

JOINT WASTE DISPOSAL BOARD

NOTICE OF MEETING

THURSDAY 14 MARCH 2013

TO: ALL MEMBERS OF THE JOINT WASTE DISPOSAL BOARD

You are invited to attend a meeting of the Joint Waste Disposal Board on **Thursday 14 March 2013 at 10.00 am** in the Council Chamber, Fourth Floor, Easthampstead House, Bracknell. An agenda for the meeting is set out overleaf.

Mark Moon
Project Director

Members of the Joint Waste Disposal Board

Councillor Mrs Dorothy Hayes MBE, Executive Member for the Environment
Councillor Iain McCracken, Executive Member for Culture, Corporate Services and Public Protection
Councillor Jan Gavin, Reading Borough Council
Councillor Paul Gittings, Reading Borough Council
Councillor Angus Ross, Wokingham Borough Council
Councillor Rob Stanton, Wokingham Borough Council

EMERGENCY EVACUATION INSTRUCTIONS

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- 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: Katharine Simpson
Telephone 01344 352308
E-mail: katharine.simpson@bracknell-forest.gov.uk



seroing in on waste **re**member **re**duce **re**use **re**cycle **re**cover **re**peat

JOINT WASTE DISPOSAL BOARD
Thursday 14 March 2013 (10.00 am)
Council Chamber, Fourth Floor, Easthampstead House, Bracknell.

AGENDA

Page No

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

Members are asked to declare any personal or disclosable pecuniary interest in respect of any matter to be considered at this meeting.

Any Member with a Disclosable Pecuniary Interest in a matter should withdraw from the meeting when the matter is under consideration and should notify the Democratic Services Officer in attendance that they are withdrawing as they have such an interest. If the Disclosable Pecuniary Interest is not entered on the register of Members interests the Monitoring Officer must be notified of the interest within 28 days.

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 6 December 2012.

4. URGENT ITEMS OF BUSINESS

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

5. GREEN MACHINE ENTERPRISE CIC

To receive a presentation from the Green Machine Enterprise.

6. JOINT WASTE DISPOSAL BOARD PROGRESS REPORT

5 - 10

To receive a report providing an update on the progress made by the RE3 public finance initiative since the last meeting of the Joint waste Disposal Board on 13 December 2012.

7. 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 items 8 and 9 which involve 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.

Reports Containing Exempt Information

- | | | |
|----|---|---------|
| 8. | REVENUE SHARING FROM THE SALE OF RECYCLABLE MATERIALS | 11 - 22 |
| | To provide the Management Board with an update on the sharing of revenue from the sale of recyclable materials. | |
| 9. | JOINT WASTE DISPOSAL BOARD CONTRACT REVIEW | 23 - 28 |
| | To receive a report providing an update on elements of the re3 Waste Public Finance Initiative Contract. | |

Agenda Item 3

**JOINT WASTE DISPOSAL BOARD
13 DECEMBER 2012
(10.10 am - 12.25 pm)**

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

Reading Borough Council
Councillor Mrs Jan Gavin
Councillor Paul Gittings

Wokingham District Council
Councillor Angus Ross
Councillor Rob Stanton

Officers: Claire Ayling, Reading Borough Council
Pete Baveystock, Wokingham Borough Council
Oliver Burt, Reading Borough Council
Janet Dowlman, Bracknell Forest Council
Dave Fisher, Reading Borough Council
Sarah Innes, Reading Borough Council
Steve Loudoun, Bracknell Forest Council
Mark Moon, Wokingham Borough Council

In attendance: Dawn Cannon, The Green Machine

12. Declarations of Interest

There were no declarations of interest.

13. Minutes of the Meeting of the Joint Waste Disposal Board

RESOLVED that the minutes of the meeting of the Joint Waste Disposal Board held on 2 October 2012 be approved as a correct record and signed by the Chairman.

14. Urgent Items of Business

There were no urgent items of business.

15. Joint Waste Disposal Board Project Update

The Green Machine's Dawn Cannon, provided the Board with an update on the performance of Green Machine, the Community Repaint Scheme. It was noted that the Green Machine had only received notification of its underperformance in October 2012 and that since the notification had been received the number of collection visits made to the Household Waste Recycling Centres had been increased. As a result more paint was now being collected and staff were working to build up relationships with the site staff. Monthly performance figures were also being requested to ensure that performance was fully monitored and it was stressed that the Service had only been operational on a practical level for the past six months. The Board noted that there had been issues with rubbish being left in the paint collection bins and officers were instructed to look into the matter.

The Green Machine now had a good stock of paint and were working to market its availability to organisations and the general public. At the current time, the distribution outlet in Bracknell was the only distribution centre and Green Machine aspired to have outlets in both Reading and Wokingham.

