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AGENDA

A meeting of the SOUTH LONDON WASTE PARTNERSHIP JOINT COMMITTEE will be held at CIVIC OFFICES, ST NICHOLAS WAY, SUTTON SM1 1EA on 12 September 2013 at 5.30 pm

Members of the Committee

London Borough of Croydon

Councillor Tim Pollard - Deputy Leader and Cabinet Member for Children, Families and Education

Councillor Phil Thomas (Vice Chair) - Cabinet Member for Environment & Highways

Substitutes: Councillors Sara Bashford and Dudley Mead

Royal Borough of Kingston upon Thames

Councillor Liz Green - Leader of the Council

Councillor Simon James - Lead Member for Place, Sustainability and Sport

Substitutes: Councillors Rolson Davies and Trevor Heap

London Borough of Merton

Councillor Mark Betteridge - Deputy Leader of the Council and Cabinet Member for Performance and Implementation

Councillor Andrew Judge - Cabinet Member for Environmental Sustainability & Regeneration

Substitutes: Councillors Mark Allison and Linda Kirby

London Borough of Sutton

Councillor Colin Hall (Chair) - Deputy Leader

Councillor Jill Whitehead - Chair Environment and Neighbourhood Committee

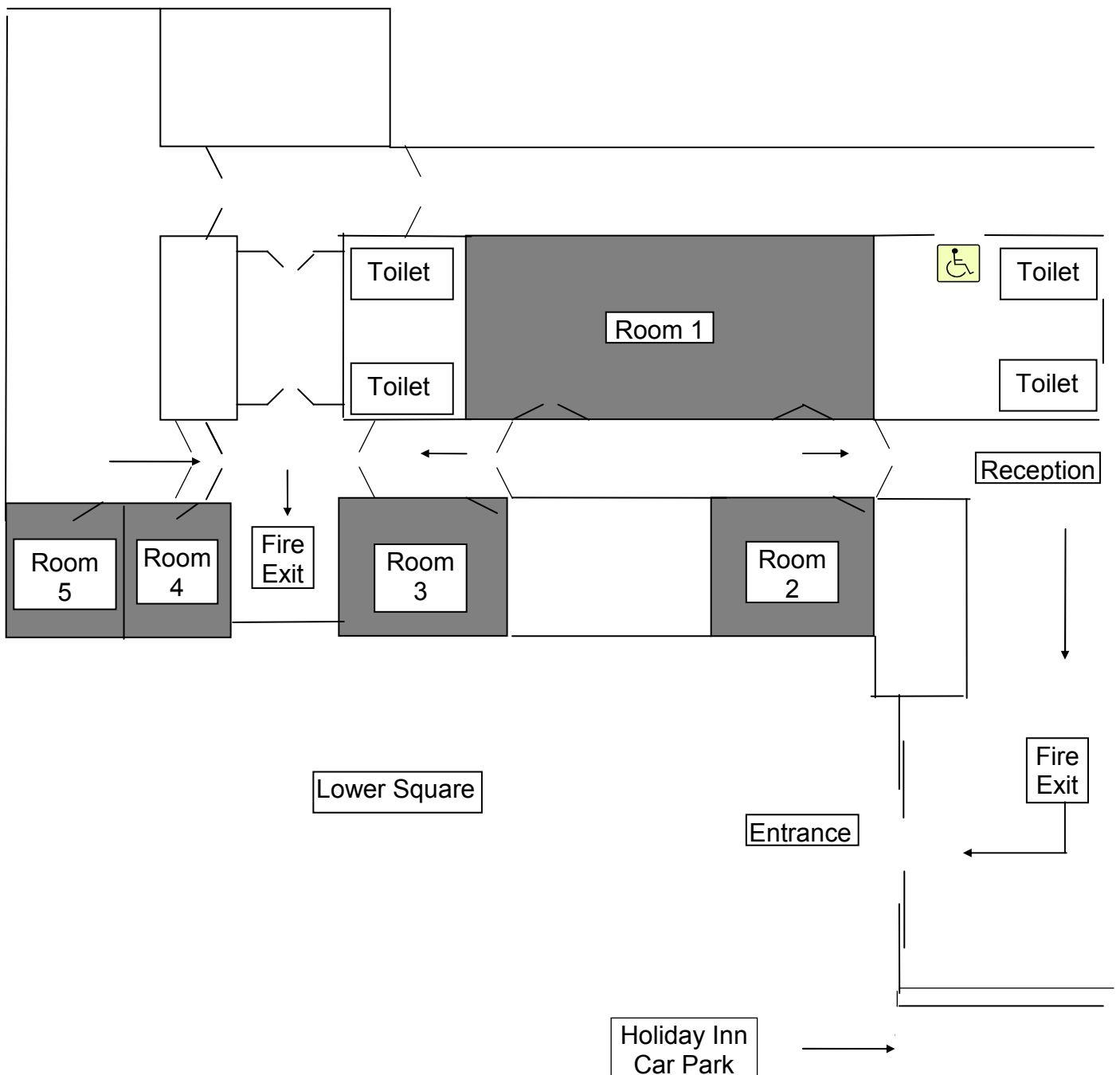
Substitute: Councillor Roger Roberts

CIVIC OFFICES, SUTTON GROUND FLOOR MEETING ROOMS

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AGENDA

1. APOLOGIES FOR ABSENCE AND ATTENDANCE OF ALTERNATE MEMBERS

2. DECLARATION OF INTERESTS

Members are asked to state any interests – pecuniary and non-pecuniary – on items on this agenda.

3. MINUTES OF LAST MEETING

4. PHASE A CONTRACTS PERFORMANCE MONITORING

5. SLWP BUDGET UPDATE

PART B

6. EXCLUSION OF PRESS AND PUBLIC

Under Section 100(A)(4) on the Local government Act 1972, the public are excluded from the rest of the meeting on the grounds that it is likely that exempt information, as defined in paragraphs 1 and 3 of Part 1 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).

7. REPORT ON THE USE OF THE URGENCY PROCEDURE TO EXIT FROM THE CONTRACT WITH EWC

Exempt information, Paragraphs 1 and 3 of part of Schedule 12A to the Act.

8. COMMUNICATIONS GOVERNANCE AND PLAN 2013/14

Exempt information, Paragraphs 1 and 3 of part of Schedule 12A to the Act.

9. PHASE A STRATEGIC REVIEW

Exempt information, Paragraphs 1 and 3 of part of Schedule 12A to the Act.

10. PHASE B UPDATE - ERF DISPOSAL CONTRACT

Exempt information, Paragraphs 1 and 3 of part of Schedule 12A to the Act.

11. HWRC STRATEGY

Exempt information, Paragraphs 1 and 3 of part of Schedule 12A to the Act.

12. RISK REPORT

