

JOINT WASTE DISPOSAL BOARD

NOTICE OF MEETING

THURSDAY 22 MARCH 2012

TO: ALL MEMBERS OF THE JOINT WASTE DISPOSAL BOARD

You are invited to attend a meeting of the Joint Waste Disposal Board on **Thursday 22 March 2012 at 6.00 pm** in the Wokingham Borough Council, Shute End, Wokingham. An agenda for the meeting is set out overleaf.

Please note the earlier than usual meeting start time.

Mark Moon
Project Director

Members of the Joint Waste Disposal Board

Councillor Iain McCracken, Executive Member for Culture, Corporate Services and Public Protection
Councillor Mrs Dorothy Hayes MBE, Executive Member for the Environment
Councillor Paul Gittings, Reading Borough Council
Councillor Rachel Eden, Reading Borough Council
Councillor Gary Cowan, Wokingham Borough Council
Councillor Rob Stanton, Wokingham Borough Council

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



If you require further information, please contact: Katharine Simpson
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E-mail: katharine.simpson@bracknell-forest.gov.uk



JOINT WASTE DISPOSAL BOARD
Thursday 22 March 2012 (6.00 pm)
Wokingham Borough Council, Shute End, Wokingham.

AGENDA

Page No

1. **APOLOGIES FOR ABSENCE**
2. **DECLARATIONS OF INTEREST**
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.
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 14 December 2011.
4. **URGENT ITEMS OF BUSINESS**
To notify the Board of any items authorised by the Chairman on the grounds of urgency.
5. **JOINT WASTE DISPOSAL BOARD PROJECT UPDATE** 5 - 12
To inform the Board of progress since its last meeting on 14 December 2011.
6. **EXCLUSION OF PUBLIC AND PRESS**
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 14 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.

Report Containing Exempt Information

7. **REPORT ON LEGAL ADVICE FROM PROFESSIONAL ADVISORS** 13 - 18
To receive a briefing on contractual matters.
8. **DATES OF FUTURE MEETINGS**
To reconsider the dates of future meetings of the Board.

Agenda Item 3

**JOINT WASTE DISPOSAL BOARD
14 DECEMBER 2011
(6.30 - 8.30 pm)**

Present: Bracknell Forest Borough Council
Councillor Mrs Dorothy Hayes MBE

Reading Borough Council
Councillor Paul Gittings
Councillor Rachel Eden

Wokingham District Council
Councillor Gary Cowan
Councillor Rob Stanton

Officers Pete Baveystock, Wokingham Borough Council
Pete Thompson, Reading Borough Council
Oliver Burt, Reading Borough Council
Janet Dowlman, Bracknell Forest Council
Dave Fisher, Reading Borough Council
Kevin Holyer, Reading Borough Council
Steve Loudoun, Bracknell Forest Council
Mark Moon, Wokingham Borough Council

Apologies for absence were received from:
Councillor McCracken

52. Declarations of Interest

There were no declarations of interest.

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

RESOLVED that the minutes of the meeting of the Board held on 20 September 2011 be approved as a correct record and signed by the Chairman.

A meeting had taken place between the Councillor McCracken and the Project Director on gaining a better understanding of the potential benefits and disadvantages within the partnership.

A summarised update of the monitoring report would be brought to the next Board meeting.

54. Urgent Items of Business

There were no urgent items of business.

55. Presentation from Chris Ellis (Operations Director, WRG)

The Board received a presentation from Chris Ellis, Operations Director and Paul Dumberton, Regional Manager from WRG, updating them on the contract progress and future aims.

The presentation included the following information –

- Updates and progress on the MRF

- Recycling rates
- Mini MRF information
- Progress on work with charitable organisations
- EFW recovery targets
- Information regarding the new haulage contract
- Cost savings for 2011
- Future proposed savings
- Re3 site developments during 2011/12
- Planned developments
- External development updates

In response to questions, Chris explained that WRG would work with the councils regarding future costs and anticipated changes in the composition of the contract. Chris confirmed that once the Board had agreed to cost saving options proposed by WRG then work would be undertaken on these to progress for the future. Also options for generating future income were discussed including the option of dealing with trade waste.

