

Outstanding questions not addressed by Hertfordshire County Council

This summaries key concerns which we raised at the OSC's meeting in May 2012 and on which, in March 2011, we submitted a set of questions to HCC, which they have failed to answer. We can happily provide you with these notes if you wish.

- **What are the full costs of the proposed incinerator at New Barnfield** in terms of:
 - The financial capital and operating costs of waste disposal – including the financing costs under PFI (see 2 below)
 - Financial costs of transporting the waste, which largely fall on the district councils. The proposed big incinerator at New Barnfield could involve significant transporting of wastes to it, for which costs have not been openly estimated and shown.
 - Economic costs of all assets used. In particular, this includes:
 - The value of the land at New Barnfield which, in line with the Treasury's guidance, should be valued at its best alternative use – **not** zero as appears to be the case by HCC. HCC seem to be driven in a blinkered way by focusing on their owning the site. But, in line with the Treasury's guidance, this is irrelevant to a proper economic appraisal to determine the best option.
 - The relocation of the Special Needs school. Why should Herts. CC pay for schools being moved, rather than Veolia ES?
 - Any Section 106 Agreement for additional transport expenditures should include not only improvements to the road network but costs of transport measures needed to prevent deterioration in traffic conditions (and environmental impacts) with increased traffic to and from the incinerator.
 - The full environmental costs of the options have not been quantified and included in the economic appraisal. This is especially significant for the increased environmental costs of transport (see 4 below) in terms of traffic congestion, noise and local air pollution and emissions of greenhouse gases causing climate change.
- **What are the extra costs of PFI vs normal public sector funding?** The House of Commons Treasury Select Committee has estimated that costs of finance through the PFI is about 8%, which is much greater (by at least double) than the Public Works Loan Board's (PWLB) rate for public finance for Councils. This Select Committee severely criticised PFI schemes which they considered to be very costly and poor value for money. They recommended that the Value for Money assessment process should be subjected to scrutiny by the National Audit Office (NAO). Consequently HCC need to be able to show clearly and transparently the costs of their waste management options under PWLB vs PFI to be able to answer adequately the Committee's questions and likely forthcoming scrutiny.
- **What are the risks and liabilities that HCC are incurring and imposing in a hidden way on Hertfordshire council tax payers.** This concerns:
 - The capacity of the proposed incinerator at New Barnfield (380kt pa) is much too big. It exceeds even that which HCC initially recommended in their pre-submission waste core strategy. Recent data and trends in waste generation belie HCC's statement that total waste levels (nationally) are growing and that HCC's waste volumes are still projected to grow.
 - What are the financial liabilities to HCC if HCC does not deliver sufficient incinerator feedstock and if higher than anticipated recycling rates are achieved? HCC say that they are only committed to deliver 180kt pa and that Veolia ES will be expected to secure the additional waste throughput.
 - Current and planned increases in incineration capacity in the South East raises serious doubts about whether Veolia ES can secure this additional waste throughput. This has significant implications for gate fees for handling imported waste at the incinerator at New Barnfield and the resulting high net costs per tonne of managing Hertfordshire's wastes via an incinerator compared with the alternatives.
 - What are the financial implications for the Districts/Boroughs regarding the level of their recycling credits that HCC pay them for their recycled wastes?
- **What is the maximum increase in traffic levels that could be handled (with maximum possible transport measures paid fully by Veolia ES through a S.106 agreement) without causing a deterioration in traffic congestion and environmental impacts?** This should be a key matter that the planning decision should specify.
- **What are the full costs per tonne of treating Hertfordshire's waste materials via the incinerator at New Barnfield compared with alternatives?** HCC have only considered large scale plants. They ruled out at an early stage alternative technologies and smaller scale plants closer to the sources of waste arisings and higher up the waste hierarchy. This contradicts Defra's waste hierarchy and also HCC's agreed principles in their waste management strategy.

This is particularly significant in view of major developments and changes since the decision in 2008 to go for an incinerator. These include recent experience of incinerators in practice not working well (e.g. at Sheffield) and turning out to be bad investments and major liabilities for the local community (e.g. at Stoke). In contrast, there have been recent positive developments in the effectiveness and efficiency of the alternative technologies (eg MBT) such as Birmingham City Council's current actively proposing a series of small plants as opposed to one big incinerator. Moreover there has been the success of the recent development of recycling schemes by the Districts/Boroughs in Hertfordshire.