

Member Advisory Panel Meeting Minutes

Location, Date & Time of Meeting:	Monday 7 th June at 10am in Committee Room 2, Civic Suite, Solihull	
Attending:	Members	Officers
<i>Coventry</i>	Cllr Allan Andrews	Chris West Mary Morrissey
<i>Solihull</i>	Cllr T Hodgson Cllr A Hodgson	Jim Harte Paul Johnson
<i>Warwickshire</i>	Cllr Cockburn Cllr Whitehouse Cllr Sweet	Dave Clarke
Project Transform Officers	John Daly Lucy Rumble	
Apologies:	Cllr Lindsley Harvard Cllr Tony Skipper Martin Yardley (Represented by Mary Morrissey) Paul Galland	
Status:	Action:	Initials:
RED	Send note to CEOs and Council leaders requesting meeting with Project Board post June 22 nd budget meeting.	Directors present
RED	Circulate overview of reasons for preferred site selection in Coventry plus key outline planning information.	Project Office
RED	Schedule two dates for MAP to meet again (early July and late July).	Project Office
AMBER	Circulate copy of presentation (minus commercially sensitive info).	Project Office
AMBER	Arrange tour of current Energy from Waste facility for interested members.	Project Office
AMBER	Circulate dates for future MAP meetings.	Project Office
RED ACTIONS	AMBER ACTIONS	GREEN ACTIONS
Requires urgent attention	Requires actioning before the next meeting (or within 2 months of the meeting-whichever is sooner).	Requires actioning for the next meeting

Meeting commenced at 10:15 a.m.

1 Apologies

Apologies were received from:
Cllr Lindsley Harvard (Coventry)
Cllr Tony Skipper (Coventry)
Martin Yardley (Coventry)
Paul Galland (Warwickshire)

2 Declaration of Interests

Cllr Whitehouse is a financial contributor to Friends of the Earth.

3 Election of Chair and Vice Chair

Election deferred until next meeting to ensure sufficient representation from Coventry. Cllr Cockburn proposed Cllr Tim Hodgson as Acting Chair for the meeting, seconded by Cllr Whitehouse.

4 Minutes of the previous meeting – Tuesday 16th March

It was agreed that the minutes were an accurate reflection of the meeting held on 16/03/2010. The Acting Chair signed off the minutes.

5 Matters Arising

Any outstanding questions following last meeting would be addressed in the tabled presentation.

At the last MAP meeting commitment to Project Transform was received from all three administrations. Position to be clarified post-election.

6 Presentation by John Daly – Director

Key areas addressed in this presentation were:

- I. Overview of Project Transform
- I. Outline of procurement process
- II. Progress to date and overview of Outline Solutions stage
- III. Plans for Outline Planning Permission
- IV. Supporting Projects

6.1 Questions and answers (Presentation I to III)

Clarification (Chris West): When the Councils approved the Outline Business case, one of the approved recommendations required to the Councils to continue to review all potential financing options to ensure the PFI approach continued to represent best value for money. That work is ongoing outside Project Transform.

Q – As the waste flow model is due to be re-run with updated recycling data will this also include review of the growth assumptions for housing for waste per household?

A – Current projections are for a quarter of 1% growth in waste at household level and a half of 1% growth in housing (based on the now abolished Regional Spatial Strategy). As part of the next Waste Model review (taking into account 2009\10 actual data), Project Transform will challenge the model assumptions to ensure these continue to be valid and the forecasts are based on the best available data. It should be noted that the RSS data may still be the best available data.

Q – Why is the current extrapolation for growth greater than that outlined in RSS?

A – The RSS provides data up to 2026. As Project Transform is modelling waste flows up to 2041 assumptions for growth have to be put in place for the period 2026 – 2041. This is a reasonable and robust forecast.

Point of information – Financial context (Chris West)

There is a significant change in the financial context for the Project not just the housing context. When the Partners signed up to the scheme the affordability gap was considered within a very different financial context to the current financial situation .

Q – According to the Project Timetable the next key decision point is April 2012. Given the local and national changes what is the process by which all three councils can decide if they wish to continue?

A – Formally this does not happen until April 2012 but the Project can be taken back to individual Councils at any point. This process is described in the Joint Working Agreement which outlines any implications. A decision along these lines would need to be robust and evidence based. Otherwise there could be implications for recovery of costs by bidders.

Point of information – Project reviews

Following changes in administration at Coventry City Council and Solihull Metropolitan Borough Council (SMBC) and other wider changes in context both new administrations are looking in detail at Project Transform to assess their positions. SMBC are keen to clarify the legal/financial position and receive clear indication from partners of their positions.

