced across the County?
DCo 002	PFI/ 146a	01	Thanks for sending this. However, I don't think you've really explicitly answered any of my questions, which were..... I understand that NYCC are asking for comments on these proposals up until the middle of September. In order to be able to do so in an informed manner then I, for one, would need to know the answers to the above questions so that I can know exactly what it is that we're signing up to, whether or not it impacts any other long-term aspirations that we may have as a Council or a society, and whether or not presents a financial risk in the long-term.
DCo 002	PFI/ 146a	02	You've implied that the answer to question 1 is yes, although I'm not clear whether or not the GMT commitment is for the full 25 year term of the contract, or whether or not the GMT increases or decreases over time. You state that you anticipate that we should be able to reach our 2020recycling targets early with the assistance of this facility. That sounds good, but this is a 25 year contract - what are our recycling targets for 2025, 2030 and 2035, and how does the facility and the GMT fit in with those?



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DCo 002	PFI/ 146b	01	<p>Given that the plant includes a MRF and an anaerobic digestion facility, could you please confirm whether or not the GMT includes amounts to go to the facility as a whole or just to the incineration part. And if the GMT relates to the amount of waste to be treated by all methods at the plant:</p> <p>1. How much is expected to be recovered by the MRF for recycling or treated by anaerobic digestion?</p> <p>2. Does the Council have any say as to how much is treated by each method, or is this a matter purely for the operator? In other words, would the operator still have fulfilled their contract obligations if all the waste they received was incinerated and none treated by any of the other methods?</p>
Pub 059	PFI/ 147	01	<p>We have Ferrybridge which is already able to receive municipal waste to burn and could be used in the short term whilst we put into effect the reduce and reuse parts of the waste hierarchy. Why are there plans to build new facilities, and what proportion of the costs and profits are taken by the incinerator part of this project?</p>
Pub 059	PFI/ 147	02	<p>What are the targets of the current reduction campaigns? are they successful? how is this measured and can they be expanded and enlarged upon? If they haven't been successful what will be done to make sure that reduce and reuse remain at the top of the waste hierarchy?</p>
Pub 059	PFI/ 147	03	<p>We have been given figures of reduced waste disposal costs of £260million by Councillor Clare Woods, but in the 'Lets talk less rubbish', they say that this figure will be £320 million, How can the public know what to believe? There is a lot of difference here.</p>
Pub 059	PFI/ 147	04	<p>We have also been told that the criteria for judging the tenders was based on a balance of 60% environmental, technical and quality as against 40% financial. How can we know how the first three were balanced, or are they considered to be the same thing? Why is the environment given only twenty % weighting against 40% for financial considerations?</p>
Pub 059	PFI/ 147	05	<p>Whilst we can all agree that current methods of waste disposal are not sustainable why are we only being asked to compare figures with that situation rather than best practice elsewhere?</p>
Pub 059	PFI/ 147	06	<p>How will this facility reduce waste production and promote re-use at local levels?</p>
Pub 059	PFI/ 147	07	<p>This facility seems to be based around road transport. Has any consideration been given to rail transport from the proposed waste transfer sites, and whether there might be environmental and cost benefits?</p>
Pub 059	PFI/ 147	08	<p>Finally, How can we know that the proposed public consultation will not just be window dressing after the decision has been decided? Where we be able to see whether or how they have been allowed to influence the final decision making?</p>

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Pub 060	PFI/ 148	01	<p>First of all the volume of waste that is produced needs to be cut drastically. The secondary problem is what to do with the rest, and for that there will need be a number of different solutions.</p> <p>Most domestic waste is produced and delivered to the public from food suppliers via the supermarkets. It should not be the duty of the public to pay for its disposal. The return of this waste to the suppliers, via the supermarkets in the lorries that go back empty at present, would be more just. If this were implemented then the food suppliers would be very quick to develop packaging that could either be recycled, or that they wanted back to re-use. Another possible idea: Disposable nappies account for an unpleasant and large amount of domestic waste. If reusable nappies were subsidised, and provided free of charge together with biodegradable nappy liners, that could be flushed away, that's half the problem solved. Then if local laundries could arrange doorstep collection and delivery services (also subsidised and therefore free) that could be another nasty mess removed at a modest cost.</p>
Pub 060	PFI/ 148	02	<p>If the waste crisis is dealt with imaginatively then the amount of incinerator waste will rapidly reduce below that which is needed to keep a large incinerator going. Locking North Yorkshire into a contract commits us to produce un-recyclable waste in large quantities for the next 25 or 30 years. The consequences for the environment are appalling. My question is: Is this really what you want us to do?</p>
Pub 060	PFI/ 148a	01	<p>Request for a copy of the York and North Yorkshire Waste Partnership waste management strategy.</p>
Pub 060	PFI/ 148a	02	<p>York and North Yorkshire Waste Partnership waste management strategy- when do you anticipate something more up to date will be available and request for information on the PFI.</p>

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Pub 060	PFI/ 148b	01	<p>I have just received NY TIMES with its article on the proposed Allerton Waste Recovery Site.</p> <p>1. Nowhere is the cost of the site mentioned, only a PFI input, which amounts to a very expensive credit card, making us vulnerable to future interest charges. What is the total cost, and where is it coming from? Why was the total cost not mentioned?</p> <p>2. In the light of the annual tonnage figures proposed: 20,000 for recycling, 40,000 for anaerobic digestion and 320,000 for incineration (this figure was somehow omitted from the article), why was the word 'incineration' not mentioned in the article? You could say that it was dressed up as 'thermal energy from waste treatment', but this sounds like deliberate misleading of the public to me.</p>
Pub 060	PFI/ 148b	02	<p>In view of the fact that many communities are now actively working to reduce waste, as we must because of the global waste crisis, will the site still be viable if in, say, five years' time we've managed to halve our waste production? Much waste comes from oil-based materials, which will become scarcer as oil prices rise and that in itself will reduce our extravagant waste production (much as our carbon production is at present being reduced by people driving less). What is the minimum tonnage at which it can operate? Will AmeyCespa like that, or are you putting us into some sort of strait-jacket of deliberate waste production? I understand that some similar European sites are already having to import waste from other countries to keep their incinerators running.</p>
Pub 060	PFI/ 148b	03	<p>Have you looked into any emissions-free closed loop incineration? <a href="http://www.eclipsuk.co.uk">www.eclipsuk.co.uk</a> &lt; <a href="http://www.eclipsuk.co.uk">http://www.eclipsuk.co.uk</a> &gt; for example?</p>
Pub 061	PFI/ 151	01	<p>We write to protest against the current NYCC waste strategy proposals. They are based on unrealistic targets for recycling that overplay the financial case for a single 'super-facility' for the entire county. They are misleading because recycling rates will be much higher than predicted, with the result that landfill costs will drop significantly.</p>
Pub 061	PFI/ 151	02	<p>The strategy is based on old technologies, including incineration, which has one of the highest levels of CO2 emissions.</p>
Pub 061	PFI/ 151	03	<p>It ignores the new Government's commitments to a massive increase in recycling as well as its plans for an immediate review of all waste management strategies.</p>
Pub 061	PFI/ 151	04	<p>And it ignores the public's views of today, instead relying on consultations completed several years ago</p>

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Pub 061	PFI/ 151	05	<p>The prospect of emissions being pumped out 24/7 frightens us, other parents and pregnant ladies in the area. Toxins building up in the atmosphere over a 10 to 20 year period during their developmental lifetime, to an amount that will eventually be present forever and will greatly reduce the already heavily polluted air in addition to local motorway and busy York and Harrogate feeder roads (M1, A59 and old A1).</p> <p>The mechanical sorting and anaerobic digester planned for the site will only deal with a small portion of the waste going there so the majority will be burnt in the incinerator, so there will be more greenhouse gas emissions. Will we and our children be exposed to cancerous toxins which will reduce our life expectancies? Will my children's reproductive health be affected? Why are out-dated toxic incineration plans being proposed and supported? We live in a fertile agricultural area with many small holdings, not to mention home grown produce in allotments and gardens. Not only will the pollution affect the air quality but the produce and water we put into our mouths and which will enter into the food chain generally.</p>
Pub 061	PFI/ 151	06	As well as the busy road networks already affecting the areas in terms of pollution (see above), an incinerator would increase traffic and further pollution (air and noise) as a consequence. Commuter times to work and leisure locations for residents and visitors will be affected
Pub 061	PFI/ 151	07	The Vale of York is a flat expanse of land which is probably the worst location for such an ugly building and huge tower. It will spoil an area of outstanding beauty with such a monstrosity of a building.
Pub 061	PFI/ 151	08	This will also have a significant knock on effect of reducing house prices
Pub 061	PFI/ 151	09	North Yorkshire's rate payers will be tied into a 25 year, £900 million investment of outdated technology
Pub 061	PFI/ 151	10	The councils have not properly considered the alternatives such as: Rapidly ramping up the recycling rate; Reducing waste; More composting or Multi-site facilities .North Yorkshire is slowly ramping up to 50% recycling
Pub 061	PFI/ 151	11	Large scale incineration is not needed, it's out of date and; it's a waste of our money. We understand that you will be asked to vote in favour of the council's plans later this summer. We urge you to oppose this plan and instead ask for a thorough review of the best way forward. In particular we ask that you push for a big increase in recycling, thus removing the need for such a colossal expensive and risky venture. At a time of deep Government spending cuts, it would be irresponsible to continue the current strategy without careful review.
Pub 062	PFI/ 152	01	Request for information

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Pub 063	PFI/ 153	01	Is it true that the land is only going to be leased to AmeyCespa and that they are not buying it? If so how long is the lease for?
Pub 063	PFI/ 153	02	I am very concerned about the finances involved in this project. From a layman's point of view it seems as though NYCC are spending massive sums of money for a landowner and private company to make all the profit. How does the council tax payer benefit from all this
Pub 063	PFI/ 153	03	Is there a viable alternative which involves more recycling or is it really too expensive for the NYCC to run? I don't understand why so many councillors seem to be ignoring the green footprint when councils elsewhere are going wholeheartedly down the road of recycling.
Pub 063	PFI/ 153	04	A rather cynical question but has anyone in NYCC got a vested interest in all this – any connections with the directors of AmeyCespa?
Pub 064	PFI/ 154	01	Is this affordable? And how has this been assessed
Pub 064	PFI/ 154	02	Waste is reducing will there be waste for the facility
Pub 064	PFI/ 154	03	What are the current recycling rates and how will this increase our recycling?
Pub 064	PFI/ 154	04	What is the audit trail for the site selection?
Pub 065	PFI/ 156	01	Why are you pursuing the PFI route? Is there not enough evidence now available to suggest that this form of contract has been well and truly discredited? there is no shortage of examples... where the long term costs are far greater than was contracted for
Pub 065	PFI/ 156	02	I don't believe that local authorities have the legal or finance expertise to prevent such a contract from allowing AmeyCespa from 'stitching up ' North Yorkshire County Council in the long term.
Pub 065	PFI/ 156	03	What are the full life costs of this plant?

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Pub 065	PFI/ 156	04	There is no mention of the income that will be generated from the production of electricity. Is this going to be fed in the 'Grid'?
Pub 065	PFI/ 156	05	The article mentions that savings of £320m on waste management bills will be made. During what period will these saving be made?
Pub 065	PFI/ 156	06	What is this plant going to cost bearing in mind that £65m is coming from Central Govt, however it would be naive to rely on this as we dont know what cuts are going to be made in the near future.
Pub 050	PFI/ 157	01	I can only repeat my first letter ... the proposed scheme has too long a contract for such an antiquated system ....which may be obsolete in 10 years, not to mention the crippling financial burdens.
Pub 050	PFI/ 157	02	There was a Radio 4 Today programme in which health authorities were raising that PFI schemes were costing them far more than had originally been thought.
Pub 050	PFI/ 157	03	FOE have a detailed document on Waste disposal I urge you to read it and take up its proposals instead of the incinerator scheme
PCo 019	PFI/ 158	01	What is advocated we support in achieving these long term objectives (reducing waste disposal and cost of disposal)
PCo 019	PFI/ 158	02	What commitment is there by the company for the operation and maintenance of this plant?
PCo 019	PFI/ 158	03	Will this plant be manned by UK residents and if so how many compared with the full compliment require on site
PCo 019	PFI/ 158	04	We recognise that there will be communities who are not happy about the outcome but as ever it is a balancing act.
Pub 066	PFI/ 159	01	Called to log an objection to and comments on the Allerton Park proposals.
Pub 066	PFI/ 159	02	She read the article in NY Times and nowhere in the article does it use the words 'incinerate' or 'burn'. Neither is it clear from the photos or article that there will be a 76m ( 250ft) chimney. The article is very misleading and had she not been to one of the AmeyCespa meetings she would not be aware of this and would perhaps think that the overall idea was not that bad. Call was angry at article in particular as it was so misleading, 'almost like propaganda' which is going to be seen by 100s of thousands of people.

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Pub 066	PFI/159	03	The article mentions the aim to reach 50% recycling but this does not compare to other counties, some of whom reach up to 70% recycling without building installations like this
Pub 066	PFI/159	04	The chimney will be higher than York Minster and visible for miles around. Locals are already referring to this as 'The Chimney of the North'
Pub 066	PFI/159	05	At the Great Ouseburn meeting someone asked why this could not have been built at Drax and one of the AmeyCespa staff replied that Drax was not in North Yorkshire. This did not inspire confidence
Pub 066	PFI/159	06	Someone else at a meeting complained that house prices would be affected by this. The AmeyCespa representative said 'it doesn't matter because I can't afford to live here anyway.' The caller's brother's house sale has fallen through due to this
Pub 066	PFI/159	07	Why commit to 25 years worth of spending when the council is struggling to save money?
Pub 067	PFI/160	01	Whilst agrees that Allerton Park is a better site than most if the facility has to be built, does it really have to be built at all.
Pub 067	PFI/160	02	Surely the money would be better spent elsewhere, not least in increasing kerbside recycling
Pub 067	PFI/160	03	There will be the huge cost of building it probably followed by more cost when the county still does not reach quotas, and so the taxpayer will doubly suffer.
Pub 067	PFI/160	04	Concerned about the increased traffic as lorries visit the facility from all over the county. The A1 and A168 will suffer but specifically the A59, already a very busy road, will be hit the hardest. Has this been addressed?
Pub 068	PFI/161	01	I write to ask you to reject the proposal that has been made to the planning authority to build a waste plant at Allerton
Pub 068	PFI/161	02	I understand that it involves incineration thus creating energy and that it would be a PFI project. If my understanding is correct, the cost of disposing of household waste would be mitigated by charging commercial organisations to incinerate their waste and by the production and sale of electricity. While superficially attractive with some token recycling activities at the planned site, the reality is that this facility would be a hugely profitable venture for its developers and a massive expense for the people of North Yorkshire for whom there is a much cheaper and simpler alternative

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Pub 068	PFI/161	03	We simply need to increase the amount of recycling that is achieved in the sub-region. Our performance is pathetic by comparison with other parts of Yorkshire, let alone other parts of the UK and indeed other parts of the world
Pub 068	PFI/161	04	After we have minimised the waste that isn't recycled why can't we dispose of it to the areas power stations that are already incinerating material
Pub 068	PFI/161	05	I believe that the huge incinerator chimney towering above everything else in the subregion would rapidly become an expensive white elephant and a dreadful eyesore that would conflict totally with the truthful and wonderful images portrayed so eloquently by Gary Verity and his colleagues at 'Welcome to Yorkshire'.
Pub 068	PFI/161	06	The pace of change is far to fast to be committing £900m to such a controversial project
Pub 069	PFI/162	01	I am writing to protest against the current NYCC waste strategy proposals They are based on unrealistic targets for recycling that overplay the financial case for a single 'super-facility' for the entire County.
Pub 069	PFI/162	02	The strategy is based on old technologies, including incineration, which has one of the highest levels of C02 emissions.
Pub 069	PFI/162	03	It ignores the new Government's commitments to a massive increase in recycling as well as its plans for an immediate review of all waste management strategies.
Pub 069	PFI/162	04	It ignores the public's views of today, instead relying on consultations completed several years ago.
Pub 069	PFI/162	05	I urge you to oppose this plan and instead ask for a thorough review of the best way forward.
Pub 069	PFI/162	06	In particular I ask that you push for a big increase in recycling, thus removing the need for such a hugely expensive and risky venture. At a time of deep Government spending cuts, it would be irresponsible to continue the current strategy without careful review.
Pub 070	PFI/163	01	I am emailing to express my dismay and disappointment at the article concerning the Allerton Park proposals in the NY Times for September 2010. The very least you could have done is given people the full information on which to make an informed decision. The information you choose to avoid printing renders you guilty. As for AmeyCespa I really think you need to look at the home page of your web site as the misinformation continues.



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Pub 070	PFI/ 163	02	You know that this is NOT only not the best solution that there are much better solutions out there or perhaps you are not that up to date! You are not looking to put in state of the art technology but out dated and ill thought out technology. It may have been good in its day but its day has gone.
Pub 070	PFI/ 163	03	Think about the future for our children not only in deserving clean air, soil and food
Pub 070	PFI/ 163	04	The financial chains you wish to put around their necks because you did not look at all this earlier!
Pub 071	PFI/ 164	01	Why is it in that in all of the publicity for this plan you continue to avoid the word incinerator? It has been describe as a waste recycling plant, a waste handing facility, a waste recovery park and considering that 85% of the waste will be burn in a giant incinerator with a 200 ft chimney?
Pub 071	PFI/ 164	02	Why do you not recite that this solution is not green, because what comes out the chimney with be carbon mixed with a number of nanoparticles such as furans and dioxin which are amongst the most deadly
Pub 071	PFI/ 164	03	Why did the council not allow for a public debate? Why the public was not consulted properly?
Pub 071	PFI/ 164	04	Why do we need this monstrosity when recycling waste is actually reducing on an annual basis and with a little help from the district councils will hit 50% recycling in the next 2 years anyway?
Pub 071	PFI/ 164	05	Why are the council gagging to spend money which we do not have when it could be spent in many other areas that are being cut? Why are the council opting for an expensive solution when there are better and cheaper solution available to them?
Pub 071	PFI/ 164	06	Why are the council continuing to ignore - reason and logic on this subject? Why does the council try to mislead the public and treat them as stupid?
Pub 071	PFI/ 164	07	the only beneficially to this plan will be the Spanish contactor and Lord Mowbray who already has millions
Pub 072	PFI/ 165	01	Called to object to the proposed facility,

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Pub 072	PFI/165	02	Specifically to the emissions which the chimney will be putting out: Will this not increase carbon emissions in a time when everyone is trying to reduce them.
Pub 072	PFI/165	03	How will this affect the health of nearby residents (the whole of Harrogate is nearby)? The smell from the chimney could be appalling.
Pub 073	PFI/166	01	I am writing to ask for your support in opposing the Allerton Park Incinerator
Pub 073	PFI/166	02	POLLUTION –Wide spread toxic emissions-24/7-putting local children, babies, unborn babies and the general public's health at risk. There are conflicting opinions about the level of long-term toxic emissions from the chimney, plus the dangers associated with toxic debris resulting from incineration. This subject needs careful debate. This project will result in a vast increase in exhaust emissions incurred by the extended mileage of waste refuse vehicles
Pub 073	PFI/166	03	LOGISTICS -It is inconceivable that all North Yorkshire's refuse vehicles (120 vehicles, I am led to believe) will descend on Allerton Park. Vehicles from Scarborough or Whitby will incur a 4-5 hour return journey in addition to their daily collection duties. Not to mention the route they will take -A64, York ring road, with many congested roundabouts and the A59 all extremely busy roads, or would it be the A170, negotiating Helmsley and Sutton Bank?
Pub 073	PFI/166	04	VISUAL IMPACT -A 250 foot chimney! This can't be a fitting introduction to an Area of Outstanding Natural Beauty and a disaster for tourist towns like Knaresborough, Ripon and Thirsk.
Pub 073	PFI/166	05	COST -The cost to ratepayers is £900 million to dispose of household waste. With better Council Management of kerb-side re-cycling, would there be a need for this high capacity incinerator? There would be a great increase in the cost of extra fuel, maintenance and man hours incurred in transportation.
Pub 073	PFI/166	06	ALTERNATIVES -Educate the general public to re-cycle. The Council should improve the kerb-side re-cycling service to bring us in line with other areas. There should be regional waste screening plants in BROWNFIELD sites to handle local domestic waste. This would dramatically reduce the amount going to landfill.
Pub 074	PFI/167	01	Called to log objections to the scheme.
Pub 074	PFI/167	02	As a rate payer he is already angry that he is not provided with kerbside recycling and has to do it all of his own back.

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Pub 074	PFI/ 167	03	He is amazed the NYCC is choosing to invest a massive sum of money in 'old fashioned' technology (incinerator) when it would be so much more well spent encouraging people to personally recycle.
Pub 075	PFI/ 168	01	Has called not to complain, however would like to make a comment about the location of the plant. Worried about the major environmental effect this location will have on the atmosphere due to the increased amount of lorries going to be used to transport goods. The current location is in the most south west corner of North Yorkshire Area. Have you not thought about using the central geographically area of North Yorkshire. The most scientific area is York even though this location is densely populated location it is however in the hub or the railways which could be used to transport the goods better
Pub 076	PFI/ 169	01	Would like to log opposition entirely to the site and strongly objects to facility on all grounds
Pub 076	PFI/ 169	02	Misleading and unfounded and in no article does it refer to this as a incinerator,
Pub 076	PFI/ 169	03	Objects to the chimney being in an area close to residential areas.
Pub 076	PFI/ 169	04	Does not believe that the pollution is going to be less than that from a car exhaust
PCo 020	PFI/ 170	01	Although the Councillors were concerned about the plan, they felt that they didn't have enough information to make a decision. They have therefore asked me to invite an officer from NYCC to their next meeting to explain the facility and answer questions.
PCo 021	PFI/ 171	01	Could you please let me know what the present situation is about the proposals for the new waste disposal plant at Allerton near Harrogate? I have heard there was a fire there and that plans have been put on hold, would you let me know
Pub 077	PFI/ 172	01	Support for Allerton Waste Recovery Park and the need to move away from the unsustainable practice of landfill.
Pub 078	PFI/ 173	01	Would like a list of who attended the recent meeting about the proposed Waste Treatment Facility. Particularly interested in the names of the Councillors who attended. (Alverton Castle Hotel "Waste disposal the Burning Issue")

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Pub 078	PFI/ 173	02	Details of proposal requested by phone.
Pub 079	PFI/ 174	01	Worried about the proximity of the Allerton Waste Recovery site to Boroughbridge, especially the height of the proposed chimney stack. Bearing in mind that Boroughbridge is due east of Allerton we will be subject to the wind which regularly blows from the west and we feel much rubbish and unpleasant smells will be dumped on Boroughbridge changing it from the very pleasant town it now is to an absolute hell hole.
PCo 022	PFI/ 175	01	I am instructed to reiterate our request, made by letter addressed to our County Councillor, Andrew Lee, on the 2 August 2010, that a Public Inquiry be called to decide upon this matter. I am writing to you to add the concerns of this Parish Council to those already widely expressed by others, and to request that the final decision over the construction of an industrial sized waste facility be taken not at County level. The subject is of such magnitude, that we feel that it should be more widely discussed, and would therefore ask that a Public Inquiry be called.
Pub 080	PFI/ 176	01	More information to be published on NYCC's website of the proposed incinerator at Allerton Park. And also the dates and venues of the forthcoming presentation meetings proposed for September.
CGr 003	PFI/ 177	01	I am writing on behalf of the .....to object to the plans to build an 'Energy from Waste 'incinerator.... we ask you to reject this plan.
CGr 003	PFI/ 177	02	pollution including emissions of greenhouse gases, Incinerators are an archaic tool of waste disposal, shown to produce dangerous levels of dioxins, which has been linked to cancer, IQ deficits, disrupted sexual development, birth defects, immune system damage, behavioural disorders and diabetes, causing rising dissatisfaction and health problems. Despite the claims made by enthusiasts this is still the case. We also note the emerging research suggesting that extremely fine particles ("nanoparticles" of the order of 1-100nm), which cannot be successfully cleaned from exhaust, can pose a danger to health disproportionate to their mass. Such effects are not correctly assessed under the existing emissions regime'. Nor is the existing regime a guarantee of safety: Dundee's PFI "waste-to-energy" incinerator at one point breached its emission limits 19 times in three months. Dundee's scheme has not proved cost effective either-since it opened in 2000 the Dundee incinerator has run up losses of £26 million".
CGr 003	PFI/ 177	03	We believe that such a plan would neither be cost effective Frequently such losses are picked up by the public sector after guarantees in the contract. We would like an assurance that York and North Yorkshire councils will not be liable for penalties in the event of supply shortfalls in waste volume or financial losses incurred by the operator. (In Nottingham the Council was paying £100,000 per month in 2007 as a result of reduction of demand for heating'), The cost is already unacceptable. £900 million over the next 25years is difficult to defend amid diminished budgets in sectors that the public may feel are more important.

