

**TO: JOINT WASTE DISPOSAL BOARD  
5 SEPTEMBER 2007**

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**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 of progress since the last meeting of the Board on 20 June 2007.

**2. RECOMMENDATIONS**

- 2.1 **To note progress made since the last meeting on 20 June 2007.**
- 2.2 **That Members agree to receive the final version of the joint Municipal Waste Management Strategy at the December meeting.**
- 2.3 **That Members agree to receive a report and presentation on the subject of the redevelopment of Longshot Lane from re3 Ltd at the next Board Meeting.**
- 2.4 **That Members note the contribution made to the re3 project by Jon Freer and record, on behalf of everyone involved in the project, their thanks for all his hard work and dedication.**

**3. SUPPORTING INFORMATION**

**Background**

- 3.1 The Joint Waste PFI Contract was signed with WRG on 31 October 2006. After a short mobilisation period, the service commenced on 4 December 2006, when WRG took on the management of the two Key Project Facilities in Bracknell and Reading and the Bring Banks within each of the three councils.

**Operations**

- 3.2 Following the last report to the Joint Waste Board (in which the problems over the Easter period at Longshot Lane were reported), operations at the two main sites have been better with no significant service failures.
- 3.3 WRG have been working on a new bring bank schedule with their sub-contractors. The aim of this new schedule is to match the emptying requirements at sites with the schedule.
- 3.4 Following the last Board meeting, the number of missed emptyings has reduced. The Performance Reports for May and June are appended to this report. The number of missed emptyings (at Table D1 in each report) is down from 109 in May to 15 in June.
- 3.5 WRGB Ltd, who operate the facilities and haulage of waste for re3 Ltd, have been managing the inputs of green waste to Planners Farm. In liaison with the site operators at Planners Farm deliveries have been scheduled to minimise problems on

site. In particular this involves avoiding deliveries on Mondays and, at short notice, when wind direction is unhelpful. The formal sub contract with the facility is due to be concluded before the end of September.

- 3.6 The Project Director and Project Manager have engaged in a number of discussions with the contractor on the issue of partnership. We've felt that communication between, on one hand, re3 Ltd (the Contractor) and their sub-contractors, and on the other, re3 Ltd and the council's project team can and ought to be improved.
- 3.7 We feel that there needs to be a greater commitment to partnership on their part and that this is the only way in which the necessary relationships can be developed to ensure both parties add value to the project as intended and ensure its success.

### **Communications, Education and Waste Minimisation**

- 3.8 Following the award of funding by DEFRA, secured for the three councils by Janet Dowlman (BFBC), Officers from the three councils and re3 Ltd have been meeting with consultants from Enviro to develop a joint Municipal Waste Management Strategy.
- 3.9 The Strategy is now in a draft form and has been placed on the three council websites and the re3 website (re3.org.uk) for public consultation. The closing date for the consultation is 30 September 2007.
- 3.10 Following the end of the consultation, Officers will revise the strategy and present it to the Joint Waste Disposal Board for consideration. If the Board is able to approve the strategy at that point, it will need to be recommended for adoption by the individual councils.
- 3.11 The councils' project team requested re3 Ltd to procure the services of a waste consultancy to undertake a waste composition analysis. MEL, the chosen consultant, undertook the work in June of this year. The cost of the analysis was £30,000 to which each council contributed £5,000 the balance being a project cost.
- 3.12 The intention of commissioning the analysis was to update the work undertaken by the councils in 2002 and also provide a basis upon which each council can continue to make service developments.
- 3.13 Officers at the three councils are still digesting the results but copies can be made available should members so wish. A summary of the analysis will appear in the final waste strategy.
- 3.14 If Members agree, officers would like to invite, on behalf of the Joint Waste Board, re3 Ltd to the next Board meeting. The intention of this invitation would be to have re3 Ltd submit a report, and make a presentation, on their plans for managing Longshot Lane during the period of its redevelopment.
- 3.15 The issue is clearly an important one to all three councils and it would be an opportunity for Members to speak, first-hand to the people who will be managing the various elements of the redevelopment.
- 3.16 Unfortunately the Officers from each of the councils Marketing and Public Relations teams have not yet met together and so it was not possible to give a report on the media protocol at this Board meeting.

## Financial

- 3.17 The agreed process for the monthly receipt, checking and payment of invoices has been operating in a timely fashion. Any queries raised have been dealt with promptly. Quarterly reconciliations have also been carried out.
- 3.18 The councils' project team have produced a summary budget briefing and it is appended to this report.
- 3.19 The budget is currently £292k over the forecast included in the contract. This is projected to be just less than £900,000 over the current forecast for the entire year. The briefing sets out the reasons why this is the case.
- 3.20 The costs of collecting WEEE between April and the end of June account for £94K. This cost is covered under a payment via Section 31 of the Local Government Finance Act 2003 in respect of household hazardous WEEE treatment and disposal costs incurred or to be incurred from 1 June 2006 to 30 June 2007 payable to each council by the DTI. This cost is not an ongoing burden since the WEEE Regulations came into force on July 1<sup>st</sup>. The WEEE Regulations work on the principle of producer responsibility and are designed to be operated at no cost to the councils.
- 3.21 The second cost is £15k for the three equal contributions to the cost of the composition analysis.
- 3.22 Inflation is also an additional cost. It was predicted at the start of 2007 to be at 2.5% but has since risen sharply to 3.6% increasing costs by £140,000.
- 3.23 A net increase in the amount of waste handled through the contract accounts for an increase in £11k over the first quarter, but projected as over £86,000 in a full year.
- 3.24 The final cost of £136k is specific to Reading Borough council and relates to internal recharges and the use of Reading CA Site by residents for West Berkshire District Council – which Reading absorb during the year and recharge.
- 3.25 The costs of WEEE, the composition analysis and the Reading recharge amount to £246k of the £292k overspend in the first quarter. The remaining overspend relates to a difference between the amounts forecast and the actuals.
- 3.26 When the project began, the project team and lead accountants agreed to leave the forecast as it was in the recently signed contract (using up to date waste flows). Since then, the forecast has proved to be wrong in some key areas under the influence of successful green waste collections in all three council areas and the alternate weekly collections in Bracknell and Reading, plus the introduction of separate collections of hazardous wastes at Longshot Lane CA Site.
- 3.27 The forecast is, in practice, a bar that can be set anywhere. Given the need for the forecast in setting the individual council budgets for the contract, it is the intention of the council's project team to ensure that the forecast is as close to the actual costs as possible.
- 3.28 The councils project team is due to undertake a review, with re3 Ltd, of the waste forecast during September. We will take into account the changes in tonnage inputs in the key areas already mentioned and revise the forecast accordingly. The project

team will then liaise with the individual councils and ensure that the implications are fully worked through into budget monitoring and setting for future years.

### **Management Arrangements**

- 3.29 Jon Freer has accepted a post at the London Borough of Richmond upon Thames and will be leaving Bracknell Forest Borough Council at the end of September.
- 3.30 Discussions about Jon's replacement as Project Director are ongoing.
- 3.31 Jon's has been instrumental in driving the re3 project through the latter stages of the procurement process and particularly the negotiations throughout 2006. All those who have worked with him on the re3 project wish him well for the future.

### **BACKGROUND PAPERS**

Reports to Joint Waste Disposal Board, 20 June 2007

### **CONTACTS FOR FURTHER INFORMATION**

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