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House of Commons  
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From Lord Henley  
Parliamentary Under Secretary

Thank you for your letter of 1 March to George Osbourne on behalf of your constituents about the proposed incineration plant in King's Lynn. I am replying as the Minister responsible for this policy area.

You will recall that I wrote to you on 27 January to explain that we have reviewed the PFI credit programme as part of last autumn's spending review, and Norfolk County Council (NCC) retained its provisional allocation. Although the Waste Review, due to be published in May, could necessitate a further consideration, we have no plans to do so presently. Therefore Norfolk retains its provisional allocation of £91m PFI credits.

I note your comment that 93% of local residents voted against the proposal. In 2008, NCC held a "Future of Norfolk" public consultation with every household in the county to engage with people and seek their views on the future options on treating waste. This was an integral and influential part of the consultation process as Council members used this information when approving the bid evaluation criteria. For instance, it led to the inclusion of CO<sub>2</sub> footprint as a criterion, and environmental weightings were also increased. The Future of Norfolk consultation is still used and referred to in reports. The study of the results is available on the NCC website at:

[http://www.norfolk.gov.uk/Environment/Waste and recycling/Waste disposal/Future of household waste in Norfolk/Background information on waste proposal/index.htm](http://www.norfolk.gov.uk/Environment/Waste_and_recycling/Waste_disposal/Future_of_household_waste_in_Norfolk/Background_information_on_waste_proposal/index.htm).

With regards to the referendum held over last month, neither NCC nor the preferred bidder took part in the referendum process. NCC, as the strategic authority for the whole of Norfolk, will encourage all residents to engage in the planning process through the consultation. I hope this reassures you that our approach towards the NCC does not go "against the principle of localism". As my government colleagues have said on numerous occasions, including to [REDACTED], we believe local authorities are better placed to make decisions on the waste management strategy for their area. Defra, therefore, does not interfere in the decisions they make. Furthermore, the Localism Bill will give communities an even greater say in developments within their area which will be a major factor in the Big Society.

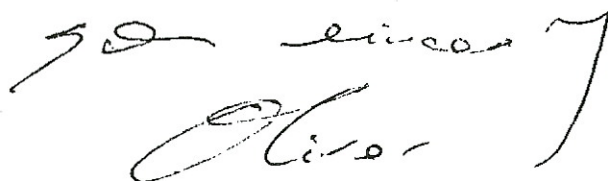
PFI credits are technology neutral and it is the responsibility of local authorities to identify the correct solution for their area. I would also like to explain that PFI credits are only awarded to projects adhering to the underlying PFI principles that there is appropriate transfer of risk from the public to the private sector (i.e. risk is managed by the party best able to manage it) and operate on a "no service no pay" format (i.e. payment is linked to availability and quality of the service provided). In addition, before commencing the procurement, in its Outline Business case, NCC was required to demonstrate that the project represented value for money (VfM) as assessed using the HM Treasury methodology. Defra, through the Waste Infrastructure Delivery Programme, assist NCC to complete its procurement so as to maintain the VfM demonstrated at the outset.

I would like to take this opportunity to explain the environmental benefits of waste plants which combust residual waste. These plants produce energy which replaces that generated by other fuels such as coal, oil and natural gas. These fuels would otherwise be burnt at power stations to generate electricity and also emit carbon dioxide. The alternative to this would be to landfill this residual waste which would generate methane. Methane has a global warming potential of more than twenty times that of carbon dioxide. This and other aspects of energy from waste are explained in the Environment Agency's (EA) information pack:

[http://www.environment-agency.gov.uk/static/documents/Business/Information\\_Pack - QA \(2\).pdf](http://www.environment-agency.gov.uk/static/documents/Business/Information_Pack_-_QA_(2).pdf)

It is also crucial that waste plants are managed so as to protect human health as well as the environment. The release of potentially harmful substances to air, water and land from waste management facilities is tightly controlled under UK and European law and such operations are regulated by the EA (in England and Wales) and/or local authorities, via permits. Emissions from well run and regulated incinerators have fallen very considerably in recent years, as a result of stringent standards applied through the Waste Incineration Directive. As a result emissions from incinerators are more strictly regulated than coal power stations, or any other form of energy from combustion. The report can be found here:

[www.hpa.org.uk/web/HPAweb&HPAwebStandard/HPAweb\\_C/1195733829068](http://www.hpa.org.uk/web/HPAweb&HPAwebStandard/HPAweb_C/1195733829068).

A handwritten signature in black ink, appearing to read 'Lord Henley', with a large, sweeping flourish extending from the end of the signature.

LORD HENLEY