Agenda Item 6

APPENDIX

Leicestershire County Council

SUMMARY OF OPTIONS APPRAISAL ASSESSMENT

Option	Advantages	Disadvantages
1. EfW on Council owned site	• Proven technology. • Bespoke facility with price certainty over long term. • Potential for asset to revert to council ownership after contract end. • Potential for combined heat and power (CHP) income benefits. • Creates local employment.	• Market testing suggests site with planning permission is more attractive to the market. • Requires planning permission • Gate fees dependent upon investment required. • Little scope for technical refresh. • Not deliverable by 2020. • Lack of flexibility to react to future legislative change.
2. EfW at 3rd party site in the County	• Planning permission achieved. • Proven technology. • No capital investment required. • Potential for CHP income. • Creates local employment. • Councils could provide ‘anchor contract’ for EfW plant.	• Lack of competition could potentially result in less attractive gate fees. • Lack of clarity regarding build date and available capacity to either council. • Not clear if deliverable by 2020 (although could be delivered more quickly than option 1). • Proposed one line facility introduces business continuity risk during maintenance and unplanned stoppage periods. • Provider does not currently have experience of operating EfW technology. • Little scope for technical refresh.

APPENDIX

3. Medium term merchanting (up to 2029-31)	• Deliverable by 2020. • No capital investment required. • Flexibility to react to legislative change. • Permits benchmarking of alternative technologies. • Potential opportunity to for collaborative commissioning approach with Leicester City Council in future. • Market suggests that collaborative procurement in 2028 would be an attractive proposition • Market engagement suggests sufficient capacity available which should result in competitive gate fees. • Potential for cost savings for County Council.	• Little potential for CHP income benefits • Local capacity may be utilised by others. • Does not offer long term price certainty. • May require review of logistics, haulage and waste transfer arrangements.
4. Alternative treatment facility on Council owned site	• Requires lower level of investment. • Could undertake modular build to facilitate future capacity for City Council tonnage. • Modular facility offers flexibility. • Could mobilise by 2020. • Fixed pricing up to 10 years.	• Unproven technology in UK. • Subject to EU currency fluctuation • Requires planning permission. • Market uncertainty following UK decision to leave the EU.

	• Export of Refuse Derived Fuel has successful track record. • Business continuity offered.	
5. Long term merchanting (to 2035+)	• No investment required. • Low gate fees / price certainty - potential for significant savings to be achieved • Established providers • Deliverable by 2020.	• Requires review of logistics, haulage and waste transfer arrangements. • Little potential for CHP income benefits • Some uncertainty regarding availability of capacity in long term.
6. Boutique facility	• Solution will offer long term stability. • CHP income benefits could offset higher gate fee (and potential haulage costs). • Creates local employment.	• Risk of not meeting economies of scale. • Lower tonnage input indicates higher gate fees. • Reduced flexibility due to lower capacity • Planning permission required. • Unlikely to be deliverable by 2020.

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