

**SURREY COUNTY COUNCIL****CABINET****DATE: 23 JULY 2013****REPORT OF: MR JOHN FUREY, CABINET MEMBER FOR TRANSPORT, HIGHWAYS AND THE ENVIRONMENT****LEAD OFFICER: TREVOR PUGH, STRATEGIC DIRECTOR – ENVIRONMENT AND INFRASTRUCTURE****SUBJECT: AMENDMENT TO WASTE CONTRACT TO DELIVER THE WASTE STRATEGY****SUMMARY OF ISSUE:**

To receive legal, risk, value for money and affordability assessments, and decide whether to reconfirm decision to amend the Waste Contract with SITA Surrey to deliver the Waste Strategy including the Eco Park.

**RECOMMENDATIONS:**

It is recommended that:

1. The Waste Contract is varied to reflect the changes necessary to deliver our Waste Strategy including the Eco Park, subject to relevant conditions being met, as described in paragraphs 23 and 24.
2. The Council enters into a Direct Agreement with SITA Holdings Ltd for the purpose of the Waste Contract and provides a Local Government (Contracts) Act Certificate in relation to the Direct Agreement.
3. The Strategic Director (Environment and Infrastructure) is authorised to agree any subsequent changes to the proposed variation to the Waste Contract to deliver the Waste Strategy including the Eco Park, in consultation with the Leader and the Cabinet Member for Transport, Highways and the Environment, and advised by the Head of Legal and Democratic Services and the Chief Finance Officer.

**REASON FOR RECOMMENDATIONS:**

To provide proper authority to deliver the Waste Strategy, including the Eco Park which represents a corporate priority for the Council, enter into contractual commitments and provide assurance to contractual and funding partners to the Council

**DETAILS:**

1. On 14 March 2011 the Cabinet delegated authority to amend the Waste Contract to deliver an updated Waste Strategy. Since then the technical solution, including the Eco Park, has been developed; necessary permissions have been granted; and the financial and legal negotiations and assessments

are now near completion. There have also been significant developments in the approach to waste, aimed at delivering savings through increasing the value of waste materials, and benefits of scale and efficiency.

2. On 26 March 2013, an update report on the current status of the Eco Park and grant support from DEFRA to the Waste Contract was presented to Cabinet.
3. On 25 June 2013 Cabinet received an update on the Eco Park regarding technologies and value for money. Cabinet approved technology changes and asked officers to continue to progress work to amend the Waste Contract between Surrey County Council and SITA Surrey and prepare a detailed report to present at the 23 July 2013 Cabinet meeting, to include legal, financial, procurement and risk assessments.
4. The report to 25 June Cabinet described the assessment process which has been designed to ensure a robust consideration of all the relevant factors that need to be taken into account. Information from the June report provides important background which is not reproduced in this report.
5. Consistent with the 25 June 2013 report recommendations, the purpose of the report to the 23 July Cabinet is to provide the detailed legal, financial, procurement and risk assessments and for Cabinet to decide whether to reconfirm the decision of 14 March 2011 to amend the Waste Contract to deliver the Waste Strategy including the Eco Park.

### **Options analysis**

6. This section of the report updates the options analysis reported to Cabinet on March 2011. The assessment covers the service, procurement, legal, cost, and risk assessment of each option:-
  - The service assessment considers compliance with Council waste policy and risk to business continuity.
  - The procurement assessment considers the commercial implications relating to each option.
  - The legal assessment considers legal issues arising from varying the Waste Contract or replacing with new contracts.
  - The value for money assessment takes into account the overall effect on the public purse, i.e. it cannot take into account the reduced costs to the Council through support from Government in the form of Waste Infrastructure Grant.
  - The affordability assessment compares the estimated cost of each option over a 25 year period (the useful economic life of waste infrastructure) with the projected funds available to the Council according to the corporate financial plan, taking into account Waste Infrastructure Grant. This enables a fair comparison of different contractual solutions and outcomes.
  - The risk assessment considers the advantages and disadvantages of each option.