The Board thanked Chris and Paul for the presentation.

56. **Opening Hours at the re3 Household Waste Recycling Centres**

The Board considered a report outlining the potential for modifying the opening hours at the Household Waste Recycling Centres.

After an analysis of the opening hours of other comparative HWRCs around the country it was found that the re3 councils were providing a HWRC service from two hours longer than other HWRCs. Only one of the 120 sites analysed had longer opening hours than the re3 sites in both summer and winter. Traffic count data and User Satisfaction Surveys were also used to investigate the levels of usage at the re3 sites.

It was noted that the busiest period at both re3 sites was between 10.00 and 16.00 and it was suggested that if any changes were to be made to the opening hours that they be made outside of these 'core' hours.

RESOLVED that

- 1 The contents of the associated report be noted.
- 2 That a further report be submitted to a subsequent meeting of the Board which details potential options for changing the HWRC opening hours, promoting savings, efficiency and utilising the public facilities to greater effect.

57. **re3 Waste PFI Project - Progress Report**

The Board considered a report informing of progress since the last meeting.

Officers were in discussion with the Contractor about the requirement for appropriate traffic management systems for Longshot Lane. The Contractor had sought approval from the WRG Board for a permanent, two lane access for users of the Household Waste Recycling Centre. It was noted that any changes were subject to planning permission.

The Board noted that the Contractor had appointed a haulier for the next five years of the Contract and would begin on the 4 December 2011. The new contract should result in a small saving to the councils against the current cost.

A complaint had been received by Wokingham Borough Council regarding the trailer usage rules at the Longshot HWRC. There had been an issue regarding access controls at both Smallmead and Longshot HWRCs. The controls currently used were a height barrier at both sites and restrictions on the amount a householder can bring for some types of waste. A further control used was related to the use of 6 foot long trailers. Due to the wide range of trailer sizes available this type of control was now consider impractical. The Board considered the suggestion that this control be amended so that single-axle trailers only were accepted. This would enable an easier way to identify the correct size of trailer. The Board discussed the matter and agreed that a single-axle trailer policy would be preferable.

The contracts regarding the community paint re-use scheme had been received and checks had been undertaken. It was anticipated that the scheme would begin early 2012.

The Board discussed the reported collective overspend of £293,000 for 2011/12. This was mainly due to increased levels of waste processed during Quarter 1 but figures for Quarter 2 indicated that this trend had begun to ease. It was noted that savings options to reduce the overspend would not be available for the current budget but would be considered for the future budget.

Discussions were currently taking place with the accountants of the three councils in finalising the assumptions used in calculating the budget for 2012/12.

RESOLVED that

- 1 Progress made since the last meeting on 20 September 2011 be noted.
- 2 A single-axle trailer policy at the Household Waste Recycling Centres be agreed.

58. Exclusion of Public and Press

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 13 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.

59. re3 Waste PFI Project Update - Contract Matters

The Board received and noted a report containing exempt information relating to contract matters.

The Board discussed the report and agreed the recommendations 2.1 and 2.2 in the exempt report. Amendments were made to recommendation 2.3 which were tabled at the meeting and circulated at a later date.

CHAIRMAN

**TO: JOINT WASTE DISPOSAL BOARD
22 March 2012**

**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 since its last meeting on 14 December 2011.

2. RECOMMENDATIONS

- 2.1 **To note progress made since the last meeting on 14 December 2011.**
- 2.2 **That Members request the re3 Project Team to work with the Contractor to develop proposals to encourage and support small traders to utilise the PFI facilities.**
- 2.3 **That Members confirm that no further action need be taken in respect of a stand alone Honesty Form system at the Household Waste Recycling Centres.**
- 2.4 **That Members note the commencement of the Community Repaint scheme and to request an annual review of the operation.**
- 2.5 **That Members note the anticipated financial outcome.**

