

## JOINT WASTE DISPOSAL BOARD

### NOTICE OF MEETING

**WEDNESDAY 17 DECEMBER 2008**

**TO: ALL MEMBERS OF THE JOINT WASTE DISPOSAL BOARD**

You are invited to attend a meeting of the Joint Waste Disposal Board on **Wednesday 17 December 2008 at 6.00 pm** in Committee Room 2, Reading Borough Council . An agenda for the meeting is set out overleaf.

***PLEASE NOTE THAT AS PARKING IS NOT AVAILABLE AT READING BOROUGH COUNCIL A MAP IS INCLUDED WITH THE AGENDA AND IT RECOMMENDED THAT YOU PARK IN CAR PARK B***

Mark Moon  
Project Director

#### **Members of the Joint Waste Disposal Board**

Bracknell Forest Borough Council:	Councillor Mrs M Ballin Councillor Mrs D Hayes
Reading Borough Council:	Councillor R Duveen Councillor P Gittings
Wokingham District Council:	Councillor R Stanton Councillor S Weeks

#### **EMERGENCY EVACUATION INSTRUCTIONS**

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- 1 Leave the building immediately**
- 2 Follow the green signs**
- 3 Use the stairs not the lifts**
- 4 Do not re-enter the building until told to do so**

**JOINT WASTE DISPOSAL BOARD**  
**Wednesday 17 December 2008 (6.00 pm)**

**AGENDA**

	<b>Page No</b>
<b>1. APOLOGIES FOR ABSENCE</b>	
<b>2. DECLARATIONS OF INTEREST</b>	
Members are required to declare any personal or prejudicial interests and the nature of that interest, in respect of any matter to be considered at this meeting.	
<b>3. MINUTES OF THE MEETING OF THE JOINT WASTE DISPOSAL BOARD - 30 SEPTEMBER 2008</b>	1 - 4
To receive the minutes of the Joint Waste Disposal Board held on 30 September 2008.	
<b>4. URGENT ITEMS OF BUSINESS</b>	
To notify the Board of any items authorised by the Chairman on the grounds of urgency.	
<b>5. PROJECT UPDATE</b> (Project Director)	5 - 10
<b>6. PLANNING AND LICENSING REPORT</b> (Project Director)	11 - 12
<b>7. JOINT WASTE AUTHORITIES REPORT</b> (Project Director)	13 - 16
<b>8. EXCLUSION OF PUBLIC AND PRESS</b>	
To consider the following motion:	
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 item 9 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.	
<b>9. RISK REGISTER</b> (Project Director)	17 - 20

**JOINT WASTE DISPOSAL BOARD  
30 SEPTEMBER 2008  
6.00 - 7.50 PM**

**Present:**

Bracknell Forest Council

Councillor Mrs Mary Ballin

Councillor Mrs Dorothy Hayes (Vice Chairman)

Steve Loudoun, Chief Officer: Environment & Public Protection

Janet Dowlman, Waste and Recycling Manager

Reading Borough Council

Councillor Ricky Duveen

Councillor Paul Gittings

Kevin Holyer, Head of Environment & Consumer Affairs

Oliver Burt, Re3 Project Manager

Dave Fisher, Chief Accountant

Clare Ayling, Re3 Principal Finance and Admin Officer

Wokingham Borough Council

Councillor Rob Stanton (Chairman)

Councillor Simon Weeks

Mark Moon, Re3 Project Director

Pete Baveystock, Waste and Recycling Manager

Alan Tiplady,

**Also in attendance:**

Andrew Woolcock, General Manager, Re3 Ltd

**1. Election of Chairman**

**RESOLVED** that Councillor Stanton be elected Chairman of the Board for the next municipal year.

**2. Appointment of Vice Chairman**

**RESOLVED** that Councillor Mrs Hayes be appointed Vice-Chairman of the Board.

**3. Declarations of Interest**

There were no declarations of interest.

**4. Minutes of the Joint Waste Disposal Board - 25 June 2008**

The minutes of the meeting of the Joint Waste Disposal Board held on 25 June 2008 were accepted by the Board and signed by the Chairman.

