

**MINUTES OF A MEETING OF THE ENVIRONMENT CAPITAL SCRUTINY COMMITTEE
HELD AT THE BOURGES/VIERSEN ROOM - TOWN HALL
ON 3 NOVEMBER 2011**

Present: Councillors D Day (Chairman), N North, B Rush, F Benton C Ash and N Sandford

Also Present: Councillor M Lee, Deputy Leader and Cabinet Member for Culture, Recreation and Strategic Commissioning

Officers Present: Paul Phillipson, Executive Director for Operations
Richard Pearn, Waste Client Manager
Margaret Welton, Principal Lawyer (Special Projects/Waste 2020)
Paulina Ford, Senior Governance Officer, Scrutiny
Israr Ahmed, Lawyer

1. Apologies for Absence

Apologies for absence were received from Councillor Peach, Councillor Arculus and Councillor J A Fox. Councillor Benton attended as substitute for Councillor Peach and Councillor Ash attended as substitute for Councillor Fox.

2. Declarations of Interest and Whipping Declarations

There were no declarations of interest.

3. Minutes of the Meeting held on 8 September 2011

Councillor North advised the Chair that he was concerned that an important point had been missed from the minutes with regard to the Environment Capital Performance Update report and therefore could not approve the minutes. He had asked Councillor Dalton a question regarding when the Environment Capital status would be achieved and when it was achieved what it would look like. There did not appear to be any mention of this in the minutes.

ACTION

Senior Governance Officer to check the notes taken at the meeting held on 8 September 2011 and respond to Councillor North's query.

4. Call In of any Cabinet, Cabinet Member or Key Officer Decisions

There were no requests for call-in to consider.

5. Energy from Waste – Waste 2020 Update

The report provided the Committee with an update on the Council's procurements relating to Lot 1 (Energy from Waste Facility) and Lot 2 (Materials recycling Facility) and the Council's response to the Peterborough Friends of the Earth (PFoE) report. The Committee were advised that procurements for Lot 1 and Lot 2 had progressed and were in the final rounds of dialogue with bidders. Once the dialogue had closed the next stage for each procurement would be to call for final tenders.

The Waste Client Manager went through each of the assumptions made by the Peterborough Friends of the Earth and referred to the Council's response to each such assumption as set out in Appendix 1 of the report submitted to this Committee. Councillor Sandford commented that it had taken a long time to respond to the Friends of the Earth report and expressed the view that it was lacking in detail.

Questions and observations were raised around the following areas:

- The Waste Client Manager spoke about the debt repayment commencing in 2013 and advised that the procurements, the finances and other factors (such as landfill tax and allowances) were kept under review as regards the optimum time to build the facilities.
- Why did the Council assume that residual waste was going to grow when the Council's strategy was based on significant reductions in waste? Were you therefore admitting that the strategy would not succeed? *Members were informed that the waste would grow as the city grew. The strategy had a challenging target of changing people's behaviour to make the waste per head of population stop growing. The level of waste per head may stop growing but the population would increase. The model had to reflect the aspiration for the city to grow and therefore the population would increase but there was still a commitment to stop the level of waste per person growing.*
- The report states that the Council has a target of recycling at 65% by 2020 and "reducing / no residual" waste growth. The target had originally been 65% plus by 2020. Many other authorities were already achieving that target. Had the target changed? *Members were informed that 65% should have read '65% plus' and that the target had not changed. The aim was still to reach 65% plus and beyond.*
- What technology are you proposing to install for the energy from waste facility. *The Deputy Leader and Cabinet Member for Culture, Recreation and Strategic Commissioning advised Members that the Council was technology agnostic and it would be through the procurement process and dialogue with the bidders that the bidders would put forward the technological solution that would best suite Peterborough's needs and requirements for an energy from waste facility and to generate heat and power. The Principal Lawyer (Special Projects/Waste 2020) also informed Members that the Council had gone to the market based on the Council's 2007 decision which specified that the requirement was for an energy resource facility that would generate power and heat from waste (with no specific technology identified). Dialogue was currently being undertaken with two bidders to come up with suitable solutions. The bidders were credible UK and International Companies and were keen to provide Peterborough with the best technology on the market to meet its requirements.*
- Members commented that the original decision to build an energy from waste facility was in 2007 and thought that the original proposal was for an incinerator. It was now 2011/2012 but the proposal was not due to go through until 2016. There had been massive technological changes going on all the time. If a contractor were now to propose an MBT plant as the most effective facility for dealing with residual waste would they be refused because the original decision had been for an incinerator even though it may not be the most cost effective way. *The Deputy Leader and Cabinet Member for Culture, Recreation and Strategic Commissioning reminded Members that he was responsible for making the important decision to award this contract and before he did so, he wanted to be assured in his own mind, that whichever of the bidder's proposal was being recommended, it was the right decision for Peterborough. It is right as the process has progressed that it had been kept under review and that the facility was built when it was financially optimum to do so. The Principal Lawyer also reminded Members that the original working group had considered the Cyclerval type facility (as well as others) when making its recommendations to Council in 2007. However, the original report and decision did not state that the Council was committed to going down the route of any particular form of technology. It was right that the Council's decision had been technology agnostic and had left open the question of the type of technology solution – which was being informed by the current procurement. It had been a long term and complicated*