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CGr 003	PFI/ 177	04	A would have a detrimental effect on recycling rates, An incinerator would send out the wrong message to the Yorkshire community. In 2002, after getting locked into an energy-From-waste contract, Nottingham Council gained the lowest rate of recycling in the UK. In York we are only 2% away from our recycling 2013 target already. Over its six-year history, the JMWP has consistently been proven wrong in its projections predicting an increase in waste arisings when there was a decline, and failing to predict the dramatic increase in recycling rates
CGr 003	PFI/ 177	05	The landscape of the Vale of York. We also consider the siting of the incinerator to be inappropriate. The proposed site is adjacent to a Grade 1 listed castle, a newly build golf course and a planned five star hotel. This is an inconsiderate and inappropriate location that will cost many jobs and livelihoods. It is also a highly visible location from all around the Vale of York.
CGr 003	PFI/ 177	06	However, with over 45 recycling points and successful schemes such as the 'York Rotters' with 6000 members there is heavy evidence to suggest that York wants to recycle more. Compare this to the statement from the Associate Director of Environmental Services at Stockton Borough Council (in Cleveland) that now, "essentially we are into waste maximisation", constrained by contract from doing even a modest amount of recycling.
CGr 003	PFI/ 177	07	York recently applied to the Zero Waste Places Standard, aimed at progressively reducing residual waste; this 25-year contract renders those aspirations meaningless. Recycling waste saves three to six times as much energy as incinerating waste and many successful profit making companies use recycled goods. Anaerobic digesters are operating in various places in the UK as profit-making enterprises. Centralising our waste disposal and committing it to incineration will result in a significant increase in vehicle miles and greenhouse gases emitted.
CGr 003	PFI/ 177	08	The proposed incinerator does not accord with policies promoting reuse and recycling.
CGr 003	PFI/ 177a	01	We had exaggerated the cost of landfill and that we'd underestimated recycling. His theory was if landfill tax didn't rise exponentially, and if recycling did, the economic case for the incinerator would disappear. He recommended a plan B be drawn up.
Pub 010	PFI/ 178	01	Enter the EEC and central government, fines, landfill taxes and year on year increases, so getting rid of waste inevitably becomes more and more expensive.
Pub 010	PFI/ 178	02	Enter recycling which isn't cheap but must be cheaper than this new alternative, but lets increase the EEC penalties that should swing the exercise.
Pub 010	PFI/ 178	03	The NYCC recycling system works well for me if plastic and cardboard could be recycled there would be little residue I could manage with a monthly collection. I don't understand why North Yorkshire is stuck at 31% recycling others at 50-70%, is it a management problem?

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Pub 010	PFI/178	04	NYCC are pushing for an incineration solution which leaves 20-30% ashes to be landfilled
Pub 010	PFI/178	05	There is also the pollution effect
Pub 010	PFI/178	06	I note that Holland and Germany are successful at recycling so this system might have possibilities
Pub 010	PFI/178	07	PFI has cost the UK taxpayers billions in various areas
Pub 010	PFI/178	08	What is the total estimate building cost, how are NYCC going to be charged and over how many years and what costs will be passed to the council tax payer
Pub 010	PFI/178	09	What recycling rates is the cost based upon
Pub 010	PFI/178	10	What if NYCC can beat these rates
Pub 010	PFI/178	11	Is the £320 m saving returned to the council tax payer
Pub 010	PFI/178	12	What would happen to property prices in the vicinity of the incinerator?
Pub 010	PFI/178a	01	Is the £675.8 million adjusted for inflation?
Pub 010	PFI/178a	02	What is the recycling rate for North Yorkshire?

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Pub 010	PFI/ 178a	03	Please can you provide clarification on the figure for Total cost of PFI (includes non PFI e.g. HWRC)
Pub 010	PFI/ 178a	04	Dates/times for Harrogate Area Committee and the AmeyCespa exhibitions at Marton Moor and Arkendale
Pub 081	PFI/ 180	01	Is there a conflict of interest between Members of Council voting on the project and those who also sit on the planning committee?
Pub 081	PFI/ 180	02	If planning is passed, can there be a Public Inquiry?
Pub 081	PFI/ 180	03	Is NYCC breaching European Human Rights Laws by not giving thorough consultation and closing consultation on the 12th November?
Pub 081	PFI/ 180	04	Has Richard Flinton had experience of working outside of the public sector? Why was he not at the Hambleton Area Committee at Helperby?
Pub 081	PFI/ 180	05	What are the recycling rates across North Yorkshire and York
Pub 081	PFI/ 180	06	Asked whether individuals have been invited to speak to the Council or individual members of the project team
Pub 081	PFI/ 180	07	Felt that the presentation did not have enough information on finance, there was no compelling evidence put forward for the project and little information about environmental impacts (traffic etc)
Pub 081	PFI/ 180	08	North Yorks does not have adequate infrastructure or road network and we should look at waste management on a local scale.
Pub 081	PFI/ 180	09	Asked whether we would be importing waste to the facility in the future as waste is reducing. EU laws are about stopping waste at the source

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Pub 081	PFI/180	10	What is the Partnership with AmeyCespa?
Pub 082	PFI/181	01	I have now read the technical details of the document. I admit I was misled by what was a NIMBY approach and save for doubts about the length of the contract I am sure this should be supported.
Pub 082	PFI/181	02	Even in these days of zero risk taking it should be accepted that proper incineration destroys all toxic organic chemicals
Pub 083	PFI/182	01	I am asking for a copy of your "separate and more detailed briefing note" to your fellow-councillors about the proposed Allerton incinerator, to which you refer in your statement of 21 July. There is so much misinformation flying around, and I am sure this will help me to understand what is proposed, and why.
Pub 084	PFI/183	01	NYCC should be investing in re-cycling and NOT in toxic incineration.
Pub 084	PFI/183	02	NYCC are lagging way behind the rest of the country in recycling and this money could and should be spent on improving recycling facilities throughout the county.
Pub 084	PFI/183	03	Incineration would actually be a disincentive to recycling.
Pub 084	PFI/183	04	It is outdated technology,
Pub 084	PFI/183	05	Would distribute toxic particles all over North Yorkshire - a hell of a legacy for future generations. Furthermore it would be a massive addition to the county's carbon footprint,
Pub 084	PFI/183	06	The 240 foot high chimney would be an eyesore for miles around.
Pub 052	PFI/184	01	Log his opposition for the waste incinerator



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Pub 052	PFI/ 184	02	It is near to a grade 1 listed castle -It will change the character of the area
Pub 052	PFI/ 184	03	Feels the tax payers money should not be used to fund it
Pub 052	PFI/ 184	04	Perhaps as a Council we could do more to recycle
Pub 085	PFI/ 185	01	Protest strongly at the proposed folly of building an industrial incineration plant in the heart of North Yorkshire
Pub 086	PFI/ 186	01	<p>I understand that the public meetings have been arranged to discuss the proposed Waste Recovery Park to be built in Allerton Park, Knaresborough. I am extremely disappointed that only one of them is arranged outside of normal working hours. How can these be called public meetings if a huge majority of people affected by the proposals cannot attend due to work commitments?</p> <p>I am also frankly amazed that only one of the meetings is in any vicinity of the proposed site and those people affected by the proposals. Why has nothing been arranged in Knaresborough or Boroughbridge?</p> <p>Many voters in the community feel extremely alienated by the way these meetings and the consultation process are being managed.</p>
PCo 023	PFI/ 187	01	At its meeting last night .....Parish Council accepted the present plans for waste disposal outlined by NYCC.
PCo 023	PFI/ 187	02	but expressed concern about traffic levels and the environmental impact of distances travelled to the proposed facility
Pub 087	PFI/ 188	01	Concerns about the cost of the project and the length of time the project will take. Lots of PFI contracts are expensive for the Tax payers at a time when we are going to be under some financial pressure. It seems that it is not a commitment we should be entering into.
Pub 087	PFI/ 188	02	Technology in processing waste of different kinds is improving and developing all the time. It is wrong to enter into a long term contract with ONE type of processor.

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PCo 024	PFI/ 190	01	My council discussed the generality of this and resolved to say that they were reluctant to agree to the incineration of potentially dangerous waste.
PCo 034	PFI/ 191	01	We are advised that officers from your Waste Management Services Department have recently authorised the removal of roadside signs put out by local groups and Parish Councils to raise public awareness of the proposals for a large waste processing site at Allerton Quarry. The above actions make it clear to us that certain officers employed by North Yorkshire Council are trying to stifle opposition to the Allerton Waste Site proposals and by doing so are attempting to suppress the democratic process of free expression.
Pub 078	PFI/ 192	01	What is the present situation with any contracts signed - the reason being one of the City of York Council at the seminar held last night raised the question that if the project does not go a head then what would be the cost to NYCC?
Pub 078	PFI/ 192	02	Planning -how is transport going to be assessed?
Pub 089	PFI/ 194	01	A major problem is that we have not been given a meaningful flow sheet of the treatment that is proposed at Allerton Waste Plant
Pub 089	PFI/ 194	02	Airborne pollution will strike susceptible lungs over a wide area, before settling on the soil
Pub 089	PFI/ 194	03	Nor is it clear what research you have carried out into alternative environmentally-sound. non thermal/non hazardous mechanical biological treatments.
Pub 089	PFI/ 194	04	I believe that all residents would enthusiastically support an early Implementation of enhanced programs of source recycling that would make way for a large reduction in tonnage of residual waste to be treated.
Pub 089	PFI/ 194	05	The NYCC (August) article in NY Times gives no information about its reduction recycling and reuse activities nor the extent AD will play
Pub 089	PFI/ 194	06	The NYCC (August) article in NY Times is a selective in its presentation of facts
Pub 089	PFI/ 194	07	The NYCC (August) article in NY Times.... Artist's impression lacks explanation.
Pub 089	PFI/ 194	08	The NYCC (August) article in NY Times.... there is no mention of the proposed monstrous incinerator with its 260 ft high chimney, no effluent greenhouse gas and dust cloud /toxic chemicals harmful to our health

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Pub 089	PFI/ 194	09	The NYCC (August) article in NY Times.....no mention that York City Council has banned incinerators
Pub 089	PFI/ 194	10	The NYCC (August) article in NY Times....no mention of the transportation and associated pollution of 400,000 tons of household waste to the incinerator
Pub 089	PFI/ 194	11	The NYCC (August) article in NY Times.....no mention of our poor rate of recycling. If we recycled 100% there would be no residual waste to incinerate
Pub 089	PFI/ 194	12	The NYCC (August) article in NY Times....there is no mention of this inevitable shortfall of waste
Pub 089	PFI/ 194	13	The NYCC (August) article in NY Times..... no mention of justification for nominating AmeyCespa
Pub 089	PFI/ 194	14	Alternative way forward, recycle waste that is currently disposed of
Pub 089	PFI/ 194	15	Alternative way forward, treatment of organics MBT and use of AD
Pub 090	PFI/ 196	01	Are there any other facilities like AmeyCespa are proposing in the area and are any other facilities producing electricity?
Pub 090	PFI/ 196	02	Are we are meeting our recycling targets?
Pub 091	PFI/ 199	01	Please press on with all possible speed with the incinerator
Pub 091	PFI/ 199	02	Too much time is given to objections form people whose objections are rooted in ignorance.
Pub 091	PFI/ 199	03	Present positive outcomes from incinerators already in use elsewhere.
Com 004	PFI/ 200	01	Currently, I am working on a profile for the above project and had heard that the bank mandate had been won. I was wondering if you would be able to confirm that this information is correct and if possible, name who the banks are.

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Pub 092	PFI/201	01	I am confused with all the figures which are published with no facts to back-up the figures.
Pub 092	PFI/201	02	What is the estimated cost of the facility installation?
Pub 092	PFI/201	03	What is the estimated cost of NY landfill over the 25 year period without the waste management facility?
Pub 092	PFI/201	04	Does the £320m saving include the cost of the waste management installation?
Pub 092	PFI/201	05	What are the potential financial liabilities to NY ratepayers for any breach of Contract?
Pub 092	PFI/201	06	Does the estimated £320m saving take account of any potential contractual penalties?
Pub 092	PFI/201	07	Are the contractual penalties covered by insurance within the forecast savings?
Pub 092	PFI/201	08	Having read your e-mail, I now wonder who will actually own the waste management plant and who will pay to
Pub 092	PFI/201	09	I would like to close by expressing my concern at being involved in a very long term contract which provides no improved waste management policy capability.
Pub 092	PFI/201	10	I understand that a number of waste transfer stations are being installed throughout the County. Waste screening at these Plants, in my opinion, would provide a good alternative project which could handle waste locally.
Pub 078	PFI/202	01	Questions about the process at AWRP
Pub 078	PFI/202	02	Concern was about the metal extraction and that he had recently been to see Dr Paul Connett and that he felt we should be doing more to recycle.

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Pub 011	PFI/203	01	In the newsletter there is no information provided as to what percentage of the waste taken to the site will be incinerated. Can you deny that it will be 80% with only 5% recycled? If the claim is that the plant will help us recycle more then why do we need such a large incinerator/chimney? You are in effect, refuting your own argument
Pub 011	PFI/203	02	Why do you have to pursue the incinerator option at all?
Pub 011	PFI/203	03	Is it not possible to take account of the experience of other councils and to re-consider your decision to build a plant of this size and type, which after all was made a number of years ago and must therefore be possible to improve upon?
Pub 011	PFI/203	04	Why do you have to build one large plant which immediately causes issues around traffic movements, visual impact and location?
Pub 011	PFI/203	05	Building a number of smaller sites would be more appropriate and would allow you to benefit from the by-products of the incineration process if that had to be included. Hot water for example could be used by local industries if you were to locate individual plants in urban industrial areas.
Pub 011	PFI/203	06	Why are you proposing to make use of the bottom ash in aggregates to such a high degree? Recent experience (i.e. in Newcastle) has demonstrated the high toxicity and dangerous nature of bottom ash when misused. How will it be handled?
Pub 011	PFI/203	07	This is not the reasoned debate that we would expect from a mature, intelligent and responsible county council. Hand in hand goes the woeful attitude to public consultation which has been demonstrated to date.
Pub 011	PFI/203	08	The distortion of facts is best seen in the pictorial images of the plant in both NY Times and the latest newsletter. In the former the chimney has actually been "cut off so that it's full height cannot be seen. The scale "drawings" in the newsletter suggest that the chimney is going to be approx 100 metres which is actually higher than the 260 feet (c. 80 metres) we were originally advised. The image in NY Times shows the plant standing proud not sunk down into the quarry in contrast to the impression given by the text of the newsletter. Just exactly how high is it going to be? It is ludicrous to say that the site is already well screened -yes, because the operations are below ground level and the proposed plant is not - I would like to see you try to screen a 100m chimney!
Pub 011	PFI/203	09	In regards to traffic movements we are extremely concerned about the increased movements surely to be expected particularly along the A59 which is already congested in the peak hours and only in recent days there has been serious congestion following accidents on the A1 between Allerton and Boroughbridge junctions. It is disingenuous to say as you have, that you have been consulting on traffic movements when none have been forthcoming. In the newsletter it says "we expect traffic levels to be similar" -this is ridiculously vague. When will the transport assessment be released for public scrutiny?
Pub 011	PFI/203a	01	At recent public meetings reference was made to the need for waste transfer sites at various locations across North Yorkshire to support your proposals. Please can you let us know the proposed sites?

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Pub 011	PFI/ 203b	01	Please can you confirm the locations of the current waste transfer stations (Hambleton, Richmondshire and Scarborough) - i.e. which towns/villages are they near? Please can you explain what change there will be in the amount of waste these stations handle between the present and proposed future situations Please can you give some indication of the size of the new waste transfer stations? What will be their capacity? How much waste (tonnage) will be handled by each of them? How much land will they take up? Please can you supply any further information about potential locations? I assume below "Land at Burn Airfield in Selby District" refers to the proposed new Selby site.
Pub 011	PFI/ 203c	01	Repeat request for above information
Pub 011	PFI/ 203d	01	Many thanks for this information. Please can you tell me what tonnages Thirsk, Whitby and Scorton handle now?
Pub 093	PFI/ 204	01	I cannot express strongly enough my opposition to the plan to inflict such a project on North Yorkshire.
Pub 093	PFI/ 204	02	<p>As someone living near the Allerton site who plans to start a family shortly and has read many alarming reports of increased birth defects and adult cancers near incinerator.</p> <p>I am particularly interested, alarmed but somehow not surprised to read that you wrote 'Independently reviewed evidence shows no adverse health effects to people from living near incinerators (source DEFRA Waste Strategy for England 2007) and in its most recent report, The Health Protection Agency said that it did not recommend doing any more studies of public health around modern, well managed municipal waste incinerators as the effects are probably not measurable." I presume you have not read any of the numerous reports concerning the very real and imminent threat from waste incinerators, particularly concerning adult cancers and birth defects? I suggest you start here <a href="http://www.ecomed.org.uk/publications/reports/the-health-effects-of-waste-incinerators">http://www.ecomed.org.uk/publications/reports/the-health-effects-of-waste-incinerators</a>. No surprise the ironically named Health Protection Agency don't recommend any more studies, is it?</p>
Pub 093	PFI/ 204	03	Putting it out to market will always bring the most profitable tenders for waste companies, not the projects that most benefit the environment or the citizens and voters of York and North Yorkshire.

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Pub 093	PFI/ 204	04	North Yorks has a poor record on recycling. In 2010 we should be looking to cities like San Francisco and Oxford in developing a zero waste policy, and following the lead of councils like Lancashire in declaring a "no incinerator" policy on their lands. I have read extensively on this issue and fail to see why Yorkshire cannot follow Lancashire's lead in adopting a greener waste policy that concentrates on recycling and refuses to go down the incinerator route full stop.
Pub 093	PFI/ 204	05	I am also highly unconvinced by the economic arguments and suggest NYCC are heading blindly into a £900 white elephant
CGr 004	PFI/ 206	01	Re: Article in NY Times September 2010 edition "Have Your Say on Waste Plans" We wish to complain about the above article. Nowhere in the article is the word incineration mentioned, despite this being the main activity at the site It mentions reclamation of 20,000 tonnes a year at the site, but does not put this into context of 320,000 tonnes going through the site each year. The photograph showing the proposed site does not clearly show the chimney and one might not even realise that there is a chimney at the site and certainly would not realise it was 260ft high. Nor is the chimney mentioned in the text. The photograph of the existing site gives a misleading impression It ie, an aerial view and looks very industrial However, because the site is a quarry surrounded by woodland it is not highly visible, in reality you can drive by it without knowing it is there. This is not the impression given by the photograph. Ground elevation views of the current site and the proposed site would give a very different impression The article gives an indication of alleged savings to the tax payer, but no indication of costs-which are colossal. It talks about recycling targets of 50%, but gives no comparison with rates achieved elsewhere The article asks for comments on North Yorkshire County Council's waste plans, however, we believe the way the information has been presented in this article is misleading and therefore does not allow the reader to make an informed judgement about the subject We would like to hear your views before referring this to the Press Complaints Commission.
PCo 025	PFI/ 207	01	On the current proposals the Parish Council could not support NYCC
PCo 025	PFI/ 207	02	The cost of transporting waste form Skipton to the site will be enormous -? cost effective
PCo 025	PFI/ 207	03	25 years is far too long to tie anyone into a scheme for
PCo 025	PFI/ 207	04	By the time the centre is built and in operation the equipment and processors will be out of date

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PCo 025	PFI/ 207	05	In a world of fast changing technology , in 25 years time things will have changed dramatically
PCo 025	PFI/ 207	06	The PFI will not benefit the community.
PCo 025	PFI/ 207	07	The targets that are aimed at, are quite low
Pub 094	PFI/ 208	01	I am a resident in Allerton Park, in close proximity (400yds) to the proposed new incineration plant and current landfill site. I find it extremely surprising that we have never had any support from the council to help us segregate our waste. Instead we are supplied black bags. This is especially ironic because of our geography. Please can you address this and inform me of your plans to deal with this. NYCC needs to increase recycling rates but to achieve this it must support residents who wish to participate and provide us the tools to support.
Pub 095	PFI/ 209	01	The information in the NYCC August Times was incorrect the site will only generate enough Electricity for 16,000 homes ie 24 MW at after diversity max demand of 1.5 KW. I have checked this with my ex Company NEDL and they agree with my calculations. Could you please arrange for the correct information to be in the October NYCC Times
Com 005	PFI/ 210	01	We are a local business situated close to the proposed site of Allerton Waste Recovery Park, and would like some more information about the facility
Pub 006	PFI/ 211	01	Do you know whether the Allerton Park Incinerator proposal is energy neutral ie it will produce more energy in total than it requires to run the whole plant
Pub 006	PFI/ 211	02	what will happen to the CO2 the plant will emit (since I thought the coalition were against increasing CO2 levels)
Pub 006	PFI/ 211	03	- have you, the other councillors and Ian looked at the Dunarbon solution?
Pub 006	PFI/ 211	04	Will the council tax payers in North Yorks benefit financially from the revenue AmeyCespa will earn by selling 23.5Mwh of power to the grid ie is there a clause in the PFI contract to ensure this?



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Pub 006	PFI/ 211	05	Is there any solution to the waste issue that would produce less CO2 than the proposed Amey EfW solution?
DCo 003	PFI/ 212	01	I was told NYCC were looking for a site in the Skipton area for this purpose, did they find one?? Who is the contact at .....District Council is that you've been liaising with.
Pub 096	PFI/ 216	01	Not for or against it but would like some more information.
PCo 026	PFI/ 218	01	The view of .....Parish Council is that it generally supports the initiative, providing that recycling rates already being achieved by Ryedale District Council, are improved rather than diminished
PCo 027	PFI/ 218	01	Potential affect/impact of the inversion area that exists in the Vale of York,
PCo 027	PFI/ 219	02	The potential long-term financial impact of the PFI to the County Council and its tax payers if the heads of agreement are not carefully vetted and understood
Pub 097	PFI/ 220	01	I find the proposed decision for an incinerator at the December council meeting is quite outrageous bearing in mind that the national government will be presenting new recycling plans early in the new year. It would appear to be more sensible to wait until this information is to hand.
Pub 098	PFI/ 223	01	I wish to object to the Waste Recovery Plant at Allerton Park Quarry I formally request that these comments are circulated to all councillors on the planning committee including the Chairman himself.
Pub 098	PFI/ 223	02	Firstly the visual impact is disgraceful! The whole main building and large tower are visible from the Eastern views from Arkendale and this is a blight on the landscape. If the Waste Recovery Plant goes ahead I, along with many others, may consider moving and will be suing the council for the loss of value to my property. I will gain a Surveyors valuation pre Waste Plant and a valuation post Waste plant and I expect the council to make up the difference.

