

Local Members' Interest
N/A

Prosperous Staffordshire Select Committee 16th October 2014

Progress Report Project W2R

Recommendation/s

1. That the Committee Accepts the Report and that further actions for the improvement of environmental and financial performance of the contract be encouraged.

Report of Name Portfolio Holder – Mark Winnington
Director – Helen Riley
Partners – Sandwell MBC, Walsall MBC and Warwickshire CC
Contractor - Veolia ES Staffordshire Ltd

Summary

What is the Select Committee being asked to do and why?

2. After two and a half years in construction, the W2R Energy Recovery Plant was brought on line in October 2013 and has now completed a full year of operation. Final commissioning was completed on March 17th 2014 with the plant being officially opened by the HRH Duke of Gloucester on 14th May 2014.
3. This report contains a summary of the project to date and asks that the Committee accepts the report and acknowledges the hard work and effort by all parties concerned to bring this project in on time and on budget.
4. The committee is also asked to approve the outline of future plans for the plant which will benefit the county council by decreasing the authority's costs at no detriment to the local community or wider environment.

Report

Background

5. The Project was initiated in 2006 as part of Staffordshire's Municipal Waste Strategy to achieve zero waste to landfill and maximise recycling rates to at least 55% by 2020. The County and its partners, Warwickshire, Sandwell and Walsall were awarded £122.4M of PFI grant aid to help with the financing. As a result the authority will save up to £400M over the life of the project compared to landfill costs. Each year a saving of 49,000 tonnes of carbon will also be saved compared to a landfill based alternative.

As a reminder to all Committee members the project is described below:

Contract Awarded to Veolia ES Staffordshire Ltd (Veolia).

Main subcontractors known as EPC Contractors CNIM Clugston (Staffordshire) Ltd

Location: Four Ashes Industrial Estate, South Staffordshire

Land: 4 Hectares of brown field development land acquired by Staffordshire County Council in December 2007

Planning: Planning Approved by SCC 29 April 2009

Planning Permission for Veolia design February 2011

Technology: Energy from Waste (EfW)

Size: 300,000 tonnes per annum

Waste: Residual Waste only after kerbside recycling (55%)

Source

Staffordshire	106,132 -141,510 tonnes per year
Warwickshire	29,723 - 39,630 tonnes per year
Walsall	46,687 - 62,250 tonnes per year
Sandwell	42,458 - 56,610 tonnes per year
Total	225 -300,000 tonnes
Commercial	0-75,000 tonnes