**Description of options**

Option	Description
<b>Option 1:</b> Amend the Waste Contract to deliver the Waste Strategy including the Eco Park	Negotiated solution with SITA Surrey
<b>Option 2:</b> Terminate Waste Contract: re-procure to build and operate waste infrastructure	Terminate Waste Contract, secure new construction and service contracts to deliver waste infrastructure and the rest of the SCC Waste requirements
<b>Option 3:</b> Terminate Waste Contract: achieve recycling and landfill diversion improvements without building new infrastructure (i.e. secure other processing arrangements)	Terminate Waste Contract, let new supply contracts based on other processing arrangements and to deliver the rest of SCC Waste requirements
<b>Option 4:</b> Terminate Waste Contract: achieve recycling improvements without building new infrastructure or other processing arrangements (i.e. continue to landfill)	Terminate Waste Contract, let new supply contracts based on landfill and to deliver the rest of the SCC Waste requirements

**Assessment of options**

Service assessment by Assistant Director for Environment

7. From a service perspective amendment to the Waste Contract to deliver the Waste Strategy including the Eco Park is the preferred option for two main reasons:
  - It complies with the Council’s Waste Strategy.
  - It represents the lowest risk to business continuity, as the cost and terms are being negotiated with the current contractor SITA Surrey, who would continue to provide services during the construction phase.

Procurement assessment by Acting Head of Procurement and Commissioning

8. From a commercial perspective, the key consideration has been whether the Council could either (i) build the waste management facilities (option 2) or (ii) procure these services from the open market (options 3 and 4), both outside of the current Waste Contract at a lower overall cost.
9. In terms of option 1, SITA Surrey has undertaken a competitive process with two shortlisted tenderers and officers have worked alongside them to clarify and challenge the bids. The tender process has been through a structured evaluation and provides assurance that value for money is comparable to that which would be achieved if the Council decided to procure the facility directly.

Indeed there may be some additional benefits within option 1 as it will continue to allow Surrey County Council to benefit from SITA Surrey's access to landfill capacity that is likely to become scarcer in the future, as well as contracts for recycling and disposal.

10. There is a high level of uncertainty in options 3 and 4. Both centre on the procurement of waste disposal services from the commercial market and are heavily influenced by landfill tax. Potential large future increases will have a sizeable direct impact on the value for money of option 4 as the tax is a major component of the overall price. In addition, the use of Energy from Waste (EfW) or other waste processing providers as an alternative (option 3) also exposes Surrey County Council to the risk of price increases as they seek to peg their prices to the landfill increases (at least in the medium term).

Impact on Council – Summary Comparison of options

11. The costs shown are the equivalent annual costs over a period of 25 years. The actual cash flows will vary from year to year and are summarised in Annex 1. The cost effect of risk issues identified in the options analysis section is also included in Annex 1.

<b>Option 1: Amend the Waste Contract to deliver the Waste Strategy including the Eco Park</b>	
<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>• Ability to proceed without delay</li> <li>• Business continuity of services</li> <li>• Comparative clarity of contractual cost and terms</li> </ul>	<ul style="list-style-type: none"> <li>• Negotiation with single party</li> <li>• Restrictions of existing contract</li> </ul>

**Financial Assessment:** Option 1 represents the best value for money option to the UK taxpayer and the lowest cost over 25 years, including an adjustment for optimism bias.

**Legal assessment:** In order to deliver this option it is necessary to negotiate and enter into a Deed of Variation to the Waste Contract to introduce the Eco Park development. Further Deeds of Variation may be required as further proposals are implemented. The Council has contractual flexibility but is also subject to public procurement law and must avoid varying the Waste Contract so that it becomes substantially different to that which was the subject of the original invitation to tender.

**Risk:** Delay to the project could have contractual cost implications and impact on the level of Waste Infrastructure Grant.