## 5. **Presentation from WRG on Waste Minimisation and Education**

Andrew Woolcock, General Manager, Re3 Ltd, attended the meeting to give a presentation to the Board on Waste Minimisation and Education. In particular he highlighted:

- (i) The communication aims were to encourage people to reduce, reuse and recycle more, to promote new facilities and to promote re3 as the council waste partnership.
- (ii) At the Smallmead Centre all of the signage was compatible with the national campaign to help public recognition. Longshot Lane waste transfer station was nearing completion and communication around both of these developments included leaflets to the public, radio adverts, and developments such as live webcams, advice and games on the Re3 website.
- (iii) The home composting campaign was underway to promote the sale of home composter bins with. Around 1000 had been sold already but the campaign needed sustaining and refreshing to continue the success.
- (iv) Next on the agenda was a 6 month food waste campaign, with a view to extending it into 2009. The campaign would directly target residents in areas producing the most food waste, alongside a national campaign, as on average 30% of household food ended up as waste. There would also be further communications and campaigns around Bring Banks.
- (v) Finally, there were a number of initiatives planned in terms of education including:
  - a website specifically aimed at teachers and children and young people including activities, games and competitions.
  - education centres at Smallmead and Longshot Lane where an education programme developed by Waste Watch would be taught and was linked to the national curriculum and was aimed at Key Stage 2 children. It was hoped that schools would visit the centre a several times in a year.
  - the visitors centre would also be included in the education programme offering sessions on recycling and composting and would be available to community groups and secondary schools.

Members noted the importance of education in achieving the aims of waste reduction and that the education centres at Smallmead and Longshot Lane would be the first in the country. It was agreed that there would be some joint thinking on further opportunities for encouraging residents to use the options for recycling, reusing and reducing.

As Andrew Woolcock was leaving Re3 Ltd, on behalf of the Board the Chairman thanked him for all of his help and wished him well for the future.

## 6. **Joint Waste Disposal Board Progress Report**

The Board considered a report which provided an update on project activities since the last meeting on 25 June 2008. The Project Director highlighted the following:

- (i) The PFI was currently projecting a combined under spend of £365,000 against the budget for this financial year.
- (ii) Following submission of an expression of interest to DEFRA, the Re3 councils would have until March 2009 to debate the implications of a Joint Waste Authority and if appropriate to prepare and submit an application.

Work on the 2009/10 budget was underway and would be sent to Members for information.

Following some discussion around risks associated with the PFI contract it was noted that:

- (iii) Officers would be involved in the recruitment of a General Manager from WRG.
- (iv) Relations with the WRG Board had improved.
- (v) The issue of contamination of council Mixed Dry Recyclables would be monitored closely following the commissioning of the Materials Recovery Facility.

The Risk Register would be updated with actions already taken to reduce and manage the areas of risk identified.

**RESOLVED** that progress made since the last meeting on 18 June 2008 be noted.

## 7. **Joint Working Agreement**

The Board considered the report of the Project Director which proposed changes to the Joint Working Agreement.

Following some discussion Members agreed that the Chairman would write to the Chief Executives of Bracknell Forest, Reading and Wokingham Borough Councils highlighting the Board's concerns around the costs relating to West Berkshire patronage of Smallmead Household Waste Recycling Centre.

**RESOLVED** that

- (i) the minor amendments proposed to the Joint Working Agreement be noted and approved.
- (ii) subject to review by Bracknell Forest Council legal advisors, the first significant change as set out in Appendix 1 to the report of the Project Director be approved.
- (iii) subject to review by Bracknell Forest Council legal advisors, the second significant change as set out in Appendix 1 to the report of the Project Director be approved.
- (iv) subject to review by Bracknell Forest Council legal advisors and with the amendment of more flexibility around the Independent Survey dates at A3, the third significant change as set out in Appendix 1 to the report of the Project Director be approved.
- (v) subject to review by Bracknell Forest Council legal advisors, the fourth significant change as set out in Appendix 1 to the report of the Project Director be approved.

