

Update on Projects led by Cheshire West & Chester Council

Appendix

JOINT WASTE TREATMENT PFI CONTRACT - PROJECT ADMINISTRATION COSTS

- 1 The Joint Waste Board, comprising representatives of Cheshire East and Cheshire West & Chester Councils, is overseeing the development of a Waste Treatment PFI Contract, which is at an advanced stage of procurement under the EU Competitive Dialogue Procedure. Cheshire West and Chester Council is currently the lead authority, administering the £4m capital budget transferred from Cheshire County Council, but under the terms of the Waste Inter Authority Agreement any further costs of administering shared contracts will be split between the authorities on a 50:50 basis.
- 2 The table below summarises project expenditure incurred up to 13th July 2009:

	Funding Approval (£)	Costs to 13.07.09 (£)	Forecast Total for Project (£)
In-House Staff	-	422,206	600,000
External Advisors	-	2,339,974	3,150,000
Other Costs *	-	71,426	250,000
Total	4,000,000	2,833,606	4,000,000

* Includes costs associated with meetings, site visits and investigations, document management system, etc.

- 3 The latest expenditure projection (based on Financial Close in April 2010) is shown in the table below:

Year	Latest Profile of Expenditure (£)	Cumulative Expenditure (£)
2005/06 (actual)	246,000	246,000
2006/07 (actual)	745,000	991,000
2007/08 (actual)	754,000	1,745,000
2008/09 (actual)	907,000	2,652,000
2009/10 (estimated)	1,248,000	3,900,000
2010/11 (estimated)	100,000	4,000,000
Total	4,000,000	-

- 4 There is remaining budgetary provision of £1,166,394 which is likely to be adequate to meet project costs up to Financial Close currently scheduled for April 2010. However if Call for Final Tenders were to be delayed and/or Financial Close were to extend beyond that date it is very likely that additional resources will be needed to complete the project. Budget forecasts will be reviewed in light of any update to the project timetable and reported, together with an estimate of any additional funding needed.