3. SUPPORTING INFORMATION

Operations and Facilities

- 3.1 Members will recall the presentation given by Chris Ellis, WRG Operations Director, at the Joint Waste Disposal Board meeting on December 14th 2011.
- 3.2 During his presentation, Chris referred to the level of inert wastes (typically soil and rubble) at re3 facilities in comparison with others operated by WRG.
- 3.3 The specific information was that across the 100+ Household Waste Recycling Centre's (HWRC's) operated by WRG, inert waste constitutes between 10% and 15% of waste delivered by patrons. WRG had calculated that at Longshot Lane inert waste was 18% and at Smallmead it was 25%.
- 3.4 Officers have reviewed historic levels of inert waste and the results are included at Appendix 3 below. Although in some cases historic data was not available, the results do seem to indicate a gradual increase in this form of waste which was apparent before the commencement of our PFI contract and has continued since.
- 3.5 The councils' re3 Project Team are working with officers from each of the individual councils to address the considerations which emerge from these findings.
- 3.6 The findings relate to a complex area of the service in which it is an objective to both ensure ease of access and to limit it. While the councils will wish to ensure that residents engaged in DIY projects are able to utilise the public facilities, they may also want to dissuade traders from seeking a free tip at taxpayer expense. Both relate to legislative requirements on the councils. One part of that dissuasion could be for traders to be accommodated in a way which is simple, affordable and

customer focussed. This is something that officers are exploring with our PFI Contractor, WRG.

- 3.7 Following the JWDB Meeting on December 14th 2011 Members considered a proposal for the trial of an Honesty Form at Longshot Lane Household Waste Recycling Centre (HWRC). The purpose of an Honesty Form would be to record an undertaking, on the part of those patrons asked to complete a form, that their waste came from their own household and was not trade waste.
- 3.8 The re3 Project Team received feedback from Members and colleagues about the difficulties experienced elsewhere with such an initiative. Some amendments were also suggested to the wording of the form.
- 3.9 Given these doubts, no further efforts have been made to introduce an 'Honesty Form' system at present.

Community Repaint

- 3.10 The arrangement between Green Machine CIC and re3 Ltd (The Contractor) is now in place. Green Machine are collecting unwanted paint from both Longshot Lane and Smallmead facilities.
- 3.11 As previously discussed at the JWDB, the arrangement will be reviewed at its first anniversary.

Food Waste

- 3.12 The re3 Project Team have prepared a briefing on current food waste pricing in the region. It is included at Appendix 4.
- 3.13 The briefing shows that the processing cost for food waste has fallen significantly since officers last reported to Members on this issue.
- 3.14 Alongside the cost of processing, the cost of collection requires some consideration.

Finance

- 3.15 The Councils' re3 Project Team have been working closely with the Contractor in preparing for the end of the Contract (and financial) Year and the beginning of the next.
- 3.16 The detailed tonnage modelling for 2012/13 indicates that total tonnage for the re3 partnership will be in the order of 189,000 tonnes. A recent exercise carried out with the contractor has validated the assumptions made when constructing the estimates in summer 2011.
- 3.17 As Members will be aware, the councils will still pay a Baseline Payment for 190,000 tonnes but will only pay for the actual processing cost (the cost of energy from waste, recycling or disposal to landfill) for the 189,000 tonnes.
- 3.18 The Baseline Payment is based on a minimum of 190,000 tonnes per annum and essentially covers contractor's fixed costs, the largest element relating to construction and other capital costs and provides for the repayment of debt relating thereto.
- 3.19 A detailed assessment of the prices for the new, five-year, haulage contract has been undertaken.

- 3.20 With cumulative inflation for the first five years haulage contract (2006-2011) running at about 20%, a significant increase in haulage costs was anticipated.
- 3.21 In fact the new arrangement, when compared with the old, should deliver an annual saving of approximately £320,000 which, after allowing for inflation, could amount to £1.7m across the five year term.
- 3.22 The project is reporting a collective reduced overspend of £18,000 for 2011/12 as reported in Appendix 1; this is due mainly to reduced levels of waste processed during Quarter 3 and, based upon provisional figures for February 2012, a 2,000 tonne reduction against forecast in that month. These changes support the downward trend indicated in Quarter 2; additionally an overall reduction in Haulage costs from December 2011, when the new Haulage contract started, has also lessened actual expenditure by £43,000 for the three month period to 29 February 2012.
- 3.23 A statement of expenditure against the re3 Management budget is included under Appendix 2 which shows a remaining budget of £26,250 as at 29th February 2012. However, as some further invoices are expected during March 2012, the re3 Management budget is expected to be fully expended resulting in forecast year end expenditure of £197,000.

