



A waste management partnership between Bracknell Forest Borough Council, Reading Borough Council and Wokingham District Council.

JOINT WASTE DISPOSAL BOARD

NOTICE OF MEETING

THURSDAY 26 MARCH 2015

TO: ALL MEMBERS OF THE JOINT WASTE DISPOSAL BOARD

You are invited to attend a meeting of the Joint Waste Disposal Board on **Thursday 26 March 2015 at 10.00 am** in the Smallmead Household Waste Recycling Centre, Island Road, Reading, RG2 0RP. 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, Bracknell Forest Council
Councillor Iain McCracken, Bracknell Forest Council
Councillor Paul Gittings, Reading Borough Council
Councillor Liz Terry, Reading Borough Council
Councillor Anthony Pollock, Wokingham Borough Council
Councillor Angus Ross, Wokingham Borough Council

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- 2 Follow the green signs
- 3 Use the stairs not the lifts
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If you require further information, please contact: Katharine Simpson
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JOINT WASTE DISPOSAL BOARD
Thursday 26 March 2015 (10.00 am)
Smallmead Household Waste Recycling Centre, Island Road, Reading, RG2 0RP.

AGENDA

Page No

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

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

Any Member with a Disclosable Pecuniary Interest or an affected 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 22 January 2015.

4. URGENT ITEMS OF BUSINESS

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

5. PROGRESS UPDATE REPORT

5 - 10

To receive a report providing an update on progress in relation to the shared re3 PFI Contract since the Management Committee's last meeting

6. DATES OF FUTURE MEETINGS

To agree future meeting dates of the Joint Waste Disposal Board Management Committee

7. EXCLUSION OF PUBLIC AND PRESS

To consider the following motion:

That pursuant to Regulation 4 of the Local Authorities (Executive Arrangements) (Access to Information) Regulations 2012 and having regard to the public interest, members of the public and press be excluded from the meeting for the consideration of items 7 and 8 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.

8. CONTRACT UPDATE REPORT

11 - 14

To receive a report providing an update on progress in relation to the financial disagreement between the re3 councils and their PFI Contractor, FCC Environment.

9. SERVICE CONTINUITY REPORT

15 - 20

To receive a report providing an update on work by the re3 Project Team to ensure service continuity in relation to the re3 Joint Waste PFI Contract.

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Agenda Item 3

Unrestricted

JOINT WASTE DISPOSAL BOARD 22 JANUARY 2015 (10.00 - 11.50 am)

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

Reading Borough Council
Councillor Paul Gittings
Councillor Liz Terry

Wokingham District Council
Councillor Angus Ross

Officers Alison Bell, Reading Borough Council
Josie Wragg, Wokingham Borough Council
Claire Ayling, Reading Borough Council
Andy Couldrick, Wokingham Borough Council
Oliver Burt, re3 Project Manager
Steve Loudoun, Bracknell Forest Council
Mark Moon, Wokingham Borough Council
Mark Smith, Reading Borough Council
Timothy Wheaton, Bracknell Forest Council

In attendance Sandy Lunn, Sue Ryder
Gemma Wise, Sue Ryder

Apologies for absence were received from:

Councillor Pollock, Wokingham Borough Council

12. Declarations of Interest

There were no declarations of interest.

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

RESOLVED that the minute of the Joint Waste Disposal Board Management Committee be approved as a correct record and signed by the Chairman.

14. Urgent Items of Business

There were no urgent items of business.

15. Project Update Report

The Board received a report providing an update on the progress made in terms of the management of the joint waste PFI contract since its last meeting. The report included an update on the results of the most recent user satisfaction survey, visitor numbers, supplier audits and the Materials Reclamation Facility (MRF) at Smallmead. A presentation was also given on the work of Sue Ryder and the contribution that the donations collected from the Household Waste Recycling Centres (HWRC) made to Sue Ryder's work.

