

GMWDA confirms progress on record PFI waste services project (01/12/2008)



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Councillor Swannick, Chair of the Greater Manchester Waste Disposal Authority

Manchester: **Greater Manchester Waste Disposal Authority and Viridor Laing are committed to achieving financial close, announced the GMWDA today (Monday). The main commercial aspects of the contract have been agreed and the Funders are now in their credit approvals processes, which are scheduled to take approximately 3 to 4 weeks.**

The announcement follows considerable delay in completing the 25-year waste services contract using the Private Finance Initiative (PFI), which is said to be the largest in western Europe. GMWDA appointed the Viridor/Laing consortia as its Preferred Bidder in January 2007 and the Authority has subsequently provided details of the emerging technical solution and new infrastructure.

The WDA points out that the current upheavals in the national and international economic markets have impacted directly on the PFI project, though the majority of the funding for the Greater Manchester "world class waste solution" has already been secured through strong collaborative activity. A capital contribution of £70 million has been made by GMWDA relating to "additions that have been made to the works originally procured". The balance of funding for the PFI project is subject to credit committee approvals by the commercial banks.

GMWDA announced in April that it was on track to complete the PFI contract by 29 April 2008. Then in May the Authority announced that the expected financial closure date had been put back to 6 June 2008 to allow for the conclusion by Viridor Laing of its financial and contractual arrangements.

Councillor Swannick, Chair of the Greater Manchester Waste Disposal Authority said:

"We are ready to sign the contract as soon as the Banks have completed their processes of approval. We have a timeline from the Sponsors and Funders with milestones in place for close. Sponsors and Funders are working with the Authority to achieve close at the earliest opportunity".

He added, "This is the largest waste services contract to be let in Western Europe, the complexity of the project and sheer volume of the documentation, coupled with the unforeseen credit crisis, some delay is not unexpected. Indeed it is normal for many major contracts of this size and duration to experience some date changes. Our focus is ensuring that we reach the earliest possible close and that we then set out about the real task with Viridor Laing of implementing a world class waste management solution for the residents of Greater Manchester".

GMWDA is the largest of six English waste disposal authorities that were created under the Local Government Act 1985. GMWDA provides waste disposal services for over 958,000 households in Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside and Trafford. It handles around 5% of national municipal waste.