BACKGROUND PAPERS

Board Report 18th December 2011

CONTACTS FOR FURTHER INFORMATION

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Appendix 1

re3 PFI Budget Monitoring

2011/12 Waste PFI Outturn

		BFBC £	RBC £	WBC £	TOTAL £
Apr-11	Actual (Adjusted)	511,750	673,664	769,134	1,954,548
May-11	Actual	483,510	762,724	787,882	2,034,116
Jun-11	Actual	522,176	697,694	731,556	1,951,426
Jul-11	Actual	500,800	720,775	753,378	1,974,953
Aug-11	Actual	500,270	738,648	770,362	2,009,280
Sep-11	Actual	509,820	783,266	794,023	2,087,109
Oct-11	Actual	477,140	661,771	705,768	1,844,679
Nov-11	Actual	489,590	680,833	729,467	1,899,890
Dec-11	Actual	408,485	651,134	642,061	1,701,680
Jan-12	Prov Actual	496,229	672,101	750,339	1,918,670
Feb-12	Prov Actual	422,731	600,361	613,978	1,637,070
Mar-12	Forecast	500,252	707,126	727,413	1,934,791
TOTAL		5,822,753	8,350,096	8,775,361	22,948,211
Business Rates		104,007	134,898	141,517	380,422
Planners Farm Lease (note 5)		11,368	9,802	16,330	37,500
Waste Min Savings from 10/11 (note 6)		-14,861	-19,124	-21,016	-55,000
Waste Min Saving 2011/12 (note 7)		-35,774	-46,035	-50,590	-132,400
2011/12 Projected Outturn		5,887,493	8,429,637	8,861,602	23,178,733
2011/12 Original Budget		5,989,706	8,482,900	8,789,855	23,262,460
Revised 2011/12 Budget		5,951,220	8,419,900	8,789,855	23,160,975
Projected Over/Underspend		-63,727	9,737	71,748	17,758

Variance from revised budget (%)

