

<b>Project Initiation Document</b>	
All projects must have a PID. The PID gives the direction and scope of the project and forms the 'contract' between the project management team and corporate or programme management	
<b>1. Project Introduction</b>	
<b>1.1 Background</b>	Brief background to project- a summary reference for anyone not familiar with the project
<p>During the first half of 2012, a review was undertaken to ascertain the extent to which the re3 joint waste PFI contract has delivered what was envisaged by the re3 councils over the first five years of its operation. This was presented to the Joint Waste Disposal Board on 12<sup>th</sup> July.</p> <p>The review looked at a variety of factors including procurement, construction, performance and finance and concluded that the contract has so far been successful (Appendix 1). However the local and regional environment in which the PFI Contract exists is changing. For instance financially, the economic situation has forced many councils to consider ways in which they can derive income from their services. Legislatively, prevailing Government guidance has already changed since the time of contract commencement and we may expect new and more challenging targets going forward. Contractually, changing waste composition and economic pressures are resulting in lower tonnages than agreed being processed through the contract.</p> <p>In order to ensure ongoing delivery and the ability to maximise opportunity in this changing environment, officers feel that there is a need to refresh their collective strategic approach to waste management.</p>	
<b>1.2 Context</b>	<p>Summarise the main justification for the project. Explain how the project fits into the work, aims, and strategy of both the Councils and their Directorates.</p> <p>Outline the business rationale for the project e.g. legislation, legal requirements, old age /problems of current product, reorganisation opportunities etc</p>
<p>The re3 PFI contract was written to address those issues that were foreseen by the councils and considered significant in the years prior to its commencement; predominately the reception and treatment of waste and the need to meet performance targets.</p> <p>Looking forward however, the PFI contract must evolve from a version that has proved fit for purpose thus far, into a version which is able to accommodate future requirements.</p> <p>The PFI contract facilitates Council Services. It should therefore help to address council priorities.</p>	

The objectives below have been taken from Bracknell Forest Council's 'Medium Term Objectives 2011/2015', Reading Borough Council's 'Corporate Plan 2009-2012' and Wokingham Borough Council's 'Places and Neighbourhoods Key Objectives 2010 - 2013':

- Improve recycling rates and effective delivery of the re3 project.
- Reduce the amount of waste sent for disposal to landfill by promoting waste minimisation, increasing recycling and composting through existing services and adding new services where practicable.
- Work with our communities and partners to be efficient, open, transparent and easy to access and to deliver value for money.
- Implement a programme of economies to reduce expenditure.
- Embed good customer service and improve service delivery and standards.
- Review and revise service delivery mechanisms and locations.

<b>2. Project Definition</b>	Explain what the project needs to achieve
<b>2.1 Project objectives</b>	State the quantifiable key business objectives and of the project e.g. "reduce waiting times by 25%" is measurable- "better customer service" is not.
<p>The objective of this project is to produce a number of recommendations which substantively form the strategic direction of the re3 councils over the next 10 years.</p> <p>These will relate to factors such as:</p> <ul style="list-style-type: none"> <li>- Waste composition/separation/processing</li> <li>- Resident expectations and service improvement</li> <li>- Operational savings and income</li> <li>- Risk management and business continuity</li> <li>- Joint working and relationships</li> <li>- Changes in performance targets and legislation</li> </ul> <p>In each of these areas we will:</p> <ul style="list-style-type: none"> <li>- Identify potential areas of change.</li> <li>- Identify areas of risk and possible ways to manage.</li> <li>- Identify opportunities and means to take advantage.</li> <li>- Identify legal, corporate and partnership requirements and steps to ensure these are achieved.</li> </ul>	