Exempt information, Paragraphs 1 and 3 of part of Schedule 12A to the Act.

13. BUDGET 2014/15

Exempt information, Paragraph 3 of part of Schedule 12A to the Act.

TO FOLLOW

14. ANY OTHER BUSINESS

15. DATES FOR FUTURE MEETINGS

The next meeting will be held on 10 December 2013, 5.30pm at Civic Offices, Sutton.

Future dates for February and June 2013 will need to be agreed. Please bring your diaries.

SOUTH LONDON WASTE PARTNERSHIP JOINT COMMITTEE**18 JUNE 2013****5:30 pm – 6:20 pm**

	Representing
* Councillor Tim Pollard Deputy Leader (Communications) and Cabinet Member for Children, Families & Learning	London Borough of Croydon
Councillor Phil Thomas Vice Chair Cabinet Member for Highways & Environmental Services	London Borough of Croydon
Councillor Simon James Lead Member for Place, 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 Cabinet Member for Environmental Sustainability & Regeneration	London Borough of Merton
Councillor Colin Hall Chair Deputy Leader	London Borough of Sutton
Councillor Jill Whitehead Chair of Environment & Neighbourhood Committee	London Borough of Sutton

* Absent

Apologies were received from Councillor Tim Pollard.

DECLARATIONS OF INTERESTS - None**1. APPOINTMENT OF CHAIR and VICE CHAIR 2013-14**

Councillor Colin Hall was appointed as Chair for 2013/14 and Councillor Phil Thomas as Vice Chair.

2. MINUTES**RESOLVED** that the minutes of the meeting held on 25 April 2013 are confirmed as a correct record.

3. PHASE A CONTRACT MANAGEMENT

The quarter 4 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. The contract management responsibility passed from Sutton to Croydon in April 2013, this is an interim arrangement pending the appointment of a Contract Manager.

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).

The challenges in building on previous recycling performance previously reported remain a factor. Real time recycling have now been implemented enabling supervisors to direct their attention where needed across the sites in order to maintain service performance targets. Overall performance has been affected by the need to remove contamination from compostable/garden waste loads at various centres as a result of travellers bringing in unauthorised commercial waste.

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

Composting - The review of the contingency arrangement for food waste processing is continuing as part of the Phase A negotiations.

Materials Recycling - This service is performing well, with between 95 – 98% of all recyclable material received being processed.

