

SOUTH LONDON WASTE PARTNERSHIP JOINT COMMITTEE

25 APRIL 2013

5:30 pm – 7:35 pm

		Representing
Councillor Simon Hoar Cabinet Member for Community Safety & Public Protection		London Borough of Croydon
Councillor Phil Thomas Cabinet Member for Highways & Environmental Services		London Borough of Croydon
* Councillor Derek Osbourne Leader of the Council	Chair	Royal Borough of Kingston upon Thames
Councillor Sharon Hartley Lead Member for Sustainability & Sport		Royal Borough of Kingston upon Thames
Councillor Mark Betteridge Deputy Leader and Cabinet Member for Performance & Implementation		London Borough of Merton
Councillor Andrew Judge Chair Cabinet Member for Environmental Sustainability & Regeneration	Vice Chair in the Chair	London Borough of Merton
Councillor Colin Hall Deputy Leader		London Borough of Sutton
Councillor Roger Roberts		London Borough of Sutton

* Absent

Apologies

Councillor Derek Osbourne

DECLARATIONS OF INTERESTS - None

47. MINUTES

RESOLVED that the minutes of the meeting held on 18 December 2012 are confirmed as a correct record.

48. PHASE A CONTRACTS PERFORMANCE MONITORING

The quarter 3 update on the performance of the three Phase A contracts was presented. This included a performance monitoring report linking both financial and operational areas of performance

Contract 1 Landfill and Transportation - Viridor Waste Management

This contract is operating effectively.

Contract 2 Management of Household Reuse and Recycling Centres - Environmental Waste Controls (EWC).

Over the last 6 months there have been challenges in building on previous recycling performance. EWC will be implementing real time recycling updates to enable supervisors to direct their attention where needed across the sites in order to maintain service performance targets. Health and safety issues raised in the previous quarter's monitoring report have been addressed across the contract.

Contract 3 Materials Recycling Service, composting and additional treatment service - Viridor Waste Management

The contingency arrangement for food waste processing is currently being reviewed as part of the Phase A negotiations. To date 3 long-term proposals are being evaluated which mitigate the requirement for the construction of a dedicated Anaerobic Digestion plant

RESOLVED that the performance monitoring report is noted.

Reason for decision

To confirm the Committee remains aware of the current performance of the Partnership's Phase A contracts and action being taken where appropriate.

49. BUDGET REPORTING - MONTH 12 PROVISIONAL OUTTURN 2012/13

The Partnership's budget covers procurement and ongoing management costs, as well as the audit fee.

The provisional outturn position for 2012/13 identifies an overspend of £6,696 against the budget to the end of March 2013. This equates to an overspend of £1,674 per Borough.

Whilst the majority of figures are confirmed, the final outturn figure will not be confirmed until May, as part of normal budget reporting processes.

In reviewing variations in the budget over the year, which had previously been reported to Committee, the benefits of 'spending to save' on fees to advisers, which extended into this financial year due to the delay on the close of the residual waste contract, was commented on. This additional input contributed to the significant £200m contract savings achieved.

RESOLVED that

1. the final outturn position for the 2012/13 Partnership budget is noted;
2. the positive benefits, in terms of the savings achieved from the additional work, of the overspend on advisers are noted.

Reason for decision

To ensure the Committee has appropriate oversight of the Partnership budget and is satisfied with ongoing budget management.

50. RESOURCE PLAN

A resource plan to fulfil the Partnership's Work Programme from June 2013 to 2015 was considered.

A Contract Manager post was agreed at the last meeting. The full structure is based on the creation of two new posts, a Programme Manager and Contract Data Officer together with a Project Support Officer which is a development of the previous Project Manager role.

The Programme Manager will have oversight of all areas of work being undertaken by the Partnership and will report into the Management Group on these. The Contract Data Officer will enable the Contract Manager to maximise their output by facilitating data management and analysis related to contract management work.

For the Project Officer post the job description and grade of the previous Project Manager role have been amended to reflect the change in focus to project support activities, which are a continuing demand.

This new structure is designed to ensure the Partnership meets each Borough's requirement to operate at minimum cost without affecting the Partnership's capacity to continue its successful track record in project delivery.

