

JOINT WASTE DISPOSAL BOARD

NOTICE OF MEETING

WEDNESDAY 16 MARCH 2011

TO: ALL MEMBERS OF THE JOINT WASTE DISPOSAL BOARD

You are invited to attend a meeting of the Joint Waste Disposal Board on **Wednesday 16 March 2011 at 6.30 pm** in the Kennet Room, Civic Centre, Reading Borough Council. An agenda for the meeting is set out overleaf.

Mark Moon
Project Director

Members of the Joint Waste Disposal Board

Councillor Gary Cowan, Wokingham Borough Council
Councillor Rob Stanton, Wokingham Borough Council
Councillor Mrs Dorothy Hayes MBE, (Bracknell Forest Council) Chairman
Councillor Iain McCracken, (Bracknell Forest Council)
Councillor Ricky Duveen, Reading Borough Council
Councillor Tom Stanway, Reading Borough Council

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If you hear the alarm:

- 1 Leave the building immediately**
- 2 Follow the green signs**
- 3 Use the stairs not the lifts**
- 4 Do not re-enter the building until told to do so**



If you require further information, please contact: Jemma Durkan
Telephone 01344 352209
E-mail: jemma.durkan@bracknell-forest.gov.uk



JOINT WASTE DISPOSAL BOARD
Wednesday 16 March 2011 (6.30 pm)
Kennet Room, Civic Centre, Reading Borough Council.

AGENDA

Page No

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

Members are required to declare any personal or prejudicial interests and the nature of that interest, in respect of any matter to be considered at this meeting.

3. MINUTES OF THE MEETING OF THE JOINT WASTE DISPOSAL BOARD

1 - 4

To approve as a correct record the minutes of the Joint Waste Disposal Board held on 16 December 2010.

4. URGENT ITEMS OF BUSINESS

To notify the Board of any items authorised by the Chairman on the grounds of urgency.

5. APPOINTMENT OF VICE-CHAIRMAN

6. PROGRESS REPORT

5 - 14

To inform the Board of progress since the last meeting.

7. DATES OF FUTURE MEETINGS

The Board is invited to approve the dates and times of future meetings, with the following dates suggested:

Thursday 30 June 2011 - Wokingham Council Offices
Tuesday 20 September 2011 - Bracknell Council Offices
Thursday 15 December 2011 - Reading Council Offices
Thursday 22 March 2012- Wokingham Council Offices

8. WORKSHOP DATES

To agree a date for the next Member Workshop.

9. EXCLUSION OF PUBLIC AND PRESS

To consider the following motion:

That pursuant to Regulation 21 of the Local Authorities (Executive Arrangements) (Access to Information) Regulations 2000 and having regard to the public interest, members of the public and press be excluded from the meeting for the consideration of item 10 which involves the likely disclosure of exempt information under the following category of Schedule 12A of the Local Government Act 1972:

- (3) Information relating to the financial or business affairs of any particular person.

Report Containing Exempt Information

10. **RISK REGISTER**

15 - 18

To note the updated Risk Register.

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JOINT WASTE DISPOSAL BOARD
16 DECEMBER 2010
(6.30 - 8.30 pm)

Present: Bracknell Forest Borough Council
Councillor Mrs Dorothy Hayes MBE
Councillor Iain McCracken

Reading Borough Council
Councillor Warren Swaine
Councillor Tom Stanway

Wokingham District Council
Councillor Gary Cowan
Councillor Rob Stanton

Officers Pete Baveystock, Reading Borough Council
 Oliver Burt, Reading Borough Council
 Peter Butler, Reading Borough Council
 Janet Dowlman, Bracknell Forest Council
 Dave Fisher, Reading Borough Council
 Steve Loudoun, Bracknell Forest Council
 Mark Moon, Wokingham Borough Council

16. Appointment of Vice Chairman

RESOLVED that Councillor Swaine be elected Vice-Chairman of the Board for the next year.

17. Declarations of Interest

There were no declarations of interest.

18. Minutes - 21 September 2010

RESOLVED that the minutes of the meeting of the Joint Waste Disposal Board held on 21 September 2010, be approved as a correct record and signed by the Chairman.