Energy from Waste (EFW) - In 2012/13 55,000 tonnes of waste was delivered to the Lakeside facility. 10,000 tonnes was delivered under the current contract; 5,000 tonnes of spare capacity was made available to the Partnership at no additional cost and 40,000 tonnes was delivered under a separate agreement between Viridor, Suffolk County Council and the Partnership. This arrangement gives the Partnership a saving of £40,000 through the reduction in combined haulage.

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.

4. BUDGET REPORTING - OUTTURN 2012/13

The final outturn position of the Partnership's budget for 2012/13 was reported. Variations to the budget have been reported to the Committee throughout the year and a summary of the overspends at various points in the year and offsetting savings was included in the report

18 June 2013

South London Waste Partnership Joint Committee

The final position identifies an overspend of £7,208 this equates to an overspend of £1,802 per Borough.

RESOLVED that the final outturn position for the 2012/13 Partnership budget is confirmed.

Reason for decision

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

5. SOUTH LONDON WASTE PARTNERSHIP ACCOUNTS 2012-13

The Accounts and Audit Regulations require the South London Waste Partnership Accounts to be signed off for 2012/13 before they are subject to audit. The Partnership is audited as a smaller relevant body', this covers only Procurement cost and audit fees. Contracts 1-3 are considered to be costs of the Partnership acting as an agent.

The audit requirements are that the accounts are:

approved by Committee for audit on or before 30 June
subject to a limited assurance audit; amended (if necessary) and published before 30 September

in addition an Annual Governance Statement (AGS) is required This sets out the eight elements for ensuring there is a sound system of internal control which the Partnership confirm have been completed. The AGS is required to be signed by the Chair of the SLWP Joint Committee and the Chair of the SLWP Management Group.

RESOLVED that

1. the draft 2012/13 accounts – Enclosure 1 Section 1 of the report - are approved for audit;
2. the draft 2012/13 Annual Governance Statement – Enclosure 1 Section 2 of the report - is approved.

Reason for decision

To approve the accounts and Annual Governance Statement to meet the audit requirements.

6. RESIDUAL WASTE TREATMENT PROJECT - AWARD

The Partnership recently won a prestigious international award for its Residual Waste Treatment project in the 'best waste/energy/water project' category. This project beat a shortlist of major infrastructure projects from across the world

including: Carrington Power Station (UK), The Egyptian Refining Company (Egypt), Mundaring Water Treatment Plant (Australia) and Leeds Residual Waste PFI Project (UK).

The judges' comments show that they were impressed by the project's innovative response to losing its PFI credits, and the high level of partnership working between the project's public and private sector partners as a model of what can be achieved through such partnerships.

Members acknowledged the award as a tribute to the close and effective working by a diverse group Councillors across the Boroughs, and the equally close co-operation among Partnership officers and the Committee faced with the challenges posed by the loss of the PFI credits.

7. 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, as defined 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)

8. KEY ACHIEVEMENTS AND OBJECTIVES FOR THE COMING YEAR

A summary of the key work of the partnership this administrative year was presented. The list of project success measures include the spend to save ratio achieved, the fact that the Partnership savings represents 40% of the total national Waste Infrastructure Delivery Programme savings; the carbon savings over the life of the project and the International Award for Best Waste/Energy/Water Project. The Phase B negotiations were closed with the Preferred Bidder and the Partnership supported the planning process for the Energy Recovery Facility (ERF) proposals. The communications and engagement work by members and officers in Sutton and the work also done in Croydon were a key element in working with residents on the many issues around the planning process for ERF. In the latter half of the administrative year the Partnership began its review and renegotiation of the Phase A contracts.

Key priorities for the next year are

to reach Notice To Proceed to begin construction on the ERF, this is subject to there being no challenge to the planning approval, work will continue to engage the local communities around the facility

to finalise variations on Phase A to deliver substantial savings,

begin the Interim service delivering further savings; and

develop a commercial strategy to secure ongoing savings across contracts.

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Councillor Andrew Judge thanked Sutton and Croydon Members and officers for the work done in the lead up to the planning decision.

RESOLVED that the key achievements of the year and work for next year are noted.

Reason for decision

To note the key work of the year and the priorities for the coming year.

9. PHASE A STRATEGIC REVIEW

The key points at this stage in the Strategic review of the Phase 'A' contracts were considered together the proposed changes on Contracts 1 and 3 arising from renegotiation. The outcome of the review of Contract 2 will be reported to the September meeting.