<b>2.2 Expected Benefits</b>	<p>What benefits do you expect to achieve from this project?</p> <p>What do we expect to gain from it?</p> <p>Name benefits under each category and expected timelines within which you would expect to realise these benefits</p> <p>Describe each benefit in measurable terms so that measurable improvements can be assessed after project completion</p>
<p>In broad terms, this project will help the re3 partnership to:</p> <ul style="list-style-type: none"> <li>- Understand which factors may affect its performance going forward.</li> <li>- Establish opportunities to change where benefits may ensue.</li> <li>- Identify future risk and mitigate it where possible.</li> <li>- Manage expectations of officers, members and stakeholders.</li> <li>- Strengthen working relationships.</li> <li>- Reaffirm what it aims to achieve.</li> <li>- Identify the resources needed to achieve its goals.</li> <li>- Ensure better knowledge therefore improving resilience in understanding.</li> <li>- Develop common communication messages where appropriate.</li> </ul> <p>We will review these benefits at the end of the project and thereafter periodically review thinking and delivery.</p>	
<b>2.3 Project deliverables &amp; desired outcome</b>	<p>List the main products to be delivered by the project and/or the desired outcomes</p>
<p>The aim of this project will be to produce a strategy which provides direction to the re3 councils over the next 10 years.</p> <p>This strategy will plot our target performance over the next 10 years, taking into account our current performance and factors which may drive or influence our performance going forward.</p> <p>The strategy will therefore include annual processes for reviewing performance and monitoring these influential factors.</p>	
<b>2.4 Exclusions</b>	<p>State what is not to be included in the project</p>
<ul style="list-style-type: none"> <li>- The project will not look at risk and opportunities relating to operations such as street cleansing and grounds maintenance which do not directly affect the re3 contract or are not affected by it.</li> <li>- The project will not consider factors that are unforeseeable at the time of writing this</li> </ul>	

document.	
<b>2.5 Constraints</b>	Detail any specific constraints imposed by management or by other factors e.g. target dates, maximum budget, equipment to be used, resource pool
<p>The target date for PID approval will be the meeting of the Joint Waste Disposal Board on 2<sup>nd</sup> October 2012.</p> <p>The target date for project completion will be the meeting of the Joint Waste Disposal Board in July 2013.</p> <p>We will seek to ensure that the cost of the project is met by the waste minimisation budget and re3 management budget.</p> <p>The resources will be as set out in ‘Project Organisation Structure’ below.</p>	
<b>2.6 Interfaces</b>	Where applicable outline whether the project links to other projects, events or initiatives that are currently happening
<p>This project follows on from the five year report presented to the Joint Waste Disposal Board in July 2012.</p> <p>There are also likely to be links to projects and ongoing work being undertaken by the individual Councils.</p>	
<b>2.7 Assumptions</b>	Where applicable state and assumptions made regarding the project e.g. the existing system is up to date and information can be loaded directly onto a new system
<ul style="list-style-type: none"> <li>- That information relating to the re3 contract is readily available. (This will in formats other than public documents.)</li> <li>- That the re3 parties and any relevant stakeholders will be willing and able to provide time and information for this project.</li> </ul>	

<b>3. Project Approach</b>	Outline the method by which the work of the project will be carried out
<p>There will be an initial research and analysis phase followed by a phase for drawing up recommendations and writing the strategy document.</p> <p>This strategy should be agreed with the PFI Contractor, the Council collection contractors and other parties who could be directly affected.</p> <p>The document will then be reviewed by the Project Team and Project Management Team before being shared with the Joint Waste Disposal Board.</p>	
<b>4. Project Tolerances</b>	Give details of any tolerance margins agreed with the Project Board or passed to Project Board by senior Management e.g. any slippage of more than 2 weeks must be brought to the attention of xxx; any increase in cost by more than 5% must be reported to xxx
Project tolerances will be agreed with the Project Sponsors at the Joint Waste Disposal Board Meeting of 2 <sup>nd</sup> October 2012.	
<b>5. Project Controls</b>	Explain how control is going to be exercised within the project and the reporting and monitoring mechanisms that will support this, including the exception process
<p>The project will be discussed with Project Sponsors at the Joint Waste Disposal Board Meetings.</p> <p>The project will be discussed with the Project Management Team at Monthly Managers Meetings.</p> <p>The project will be discussed between the Project Team Members at the Monthly Contract Meeting Pre-meetings or at other dates agreed at the start of the project.</p>	

