

Appendix C – Coventry and Solihull Waste Disposal Company (CSWDC)

1 Introduction

Objective

The purpose of this note is to provide some background information on CSWDC, where it sits in relation to Coventry and Solihull, and some of the thinking behind the potential future direction of the Company. Considerable elements of this note are taken from CSWDC's draft business plan 2008/09 to 2019/20.

Business Background

CSWDC EfW facility was built in 1975 as a simple waste incineration plant. Energy recovery capability has been added in later years and a substantial investment has been made since 1996 to meet the requirements of environmental legislation such as the Waste Incineration Directive (WID) and the Integrated Pollution Prevention and Control Regulations (IPPC).

Regardless of the level of investment and the ongoing programme of equipment upgrade and replacement, the underlying technology and fabric of the plant is over 30 years old. An extensive engineering appraisal of the plant was carried out in 2005 by W S Atkins (engineering consultants). Taking into account the condition of the plant, environmental emissions controls and assuming an economically sustainable maintenance and capital programme, W S Atkins concluded that the plant would have between 15 and 20 years of life remaining.

In order to secure the business viability to the point of plant closure, the Company must ensure sufficient waste input to the facility. .

2. Recent work by CSWDC

In June 2006, the Company delivered a presentation to the Shareholders Panel recommending that the long-term future of the business and shareholders interests would be best served by the construction of a new energy from waste facility within the next 10 years. It was also recommended that the shareholders consider the option of additional partners in order to benefit from economies of scale.

Prior to giving this presentation, the Company had considered a number of alternative options, including extending the capacity of the current plant by adding a fourth stream. This was considered to be a significantly inferior long-term strategy compared with a proposal to build a new plant. .

Over the past few years the Company has invested heavily in plant, equipment, systems and procedures. It is important that the Company continues to invest in replacement plant and preventative maintenance to ensure that a high level of performance is achieved and that the Company meets all of its environmental limits set by the Environment Agency (EA). The EA reviews the Company's 's IPPC licence every six years and the next review is due in 2011/12. The Company expects the review to place tighter controls on its operations.

Whilst maintaining the operation of the facility is the most important objective for the Company, there are a number of opportunities highlighted in the business plan, some of which are already being developed. These are summarised as follows:

- District heating scheme;
- Incinerator Bottom Ash (IBA) recycling facility.;
- Off-site transfer station /bulking up facility/material recycling facility (MRF);
- Commercial and industrial waste business.

3. CSWDC Mission & Values

Mission

- ◆ Safe, environmentally responsible and competitive disposal for our customers' residual waste and efficient recovery of energy from the process.
- ◆ Delivered through continuing development of our people and processes, to create value for our shareholders.

CSWDC Organisational Values

Our core business values underpin everything we do. These are:

Ethics

- ◆ Conduct ourselves and our activities at all times with due respect for the laws, regulations and rules that apply to our business.
- ◆ Strive to perform to the highest ethical standards.

Social Responsibility

- ◆ Be good neighbours in the community.
- ◆ Respect the environment and minimise the impact of our activities.

People

- ◆ Treat one another with dignity and respect and be open and honest in our interactions.

Safety

- ◆ Act at all times to ensure the safety of ourselves and those around us.
- ◆ Observe safety rules and procedures and challenge anyone acting in an unsafe manner.

Customers

- ◆ Always aim to exceed our customers' expectations.

Performance

- ◆ No complacency about performance.
- ◆ Continually seek ways to improve our efficiency and effectiveness.