In considering the new structure Members were agreed upon the need for the additional posts, given the work programme the previous arrangements of additional work being picked up by existing officers across the Boroughs could not provide the capacity required.

Arrangements for the recruitment to all 4 posts, and the current market for the range of skills sought were also discussed. Whilst the structure is designed for the 2013-15 period, Partnership arrangements may change. Whilst the posts are not proposed as permanent contracts, a flexible approach on employment terms and salaries was judged to provide the greatest range of options for candidates as well as the Partnership.

RESOLVED that

1. the new structure is noted and recruitment to the following posts approved on a flexible salary and term basis
 - a) Project Support Officer.
 - b) Contract Data Officer.
 - c) Programme Manager
2. the Contract Manager post approved at the last meeting is recruited to on a similarly flexible basis as regards term and salary

Reason for decision

To provide appropriate resourcing to the Partnership to continue its necessary work throughout 2013/14 and 2014/15.

51. DEFRA WIDP CONTRACT MANAGEMENT REVIEW OF SLWP PHASE B

In October 2012, Defra's Waste Infrastructure Delivery Programme (WIDP) undertook a review of the Partnership's contract management for Phase B focused on six specific areas of contract management.

This was designed to consider the suitability of arrangements which the Partnership is putting in place to manage the Phase B contract. As part of the review interviews with Partnership and Contractor officers together with external advisers and two of the Joint Committee members were held.

Based on the summary findings the review report outlined ten recommendations. The findings and the progress made by the Management Group in response to the recommendations were considered as listed in paragraph 7 of the report. The Management Group had found the challenge provided by the review helpful. Substantial progress has been made in responding to the recommendations.

RESOLVED that the recommendations made in the report of the WIDP Contract Management Review, and the progress made to respond to these by the Management Group are noted.

Reason for decision

To ensure the Management Group continues to prepare to undertake effective management of the new Phase B contract.

52. EXCLUSION OF PRESS AND PUBLIC

RESOLVED that, under Section 100(A)(4) of the Local Government Act 1972, the public are excluded from the meeting on the grounds that it is likely that exempt information, in paragraphs 1 and 3 of Part I of Schedule 12A to the Act, would be disclosed. These paragraphs cover information relating to the financial or business affairs of any particular person (including the authority holding that information).

53. COMMUNICATIONS STRATEGY & MORI REPORT EXECUTIVE SUMMARY (APPENDIX)

The twelve months immediately after the London Borough of Sutton's planning decision, positive or otherwise, represent perhaps the biggest communication challenge yet to the Partnership and its member authorities, in terms of waste disposal.

The 2012 MORI research commissioned by the SLWP provides a powerful insight into the views of local people. It shows that

- local people are increasingly dissatisfied with landfill as a means of disposing of waste and that they appreciate alternatives need to be explored.
- recovering energy from something that would previously have been buried in the ground, and contributed to climate change, is generally regarded as a sensible route to take
- energy recovery is not something residents want to consider in isolation.
- one in three claim to know nothing at all about this method of waste disposal and 77% of local people aren't familiar with the Beddington Energy Recovery Facility (ERF) proposal specifically.

Pending clarity on the planning outcome, it is important that the SLWP continues to signal its strong commitment to the environment and acting in people's best interests now and in the longer term, retaining the people's trust in the Phase B work and the procurement decision that has been made.

As part of this a campaign to promote behaviour change is proposed centred on recycling which offers the greatest potential for public engagement, and also introduces other aspects of the waste hierarchy. This campaign would use traditional methods of promotion, - newspaper and cinema adverts; set piece advertising, - street advertising; adverts on public transport and in high public use areas; promotional materials distributed in specific neighbourhoods across the Boroughs - social media and an element of observational research. This would require about 80% of the budget for communications and community engagement work.

The remainder of the budget would provide a flexible resource to engage with the local community on impacts and benefits following the planning decision, the outcome which remains unpredictable. It was noted that the previous evening Sutton's Development Control Committee had deferred a decision on the planning application and requested further information, primarily on air quality and traffic movements.

Members were agreed on the need to communicate the facts of the ERF proposals and the Partnership's objectives for recycling, improving the environment and sustainable living. A range of views on the approach to this were expressed and it was agreed that further consideration of a major campaign and the budget for this would be considered at the next meeting.