<b>6. Project Organisation Structure</b>	Explain who will be on the project management team, provide a project management team structure and job descriptions
<p><u>Project Sponsors</u> - Project Director and Members of the Joint Waste Disposal Board</p> <p>Responsibilities to include:</p> <ul style="list-style-type: none"> <li>- Ensuring the project output contributes to achieving the desired outcome.</li> <li>- Signing off the project specification and plan.</li> <li>- Signing off significant changes to the project specification or plan.</li> <li>- Ensuring that the project fits strategically with other projects.</li> </ul> <p><u>Project Management</u> - re3 Management Team</p> <p>Responsibilities to include:</p> <ul style="list-style-type: none"> <li>- Day to day project management.</li> <li>- Coordinating the project planning.</li> <li>- Managing communication with the project team and satellites.</li> <li>- Monitoring progress.</li> <li>- Reporting to the project sponsors.</li> <li>- Delivering the project objectives.</li> <li>- Evaluating the project.</li> </ul> <p><u>Project Team</u> - re3 Project Team Council Officers</p> <p>Responsibilities to include:</p> <ul style="list-style-type: none"> <li>- Bringing relevant expertise to the project.</li> <li>- Supporting the project manager in managing the project.</li> <li>- Working with other team members in a cooperative way.</li> <li>- Contributing to the planning of the project</li> <li>- Completing the tasks s/he agrees to take on.</li> <li>- Attending project team meetings.</li> </ul> <p><u>Satellites</u> - Contractor Collection Contractors Legal Advisors Finance Team Industry experts</p> <p><u>Other Stakeholders</u> - Stakeholder Group Members of Public Staff (e.g. Collection crews, HWRC staff, MRF operatives, Transfer station staff) Offtakers Local Councils</p>	

<b>7. Initial Project Plan</b>	Attach your project plan below				
Attached as Appendix 2.					
<b>8. Initial Risk Register and Issues Log</b>	For risk register and issues log template go to tools and templates on the CPO Pod				
This is currently being developed.					
<b>9. Communication Plan</b>	For communication plan template go to tools and templates on the CPO Pod				
	<b>Project Sponsors</b>	<b>Management Team</b>	<b>Project Team</b>	<b>Contractor (Satellite/ Stakeholder)</b>	<b>Other Satellites</b>
<b>What we will communicate</b>	<ul style="list-style-type: none"> <li>- Progress</li> <li>- Risks</li> <li>- Conflicts</li> <li>- Political implications</li> </ul>	<ul style="list-style-type: none"> <li>- Progress</li> <li>- Delays</li> <li>- Successes</li> <li>- Problems</li> <li>- Resource issues</li> <li>- Options</li> <li>- Opinions</li> </ul>	<ul style="list-style-type: none"> <li>- Progress</li> <li>- Successes</li> <li>- Problems</li> <li>- Tasks</li> <li>- Deadlines</li> </ul>	<ul style="list-style-type: none"> <li>- Research Outcomes</li> <li>- Options</li> <li>- Opinions</li> <li>- Decisions</li> <li>- Tasks</li> <li>- Deadlines</li> </ul>	<ul style="list-style-type: none"> <li>- Tasks</li> <li>- Deadlines</li> <li>- Options</li> </ul>
<b>Method and frequency</b>	<ul style="list-style-type: none"> <li>- Quarterly JWDB meetings</li> </ul>	<ul style="list-style-type: none"> <li>- Monthly Management Meetings</li> <li>- By email/ phone where necessary</li> </ul>	<ul style="list-style-type: none"> <li>- Monthly Meetings</li> <li>- By email/ phone where necessary</li> </ul>	<ul style="list-style-type: none"> <li>- Meetings as required.</li> <li>- Emails</li> </ul>	<ul style="list-style-type: none"> <li>- Meetings as required.</li> <li>- Emails/ phone</li> </ul>
<b>Responsibilities</b>	Management Team	Project Team	Management Team	Project Team	Project Team