## 8. **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 item 10 which involved 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.

9. **Lakeside Energy From Waste**

The Board noted the report containing exempt information which detailed the progress in the construction of the Lakeside Energy from Waste facility in Colnbrook, Berkshire.

10. **Future Meeting Dates**

- Wednesday 17 December 2008 at 6.00pm (Committee Room 2, Reading Borough Council)
- Wednesday 18 March 2008 at 6.00pm

**CHAIRMAN**

**TO: JOINT WASTE DISPOSAL BOARD  
17 DECEMBER 2008**

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## **JOINT WASTE DISPOSAL BOARD - PROJECT UPDATE 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 30 September 2008.

### **2. RECOMMENDATIONS**

- 2.1 **That progress made since the last meeting on 30 September 2008 be noted.**

### **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.

#### **Operations**

- 3.2 Operationally, the contract has been running smoothly since the last JWDB meeting in September aside from a marked change in the markets for recycled materials.
- 3.3 The sharp fall in demand for recycled materials, especially in China, has begun to affect the viability of markets for recyclables in the UK. Demand has dropped and as a result so has the price payable for recycled materials.
- 3.4 Officers are monitoring the situation with WRG and we are also exploring the opportunities we may have, as councils for the storage of materials during this difficult time.
- 3.5 At the time of writing, we understand that many of the support and enforcement agencies, involved in waste management in the UK (for example DEFRA, EA, LGA), are working together to support the recycling industry.

#### **Finance and Performance**

- 3.6 The PFI contract is currently projecting an underspend of £387,000 for the year. See Appendix 1.
- 3.7 Negotiations continued regarding the additional costs due to the delayed opening of Lakeside EfW. These costs have reduced from £380,000 to £288,500.
- 3.8 WRG have incurred £28,000 of performance deductions in Quarter 2, a significant increase on the Quarter 1 deductions of £10,000. The increase is due to problems

WRG have experienced with one of their bring bank contractors. WRG are currently seeking to resolve the issues.

- 3.9 Tonnages remain lower than forecast with annual contract tonnage expected to be around 208,000 tonnes this year, compared to the forecast of 215,000 tonnes. Landfill tonnages are significantly low which is a significant factor in the projected underspend.
- 3.10 Each Council is on course to achieve its 2008/09 National Indicator targets. Bracknell is currently achieving 42% recycling, Reading 36% and Wokingham 37%.
- 3.11 The PFI Management continues to project a £30,000 overspend. Year to date spend remains relatively low, but provisions have been made for expenses relating to the new Council offices at Smallmead and consultancy fees.

### **Risk Register**

- 3.12 The councils Management Team have developed a Risk Register to identify and plan the management of areas of risk associated with the PFI contract.
- 3.13 The Risk Register is appended as a Part 2 item to this report for information.
- 3.14 No new risks have been identified since the last JWDB.
- 3.15 A new table is included. It is called the Evaluation Grid and is useful in illustrating the scale and urgency of the identified risks.
- 3.16 The Risk Register has also been amended to include a column which describes the current action status on a given risk. In this way, the difference between an identified, or suggested, mitigation and an actioned mitigation can be made clear.
- 3.17 The Risk Register has also been shortened to include only those risks which fall within the amber and red sections of the Evaluation Grid. We've done this to ensure that Members are kept abreast of the highest priority risks.

### **User Satisfaction Survey**

- 3.18 During October, WRG carried out a contractual User Satisfaction Survey at Smallmead Household Waste Recycling Centre (HWRC) and Longshot Lane Civic Amenity (CA) Site.
- 3.19 The overall rating for Smallmead was excellent, with 99% of respondents rating it as good or very good. For Longshot Lane, particularly bearing in mind the reduced availability during construction, the results were also excellent with 82% of respondents rating the site as good or very good.

### **Landfill Gas Incident at Smallmead**

- 3.20 On Friday 14 November, WRG identified the presence of landfill gas at the Smallmead Household Waste Recycling Centre. As a precaution the site was closed.
- 3.21 Monitoring failed to pick-up any more gas during Saturday and so the site was re-opened on Sunday 16<sup>th</sup> November.