<b>Option 2: Terminate Waste Contract: re-procure to build and operate waste infrastructure</b>	
<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>• Opportunity to test market for improved costs and terms</li> <li>• No contractual restrictions</li> </ul>	<ul style="list-style-type: none"> <li>• Delay</li> <li>• Uncertainty of outcome</li> <li>• Increased cost escalation risk</li> </ul>

**Financial Assessment:** Option 2 represents an additional cost over option 1 of £172m over the next 25 years including an adjustment for optimism bias. This increases to £260m when Waste Infrastructure Grant is taken into account.

**Legal assessment:** The Waste Contract contains a provision which would enable the Council to unilaterally terminate it on notice, but requires a substantial compensation payment to be made to SITA Surrey. The Council could invite bids in compliance with public procurement requirements and enter into one or more contracts to deliver its preferred solution.

**Risk:** Delay could result in cost escalation. In addition there would be substantial cost of reprocurement and no guarantee that an open market tender exercise would result in improved cost and terms and could affect business continuity.

<b>Option 3: Terminate Waste Contract: achieve recycling and landfill diversion improvements without building new infrastructure (i.e. secure other processing arrangements)</b>	
<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>• No requirement to develop new facilities in Surrey</li> <li>• Opportunity to test market</li> <li>• No contractual restrictions</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of benefit of planning permission and environmental permit</li> <li>• Uncertain long term market capacity</li> <li>• Risk to business continuity</li> <li>• Increased cost escalation risk</li> </ul>

**Financial Assessment:** Option 3 represents an additional cost over option 1 of £78m over the next 25 years including an adjustment for optimism bias. This increases to £166m when Waste Infrastructure Grant is taken into account.

**Legal assessment:** From a legal perspective this is similar to option 2. The Waste Contract contains a provision which would enable the Council to unilaterally terminate it on notice, but requires a substantial compensation payment to be made to SITA Surrey. The Council could invite bids in compliance with public procurement requirements and enter into one or more contracts to manage and dispose of Surrey’s municipal waste.

**Risks:** Delay could result in cost escalation. In addition there would be substantial cost of reprocurement and no guarantee that new contracts would result in improved costs and terms and could affect business continuity.

<b>Option 4: Terminate Waste Contract: achieve recycling improvements without building new infrastructure or other processing arrangements (i.e. continue to landfill)</b>
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Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• No requirement to develop new facilities in Surrey</li> <li>• Opportunity to test market</li> <li>• No contractual restrictions</li> <li>• Lower market capacity risk than option 3 (risk still exists)</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of benefit of planning permission and environmental permit</li> <li>• Uncertain long term market capacity</li> <li>• Risk to business continuity</li> <li>• Risk of EU/legal restrictions banning this option</li> <li>• Highest cost escalation risk</li> </ul>

**Financial Assessment:** Option 4 represents an additional cost over option 1 of £149m over the next 25 years including an adjustment for optimism bias. This increases to £237m when Waste Infrastructure Grant is taken into account.

**Legal assessment:** From a legal perspective this is similar to Option 2. The Waste Contract contains a provision which would enable the Council to unilaterally terminate it on notice, but requires a substantial compensation payment to be made to SITA Surrey. The Council could invite bids in compliance with public procurement requirements and enter into one or more contracts to manage and dispose of Surrey's municipal waste.

**Risks:** Delay could result in cost escalation. In addition there would be substantial cost of reprocurement and no guarantee that new contracts would result in improved costs and terms.

### Overall Assessment

12. Taking into account service, legal, cost and risk factors, it is the overall conclusion of officers that option1 (Amend the Waste Contract to deliver the Waste Strategy including the Eco Park) is the most advantageous option for the Council.