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Pub 098	PFI/ 223	03	I wish to object and raise concerns on the health implications that are associated with the Waste Plant. I can imagine that AmeyCespa have given us strong guarantees that the Waste Plant will cause minimal harm to the environment and does not pose a threat to humans and wildlife. However they can not be 100% certain! No one can. The local villages are home to many families with babies and small children, such as my own. If the new plant goes ahead then many of these will consider moving away (refer to point one re loss of house value) and in any event this is going to discourage new families moving to the area. Let's just hope that there will indeed be no harm posed by any unknown toxics and, if there is, the councillors that make this decision will have it on their consciences for life and will be held accountable.
PCo 028	PFI/ 224	01	Clearly, this is a highly technical matter with other options available but the Parish Council supports the scheme in the hope that the County Council's research conclusions and financial projections prove to be well founded.
PCo 029	PFI/ 226	01	Is this needed knowing the Government's commitment to recycling and waste reduction?
PCo 029	PFI/ 226	02	Could not the money be invested in aiming to recycle more?
PCo 029	PFI/ 226	03	What incentives will residents have to carry on recycling if the plant is built
PCo 029	PFI/ 226	04	What are the financial penalties if recycling goes up leading to a decline in waste for incineration?
PCo 029	PFI/ 226	05	Is it not risky to be locked into a 25 year deal?
PCo 029	PFI/ 226	06	Is money being diverted from other essential services to pay for this project?
Pub 099	PFI/ 227	01	In the NY times edition in August there was an article about the Allerton waste recovery park proposal. The image produced of the incinerator, should I understand not have been published due to the inaccurate representation of the of the chimney height. The project manager of the Allerton park waste site told me at a public information event that this was just a draft picture and couldn't be published due to the fact it wasn't quite correct. Yet this same picture appears in the newspaper when it is very misleading to the public. I also felt the article was clearly biased in favour of AmeyCespa the preferred waste contractor and that the article didn't present another point of view or a even a balanced arguments regarding the project.

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PCo 030	PFI/ 229	01	<p>Whilst we appreciate that there is a need for efficient waste disposal and are of the opinion that the root cause of excess waste lies in the hands of the manufacturers and the supermarkets, concerns were expressed about the proposed 'tie In' to the contract for 25 years.</p>
CGr 005	PFI/ 230	01	<p>My question is I will discuss the financial aspects of the proposed Allerton incinerator, demonstrating the tenuous economic assumptions which underpin the plan. The main argument in favour of moving to incinerating waste has been financial. We are told that doing nothing will cost far more in terms of landfill than signing up to an 'Energy From Waste' plant. The figure we are repeatedly told is a saving of £320 million, yet this number is based upon predictions which are highly speculative and likely to be wrong. The public and the Council have been misled by a failure to properly explain these risks.</p> <p>North Yorkshire County Council predicts that landfill taxes are going to be £175 per ton by 2040, when the contract ends. Currently, landfill taxes are less than £40 per ton. No-one knows what these costs will be after 2020 because they are yet to be decided.</p> <p>The UK government has said that the tax will increase annually by £8 per ton until April 2014, and that future landfill costs will not be below £80 per ton. After that it is pure guesswork. Yet these guesses have huge significance for the proposed financial justification of the project.</p> <p>The rises in landfill costs are driven by EU measures designed to encourage sustainability and recycling. However, if Councils respond to the higher landfill costs by building incinerators then it is entirely possible that those costs will change, given that the policy would be producing exactly the opposite effect to that which was intended. /If/ this happens, then the apparent savings of incineration will be significantly reduced. And, I repeat, NO-ONE knows what the rates will be after 2014, let alone the 20 years between 2020 and 2040.</p> <p>Furthermore, if we assume that recycling rates will increase to at least 60% during this period, in-line with targets in Scotland and Wales, then the claimed £320 m savings will be wiped out entirely. It will be cheaper to "do nothing" than to pursue the PFI!</p> <p>Even accounting for population increases, it is likely that the amount of future household waste which is not recycled or re-used locally will be significantly lower than the total capacity of the Allerton incinerator. We could be left with the most expensive option, under a financial imperative to keep feeding the incinerator, and be unable to change course. A waste contract lasting a quarter of century is, therefore, an enormously risky undertaking.</p>

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CGr 005	PFI/ 230	02	We are told that the shortfall in capacity will be made up with Commercial waste. But this is a municipal waste strategy and NYCC cannot, by EU law, now sign a contract that requires a significant element of commercial waste. This was not what was originally advertised and the public have been grossly misled.
CGr 005	PFI/ 230	03	There is an urgent need to cost a 'Plan B' based around resource recovery and waste reduction, recycling, re-use, repair and composting, so that councillors can take a decision on the incinerator knowing that they have considered all of the possibilities. This doesn't mean households have to sort all their waste, or even collect food waste separately. The technology now exists for smart machinery to do much of this sorting at a waste recovery facility. This waste is a RESOURCE -- it should not be burnt
CGr 005	PFI/ 230	04	I'm also aware that another option has been put to officers by a waste group. This would have provided massive savings without incineration. They were told that they were told they were too late. As the public were not made aware of the proposal until June 29th, how can this be too late?
CGr 005	PFI/ 230	05	I urge councillors to at least delay any decision until the Government announce their policy on the matter in the new year
PCo 031	PFI/ 231	01	We write to protest against the current NYCC waste strategy proposals.
PCo 031	PFI/ 231	02	They are based on unrealistic targets for recycling that overplay the financial case for a single 'super-facility' for the entire county. They are misleading because recycling rates will be much higher than predicted, with the result that landfill costs will drop significantly.
PCo 031	PFI/ 231	03	The strategy is based on old technologies, including incineration, which has one of the highest levels of CO <sub>2</sub> emissions
PCo 031	PFI/ 231	04	It ignores the new Government's commitments to a massive increase in recycling as well as its plans for an immediate review of all waste management strategies.
PCo 031	PFI/ 231	05	it ignores the public's views of today, instead relying on consultations completed several years ago
PCo 031	PFI/ 231	06	We understand that you will be asked to vote in favour of the Council's plans later this summer and we urge you to oppose this plan and instead ask for a thorough review of the best way forward.
PCo 031	PFI/ 231	07	At a time of deep Government spending cuts, it would be irresponsible to continue the current strategy without careful review

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PCo 032	PFI/ 233	01	<p>The Council is very concerned at the length of the contract, 25 years, and the amount of money involved, £900m, which the NYCC is proposing to buy into. There is every possibility that new developments will be made during this long time period in the area of waste disposal which could prove more environmentally friendly and cost less to the tax payers. However, with this contract in place it will be impossible for any other development to be considered as such a huge amount of money has been tied up in the one project.</p>
PCo 032	PFI/ 233	02	<p>However, what is of greater concern to the Council is the fact that no information has been forthcoming as to how the decision to recommend this particular contract was arrived at. It has been presented as a "fait a comply" with the decision for the county councillors only being to accept this contract or reject it, with no other options being put forward for a comparative decision to be made. The Parish Council is aware that 17 other possible avenues were considered but no information has been forthcoming on any of these as to why they were considered not to be suitable for the council's waste project. The Council would like to know who considered these other options and on what criteria were they rejected. It would appear that none of this has been open and above board as no information has been circulated.</p> <p>The NYCC needs to assure itself and those it represents that the preferred solution put before them is the correct one. The degree of opposition and disquiet about the way the whole affair has been conducted should be enough to persuade them that the contract should not be awarded to AmeyCespa until some independent "due diligence" has been completed, even if this means there is a delay.</p>
PCo 032	PFI/ 233	03	<p>The Council has been made aware that there are many existing waste disposal plants in neighbouring counties, either in operation or at the building or planning stages. Has anyone even looked into the possibility of sending NY waste to these facilities? It is unlikely that all are full to capacity and sending NY waste out of county would have the result that large lorries are not travelling across miles of open countryside to congregate on one site when shorter more direct journeys could be made to neighbouring counties. The Parish Council wishes to know what steps have been taken to explore the possibility of out of county multiple site use and the relevant costing.</p>

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Pub 093	PFI/ 234	01	<p>Lancashire has vowed no incinerations on its green and pleasant land? Why not Yorkshire with its already appalling air quality in the Vale of York.. Think back to 1985 and how far we have come on waste in the 25 years since - is it really wise to commit to old technology for 25 years???</p> <p>As a resident of Tockwith near Allerton I am most concerned at the plans to build a huge incinerator in the area. I am also concerned about the economic ramifications of you committing NYCC taxpayers to such a project over 25 years at a cost in the billion.</p> <p>As it is, North Yorkshire's recycling rates could be massively improved (at 45%, we are some 25% behind Oxford) and I am baffled why you are pressing ahead with technology which may be the most profitable for the companies concerned but which is not the best for the area or the taxpayer. Lancashire has vowed no incinerations on its green and pleasant land?</p> <p>At the moment NYCC seem to be being led by the companies, not the other way round, as a result of putting the decision out to market in the first place.</p>
Pub 093	PFI/ 234	02	There has been almost zero consultation on this matter and the project has been presented as a fait accompli, despite world-renowned experts in the field calling it a "mad" decision and suggesting greener and indeed much cheaper alternatives
Pub 093	PFI/ 234	03	I suggest that a project of this nature and a decision of this importance cannot be rushed through in the way it has, and with opposition to the plans mounting amongst Yorkshire residents call on you to announce a moratorium for another six months, allowing NYCC to consider all possible alternatives and consult much wider (with public and experts) before going ahead
MPM EP 001	PFI/ 235	01	I write to object to the proposal to build a 'Waste Recover Park' at Allerton Park Quarry, Knaresborough (that will include an 'energy from waste' incinerator).
MPM EP 001	PFI/ 235	02	Such incinerators provide a disincentive to recycle
MPM EP 001	PFI/ 235	03	Once built it will require large volumes of waste in order to be kept in operation.

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MPM EP 001	PFI/ 235	04	I also feel that the proposals are not sympathetic to the local environment and the building of this facility would have a negative impact upon the local environment and population.
Pub 100	PFI/ 238	01	Upper Dales constituent has sent me details of a waste processing scheme Please could you advise me: If NYCC has previously examined the proposals (or similar proposals) as put forward, and if so what were the conclusions??  If not, are you prepared to examine the proposals as set out in the attached, and give your opinion of whether they have any relevance to future waste processing requirements in the County ?? Are the proposals in any way an alternative to the Waste PFI scheme at Allerton Park, and especially the incinerator element of the scheme which is causing so much community concern??
PCo 007	PFI/ 239	01	Concern on the Industrial and Commercial waste to be used to fill the headroom built into the Incinerator which is way beyond the apparent needs of domestic projections.
PCo 007	PFI/ 239	02	Not enough information on the carbon miles created by the lorries bringing the waste to the site from across the County.
PCo 007	PFI/ 239	03	No information, or apparent preparation and costings presented on the interim waste stations to be placed across the County.
PCo 007	PFI/ 239	04	Reasons for not considering the current power station site on the A1 with its links to the grid, road/rail/canal network in place seem flimsy at best.
PCo 007	PFI/ 239	05	It now seems that whilst the chimney will remain the same height, the base will be below ground, at quarry bottom level thus having a lower above ground projection. This must be a concern as to the calculations on emissions, and the area of spread.
Pub 101	PFI/ 240	01	The residents of North Yorkshire did not vote for this nor do they deserve to have this imposed on them. On this basis we write to formally protest against the current NYCC waste strategy proposals.
Pub 101	PFI/ 240	02	The proposed facility is based on unrealistic targets for recycling that overplay the financial case for a single 'super-facility' for the entire county. They figures supplied by NYCC and AmeyCespa are misleading because recycling rates will be much higher than predicted, with the result that landfill costs will drop significantly.

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Pub 101	PFI/ 240	03	From what we have learnt of the proposed facility at Allerton Park it's capacity is far in excess of what can be reasonable be supplied from the local area meaning that the plant will be forced to take waste material from a far greater range of sources - possible even abroad. Reference to the experience of Sheffield and the incineration plant there clearly points to inadequate local supply of material for incineration and the consequent need to extend the 'catchment area' - possibly to include sourcing of industrial waste from much further a field,.
Pub 101	PFI/ 240	04	The strategy is based on old technologies, including incineration, which has one of the highest levels of CO2 emissions.
Pub 101	PFI/ 240	05	It ignores the new Government's commitments to a massive increase in recycling as well as its plans for an immediate review of all waste management strategies.
Pub 101	PFI/ 240	06	Indeed, the facilities for kerbside re-cycling in the Harrogate area are woeful (at the time of writing, just glass and newspapers are collected) and much more could be done to improve recycling rates rather than resorting to a facility such as the one proposed
Pub 101	PFI/ 240	07	NYCC's proposal also ignores the public's views of today, instead relying on consultations completed several years ago.
Pub 101	PFI/ 240	08	I urge you to oppose this plan and instead ask for a thorough review of the best way forward. In particular I ask that you push for a big increase in recycling, thus removing the need for such a colossally expensive and risky venture.
Pub 101	PFI/ 240	09	At a time of deep Government spending cuts, it would be irresponsible to continue the current strategy without careful review
Pub 102	PFI/ 241	01	I see no reason why this facility has so many objections. We need to cut down on landfill sites and this is a greener alternative. How will it interfere with the local community, no residential homes will be affected. It is the same old story, people talk how green they want to be, but object when it is in their back yard.
PCo 013	PFI/ 242	01	At its meeting the Parish Meeting received an update on the Allerton Waste Recovery Park and expressed its support for the plans. The Parish Meeting wishes to see the plans implemented as quickly as possible at the minimum cost. It hopes that each and every Councillor will recognise a moral duty to represent the supportive views of the overwhelming, silent majority of North Yorkshire electors and not be influenced by the strident calls of a tiny minority.
PCo 033	PFI/ 243	01	This Council is concerned at the apparent waste management strategy



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PCo 033	PFI/ 243	02	At a time when the Government is proposing changes and DEFRA is undertaking a country wide consultation it seem strange pushing forward with an outdated strategy. Why rush without waiting for Defra report to be published?
PCo 033	PFI/ 243	03	The technology being proposed is questionable
PCo 033	PFI/ 243	04	The Council is greatly concerned that the PFI contract represents a disproportionate risk to tax payers now and in the future.
CGr 006	PFI/ 244	01	Strong opinions are being expressed as to the wisdom of entering into PFI contract reportedly with a 25 year term but with no break clause in the event that as recycling increases waste quantities will decrease..
CGr 006	PFI/ 244	02	In the summer of 2009 UK Coal plc held a meeting with Parish Councillors of Escrick at which they outlined their intention to seek planning permission to develop the former North Selby Mine site for waste disposal by incineration. Aware that this proposal has no connection?
CGr 006	PFI/ 244	03	Why are we being led into the most expensive option for dealing with waste , one which is thought to offer the most pollution
CGr 006	PFI/ 244	04	How will a PFI contract fare when others are planning to offer an alternative
CGr 006	PFI/ 244	05	The proposal to locate North Yorkshire and the City of York's waste disposal facility in the Allerton Quarry has much to commend it. A large limestone quarry close to being worked out and in part currently in use for waste collection and disposal.
CGr 006	PFI/ 244	06	The location is close to the edge of the very area it is to serve, conflicts with the Proximity Principle and consequently will generate significant traffic movements.
CGr 006	PFI/ 244	07	It is understood that as planned the facility will have a shortfall of some 40% and hence will only use two thirds of its design capacity. This suggests a strong possibility that as recycling increases and waste quantities for collection decrease there will be pressures to take industrial waste or / and waste from the nearby Leeds conurbation
CGr 006	PFI/ 244	08	There are few grounds for challenging the mix of recyclable and composting proposals. However, there are very strong objections to the Incinerator proposal. By location there is little chance of energy recovery or combined heat and power, albeit use of methane to generate power for transmission to the National Grid is welcomed

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CGr 006	PFI/ 244	09	Incineration is considered to be the most expensive options of waste disposal and fears have been expressed that North Yorkshire will become a net importer of waste through incineration. North Yorkshire has a poor air quality but given that the quarry lies below surrounding ground there will always be the possibility of inversion of the exhaust plume.
CGr 006	PFI/ 244	10	A far better proposition and less expensive would be conversion of waste to Mechanical Biological Treatment, namely conversion to pelletised fuel which, subject to satisfactory calorific value could be injected with the fuel mix into any of the three major coal fired power stations in the region. Can you confirm that Mechanical Biological Treatment was considered
CGr 006	PFI/ 244	11	The public have not been told what other processes were examined in the highly secretive negotiations but, given the very nature of the contract, Private Financial Initiative (PFI), it is crucial that as recycling increases and waste quantities reduce a satisfactory 'break' clause. The planning and subsequent negotiations have been so secretive that Executive and Councillors of the City of York appear to be almost completely in the dark. The public has no chance yet it appears that they will be required to foot the bill.
Pub 008	PFI/ 245	01	I would like to explore with you if the consortia I have in mind could buy Yorwaste and absorb it into the group and if the current referred waste contract could be abandoned and a re-tender instigated.
Pub 008	PFI/ 245	02	Could you kindly run through, with me, the scenario ie what would happen next if the Members did vote no in December?
Pub 103	PFI/ 246	01	I am writing to express our shock at the proposal to site a new waste incinerator in Yorkshire. While I understand the desire to reduce the risk of a penalty tax for waste going to land-fill, we are alarmed that you think an incinerator is the answer. We implore you to stand against the planning application for this project for the reasons given.
Pub 103	PFI/ 246	02	Many areas, including Bentham, are doing all they can to reduce the amount of waste produced. If this goes ahead there will be little or no incentive to continue with this work. As we understand it, the volume of waste going to land-fill has reduced in the recent past (up to 70% reduction in some areas) and is continuing to do so. Wouldn't it be better to invest in schemes that result in less waste created?
Pub 103	PFI/ 246	03	Our waste will be transported across Yorkshire, increasing its carbon footprint beyond that caused by the incineration and adding to traffic congestion
Pub 103	PFI/ 246	04	An incinerator has the potential to release large volumes of toxic waste into the atmosphere i.e. heavy metals, CO <sub>2</sub> , CO, sulphur dioxide

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Pub 103	PFI/ 246	05	As this is to be a private venture, profits will need to be maintained. If those of us with a conscience continue to reduce the waste we create, will the contractor be allowed to bring waste into this facility for incineration? That will surely increase pollution again from the incinerator and transportation
Pub 103	PFI/ 246	06	This strategy appears to ignore the new Government's commitments to a massive increase in recycling as well as its plans for an immediate review of all waste management strategies. Does the county not support this?
Pub 103	PFI/ 246	07	This appears to be the public being led into paying for facilities for a private enterprise to make a profit!
DCo 004	PFI/ 247	01	Thank you for providing the information requested. It appears to me that Members here haven't taken on board the fact that there's more to the project than incineration! It would be helpful if you could confirm the percentages of the GMT which is expected to be recycled/recovered or treated through the AD plant. I think this should be in the order of 10% in terms of recyclates and 20% in relation to the AD plant (based on a GMT of 200,000 tonnes which seems to be a rough average based on your figures) - is this about right?
Pub 104	PFI/ 248	01	I have read the report on page 5 of the latest NY Times about the Allerton waste plant proposal. I suggest that on such a controversial and major issue the NY Times should present both sides of the argument, allowing space for critics to have their say. Could this opportunity be given in the next issue?
Pub 105	PFI/ 249	01	November's ny times requests comments on the above. I am strongly in favour of this development. As far as I can see it is well planned, and it is a facility NY needs. It is not possible to keep chucking rubbish in holes and forgetting about it. Yes, recycling needs to improve still more, but there will remain non-recyclable waste which needs to be dealt with. Careful incineration is at least as safe as other options...and if the heat by-product can be used, so much the better.
Pub 106	PFI/ 250	01	Whilst I have no objection to a waste disposal site continuing at Allerton Park, I do have serious misgivings about the scale of the operation proposed. My main objections are:1 the cost of a large incinerator, as I am not convinced that once we have better recycling we will still have enough N Yorks waste to burn. I have just learned that the City of Antwerp in Belgium actually dismantled an incinerator because they no longer had enough waste to feed it and the fumes were proving to be more of a problem than they had anticipated

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Pub 106	PFI/ 250	02	<p>2: increased traffic movements. I have heard quoted that the increases will be minimal but I do not see how. Currently no waste comes to the site from York or Scarborough so there will definitely be a lot more movements along the A59 and this road is already working over capacity. Even with more local collection sites we will have increased movement and probably much heavier vehicles. I do not think the current infrastructure could take it without very considerable improvements. These have not been costed in to the equation I am sure. Overall I feel a better way to meet EU and Government targets is to recycle more and to have more smaller waste management sites. I appreciate that there are targets to be met but I urge you not to saddle us with something that is unpopular and difficult to get out of if it proves to be unpractical.</p>
Pub 107	PFI/ 251	01	<p>I understand from the ny times that the consultation on long term waste strategy ends on Nov 12th. Can you please confirm if this is so as NYCC &amp; CYC do not make their respective decisions on this until mid-Dec. We have a project here with young people around climate change &amp; would like them to be able to express their views. Nov 12th does not leave long for this so will any later views be considered please? Looking at the NYCC website under consultations does not list this consultation! Do we simply e-mail views of the young people's group to you?</p>
Pub 045	PFI/ 252	01	<p>You may not be surprised by the fact that the alternatives are cheaper but I think you will be astonished by just how much can be saved by using existing local companies, whilst at the same time, removing all risks from the taxpayers and achieving the added prizes of sustainability and flexibility by not building the contentious incinerator</p>
Pub 045	PFI/ 252	02	<p>OPTION 1 This is the 'Do the minimum' (ie continue to landfill) which the council estimates will cost us £1.8bn and which is obviously not acceptable</p>
Pub 045	PFI/ 252	03	<p>OPTION 2 – AmeyCespa This is the only proposal of which you will be asked to approve by the officers and your Executive. It includes a PFI funded incinerator and you should be aware that it is based on extremely risky and poorly supported assumptions, which in reality will not deliver the savings promised. Promised SAVING £320m</p>
Pub 045	PFI/ 252	04	<p>OPTION 3 - Alternative Contractors without incinerator This is based on a scenario (and price structure )using small to medium local companies with their own facilities and using their own capital to build further new plant as required , capable of digesting and mechanically sorting black bag waste, all without the need to build an incinerator. Shorter contracts will give greater flexibility and act as a stepping stone to option 4 and beyond. This is not an untried or untested approach. Councils across the UK are already using this type of operation to dispose of their waste. It includes a permitted level of landfill (within EU guidelines) and involves no risk for taxpayers. It also creates local jobs, not foreign profits. This has already been discussed with NYCC senior officers and the price per tonne of this option verified by established Waste contractors. Any queries or clarification should be addressed to Ian Fielding. SAVING £958m. This option, which is immediately available, gives an improved saving of £638m over Option 2, which equates to £25.5m saving per annum . Against the current cutbacks now facing us how on earth can this extra saving be ignored?</p>

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Pub 045	PFI/ 252	05	OPTION 4 Working towards Zero Waste by Reduce Reuse Recycle This is a realistic estimate, achievable in 5-10 years with reduced tonnages and as recycled resources become more valuable, reduced collection charges. This is in line with Rt. Hon Caroline Spelman's vision of working towards 'Zero Waste' and implementing a waste hierarchy where Reduce, Re-use and Recycle are rated above incineration for energy. Many regions and cities across the world have exceeded the 60% recycled rate suggested and used in this option. SAVING £1.2bn
Pub 045	PFI/ 252	06	I recognize that Councillors and Officers have a very difficult job, serving the community, while complying with Government legislation and following due process as well as balancing the all important budget. I am also aware that the proposed waste contract is a culmination of a process which started 5 years ago and which has incurred £2m-£3m of fees. However, if ultimately these costs have to be written off they should be taken in the context of saving over £1 BILLION during the lifetime of the contract. You will be aware that your fiduciary duty is to review all the facts and examine the alternatives, before exercising your judgment and making a decision. Much has changed in the last 5 years and I rely upon you to acknowledge this by insisting on a deferment with a full, transparent and independent review of all options. Such a review should examine the possibility of even further economies of scale by working with adjacent authorities as is now being undertaken in the London Councils to drive costs down. This will be the biggest decision that you will be called upon to make as a Councillor. I trust that you will make it wisely.
PCo 035	PFI/ 253	01	A couple of concerns 1. The letter only had the NYCC main website address and he found it difficult to find the FAQs about the PFI 2. The letter mentioned that there was a meeting with Marton cum Grafton and he would like more details about what was discussed and what the key issues raised were. He felt as though the letter glossed over the meeting and he would like some more information if possible.
PCo 036	PFI/ 254	01	We wish to register our objection and request the Authority to consider (whilst the opportunity exists) alternative plans and methodologies to deal with waste disposal in the area, taking on board new opportunities for waste recovery and working practices that have evolved and are being promoted since initial decisions were taken.
Pub 108	PFI/ 255	01	I have been contacted by a constituent who has asked me to find out the answers to the following questions regarding the County Council's Waste Strategy (specifically the incinerator proposal): How many waste transfer stations will be required throughout NY and at what extra cost above the 900m over 25 years? Where will the waste transfer stations be situated, Knaresborough? What are the anticipated costs of transporting this waste to Allerton Park in both carbon emissions and pounds sterling? Why have these proposals not being made public? What are the costs of similar waste transfer stations in other parts of the country? Have these costings been budgeted for and can NY afford them under the new financial constraints?