It was reported that recent User Satisfaction Survey results showed that residents continued to be satisfied with the facilities at Longshot Lane and Smallmead HWRCs with 95% of Longshot Lane users rating the facility as good or very good and 94% of Smallmead users rating the site as good or very good. Although cleanliness at both sites was considered to be good or very good the ratings had fallen slightly when compared to the previous year's results (Longshot Lane results fell from 97% in 2013 to 95% in 2014 and Smallmead results fell from 95% in 2013 to 92% in 2014). It was thought that the increased use that both sites were experiencing was a significant contributory factor to these reductions. It was however disappointing to note that the percentage of users who felt that staff were helpful had fallen at both sites. It was explained that the specific question on cleanliness had been revised in the latest survey and this made it difficult to draw a direct comparison with previous survey results. However, the matter had been raised with the contractors by the Councils' Client Team and the situation would be monitored over time.

Traffic counters had now been installed at both Smallmead and Longshot Lane and these were showing that both sites were experiencing up to 11,000 visitors a week.

It was reported that Wokingham Borough Council would cease to provide its Amenity Waste Collection Service from 1 February 2015. It was hoped that this would help reduce the volume of waste being disposed of through land fill and increase the levels of waste being recycled. It was questioned what impact the removal of the service might have on fly tipping. It was agreed that the impacts would be looked at in more detail at the Board's next meeting.

Sue Ryder Presentation

Sandy Lunn and Gemma Wise gave a presentation in respect of the work that the charity Sue Ryder did across the region and how the reclamation of furniture and other goods from the HWRCs was contributing to this work.

Sue Ryder, a national healthcare provider providing palliative end of life care and neurological care across the country, required annual funding of £49million to meet all the demands placed on it across Berkshire alone, in 2014 services were provided to 2,600 patients in Berkshire. The majority of funding was provided by the NHS however funding levels were falling and there was currently a funding gap of approximately £800,000 in the Berkshire service.

In 2011, the Sue Ryder entered into an agreement with the re3 Councils to recover good quality furniture and small electrical products from the HWRCs and sell them through their high street shops. Year on year the volume of good recovered from the HWRCs has increased and in 2014, 40,050kg of goods were recovered and sold by the Charity. Over the four years that the scheme has been operating the sales of reclaimed goods have raised £90,197 of additional funding.

In the past year, a new initiative to recover and sell discarded bikes had been set up. Between 30 and 40 bikes a week were collected and taken to Mount Prison where they were repaired and refurbished by prisoners before they were then sold through Sue Ryder shops. In addition to the work experience prisoners involved in the programme were also able to achieve an NVQ qualification that could be used when they were released. Adult bikes were sold for an average of £40 a bike and children's bikes were sold for £10 and over the past year the scheme had raised approximately £12,000.

The workshops at Mount Prison had the capacity to work on up to 100 bikes a week and it was hoped that the scheme could be expanded further with the development of

a bespoke bike shop in Reading which could be staffed by former prisoners. It was noted that Reading Borough Council was working with the Bike Kitchen, a community project providing space for people to undertake maintenance work on their bikes with the help of experienced mechanics and it was suggested that links with the Bike Kitchen could be developed by Sue Ryder.

The Board commended the work that Sue Ryder was doing and it was suggested that the re3 Councils publicise the initiative through Council meetings and publications.

16. Date of Next Meeting

It was noted that the next meeting of the Joint Waste Disposal Board management Committee would be held on Thursday 26 March 2015 at 10am at Smallmead Household Waste Recycling Centre.

17. 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 items 8, 9 and 10 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.

18. Finance Update Report

The Board received a report providing an update on the financial management of the Joint Waste PFI contract since its last meeting on 18 September 2015. The report included the projected financial outturns for 2014/15, an overview of expenditure and an update on the budget setting process for the 2015/16 financial year.

The Board received a presentation on the strategy being delivered to address increasing costs. The presentation included an overview of the impact that the reduced waste volumes had resulted in savings against the modelled costs since 2007/08 and described how the strategic approach to costs had been developed. An overview of the initiatives that were either in the process of being delivered or were being explored as a future action was also provided.

