

**TO: JOINT WASTE DISPOSAL BOARD**  
**5<sup>th</sup> June 2014**

**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 management of the joint Waste PFI contract since its last meeting on 13<sup>th</sup> March 2014.

**2. RECOMMENDATIONS**

**2.1 That Members note the contents of this report.**

**2.2 That Members endorse the proposal for the re3 Project Director to appoint consultants for a suitable review of Longshot Lane capacity.**

**2.3 That Members endorse the proposed Job Description (accompanying this report at Appendix 5) which relates to the re3 Communications Strategy.**

**2.4 That Members approve the proposal to increase the re3 Management Budget by up to a maximum £50,000 from the 2015/16 year onwards.**

**3. SUPPORTING INFORMATION**

**Site Access Works at Smallmead**

3.1 Works have been undertaken, throughout May, to improve the access to Smallmead for large vehicle (accessing the Transfer Station) and for members of the public (for access to the HWRC).

3.2 The works were instigated to permanently establish a greater degree of separation between public visitors and 'operational' visitors – many in large vehicles. They are also intended to reduce the potential for conflicting manoeuvres between vehicles entering and exiting the site.

3.3 The works incorporate the following:

- Improved turning area for split-bodied refuse vehicles.
- Widened access for (aforementioned 'operational') vehicles accessing the Transfer Station.
- Further separation of vehicles accessing the HWRC and Transfer Station.
- Specific waiting area for 'overheight' vehicles who visit during the hours in which these vehicles are granted access (in accordance with the councils' policy).
- Amended height barrier and measures to slow exit from the site onto Island Road.

3.4 A flyer, produced to explain the works and what they mean for patrons, is included at Appendix 4 to this report.

3.5 Many of the aspects of the service remain unchanged but the flyer sets out in detail how the amendments to site access will be apparent for visitors.

- 3.6 As an example, the height barrier will now only cover one lane of the access road. The exit lane will be controlled by 'directional flow plates' (sometimes called 'crocodile teeth') rather than a height barrier. This amendment will ensure that large vehicles, who have been granted access in the normal manner and as described on the flyer, do not have to re-enter the 'operational' side of the facility to exit the site.

### **re3 Facility at Longshot Lane**

- 3.7 While not (according to our annual surveys) receiving quite as many visitors as the Smallmead site, the re3 HWRC at Longshot Lane in Bracknell is undoubtedly a popular and busy site.
- 3.8 Circumstances, such as its position on a large and important trading estate and the shape of the site itself, contribute to the pressures upon the site - particularly at the busiest times.
- 3.9 The site was passed into Bracknell Forest Borough Council control at the abolition of Berkshire County Council in 1998. It therefore predates the current re3 partnership between Bracknell Forest, Reading and Wokingham Borough's.
- 3.10 The site is now operated by FCC Environment (UK) Ltd on behalf of the re3 partnership and as part of the shared PFI Contract between the councils.
- 3.11 Over the last two years there has been some concern about how busy the site is and the impact of queuing traffic on the surrounding area.
- 3.12 The re3 Project Team and FCC Environment (UK) Ltd have sought to amend on-site procedures to ensure that patrons are supported in depositing their waste items as promptly and safely as possible in order that 'throughput' is maintained – with the intention of minimising the creation of off-site queues.
- 3.13 That has proved a worthwhile exercise but, given the number of visitors, has not been able to eradicate queuing on Longshot Lane itself at busy times.
- 3.14 Officers recommend that the re3 Project Team be requested to undertake further investigation work into the exact nature of the issues at Longshot Lane.
- 3.15 This should include the appointment of a suitable consultancy to undertake an objective review of the pressures on Longshot Lane HWRC. Members are accordingly recommended to approve the appointment, by the Project Director, of suitable consultants for such work with a budget estimated at around £5000.
- 3.16 Such work could include, among other considerations, the relationship between visitor numbers and overall tonnage received, housing growth in the re3 area, usage of Longshot Lane for non-HWRC visits and, once the exact root of the problem is identified, potential solutions.
- 3.17 Progress to be reported at the next JWDB Meeting.

### **Communications Strategy**

- 3.18 Members requested, at the last JWDB meeting, the preparation of a Job Description and Person Specification (JD) be developed as the next step in delivering the Communications Strategy.