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Pub 109	PFI/ 256	01	I am writing to express my grave concerns regarding the proposed incinerator at Allerton Park. The Government is producing a White Paper in February to cover the waste disposal strategy and it seems an unnecessary commitment to a massive financial undertaking to give the go ahead prior to that document. In addition the financial argument fails to take into the account the EU Emissions Trading Scheme which will tax the Carbon produced by the incinerator. Finally - the contract commits North Yorksire to send specific tonnages of waste to the site, ignoring the anticipated waste volume reductions required by the Government's strategy of reducing waste at source e.g. by packaging reduction. I would be grateful if you would re-think this proposal before we are bound by a £1Bn millstone.
PCo 037	PFI/ 256	01	<p>None of the Parish Councillors feels that they have enough technical knowledge to come up with a definitive view on this matter so feel that they have to hope and trust that when the Members of North Yorkshire County Council do finally reach their decision that they take full account of the potential impact on recycling rates and that they also look very carefully at the contract being awarded so that no perverse outcomes result from it. Our Parish Council would like to see North Yorkshire County Council continue to put pressure on manufactures to keep reducing the amounts of packaging being used on products and to maintain if not increase the current rates of household recycling being achieved.</p> <p>The Parish Council would like to see a cap put on the increase in Council Tax that can be raised to help to pay for this contract if it goes ahead.</p>
Pub 110	PFI/ 258	01	He wanted to register that he approves of the proposed incinerator at Allerton Park
MPM EP 002	PFI/ 259	01	Thank you very much indeed for sending me a detailed brief regarding the energy from waste product you are proposing. When I was in the European Parliament I was involved in the formulation of the large combustion plants directive and therefore understand that if a plant of this type is operated within the tough conditions set within that directive there is no risk whatsoever to people living nearby. In fact there is more risk from a next door neighbour, for example, having a garden bonfire. That said I know that in areas where planning applications have been made there has been a lot of local opposition, not least in connection with the increased lorry traffic. I hope that your project is successful and certainly hope you will use a mature technology rather than the Scarborough power plant which still is standing inactive despite 6 million pounds of Government money being poured into this new experimental technology of pylorysis.
Pub 111	PFI/ 260	01	Having seen your website on the proposed waste park and would like to say I am very strongly in favour of the plans!
PCo 038	PFI/ 261	01	The Parish Council has asked me to write to you to express its opposition to the proposed waste incinerator plant at Allerton Pork.

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PCo 038	PFI/ 261	02	Members have expressed a number of grounds for taking this position -among them are the visual effect on the neighbourhood, the size, cost and length of the contract, and public health concerns. Members also have serious concerns about the viability of this contract in the light of current thinking on future recycling levels across the county.
Pub 112	PFI/ 262	01	I personally think the proposal meets the needs of the requirement to handle waste in this area. This opinion was echoed by the members of the above council but we were not quorate and thus I cannot speak for the council as a whole.
PCo 039	PFI/ 263	01	The Parish Meeting met on Monday 11 October and were fully in support of the Allerton Waste Recovery Park Proposal. They were in support of the proposal because they consider that there needs to be a coordinated and integrated strategy to deal with the waste produced. Continually resorting to landfill is not a sustainable option and it is better to try to make some use of the waste than simply to bury it. They were also in support of the general area chosen for the Waste Recovery Park. North Yorkshire is a large county, but many areas are totally unsuitable for this sort of activity; for example, the National Parks and Areas of Outstanding Natural Beauty rule themselves out straight away. Allerton is ideally placed, close to the A1 and within easy transport reach of York and Harrogate, the major centres of population
PCo 002	PFI/ 264	01	The Parish Council invited Armeycespa to make a presentation at an open meeting in the village in order that local residents could make an informed judgement about the proposed Allerton Waste Recovery Park. To balance that, the parish councillors also met with the Chair man of ..... Parish Council, who kindly shared with us their Due Diligence Reports of August and October 2010. These documents seriously call to question the strategy for waste management being adopted by NYCC that will commit the county's taxpayers to the funding of the AWRP scheme for its 25 year duration. In your letter, you make reference to your own meeting with representatives from Marton-cum-Grafton Parish Council but, whilst you list the issues discussed, you fail to mention NYCC's response to each of the points they raised or what action you intend to take. Therefore, rather than brush over them, as your letter appears to do, please advise: 1: the actions you have taken to investigate the issues raised in their reports; 2: your answer to each of the issues raised; 3: your actions to have those issues debated by the Members; 4: your action to make those issues public, together with your responses. Until you have satisfactorily addressed these outstanding points, we do not believe that NYCC can claim that due diligence has been fulfilled, that the waste strategy is demonstrably best value for money, or that you can legitimately proceed with the AWRP contract
CGr 007	PFI/ 265	01	We feel that the proposed incinerator plant at Allerton Park will cause enormous damage to significant built assets and landscape both locally and throughout North Yorkshire. This plant will include a 38 metre tall incinerator with a 76 metre tall chimney disgorging fumes above the surrounding fields and villages and as far afield as the City of York. Not only will this chimney be seen from several miles away but it will be located right next to the A1 on the gateway to some of the regions tourists gems, including Knaresborough and Harrogate
CGr 007	PFI/ 265	02	There are many financial and health arguments for improving recycling rates rather than burning nearly a billion pounds of tax payers money with this scheme. We support and agree with these and hope that the County Councillors are fully informed before coming to any decision. However, the Society's responsibility is to ensure the health and safety of our town.

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CGr 007	PFI/ 265	03	The proposed complex of buildings, including the incinerator, will be located right next to the historic, Grade 1 listed Allerton Castle. Grade 11 listed parks and gardens and other Grade 1,11 and 11* buildings.
CGr 007	PFI/ 265	04	The value and identity of all these is now under threat from the eyesore of an industrial chimney billowing smoke across the landscape and from increased HGV traffic required to maintain the 24 hour operation of the incinerator.
CGr 007	PFI/ 265	05	As DEFRA is due to issue a new waste management report next year which may invalidate all the justifications put forward for this scheme, we ask that Councillors at least delay their decision until then. We also urge that they re-examine the waste volume predictions for the county and reconsider the current management strategy that ignores the resource value of waste and negates any opportunity to develop a sustainable recycling industry, The Society recognises that waste disposal is a huge challenge for the county but this over-priced, short term solution will cause long-term damage to the fabric of our culture
PCo 016	PFI/ 266	01	Members are prepared to support the project in principal
PCo 016	PFI/ 266	02	However there are still concerns regarding projected volumes of waste timescales and cost. It is to be hoped that packaging and food waste is drastically reduced in the next few years
PCo 016	PFI/ 266	03	The project life of 25 years is a long time, foresight on such a scale is high risk when involving public funds and private enterprise in partnership
PCo 016	PFI/ 266	04	The costs of many of these projects in the public sector have a the habit of going over budget
PCo 040	PFI/ 267	01	It is obvious that a solution other than landfill must be found for our waste. However, to contract to spend £2billion over 25 years would seem not only to be committing a great deal of money but also putting the county into a metaphorical straight jacket – where it will be unable to respond to newer technologies and better methods of waste disposal for a quarter of a century.
PCo 040	PFI/ 267	02	It does seem nonsensical for the County to make a decision that will tie it into a process until well beyond 2030 without knowing the outcome of the Government's report on its review of future waste policy, which is published in the New Year. Surely it would make sense to delay any decision until these results are known?
PCo 040	PFI/ 267	03	Even if the current proposal is, at the present time, the best solution available, with all the research being conducted on recycling and waste disposal, looking for better methods and greater recovery rates, wouldn't it make more sense to commit the county to a more medium term project of perhaps 15 years instead. After all, incineration is not exactly a green process and it is likely that other more acceptable solutions will become more readily available in the future. Indeed it may be that incineration becomes even less acceptable in the future, leaving the county with an expensive white elephant



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PCo 040	PFI/ 267	04	On a slightly different note, North Yorkshire is a huge area in geographical terms, which means that waste will have to be moved some extremely significant distances – particularly from North Craven. Is the county sure that a single site for the treatment of all waste is the best solution? Certainly from a recycling standpoint, the movement of waste more than approximately 10 miles negates the benefits accrued by recycling. With fuel prices continuing to rise, it seems a very expensive solution to transport all our waste more than half way across the county for disposal. Can the county show that this is the most cost effective solution, and that two or more smaller facilities across North Yorkshire would not be better?
PCo 040	PFI/ 267	05	In conclusion then, .....Town Council would ask NYCC to delay making its decision on the Waste PFI contract until after the Government report on future waste policy becomes available. It would also ask the county to seriously consider a more medium term contract to the one currently on offer, and to prove that a single site for waste disposal is the most cost effective option in the future as fuel prices continue to increase.
CGr 008	PFI/ 268	01	Please find below the concerns and objections of ..... regarding the proposed waste management facility at Allerton. These concerns and objections were agreed at a meeting of the party on 28th October 2010.
CGr 008	PFI/ 268	02	The proposed contract includes a requirement to make a guaranteed minimum payment to the contractor (AmeyCespa the preferred bidder) as if North Yorkshire County Council (NYCC) had delivered approximately 80% of waste projected at the time of final tenders. Although there are no proposed penalties for failure to deliver this amount of waste, North Yorkshire County Council may have to compensate AmeyCespa for loss of electricity revenues associated with any shortfall if the contractor is unable to secure alternative commercial or industrial waste to replace the Council's waste. ? Commercial/industrial waste is the next big target for recycling efforts as much of it can easily be separated into different waste streams at source (e.g. paper, glass, food waste etc.). So there is no certainty that over 25 years enough commercial/industrial waste will be available to make up any shortfall in household waste. ?
CGr 008	PFI/ 268	03	The proposed waste management facility is unnecessary as a substantial increase in re-use, recycling including composting (an overall recycling rate of only 44% at present) and campaign aimed at reducing overall consumption of goods, materials and resources could deal with the waste and save the county council expenditure on landfill taxes. Between 2009-10 South Oxfordshire District Council achieved a recycling rate of 70% , the same effort is required in North Yorkshire. NYCC could achieve its 2020 50% recycling target by following the example of other local authorities like South Oxfordshire District Council. ? Both locally and nationally there are waste minimisation policies which should substantially reduce waste over the next 25 years. Additionally, the rising cost of oil and other raw materials will drive businesses to reduce waste and consumers to consume less.
CGr 008	PFI/ 268	04	The proposed waste management facility will discourage recycling amongst residents as they will feel that it is unnecessary to recycle when all their waste is being diverted from landfill to the facility. ?

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CGr 008	PFI/ 268	05	The establishment of a centralised waste management facility will lead to an increase in greenhouse and pollutant emissions from lorries transporting waste from all over the county to the facility. It is much better to treat waste locally where possible. This is particularly the case with food waste, which can be done effectively at District level and almost certainly will be within the next 5 years or so. Collecting and treating food waste locally is more sustainable in terms of transport, and also because the residue can be spread on the land, which is not the case when it is recovered from mixed waste and will have chemical pollutants with it.
CGr 009	PFI/ 269	01	We understand that you have a huge problem, literally huge, in disposing of the waste we generate but believe that the contract with AmeyCespa would be a mistake
CGr 009	PFI/ 269	02	The sums: For promised savings of only £320 million - that is less than one sixth of outlay and a rather small percent considering how much may change in 25 years (like the introduction of taxes on CO2 emissions taxes ) and the assumptions made about costs of transport of waste (underestimates given the likely future of oil prices).
CGr 009	PFI/ 269	03	The technology: we would be tied in for 25 years to a system which will be out of date by the time it is commissioned. There is such innovation afoot: we are in contact with a locally based environmental engineer who has pioneered small self contained units where he achieves 75% recycling, inert waste only to landfill, with packaging and building products for sale. These would be decentralised with the added advantage that communities would have a sense of responsibility for their own waste generation - rather than one community being lumbered for all of us.
CGr 009	PFI/ 269	04	The longer term: this is a 'fix' as the answer to a pressing problem. The sums only show savings by comparing with existing habits, in fact assuming that we will be throwing away more and more. It ignores all the work that you and we have been doing changing attitudes and reducing quantities for landfill. Unless we learn to use less and throw away less, to reuse and repair more, the problem will escalate and we will be scrabbling around for more and more expensive and desperate solutions.
CGr 009	PFI/ 269	05	Attitudes and waste management practices are changing fast. In such confusing times the key is flexibility. Instead of tying up enormous resources in one basket, NYCC could be: <ul style="list-style-type: none"> <li>· supporting the development of solutions that can be more responsive to changes in technology</li> <li>· promoting drastic changes in our waste producing habits so that this ceases to be such a major consumer of resources.</li> </ul> <p>We urge you to look at how you can harness the passion there is in North Yorkshire for finding real, long term solutions which will safeguard the future</p>

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Pub 113	PFI/ 270	01	I have serious concerns about this project going ahead for the following reasons. 1 There is a 'conflict of interest' as NYCC are using their own planning department. I know it is allowed in the rules however to be seen as being unbiased it should be put through the local Planning Department not NYCC.
Pub 113	PFI/ 270	02	2 All PFI's are very risky. AmeyCespa (or any other bidder) are in business to make a profit...to make money, not to break even or a loss for their share holders, so once any contract is signed any changes in specification from day one of the build will start inflating the prices, and I defy any one to show me where no changes are made in any construction sites. Every building site there is and has been has needed changes to be made.
Pub 113	PFI/ 270	03	3 So changes that are made will incur additional costs to the rate payers but it wont be at normal prices...it will be at highly inflated prices 'to cover for all the extra maintenance for the remaining contract period'. So anything that was not in the original specification as agreed, whether a 3 pin plug or for example a filtration system that is in adequate or does not work, we will have to pay. You might say that they would be responsible if something did not work, but this is not true as the specification agreed, good bad or indifferent, is all part of the agreement. Take them to court you might say but them even more costs again....which could mean delays ....which means more costs....an so it spirals out of control.
Pub 113	PFI/ 270	04	4 AmeyCespa (or any other contractor for that matter) will I am sure build a complex that will be fit for purpose *_on the day it is built*_...as per contract of course and will be maintained for the 25 years as per the contract. But this means you are closing the door on technological advances for 25 years and then any request upgrades to encompass more environmentally proven advances takes me back to point 3 above. Can NYCC guarantee that they or future employees will not make such requests in the future? I think not. So despite the promises of saving money...this is still not guaranteed!
Pub 113	PFI/ 270	05	5 After 25 years, what do we have left? A site, with an obsolete complex that, even if it still works will be well past its sell by date and in the need of a total refurbishment or rebuild if we haven't already paid out for more. How do I know this? Because the contract will be for 25 years so the plant will be built with an life expectancy of 25 years, not 26 years or 30 years. For the sake of repeating myself, 'there will be "BOGOF" deals from AmeyCespa because they shareholders to satisfy so they will not do anyone any favours, least of all to NYCC
Pub 113	PFI/ 270	06	6 Waste Management must be handled with a flexible approach and kept within our own NYCC total control. Technology is changing daily, science is improving and recycling methods are getting better so the lack of flexibility is what we will pay for...either financially or environmetaly. We cannot afford either.

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Pub 113	PFI/ 270	07	7 Your cross section drawing used as part of the consultation process is distorted and misleading. The Wind Farm was imposed by HM Planning Inspectors on a community that did not want it. We will not see the chimney to any great extent as Allerton Park residents may see 'our' wind farm in any great scale. If we sign up to the PFI we be locking us out of improving our targets beyond those already committed to and if not you will be condemning us to sudden and unexpected increases in cost that are, in fact hidden in the 'fog', 'small print' or technical mathematics of the PFI contracts.
Pub 114	PFI/ 271	01	No to alletron park ...recycle more in villages. There shoud be more recycling plants in North Yorkshire. Harrogate do not collect anything.
CGr 010	PFI/ 272	01	We would like to register our objections to the Waste Strategy PFI in its current form, We believe that the proposal to enter into a 25-year contract to incinerate waste is in conflict with Council policy to reduce greenhouse gas emissions and increase recycling. The economic case is flawed and outdated, and insufficient consultation was carried out on the plan before going to tender, We also are not convinced that there will be no health impacts due to emissions.
CGr 010	PFI/ 272	02	<p>Residents of York and North Yorkshire have never been consulted on different waste disposal technologies. The consultation produced in November 2005 offered two choices, both of which involved building a mass-burn Energy from Waste (EfW) incinerator. This, despite the fact that the Best Practicable Environmental Option report showed that alternatives involving higher levels of recycling was both cheaper and less damaging to health and the environment'. Such an option was not put forward for consultation because officers did not believe that a 60% recycling target was feasible by 2020 –a position which now appears hard to justify given that municipalities in the UK are already achieving recycling rates between 60%-70%,</p> <p>The consultation was carried out in December 2005, over the Christmas period. There were widespread reports of the consultation not being received -which is not uncommon with any mass mailing. However, this consultation was particularly badly affected. Council officers acknowledged at the time that there was a problem with leaflet distribution (and arrangements would be changed in 2006), and we were told that there would be another consultation later in the year which would include disposal technologies'. This did not take place.</p> <p>The response rate in the City of York area was 0.7% and unsurprisingly, given the lack of any real choice, “the results of the public consultation on this Strategy did not show a strong preference overall for either option”</p> <p>Instead, the strategy went to tender on a supposedly 'technology neutral' basis, but with economics skewed towards incineration (see below). We regard this as a failure of political leadership,</p> <p>The options for waste disposal were solely dictated by the private sector, and there was no proper consultation. Neither politicians nor citizens have been presented with any meaningful choice.</p>

<p>CGr 010</p>	<p>PFI/ 272</p>	<p>03</p>	<p>AmeyCespa claims that there will be no impact on recycling, composting and reuse rates . For inst ance :</p> <p>"We expect the Allerton Waste Recovery Park to help us achieve and exceed our 2020 50% recycling target early. We could further increase our recycling figure if we could include the recycled incinerator bottom ash (IBA) in our figures.... If we achieved 55% recycling and could then add in IBA it would take our recycling performance up to 65% ."</p> <p>However, as mentioned, municipalities in the UK are already achieving recycling rates between 60%-70% -and this without the need to include IBA. AmeyCespa's recycling aspirations are not ambitious. The Waste Strategy has set the target of 50% for 2020, and no further targets beyond this date, despite this contract lasting until 2040.</p> <p>There have been many claims and counter claims about what impacts the need to fuel a 270,000 tonne-a-year incinerator will have on the Council's recycling efforts. However the following are certain:</p> <ul style="list-style-type: none"> <li>• The incinerator will require a constant stream of waste to be viable</li> <li>• AmeyCespa's bid included a set of Guaranteed Minimum Tonnes (GMT) to be supplied by the Councils over the contract period. The amounts increase steadily year-on-year over the period.</li> <li>• The Councils may be liable to pay compensation if GMTs are not met</li> <li>• Elsewhere in the world, local authorities have struggled to increase recycling whilst tied into such a contract: ". Cleveland County Council's Associate Director of Environmental Services said of their waste disposal contract "essentially we are into waste rationalization"</li> </ul> <p>Hampshire and Sheffield have both had to vary the planning conditions to allow municipal waste incinerators to get sufficient waste - which has not gone well. Other authorities who have commissioned incinerators and then developed a poor recycling record include Nottingham and Newcastle -the latter managing to turn around their record once they began to work seriously with community groups toward a 'zero waste' policy. We can be reasonably sure that these authorities did not intend to limit themselves in the ways that they did, We have no reason to assume that our situation will succeed where so many have failed.</p> <p>York joined the "Zero Waste Places" initiative this year. We cannot become a 'zero waste place' whilst supplying a guaranteed minimum tonnage to an incinerator. The plans are in conflict with many Council strategies, including our efforts to reduce carbon emissions.</p> <p>In the absence of clear and ambitious targets set for recycling and composting, this contract will represent a disincentive to increase recycling levels.</p>
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<p>CGr 010</p>	<p>PFI/ 272</p>	<p>04</p>	<p>The Waste Strategy has, from the beginning, been built on speculation. The Best Practical Environmental Option (BPEO) report assumed an increase in waste volumes from 2004 to 2010, when volumes would level off and remain static for the next 15 years", When figures were published for 2004-5, waste volumes had fallen. The BPEO had been proved wrong even as the consultation finished. Yet at no point was there any re-examination of the outcomes.</p> <p>Waste volumes in York are still below 2004 levels. EU legislation on packaging and waste is still being brought into force, and we are witnessing a massive expansion in home composting and biodegradable packaging. The waste strategy did not foresee these effects, and has not learnt from them. It still assumes a growth in waste volumes over the 25 -year period of the strategy. If waste continues to fall -as indeed it should, with the encouragement of the Councils -then the economic case begins to deteriorate. The saving of £320 million that is often quoted by the Waste Partnership and AmeyCespa (against an entirely 'straw man' do-nothing option) looks even more spurious.</p> <p>Technology has moved on also. Anaerobic Digestion (AD) has become established as a proven and profitable technology. This has been recognised by AmeyCespa, who will use it to deal with 12.5% of the waste. It could be used to a far greater extent, had the BPEO not been so outdated at the time the strategy finally went out to tender.</p> <p>And policy has moved on -the coalition government recently began a new round of consultation on waste strategy. This is in line with the pledge in the Government's Coalition Agreement committing the UK to " work towards a zero waste economy", and "measures to promote a huge increase in energy from waste through anaerobic digestion."</p> <p>A further assumption on which the Strategy rests is that of landfill tax. The Partnership has built its.business case on these taxes reaching £175 by the end of the contract p rioid. Yet rates have not been set beyond 2014, except that they will not fall below £80 per tonne before 2020.</p> <p>A further assumption on which the Strategy rests is that of landfill tax. The Partnership has built its.business case on these taxes reaching £175 by the end of the contract p rioid. Yet rates have not been set beyond 2014, except that they will not fall below £80 per tonne before 2020.</p> <p>The new government has a clear zero-waste agenda, which will not support incineration, We may well see a different approach, and a completely different landfill tax regime. In this situation, the projected savings as against doing nothing become completely intended.</p> <p>The new government has a clear zero-waste agenda, which will not support incineration, We may well see a different approach, and a completely different landfill tax regime. In this situation, the projected savings as against doing nothing become completely illusory.</p> <p>As usual with PFI schemes, the Councils will bear all the risk, should the venture not prove profitable.</p> <p>It is further worth pointing out that employment, and therefore the local economy of York, would benefit greater from a high recycling strategy than one based on massburn. As well as generating more than twice as much revenue, recycling provides around ten times the number of jobs per tonne of waste as compared to Inctneration".</p> <p>The flawed assumptions and outdated information on which the PFI case is based mean we will be overpaying for an oversized incinerator, when alternative options may be cheaper for the taxpayer and better for the local economy.</p> <p style="text-align: center;"> <small>           NCG - 30.11.2010 Executive            Award of Long Term Waste Management Service Contract/243         </small> </p>
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CGr 010	PFI/ 272	05	<p>As already mentioned, alternatives to EfW were found to be better for the environment, but have not been costed, or included in consultation or options presented to Councillors. The carbon-efficiency of EfW -the amount of carbon generated per unit of electrical energy -is complex. EfW is given an artificial boost in the BPEO assessment by making the unjustified assumption that any energy generated by a waste facility will offset emissions exclusively from coal fired power stations, rather than a grid average, It receives another one from the exclusion of CO2 generated by burning "renewable " waste (paper, cardboard etc.), with no consideration given to CO2 emissions saved by recycling said waste.</p> <p>If we exclude this biogenic waste, EfW performs better than coal but worse than natural gas", If, however, we assume recycling levels will increase, in line with Council policy, then this biogenic fraction becomes less significant, and EfW becomes one of the worst technologies available in terms of its climate change impact.</p> <p>Many full -lifecycle studies have shown that generally, it costs less energy (and therefore less carbon) to recycle most materials than it does to burn them, generate electricity from that, and make a new one from a virgin natural resource".</p> <p>EfW is not a sustainable technology.</p>
CGr 010	PFI/ 272	06	<p>Much has been made about the improvement in emissions standards of incinerators required by the EU. The Health Protection Agency has attempted to close the ongoing debate on the subject -"the HPA said that it did not recommend doing any more studies of public health around modern,well managed municipal waste incinerators as the effects are probably not measurable"</p> <p>Unfortunately the recent history of incinerators in Britain demonstrates that all too often, they are not very well managed at all. You can see our website for a rich history of mismanagement and explosions at waste incinerator sites -including but not limited to Crymlyn Burrows, Teeside, Edmonton, Kirklees, Dundee, Newcastle, Nottingham and Sheffield, The EU has regulated very effectively the emissions known to be injurious to health. The open question is still around those emissions not currently understood. There is a growing body of evidence suggesting that nanoparticles emitted by incineration may pose a health risk. These are very fine particles whose size is of the order of 1 nm (nanometre -a millionth of a millimetre). Science is only just beginning to understand and investigate the unexpected properties of such small packets of matter, and we are some way off being able to quantify and regulate such emissions.</p> <p>The safety of incinerators is not proven, and the record of the technology is undeniably poor.</p>
CGr 010	PFI/ 272	07	<p>For all these reasons, we urge you to reject the current Waste Strategy bid and develop an alternative based on up-to-date information and technology. The strategy must include ambitious targets for waste reuse, recycling and composting for its full duration and these must have primacy over landfill diversion. It should also embrace the concept of 'zero waste',</p>
Pub 115	PFI/ 273	01	<p>Asked for further information to be sent.</p>