-1.1%

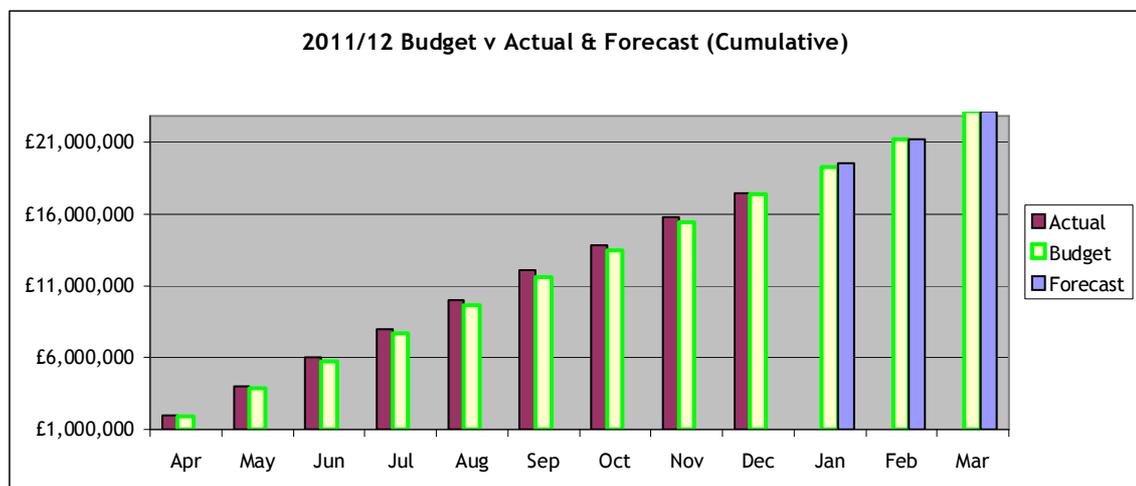
0.1%

0.8%

0.1%

Notes

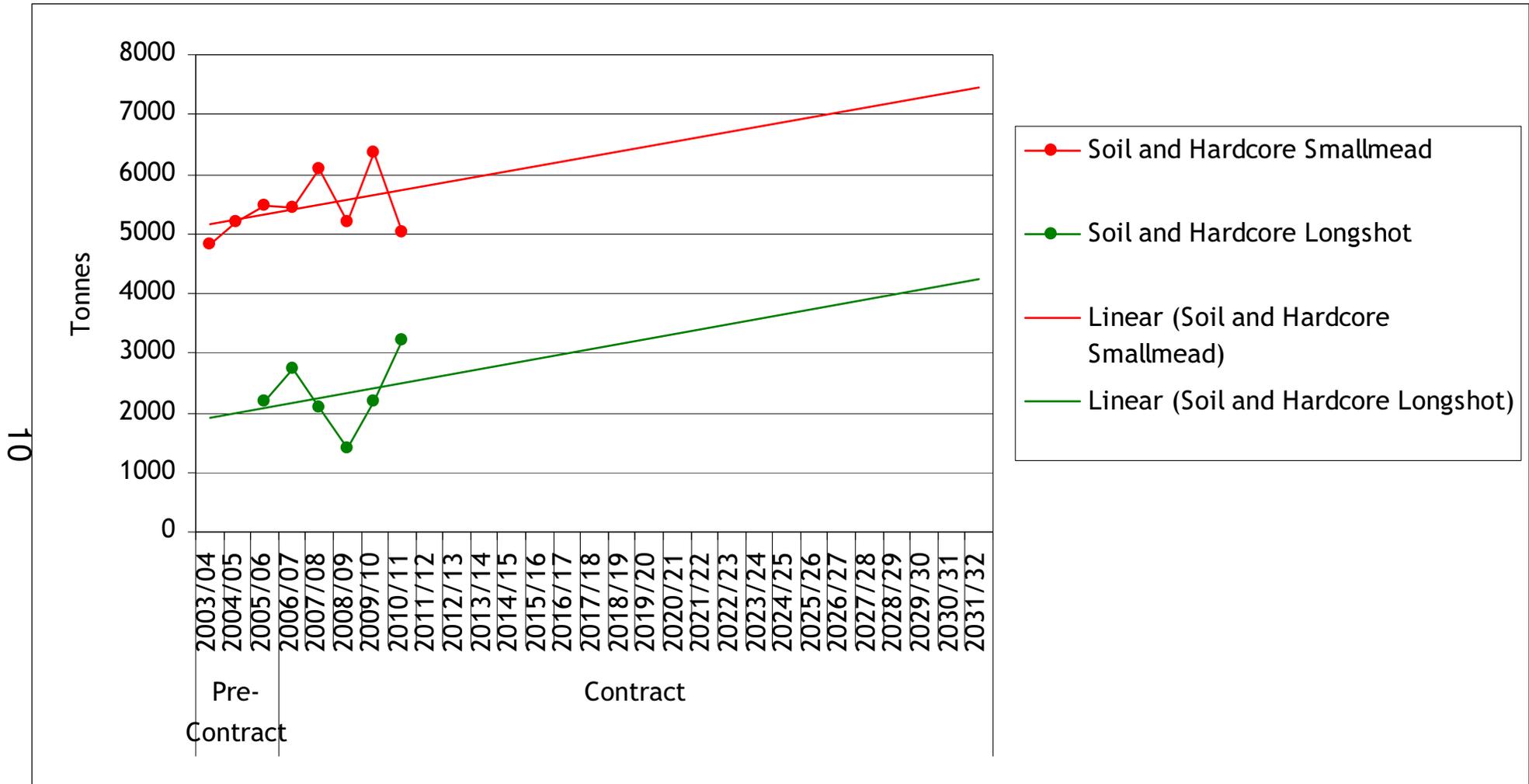
1. Based on actual figures for Quarters 1, 2 and 3; Provisional actual tonnage for Jan 12 and an estimate for Feb 12; and using 193k tonne forecast (Nov 10)
2. Trade waste disposal included in RBC costs & budget.
3. BFBC Budget removed £38k due to forecast diversion of street sweepings from landfill to composting.
4. RBC Budget removed £63k in Mar 11 due to unspecified budget reduction.
5. Outstanding Planners Farm lease liability split according to contribution to Composting Payment 2007/8 to 2010/11
6. Estimated Waste Min savings from 2010/11 currently under discussion with WRG. Estimated £35k unused promotional budget and £20k salary saving.
7. 2011/12 Waste Min budget reduced from £182,400 to £50,000 per July 11 JWDB.
8. Additional costs for the provision of Professional services, approved by the JWDB have not been included in the above forecasts. A worst case estimate of these costs is £110K in total.