The Board stressed that they were supportive of Green Machine's operation and were keen to see them contribute a saving to the Councils. It was agreed that officers would help Green Machine develop a pr and marketing plan and that the Green Machine would be asked to the Board's march meeting to discuss this in more detail.

The Board received a report providing an update on progress made since its last meeting on 2 October 2012. The report included an update on Environment Agency guidance on street sweepings and gully emptying, the results of the 2012 Transfer Station User Satisfaction Survey of Council Crews and the development of the re3 Waste Strategy.

It was reported that as part of the Environment Agency's Street Sweepings Trial, leaf litter samples would be collected from each local authority area and sent for analysis to ascertain the levels of contaminants in them and whether they were suitable for composting.

The Board expressed concern that the percentage of Council dustcart drivers who thought that the 20 minute turnaround policy was insufficient had risen to 14% in the User satisfaction Survey, compared to 3% in 2010, and that anecdotal evidence suggested that waits of 30 minutes or more were not uncommon. The Board acknowledged that officers were trying to resolve this issue but stressed that the core of the Council service provided the core part of the contract and that council dustcarts should be given priority. It was agreed that officers would draft a letter to FCC setting out the Board's concerns and FCC would be invited to the Board's March meeting to discuss the matter in more detail.

RESOLVED that:

- i. Green Machine be asked to the Board's March meeting to discuss the operation of the Community Repaint Scheme
- ii. Officers to investigate issues with non-paint rubbish mixed into paint recycling collection point
- iii. Officers be instructed to draft a letter from the Chairman to FCC setting out their concerns arising from the User Satisfaction Survey

16. Date of Next Meeting

It was agreed that the next two meetings of the Joint Waste Disposal Board would take place on the following dates:

Thursday 14 March 2013 at 10am at Longshot Lane HWRC Bracknell
Thursday 6 June 2013 at 10am at Smallmead in Reading.

17. Exclusion of Public and Press

RESOLVED that pursuant to Regulation 21 of the Local Authorities (Executive Arrangements)(Access to Information) Regulations 2000, members of the public and press be excluded from the meeting for the consideration of items 8 and 9 which involve 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 (including the authority)

18. Finance Update

The Board received a report providing an update of progress in terms of financial management since its last meeting on 2 October 2012.

The Board noted the projected out turn figures for the year to date and the projected under spend. It was noted that there had been a significant drop in the percentage of rubbish collected in the kerbside collections over the 4 years of the contract to date and it was stressed that it was important that officers capitalised on this drop and continued to encourage residents to keep waste to a minimum in future years.

The Board noted the update.

19. Mediation of Recyclate Income

The Board was provided with an update on the latest position with regard to the ongoing dispute between the re3 Councils and the PFI Contractor over the distribution of income from the sale of recyclable materials.

Since the Board's last meeting, officers had met with the PFI Contractors, both with and without the mediator, on a number of occasions in an effort to resolve the situation. On 12 December 2012, the Contractor had put forward an improved offer for consideration. In addition to the revised offer, the Contractor had intimated that they did not have sufficient funds to compensate the re3 Councils for the lost income in one lump sum and had proposed that the repayment be made in the form of a smaller lump sum and yearly instalments over nine years.

The Board was informed that additional fees on top of those already paid would accrue following the agreement of a deal fees that would be incurred due to the need to have the agreement written into the PFI contract and then tested financially for value for money. In addition the Treasury might need to be informed of the changes made to the payment mechanism.

The Board considered and discussed the proposed deal for the split of the recyclate income, the proposed repayment terms of the debt and the matter of potential legal fees arising from finalising the agreement. It was noted that officers had started work on a risk analysis of the PFI contract.

RESOLVED that:

1. The deal proposed by the PFI contractor on 12 December 2012 be accepted
2. The task of obtaining the best possible deal on terms of the debt repayment be delegated to officers
3. Board Members request that each re3 Council put £20,000 aside to cover the potential costs of final legal fees

The Board thanked all the officers involved in the mediation process for the time and work that they had put into resolving the dispute.

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Agenda Item 6

TO: JOINT WASTE DISPOSAL BOARD
14 March 2013

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 in terms of financial management since its last meeting on 13th December 2012.

2. RECOMMENDATIONS

- 2.1 **That Members note the contents of this report.**
- 2.2 **That Members request that Officers obtain fully costed proposals from the Contractor for the potential future retail outlet replacement service, as described at paragraphs 3.12 to 3.18.**

3. SUPPORTING INFORMATION

Green Machine

- 3.1 Following discussion at the JWDB on December 13th 2012, Members will receive a presentation from Green Machine (Enterprise) Community Interest Company.
- 3.2 Green Machine receives, and prepares for re-use, unwanted paint from the re3 area under the umbrella of the national Community Repaint scheme.