RESOLVED that:

1. the overall communications objective is agreed as support to the delivery of Phase B work;
2. a reliable, scalable and flexible resource of £25,000 is allocated to address the as yet unpredictable communication challenges of the Phase B contract following the planning decision outcome; and
3. a campaign to promote recycling in a way that helps demonstrate the SLWP's values and aims around sustainable living is considered further at the next meeting.

Reason for decision

To agree the communications objective to demonstrate the Partnership's commitment to improving the environment and the careful, evidence based approach to its decision making.

54. INTER AUTHORITY AGREEMENT 2012/13 REVIEW

As agreed at the last meeting further detailed work on reviewing the current IAA arrangements and drafting of a Supplemental Agreement to cover the contract management stage of the new residual waste treatment contract (Phase B contract) has been carried out. A set of proposals has been developed to establish or confirm existing principles that will ensure the partnership and the participating Authorities have appropriate arrangements in place for the ongoing management of the waste treatment and disposal contracts.

The report identified a number of matters that required resolution before the partner boroughs would be in a position to enter into a Supplemental Agreement and proposed to report back with a final draft proposal for approval to the next meeting of the Joint Waste Committee.

The key principles proposed for adoption cover

Apportionment of service costs

Haulage costs and Royalty payments

Minimum Tonnage

Third Party Income

Phase B procurement costs

Phase B contract management costs

Phase B relocations costs

Vehicle routing

RESOLVED that

1. the progress made on resolving all outstanding matters relating to the Supplemental Agreement is noted;
2. the principles set out in paragraph 4 of the report are agreed;
3. authority is delegated to the Chair of the Management Group, in consultation with the Management Group and Borough legal officers to finalise the details of the Supplemental Agreement and to recommend to each of the partner authorities' relevant decision making bodies that the Supplemental Agreement is approved.

Reason for decision

To ensure the governance arrangements between the partner authorities are sufficient to manage the on-going waste management and treatment contracts.

55. STRATEGIC REVIEW OF PHASE A CONTRACTS

The Partnership is undertaking a Strategic review of its Phase 'A' contracts incorporating commercial, operational and legal elements. These contracts

Contract 1	Landfill and Transportation - Viridor Waste Management
Contract 2	Management of Household Reuse and Recycling Centres - Environmental Waste Controls (EWC).
Contract 3	Materials Recycling Service, composting and additional treatment service - Viridor Waste Management

were procured in 2008 for 14 years with the option to break in 2015.

This potential break clause provides the Partnership with the opportunity to re-negotiate contracts to inform a decision to continue until 2022 or to re-procure.

The position on the ongoing negotiations, was set out in the report and updated verbally at the meeting ..

RESOLVED that the progress made is noted and officers continue negotiations with Viridor and EWC to achieve the best negotiated position on Contracts 1, 2 and 3.

Reason for decision

To continue negotiations to ensure that the Partnership achieves best value for money from its contracts

56. PHASE B CONTRACTOR REPORT

The Phase B contract was signed with Viridor on 5 November 2012. The planning application has yet to be determined. A level of local public opposition is apparent, with 232 letters of opposition submitted. However, this is a relatively low number, the planning consultation was circulated to 4500 addresses and it would not be uncommon for a significantly higher number of letters to be received.

The report set out the planning position and an indication of the costs to Viridor of meeting the mitigation measures requested by the Planning Authority, the risk position and legal implications in relation to the contract.

RESOLVED that

1. the additional delay in the determination of Viridor’s planning application is noted.
2. the strategy relating to the handling of mitigation measures and costs is noted.

Reason for decision

To prepare for the planning decision on Viridor’s facility in Sutton.

57. PHASE B RISK REPORT

Following the latest review by the Management Group there are four red risks. These are inter-related; one is financial and three are planning. The details and mitigating actions were set out in the report together with the complete risk register.

No red risks have been downgraded since the report to the December meeting.

RESOLVED that the key developments on the Risk Register and the mitigation of these risks are noted.

Reason for decision

To ensure that the Partnership continues to implement the most appropriate and robust method of managing risks associated with the waste disposal service contracts.

Signed.....Date.....
Chair