Regarding matters arising from the minutes the following were discussed:

- It was noted that due to the importance of the Joint Waste Disposal Board meetings it was significant that members from all authorities attended the meetings. The Members agreed that the 6.30pm start was the preferred start time for future meetings.
- The Joint Waste Agreement would be reviewed and amended if necessary.
- Legal advice would be sort regarding signing off amendments to the Joint Working Agreement **(Action: Oliver Burt)**

19. Urgent Items of Business

There were no urgent items of business.

20. Progress Report

The Board considered a report informing of progress since the last meeting on 21 September 2010. The report covered:

- Retail Outlet Replacement – A provision in the PFI contract stated that there should be a retail outlet for the refurbishment of items. As neither Smallmead or Longshot Lane would be able to accommodate retail activity an off-site collaboration, on a wholesale basis, was investigated. Sue Ryder Care had been identified as an organisation who would be able to work with the Contractor and the PFI Project Team, in delivering the equivalent of the original envisaged retail function. Discussion would be taking place regarding the arrangement and this was expected to begin in January 2011.
- Height Barriers and Access Controls – There were proposed revisions to the access controls at the re3 HWRCs as there had been problems gauging the size of trailers. It was proposed that the length of trailer was not used to determine access but instead to allow single axle trailers to access the site and the double–axle trailers be denied access. It was noted that legal advice had been sought on the matter.
- Finance – The PFI Project Team had proposed to the contractor that £120,000 be refunded to the Councils at the end of the financial year. This would be put before the Contractor's Board for approval.

An update would be brought to the next meeting regarding outturn. **(Action: Oliver Burt)**

- Performance – It was noted that NI192 would cease to exist in 2011 however a similar method to consolidate data would still be used to monitor performance.

WRG had conducted a trial with a mini Material Recycling Facility (MRF) and a 'man and machine' concept at Longshot Lane. The results of the trial would be brought to a future meeting.

- Use of re3 Facilities by West Berkshire Residents – The Board discussed the issue and were informed that no agreement had yet been reached with West Berkshire in relation to the payment, and methodology for calculating future payments. Re3 Officers were of the opinion that the agreement had been reached but this had been disputed by West Berkshire. It was noted that back payments and future use payments were required urgently from West Berkshire to the re3 partners and that the issue had been going on for far too long. The Board felt strongly that this should be resolved immediately and recommendations were tabled at the meeting to enable re3 Officers to carry out actions to finalise the situation.
- DEFRA Waste Review and Consultation – A collective response on the review of the governments waste policy had been sent by the re3 partnership. The results of which would be released by the government during the Spring 2011.
- Lakeside Energy from Waste Facility – Changes in the contract had been completed and the re3 Councils involved were thanked for their participation.

RESOLVED that

- 1 The progress made since the last meeting on 21 September 2010 be noted.

- 2 The clarification of access arrangements at the Household Waste Recycling Centres, as detailed in the report, be noted.
- 3 Staff at both the Household Waste Recycling Centres be given recognition regarding the continued high levels of satisfaction expressed by site users.
- 4 The nonnegotiable terms are repeated as set out to West Berkshire for the use of Smallmead in the sum of £262,500 for 2008/9 financial year in the Project Director's letter of the 23 July 2010. The actual costs for 2009/10 be formally reiterated and those anticipated for 2010/11.
- 5 Invoices for the appropriate sums be issued to West Berkshire under the normal payment terms.
- 6 In the event that the invoices remain unpaid on the due date officers are authorised to pursue settlement under the debt recovery process and to implement options that will lead to the Re3 sites being used by residents of the partnership only.

21. **Joint Waste Disposal User Satisfaction Surveys**

The Board considered a report on the results of two user satisfaction surveys undertaken at the two Household Waste Recycling Centres (HWRC).

Both sites were rated highly in overall terms by users with 97% of users rating Smallmead as 'good' or 'very good' and 99% at Longshot as 'good' or 'very good'. Also staff at both sites were identified as being helpful by users. Overall the results of the survey support the view that both sites continue to be appreciated by users.

It was requested that the contribution of Wokingham Borough residents in the satisfaction survey be brought to the next meeting. **(Action: Oliver Burt)**

Due to the high levels of satisfaction expressed by the site users, the Board expressed their thanks and congratulated the staff at both HWRCs for their hard work.

22. **Joint Waste Disposal Work Programme**

The Board considered a report on the Work Programme for 2010/11. At the 2010 Annual General Meeting, Members agreed to delay the setting of the work programme to incorporate the findings of a Member workshop that took place on 13 October 2010. A list of priorities were identified and have been included with the Work Programme 2010/11.