## Appendix 13

Pub 116	PFI/ 274	01	Further details of the Waste PFI contract
Com 006	PFI/ 275	01	Has concerns over affect on property sale in Arkendale
Pub 118	PFI/ 276	01	More information requested
Pub 119	PFI/ 277	01	Technical issues - condensers and co-firing.
Pub 120	PFI/ 278	01	Traffic volumes through Boroughbridge.
Pub 121	PFI/ 279	01	Asked for confirmation of the closing date for comments by individuals and organisations. NYWAG had submitted a document Waste: A Green Strategy last month and had been told (via an e-mail from NYWAG) that it was too late, would not be considered or even mentioned. Confused that it wouldn't be considered even though sent in before 12.11.10. The document was based on a report sent to Defra about alternatives to NYCC/CYC proposal. NYWAG felt that the Council thought this document was being submitted as a tender.
PCo 034	PFI/ 280	01	The Parish believe that NorthYorkshire have chosen the wrong optionfor dealing with their waste. The proposed solution is very expensive and does not meet the needs of the residents of the County. If the residnts were asked to re cycle more the amount of residual waste will be much less than envisaged and the need for such a large Incinerator would be unnecessary.Other counties such as Hampshire are now having to import waste from other counties in order to feed their incineration plants, despite the fact that this was not part of their agreed plan. Such a scenario is highly likely to occur in North Yorkshir as Waste Volumes nationally are acknowledged to be declining
PCo 034	PFI/ 280	02	For the Council to enter into a 25 year inflexible contract with Arney Cespa is a very high risk strategy, as waste technology is currently developing rapidly and the costs of incineration could well rise in future thereby putting an extra burden on the Council Taxpayers. In a climate of Budget cuts to many other Council services such as schools, rural bus services and care for the elderly \We consider it seems like folly for The Council to be entering into such an expensive and inflexible long term contract.
PCo 034	PFI/ 280	03	The County's proposal to Incinerate over 80% of the waste delivered to the site will be a disincentive for residents to recycle and will ofcourse destroy valuable resources which could be reused or recycled. Evidence of this can be seen in Denmark where districts with Incineration are recycling a lot less than those without Incineration. Our view is that North Yorkshire could easily recycle more waste and the target to achieve 50% by 2020 appears to be an admission of the failure of its current policies.



## Appendix 13

PCo 034	PFI/ 280	04	We are very concerned that The Council have not properly evaluated cheaper and more environmentally friendly solutions for dealing with their waste, such as MBT and AD. These alternatives would be far less costly and would be more adaptable to changing trends in the make up of future waste. The technology also now exists to convert all plastics back to biofuels, so this will inevitably change the way such waste is managed in the near future.
PCo 034	PFI/ 280	05	The County' s proposals fly in the face of the new coalition Government's commitment to increased recycling and reducing waste. North Yorkshire should be taking the lead in adopting new technologies to support the Governments strategies. There are many expert opinions suggesting that Incineration is now an outdated technology which should be consigned to history. This is probably already evidenced in the USA where there have been no new Incinerators built since 1995
PCo 034	PFI/ 280	06	There has to be a cheaper way to deal with North Yorkshire' s waste and we urge The Council to think again and change their plans before it is too late. To make such an important decision on December 15 <sup>th</sup> , which will tie in the Council Taxpayers to a heavy financial burden for 25 years without fully evaluating alternative technologies and without conducting adequate public consultation appears to be undemocratic. The Council should at the very least defer such an important decision until after the DEFRA review is completed in the spring of 2011.
CGr 009	PFI/ 281	01	I'm disappointed that you have replied to our letter with what must be a formula letter since you don't seem to address any of the points we made. We had already read the publicity which you appear to paraphrase, leaving us with our concerns and opposition to the proposal as put intact.
CGr 011	PFI/ 282	01	We have a number of serious reservations about this proposal which concern the decision process, the technical advantages and disadvantages of the scheme as proposed, the location of the scheme and its transport implications, and the inflexibility of the contract. Each of these reservations is expanded below.
CGr 011	PFI/ 282	02	<b>The decision process</b> The emphasis during the consultation was on the provision of a large centralised project with incineration as its principle element. Whether this is the Best Practicable Environmental Option has not been demonstrated. The planning and tendering process has followed that course too narrowly, and its non-transparent nature has left a damaging sense of exclusion. Whether the PFI system with its inbuilt protection of the interests of the private-sector partners and its long-term burden on the public purse is the most cost effective financing mechanism is open to question, particularly in the current economic climate.

CGr 011	PFI/ 282	03	<p><b>Technical advantages and disadvantages of the scheme as proposed</b> We are satisfied that the initial stages of the treatment process at Allerton Park will represent state-of-the-art technology in the separation of waste into different streams. This will enable recovery of metals and the feeding of organic matter to the anaerobic digester for the production of gas. We note too that the incineration process will generate substantial quantities of electricity. However, locating this plant midway between Harrogate and York means that it is not near to a settlement or industry that could use the waste heat. The concept of building smaller, more flexible plants, one of which could have been located on the former British Sugar site so that the adjacent housing could have been supplied with the waste heat should have merited further consideration. We do not know whether the alternative of several smaller plants has been examined, but we note that Combined Heat and Power plants fed with waste are to be found within cities in mainland Europe. Anaerobic digestion produces a residual solid digestate, a compost-like material. Because of the mixed input this digestate would only be suitable for landfill cover and land reclamation. There appears to be no provision for the necessary high-temperature treatment of food waste, which could provide a valuable agricultural resource.</p> <p>An option not apparently considered would be the manufacture of NBT pelletised fuel from the residual waste which could be fed into the furnaces of the Aire Valley power stations in partial substitution of fossil coal. We understand that this technology is proven.</p>
CGr 011	PFI/ 282	04	<p><b>Location and transport</b> Smaller local plants would also reduce the lorry traffic, but, as a single plant seems to be the preferred solution, given the case for a single plant, its location between York and Harrogate does make geographic sense because it is their populations that generate the majority of the waste. Nevertheless some material will have to be hauled considerable distances. It would be more sensible to transport waste generated in the north of the territory across the regional boundary to Teesside. Conversely, Wetherby is close to Allerton Park, but as it is not within North Yorkshire its waste cannot at present be handled there. It is unacceptable that the legislation imposes these arbitrary boundaries with damaging environmental consequences, and we expect the Councils to campaign to have them removed. We also express concern that the transfer stations which will receive the refuse-collection vehicles and compact their contents for haulage to Allerton Park in large lorries appear to be unfunded and are not an integral part of the scheme. This means that, once the main project is approved, approval of the stations will become urgent and inevitable, whatever local opposition there might be.</p> <p>We have questions about the best use of the gas produced by the anaerobic digester. This is destined to be burnt to produce electricity. Instead the gas (which is mostly methane) could be cleaned and liquefied for use as a clean fuel for the lorry fleet. This technology would have to be agreed by the organisations responsible for the vehicles, but replacing dirty fossil diesel with renewable and particulate-free methane would be more efficient and cleaner</p>

CGr 011	PFI/ 282	05	<p><b>The contract</b> We are acutely anxious about the inflexibility of the contract. While the proposal is based on a recycling rate of 50% by 2020, we believe that this is not sufficiently ambitious -other authorities are aiming for rates up to 70%. If York and North Yorkshire succeed in increasing true recycling rates and thereby reduce the quantity of waste suitable for the Allerton Park plant it appears that there could be penalties related to the quantities agreed in the contract. The fact that landfilling would have been avoided is not the point: any disincentive to the imperative of at-source-waste-reduction/reuse /recycling is. This problem could be alleviated by taking waste from further afield (at some environmental cost from the lorry-miles), but we suspect that the same situation affects other plans for large processing plants and that there is a risk of excess regional capacity that could undermine the national waste strategy. It is not clear to us how taking commercial waste could make up any shortfall.</p> <p>Unfortunately legislation appears to impose another arbitrary boundary, namely between 'municipal' waste collected by Councils from homes and some businesses and waste collected from organisations by private-sector companies. We ask the Councils to work to have this distinction removed and all waste diverted from landfill and other outdated treatments. If that were to happen we would like to see Allerton Park take such commercial waste that is unable to be handled by other more sustainable methods. That should of course be at the expense of the businesses generating it, and residents should share any profit.</p>
CGr 011	PFI/ 282	06	<p><b>Conclusion</b> Our reservations to this proposal are substantial. We hope that the Councillors charged with the decision will pause and reflect before making the enormous commitment of resources for a 25 year period to Allerton Waste Recovery Park. Even if it is decided to proceed we implore the Councils not to abandon our preferred longer term goal of a zero waste society.</p>

## Waste Forecasts and Residual Waste Treatment Capacity

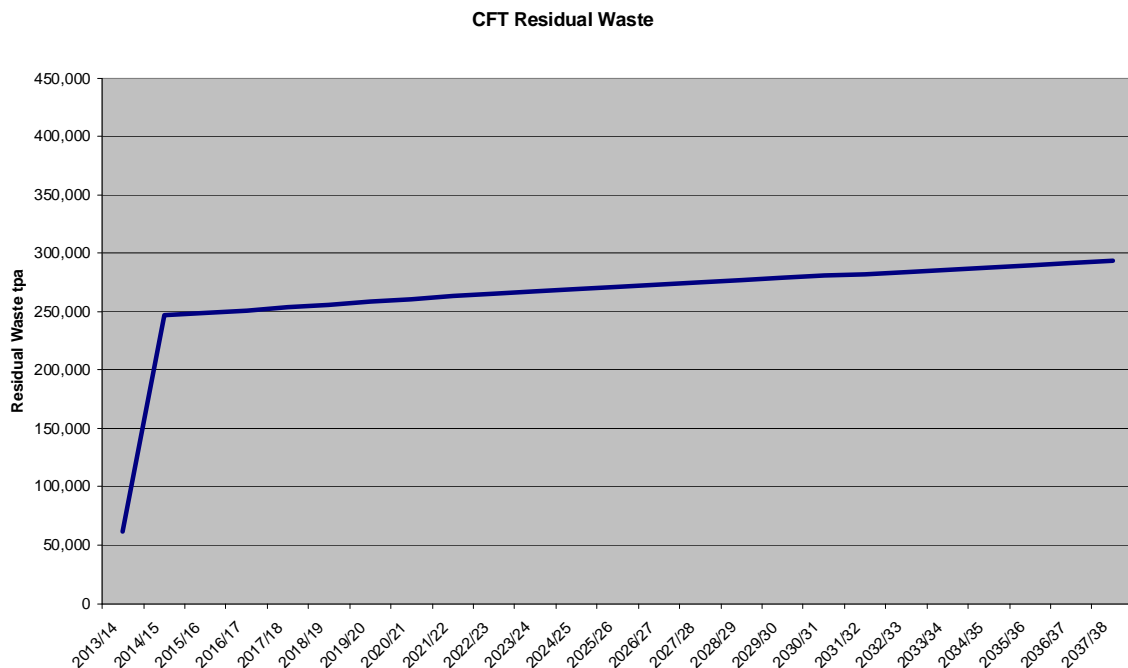
### Base Waste Flows

York and North Yorkshire currently produce approximately 450,000 tonnes per annum (tpa) of municipal waste. Of this, approximately 278,000 tonnes was sent to landfill in 2009/10 as 'residual waste'. This included nearly 37,000 tonnes of commercial waste collected by district councils, and 18,000 tonnes of inert waste.

Predicted future waste tonnages are based on the key assumption that growth will be driven by predicted growth in the number of households in the area with the following adjustments:

- The amount produced per household would reduce annually by a notional 0.25% to recognise the aspiration for waste prevention (equivalent to a compound reduction of approximately 7.4% over the period)
- Amounts of commercial waste collected by district and borough councils would remain constant throughout the period.
- Recycling and composting would increase broadly according to district and borough council projections to a combined performance level of 48% in 2013/4
- The effect of the economic downturn would result in reduced waste tonnages for the first years of the model
- Household and commercial waste delivered to household waste recycling centres (HWRCs) would reduce in the first years of the model as a consequence of revised operating policies

Waste flow projections at the time of inviting final tenders for the PFI contract (CFT) estimated that the amount of residual waste requiring treatment by the contractor would increase to approximately 298,000 tpa in 2039/40.



**Comparisons to Other Forecasts**

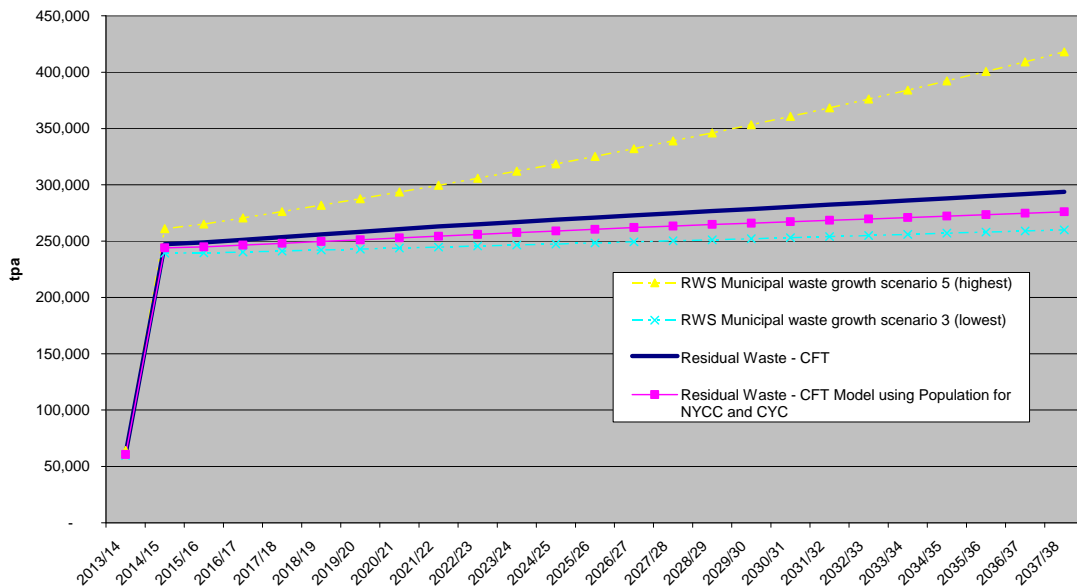
Forecast waste arisings have been compared to projections based on population growth rather than household growth, and by comparing total projections against those in the Regional Waste Strategy (RWS).

Growth based on population forecasts ignores the trend towards lower household occupancy and the consequential likelihood of higher waste arisings per person. The risk is therefore that growth based on population forecasts will under represent future waste tonnages. Projections of residual waste forecast on the basis of 2006 population forecasts (those available at CFT) from the Office of National Statistics (ONS) results in 19,000 tpa less (6 %) forecast residual waste by 2039/40.

Comparison to RWS forecast municipal waste for York and North Yorkshire shows that projected waste tonnages are towards the lower end of the range of predictions in the RWS.

The conclusion from these comparisons carried out at CFT was that forecast municipal waste based on housing growth with adjustments was reasonable.

CFT Residual Waste Projection Comparisons

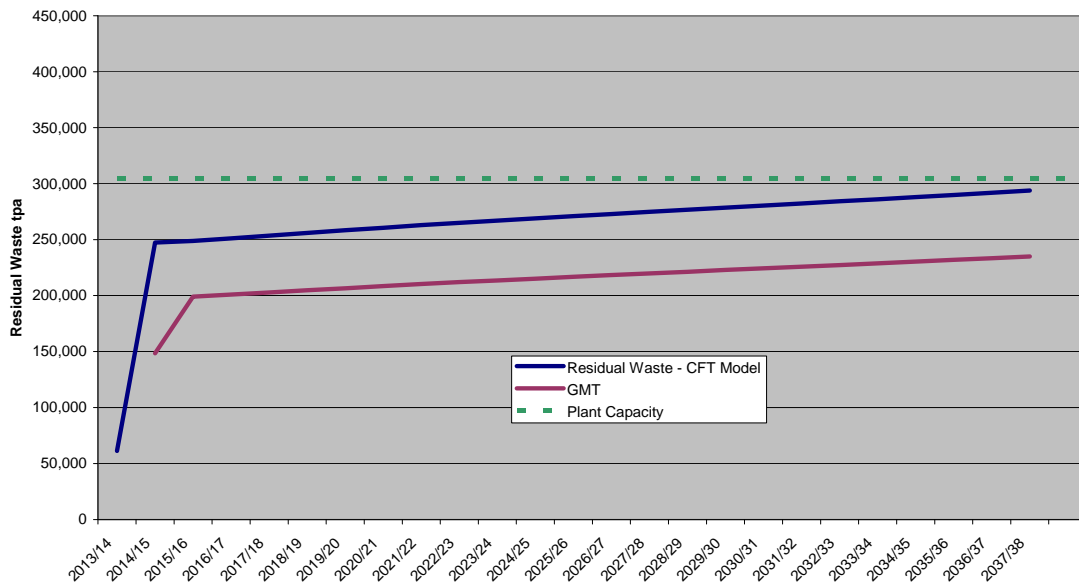


**Plant Capacity and Guaranteed Minimum Tonnage**

AmeyCespa have proposed to build a waste treatment plant sufficient to treat 305,000 tpa of residual waste, with a requirement for a guaranteed minimum tonnage (GMT) equivalent to 80% of residual waste forecast at call for final tenders (CFT).

At the time of final tenders, the waste from York and North Yorkshire was predicted to account for between 61% the provided capacity in year one, to 98% in year 25. The remaining capacity is to be filled using locally available commercial and industrial waste.

Forecast Waste, Plant Capacity and GMT



### Sensitivities of Assumptions

Waste forecasts are updated regularly to take account of changes to waste collection practices, baseline performance and other impacts. Changes that may have an effect on future waste forecasts since the call for final tenders include:

- Deeper and more prolonged economic recession than first envisaged
- Externalisation of collection arrangements by Hambleton and Richmondshire Councils
- Repeal of Regional Spatial Strategies and local determination of future housing numbers
- Revised ONS population forecasts

The potential impact and sensitivity of waste forecasts to these issues is discussed below.

### Potential Impact of economic recession

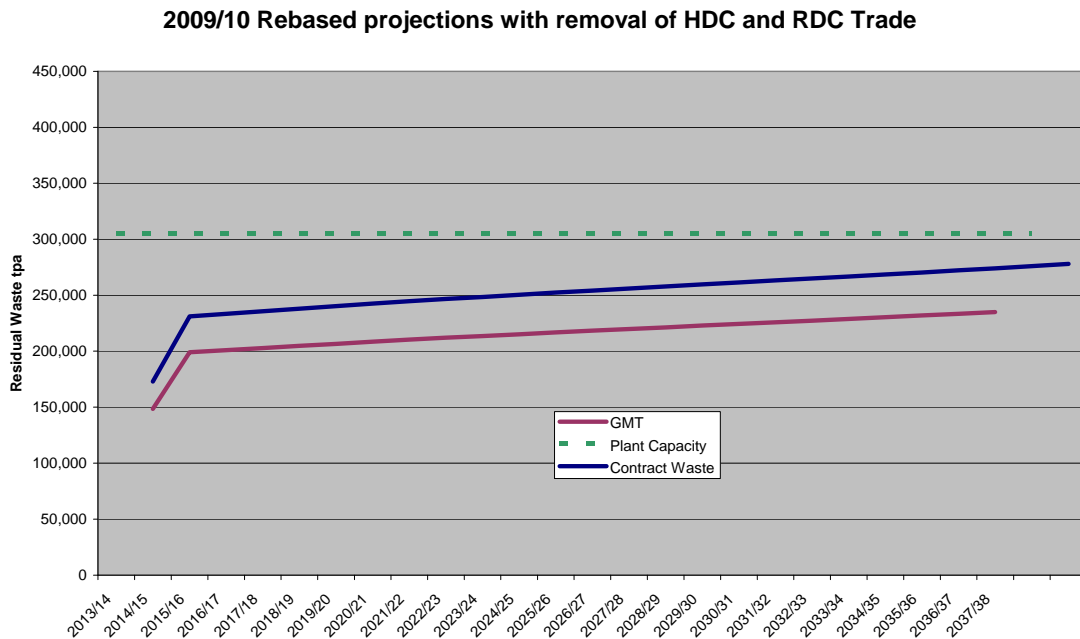
The prolonged recession has suppressed waste arisings more and for longer than originally envisaged. In year forecasts have been routinely adjusted using actual waste arisings to date. Analysis of these projections suggests that the baseline for waste tonnage forecasts may be overstated by some 13,900 tonnes (approx 4.7%) as a direct consequence of the continuing recession. This is a one off initial adjustment to the model.

### Impact of Externalisation of Trade Waste Collection Services

Hambleton and Richmondshire District Councils have externalised their trade waste collection services and therefore no longer collect commercial waste. This has reduced the municipal waste arising in these districts by a total of approximately 6,500 tpa. This represents a one off step change to the model.

Other WCAs are considering the potential to externalise trade waste collections. Externalisation represents a short term solution to the problem of WCA trade services becoming more uncompetitive as a result of increasing costs for municipal waste. In practice, delivery of a long term waste treatment service is likely to increase the amounts of commercial waste collected by district councils as marginal costs (therefore charges) of disposal will be below alternative costs of landfill. County and district councils will become more competitive. Given the uncertainty on this waste in future it is assumed trade waste arisings remain fixed for the period of the contract although it is possible if not likely that where businesses are retained the amounts collected will increase.