RESOLVED that

1. the savings on contracts 1 and 3 arising from renegotiations are approved and each authority requested to approve these through the appropriate approval processes;
2. subject to these approvals, authority is delegated to the Director and Legal Lead are delegated authority to finalise the variations and Supplemental Agreement drafting before Kingston upon Thames as the contracting authority, can execute the changes;
3. it is noted that officers continue to monitor EWC performance through the review and testing period before deciding on the appropriate strategy for managing HWRCs and marketing recyclates arising;
4. the development of a commercial and procurement strategy that would allow for the possible development of a waste services framework that will seek to deliver ongoing savings across the partnership's waste disposal and recycling services is approved.

Reason for decision

To ensure that the Partnership achieves best value for money and high performance from its contracts.

10. PHASE B CONTRACT REPORT

The current position on the Phase B contract was reported.

The planning approval for the Energy Recovery Facility has not yet been considered by the Mayor of London. The decision is also still open to challenge through an application for a Judicial Review or could be overturned by the Secretary of State.

Against this background there will be meetings with Viridor on the timetable for the Notice to Proceed and construction.

As indicated in Minute 6 the project has been recognised at the International Public, Private Sector Partnerships Awards.

RESOLVED that the granting of planning approval and the current position is noted.

Reason for decision

To update the Committee on the project's planning progress.

11. RISK REGISTER

Following the latest review by the Management Group there are six red risks. Four of these one financial and three planning are inter-related; The details and mitigating actions were reported.

No red risks have been downgraded since the report to the April 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



Report to: South London Waste Partnership (SLWP)
Joint Waste Committee

Date: Thursday 12 September 2013

Report of: SLWP Management Group

Author(s):

Simon Mander , Interim Client Side Contract Manager (LBC)

Chair of the Meeting:

Councillor Colin Hall, Chair SLWP Joint Waste Committee

Report title:

Phase A Contracts Performance Monitoring

Summary:

Contract 1 and 3 with Viridor for landfill, energy from waste, composting and recycling are performing well.

Contract 2 with EWC for running the Household Reuse and Recycling Centres has seen a drop in performance compared to the same period last year.

Recommendations:

The Joint Waste Committee is asked to note the contents of this report, and to comment on any aspects of the performance of the Partnership's Phase A contracts.

Background Documents and Previous Decisions

Phase A Contract Performance Monitoring updates have been presented to the Joint Waste Committee since 22 July 2010. The most recent reports were present at the meeting on 18 June 2013.

1. Background

- 1.1 This paper provides a quarter 1 update on the performance of the three Phase A contracts for the financial year 2013/14. These contracts have been in place and operating since 2008.

Contract 1 Landfill and Transportation.

Contract 2 Management of Household Reuse and Recycling Centres.

Contract 3 Materials Recycling Service, Composting and additional Treatment Service

- 1.2 Contracts 1 & 3 are operated by Viridor Waste Management LTD.

- 1.3 Contract 2 was operated by Environmental Waste Controls (EWC) for the period that this report covers.

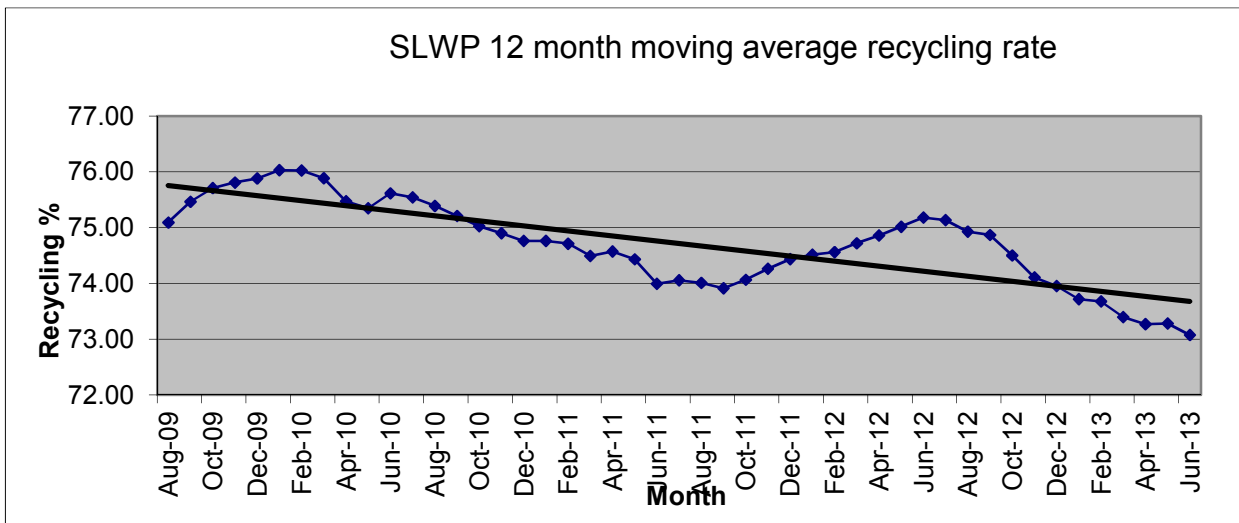
2. Issues

CONTRACT 1 – LANDFILL AND TRANSPORTATION (VIRIDOR WASTE MANAGEMENT LTD.)