It was noted that Reading Borough Council was consulting on its Waste Minimisation Strategy and that consideration would need to be given to what it means for both the Council and the re3 project.

RESOLVED that:

- i. the contents of the report be noted
- ii. that the steps being taken to manage cost as referred to in the report be noted

19. re3 Contractual Dispute Update

The Board received and noted a report providing an update on the progress in terms of the Excess Waste Profit Adjudication since its last meeting.

It was stressed that day to day working relationships between the re3 Council officers and the contractors were good despite the dispute.

It was agreed that regular updates would be sent to all Board members on a weekly basis.

20. **Review of Governance Arrangements**

The Board considered a report setting out proposals for a new management structure for the re3 project that would ensure the project's structure remained fit for purpose for the remaining lifetime of the contract.

It was noted that the proposals had been developed with the intention of bringing about stronger collaboration between the re3 councils, develop the collection and disposal interface and bring about greater strategic presence and impact for the re3 contract across the three councils as well as improving capacity and strategic guidance.

RESOLVED that:

- i. A full time re3 Strategic Waste Manager position that includes the role of 'Project Director' and also has roles and responsibilities that reflect the contractual, operational and strategic waste disposal needs across the partnership be created and that as part of this change the roles and responsibilities of the other re3 operational posts be reviewed to take account of this change.
- ii. The Partnership's three senior manager representatives undertake the necessary reviews and commence the recruitment process as soon as possible
- iii. Reading Borough Council, as the administrative authority for the Partnership, effects any necessary staff changes in accordance with their staffing protocols. The cost of any changes is to be found within the existing budget provision and will be funded through savings in disposal costs.

CHAIRMAN

**TO: JOINT WASTE DISPOSAL BOARD
26 MARCH 2015**

**PROGRESS REPORT
Report of the Project Director**

1 INTRODUCTION

- 1.1 The purpose of this report is to inform the Joint Waste Disposal Board (JWDB) of progress in relation to the shared re3 PFI Contract since its last meeting on 22nd January 2015.

2 RECOMMENDATION

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

3 ALTERNATIVE OPTIONS CONSIDERED

- 3.1 Not applicable.

4 REASONS FOR RECOMMENDATION

- 4.1 This report contains no decisions for Members, only information items.

5 BACKGROUND INFORMATION

Progress Report

Best Value Audit

- 5.1 Officers have been in liaison with the Audit team at the Administering Authority (RBC) in relation to the audit of the re3 Waste PFI contract which is due to take place during 2015.
- 5.2 As in the previous two, shared, audits the respective and relevant audit and service management teams will be consulted on the terms of enquiry.
- 5.3 The Audit team has also made a request that they be supported in looking in more detail at the process followed by the Contractor in arranging for the processing of certain materials. This specifically relates to materials for which a long-term processing contract is either not available or not desirable. The arrangement is termed a *spot market*.
- 5.4 The Contractor is obliged to employ its best endeavours in keeping costs to the councils to a minimum. Accordingly, the Contract describes the steps that both parties will follow in applying Best Value principles to procurement and operation and, subsequently, in assessing the appropriate application of the aforementioned principles.
- 5.5 The re3 Project Team will support and assist RBC Audit throughout the process.

User Satisfaction

- 5.6 At the September JWDB Meeting, Members agreed a proposal to increase the number of User Satisfaction Surveys conducted each year from one, to two.

- 5.7 The first survey under the new arrangement was undertaken during the second week of March.
- 5.8 The results will be shared as soon as they are available. The results will be combined with those of the other survey, which normally takes place in October each year, in order to arrive at a single measure for each indicator.