3.22 WRG are preparing a report in the incident and Officers will report back in due course.

## **BACKGROUND PAPERS**

Reports to Joint Waste Disposal Board, 30 September 2008

## **CONTACTS FOR FURTHER INFORMATION**

Mark Moon, Project Director  
0118 974 6308  
[Mark.moon@wokingham.gov.uk](mailto:Mark.moon@wokingham.gov.uk)

Oliver Burt, Project Manager  
0118 939 9990  
[oliver.burt@reading.gov.uk](mailto:oliver.burt@reading.gov.uk)

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**2008/09 Waste PFI Outturn Projection - Current Allocations with Weighted Average**

	Actual Spend 2008/09
Apr-08	1,470,385
May-08	1,644,272
Jun-08	1,575,387
Jul-08	1,566,531
Aug-08	1,511,792
Sep-08	1,523,242
YTD TOTAL	<u>9,291,609</u>
Full Year Pro Rata	17,868,479
Qtr1 Performance Deductions	-10,080
Qtr2 Performance Deductions	-27,920
Additional Rates (1)	330,000
MRF Step Up Costs (2)	123,000
MRF Haulage (3)	75,000
Additional Costs for displaced EfW tonnes (4)	288,563
Longshot Lane Drainage Costs (5)	68,123
<b>2008/09 PROJECTED OUTTURN</b>	<b><u><u>18,715,165</u></u></b>
2008/09 Budget	19,102,414
<b>Over/Underspend</b>	<b>-387,249</b>

(1) Additional Rates - Forthcoming increase due to new facilities opening

(2) MRF Step Up Costs - Increment in the baseline payments due to completion of the MRF

(3) MRF Haulage - Fee applied to recyclables delivered to Longshot Lane by the Councils, then hauled to the MRF

(4) Additional Costs for displaced EfW tonnes - per WRG claim

(5) Longshot Lane Drainage Costs - Council contribution to attenuation works

**Waste PFI Management Budget 2008/09**

	Actual Spend 2008/09
Apr-Dec 2008	£ 110,000
Full Year Projected Cost	£ 247,200
2008/09 Budget	£ 217,200
Variance	£ 30,000

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**TO: JOINT WASTE DISPOSAL BOARD  
17 DECEMBER 2008**

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**EPC, PLANNING AND LICENSING REPORT  
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 30 September 2008.

**2. RECOMMENDATIONS**

- 2.1 **That the progress made in the areas of the EPC Contract and Planning since the last meeting on 30th September 2008 be noted.**

**3. SUPPORTING INFORMATION**

**EPC and Planning**

- 3.1 Phase 2 at Smallmead is nearing completion. Three of the four periods of MRF testing have been completed at time of writing. The fourth should be complete by the date of the JWDB.
- 3.2 The MRF is currently processing 15 tonnes of mixed dry recyclables per hour.
- 3.3 The office and visitor centre complex is now complete. Furniture has been ordered and should be delivered in mid-December.
- 3.4 It will take some time to equip the education centre but we are hopeful that it will be ready to accept visitors during February or early March.
- 3.5 There is an issue, however, with the connection from the site to the main sewer at Smallmead. Earthtech/Clugston (the engineering and construction joint venture sub-contracted by WRG to build the re3 facilities) have experienced some prolonged difficulties in agreeing a solution with Thames Water. Without the connection, the site cannot be completed or handed-over to WRG.
- 3.6 Officers are seeking to assist Earthtech/Clugston in their negotiations with Thames Water.
- 3.7 Construction at Longshot Lane continues to be on schedule.
- 3.8 The transfer of the temporary Civic Amenity site, to the 'bottom end' of the Longshot site has now taken place with the minimum of disruption to patrons.
- 3.9 The man hours worked by Clugston, at both sites, without a Lost Time Accident has now reached 253, 283 hours. For interest, that's 10,533 man days or just over 28 man years.

## **BACKGROUND PAPERS**

Reports to previous Joint Waste Disposal Board Meetings.