John Daly informed members that once the Project progressed to Detailed Solutions bidders would incur significant costs. It would be better to review the Project at the end of a stage before commencing the next stage, rather than risking implications of a mid-stage withdrawal. The upcoming months are a good time for such reviews to be undertaken.

It was agreed that the Directors present would contact the Leaders and CEOs of each council suggesting a meeting between them and the Project Board to assess the impact of recent changes and the June budget and clarify their respective positions. If leaders agreed, this meeting should be scheduled as soon as possible post-June 22nd with a follow-up MAP meeting to follow in early July or late July if necessary.

Key issues highlighted

- Staffordshire have 2 PFI projects ongoing and have been told that the Energy from Waste project is secure but that the Building Schools for the Future project may not be. The security of the Energy from Waste project is probably down to the fact that they have appointed a preferred bidder so have progressed to a key stage.

- Recycling targets are set to increase in Solihull which will impact on residual waste. Such changes will be picked up as part of re-running the waste flow model.
- As a long term planning project affordability options for Project Transform have to take a long term perspective.
- There is nothing yet to replace Regional Spatial Strategies. To support re-running the waste flow model it would be useful to contact each of the constituent authorities to clarify emerging views about what will happen regarding housing in their areas. (In Warwickshire and Solihull housing growth projections may be scaled down).

6.2 Questions and answers (Presentation IV and V)

Q - Why was public engagement around Outline Planning Permission withdrawn as reported in the Coventry Evening Telegraph?

A – Public engagement was postponed (in advance of the summer holidays) to allow sufficient time for the new administration in Coventry to be fully briefed.

Q - What will happen if Outline Planning Permission on the Coventry site is refused?

A – Other sites previously identified would be looked at again and their suitability assessed. The Coventry site is most suitable based on environmental analysis and following delisting of the allotment land and the anticipated review of greenbelt in the Core strategy. The plans for bulking waste will mean that transport movements will be the same as or less than current movements to the site and emissions will be less than the current facility. An overview of reasons for preferred site selection in Coventry plus key information related to the Outline Planning application would be circulated following the meeting.

Point of information – Position statement by Coventry City Council Conservative party

Cllr Andrews clarified the Coventry Conservative Group's position regarding Project Transform: The party will be opposing the Project and will be actively opposing the application for Outline Planning Permission. They will continue to contribute as members of the MAP.

Q – Given the need to clarify positions prior to Detailed Solutions will the work re-running the waste flow model be complete in sufficient time to inform considerations?

A – The audited data will be available in September and will be processed quickly in order to support detailed solutions. The model will not be re-run before September.

Q – A key concern is that we may be heading towards the minimum tonnages identified. It is important to have better data at this critical decision point.

A – Long term projects inevitably present challenges for data forecasting. Project Transform will not guarantee anything above the minimum tonnage, which will be significant lower than the maximum tonnage forecast for 2041. This is a middle point. The contractor takes the risk in terms of the difference between minimum tonnage and plant capacity. Contractors fill this surplus capacity with other waste including commercial and industrial waste.

Q- How competitive would the plant be if this were to happen?

A – The evidence from the current plant is that so long as there is a supply of other waste such as commercial and industrial waste, it would be competitive. The profit sharing basis of the contract means that should commercial prices reduce the partners would still receive a guaranteed income and when prices increased they would benefit via an agreed profit sharing mechanism.

The guaranteed minimum tonnage payment will cover the major part of the costs of the facility. This payment would be offset by guaranteed income and variable profit share. The contractor would take the risk on the guaranteed income. It should be noted that at the end of the 25 year contract period ownership of the facility would pass to the partners.

Q – There have been press reports that a review of refurbishing the existing plant could delay Project Transform. Are Solihull Metropolitan Borough Council and Coventry City Council conducting such a review?

A – There is conflicting information on the viable life of the current plant. Table top work is currently being undertaken looking at these issues and the viability of refurbishment.

7 Any Other Business

Members were invited to have a tour around the current Energy from Waste facility. Project Office will organise.

8 Date of Next Meeting

Future meetings will be arranged on a quarterly basis with some adjustment if necessary to provide best fit with procurement timetable.

An additional MAP meeting will be arranged in July to follow any meeting between Council Leaders (should they agree to meet).

Meeting closed 12.00

Acting Councillor Tim Hodgson

Chair:

Circulated:	MAP members & Directors	27/09/10
Approved	MAP Members	30/09/10
Author	Lucy Rumble	08/06/10