Finance

Financial Background Information

- 5.9 The projected financial outturn for 2014/15 is attached at Appendix 1.
- 5.10 This forecast has been updated to include actual data up to December 2014, and provisional data for January and February 2015.
- 5.11 The increase in demand-led costs, during the year to date, amount to £814k, an increase of £33k since the previous Finance Report to the Board.
- 5.12 Members will recall that the re3 Project Team managed to secure an opportunity to deliver additional tonnage to the Lakeside Energy from Waste (EfW) facility in December, thereby an additional 2,200 tonnes from landfill. As well as a beneficial impact on performance, this also achieves a saving of just under £68k, which is incorporated in the updated forecast at Appendix 1.
- 5.13 Each Council's share of the saving is as follows: Bracknell £18.5k, Reading £24k and Wokingham £25.2k (per the EfW proportions stipulated by the Joint Working Agreement).
- 5.14 The re3 Project Team recently identified that the Contractor had incorrectly coded MRF rejects on the weighbridge reports, and therefore undercharged the Councils. This error has been corrected, and the reports have been amended to ensure that this mistake cannot be repeated. The impact on the projection since the last meeting is an additional cost of c£100k.
- 5.15 The additional cost described above, partly offset by the EfW saving, are the main factors that account for the increase in the projected overspend since the previous report.
- 5.16 Year to date contract waste totals 183,500 tonnes (April 2014 - February 2015). This is 12,000 tonnes higher than the budgeted tonnage for the same period, and is the main reason for the significant overspend. Per discussions at previous Board meetings, the budget was set at a time when the economy (and therefore tonnages) remained suppressed in comparison to post recession levels.
- 5.17 Unbudgeted residual tonnage has cost £600k in landfill tax alone. About one third of the unexpected residual waste was delivered by the public to the HWRCs, and the remainder was via Council collections.
- 5.18 Green waste tonnage has grown by 8% compared to the previous year – the majority of this increased tonnage has been collected via Wokingham's garden waste collections. The cost of this additional tonnage is just under £180k.
- 5.19 Recycling tonnage is the only contract waste stream which has not significantly varied from the budget, with total recycling tonnage within 100 tonnes of the

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budgeted recycling tonnage of 40,000 tonnes. The fact that recycling tonnage has remained stagnant whilst the other waste streams have grown significantly is a concern. Recycling tonnage collected at the kerbside has actually decreased compared to the same period the previous year, despite the new housing developments that have been completed this year.

- 5.20 The budget for 2015/16 has been set taking into account the expected growth in waste, both in terms of growth in waste from existing households and also growth caused by planned new developments.

Budget Management (2014/15) – Management Budget

- 5.21 An overview of year to date expenditure on re3 Management costs is attached at Appendix 2.

6 ADVICE RECEIVED FROM ADMINISTERING AUTHORITY

Head of Legal Services

- 6.1 None for this report.

Chief Accountant

- 6.2 None.

Equalities Impact Assessment

- 6.3 None.

Strategic Risk Management Issues

- 6.4 None.

7 CONSULTATION

Principal Groups Consulted

- 7.1 The re3 PFI Contractor is consulted on the production of a wasteflow forecast. This forms an important part of the budget setting process because it helps the re3 Project Team to assess the likely future tonnage that will be received through the contract facilities.
- 7.2 In addition, the re3 Project Team consults the relevant accountancy teams at the re3 councils following the preparation of each draft budget.

Method of Consultation

- 7.3 The wasteflow forecast is updated throughout the year through liaison between the re3 Project Team and the Contractor.
- 7.4 The re3 Project Team and accountants meet quarterly and maintain contact via email or phone in between meetings.

Representations Received

7.3 Not applicable.

Background Papers

22nd January Progress and Finance Reports.