Appendix 2

JWDB - re3 Waste PFI Management Costs 2011/12						Period to 29 February 2012
Employees	Budget	YTD Cost	YTD Variance	Projected Annual Cost	Projected Annual Variance	Comments
	£	£	£	£	£	
Salaries, NI & Super	170,800	156,567	-14,233	170,800	0	
Training (£3,000)	3,000	65	-2,935	3,000	0	
Employees sub total	173,800	156,632	-17,168	173,800	0	
Other Costs	Budget	Cost	Variance	Projected Annual Cost	Projected Annual Variance	Comments
Transport						
Travel Expenses	900	759	-141	900	0	
Supplies & Services						
Equipment	500	0	-500	500	0	
Stationery	500	296	-204	500	0	
Consultancy Fees	20,000	12,976	-7,024	20,000	0	
Purchase of Computer Equipment	1,800	829	-971	1,800	0	
Mobile Phones	400	165	-235	400	0	
Other Costs sub total	24,100	15,025	-9,075	24,100	0	
2011/12 Total	197,900	171,657	-26,243	197,900	0	
Council Share		£		Projected Annual Share		£
Reading		57,219		Reading		65,967
Bracknell		57,219		Bracknell		65,967
Wokingham		57,219		Wokingham		65,967
Total		171,657		Total		197,900

Appendix 3 – Inert Waste Annual Tonnage





re3 Project Team

FOOD WASTE MARKET REPORT (March 2012)

Background

In response to the funding opportunity recently detailed by the Department for Communities and Local Government (DCLG), the re3 Project Team requested that WRG undertake a 'soft' market review of food waste processing opportunities.

We took the view, based on conversations with appropriate officers at the three councils, that food waste processing offered the best and possibly only opportunity for a combined re3 bid for the DCLG funding. While not assuming that a combined bid would automatically be forthcoming, we felt a review of the market would assist the councils in justifying either bidding or not bidding.

As our PFI partner, WRG would be involved in any service development and they were happy to undertake a review of the market on our behalf.

Review of Market

WRG approached four food waste processors with potential capacity in the region.

- [REDACTED] – did not respond
- [REDACTED] – estimated price: £35p/t
- [REDACTED] – estimated price: £30p/t
- [REDACTED] – estimated price: £35p/t

Comparison

The gate-fees above represent a significant movement on the prices we've previously seen. When we undertook a similar exercise towards the end of 2010, the gate-fee we used was £50p/t.

	Food Waste	Landfill
Baseline Payment:	£43.99	£43.99
Gate fee:	£35.00	£26.93
Haulage:	£9.05*	£9.05
Landfill Tax (2012/13):		£64.00
WRG Claim**	£26.93	
TOTAL (p/t):	£114.97	£143.97

* I have assumed that this is no better or worse than the haulage for landfill for the purposes of estimating. There could be significant differences in haulage depending on the destination.

****** I assume that WRG would claim for the cost of landfill if the re3 councils were no longer using it. This would honour the revenue expectations contained in the PFI contract. This is not definitely a factor but could be something on which to negotiate.

Conclusion

The price of food waste processing has fallen quite significantly over the last year. It seems unlikely that it could fall too much further as demand and capacity will increasingly relate to one another.

Although the price of processing food waste has fallen significantly, it remains to be seen whether collection costs for food can be afforded. In the comparison above, the collection system for 'landfill' is in place and costed. Each of the re3 councils would have some significant considerations to make in relation to the procurement of additional collection capacity.