The Board noted that the workshop had been successful and issues raised, such as glass recycling, were being investigated by re3 Officers

RESOLVED that

- 1 The Work Programme for 2010/11 be adopted.
- 2 The second Waste Workshop would take place on a future date agreed by the Board.

23. **Exclusion of Public and Press**

RESOLVED that pursuant to Regulation 21 of the Local Authorities (Executive Arrangements) (Access to Information) Regulations 2000 and having regard to the public interest, members of the public and press be excluded from the meeting for the consideration of item 9 which involves the likely disclosure of exempt information under the following category of Schedule 12A of the Local Government Act 1972:

- (3) Information relating to the financial or business affairs of any particular person.

24. **Risk Register**

The Board received and noted a report containing exempt information relating to its Risk Register.

The Board noted that after a review Officers had added risk 15a to the Risk Register. It was suggested that workshops could help to identify what actions could, with regards to this risk, be taken in the future.

CHAIRMAN

TO: JOINT WASTE DISPOSAL BOARD
16th March 2011

JOINT WASTE DISPOSAL BOARD - PROJECT UPDATE
(Report by the Project Director)

1. INTRODUCTION

- 1.1 The purpose of this report is to inform the Joint Waste Disposal Board (JWDB) of progress since its last meeting on 16th December 2010.

2. RECOMMENDATIONS

- 2.1 To note progress made since the last meeting on 16th December 2010.**

3. SUPPORTING INFORMATION

Operations and Facilities

- 3.1 Amendments to the fire protection system at Smallmead are now complete and operational.
- 3.2 Zurich Municipal have attended site to review the work and the Contractor is awaiting their written confirmation that it satisfies requirements of the insurance .
- 3.3 Attached to this report, at Appendix 3 is a revised memorandum from the members of the JWDB to staff, at both the Household Waste Recycling Centres (HWRC), in recognition of the continued high levels of satisfaction expressed by site users. This reflects the recent changes in Membership of the Joint Waste Disposal Board.

Longshot Lane Mini-MRF

- 3.4 The PFI contract makes provision for a Mini-MRF at Longshot Lane. The intention within the contract was for something quite different from the MRF (Material Reclamation Facility) at Smallmead, which sorts mixed recyclables collected from the kerb by the council waste collection services.
- 3.5 The Mini-MRF at Longshot Lane was intended to seek to divert waste away from landfill once it had been deposited 'over the wall', for disposal, by residents using the Household Waste Recycling Centre (HWRC) at the site.
- 3.6 The Mini-MRF was not part of the completed site, when it was opened in the Summer of 2009, but a smaller version has been trialled by the Contractor. Alongside this trial, the Contractor also trialled the use of a mechanical 'grab' for the same activity. The Contractor's conclusion is that this option (the mechanical 'grab') is actually more effective in the immediate term and more flexible for the future.
- 3.7 The result of the two trials has been part of several discussions between the Contractor and Officers and, in consideration of the findings and the potential for future benefits, it has been agreed that the 'grab' option should be adopted in replacement to the Mini-MRF.

Retail Outlet Replacement

- 3.8 A report to the last meeting of the JWDB detailed the plans to begin working with Sue Ryder Care at both of the partnership Household Waste Recycling Centre's (HWRC's).
- 3.9 Since that meeting, collections by Sue Ryder Care have begun with some success. The quality of material collected appears to exceed the expectations of both organisations.
- 3.10 Officers will brief Members as further details become known and report formally at a subsequent JWDB Meeting.

Haulage Contract Re-let

- 3.11 Members have approved (JWDB 21st September 2010) the early commencement of the Haulage Market Testing process contained within the PFI contract.
- 3.12 Since that decision the re3 Project Team have been working with the contractor in order to follow the processes described within the contract for the market testing of the haulage required and to seek to minimise any increase in costs.
- 3.13 The contractor has ascertained that there are five haulage providers who meet satisfy the criteria for tendering (one having dropped-out since the last update).
- 3.14 As a result, the contractor has now issued five formal Invitations to Tender (ITT).
- 3.15 The return date for the ITT's was 25th March 2011 and four bids were received. Following receipt of the tenders, WRG are assessing the proposals. Officers will relay the result as soon as it is known.
- 3.16 The re3 Project Team will liaise with both the contractor and the individual council accounts teams to ensure that the councils are able to begin budgeting for any increases in the rate of haulage.
- 3.17 The new haulage contract should begin in December 2011.