## Appendix 1: Executive Summary of the Five Year Report.

### 1. Executive Summary

- 3.1 This review of the first five years of the re3 Joint Waste PFI Contract was intended to ascertain the extent to which it has delivered what was envisaged by the re3 councils.
- 3.2 In broad terms the re3 PFI contract has proved to be a great success. The procurement, by a partnership of local authorities was successfully completed. Construction of the new facilities was achieved on time and within budget. Since completion of construction, the facilities have proven to be incredibly popular with residents. Throughout each of these phases countless challenges have been successfully addressed.
- 3.3 In specific terms, too, the re3 PFI contract is proving to be effective and successful.
- 3.4 Financially, the re3 PFI contract is on target to deliver a saving against the comparator used to assess value for money. According to modelling, updated for the review, the re3 contract is due to begin costing less than the comparator from 2013/14 onwards. By the end of the modelled period, in 2021/22, the contract should be saving nearly £3m per annum.
- 3.5 In addition, individual elements of the contract appear to compare well against those prices currently available on the open market. For landfill, the price is above median but is well below the highest prices available. For energy from waste (EfW) the price has been amongst the lowest available and, according to the most recently available, is at the level of the median price.
- 3.6 The review looks at performance against statutory targets and those included in the Final Business Case (FBC) for the re3 contract.
- 3.7 Waste Strategy 2000 set targets for recycling and composting. The Councils met the 2010 target of 30%; recycling and composting on average 35.69% of household waste. However the Councils narrowly failed to meet the revised target of 40% set by the Waste Strategy 2007. Officers feel this was principally due to the economic situation having an adverse impact on levels of recycling that the councils are only now recovering from. Rather than growing year on year as required to meet the government's latest targets, the recycling performance of the re3 partnership has faltered over the last few years. Therefore, despite an increasing composting rate, performance has fallen short of the tougher Waste Strategy 2007 targets and the similar FBC target for the re3 contract.



- 3.8 Waste Strategy 2000 also set a performance target for recovery. Again, the Councils met the 2010 target, recovering 52.52% of municipal waste. However, there was a one year delay in meeting the updated Waste Strategy 2007 target of 53% and the greater FBC target of 72%. This was caused by the late commissioning of the Lakeside EfW facility.
- 3.9 This delay in the commissioning of the EfW facilities also meant that the councils met the biodegradable waste to landfill target for 2010, contained in the FBC, a year later than anticipated. However the lower LATS targets have been achieved and our actual tonnage landfilled is significantly lower than our allowance. In 2010/11 only 39% of the LATS allowance was actually used. This is in part due to the use of EfW facilities provided through the re3 contract which divert waste from landfill.
- 3.10 Waste arisings have fallen significantly faster than expected at the time of procurement. The average 2010/11 waste generation per head was 14% lower than that seen in 2001/02. As a result the Councils are likely to meet their waste generation targets ahead of schedule.
- 3.11 Another important indicator of performance is user satisfaction. Numbers of complaints have remained low over the course of the contract so far.
- 3.12 In the annual HWRC user satisfaction survey, overall satisfaction has remained high. Over the last three surveys, the percentage of users rating the sites as good or very good overall has remained in the high nineties. Other categories, in which performance is slightly less highly rated, are monitored.
- 3.13 The results of the first transfer station survey, in which council staff were asked for their opinions as regular users of the facilities, have also been positive. Queue times on the days surveyed were acceptable and staff helpfulness was also rated highly.
- 3.14 The councils had some specific objectives in mind when procuring the re3 PFI Contract. The contract had to secure long-term solutions ahead of the end of contracts passed down from Berkshire County Council, divert waste from landfill to avoid anticipated fines and to increase recycling. On the first two counts, the re3 PFI has been successful. On the third, recycling, the facilities put in place by the contract have been successful but circumstances beyond council control have made it hard to maintain the rate of improvement that had been anticipated.
- 3.15 Officers feel that there is a need for the re3 councils to refresh their collective strategic approach to waste management to account for the changing environment in which the re3 PFI Contract exists. Without such a process being undertaken, the ongoing success of the re3 Waste PFI cannot be guaranteed.

## Appendix 2: Initial Project Plan

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