The combined impact of rebasing forecasts and removing trade waste from future projections for Hambleton and Richmondshire District Councils is to reduce projected contract waste in 2039/40 from approximately 298,000 tonnes at CFT to 278,000 tonnes. Projected contract waste under this scenario is approximately 116% of GMT for all years of the contract.



**Potential Impact of Repeal of RSS and Revised Population Forecasts**

As discussed above, the original forecasts were compared to growth driven by population forecasts rather than housing. However, the recent repeal of the Regional Spatial Strategy (RSS) and revised ONS population forecasts makes it appropriate to subject this sensitivity to further analysis.

Growth in housing in the waste model is projected from a combination of Department for Communities and Local Government (DCLG) housing forecasts and RSS housing allocations, with RSS being used for York and DCLG forecasts for North Yorkshire. DCLG forecasts tend to be slightly higher but provided a better reflection of past performance for North Yorkshire prior to the economic downturn.

The Regional Spatial Strategy made provision for housing growth in the Region to 2026 at local authority level. In the period 2004-08 the target was for 2,850 additional dwellings per year in York and North Yorkshire and 3,170 per year for the period 2008-26. However, during 2004-08 completions exceeded the targets at both the regional and sub-regional level. In York and North Yorkshire completions averaged 3,015 dwellings per year.

The economic downturn has had a significant impact on the house building industry in the region. In NY housing completions in 2008-9 fell to 1,849, substantially lower than the RSS target. There has been a slight rise in housing starts since the end of 2008, but they remain at about half the pre 2007 rate. The impact of these reduced completions is taken into account in the waste model by using updated base year waste tonnages and through the overall 'adjustment'.

Despite the repeal of RSS, the evidence base remains relevant. In this context, the National Housing and Planning Advisory Unit (NHPAU) has suggested that the regional targets for housing growth in the former RSS should be increased by up to 18%, but there are no sub-regional proposals from NHPAU for North Yorkshire.

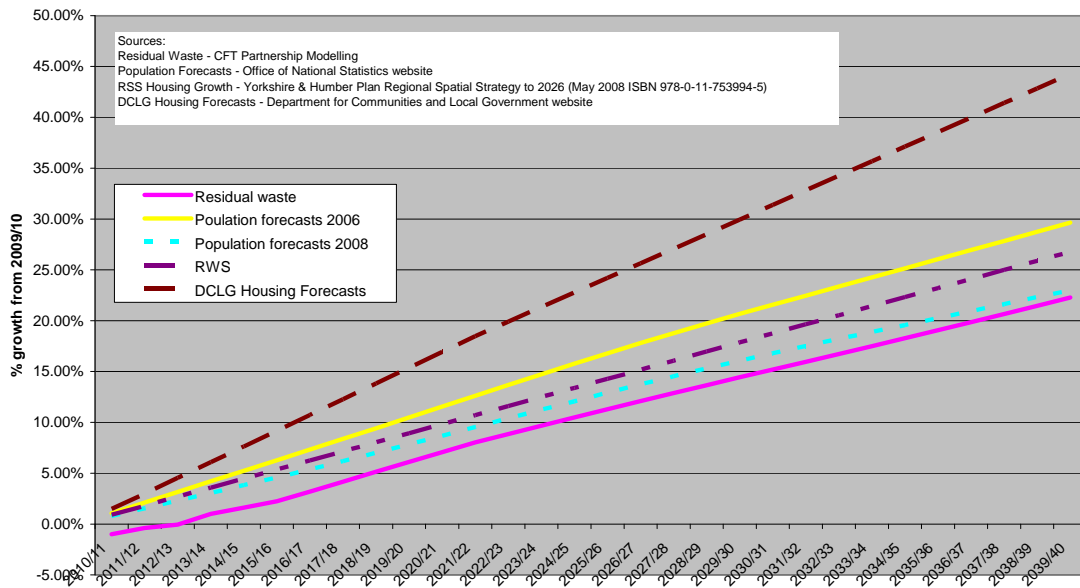
Future housing growth estimates are therefore uncertain but housing demand in North Yorkshire has always been strong and is probable that the market will recover more quickly here than elsewhere in the region. DCLG and RSS housing forecasts therefore continue to provide a credible evidence base for waste projections until such time as they are superseded.

However, original waste projections using household growth as proxy for waste growth were compared to projections using 2006 population forecasts as the driver for growth. The Office of National Statistics published revised population forecasts in 2009 which show a reduction in population forecasts for York and North Yorkshire compared to previous projections. Residual waste projected on the basis of updated population forecasts would be some 12,000 tpa less in 2039/40 than projected using previous population forecasts.

The level of this difference is not considered sufficient grounds alone to question the validity of continuing to project waste growth on the basis of housing forecasts, and forecast residual waste growth from 2009/10 to 2039/40 remains lower than growth in both housing and population forecasts.

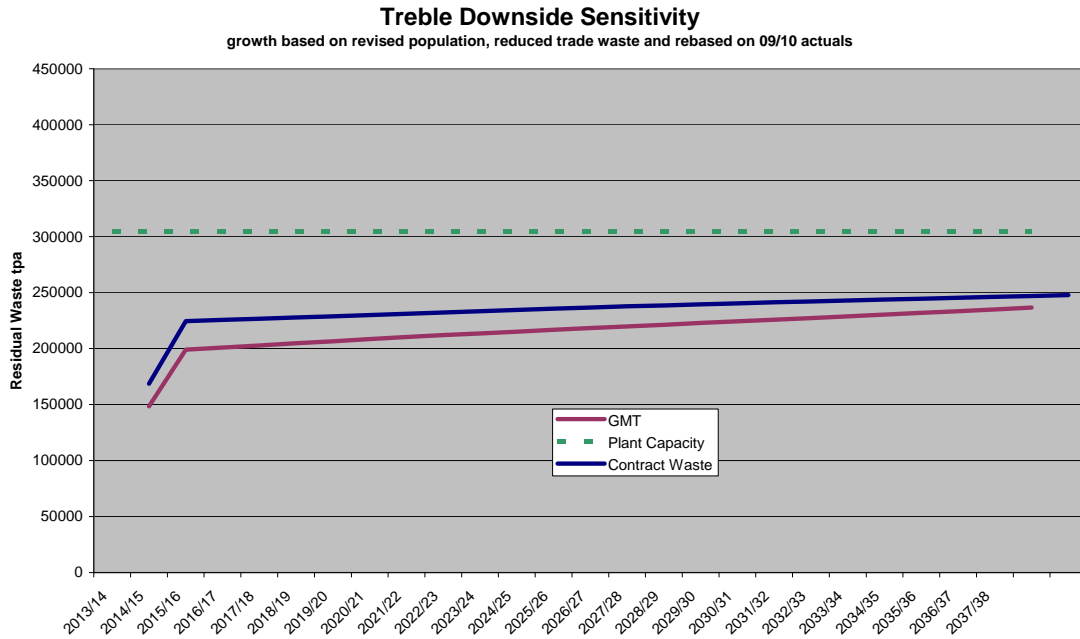


Growth Comparisons



It is however prudent to revisit the comparison carried out prior to CFT and combine the impact of rebasing projections, removing trade waste from Hambleton and Richmondshire Districts and then projecting growth on the basis of future population forecasts.

The impact of this treble down side sensitivity is to reduce predicted residual waste arisings for 2039/40 from 298,000 tonnes to 248,000 tonnes. Forecast contract waste under this scenario varies from 113% of GMT in the first year of the contract to 104% in the final year. However, a projection on this basis ignores the potential for increasing trade waste collections from WCAs and the trend towards lower household occupancy and therefore proportionally higher waste arisings per head.



This scenario and all others considered thus far ignores the potential for municipal solid waste (MSW) to increase as a consequence of the Government review of the definition of MSW in line with European Waste Framework definitions, and the review of “Schedule 2” wastes. The Controlled Waste Regulations 1992 provide the basis for the UK definitions of Commercial, Industrial and Domestic waste. DEFRA are currently reviewing these Regulations and the outcomes likely to include changes to the definitions of these waste groups. DEFRA are also reviewing the definition of Municipal Waste to bring it in line with European definitions.

One possible outcome of these reviews is that waste streams previously included within the Commercial and Industrial definition may be re-defined to be included within the municipal waste stream. This has not been factored into future projections.

**Recycling Performance**

York and North Yorkshire councils currently recycle or compost about 45% of household waste. It is assumed in the Councils’ future waste forecasts that this will improve further as kerbside collection systems are improved and become more effective. Current estimates are that Partnership kerbside recycling performance will peak at nearly 49%.

AmeyCespa guarantee to recycle a minimum of 5% of contract waste which will improve recycling performance overall to approximately 52%. In practice, AmeyCespa plan to recycle up to 10% of contract waste meaning that on current projections, overall recycling will increase to approximately 54% by 2015.

If recycling of incinerator bottom ash (IBA) is included (as in a number of European countries), the combined recycling and composting performance

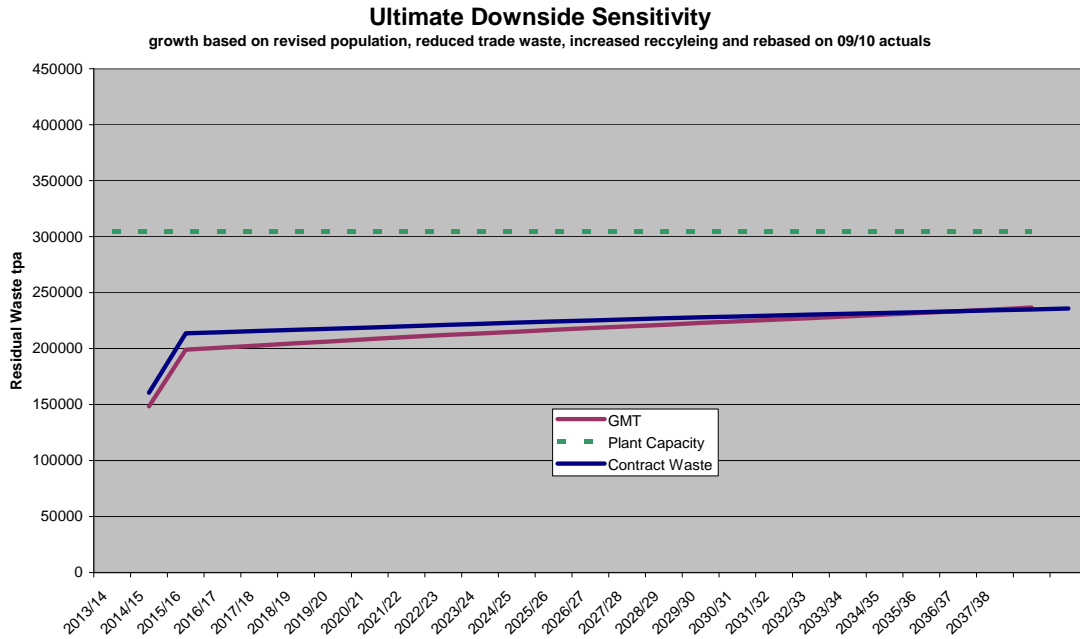
will approach 65%. However, IBA is currently excluded from the definition of recycled material.

It has been suggested that residual waste treatment capacity would be significantly reduced if the Partnership targeted higher recycling performance. Whilst there is some potential to improve recycling beyond the predicted levels (through improving capture rates or increasing targeted materials), the opportunity through traditional kerbside recycling is limited.

The waste flow model uses individual waste compositions for each district area. Actual and predicted recycling performance is compared to waste composition to show associated capture rates for each recycled material. Sensitivity analysis has been run on capture rates to improve the performance of the lowest areas towards the high end of achievability against a common range of materials. This indicates the potential to increase kerbside recycling of materials that have a proven and reliable market by a further 2-3% which, if combined with the other improvements could take performance measured against National Indicators (excluding incinerator bottom ash) to over 56%.

This would effectively stretch recycling performance across York and North Yorkshire to the levels of the best Counties in England but would only reduce predicted contract waste by some 11-14,000 tpa over the 25 year contract period, and would therefore have relatively little impact on demand for residual waste treatment capacity.

The impact of this stretch in recycling performance, if combined with the sensitivities of rebasing the model with growth then based on revised population forecasts rather than housing projections, and reduced trade waste, would be to further reduce projected contract waste in 2039/40 to approximately 236,000 tonnes. This is an ultimate downside sensitivity however forecast tonnages still exceed GMT in all but the final four years of the contract. The total tonnage below GMT in these final four years under this scenario is less than 5,000 tonnes.



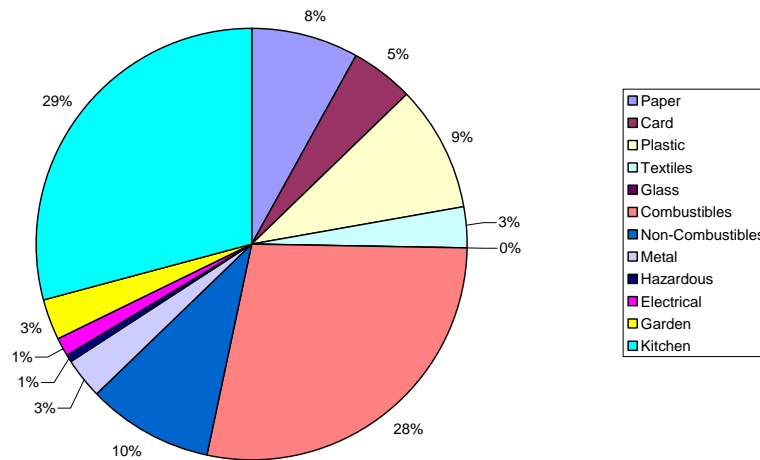
It is important to note that there is no commitment or statutory obligation on the waste collection authorities to improve recycling performance beyond current levels. There is therefore a risk that planned improvements and/or further stretch performance beyond planned levels will not materialise and residual waste tonnages may be higher than forecast.

**Food Waste**

It is suggested that the separate collection of food waste will enable significant increases in recycling performance though its treatment either via anaerobic digestion or in-vessel composting. The argument is that this diverts food waste from landfill and significantly reduces the need for residual waste treatment capacity.

Food waste diverted through these means would count towards recycling under the current definition, provided the material is returned to land, either as an organic growth medium (e.g. compost) or in remediation of brown field land. A strategy including separate collection and processing of food waste in this way can therefore deliver higher recycling performance, although it offers no benefit compared to the proposed PFI contract in terms of diversion from landfill. It also necessarily entails a separate collection mechanism for food waste to be introduced, and householders to participate in its use.

Residual waste Composition 2015/16



Composition analysis shows approximately 29% of the residual waste to be kitchen type organic waste. This is equivalent to 66-80,000 tpa over the life of the PFI contract and more than the 40,000 tonnes per annum which is proposed to be treated through the AD plant. However, evidence from trial food waste collection schemes suggest that typical capture rates for food waste could be about 40%. This equates to between 26-32,000tpa over the life of the PFI, which if processed separately and returned to land, would add a further 5% to the combined recycling performance taking it to over 60%. As the digestate would not be incinerated, under this scenario there is a consequential reduction in EFW demand.

Whilst the AD element of the proposed PFI solution does not contribute towards recycling performance, the AD plant proposed by AmeyCespa will process 40,000tpa of organic waste mechanically separated from the residual waste. This represents a capture rate over the life of the contract significantly higher than is likely to be delivered through separate kerbside collections.

The benefit of separate food waste collections rolled out across the area would be to increase recycling performance by some 5% but it would not avoid the need for waste treatment. Allowing for a 40% capture rate of kitchen waste and increased recycling, York and North Yorkshire would still have between 185,000tpa and 205,000tpa of residual waste requiring landfill or treatment over the period between 2014 and 2039.

Separate food waste collections offer no benefit compared to the PFI proposal in terms of diversion from landfill. The principle benefit is in being able to claim the performance as recycling, and the potential to reduce the remaining residual waste treatment capacity. However, the increase in recycling is perverse compared to EfW. Both AD and EfW processes are 'recovery', producing energy, emissions and a residue which is recycled, but material into AD counts as recycled under the definition (if returned to land), whereas recycled EFW bottom ash does not. In real terms, the proposed PFI solution will enable the recycling of over 65% of household waste (including IBA) without the need for separate kitchen waste collections.

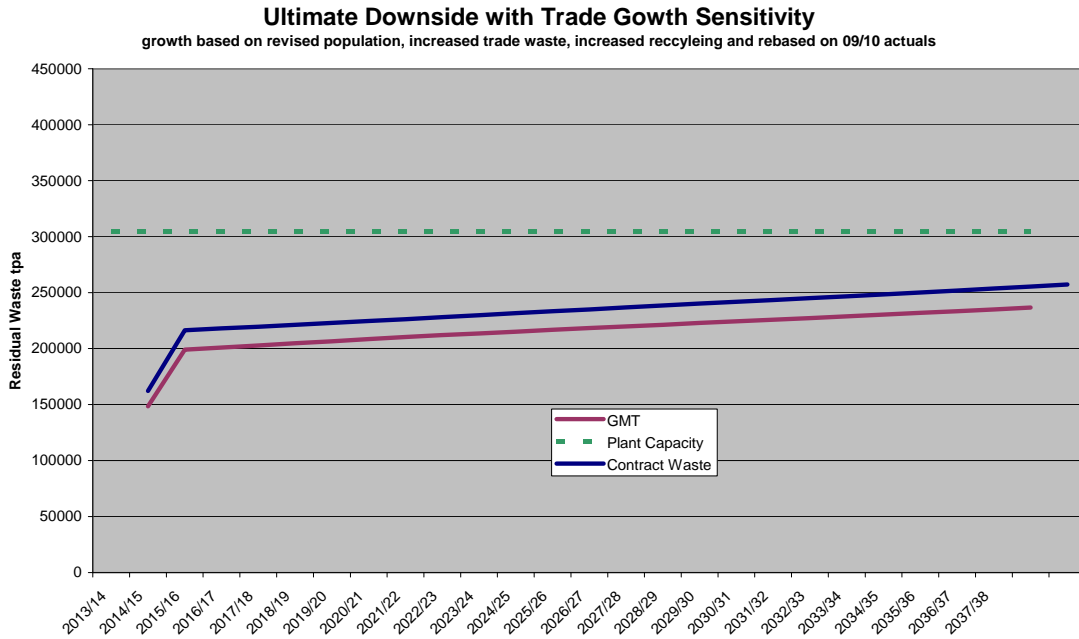
The reduction in treatment capacity as a consequence of separate food waste collections is similarly over stated as the reduction is notional in overall terms, and is likely to entail **less** organic food waste being processed through AD. Separate food waste collections will not negate the need for other treatment capacity. The proposed contract allows for the treatment of separately collected kitchen waste therefore there would also be no impact on GMT. The 'spare' EFW capacity would then be made available for commercial and Industrial waste.

### **Commercial Waste**

The sensitivities discussed above have focussed on down side scenarios. For reasons discussed above it has been assumed that amounts of commercial waste collected by district councils will remain static throughout the period of the contract. This is prudent but potentially underestimates the increased demand on the service that will occur with general economic growth in the sub region and as local authority prices become more competitive.

A further sensitivity has been modelled where district council commercial waste (where still collected by the council) increases broadly in line with projected economic growth at 2.5% p.a. Combining this with the other sensitivities of increased recycling and household growth based on population forecasts results in approximately 257,000 tonnes of residual waste requiring treatment in 2039/40. This is equivalent to approximately 108% of GMT.

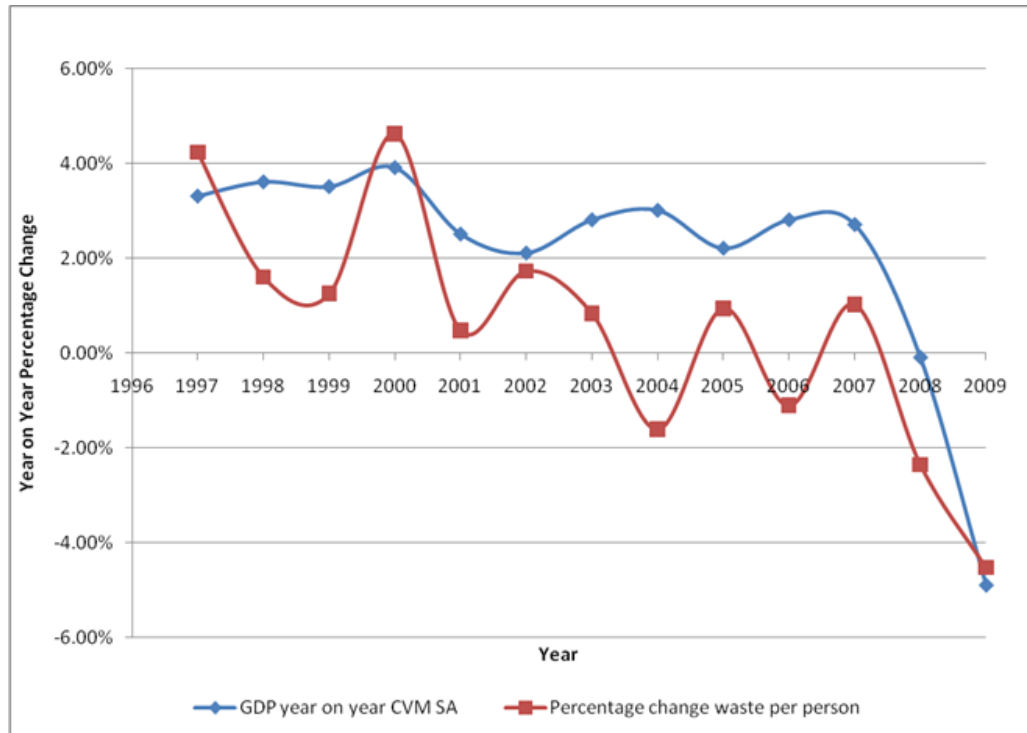
This is no more or less realistic than the down side sensitivities referred to above but provides some balance to indicate the potential that waste arisings may increase beyond projected amounts as well as decrease.



**Waste Growth and Economic Growth**

It has been suggested that the Council’s waste forecasts overstate future waste tonnages and that recent reductions in waste represent a trend which should be extrapolated. It is acknowledged that there have been reductions in waste tonnages in recent years but this does not represent a long term trend.

There is a historic correlation between economic growth and waste growth. The previous Government’s strategy was to seek to break these links but analysis of GDP and waste production in the UK over recent years shows this not to have been successful.



Waste tonnages have fallen nationally in recent years as GDP has reduced. Basing future waste projections on a trend of recent reductions provides a high risk strategy that assumes either that the link between economic growth and municipal waste will be reversed, or that the economy will continue to decline for a prolonged period. Neither of these assumptions is considered realistic.

As detailed above, assumptions on forecast waste tonnages use projected housing numbers as a proxy for growth. However, the model includes other prudent assumptions and tempers growth by including a compound reduction of 0.25% p.a. in recognition of the long term objective to reduce waste. Sensitivity analysis of the growth assumptions based on updated population forecasts (whilst still allowing for continued waste reduction) shows residual waste tonnages to always exceed GMT for the period of the contract. Modelled growth forecasts therefore have a sound evidence base and are prudent and reasonable.



# SUPPLEMENTARY SCHEDULE

<b>Summarised Comments received after 12/11/10</b>			
Respondent Number	Correspondence Number	Issue	
			<b>KEY</b>
			<b>Comments made by</b>
<b>Pub 001</b>			<b>Public</b>
<b>Com 001</b>			<b>Commercial organisations</b>
<b>PCo 001</b>			<b>Parish/ Town Councils</b>
<b>CGr 001</b>			<b>Campaign and Representative Groups</b>
<b>MPM EP 001</b>			<b>Member Parliament/Member of the European Parliament</b>
<b>PCo 015</b>	<b>PFI/ 283</b>	<b>01</b>	Your letter of 18 October in connection with the above was considered by the Town Council at their meeting last night and I was asked to reiterate their previous comments made on 4 August.

