



Accepting Recycling Risk

Why is the Public Sector building
their own MRF?

A brief agenda

- What are we doing?
- Why are we doing it?
- How have we achieved success, so far?
- How will we deliver success going forward?
- Questions



Who am I?

- Grant McKelvie
 - Commercial Business Director for Coventry City Council
 - Role to deliver sustainable revenue from Council assets
 - Access to potential land and capital – two of those assets
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- So also, Project Director for **Sherbourne Resource Park**
 - Connects my commercial delivery experience with my waste management background
 - Supported by Senior Directors and politicians in each of the Partner Councils



What are we doing?

- Establishing Arms Length company owned by Public Sector (AssetCo) in Partnership



- Building a state of the art c. 150ktpa Materials Recycling Facility
- Facility to be built in Coventry, c.£30M build & equipment costs
- Advanced, flexible, with high quality output expectations
- Operated by AssetCo or short/medium term operating contract
- Rethinking how private sector expertise is harnessed
- Retaining risks which public sector are best to manage
- De-risking the project for the private sector



Why are we doing it? – internal influences

- Public sector will always hold recycle market risk – we are obligated to collect it
- Increasing treatment costs in the region – material savings
- Opportunity to work regionally to deliver scale and value
- Private sector only offering short term contracts, little longer term certainty
- Opportunity for greater flexibility & control – future proof



Why are we doing it? – external influences

- Environmental improvement
- Regional self sufficiency
- Recyclate commodity price risk is global – not project / facility
- Limited MRF capacity in the region
- Aligning with UK Strategy / Circular Economy opportunity
- Opportunity for new technology
- Value driven engagement with the private sector



How have we achieved success so far?

- A clear vision and rationale for the project
- Brave enough to kick it all off – establishing a real project
- Engaging in a collaborative partnership – de-risk demand
- Detailed business case demonstrating viability
- Full equitability with the Project Partners
- Clear and accountable governance and communication
- Early private sector engagement to understand project appetite
- Appointment of a specialist professional team
- A strong, all stakeholder commitment for the project to succeed

How will we continue to deliver success?

- Commitment to fund the project and build the facility
- A well considered procurement strategy that tests value for money of Design & Build vs Design, Build & (short term) Operate – Final Tenders by end 2020
- Separating Civils / Building from Process procurement to maximise D&B interest
- Planning submitted, and to be concluded before financial close
- AssetCo set up early
- Well resourced project, with dedicated Council team
- Highly qualified professional team to support procurement
- Continued review of the project business case



Any questions?

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