

**Greater Manchester Waste Disposal Authority**

**Greater Manchester's £640m Revolutionary Recycling Deal Signed**

Greater Manchester Waste Disposal Authority (GMWDA) today announced that it has signed a 25 year Private Finance Initiative waste and recycling contract with Viridor Laing (Greater Manchester) Limited. Today's deal will trigger a £640 million construction programme, creating a network of state-of-the-art recycling facilities over the next 5 years. During this period, it is estimated that at least 5000 much-needed jobs in the building trade and the wider economy will be added to the 620 jobs at Greater Manchester Waste based in Bolton, which are secured and upskilled to "green collar" jobs by this contract. Viridor Laing are planning to increase the permanent workforce by another 116 staff once the facilities are up and running. This contract is worth £3.8 billion to Viridor Laing and will increase costs (at today's prices) to Greater Manchester householders by £1 per week. However, this compares favourably with the cost of a "do nothing, build nothing" option which would cost an extra £2 a week mostly in Landfill Tax and penalties.

The waste management project will provide a revolutionary integrated solution for the 1.3 million tonnes of municipal waste which the Authority handles each year, and is the first of its kind in the UK on this scale.

GMWDA and the 9 District Councils are aiming to build on their recycling success, from 7% of Greater Manchester's municipal waste in 2002/03 to over 30% today. Within the new contract Greater Manchester will be able to recycle and compost an impressive amount of at least 50% of all waste by 2015 - reflecting residents' desires to recycle more.

GMWDA, through this contract will divert more than 75% of Greater Manchester's waste away from landfill which will be the greatest amount of diversion of all local authorities across the UK. GMWDA is responsible for 5% of the UK's municipal waste and will be making a powerful contribution to ensuring that the UK complies with its requirements under the European Union Landfill Directive. Secretary of State for the Environment Hilary Benn said: "Diverting one million tonnes of waste through these world class waste facilities will be a major step in reaching our 2013 and 2020 landfill targets and play an important role in battling climate change by reducing greenhouse gas emissions created by landfill.

"But it's not only the environmental benefits we should be celebrating. The creation of 5,000 new jobs in the North West is a boost for the regional economy at a welcome time and I am pleased that Defra could support the delivery of this project by providing approximately £125 million in funding and advice."

## NEWS RELEASE



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The project has been secured during a period of unprecedented financial turbulence. There has been more than two years of intensive working between the Authority, Viridor Laing and the funders to achieve such a success. It has been to the credit of all the partners involved, not least through the strong support of Government officials and Ministers that implementation of this contract, recognised to be the largest municipal waste contract in Western Europe, can now commence. This project has closed with support from the Treasury's infrastructure fund.

Councillor Neil Swannick, Chair of the GMWDA and lead Labour member, said: "I am delighted that we have at last signed the contract with Viridor Laing. Greater Manchester's waste management solution is, I believe, the best for the environment and the local economy: saving natural resources, generating green electricity and creating jobs - a 'Green New Deal for Greater Manchester!'"

Councillor Michael Young, Vice Chair of the GMWDA and lead Conservative member commented: "We are extremely pleased to have progressed through this Private Finance Initiative during the difficult final stages and we can now work towards putting our plans in place and concentrate on making recycling easier for Greater Manchester residents."

Councillor Chris Gordon lead Liberal Democrat member on the Waste Disposal Authority commented: "It is an outstanding achievement to secure the waste management contract for Greater Manchester, and have all three parties working on this project in agreement. We are now looking forward to implementing a world class waste management solution, using the latest waste technologies."

The project has the support of all 9 district councils and all three political parties.

The contract will utilise a range of new technologies, including Mechanical Biological Treatment with Anaerobic Digestion, a Materials Recovery Facility and Combined Heat and Power; and Greater Manchester's network of 25 Household Waste Recycling Centres will be increased and upgraded. The state-of-the-art facilities will be easier for residents to use, provide better working conditions for waste operatives and will use modern methods to eliminate noise and odours. GMWDA's 21<sup>st</sup> century recycling and waste management service is designed to fit with the current and future collection of waste and recycled materials provided by the 9 Greater Manchester district councils, and the flexibility offered by the new facilities will provide certainty for Greater Manchester's waste disposal for the next 25 years.

## NEWS RELEASE



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Residual waste that cannot be recycled, instead of being sent to landfill, will be processed into a fuel for use by a North West major chemicals producer Ineos Chlor to provide energy for its plant at Runcorn, Cheshire. The fuel will feed a new Combined Heat and Power plant which will produce electricity and steam to replace energy currently generated from non-renewable sources. 20 out of the 23 facilities have already received planning consent, including the Runcorn plant.

Viridor Managing Director Mike Hellings said: "The start of the contract marks the beginning of an important chapter in the way Greater Manchester deals with its resources and wastes. Throughout history Greater Manchester has been at the forefront of new technologies and this tradition now continues with a sustainable waste management solution worthy of its engineering heritage.

The Viridor Laing consortium will work hard to deliver the new and upgraded treatment facilities creating world class infrastructure, and lasting change and benefits in the years to come. At Viridor we look forward to working with our new colleagues and to delivering high levels of recycling, recovery and best value waste services to the Greater Manchester residents."

David Hardy, Director of John Laing PLC said: "This will be a major step forward for Greater Manchester and all its communities, creating an innovative and sustainable long-term waste management solution. This is fantastic example of how the public and private sectors can work together, particularly in the current tough financial and economic environment, to create forward-thinking solutions that will benefit communities across the region."

#### NOTES FOR EDITORS

The Greater Manchester Waste Disposal Authority (GMWDA) is the largest of six English waste disposal authorities that were created under the Local Government Act 1985 to carry out the waste management functions and duties of the Metropolitan County Councils after their abolition in 1986.

GMWDA provides waste disposal services for over 973,000 households (AGMA, 2009) in the 9 districts of Bolton, Bury, Manchester City, Oldham, Rochdale, Salford, Stockport, Tameside and Trafford.

Greater Manchester already recycles more than 250,000 tonnes of material through kerbside recycling collections and 90,000 tonnes from Household Waste Recycling Centres.

## **NEWS RELEASE**



### **Greater Manchester Waste Disposal Authority**

Viridor Laing (Greater Manchester) Limited is a consortium of Viridor Waste Management Limited a subsidiary of Pennon Group PLC and John Laing PLC.

H M Treasury's Infrastructure Finance Unit has joined a syndicate of commercial banks and EIB to enable the Greater Manchester Waste Disposal Authority's PFI scheme to achieve Financial Close. This is the first transaction completed by the Unit which was established recently to enable PFI projects which will create jobs and deliver vital infrastructure to proceed.

Viridor Laing, as sponsors, are enabling funding through a number of major financial institutions: the European Investment Bank; Bank of Ireland; SMBC; BBVA and the Lloyds Banking Group.

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