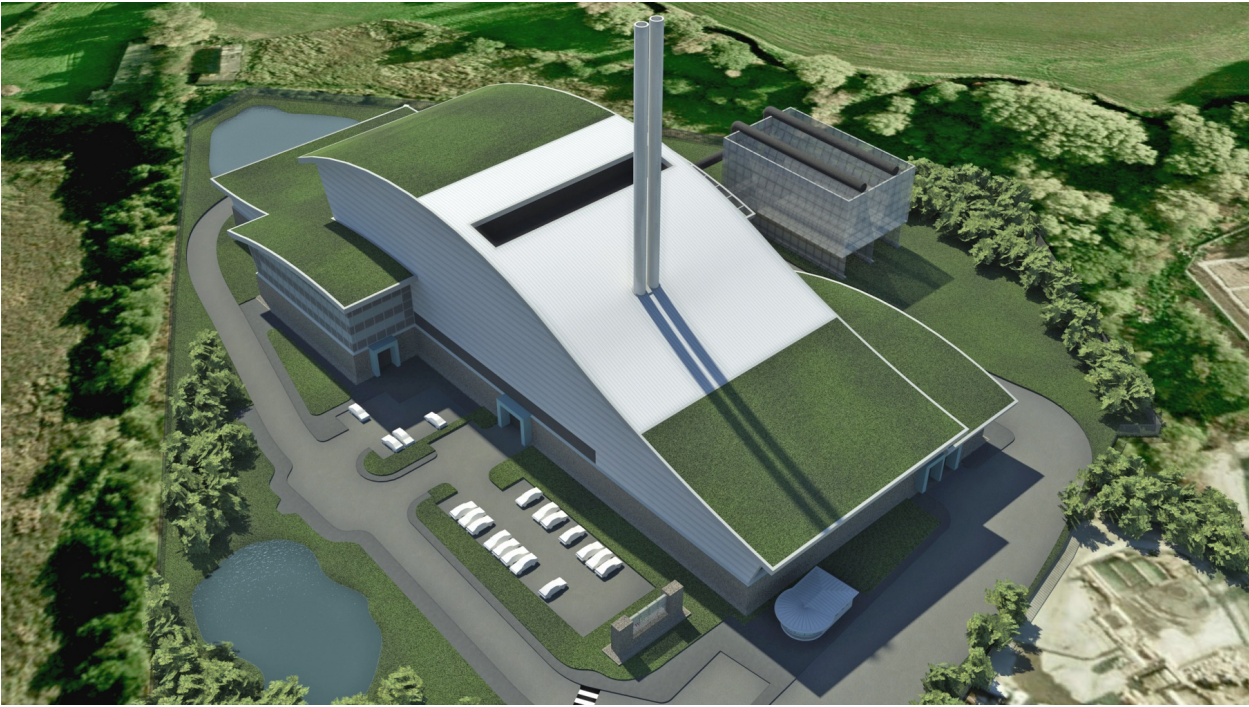
Waste Transfer

New Transfer Station to serve Tamworth and Lichfield at Lower House Farm, Warwickshire

6. A project timeline is set out below:

Event	Date	Comment
Provisional Preferred Tenderer announced as Veolia	June 2010	No challenges to the procurement process
Veolia appointed	June 2010	
Contract and Financial Close	29 July 2010	
Veolia submits new planning application	August 2010	
Planning Permission determination.	3 February 2011	Unanimously passed
Planning Notice	18 February 2011	
Judicial Review Challenge Period	18 Feb – 18 May 2011	No Challenges received
Preliminary site preparation works	February 2011	Completed
SCC completed works on A5 junction	9 May 2011	
Start of works on site	14 June 2011	
Environmental Permit application made	June 2011	
Commissioning	Summer/Autumn 2013	Completed
Plant Operational	October 2014	
Full Services Commencement	March 2014	
Official Opening	14 th may 2014	
Initial Contract Expiry Date	31 March 2039	
Extension Expiry Date	4 years from the Initial Expiry Date	

Below are some photos of the plant construction:







7. Employment

During construction of the plant over 300 people were employed at the site at any one time. Many local subcontractors were used to supply a range of products from local canteen services to electrical control systems and building materials. Although many of the main subcontractors were based overseas, during construction over 90% of the workforce lived or lodged locally.

The plant now employs 36 full time staff.

8. Health and Safety

During construction over 1.4M man-hours were expended on the site with only 3 reportable accidents, only 2 of which resulted in an actual injury.

9. Current Operations

The plant has been in full operation since mid- March 2014; some basic statistics from April to July this year are:

Plant Availability – 96.75%

Plant availability for contract waste (SCC/SMBC/WCC/WMBC) – 99.97%

Contract tonnage delivered – 92,867

Delivered tonnage – 117,981

Processed tonnage – 110,688
Export MWh – 72,954 (approx. 24MW/h)
Efficiency kWh/t of waste – 659

Since April the plant has saved the County over £1m in landfill costs.

Recycling

All the Bottom Ash (IBA) from the plant – 23% by weight and 10% by volume - is now recycled into aggregates at Veolia's facility in Castle Bromwich.
Waste from the flue gas cleaning system (approx. 2%) is sent to underground landfill in Salt Mines in Cheshire.
Overall therefore, only 2% of the waste treated at the facility is not either converted to energy or recycled.

Overall recycling rates for Staffordshire authorities continue to increase to just over 54% (target 55% + by 2020) with some councils exceeding 60%. The opening of the W2R plant has had no negative effect on recycling rates in the county.

10. Environmental Impact

The key factors which affect the environmental impact of the plant are:

Impact and volume of road and traffic.
Noise, dust, odours and litter.
Emissions to air.