## **CONTACTS FOR FURTHER INFORMATION**

Mark Moon, Project Director  
0118 974 6315  
Mark.moon@wokingham.gov.uk

Oliver Burt, Project Manager  
0118 9399990  
oliver.burt@reading.gov.uk

**TO: JOINT WASTE DISPOSAL BOARD  
17 DECEMBER 2008**

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## **JOINT WASTE DISPOSAL BOARD – JOINT WASTE AUTHORITIES REPORT Project Director**

### **1. INTRODUCTION**

- 1.1 The Local Government and Public Involvement in Health Act 2007 sets out powers to allow for the establishment of Joint Waste Authorities (JWA).
- 1.2 The creation of a JWA brings with it some facilities or freedoms which can help the re3 councils to work effectively and achieve service improvements and to share common burdens. This report describes the likely characteristics of a JWA with specific reference to, and discussion of, the potential benefits for the re3 councils.
- 1.3 As agreed by the Joint Waste Disposal Board on the 25 June, the re3 Authorities made a non binding expression of interest in applying to establish a JWA during the summer of 2008. A final application, should one be made, must be submitted by the end of March 2009.
- 1.4 This report asks Members to apply formally apply to become a JWA for waste disposal, consisting of Bracknell Forest, Reading and Wokingham Borough Councils.

### **2. RECOMMENDATIONS**

- 2.1 **That one of the two options for consultation with residents, on the issue of a Joint Waste Authority, as described at paragraphs 3.9 and 3.10 be approved.**
- 2.2 **That it be agreed to establish a Steering Group, drawn from officers and Members, to meet monthly to manage the processes leading to the submission of an application for Joint Waste Authority (Disposal) status.**
- 2.3 **That it be agreed to receive a decision report on, and the findings of the consultation, at the next Joint Waste Disposal Board meeting in March 2009.**

### **3. SUPPORTING INFORMATION**

#### **Background**

- 3.1 Waste management is one of the most significant costs to the council budget and largely through the collection element has one of the highest service profiles. The pressures being faced or expected to be faced were a major driver to the establishment of re3 and the PFI bid. In so doing recognition was given to the fact that in order to work efficiently we need to work at a broader geographical scale than as single local authorities. Through the re3 project we have shown that this is the case.
- 3.2 Through the work leading to our joint PFI contract for waste management we have evidenced how partnerships can achieve results that may otherwise be beyond a single local authority. However, whilst we are acting as one, in legal terms we remain

3 waste organisations and have to act accordingly. In some aspect of our operation we are prohibited from acting as one even if there were very good reason to do so and all wanted to.

- 3.3 Becoming a JWA helps overcome this and provides other benefits. It provides the necessary legal framework within which authorities can formalise co-operation with each other to deliver the full range of improvements that become possible through joint working.
- 3.4 We are not starting from scratch and as we already have a legal framework within which we have co-operated and delivered significant improvements the level of further gain in becoming a JWA is not so great. We have already taken the majority of any necessary steps towards establishing a JWA in the governance arrangements for our PFI contract. We have in place a joint Board, an administrative structure, financial arrangements and a shared service. Pending the release of the final guidance it is understood that,, none of the existing arrangements would require substantive changes. We are also advised that money would be available to help with any additional costs.
- 3.5 The advantages that JWA status would bring, and that which are not currently explicitly open to the re3 councils are as follows:
  - Pooling of targets;
  - Pooling of staff;
  - Corporate Body status enabling the JWA to develop so that it can jointly commission and manage contracts on behalf of the councils;
- 3.6 DEFRA have initially made £250,000 of funding available for the creation of JWA's in 2009/10. Officers understand that a total of 7 potential partnerships submitted an expression of interest.
- 3.7 If the re3 councils decide to go ahead with an application, they will need to consult with residents and other interested persons.
- 3.8 The councils can consult on a specific basis, restricting findings to the JWA process alone, or they can consult on a broader basis, designed to gauge the support for the further development of the sharing we already have.
- 3.9 The first approach would give a clear indication of public feeling about a bid for JWA status. It is arguable that it is not something upon which the public has a sufficient level of knowledge, or whether they will have a desire to express an opinion.
- 3.10 The second approach to consultation might help to send out a message that the councils are keen to ensure resources are well managed. It would also gauge the level of public support for the concept of the councils further developing the partnership which has already delivered brilliant new facilities. This approach may be more liable to elicit a response from the public because it is a broader enquiry which requires no detailed knowledge of Government legislation.
- 3.11 The deadline for applications is currently March 31<sup>st</sup> 2009 although DEFRA are prepared to receive applications after that date.
- 3.12 In order to ensure that the decision to submit an application is made and that an application is subsequently submitted, Officers are proposing that a Steering Group