- 3.19 The re3 Project Team has created the JD in consultation with the Heads of Service at each of the re3 councils and it accompanies this report at Appendix 5. Members are recommended to endorse the JD.
- 3.20 Subject to the endorsement of the JD, the Joint Waste Disposal Board is also recommended to give approval for an increase in the PFI management budget in the 2015/16 year up to a maximum of £50,000 (as described at the March 2014 Joint Waste Disposal Board meeting).

### **Finance**

- 3.21 The provisional annual outturn for 2013/14 is attached under Appendix 1.
- 3.22 Figures for Quarter 4 are provisional, as validation of the reconciliation is currently ongoing.
- 3.23 The total expected overspend has increased to £1.1m, which is an increase of £178k on the £922k projected overspend reported at the March 2014 meeting.
- 3.24 Members will recall that contract waste received in January was 3,750 tonnes above forecast, and represented the highest monthly waste volume experienced since June 2008.
- 3.25 This extreme growth did not continue at the same level into February and March, but there were some significant variations to the forecast which have affected the financial outcome, and are described below.
- 3.26 Bracknell and Reading both delivered an additional 200 tonnes upon forecast in February and March; for Bracknell the increase was mainly via the residual waste stream, and in Reading mainly via green waste.
- 3.27 Wokingham delivered an additional 750 tonnes upon forecast in these months, of which 600 tonnes was residual waste (approximately two thirds household residual and one third sweepings/flytipping).
- 3.28 Members will be aware that tonnage collected at the HWRCs throughout 2013/14 has significantly exceeded that collected in 2012/13, as detailed in Appendix 3. The monthly variances to the previous year are illustrated, as well as the annual percentage increases and decreases by waste type.
- 3.29 There were some disruptions in access to the HWRCs during Quarter 4 due to the SSE works at Longshot Lane (resulting in a 4 day closure) and the flooding at Island Road (resulting in a 2 week closure for Smallmead).
- 3.30 The impact of the Smallmead closure is apparent, with waste at the site down 80% in February 2014 compared to February 2013. It does not appear that there was a direct transfer of waste from Smallmead to Longshot Lane, as the tonnage increases in both January and March at Longshot Lane were even more significant than in February itself.
- 3.31 The Smallmead closure has resulted in a reduction in HWRC costs for Reading and Wokingham in February, which is offset against increased costs in January and March. The increased waste received at Longshot Lane throughout Quarter 4 has led to an increase in HWRC related costs for Bracknell and Wokingham.
- 3.32 Due to the increased patronage evidenced in the September 2012 user survey, in 2013/14 Wokingham was allocated a larger proportion of the HWRC tonnage than

previously. Wokingham therefore experienced a greater financial impact as a result of the increased level of HWRC tonnage delivered this year. It should be noted that the results of the latest survey (which will be used to allocate the 2014/15 costs) have shown that patronage at the sites by Wokingham residents has fallen back compared to the previous survey, especially so at Smallmead.

- 3.33 The budgeted tonnage for 2013/14 was just over 185,000 tonnes (which was consistent with waste arisings at the time of budget setting). The provisional figures show that actual contract waste received in the year was over 193,000 tonnes, an increase of 4%.
- 3.34 The budget for 2014/15 is based on 187,000 tonnes. The budget was produced in November 2013, and was based on the prevailing tonnage expectations at that time. The significant growth experienced since the Autumn means that the most recent forecast for the year is 195,000 tonnes. Based on that difference, the project could potentially expect a budget shortfall of around £750k. Officers will continue to monitor, and keep the three Councils informed.
- 3.35 It is worth considering the current financial situation, as described above, in the context of longer-term expectations. The tonnage of waste being processed through this contract remains lower than was expected at its commencement. Accordingly (whilst taking into account factors beyond the control of the councils or the PFI contract such as landfill tax and indexation), the re3 councils have paid, and for the time being continue to pay, a lower cost for managing waste from the re3 area than was expected (modelled) to be the case at the point the contract was signed.
- 3.36 A statement of the provisional year to date expenditure on re3 Management costs is included under Appendix 2.

## **BACKGROUND PAPERS**

JWDB Reports for March 2014.