### **Sensitivity of cost projections**

13. Accuracy of assessment: The cost of amending the Waste Contract to deliver the Waste Strategy including the Eco Park is far more certain than the other options. It is based on prices negotiated with the contractor or secured through a tender process. This represents an additional reason for selecting this option.
14. Estimation of market costs in long term: The assessment model has projected current gate fees into the future. It has also stated that there is an advantage of flexibility if shorter term contracts are procured. However in practice the Council would have to make a judgement between long term cost certainty (which may carry a cost premium, or be unavailable) and short term cost benefit (which implies operational uncertainty in the long term). It is also anticipated that market costs will increase at a fast rate as the cost of landfill rises and as a result of the long lead time before commercial facilities become operational. This potential cost risk has not been factored into the business case on which the Cabinet recommendation is based.
15. Delay: The achievement of planning permission and environmental permit have reduced the risk of delay, however, regulatory requirements remain

retaining the risk that option 1 could be delayed for reasons beyond Surrey County Council's control. Delay would have two significant effects on cost:

- Supply chain cost inflation – The affordability assessment uses adviser forecasts and guaranteed prices so that members can assess the potential cost range of the solution with some certainty. Tenders and supplier prices are only guaranteed for specific periods and delay beyond those periods would incur inflation terms or require retendering.
- Landfill costs – Delay will prevent the guaranteed diversion from landfill of waste that would have been processed at the Eco Park. Measures would be taken to mitigate this cost by making alternative contractual arrangements but this cannot be guaranteed. Therefore the Council would face the prospect of additional landfill cost exposure.

### **Value for Money**

16. The value for money assessment has to take into account the overall effect on the public purse, i.e. it cannot take into account the reduced costs to the council through support from government in the form Waste Infrastructure Grant.
17. Based on the financial assessment carried out for this report, the Council's financial advisers Deloitte and the Council's Chief Finance Officer, confirm that option 1 represents value for money to the UK taxpayer, in delivering the Waste Strategy and the Eco Park. The financial assessment in Annex 1 details this advice.

### **Contractual terms and risk**

18. In view of the procurement restrictions relating to the amendment of public contracts, contractual changes have been kept to a minimum. The assessment of the Head of Legal and Democratic Services is provided in Annex 1.

### **Contractor approvals**

19. The Waste Contract with SITA Surrey is guaranteed by their parent company SUEZ Environnement, and also by GDF SUEZ who were formerly their ultimate parent Company.
20. Both SUEZ Environnement and GDF SUEZ have given approval to SITA Surrey to enter into the contract on the terms described in this report and Annex 1.
21. GDF SUEZ was formed by a merger of the energy businesses of SUEZ and Gaz de France. The waste and utility businesses of the former SUEZ Group have been consolidated into SUEZ Environnement. As part of the amendment to the Waste Contract SUEZ Environnement will continue to provide a Parent Company Guarantee. GDF SUEZ will cease to provide an Ultimate Parent Company Guarantee and be released from any contractual obligations at that stage.

### **Outstanding approvals and conditions**

22. Contractual terms have been negotiated with SITA Surrey, the Council's contractor, and full contractual documentation is being produced to minimise uncertainty. The outstanding conditions and contractual approvals required by the Council and other parties are:

#### Conditions

23. There are a number of conditions that need to be met before contractual commitment:
- Confirmation by the Head of Legal and Democratic Services that the contract documents prepared for signature are consistent with the terms which relate to the recommendations in this report and with the requirements of the EU Public Procurement Regulations.
  - Confirmation by the Chief Finance Officer that the final cost represents value for money, is the lowest cost option and is affordable within the Council's long term financial strategy.
  - Confirmation by the Strategic Director for Environment and Infrastructure that the contract variation meets DEFRA's requirements.
24. There are conditions which apply after contractual commitment but prior to a 'Notice to Proceed' with construction of the Eco Park:
- Variation of the planning permission to reflect the replacement of the gasification technology provider at the Eco Park, and other minor design changes.
  - Fulfilment of outstanding planning conditions.
  - Confirmation of amendment to the environmental permit to reflect the replacement of the gasification technology provider at the Eco Park.
  - Approval to divert the footpath to the north of the Eco Park.

#### Subcontract signature

25. All subcontractors have been appointed by SITA Surrey through competitive or cost scrutiny processes and therefore costs have been provided, subject only to delay or change in requirements, e.g. from unexpected planning or permit conditions.