Savings Proposals

- 3.18 Council Officers have been engaged in discussions with colleagues from our PFI Contractor, Waste Recycling Group (WRG), in relation to savings and income generation.
- 3.19 A number of proposals relate to the current year. Through existing contractual mechanisms and close management, the re3 Project Team have secured c£600,000 for the partner councils in 2010/11, supplementing the overall PFI under spend.
- 3.20 Alongside this, Officers have been engaged in discussions about savings for subsequent years. This process began in July 2010 with a request to WRG to consider any and all areas of the contract in which they felt savings could be achieved (and then to work-up proposals).
- 3.21 Officers felt that it would be unacceptable for this element of public expenditure within the three councils to forgo the kind of challenge which has been happening in other service areas. Mindful of the continual increases in the cost of waste and the explicit partnership aspect of a PFI contract, Officers felt that it was appropriate to engage

with our private sector partner in discussions on making savings. WRG agreed to consider proposals.

- 3.22 It should be noted that waste is a significant cost to all local authorities and that the re3 PFI contract was designed to deliver a comparative saving on costs over its term. The ongoing discussions on savings are intended to build on the expected savings over the PFI contract term in the context of the time we're now in.
- 3.23 WRG are working on the detail of a range of proposals. Officers will continue to work with them in order that Members are able to consider them at the earliest opportunity. It should be noted that each proposal, once the full range are worked-up, that the Councils wish to progress will be subject to approval by both the WRG Board and their funders (banks).
- 3.24 The Contractor has been asked to assess the level of revenue received from the councils in relation to both the Mini-MRF and Retail Outlet elements of the Contract (referred to previously at 3.4 and 3.8 respectively) up to the point at which replacements for those undertakings were in place.

Finance

- 3.25 The year to date financial position is attached under Appendix 1.
- 3.26 It should be noted that this outturn is based on provisional figures for Quarter 3. The re3 Project Team identified a number of errors and clarifications in the Quarter 3 Reconciliation, which has been returned to the Contractor for correction.
- 3.27 Due to these errors, the revised Reconciliation was still outstanding at the deadline for this report.
- 3.28 The figures presented in Appendix 1 represent the assessment by the re3 Project team of what the Quarter 3 charges should be; therefore further changes may occur but should be minor.
- 3.29 The Accountants at each Authority will have been notified of the actual agreed figures by the time the JWDB takes place.
- 3.30 The project is now reporting a collective under spend of £1.2 million for 2010/11; this is significantly higher than the £400,000 under spend reported at the last meeting, and is due to a number of factors.
- 3.31 Aside from contract waste tonnage remaining persistently lower than forecast, the Project has also made several significant savings.
- 3.32 The Councils have saved £25,300 on the Lakeside EfW gate fee. This is because the plant is more efficient than anticipated, meaning that it produces less residue, resulting in a lower gate fee.
- 3.33 The cumulative £120,000 surplus from the Waste Minimisation Fund is being repaid to the Councils under the Quarter 3 Reconciliation following a request by the re3 Project Team. This has been provisionally allocated between the Councils as shown in Appendix 1, but an end of year reconciliation will be required when full year figures are available.
- 3.34 The Contractor made a saving in PFI insurance costs, and contractually the Councils are entitled to a share of this, which amounts to £68,500. This has been provisionally

allocated between the Councils, but will be finalised once the Reconciliation is agreed.

- 3.35 As a result of a piece of work undertaken by the re3 Project Team, the Contractor recently notified Officers that the income they receive from the sales of recyclate will significantly exceed that which is modelled in the contract. The Councils are contractually entitled to a share of this income. The Councils' share is currently estimated at £362,500 and has been provisionally allocated between each authority based on year to date contributions to contract waste. The actual payment and allocations will not be finalised until full year figures are available.

Performance

- 3.36 Due to the issues described above in 3.26 and 3.27, the performance figures detailed below are provisional.
- 3.37 Bracknell's provisional year to date NI 192 result is 40.3%. 79.4% of waste is being diverted from landfill.
- 3.38 Reading's provisional year to date NI 192 result is 34.5%. 71.4% of waste is being diverted from landfill.
- 3.39 Wokingham's provisional year to date NI 192 result is 40.9%. 79.6% of waste is being diverted from landfill.
- 3.40 Note that these figures may be negatively impacted once Quarter 4 data is available and incorporated, as Quarter 4 is generally characterised by a lower level of performance in comparison with the rest of the year.
- 3.41 The re3 Project Team has undertaken an exercise investigating how the Councils could seek to improve recycling performance through maximising the contribution of existing kerbside recycling collections.
- 3.42 The re3 Project Team will present a summary of the results at the meeting.