Finance

- 3.3 The Projected outturn for the year to date is attached at Appendix 1.
- 3.4 The projected under spend is currently £1.1m (as highlighted in the blue line of Appendix 1).
- 3.5 The total projected under spend has remained at a very similar level as that reported at the December Joint Waste Disposal Board meeting, but the allocation of this projected under spend between the Councils has changed slightly.
- 3.6 Bracknell's projected under spend has increased by c£6k, Reading's has increased by c£29k, whilst Wokingham's has decreased by c£67k.
- 3.7 This is due to a moderate increase in kerbside residual and recycling collected by Wokingham in Quarter 3, which attracts a disposal fee, as well as an increased share of the Baseline fee.
- 3.8 Contract waste tonnage for the year is expected to be around 187,000 tonnes, against the forecast 189,000 tonnes.
- 3.9 Waste landfilled in 2012/13 is expected to be 14% below budget, recycling is expected to be 5% above budget and green waste is expected to be 2% above budget.

- 3.10 The potential additional recycle income is highlighted in yellow on the projected outturn.
- 3.11 A statement of year to date expenditure on re3 management costs is attached at Appendix 2.

Sue Ryder Care and Retail Outlet Replacement

- 3.12 Members may recall that the prevailing arrangements with Sue Ryder, in which unwanted items are retrieved from the re3 HWRC's and resold via charity shops, were agreed and adopted two years ago.
- 3.13 Sue Ryder is a charity which provides palliative and end of life care. They provide care locally via their beds at the Nettlebed Hospice and since 2011 they have taken over management of services provided at the Duchess of Kent House Hospice.
- 3.14 Under the original agreement, Members undertook to review the arrangements after two years.
- 3.15 The relationship has worked well with c£50,000 being generated for Sue Ryder during the last two years.
- 3.16 No alternative charitable providers have come forward or become apparent over the last two years and so the option of agreeing an extension of any length of time felt suitable by Members exists.
- 3.17 An alternative option has, however, been put forward by the Contractor. The option would involve re3 material being taken for sale at retail outlets in Buckinghamshire. The financial outcomes are as yet unspecified by Contractor but a share of revenue for the councils is inherent in the proposal.
- 3.18 Should Members feel that they need more information upon which to base a decision, they could request that Officers bring forward fully costed proposals for each scenario.

Performance Monitoring

- 3.19 Officers have recently engaged in a series of meetings with local and regional representatives of the Contractor on the subject of performance monitoring.
- 3.20 As Members will be aware, the re3 Waste PFI contract is principally intended to be, what is known as, a 'self monitoring contract'. This is not intended to mean that the Contractor is free to self certify its own work. The Contractor should monitor its performance in accordance with the requirements and specifications of the original contract and report to the councils who are empowered to check and corroborate the performance recorded by the Contractor.
- 3.21 Officers have previously indicated to the JWDB some issues with the performance monitoring process.
- 3.22 As a result of the meetings referred to above, the Contractor has agreed to work with Officers to seek to establish an acceptable approach to self monitoring, reporting and corroboration.
- 3.23 Officers have agreed, at the suggestion of the Contractor, to a target of establishing a way forward within 3 months.