programme hence the name Waste 2020 but the programme had been kept under regular review, both financially and with regard to technology.

- *Members were concerned that the population was growing, land fill was running out and whilst it was laudable that the council was waiting for the appropriate technology sooner or later a decision would have to be made to go with the technology that works and was available. Would the target for an operational unit to be up and running in four years time be feasible? The Deputy Leader and Cabinet Member for Culture, Recreation and Strategic Commissioning advised Members that the latest report from officers had advised that they were on target but we keep it under review.*
- *Peterborough Renewable Energy Limited (PREL) has proposed to build a high tech energy from waste facility. Why did Peterborough need two facilities and why can't Peterborough put the waste through the PREL facility. The Deputy Leader and Cabinet Member for Culture, Recreation and Strategic Commissioning informed Members that the PREL facility had not been built and was not, therefore, currently operational or in a position to take any waste from Peterborough. When the Council's procurement process had first started PREL had been invited to attend initial meetings along with other waste companies, to understand what Peterborough wanted to procure. PREL were a commercial operation and chose not to be part of the Council's procurement process.*
- *Members asked about the milestones in place for the Waste 2020 programme to indicate what progress had been made and what was going to happen in the future. This would provide some reassurance that the programme was on track. The Deputy Leader and Cabinet Member for Culture, Recreation and Strategic Commissioning advised that there was a set of milestones in place and that the programme was broadly on track. He also advised Members that further briefings would be held in the New Year for all Councillors to provide another update of what was happening on the Waste 2020 programme.*
- *Will you have to commit to providing the waste to energy facility with a certain tonnage of waste? Members were advised that it had been made clear to the bidders that any exclusivity to the councils waste was not accompanied by a commitment on minimum tonnage. The planning permission for the facility had a catchment restriction within it which meant that the facility could not be filled from imported waste thus ensuring that 75% of the waste would have to be from within the Peterborough and Cambridgeshire authority catchment area.*
- *If you have to guarantee that 75% of the waste has to come from within the Peterborough area surely this would take away the Council's incentive to recycle. Members were informed that this was not the case.*

Members thanked the officers and Councillor Lee for an informative presentation.

ACTION AGREED

1. The Committee noted the report.
2. The Committee requested that:
 - i. A list of milestones for the Waste 2020 programme be provided to Members; and
 - ii. A further report is brought back to the Committee when a final decision has been made on the type of energy from waste facility.

6. Forward Plan of Key Decisions

The latest version of the Forward Plan, showing details of the key decisions that the Leader of the Council believed the Cabinet or individual Cabinet Members would be making over the next four months, was received.

Energy Services Company – KEY/03JUL/11

- Members were concerned that the recent government announcement that solar feed in tariffs would be reduced by half from 12 December 2011 would impact on the council's projects. *The Executive Director of Operations advised Members that the Council had only just received the announcement regarding the tariff changes and the Executive Director for Strategic Resources was assessing the impact it would have on the Council's projects.*

ACTION AGREED

The Committee noted the Forward Plan.

7. Work Programme

Members considered the Committee's Work Programme for 2010/11 and discussed possible items for inclusion.

Members were concerned that the Trees and Woodlands Strategy had been deferred from previous meetings and was not scheduled into the current work programme. *The Executive Director of Operations informed Members that the Trees and Woodlands Strategy was currently being reviewed along with the contract for Enterprise. The strategy was mostly written but some of the wording relating to Enterprise was still to be agreed.*

ACTION AGREED

To confirm the work programme for 2010/11 and the Scrutiny Officer to include any additional items as requested during the meeting.

8. Date of the Next Meeting

19 January 2012

CHAIRMAN
7.00 - 8.36 pm