

**JOINT WASTE DISPOSAL BOARD
20 OCTOBER 2005
(7.30pm to 9.25pm)**

Draft

Present: Bracknell Forest Borough Council

Councillor T Mills
Councillor I McCracken

Reading Borough Council

Councillor S Waite

Wokingham District Council

Councillor T Holton
Councillor R Stanton

1. Election of Chairman (Item 1)

RESOLVED that Councillor Terry Mills be elected as Chairman to the Board for the Municipal Year 2005/2006.

2. Appointment of Vice-Chairman (Item 2)

RESOLVED that Councillor Rob Stanton be appointed as Vice-Chairman to the Board for the Municipal Year 2005/2006.

3. Vote of Thanks to Past Members

On behalf of the Board, Councillor Mills took the opportunity to extend his thanks and gratitude to Councillors Mrs Mary Ballin (Bracknell Forest Borough Council) and Councillor Mrs June Orton (Reading Borough Council), past Members, for their dedication and commitment to the work of the Board over previous years. This sentiment was echoed by Board Members present.

Councillor Mills then welcomed Councillors Iain McCracken (Bracknell Forest Borough Council), Steve Waite (Reading Borough Council) and Tim Holton (Wokingham District Council), being newly appointed Members of the Board.

4. Apologies for Absence (Item 3)

An apology for absence was intimated on behalf of Councillor Richard McKenzie, Reading Borough Council.

5. Minutes (Item 4)

RESOLVED that the minutes of the meeting of the Board held on 20 April 2005 be confirmed as a correct record and signed by the Chairman.

6. Declarations of Interest (Item 5)

There were no declarations of interest in relation to any items on the agenda.

7. Urgent Items of Business (Item 6)

There were no urgent items of business received.

8. Project Update (Item 7)

The Project Team delivered a presentation and submitted a report highlighting the progress of the Project since the last meeting of the Board. It was felt appropriate and necessary to deliver the presentation in order to bring new Board Members up to speed as to progress to date.

The presentation, entitled "Waste PFI Project Overview", addressed the Re3 Partnership, the Project Drivers, Legislation and Targets, the Financial Drivers, the Project's Objectives, the Scope of the Project, the affordability of the PFI solution against a 'do nothing' approach, the Project's Structure, the procurement history, the Preferred Bidder's (WRG) Solution, the key issues for negotiation and the next steps.

The report supported the presentation and gave the background to the appointment of Preferred Bidder; the Bidder's mobilisation; the technical, financial and legal negotiations being carried out with the Bidder; the joint working arrangements in place; liaison with DEFRA and the next steps which set out the remaining key steps of the Project and anticipated high-level timetable towards contract commencement.

It was reported that the timetable was realistic and deliverable, however, there were clearly a number of factors (e.g. unforeseen site conditions, significant negotiation issues or difficulties arising from revised Government guidance on derogations from standard drafting) which may introduce slippage against the programme pushing financial close into 2006/2007. DEFRA, in meetings with the Joint Project Team, had not raised any concerns as to its ability to carry the PFI credit offer over into the early part of the next financial year should this prove necessary.

It was **RESOLVED** that

- (i) the presentation be received; and

- (ii) the progress of the procurement process be noted; and
- 9. Exclusion of Press and Public (Item 8)**

RESOLVED that, pursuant to Section 100A of the Local Government Act 1972, members of the public and press be excluded from the meeting for the consideration of items 9 and 10, which involved the likely disclosure of exempt information under the following paragraphs of Schedule 12A to the Act:

(Paragraph 7) financial affairs of a Company

(Paragraph 9) terms proposed, or to be proposed, for a contract for the supply of services.

10. Negotiations with Preferred Bidder (Item 9)

There was submitted a report by the Project Director, updating the Board as to the approach being taken by the Joint Project Team (JPT) of Council Officers and Advisers, to negotiations with the Councils' preferred bidder, Waste Recycling Group (WRG), and highlighting the current status of the main strands of the negotiation.

The report went on to give the background, the negotiation approach, the status of negotiations, the technical, financial and legal strands surrounding the negotiations and the standardisation of PFI Contracts.

The Board was advised that, from a legal perspective, the Contract for Waste Management Services for the three Councils was being procured in accordance with the requirements of the Public Services Contracts Regulations 1993 and that the procedure which was being utilised was the negotiated procedure which, following advertisement of the Contract in the Official Journal of the European Union, allowed negotiations to take place between the Councils and the Bidders selected following the initial selection process.

In terms of the financial implications, the Board was advised that negotiations were being undertaken with a view to concluding an agreement with WRG that would produce an affordable, Value for Money solution for the Councils over the life of the Project and which would minimise costs and maximise PFI credits and other income. The Board was advised that the procurement was taking place in the context of rising costs of waste disposal caused, in particular, by increases in the prices of landfill disposal contracts, the levels of landfill tax and the introduction of the Landfill Allowance Trading Scheme.

RESOLVED that the approach to the preferred bidder negotiations and the progress of the negotiations to date be noted.

11. Joint Working Arrangements and Contract Implementation (Item 10)

There was submitted a report by the Project Director updating the Board as to the development of proposals for the joint working arrangements to be put in

place between the three Councils to ensure the successful implementation and management of the PFI Contract.

The report highlighted the details of the joint working agreement between the three Councils and the Preferred Bidder, WRG, the issues surrounding the joint working agreement and the contract management arrangements.

The Board was advised that a Business Change Group had been established comprising Directors or Assistant Directors from each of the three Councils, and led by the Project Lead Executive. The Group had been meeting regularly to monitor and co-ordinate a range of activities that would be essential to the successful conclusion and implementation of the Project. The activities sat, largely, outside of the formal process but complemented the core activities of the JPT.

These included:

- Informing service planning and budget-setting;
- Communication with senior stakeholders within each of the three Councils;
- Considering progress of negotiations as reported by the Lead Executive;
- Co-ordination and management of approvals processes to contract close; and
- Contract management arrangements to be put in place.

It was reported that the Business Change Group would continue to meet to lead and oversee the progress of the Project through the various Council approvals processes and implementation of the change process needed to realise the benefits of the PFI Contract to the three Councils.

RESOLVED that the progress of proposals for joint working between the Councils be noted.

12. Dates of Future Meetings

It was agreed that meetings of the Board be held as follows:

Monday 19 December 2005 at 7.30pm (Reading Borough Council)

Tuesday 31 January 2006 at 7.30pm (Bracknell Forest Borough Council)

CHAIRMAN