PCo 041	PFI/ 284	01	<p>At our last meeting members asked me to contact you regarding Seamer Carr Re-cycling Plant on Dunslow Road in Scarborough. Members are concerned about the future and the knock on effect of Seamer Carr Recycling Plant if the proposals for the Allerton Incinerator go ahead.</p> <p>Members wish to invite a representative from North Yorkshire to a meeting of .....Parish Council to discuss the above. If this is not possible could you write a letter to me addressing the above points.</p>
Pub 107	PFI/ 285	01	The AmeyCespa proposal is for far too long 25 years & leaves too much waste 70-80% to go into the incinerator.
Pub 107	PFI/ 285	02	AmeyCespa's recent acquisition of Donarboon creates I feel an opportunity for NYCC to review the proposed contract & opt for a smaller, shorter term commitment along the lines of that in Cambridgeshire. When Cambridgeshire county council went out to tender for its long-term waste treatment contract, Donarboon proposed to extend its operations by developing a mechanical biological treatment (MBT) plant which would remove recyclable material from 179,000 tonnes of black bag waste a year and then compost it to produce a soil conditioner. This has recently opened & provides a more sustainable solution. I also feel residents can with support up their recycling to the 70% seen elsewhere in the UK & in other countries.
Pub 107	PFI/ 285	03	I still plan to send you the views of the young people in the climate change group the views above are my own as a Harrogate council tax payer. Can you please confirm where my views will be passed onto
CGr 012	PFI/ 288	01	Although NYCC explained how they had arrived at their target figures for increasing recycling to 50% + it was not stated what participation rate they had factored into the model. Please provide the participation rates that were factored into the model.
CGr 012	PFI/ 288	02	NYCC stated that there were no financial penalties to Councils for failing to achieve their GMT. Rather that any shortfall would be taken up by Amey Cespa with Commercial & Industrial waste. Please explain. Will Councils be encouraged to meet their contractual obligations to provide GMT or will they suffer no penalty as in question 2?
CGr 012	PFI/ 288	03	Will the processing of Commercial & Industrial waste be charged at the same rate as municipal waste?
CGr 012	PFI/ 288	04	On the company schematic of the plant in operation and in the Scoping Document C&I waste is shown as going direct for incineration, by-passing the Mechanical treatment plant. Why is C&I waste not being pre treated to remove the recyclable and organic factor?
CGr 012	PFI/ 288	05	Does the contract exclude the sourcing of waste from outside of the County by either the contractor or the councils?

CGr 012	PFI/ 288	06	Why is there no mention of the use of the AD digestate for land reclamation?
CGr 012	PFI/ 288	07	Recyclates from a mechanical treatment plant tend to be of a poorer quality than those collected from the kerbside. What markets are available and are they in the UK?
CGr 012	PFI/ 288	08	Who takes the risk if there are legislative changes over the 25 years; ie landfill tax on bottom ash, incinerator tax, the banning of incinerating organics?
CGr 012	PFI/ 288	09	It was explained at the meeting how particles and dioxins will be removed from any emissions through the use of filters. Please confirm the minimum size of particles that will be removed.
CGr 012	PFI/ 288	10	With regard to the figures on electricity generated at 24 MW. I understand that the industry norm is that 1MW of electricity will power @1,000 homes however you are claiming that there will be sufficient power for 40,000 homes. Please explain.
Pub 002	PFI/ 289	01	Following the correspondence and interviews reported in the press, I have a couple of supplementary questions: Who made the decision and why that AmeyCespa should only be asked to tender for an Incinerator?
Pub 002	PFI/ 289	02	Were any of the requests for tender in relation to any other method of dealing with the waste than incineration?
Pub 002	PFI/ 289	03	Bearing in mind that a large amount of the total price of this contract relates to interest, is there any clause within the contract that permits AmeyCespa to increase the price to NYCC in the event of an interest rise?
Pub 122	PFI/ 290	01	I write to protest against the current NYCC waste strategy proposals They are based on unrealistic targets for recycling that overlay the financial case for a single 'super-facility' for the entire county. They are misleading because recycling rate will be much higher than predicted, with the result that landfill costs will drop significantly
Pub 122	PFI/ 290	02	The strategy is based on old technologies, including incineration, which has one of the highest levels of CO2 emissions
Pub 122	PFI/ 290	03	It ignores the new Government's commitments to a massive increase in recycling as well as its plans for an immediate review of all waste management strategies
Pub 122	PFI/ 290	04	And it ignores the public's views of today, instead relying on consultations completed several years ago.

Pub 122	PFI/ 290	05	I understand that you will be asked to vote in favour of the Council's plans later this year. I urge you to oppose this plan and instead ask for a thorough review of the best way forward. In particular I ask that you push for a big increase in recycling, thus removing the need for such a colossally expensive and risky venture.
Pub 122	PFI/ 290	06	At a time of deep Government spending cuts it would be irresponsible to continue the current strategy without careful review .
Pub 122	PFI/ 290	07	For your information, please find enclosed photomontages of the proposed incinerator taken by ArneyCespa. These are the views which will affect the Clareton residents -the top picture being the view from our garden
Pub 123	PFI/ 291	01	We cannot continue to use landfill for reasons that are well known to all. Recycling needs to increase in this area and many other parts of the U.K. The proposed solution to take out a contract with ArneyCespa raises a number of concerns.
Pub 123	PFI/ 291	02	Health -Are emissions safe and will they be controlled"?
Pub 123	PFI/ 291	03	Environmental - The visual impact will be a massive blot on the rural landscape far more obvious from all points of the compass than first suggested. Traffic will Increase.
Pub 123	PFI/ 291	04	Financial - The cost of the project to the tax payer. PFI's are expensive. Large profits taken by the developers. This solution is on a scale much larger than is required. When recycling increases the Incinerator will have to be fed by sourcing waste from elsewhere.
Pub 123	PFI/ 291	05	We hope that you are aware that there is a large groundswell of opposition to this project. North Yorkshire Action Group www.nywag.org can provide you with further information on the financial folly of this venture.
Pub 123	PFI/ 291	06	The Allerton Park Site could still be used for waste disposal on a smaller scale without the outdated process of incineration. I am sure that you will be aware that there are Incinerators within easy reach that are underused and could be considered by NYCC if necessary
Pub 123	PFI/ 291	07	We understand that you will be asked to vote in favour of the Council's plans at a meeting in December. You will know that our local MPs Andrew Jones and are against this project. We urge you to oppose this plan and instead ask for a thorough review on the best way forward
Pub 124	PFI/ 292	01	. I am writing to you to ask you to please vote against the proposal to build an incinerator at Allerton Park.

Pub 124	PFI/ 292	02	The issue of penalties incurred by exceeding landfill limits are of course important, but I do not consider that this proposal is the only option, or even that it is better than incurring them.
Pub 124	PFI/ 292	03	I am appalled by the admission by AmeyCespa, dragged out of them eventually, that they in fact would be burning 80% of waste brought to them, with 20% supposedly recycled, but only if they could make a profit from recycling the remaining 20%. If they could not make a profit this 20% would also be incinerated bringing the figure to 100% incineration, Their pledge to be sorting the rubbish and removing 'recyc1ates' seems a little thin, To me this is all the more shocking, as I know from personal experience that once you genuinely remove everything from your rubbish that can be recycled, there is in fact, very little left. So, if recycling were something that North Yorkshire County Council was really serious about, there could be very little sent to landfill, and no need for an incinerator.
Pub 124	PFI/ 292	04	I have done a lot of research into the health risks of living near to an incinerator, and I am not at all happy at being so close to the one proposed for Allerton Park. I am very concerned about the dioxins and particulates that are undeniably produced by these facilities falling on myself, my family and on the fields around us where our food is grown.
Pub 124	PFI/ 292	05	In addition, what sort of a "Welcome to North Yorkshire" will the giant chimney for this incinerator make, sited as it is on the main artery to Yorkshire and the north? What does it say for the value we place on this beautiful part of the country that we can put something so industrial, dirty, ugly and huge at its entrance? Not only this, but it will mar the wonderful vistas to be seen such as from the top of the white horse, so unspoilt and marvellous as they are now.
Pub 124	PFI/ 292	06	I am not impressed by the electricity generation element of this proposal. This is not a sustainable way of electricity production. The emphasis in this area needs to be on cleaner ways of generating, and more efficient use of electricity.
Pub 124	PFI/ 292	07	I think the proposal for an incinerator at Allerton Park is a big, giant step in the wrong direction. At a time when we need to be looking to reduce what we use in the first place, and re-use and recycle as much as possible, this proposal locks the whole of North Yorkshire in to the production of waste as a raw material for the next 25 years. It is an absolute disincentive to reduce waste and to recycle. This is simply an unacceptable position to take at a time when environmental issues are of such global importance.
Pub 124	PFI/ 292	08	Please do not vote for this proposal because there appears to be no alternative at the present time. 'Plan B' is the status quo while a better, more sustainable, socially and environmentally acceptable solution can be devised .
Pub 125	PFI/ 293	01	I fully understand the proposal does solve problem in that it will dispose of waste without landfill but what is the REAL cost?
Pub 125	PFI/ 293	02	Why is its capacity so large?

Pub 125	PFI/ 293	03	Why has no attempt been made to recycle more?
Pub 125	PFI/ 293	04	Can you be sure about the long term health and environmental consequences?
Pub 125	PFI/ 293	05	The impact of moving all the waste from all over the county to this site is a grey area -its scale and location in rural countryside are quite out of order. Why burn the waste when it could be used as fuel for the new power station at Ferrybridge?
Pub 125	PFI/ 293	06	Finally and above all look behind the very professional presentation on the money issue and do the figures for yourself-do please check it out carefully and you will see you will be using public money to process commercial waste and the cost of this project and the savings are not what they seem! To agree might have been viable in 2005-it isn't now. You should be broad minded enough to ditch your PFI funding and find a more imaginative and cost effective solution. Future generations will thank you for your courage to think for yourself on this very complex issue
Pub 126	PFI/ 294	01	We live at ... and from my house I do not want to look out onto the incinerator. Please don't build it. This will be our future. My sister and I don't want it to go ahead. I am 9 yrs old and it will be here for long after me. Please say no to the incinerator
Pub 126	PFI/ 294	02	It will cost a lot more pocket money than I have got so it will be better to recycle
Pub 109	PFI/ 295	01	There are many concerns shared by the residents affected by this scheme. I realise that for the meeting in December the main consideration is purely the financial figures and I'll address that aspect.  The incinerator will have a capacity massively exceeding what is required. The projected waste figures are out of date and fail to take into account any increase in recycling or waste reduction (despite the latter being a key Government target). This will mean that NYCC will have to import waste to feed the incinerator, something which has happened at our Councils unwise enough to adopt incineration. How on earth is that in the best interests of the people of North Yorkshire.  The anticipated increases in landfill tax have no basis in fact and yet the project fails to take into account any impact potential from other taxation e.g. on CO2 generation which could come into play thereby undermining the project financial viability The ineptitude of Councils throughout North Yorkshire on their poor handling of recycling gives me no confidence that you will achieve anything like the £320M savings. The history of PFI funding is hardly a glorious one, as has been shown in a recent Audit Commission Report.
Pub 109	PFI/ 295	02	Given that the Government will be consulting on the national waste disposal strategy early in 2011 it seems insane for NYCC to sign us up to a £1Bn mortgage.

Pub 109	PFI/ 295	03	Why are NYCC the only rural authority considering incineration?
Pub 109	PFI/ 295	04	Why has York banned incineration within its city boundaries?
Pub 099	PFI/ 296	01	North Yorkshire has undoubtedly a big challenge in dealing with its waste, which has been not been helped by poor recycling facilities and hence poor recycling rates particularly in the Harrogate Borough
Pub 099	PFI/ 296	02	North Yorkshire needs to be dealing with its waste in a way which is financially sound, and uses the waste hierarchy as a guide to its waste strategy; firstly continually striving to reduce waste in the first instance, secondly facilitating reuse and repair to prevent waste and thirdly to recycle waste so it can be used in manufacturing once again. Using the principles of the waste hierarchy correctly will help reduce costs associated with dealing with waste, will reduce the need for transportation of waste, processing waste, will save energy, will reduce greenhouse gases and other pollutants associated with landfill.
Pub 099	PFI/ 296	03	I am however very concerned about the proposals put forward by North Yorkshire county council and AmeyCespa's planned Allerton park waste site. On the basis of evidence I have read Incineration is not a sustainable option either in financial terms and certainly not environmentally.
Pub 099	PFI/ 296	04	Incineration creates toxic fly ash. Although modern incinerators doubtlessly produce less toxins in chimney emissions compared to older incinerators, more toxins are transferred into the fly ash instead. This ash has to be land-filled or spread on land, just moving the toxins elsewhere, rather than eliminating them. The toxins could then leach into the water table. Such toxicity problems don't occur if this waste is recycled or composted instead.

Pub 099	PFI/ 296	05	<p>From a climate change perspective, most worrying is the greenhouse gases produced by incineration. To a large extent incinerators burn fossils fuels, because of the plastics burnt, which are of course oil derived. Alan Walgate of Goldsborough Parish council calculates using median carbon dioxide emissions from incinerators that CO2 emissions from the incinerator will be 300,000 tonnes per year, possibly raising by 2035, to well over 300,000 tonnes per annum.</p> <p>Waste production makes up a small but non the less significant part of the UK's green house gas emissions, 3.6% in 2008 .</p> <p>A Friends of the Earth (FOE) report calculates that incinerators emit 33% more fossil fuel derived Carbon dioxide than gas fired power stations. By 2020 FOE calculates that electricity only incinerators (which Allerton Park would be, as opposed to combined heat and power incinerators) will emit "78% more fossil CO2 than gas fired power stations and only around 5 per cent less than coal-fired power stations"<sup>3</sup>, given projections that plastics will make up more of household waste by 2020.</p> <p>Another 2008 report by three American NGOs takes a life cycle approach to incineration and suggests that contrary to many waste operators claims that waste incineration is carbon neutral, the truth is far from it. Most waste has high embodied energy (mostly fossil fuel derived energy) from its growth and production and is therefore not carbon neutral; some products which are burned will also be contributing to deforestation. It report also says that incinerating products discourages more recycling and therefore creates more demand for natural resources and their subsequent products which creates more greenhouse gases in the extraction and production. The report concludes "The bottom line is that tremendous opportunities for greenhouse gas reductions are lost when a material is incinerated"</p>
Pub 099	PFI/ 296	06	<p>Incinerators need to be continually fed waste to keep the power output constant. If, as should be the aim, household waste continues to be reduced the AmeyCespa have stated that they would then use commercial waste. I think this is problematic for the same reasons the above reports mention, that businesses would then recycle less and therefore energy and greenhouse gases savings couldn't happen.</p>



Pub 099	PFI/ 296	07	<p>Another issue is health concerns over emissions. Of particular concern are Dioxins, one of the mostly harmful toxins to Human health. These are released by incinerators and long term exposure in the wind fall area would be damaging to human health. Also particulate matter PM2.5 and PM10 are carcinogens, there is no know safe level of these particulates. So when as claimed, the emissions are regulated by the Environment Agency, safe regulation of particulate emissions isn't actually occurring. As Dr. Keith Rowell a former World Health Organisation authority on respiratory disease stated, long term exposure to these particulates can lead to a number of respiratory diseases 5.</p> <p>With a good wind these pollutants will be well dispersed, but the vale of York often experiences little wind and temperature inversions, when pollutants will quickly sink to ground level. People visiting the area or passing through will be little affected but for those who are residents in the Vale of York in the prevailing wind direction over 20 years or so people will be to suffering the effects of the dioxins and particulate matter which they have inhaled.</p> <p>AmeyCespa have sought to alay fears about air pollution by correctly stating that the Health Protection Agency and Environment Agency do monitor and regulate incinerators. However the regulation will only really safe guard peoples short term health, as with vehicle pollution near roads, those whom live close by suffer respiratory illnesses over a prolonged period of time and regulation of course evolves over decades in response to health studies and scientific findings.</p>
Pub 099	PFI/ 296	08	<p>I am surprised that this scheme with incineration as a central aspect, has claimed to be the option with the biggest cost savings. I would have thought a scheme which maximised recycled and Anerobic Digestion would be far more cost efficient if health costs and the different environmental costs are factored in, as recommended in planning guidance. I doubt the waste strategy or the business plan has done such a vigorous cost benefit analysis because it had I am sure incineration would not be a central part of this plan.</p>
Pub 099	PFI/ 296	09	<p>As many others have commented in the local press, the county council officers or Amey Cespa seem to have got some of their figures incorrect with regards to the amount of municipal waste which is predicted for coming years. The approximate current municipal waste is 470,000 tonnes for North Yorkshire. There have been claims that waste in the county has gone up. However this more likely to be due with waste streams, being moved. For example the introduction of a home, garden waste collections would have produced figures which would have made it look like waste was increasing, when in fact it meant less people having to go to their local tips such as Stonefall in Harrogate, so overall household waste is unlikely to have risen. Indeed DEFRA's on figures show that household waste has been decreasing since 2006, from 2008/09 to 2009/10 there was a 2.7% decrease in waste. The plans for the Allerton Waste recovery park raise questions of over capacity right from the start, with average recycling rates in the county of 45%, 211,500 tonnes out of the 470,000 is recycled, leaving 258,500 black bin waste. So why is the facility and the incinerator being built to handle a total of 320,000 tonnes? Its certainly not because household waste is going up because the figures shows its not and neither is DEFRA predicting it will be</p>

Pub 099	PFI/ 296	10	I conclude that incineration should be excluded from a waste plan on the many grounds I have covered.
Pub 099	PFI/ 296	11	<p>An Alternative solution Friends of Earth says that by 2020 the UK should be aiming for a recycling rate of 70% by 2020, which will have a large impact in reducing greenhouse emissions, create thousands of new jobs and help us on the path to a zero waste or closed loop economy 6. Indeed the current target which is 50% recycling may be revised upwards to 70% by the Government when their waste strategy is produced in the spring.</p> <p>A zero waste society should be one which we aspire to. It is surely desirable for society, to try to eliminate landfill as much as possible and have no need for incineration. It is also desirable because it will help create a closed loop economy where waste is not seen as waste but it is used as resource to manufacture new goods, such an economy would create more jobs as would a waste facility in North Yorkshire with recycling rates of 70% or more .</p> <p>Recycling rates of 70% and higher are technically possible now, Flanders in Belgium already recycles over 70% 6. At the University of Leeds, Premier Waste the Universities waste contractor recycles over 90% of Universities waste, which just shows what is actually possible. The high recycling rate is partly because there is a separate collection for Food waste which means the majority of organic waste can be put into an Anerobic Digester (AD).</p>
Pub 099	PFI/ 296	12	<p>A strength of the current proposal is the plan for an anaerobic digester which would handle 40,000 tonnes per annum. Anaerobic Digestion, produces low carbon electricity (much lower than incineration) and produces a compost which can be used on farms or in gardens. However 40,000 tonnes out of a total of 470,000 is only 8.5%, or 12% of Dust Bin waste (excluding kerbside recycling), this seems a much too small amount. Figures from waste studies from 2000-2005 show that food waste makes up between 15-20% of waste from Dust Bins. If the county council had a more joined up approach and asked local authorities to implement a separate food collection then potentially up to 20% of dust bin waste could be put into an Anaerobic Digester. This step alone would substantially increase recycling rates, in a relatively small amount of time.</p> <p>As well as AD, recycling more types of plastics, cardboard, more paper types at local authority level or at the size by using the latest mechanical machines could increase recycling of materials substantially more than is currently planned. Additional recycling planned of 20,000 of dustbin waste equates to a mere 4.3% extra of total household waste. Although Arney Cespa state the opposite, the planned facility would without a doubt be burning waste which could be recycled. At least 70% of waste can be recycled now, with more waste types predicted to become economic to recycle in the future with rising oil and natural resource prices.</p>

Pub 099	PFI/ 296	13	<p>Together a materials recovery facility and an anaerobic digester create an anaerobic mechanical biological treatment (Anaerobic MBT) facility, these can significantly reduce landfill whilst avoiding all the ill effects incineration. Indeed in Friends of the Earths' analysis of all waste management options Anaerobic MTB is the most beneficial for the environment even though it would involve a small percentage of residual waste going to landfill (which would reduce over years) as more things can be recycled.</p>
Pub 099	PFI/ 296	14	<p>It is not too late for you to change the county's waste strategy and direction. I strongly believe on the evidence I have seen that incineration is clearly not a technology of tomorrow and mechanical biological treatment is now the technology to use. I ask you to reject the current proposals in favour of a more radical waste strategy based on waste reduction and increasing recycling rates to at least 70% by 2020, including more emphasis on anaerobic digestion, which would deliver better environmental and financial outcomes.</p> <p>I realise you are not my county councillor, but I have sought to provide you with information from a local perspective, which I hope will give you enough information to reject this proposed waste strategy and support a different waste strategy outlined here.</p>
Pub 002	PFI/ 297	01	<p>Why is it that a Conservative council is attempting to push through this contract in the month prior to the introduction to the House of Commons the new strategy for waste that the Party has been developing and that may be in conflict with the said strategy?</p>
Pub 002	PFI/ 297	02	<p>In the Knaresborough Post Mr Jarvis of AmeyCespa is reported as saying that AmeyCespa were only requested to tender an incineration solution for the NYCC waste disposal contract:</p> <ol style="list-style-type: none"> <li>Is this correct?</li> <li>Were any other solutions considered and/or tenders requested?</li> <li>If not, why not?</li> </ol>
Pub 002	PFI/ 297	03	<p>In a report prepared by the Parish Council of Marton-cum-Grafton (hereinafter referred to as "Marton"), it was shown that the figures used to prepare the request for tender are significantly incorrect.</p> <ol style="list-style-type: none"> <li>Are the NYCC or the Marton figures correct? If the NYCC figures are correct, which of the various sets of figures put forward by NYCC do you say are correct since NYCC appear to have been using different sets of figures at different times at in different presentations and how are they substantiated?</li> <li>If the Marton figures are correct, the basic business case for the contract is clearly flawed and, as such, the terms of the contract need to be re-negotiated so that the facilities created are more appropriate for dealing with the revised level of waste. Is this occurring and if not, why not</li> </ol>

Pub 002	PFI/ 297	04	Bearing in mind the technological developments currently taking place, especially in relation to, inter alia, the extraction of oil from plastic, it appears that to lock into a 25 year contract relating to technology that will be, by the time that the plant is built be dated, with no realistic break clause is commercially unacceptable. How does NYCC justify this?
Pub 002	PFI/ 297	05	I have been unable to access any data or information that indicates that AmeyCespa has a adequate experience or a proven track record within the business. Perhaps you would be kind enough to let me know how they justified their tender in this respect.
Pub 002	PFI/ 297	06	There is considerable concern over the Ferrovia SA connection because: a. It has an unsustainable debt: equity ratio (in excess of 500%); b. It has incurred the very substantial losses made in 2008, 2009 and 2010 (to date) c. It is currently trying to sell 10% of its stake in BAA so as to pay down a very small part of its debt but more importantly in order to justify the carrying value of the remainder of its stake in BAA which, if it fails will result in further write-offs
Pub 002	PFI/ 297	07	All of these imply that it is likely to breach its banking covenants. Per se this will not impact NYCC although the existence of a contract for in excess of £1 billion makes the joint venture a likely candidate for early sale. Have terms been written into the contract under which termination of the contract can be triggered in the event of a change in beneficial ownership in order to protect NYCC's interest?
Com 007	PFI/ 298	01	We would like to update our website with details of this project for our subscribers. Please can you confirm when financial close for the authority and Amey/Cespa consortium is due? Also, please can you confirm the names of the legal, technical and financial advisers assisting North Yorkshire County Council on the project?
Pub 127	PFI/ 299	01	Could you please send me by email a copy of the working group report on this subject which I understand is now available for public inspection.
Pub 128	PFI/ 300	01	I understand that this report is now available. Could you please send me 1 hard copy a.s.a.p.
Pub 113	PFI/ 301	01	If you could clarify please, does this mean that if councillors approve the contract, work starts straight away or are the planning issue to still then to be resolved?
Pub 113	PFI/ 301	02	Also you make no mention about the comparison in height between Knabbs Ridge Wind Farm and the proposed chimney height. Surely a better comparison would be the physical height of the chimney compared with each other notable structures in the region... York Minster come to mind, or maybe graphic impressions of the views of the chimney with the billowing smoke from different areas around the County...ie the top of Sutton Bank as well as local views.