## **CONTACTS FOR FURTHER INFORMATION**

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APPENDIX 1 – 2013/14 Provisional Annual Outturn

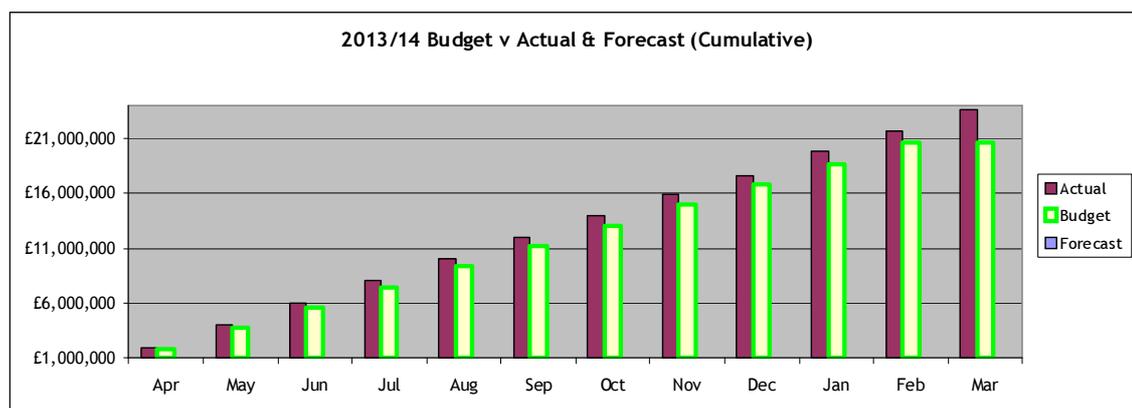
## re3 PFI Budget Monitoring

### 2013/14 Waste PFI Forecast

		BFBC £	RBC £	WBC £	TOTAL £
Apr-13	Actuals	488,145	693,417	790,964	1,972,526
May-13	Actuals	522,349	726,369	829,320	2,078,039
Jun-13	Actuals	486,615	703,031	792,810	1,982,456
Jul-13	Actuals	507,283	738,382	866,991	2,112,657
Aug-13	Actuals	502,389	674,228	749,735	1,926,352
Sep-13	Actuals	472,631	702,024	809,484	1,984,139
Oct-13	Actuals	498,274	725,981	780,108	2,004,363
Nov-13	Actuals	504,159	658,381	860,844	2,023,384
Dec-13	Actuals	458,451	602,577	667,262	1,728,290
Jan-14	Provisionals	555,551	747,560	934,279	2,237,390
Feb-14	Provisionals	506,609	538,123	679,959	1,724,692
Mar-14	Provisionals	496,545	659,665	805,724	1,961,934
<b>TOTAL</b>		<b>5,999,003</b>	<b>8,169,738</b>	<b>9,567,481</b>	<b>23,736,222</b>
Business Rates (actual)		96,310	124,914	131,044	352,268
Recovery Gainshare (forecast)		35,693	53,334	47,507	136,534
Recyclate Income (forecast)		-187,763	-246,229	-266,008	-700,000
<b>2013/14 Projected Outturn</b>		<b>5,943,242</b>	<b>8,101,757</b>	<b>9,480,024</b>	<b>23,525,024</b>
2013/14 Original Budget		5,727,477	8,311,868	8,496,855	22,536,200
Revised 2013/14 Budget		5,838,660	7,931,068	8,644,337	22,414,065
<b>Projected Over/Underspend</b>		<b>104,582</b>	<b>170,689</b>	<b>835,687</b>	<b>1,110,959</b>
Variance from revised budget (%)		1.8%	2.2%	9.7%	5.0%

#### Notes

1. Based on Qtr1-3 actuals, and Qtr4 provisional tonnages.
2. RBC original budget reduced by £380,800. £263,800 trade waste costs removed due to independent account being set up, and dealt with under waste collection budget. £117k removed due to anticipated savings from the endorsement of the One Bin Policy.
3. BFBC budget increased by £111,183. Due to differing assumptions on inflation and HWRC tonnage allocations.
4. WBC budget increased by £147,482. Budget confirmed by Wokingham Sept 13.
5. The Projected Over/Underspend is against the revised budgets.



