

Dear Sir/Madam

THE ESSEX WASTE MANAGEMENT PARTNERSHIP WASTE PFI PROCUREMENT

In order to develop a more sustainable approach to municipal waste management in Essex and Southend-on-Sea, the Essex Waste Management Partnership (“the Partnership”) was established. The Partnership is made up of Essex County Council, Southend-On-Sea Borough Council as Waste Disposal Authorities (“WDAs”) and the District and Borough Councils of Basildon, Braintree, Brentwood, Castle Point, Chelmsford, Colchester, Epping Forest, Harlow, Maldon, Rochford, Tendring and Uttlesford as the Waste Collection Authorities (“WCAs”). A Memorandum of Understanding underpinning the objectives and principles of the Partnership is signed by representatives of all Councils in the West, East, and Thames Gateway Area groups.

Essex County Council (ECC), together with its twelve constituent District and Borough partners, has prepared a draft Joint Municipal Waste Management Strategy (JMWMS) setting out the shared approach for the development and delivery of local authority waste management services within Essex. The unitary authority of Southend-on-Sea Borough Council (SBC) has developed its own Municipal Waste Management Strategy (MWMS) and the simultaneous delivery of these Waste Management Strategies (referred to hereafter as the Strategies) will ensure that the Partnership is able to attain legislative compliance and deliver Best Value services.

Sustainable waste management

In order to attain more sustainable waste management, including meeting the demanding landfill diversion targets dictated by the Landfill Allowance Trading Scheme (“LATS”), a whole new infrastructure of waste facilities is required. The upfront funding requirement associated with developing this new infrastructure is beyond the resources of ECC, its twelve constituent District and Borough partners and SBC alone; and therefore securing private sector finance under long term contractual arrangements is critical in ensuring the success of this project.

The Partnership has agreed a Reference Project that has been design to meet the objectives of the Councils’ Strategies, which will, when combined with the Partnership’s interim LATS management strategy will meet or exceed ECC and SBC LATS targets from 2011 onwards. The Reference Project has been selected after an extensive technical, financial and deliverability evaluation as one that:

- Meets the waste management performance objectives of the Councils' Strategies;
- Provides security over markets for MBT process outputs, whilst allowing further innovation as to securing end markets during procurement;
- Is based on sites which can be made available to bidders on a transparent and open basis, maximising chances for a competitive procurement, and which are in the Essex Waste Local Plan, mitigating planning risk;
- Has been tested with the market, and confirmed as one that is attractive to potential bidders; and
- Has the potential to deliver Value for Money delivered when procured under PFI and meets in full the Defra PFI Credit approval criteria of May 2006.

Support and Commitment

The Partnership has a history of working together on waste management service delivery. Significant progress has been made and is continuing, with the assistance of Government funding in improving kerbside recycling performance. This joint working will continue as Essex faces the waste management challenges of the coming years.

This letter acts to demonstrate the support and commitment of the member Councils of the Essex Waste Management Partnership to:

- The objective of meeting all statutory targets thus creating sustainable waste management across Essex and Southend-on-Sea;
- Confirm that Essex County Council, Southend-on-Sea and the Districts and Boroughs of Essex support the Reference Project.

With this commitment to joint working and the support of Government through the PFI, we believe sustainable waste management, achieving both the objectives of the Strategies and the statutory targets, can be delivered.

Yours faithfully

Chairman
West Essex Waste Management Joint Committee