Joint Municipal Waste Management Strategy

- 3.43 Both the individual Council waste teams and the re3 Project Team have carried-on working towards the objectives contained in the Joint Municipal Waste Management Strategy (JMWMS).
- 3.44 A review is scheduled for 25th March 2011. Following that meeting, an update on progress will be circulated for information and comment.
- 3.45 Members may be aware that the requirement to maintain a JMWMS is currently being reviewed by Government.

Use of re3 Facilities by West Berkshire Residents

- 3.46 Following the last JWDB meeting, project officers sent a letter (dated 20th January 2011) to West Berkshire Council explaining the re3 position. Officers at Reading Borough Council (the Administering Authority for the PFI) also issued a second invoice for the outstanding amounts relating to 2009/10 (following one which had already been sent in relation to 2008/09).

- 3.47 The councils received of a response (dated 14th February) from the Corporate Director of Environment at West Berkshire Council which indicates acceptance of the terms agreed by the re3 councils.
- 3.48 The re3 Project Director has now written back, accepting the offer of payment from West Berkshire Council.

BACKGROUND PAPERS

Board Report 16th December 2010

CONTACTS FOR FURTHER INFORMATION

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Oliver Burt, Project Manager
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oliver.burt@reading.gov.uk

Appendix 1

re3 PFI Budget Monitoring

2010/11 Waste PFI Outturn

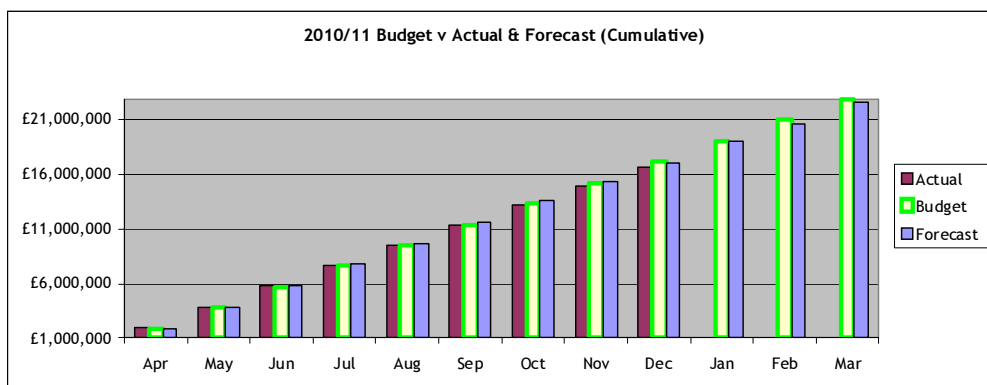
		BFBC £	RBC £	WBC £	TOTAL £
Apr-10	Actual	497,336	685,025	772,635	1,954,996
May-10	Actual	481,157	602,854	713,664	1,797,675
Jun-10	Actual	485,946	684,446	739,851	1,910,243
Jul-10	Actual	484,102	635,306	709,172	1,828,580
Aug-10	Actual	441,736	621,984	728,334	1,792,054
Sep-10	Actual	461,383	742,234	733,559	1,937,176
Oct-10	Provisional	452,156	601,809	681,821	1,735,786
Nov-10	Provisional	451,693	618,326	685,899	1,755,918
Dec-10	Provisional	406,282	593,570	639,718	1,639,570
Jan-11	Forecast	486,706	633,645	730,330	1,850,681
Feb-11	Forecast	424,686	586,309	629,562	1,640,557
Mar-11	Forecast	483,569	660,951	710,976	1,855,497
TOTAL		5,556,753	7,666,459	8,475,521	21,698,733
Business Rates		106,441	138,055	144,829	389,325
Additional EfW <small>(note 3)</small>		0	16,920	16,920	33,840
EfW Adjustment <small>(note 6)</small>		-6,929	-8,987	-9,428	-25,344
Waste Min Refund <small>(note 7)</small>		-32,172	-43,184	-44,644	-120,000
Insurance Saving <small>(note 8)</small>		-18,393	-23,971	-26,224	-68,588
Estimated Recyclate Income <small>(note 9)</small>		-97,875	-126,875	-137,750	-362,500
2010/11 Outturn		5,507,825	7,618,417	8,419,224	21,545,467
2010/11 Budget		6,011,277	7,874,406	8,949,805	22,835,488
Revised 2010/11 Budget		5,832,480	7,874,406	8,949,805	22,656,691
Variances Declared		94,000	0	0	94,000
Projected Underspend		-418,655	-255,989	-530,581	-1,205,224