be set up. It is proposed that 1 Member from each of the re3 councils and two officers be asked to form the Steering Group.

- 3.13 The Steering Group would meet monthly to manage the processes involved in deciding to make, and subsequently making, an application.

## Options

- 3.14 In the first instance a JWA would, subject to mutual agreement, enable the re3 councils to:

- Pool NI targets and LATS obligations, simplifying the reporting procedures and the existing mechanisms for ensuring equitable sharing of the benefits from contractual facilities such as Lakeside.
- Pool and co-locate staff involved in waste management. The intention being to reduce and eradicate duplication across the councils and to increase opportunities for working partnering with our PFI contractor. By so doing it increases management capacity and makes the future management of the project more robust with more opportunities for succession planning

- 3.15 Subsequent to the creation of a JWA for waste disposal, the re3 councils would be able to investigate further the potential of the following opportunities:

- Shared management of waste collection contracts, pooling and potential rationalisation of 'client' resources and co-location of staff.
- Shared procurement of refuse related products e.g. containers, vehicles etc;
- Letting shared contracts for existing services such as clinical waste and bulky waste and also for any potential new services such as glass collections and food waste collections (as such services became necessary);
- Rescheduling of refuse collection rounds to arrange waste collection resources on the basis of greatest efficiency rather than being constrained by a Borough boundary, and/or;
- Letting a shared refuse and recycling collection contract, sharing depot space and realising efficiencies.

- 3.16 It is important to recognise that JWA's can be created for each, or combinations of, the three main waste functions for local authorities (i) waste disposal (ii) waste collection and (iii) street cleansing. This report supports the creation of a JWA for waste disposal only at present. However, over the next few years both Bracknell Forest and Wokingham have to re-tender their collection services. If the JWA is set up in such a way that enables the development of more joint management then there are opportunities that might be realisable through a joint management arrangement.

- 3.17 In discussion with DEFRA, officers have managed to ascertain that additional functions (collection and/or street cleansing) could be added, subject to approval by the Secretary of State and the agreement of all parties within the existing JWA. In this way, the re3 councils would be able to move forward at a more incremental pace, and when most advantageous, rather than having to decide the foreseeable future all at once.

- 3.18 It has also been confirmed that a JWA can be dissolved. Parties entering into a JWA should not do so with the intention of dissolving it but it may be reassuring to the re3

councils to know that it is not an irreversible step. Dissolution may be sought by either the parties within it, or by the Secretary of State.

### **Financial**

- 3.19 The government are making funds available to councils setting up JWA's. A bid would be made to cover all costs.
- 3.20 The creation of a JWA could, if the councils so choose, be a catalyst for the realisation of the issues as described at 3.9 and 3.10 above. Such decisions would be dependant upon the development and acceptance of a business case. An approach has been made to the Regional Improvement and Efficiency Partnership for help in that regard.

### **BACKGROUND PAPERS**

Report to Joint Waste Disposal Board (18<sup>th</sup> June 2008) entitled 'Joint Waste Authorities'

Report to Joint Waste Disposal Board (30<sup>th</sup> September 2008) entitled 'Project Update' (specifically paragraphs 3.21 to 3.25)

### **CONTACTS FOR FURTHER INFORMATION**

Mark Moon, Project Director  
0118 974 6315  
Mark.moon@wokingham.gov.uk

Oliver Burt, Project Manager  
0118 9399990  
oliver.burt@reading.gov.uk