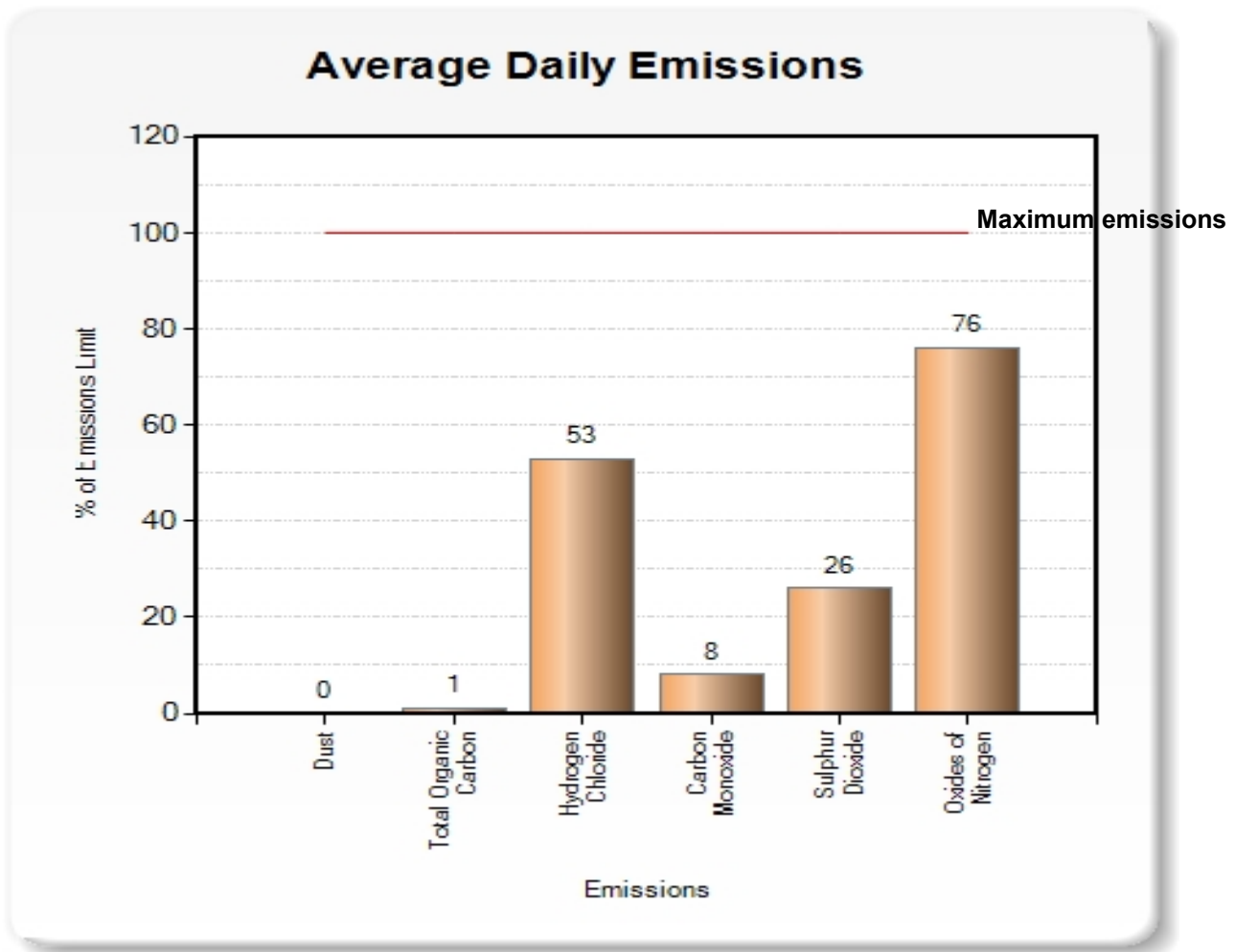
To date the plant has operated well within its maximum permitted limits for vehicle movements being on average 150 movements per day compared to the 200 limit. No vehicles have been reported traveling outside the permitted routes.
No complaints about, dust, flies, noise or smells have been received. Some issues with litter on the approach road have been experienced and litter clearing and a sweeping has been enhanced as a result.

The graph below shows how the plant is performing well within its permitted limits for air emissions.

Members of the public can access average emission performance each month via the web:

<http://www.veoliaenvironmentalservices.co.uk/Staffordshire/Our-Facility/Emissions-to-air-data>

Emissions to air data



11. Future Plans

From 2016 Veolia will be taking up to 30,000 tonnes of residual waste from Telford and Wrekin DC to the plant under a long term contract.

We are still working closely with both the Ministry of Justice (Featherstone Prison) and private developers at the Bericote Industrial estate to see if a Combined Heat and Power (CHP) network can be established to utilise waste heat from the plant. A grant of £100,000 has been awarded from DECC to undertake detailed business cases and technical studies. The plant has exceeded its original tender specification and is capable of creating power from up to 330,000 tonnes of waste per year. As a result Veolia intend to apply for an Environmental Permit variation and Planning Permission to increase the capacity of the plant. Any increased waste inputs will remain within the original parameters for vehicle movements, air emissions and other environmental impacts.

12. Link to Strategic Plan

This project was initiated several years before the current strategic plan. However the plant is a key factor in the waste management strategy which through our activities such as waste to energy, recycling and provision of household waste recycling facilities (HWRCs) supports the Great Place to Live, Right for Business and Enjoying Life priorities.

13. Link to Other Overview and Scrutiny Activity

The W2R project has been presented to scrutiny select committee or its predecessors on a number of occasions since 2008.

14. Community Impact

A Community Liaison Group has been established and has met at regular intervals since the start of construction. No significant issues have arisen through the group. Impact of the plant on the local community is so far less than expected.

15. Contact Officer

Ian Benson - Commissioner for the Sustainable County:
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E-mail: ian.benson@staffordshire.gov.uk

16. Appendices/Background papers

N/A – We may have a time lapse video to show of the plant construction.