-5.3%

Notes

- Based on actual invoices and forecasts
- Trade waste currently included in RBC costs & budget until account is set up
- Additional tonnes EfW split 50:50 between RBC & WBC. Assumed start Dec 10 (3300 tonnes).
- BFBC budget reduced to exclude non-contract waste (Housing no longer Council-run) and a proportion of the previously estimated business rates increase.
- The underspend takes account of the £94,000 variance that BFBC have reported.
- The EfW Adjustment is a refund due to lower than anticipated residue, resulting in slightly lower gate fee.
- Unused Waste Min funds from 2007-2011. Provisional allocation based on actual contributions to Waste Min Payment during this period. (Qtr3 currently provisional, & Qtr 4 2010/11 not yet available so will change slightly).
- Insurance saving due to lower than modelled premium. Provisional allocation to be finalised once Qtr3 agreed.
- Estimated annual Recyclate Income Payment from WRG due to higher than modelled income from sale of recyclate. Total payment and allocation between Councils to be finalised with year end tonnages/income.

re3 Management Budget/Costs not included



Appendix 2

JWDB - re3 Waste PFI Management Costs 2010/11						Period to 30 December 2010
Employees	Budget	YTD Cost	YTD Variance	Projected Annual Cost	Projected Annual Variance	Comments
Salaries, NI & Super	£166,800	£111,611	£-55,190	£150,000	£-16,800	
Training (£3,000)	3,000	475	-2,525	500	-2,500	
Employees sub total	169,800	112,086	-57,715	150,500	-19,300	
Other Costs	Budget	Cost	Variance	Projected Annual Cost	Projected Annual Variance	Comments
Transport						
Travel Expenses	1,000	236	-764	500	-500	
Supplies & Services						
Equipment	3,500	0	-3,500	0	-3,500	
Stationery	500	0	-500	100	-400	
Consultancy Fees	60,000	34,912	-25,088	35,000	-25,000	includes accrual of £75k from 2009/10.
Purchase of Computer Equipment	6,700	95	-6,605	500	-6,200	
Mobile Phones	400	28	-372	100	-300	
Support Services/Recharges	20,900	15,675	-5,225	20,900	0	
Other Costs sub total	£93,000	£50,946	£-42,054	£57,100	£-35,900	
2009/10 Total	£262,800	£163,032	£-99,768	£207,600	£-55,200	
Note: Eversheds invoices for legal advice regarding additional EfW are split equally between Reading & Wokingham.						
Council Recharge (to date)		£		Projected Annual Recharge		£
Reading		£66,340		Reading		£81,200
Bracknell		£30,352		Bracknell		£45,200
Wokingham		£66,340		Wokingham		£81,200
Total		£163,032		Total		£207,600

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MEMORANDUM

TO: All Staff at Smallmead and Longshot Lane HWRC's

FROM: re3 Joint Waste Disposal Board

SUBJECT: User Satisfaction Survey

DATE: 16 March 2011

This memorandum, from the re3 Joint Waste Disposal Board and on behalf of Bracknell Forest, Reading and Wokingham Borough Councils, is sent to all staff who contribute to the services operated at Smallmead and Longshot Lane Household Waste Recycling Centre's (HWRC's) in recognition of their continued, excellent level of service.

The User Satisfaction Survey results, received towards the end of last year, have once again shown how much residents appreciate the service you deliver on behalf of the three councils. We know that the jobs you do are often difficult but we are grateful for the care and consideration you put into them.

We hope we can all work towards further successes during 2011 and beyond.

Thanks and Kind Regards,

Cllr Dorothy Hayes MBE, (Chair of JWDB):

Cllr Rob Stanton:

Cllr Iain McCracken:

Cllr Gary Cowan:

Cllr Tom Stanway:

Cllr Ricky Duveen:

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