APPENDIX 2 – 2013/14 re3 Management Costs

JWDB - re3 Waste PFI Management Costs 2013/14						Updated April 2014															
Employees	Budget	YTD Cost	YTD Variance	Projected Annual Cost	Projected Annual Variance	Comments															
	£	£	£	£	£																
Salaries, NI & Super	184,300	172,275	-12,026	172,275	-12,026																
Training	3,000	3,103	103	3,103	103																
<b>Employees sub total</b>	<b>187,300</b>	<b>175,378</b>	<b>-11,923</b>	<b>175,378</b>	<b>-11,923</b>																
Other Costs	Budget	Cost	Variance	Projected Annual Cost	Projected Annual Variance	Comments															
Transport: Travel Expenses	800	1,173	373	1,173	373																
Supplies & Services: Equipment	500	0	-500	0	-500																
Stationery	500	519	19	519	19																
Consultancy Fees	20,000	20,000	0	20,000	0																
Purchase of Computer Equipment	1,800	732	-1,068	732	-1,068																
Mobile Phones	400	119	-281	119	-281																
<b>Other Costs sub total</b>	<b>24,000</b>	<b>22,543</b>	<b>-1,457</b>	<b>£22,543</b>	<b>-£1,457</b>																
<b>2013/14 Total</b>	<b>211,300</b>	<b>197,921</b>	<b>-13,379</b>	<b>£197,921</b>	<b>-£13,379</b>																
<table border="1"> <thead> <tr> <th colspan="2">Projected Annual Share</th> <th>£</th> </tr> </thead> <tbody> <tr> <td>Reading</td> <td></td> <td>65,974</td> </tr> <tr> <td>Bracknell</td> <td></td> <td>65,974</td> </tr> <tr> <td>Wokingham</td> <td></td> <td>65,974</td> </tr> <tr> <td><b>Total</b></td> <td></td> <td><b>197,921</b></td> </tr> </tbody> </table>						Projected Annual Share		£	Reading		65,974	Bracknell		65,974	Wokingham		65,974	<b>Total</b>		<b>197,921</b>	
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Reading		65,974																			
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<b>Total</b>		<b>197,921</b>																			

### APPENDIX 3 – HWRC TONNAGE VARIATIONS

Longshot Lane HWRC	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	TOTAL
Residual Waste	730	628	667	600	691	650	314	793	62	1026	764	730	7655
Recyclate	656	591	562	475	653	445	449	547	70	806	570	550	6374
Compost	508	841	780	721	554	509	452	645	355	331	266	616	6578
Beneficial Use	439	566	468	508	452	335	315	214	160	234	260	422	4373
<b>Longshot Lane CA Total</b>	<b>2332</b>	<b>2626</b>	<b>2476</b>	<b>2304</b>	<b>2350</b>	<b>1939</b>	<b>1530</b>	<b>2199</b>	<b>647</b>	<b>2397</b>	<b>1861</b>	<b>2318</b>	<b>24980</b>

**Longshot Lane HWRC Variance to 2012/13**    11%    13%    37%    -12%    -12%    1%    -18%    29%    -2.1%    60%    49%    77%    14%

Longshot Lane HWRC	Annual % Increase/Decrease
Residual Waste	17%
Recyclate	14%
Compost	7%
Beneficial Use	21%

Smallmead HWRC	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	TOTAL
Residual Waste	544	515	806	790	304	927	315	1074	-423	1478	1	761	7093
Recyclate	817	905	693	864	612	717	657	537	251	737	144	738	7672
Compost	444	676	887	664	510	161	512	560	304	210	86	386	5400
Beneficial Use	669	763	689	750	758	505	493	337	331	321	124	453	6191
<b>Smallmead HWRC Total</b>	<b>2475</b>	<b>2859</b>	<b>3075</b>	<b>3068</b>	<b>2184</b>	<b>2310</b>	<b>1977</b>	<b>2508</b>	<b>463</b>	<b>2746</b>	<b>355</b>	<b>2338</b>	<b>26357</b>

**Smallmead HWRC Variance to 2012/13**    7%    14%    54%    14%    -17%    1%    11%    35%    -39%    57%    -80%    72%    11%

Smallmead HWRC	Annual % Increase/Decrease
Residual Waste	20%
Recyclate	6%
Compost	-3%
Beneficial Use	23%