#### **CONSULTATION:**

26. There has been extensive consultation on the Waste Strategy and the Eco Park proposal in the past and details of this can be found in the 25 June Cabinet report.
27. An update leaflet was distributed in May 2013 to 11,850 local households. Out of the people who received this leaflet 302 asked to be kept informed and have submitted their contact details.
28. Information events were held more recently:



- 1) Two drop-in sessions held in Shepperton (7 and 8 June 2013) that gave the local community an opportunity to receive an update on progress and technology changes and ask questions on these.
  - 2) A technical meeting with members of the Community Liaison Group and their guests on 12 June 2013.
  - 3) A public meeting for the local community on 13 June 2013 with presentations on latest updates from Surrey County Council and chaired by the chairman of the Shepperton Residents' Association.
29. Throughout June 2013 a range of concerns were expressed and questions asked. Responses to the main questions asked during the public engagement process were presented to Cabinet at the 25 June 2013 Cabinet meeting and can be found in Annex 3.

**RISK MANAGEMENT AND IMPLICATIONS:**

30. The risk management implications of this report are significant. Any technology risks have been mitigated by selection criteria and strong due diligence and will be regulated by the Environment Agency through the issue of an environmental permit. Commercial risks are summarised in paragraph 11 of this report and explained in more detail in Annex 1. The financial risks are addressed in the detailed financial assessment in Annex 1 although referenced in summary terms throughout this paper. The recommended solution to enter into contract variation to deliver the Waste Strategy including the Eco Park represents the lowest risk option available to the Council.

**Financial and Value for Money Implications**

31. In order to assess value for money to the UK taxpayer and affordability to the Council four options for future waste management have been assessed. The detailed assessment is included in Annex 1 to this report. Each option has been assessed over 25 years, and costs have been modelled by the Council's independent financial advisors, Deloitte using assumptions provided by the Council and drawing information from the contractual financial model. Options have been assessed in terms of value for money and affordability:
- The value for money assessment has to take into account the overall effect on the public purse, i.e. it cannot take into account the reduced costs to the Council through support from government in the form of Waste Infrastructure Grant.
  - The affordability assessment is concerned with the effect on the Council's finances, and as such does take Waste Infrastructure Grant into account.
32. Based on the financial assessment carried out for this report, the Council's financial advisers Deloitte and the Council's Chief Finance Officer, confirm that option 1 represents value for money to the UK taxpayer, in delivering the Waste Strategy and the Eco Park. Option 1 also represents the most affordable option to the Council. The cost of option 1 is within the budget up to 2017/18, and for the whole 25 year period subject to development of a number of joint arrangements that are currently being pursued and / or creation of a sinking fund from 2017/18 averaging £7.6m per year. The

preferred option will be reflected in the MTFP (2014-19) that will be set by Cabinet in February 2014. At this point commercial negotiations are ongoing, and costs remain subject to further checks by Deloitte and final confirmation by SITA Surrey. As such it is possible that costs may still change. The financial assessment in Annex 1 details this advice.

#### **Section 151 Officer Commentary**

33. This is a complex matter with considerable financial risk, and the Chief Finance Officer supports that option 1 represents value for money and is the most affordable option to the Council. The on-going checks, referred to above, mean that costs may change. The next budget planning cycle (MTFP 2014-19) will reflect appropriate consideration of the implications of this report.
34. The Chief Finance Officer confirms that the detailed financial assessment in Annex 1 has followed a robust methodology and appropriate rigour as been applied equally to all options considered.