Contacts for further information

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APPENDIX 1

re3 PFI Budget Monitoring					
		2014/15 Waste PFI Forecast			
		BFBC	RBC	WBC	TOTAL
		£	£	£	£
Apr-14	Actuals	571,960	689,113	771,138	2,032,211
May-14	Actuals	521,645	836,651	845,655	2,203,951
Jun-14	Actuals	531,399	819,228	877,699	2,228,326
Jul-14	Actuals	590,505	804,780	885,885	2,281,171
Aug-14	Actuals	512,531	725,638	787,621	2,025,790
Sep-14	Actuals	525,749	764,317	854,022	2,144,089
Oct-14	Actuals	541,222	794,983	853,163	2,189,368
Nov-14	Actuals	501,061	692,939	786,547	1,980,548
Dec-14	Actuals	479,198	697,033	784,278	1,960,509
Jan-15	Provisionals	544,036	758,956	785,579	2,088,571
Feb-15	Provisionals	464,434	624,720	630,775	1,719,930
Mar-15	Expected (see note 1)	502,613	711,260	774,309	1,988,182
TOTAL		6,286,354	8,919,619	9,636,672	24,842,645
Business Rates		90,560	117,456	123,219	331,235
Recyclate Income (ESTIMATE)		-135,284	-181,724	-186,357	-503,365
Recovery Gainshare (ESTIMATE)		29,827	43,389	40,736	113,952
2014/15 Projected Outturn		6,271,457	8,898,739	9,614,271	24,784,467
2014/15 Original Budget		6,082,705	8,813,300	8,945,066	23,841,071
Revised 2014/15 Budget		6,089,220	8,813,300	9,067,640	23,970,160
Projected Over/Underspend		182,237	85,439	546,631	814,307
Variance from revised budget (%)		3.0%	1.0%	6.0%	3.4%
Notes					
1.	Based on actual data for April - September, provisional data for October-January. The remainder of the year is based upon the expected tonnage per the Waste Flow Forecast of 195,300 tonnes				
2.	Revised budgets confirmed with Councils in June 2014.				
3.	The Projected Over/Underspend is as against the revised budgets.				
4.	Reflects additional tonnage to EfW in December.				

2014/15 Budget v Actual & Forecast (Cumulative)

Month	Actual (£)	Budget (£)	Forecast (£)
Apr	1,050,000	1,050,000	1,050,000
May	1,550,000	1,550,000	1,550,000
Jun	2,550,000	2,550,000	2,550,000
Jul	3,550,000	3,550,000	3,550,000
Aug	4,550,000	4,550,000	4,550,000
Sep	5,550,000	5,550,000	5,550,000
Oct	6,550,000	6,550,000	6,550,000
Nov	7,550,000	7,550,000	7,550,000
Dec	8,550,000	8,550,000	8,550,000
Jan	9,550,000	9,550,000	9,550,000
Feb	10,550,000	10,550,000	10,550,000
Mar	11,550,000	11,550,000	11,550,000

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APPENDIX 2

JWDB - re3 Waste PFI Management Costs						
2014/15						
Employees	Budget	YTD Cost	YTD Variance	Projected Annual Cost	Projected Annual Variance	Comments
	£	£	£	£	£	
Salaries, NI & Super	184,900	177,000	-7,900	177,000	-7,900	
Training	3,000	3,000	0	3,000	0	
Employees sub total	187,900	180,000	-7,900	180,000	-7,900	
Other Costs	Budget	Cost	Variance	Projected Annual Cost	Projected Annual Variance	Comments
	£	£	£	£	£	
Transport:						
Travel Expenses	800	1,200	400	1,500	700	
Supplies & Services:						
Equipment	500	0	-500	0	-500	
Stationery	500	300	-200	300	-200	
Consultancy Fees	20,000	20,000	0	20,000	0	
Purchase of Computer Equipment	1,800	1,400	-400	1,500	-300	
Mobile Phones	400	150	-250	150	-250	
Other Costs sub total	24,000	23,050	-950	£23,450	-£550	
2014/15 Total	211,900	203,050	-8,850	£203,450	-£8,450	
				Projected Annual Share £		
				Reading	67,817	
				Bracknell	67,817	
				Wokingham	67,817	
				Total	203,450	

Agenda Item 8

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Regulation 4 of the Local Authorities (Executive
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Agenda Item 9

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