Pub 113	PFI/ 301a	01	<p>I would be pleased if you would forward my concerns to them. (Re PFI301). Re the planning and my concerns re conflict of interest - are any of the members who vote for or against this contract being awarded also representatives on the NYCC Planning Committee?</p>
Pub 129	PFI/ 302	01	<p>Comment received relating to the proposed North Selby mine Development referencing Allerton Park (Planning permission is being sought by a Joint Venture (UK Coal, Peel Group and Science City, York) for a plant that burns commercial and industrial waste in order to produce electricity and steam):</p> <ul style="list-style-type: none"> <li>• UK Coal has put in an application for the North Selby Site to be used as an 'Energy from Waste' site and claims it has the support of York City Council. Why then has both York City Council and North Yorkshire Council chosen an old quarry site on the A1 at Allerton Park and are currently proceeding towards their preferred location for an 'Energy from Waste' operation, which they say will divert 230,000 tonnes away from landfill which is 90% of that currently sent to landfill. Where therefore is the 190,000 tonnes of waste referred to in this Joint Venture proposal coming from?</li> <li>• York City and North Yorkshire Councils should talk to Drax again about taking the Region's waste via train to meet N. Yorks landfill targets. There is also a site at Seal Sands for the North of the Region. The expertise is already there at those locations. To allow new incineration plants to be installed anywhere by anyone is irresponsible. We have a beautiful City and County let us keep it that way.</li> <li>• The financial incentive for the installation of incinerators as in this case is clear. These projects will give a very high return on investment virtually guaranteed by Government. They therefore can be put anywhere suitable. We as home owners will still be paying for them in the form of higher electricity costs and higher disposal costs.</li> </ul>

Pub 129	PFI/ 302a	01	<p><u>Ref: Allerton Park Waste Recovery Plant</u></p> <p>An article in the Darlington and Stockton newspaper on 25/11/2010 said that the Council would save a huge sum of money by allowing this plant to be built.</p> <p>The landfill tax was introduced to divert waste from landfill but the incinerator companies (see WRAP report of July 2010 on gate fees) charge in all cases more than the £70 (includes landfill tax at £48 per tonne) for your size of plant: 230,000 tonnes. So basically instead of the Government getting the landfill tax the private owner effectively receives a sum equal to it. This is of the order of £11 million per year lost tax.</p> <p>Secondly, the government subsidies result in higher electricity costs (from your proposal the private company will receive about £35 per MW-hr more than the current wholesale price) so this gives a further £11 million per year to the private Company from us.</p> <p>Thirdly the EU is currently deciding the carbon tax to be levied on carbon dioxide emissions of which this plant will emit more than 420,000 tonnes. The private company will no doubt charge us for this burden also.</p> <p>In short you will be costing us a lot more for our waste disposal by incineration (unless you have negotiated gate fees of only £22 /tonne).</p>

The report submitted to Executive on 30 November 2010 contained NOT FOR PUBLICATION information of the type defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (variation) order 26

This information has now been reviewed and revised NOT FOR PUBLICATION schedules produced.

Thus in the **Part A report – Report of the Members' Working Group** – the following paragraphs are now reproduced with revised redactions.

**Para 1.2(c)**

(c) In waste PFI contracts the manner in which financial risk is apportioned is predetermined by a standardised government approved contract. Lending banks are effectively relieved of virtually all risk. The risk therefore falls initially on the contractor, to the extent that he contributes equity to the project ( [REDACTED] ) and ultimately to the Council. The Council has sought additional guarantees from the owners of the contracting company, but in accordance with PFI precedent, this was refused. Such guarantees will be made available from parent companies to the contracting company, and in certain circumstances become exercisable by lending banks. The Council steps into the shoes of lending banks if and when it has satisfied their outstanding loan (section 13.2) and would therefore directly benefit from parent company guarantees in these extreme circumstances. The Working Group regards the risk of contractor failure as remote but considers that because of the potentially serious consequences, it is desirable to build in safeguards where possible. As the arrangements described above will only be put in place at Financial Close these will need to be monitored at the time.

13.2 The Councils' contingent liability

Contractor default would be a worst case scenario which the Working Group considers to be a highly unlikely eventuality. However, because of the severe effects of such an eventuality it is prudent to consider the consequences and the protections available to the Council.

In accordance with normal PFI practice, lending banks may ultimately look to the Council for repayment of outstanding loans. In the normal course, the loans are repayable on an annualised basis, which results in repayments being annuitised, which means that the amount borrowed is repaid largely towards the end of the loan period, as shown in the graph below.

The outstanding amounts of debt are shown in nominal terms; on the net present value basis the outstanding amounts would be less.

In relation to the **Part B report** versions of Appendices 9(a), 9(b) and 10(b) are provided below which have the revised NOT FOR PUBLICATION information redacted. Members will therefore still be able to read the unredacted text (in the original Appendices) but the revised versions in this Appendix are available for the public.

## Appendix 9(a)

Sections of this Appendix have been redacted because they contain exempt information of the type defined in paragraph 3 of part 1 of schedule 12A to the Local Government Act 1972 as amended by the Local Government (access to information) (variation) order 2006.

The paragraphs shaded below are included in the public part of the report. Unshaded paragraphs are exempt as set out above.

### 1.0 WASTE PFI - FINANCIAL IMPLICATIONS

#### **Costs of Waste Strategy**

- 1.1 The net costs of the future waste strategy were considered by the Executive prior to submission of the Outline Business Case (OBC) (dated 10 April 2007 and updated on 26 June 2007). The potential impact of the costs of the overall waste strategy has been built into the County Council's Medium Term Financial Strategy (MTFS) since 2008/09 (as reported to the Executive on 5 February 2008) and updated in subsequent Budget cycles.

#### **Basis of Comparison/Costings**

- 1.2 The estimated costs have been built up from PFI Contract costs (split pro-rata between the County Council 79% and City of York Council 21%) and non PFI costs. The total of PFI contract and non PFI costs equate to the costs of the overall waste strategy.
- 1.3 The overall waste strategy cost is compared with the budget that has been provided to measure the affordability of the overall waste strategy (including the PFI contract).
- 1.4 The overall waste strategy cost is also being compared with the 'do minimum' option (see paragraph 1.7 below) to measure the value for money (VFM) of undertaking the PFI contract.
- 1.5 All financial modelling is based on the use of key assumptions (as discussed in paragraph 1.12 below) which have been reviewed and updated, as appropriate, since the OBC was submitted in 2007.

#### **Call for Final Tenders Bid**

- 1.6 The price of the successful bid was based on a 3 year construction and 25 year operational period commencing on 1 July 2014. This has subsequently been revised to 1 April 2015, because of the current status of the project. The figures are presented in 'nominal terms' (ie increasing by estimated agreed



indices for both costs and income over the life of the contract). The Councils' costs and budgets are also estimated to increase by inflation over the life of the contract.

- 1.7 The 'do minimum' option is the cost of continuing to pursue the minimisation, re-use and recycling work with the Districts and HWRCs, with the residual waste being landfilled.

**Alternate bases for financial information**

- 1.8 As set out in paragraph 1.6 above the costs in this report are set out in 'nominal' terms. Alternate presentations would be:

- a) 'real costs' (not inflated year on year) or
- b) discounted where the nominal costs are discounted back to current year prices (i.e. net present value (NPV))

- 1.9 The methodology used for presentation of the information does not change the conclusion, though it could help interpretation. The Councils have chosen to use 'nominal' costs as this is in line with WIDP requirements for the OBC and FBC and is felt to be easier to understand.

**Whole life costs of the AmeyCespa proposal**

- 1.10 The table below sets out the costs submitted by AmeyCespa as part of their final tender submission. These are shown on a 'nominal' basis.



		£m	%
<b>Gross Costs</b>			
Operating costs			
Capital costs			
Capital financing costs (inc fees)			
Equity dividends			
Taxation			
<b>Total gross cost</b>	<b>(a)</b>		
<b>Less Guaranteed third party income</b>			
Electricity			
Commercial waste			
Recyclable materials			
<b>Total third party income</b>	<b>(b)</b>		
<b>NET COST TO COUNCILS (Unitary charge)</b>	<b>(a)-(b)</b>		

- 1.11 A breakdown of the costs of the contract for the two Councils together shown below demonstrate that almost [redacted] of the charge is known at the outset, provided the 'guaranteed minimum tonnage' is delivered.



- 1.17 **'Split close'** - as part of considering the risks associated with this project, the Councils reviewed the options of mitigating the financial impacts of any delays in obtaining planning permission. It was concluded that overall it would be beneficial to obtain planning permission prior to financially closing the contract. The risks associated with this approach are further discussed under Section 9 of the main report.
- 1.18 The implications of adopting a **'split close'** approach are that the debt required to fund the capital costs of the project will not be 'drawn down' until financial close, thus exposing the Councils to movements (positive or negative) in funding terms, foreign exchange rates and indexation on capital costs as a result of a delay to the programme. The assumptions used at final tender were:
- a) **Funding terms** - because of the volatility of the economic markets at the point of submission of final tenders, the Councils provided standard terms on which the affordability/ costs would be evaluated. However in order to make an assessment of the bidders ability to source debt funding, bidders were also required to submit their best market terms. The sensitivities surrounding this are discussed in paragraph 1.41 in this report. The assumptions used are set out in **Appendix 9 (b)**. The costs set out in paragraph 1.10 include the impact of AmeyCespa's assumed market rates.
  - b) **Foreign Exchange** - the foreign exchange rate was assumed to be €1.125 to £1. Any variation from that rate will be at the Councils risk; an upwards movement will lead to a reduction in the Unitary Charge whereas a downward movement would add cost to the Unitary Charge. The Councils will receive the full benefit through a reduction in the Unitary Charge should the exchange rate move in its favour.
  - c) **Timetable** - bidders were evaluated on a timetable that they projected to deliver the project. Because the capital costs were subject to indexation at the Councils cost, this was a critical assumption.
- 1.19 The costs to the Councils will be offset by the receipt of PFI credits. The Councils have been allocated £65m credits towards the cost of the project by DEFRA. The PFI credits will be received as an annual grant to the County Council. This has been calculated by way of an annuity calculation on the PFI credit award of £65m using the Treasury interest rate of 5.9%. This equates to just over £5m per annum and £126m over the contract. The credit will be used to offset the cost of the unitary charge to the Councils.

#### **Capital costs and funding bid at Call for Final Tender (CFT)**

- 1.20 The capital and associated capital funding costs are together the most significant elements of the costs incurred by AmeyCespa and thus the unitary charge to the Councils. The breakdown of capital costs is as follows:

Plant	£k	Capacity '000 tonnes
MBT		408
AD		40
EFW		320
Capitalised project costs		
<b>Sub-total</b>		
Financing costs incurred during construction		
<b>TOTAL CAPITAL COSTS</b>		

Funded by	£k	%
<b>TOTAL</b>		100.0

1.21 [REDACTED] of the overall capital cost of the infrastructure will be [REDACTED]. These costs are priced based on a foreign exchange rate of €1.125 to £1. As explained in paragraph 1.18 above the risk of any change in the foreign exchange rate between commercial and financial close sits with the Councils. [REDACTED]

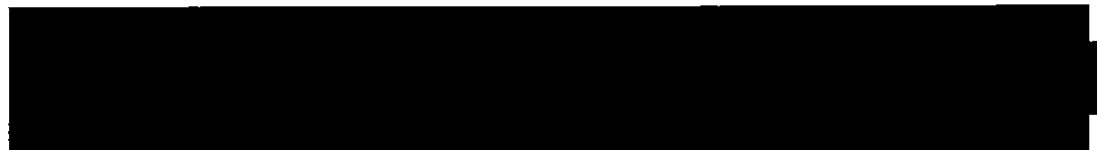
1.22 [REDACTED]

Bank	£m	%
<b>TOTAL</b>		100

1.23 As explained in paragraph 1.18 above the cost of funding the debt will be determined at financial close. The capital financing costs included in paragraph 1.10 above are based on AmeyCespa's assessment of market terms, foreign exchange rates and timetable to reach financial close at the date of the final tender submission. As part of considering the affordability of

the final tender bid the Councils' have undertaken sensitivity analysis on the assumptions used, as set out in paragraph 1.40 below.

1.24



#### Apportionment of costs between the County Council and City of York Council

- 1.25 As set out in paragraph 1.10 above the net whole life cost of the AmeyCespa final tender submission is [REDACTED]. This cost is to be split between North Yorkshire County Council and City of York Council in proportion to the forecast tonnages processed by the facilities (79:21). The PFI credits will be allocated to North Yorkshire County Council, but will be netted off the recharge to City of York Council in the same proportion. Both Councils have estimated their costs of delivering the remainder of their overall waste strategies assuming the PFI contract is delivered. The costs set out below assume that both Councils deliver waste to their forecast levels.

#### Split of Nominal Costs between NYCC and CYC

- 1.26 The table below shows the costs of the PFI project using AmeyCespa's market tender price, together with non PFI costs giving the costs of the overall waste strategy for each of the Councils. These are compared with the budget provisions included in the Medium Term Financial Strategy for each Council.

		NYCC £000	CYC £000	Total £000
PFI Contract		[REDACTED]	[REDACTED]	[REDACTED]
Less PFI credits		[REDACTED]	[REDACTED]	[REDACTED]
<b>Total Project costs</b>	(a)	[REDACTED]	[REDACTED]	[REDACTED]
Non PFI costs*	(b)	[REDACTED]	[REDACTED]	[REDACTED]
<b>Net cost of Overall Waste Strategy to Councils</b>	(c) = (a)+(b)	[REDACTED]	[REDACTED]	[REDACTED]
Provision for Waste Strategy in Councils budgets	(d)	[REDACTED]	[REDACTED]	[REDACTED]
<b>Headroom</b>	(d)-(c)	[REDACTED]	[REDACTED]	[REDACTED]

\*Non-PFI costs include running costs of HWRC's, recycling credits and incentive schemes payable to the Districts, transfer station infrastructure costs, landfill gate fees and transport between sites costs.

- 1.27 The expected income generated by the sales of LATS is excluded from the figures in the table in 1.26 above.
- 1.28 A robust analysis of the tender costs has been undertaken by AmeyCespa, its financial advisors KPMG, County Council and City of York Council officers and the project financial advisor Ernst & Young. This analysis has been reviewed and challenged throughout the procurement by senior officers,

including the s151 officers from both the County Council and City of York Council.

**Value for Money (VFM)**

1.29 The County Council will only enter into the PFI project if it offers value for money, both compared to its own projected costs of the 'do minimum' position and other similar projects.

1.30 The waste strategy (including the PFI contract) consists of operations and transport relating to HWRCs, incentivisation of Districts to reduce, re-use and recycle, the PFI contract, residual landfill costs, transfer station infrastructure to support the PFI contract and landfill tax and LATS implications

1.31 The 'do minimum' option is essentially continuing the current arrangements of operating and transporting to/ from HWRCs, incentivisation of Districts through recycling credits and landfill costs including landfill tax and LATS implications.

1.32 A comparison of the costs of the waste strategy (including the PFI contract) with 'do minimum' using the assumptions set out above demonstrates that undertaking the PFI contract, within the overall waste strategy offers value for money.

	NYCC £000	CYC £000	Total £000
Costs of Waste strategy inc PFI LATS Sales			
<b>Net cost of waste strategy inc PFI</b>			
Costs of 'do minimum'			
<b>Saving of waste strategy inc PFI over 'do minimum'</b>			

1.33 In considering whether the PFI project remains value for money the Councils have undertaken sensitivity analysis, by varying key assumptions. The key assumptions reviewed relative to value for money are:

- 1) Not receiving PFI credits in support of the project
- 2) A one year delay to the project
- 3) A combination of changes that could occur between commercial and financial close (amended funding terms, foreign exchange movements and delay) as discussed in paragraph 1.18 above
- 4) Capping landfill tax at £80 tonne

1.34 By applying the following sensitivities it is demonstrated that the project still offers value for money.

NYCC Only	'Baseline' As per 1.32 above £000	Excluding PFI Credits £000	1 year delay, 10 yr historic index £000	Combined Sensitivity* £000	Capped landfill tax at £80 \$ £000
Cost of strategy inc PFI Option 'Do minimum'	■	■	■	■	■
Saving	■	■	■	■	■

\* [REDACTED]

\$ [REDACTED] the

Government has announced that £80 is a 'floor' in 2014/15, and [REDACTED]

- 1.35 Graphs setting out the above baseline information and sensitivities are included in the financial **Appendix 9 (b)**. The impact of a recent review of the programme aligns with the 1 year delay scenario in the table in paragraph 1.34.
- 1.36 As explained in section 6 of the main report each Waste PFI contract has to be developed through competitive dialogue and whilst the legal contract needs substantially to follow a standard form, there are individual aspects to all contracts that make it difficult to compare. However some data relating to indicative comparative projects is set out in **Appendix 9 (b)**. This demonstrates that for a multi-facility solution the tender submission offers good value for money.

### Affordability

- 1.37 As explained in paragraph 1.1 above the County Council started to provide for the estimated costs of the future overall waste strategy in 2008/09. It has updated the baseline figures each year as part of the Medium Term Financial Strategy (MTFS), taking into account known changes to non-PFI costs. No amendment has been made to the expected costs of PFI during the procurement process. The costs as set out in the current MTFS (section 10.13 of the Executive report 2 February 2010) effectively set the budget for the overall waste strategy moving towards the commencement of the PFI contract; these have then been extrapolated forward at an assumed inflation rate of 2.5% for the length of the PFI contract.
- 1.38 The budget as set out above has been the basis of comparison of the estimated costs for the County Council and the overall waste strategy including the costs of the PFI contract using forecast waste volumes. The impact in the early years is as follows:

NYCC only	Total (29 years) <sup>s</sup> £000	10/11 £000	11/12 £000	12/13 £000	13/14 £000	2014/15 £000	15/16 £000	16/17 £000
Cost Including PFI	1,212,934	20,681	23,329	27,238	28,950	35,064	36,147	36,655
Current budget	1,425,016	21,635	24,623	28,562	29,939	38,779	39,068	40,045
Headroom	(212,082)	(954)	(1,294)	(1,324)	(989)	(3,715)	(2,921)	(3,390)

<sup>s</sup> as per figures in paragraph 1.26 above

1.39 It will be noted that, in nominal terms, on the basis of the assumptions included the County Council will be able to afford the overall waste strategy including the PFI contract.

### Sensitivities

1.40 Costs are based on the key assumptions set out in paragraph 1.12 to 1.19) above. As part of the Final Business Case submission for approval the Councils provided sensitivity analysis on changes in assumptions to ensure the PFI project continues to be affordable.

1.41 The Councils have identified that the key sensitivities in relation to affordability relate to the assumptions arising from the 'split close' approach as set out in paragraphs 1.17 to 1.19 above, (i.e. interest rate movement, foreign exchange movement and delay in commencement) plus a combined sensitivity defined by WIDP.

NYCC only	'Baseline' costs at final tender submission \$ £k	Sensitivities Interest Rate Increase by 1.2% £k	Adverse Foreign Exchange €1 : £1 £k	1 year delay, 10 yr historic Index £k	Combined Sensitivity set by Councils * £k	Combined sensitivity required by WIDP <sup>A</sup> £k
Cost including PFI	1,212,934	1,276,218	1,253,762	1,259,307	1,273,410	1,290,270
Current Budget	1,425,016	1,425,016	1,425,016	1,425,016	1,425,016	1,425,016
Headroom	212,082	148,798	171,254	165,709	151,606	134,746

<sup>s</sup> As per figures in paragraph 1.26 above

\* Increased interest rate by 0.5%, Euro exchange rate €1.05: £1 delay and assuming 2.5% per annum increase in the indices used to inflate capital expenditure

<sup>A</sup> Increased interest rate by 1% and a 2 year delay assuming 2.5% per annum increase in the indices used to inflate capital expenditure



1.42 The sensitivity analyses are included in **Appendix 9 (b)** in graphical form. The impact of a recent review of the programme aligns with the 1 year delay scenario in the table in paragraph 1.41 above.

1.43 It will be noted from this sensitivity analysis that the County Council is able to afford all of the scenarios modelled.

#### Summary

1.44 The financial analysis above demonstrates that

- a) the PFI project offers value for money, based on key assumptions and allowing for sensitivities
- b) the PFI project is affordable, based on key assumptions and allowing for sensitivities



### 3 Bank Interest Rates and Charges at Call for Final Tender

The table below shows the movement in finance terms from that assumed in the Outline Business Case, to the position provided by Amey Cespa at Final Tender using a current swap rate and a rate including buffer.

Operations	Outline Business Case	Market rate at Final Tender	Final Tender including buffer
Underlying swap rate	5.50%		5.50%
Swap credit margin	0.12%		0.25%
MLA	0.02%		0.02%
Margin	1.20%		2.75%
All-in-interest rate	6.84%		8.52%
Construction			
Underlying swap rate	5.50%		5.50%
Swap credit margin	0.12%		0.30%
MLA	0.02%		0.02%
Margin	1.20%		1.50%
All-in-interest rate	6.84%		7.32%

### 4 Comparison with other projects

Project	Solution	Annual Capacity	Gate Fee per tonne Excluding PFI credits (First Year)
Project 1	Mechanical Biological Treatment with Energy from Waste	202kt	
Project 2	Energy from Waste	220 kt	
Project 3	Mechanical Biological Treatment with Energy from Waste	187kt	
Project 4	Energy from Waste	300 kt	
Project 5	Energy from Waste	179kt	
Project 6	Mechanical Biological Treatment with Energy from Waste	179kt	
Project 7	Energy from Waste	180kt	
Project 8	<i>North Yorkshire &amp; City of York Waste PFI</i>	320kt	
Project 9	Mechanical Biological Treatment with Energy from Waste	150kt	
Project 10	Energy from Waste	90kt	
Project 11	Energy from Waste	225kt	
Project 12	Energy from Waste	240kt	
Project 13	Energy from Waste	300kt	
Project 14	Energy from Waste	400kt	

It should be borne in mind that it is not possible to realistically compare projects, because it depends on scope, specification and risk transfer from the public sector to the private sector.

The PFI project offers value for money based on key assumptions and allowing for sensitivities.

The following section details the sensitivity analyses in graphical form.

**All 11 graphs redacted.**

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Appendix 10(b)

Sections of this Appendix have been redacted because they contain exempt information of the type defined in paragraph 3 of part 1 of schedule 12A to the Local Government Act 1972 as amended by the Local Government (access to information) (variation) order 2006.

Financial Consequences of risk

ISSUES			
Issue	Cause	Financial consequences	Reference in Contract (Project Agreement)
1	Both Councils do not sign at Commercial Close. Affordability Other	[Redacted]	[Redacted]
1a	One Council does not sign at Commercial Close	[Redacted]	[Redacted]
2	Councils do not sign at Financial Close. Affordability (Voluntary Termination). If unaffordable due to market specific factors.	[Redacted]	[Redacted]

ISSUES			
	Breach of contractor obligations/unaffordable due to project specific factors.		
2a	One Council does not sign at Financial Close	Any reason	
3	AC do not sign at Commercial Close.	Any Reason.	
4	Challenge to the decisions taken by the Councils ( one or both) relating to Contract award		

Appendix 15

ISSUES			
5 AC fail to achieve planning pre Judicial Review	A refusal of permission - On the condition that AC have used All Reasonable Endeavours (as defined in Sch 22 of the Project Agreement) to obtain a satisfactory planning permission and, after considered and agreed amendments/alterations to the planning application in an attempt to secure permission, permission is not obtained	[REDACTED]	[REDACTED]
6 AC do not sign at Financial Close.	Contractor Termination	[REDACTED]	[REDACTED]