#### **Legal Implications – Monitoring Officer**

35. Surrey County Council is the waste disposal authority and as such has a statutory duty, which, taken broadly, requires it to arrange for the disposal of the waste collected by the Borough and District Councils from households in Surrey. The disposal of waste is regulated closely by the EU and this has been transposed into English law through Regulations. These duties would need to be met though the Cabinet's chosen option and the service assessment of each of those options, set out in this report, comments on this aspect of the decision.
36. Cabinet also needs to consider its fiduciary duty to Surrey taxpayers and to be satisfied that its preferred option is one which a prudent and reasonable local authority would enter into, adopting an evidenced based approach. The procurement and budget effect assessments are relevant to this consideration.
37. There is within the contract an agreed mechanism for negotiating and documenting development projects by way of Deeds of Variation. A Deed of Variation has the effect of making changes to the obligations of the parties within a contract. Once it has been duly completed the contract is enforceable as varied by the Deed of Variation.
38. In addition to the Deed of Variation, there will be two other new documents, a Direct Agreement with the funder and a Local Government Contracts Act Certificate.

#### **The Deed of Variation**

39. Surrey County Council and SITA Surrey have contractually committed themselves to scope and develop the proposal in a first Eco Park Deed of Variation, signed in August 2010. This updates the service specification to set out the services to be provided at the Eco Park, to include gasification technology, anaerobic digestion and a materials bulking facility. However in order for the parties to each commit themselves to the actual development of the Eco Park, and to comply with the provisions of the Waste Contract the

Council must enter into a second Deed of Variation, which will enable construction to be commissioned and deal with allocation of risk and the cost consequences of the development project.

### **The Direct Funder's Agreement**

40. The Eco Park will initially be financed by SITA Holdings UK Ltd and SITA Surrey has requested a Direct Funder's Agreement with the Council. Although the Council has not entered into any such agreement to date there was provision in the original bid documents for the Council to provide a Direct Agreement. The Agreement will require the Council to allow the funder an opportunity to step in so as to provide some protection to the funder in the event of a default.

### **The Local Government Contracts Act Certificate**

41. SITA Surrey is also seeking the further assurance that the Direct Funder's Agreement is backed by a Local Government Contracts Act Certificate. A certificate provides assurance that a council has the necessary powers to enter into an agreement and prevents it from relying on a future argument that it does not, in order to avoid its liabilities.
42. Further legal advice is contained in Annex 1.

### **Equalities and Diversity**

43. An Equality Impact Assessment (EIA) – stage 1: initial screening – was completed for the purposes of the contract variation and was reviewed and approved by the Environment & Infrastructure Directorate Equalities Group. The summary of key impacts and actions is copied below and the EIA is attached as Annex 2 to this report.
44. The main potential impact arises from residents' use of the community recycling centre and in particular residents with reduced mobility. The decision to proceed with the Eco Park will not materially change how the community recycling centre is operated. The operation of the community recycling centre was subject to a previous EIA in March 2009. This EIA has been reviewed and remains valid. Continued monitoring of customer feedback has not identified any particular issue relating to service users with protected characteristics.
45. The screening stage concluded that it was not necessary to carry out a full EIA given the minor potential impacts and actions already in place as stated in the paragraph above.

### **Climate change/carbon emissions implications**

46. The proposed Eco Park waste management processes, including the new fluidised bed gasification system, anaerobic digestion facility and materials bulking facility, offers an alternative to sending up to 95,000 tonnes of Surrey's waste to landfill.
47. The net benefit to mitigating climate change, of the new system, compared to the 'landfill' scenario is a reduction in emissions of approximately 20,800 tonnes of CO<sub>2</sub>equiv per year.

48. The site will export over 27,700,000kWh to the national grid, which is enough to power 8,400 houses. Over two thirds of this (the electricity produced from the biodegradable element of the waste treated at the Eco Park) qualifies as renewable energy under current regulations.
49. The carbon reduction and electricity generation information is based on a recently completed detailed assessment using prudent assumptions relating to the fuels used to generate national grid electricity. This assessment shows that recovery of energy from waste processed at the Eco Park represents a beneficial solution compared to sending waste to landfill.
50. The main climate change mitigation benefits of the new gasification system, compared to a landfill scenario are from reduced methane emissions which would arise from degradation of waste in landfill, as well as additional benefits from metals recycling.
51. The main climate change mitigation benefits of the new gasification system compared to the previously approved technology are a reduction in oil fuel demand to operate the gasification plant and increased recycling of materials. Even though the new process uses electricity to segregate out recyclable materials, that electricity demand is more than outweighed by the benefits from recycling and from a reduced usage of fuel oil.
52. The new gasification system results in more process wastes (rejects from pre-treatment and air pollution control residues) than the previously approved technology, but this disadvantage is small and is outweighed by the other benefits of reduced carbon emissions from energy consumption and increased recycling by pre-treatment.