BACKGROUND PAPERS

JWDB Reports for December 2012

CONTACTS FOR FURTHER INFORMATION

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Appendix 1

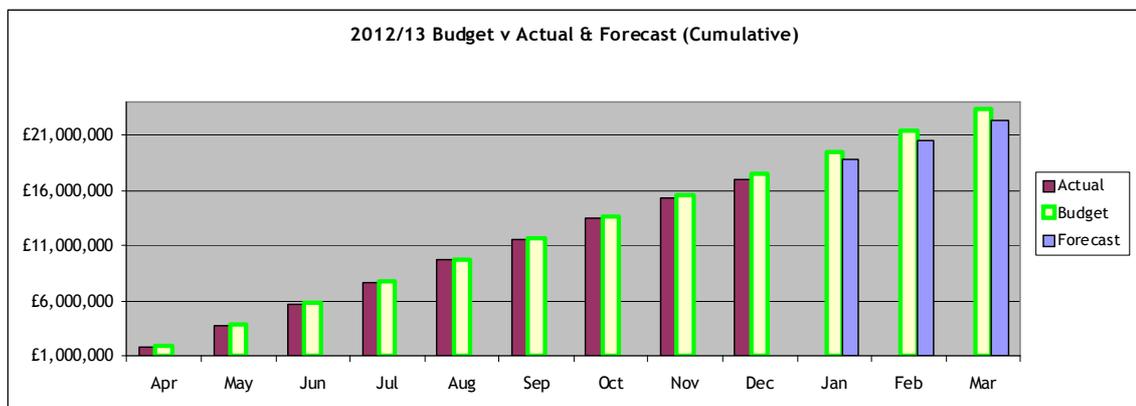
re3 PFI Budget Monitoring

2012/13 Waste PFI Forecast

		BFBC	RBC	WBC	TOTAL
		£	£	£	£
Apr-12	Actuals	470,480	686,317	625,704	1,782,501
May-12	Actuals	527,353	741,217	669,916	1,938,485
Jun-12	Actuals	470,298	705,619	637,374	1,813,291
Jul-12	Actuals	537,292	739,909	713,371	1,990,572
Aug-12	Actuals	522,089	757,918	720,739	2,000,747
Sep-12	Actuals	472,801	700,131	656,675	1,829,606
Oct-12	Actuals	511,290	703,999	681,068	1,896,357
Nov-12	Actuals	480,691	684,226	660,942	1,825,858
Dec-12	Actuals	443,307	618,061	590,554	1,651,921
Jan-13	Forecast	466,593	653,072	600,824	1,720,490
Feb-13	Forecast	450,512	629,335	583,926	1,663,772
Mar-13	Forecast	484,263	675,628	629,385	1,789,276
TOTAL		5,836,969	8,295,431	7,770,477	21,902,878
Business Rates		107,905	139,953	146,820	394,678
Estimated additional cost of Street Sweepings (pro-rata for Forecast months)		7,031	8,607	25,939	41,577
2012/13 Projected Outturn		5,951,905	8,443,991	7,943,236	22,339,133
2012/13 Original Budget		6,307,019	8,862,909	8,511,231	23,681,159
Revised 2012/13 Budget		6,235,840	8,714,909	8,497,840	23,448,589
Projected Over/Underspend		-283,935	-270,918	-554,604	-1,109,456
Variance from revised budget (%)		-4.6%	-3.1%	-6.5%	-4.7%
<i>Potential Additional Recyclate Income 2011/12</i>		<i>-94,500</i>	<i>-122,500</i>	<i>-133,000</i>	<i>-350,000</i>
<i>Potential Additional Recyclate Income 2012/13</i>		<i>-216,440</i>	<i>-286,010</i>	<i>-270,550</i>	<i>-773,000</i>
<i>Potential Gainshare Payment to FCCE 2012/13</i>		<i>53,900</i>	<i>81,900</i>	<i>63,000</i>	<i>198,800</i>
Potential Additional Income		-257,040	-326,610	-340,550	-924,200

Notes

- Based on actual figures to December 2012 and forecast figures for the remainder of the year.
- Trade waste disposal included in RBC costs & budget up until November, see note 5 below.
- Waste forecast updated to reflect current WBC collection impacts: kerbside residual down 20%, kerbside recycling up 20%, kerbside green down 30%, HWRC green waste up 10% at both sites.
- WBC budget reduced by £13k; any variance to budget to be adjusted through the Equalisation Fund at year end.
- RBC budget removed £60k due to lower indexation than originally expected. Additional £88k removed due to independent trade waste account being set up, so trade waste dealt with under separate budget as of November.
- BFBC budget reduced by £71k.
- Potential income/payments highlighted in yellow are unconfirmed, and are dependent upon agreement of recyclate market testing and movements in tonnage. **NOTE THAT THE POTENTIAL RECYCLATE INCOME FOR 2012/13 HAS BEEN REVISED DOWNWARDS FROM £962k TO £773k DUE TO CURRENT DECREASES IN RECYCLATE PRICES.**
- The Projected Over/Underspend is against the revised budgets.



Appendix 2

JWDB - re3 Waste PFI Management Costs 2012/13						Period to 31 January 2013
Employees	Budget	YTD Cost	YTD Variance	Projected Annual Cost	Projected Annual Variance	Comments
	£	£	£	£	£	
Salaries, NI & Super	184,300	125,565	-58,735	150,000	-34,300	
Training	3,000	3,120	120	3,120	120	
Employees sub total	187,300	128,685	-58,615	153,120	-34,180	
Other Costs	Budget	Cost	Variance	Projected Annual Cost	Projected Annual Variance	Comments
Transport						
Travel Expenses	800	854	54	1,000	200	
Supplies & Services						
Equipment	500	0	-500	0	-500	
Stationery	500	308	-192	400	-100	
Consultancy Fees	20,000	20,000	0	20,000	0	
Purchase of Computer Equipment	1,800	198	-1,602	260	-1,540	
Mobile Phones	400	58	-342	200	-200	
Other Costs sub total	24,000	21,418	-2,582	£21,860	-£2,140	
2011/12 Total	211,300	150,103	-61,197	£174,980	-£36,320	
YTD Council Share		£		Projected Annual Share		£
Reading		50,034		Reading	58,327	
Bracknell		50,034		Bracknell	58,327	
Wokingham		50,034		Wokingham	58,327	
Total		150,103		Total	174,980	

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Agenda Item 8

By virtue of
Regulation 4 of the Local Authorities (Executive
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Agenda Item 9

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