

Waste Infrastructure Delivery Programme
6C, Ergon House
Horseferry Road
London SW1P 2AL
Telephone: 0845 77 77 88
Web: www.defra.gov.uk



Ian Boast
Head of Waste Management and Minimisation
Surrey County Council
County Hall
Penrhyn Road
Kingston Upon
Thames
Surrey KT1 2DN

14th May 2010

Dear Ian,

Waste PFI Project

Thank you to you and your team for attending the meeting on the 30th April 2010 to discuss the current status of the Surrey PFI project. My colleagues have provided me with a briefing on the issues discussed at that meeting.

PFI Credits

As stated at the meeting we are keen to work with Surrey County Council ("the Authority") to deliver the residual waste treatment facility that has always been the key asset to be provided under the PFI contract. However given the time that has elapsed since the contract was signed I also want to be clear that the current delivery plan may be the last opportunity for the Authority to deliver the facility and retain the benefit of the Revenue Support Grant (RSG) associated with the original PFI Credit award. Any action to review the original PFI credit award would have to be agreed between Defra as the sponsoring department and CLG who administer PFI payments and would take into consideration the CLG guidance for 2009/10

(<http://www.communities.gov.uk/documents/localgovernment/pdf/1350075.pdf>).

Defra is keen to see tangible progress in this project through the delivery of key milestones. The next significant milestone would be the determination of the planning application (irrespective of subsequent judicial review or planning enquiry). This would be an indicator of positive Authority-wide engagement and progress. If the planning application has not been determined by the Authority's

Planning Committee by the end of April 2011, Defra will advise DCLG that the contract has failed to provide a residual waste treatment facility set out in the Final Business Case and request that PFI grant be reviewed to reflect the diminished scope of the project. This action will be taken regardless of whether the Authority decides to terminate the contract or not.

Furthermore we reserve the right to take this action before April 2011 if at any time we lose confidence in the Authority being able to secure planning determination before this date. As discussed at the meeting there are some steps we would like the Authority to take as a matter of urgency to provide the assurance that the facility will be delivered.