#### **Public Health:**

53. Public health implications are not considered significant for this report. These matters were referred to in the report to the 25 June 2013 Cabinet and will be considered as part of the regulatory permissions related to the Eco Park.

#### **WHAT HAPPENS NEXT:**

54. Following approval, officers will ensure that other parties have approved the terms and conditions described in this report and, conditional on the following outstanding approvals, will complete the required variation to the Waste Contract. This is expected to take place within six weeks.
55. The contract will include a 'Notice to Proceed' process to ensure that the Council is not committed to costs until necessary approvals are provided as described below.
56. Outstanding items:
  - Conditions that need to be met before contractual commitment:
    - Confirmation by the Head of Legal and Democratic Services that the contract documents prepared for signature are consistent with the terms which related to the recommendations in this report and with the requirements of the EU Public Procurement Regulations.

- Confirmation by the Chief Finance Officer that the final cost represents value for money, is the lowest cost option and is affordable within the Council’s long term financial strategy.
- Confirmation by the Strategic Director for Environment and Infrastructure that the contract variation meets the DEFRA’s requirements.
- Conditions which apply after contractual commitment but prior to a ‘Notice to Proceed’ with construction of the Eco Park:
  - Variation of the planning permission to reflect the replacement of the gasification technology provider at the Eco Park, and other minor design changes.
  - Fulfilment of outstanding planning conditions.
  - Confirmation of amendment to the environmental permit to reflect the replacement of the gasification technology provider at the Eco Park.
  - Approval to divert the footpath to the north of the Eco Park.

57. The Eco Park is planned to commence operations by December 2015.

58. The costs of the preferred option will be reflected in the new MTFP (2014-19).

**Contact Officer:**

Ian Boast, Assistant Director for Environment. Tel: 020 8541 9479

**Consulted:**

There has been a comprehensive consultation process by the Waste Disposal Authority as described in the 25 June 2013 Cabinet report and which included: (Note: this does not relate to the County Planning Authority consultation as part of the planning application as this was a separate process.)

- Local MP
- All local Residents Associations (Charlton Lane RA; Shepperton RA)
- Spelthorne Local Committee, which includes local councillors and county councillors
- Spelthorne Borough Council relevant officers (e.g. Chief Executive, Deputy Chief Executive, Director for Environment)
- Over 10,000 local residents
- Elmbridge Borough Council
- Adjacent neighbours
- Surrey County Council Cabinet

Consulted on report to Cabinet:

- Leader
- Chairman – Environment and Economy Select Committee
- Chief Executive
- Strategic Directors-
  - Environment and Infrastructure
  - Business Services

- Chief Finance Officer
- Monitoring Officer (Head of Legal Services)

All relevant stakeholders informed.

**Sources/background papers:**

- Cabinet Reports:– 2 February 2010 – 14 March 2011 – 26 March 2013 – 25 June 2013
- A Plan for Waste Management: [www.surreywastepartnership.org.uk/theplan](http://www.surreywastepartnership.org.uk/theplan)
- Consultation details and analysis: [www.surreywastepartnership.org.uk/consultation](http://www.surreywastepartnership.org.uk/consultation)
- Mott MacDonald technical advisors report – Technology Review August 2012
- Mott MacDonald Technical Due Diligence – M&W proposal June 2013

**Annexes:**

1. Part II confidential annex
  2. Equalities Impact Assessment for decision by Cabinet to proceed with a variation to the Waste Disposal Project Agreement to develop the Eco Park
  3. List of questions and concerns from the local community with answers from Surrey County Council
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