- 2.1 The contract is operating effectively with municipal solid waste delivered to Viridor’s Beddington Farmlands Landfill facility by all Partnership boroughs.
- 2.2 Viridor continued to operate in line with the contract and there were no operational issues reported.
- 2.3 There is no performance or formal complaint issues relating to this contract.
- 2.4 There has been damaged caused to the automatic gates which cover the out of hours operation. The damage was caused by two of the SLWP authorities and was investigated in a timely fashion. It was agreed that the cost of repairing the damage would be split between the two authorities.
- 2.5 There has recently been an accident to a Viridor employee working in the out of hours tipping floor by a SLWP authority. This again was investigated in a timely fashion and Viridor provided with witness statements regarding the incident.

CONTRACT 2 – MANAGEMENT OF HOUSEHOLD REUSE & RECYCLING CENTRES (ENVIRONMENTAL WASTE CONTROLS)

- 2.6 The issues covering EWCs exit are covered elsewhere on the agenda.
- 2.7 In terms of performance there was a drop in the recycling rate and diversion rate for this period compared to Q1 2012/13. The recycling rate has dropped by 1.19% and the diversion rate has dropped by 0.81%.
- 2.8 Despite EWC meeting its contractual performance targets the long term recycling performance of the contract continues to fall as set out in graph 1 below.



Graph 1 – SLWP 12 month moving average recycling rate.

- 2.9 The level of complaints remains broadly the same. These complaints can be split down into customer service issues, availability of recycling containers, residents not being allowed entry into a site and allegations of theft. All complaints are brought to the attention of EWC management who have in the majority cases of investigated the complaints and responded. There is still some concern regarding the quality of the responses and the timescales to receive the response.

CONTRACT 3 – MATERIALS RECYCLING SERVICES, COMPOSTING AND ADDITIONAL TREATMENT SERVICES (VIRIDOR WASTE MANAGEMENT LTD)

Composting

- 2.10 The green waste from the Partnership is being dealt with at Viridor's Beddington facility. Over the period a total of 8,900 tonnes of green waste has been delivered for composting.
- 2.11 There have been a number of issues with contaminated green waste loads being delivered by EWC Ltd and one of the SLWP authorities. In both cases the contamination has been promptly dealt with to ensure a smooth running of the composting operation.
- 2.12 Food waste continues to be delivered to Bio Collectors facility (formerly Vertal) located in Willow Lane Industrial Estate, Merton. Over the period a total of 4,975 tonnes was delivered for processing into an organic fertiliser.
- 2.13 As part of the Phase A negotiations 3 long term proposals are being evaluated which mitigate the requirement for the construction of a dedicated AD plant.

Materials Recycling Services

- 2.14 All co-mingled and single stream dry recyclable materials collected by Kingston, Merton and Sutton continue to be transported by Viridor to their materials recycling facility (MRF) at Crayford in Kent for processing.
- 2.15 This service is performing well, with the MRF recycling between 92 – 98% of all recyclable material received.
- 2.16 Over the period there have been a couple of contaminated loads delivered by one of the SLWP authorities. The authority concerned has investigated this in a timely action and taken remedial action to ensure that this does not happen again.

Energy from Waste (EFW)

- 2.17 Suitable household waste from the Partnership continues to be delivered to the Lakeside energy from waste (EFW) facility.
- 2.18 For this period In 2012/13 a total of 15,500 tonnes of waste was delivered to the Lakeside facility. This has been a combination of tonnage delivered under the current contractual obligation and under a separate agreement with Viridor, Suffolk County Council and SLWP.

3. Recommendations

- 3.1 The Joint Waste Committee is asked to note the contents of this report, and to comment on any aspects of the performance of the Partnership's Phase A contracts.

4. Impacts and Implications:

Legal

- 4.1 None

Finance

- 4.2 None

5. Appendices

- 5.1 Appendix 1 – Q1 2013/14 Performance Management Information



Report to: South London Waste Partnership (SLWP)
Joint Waste Committee

Date: Thursday 12 September 2013

Report of: South London Waste Partnership Management Group

Author(s):

Matt Clubb, Chair SLWP Management Group

Chair of the Meeting:

Councillor Colin Hall, Chair SLWP Joint Waste Committee

Report title:

SOUTH LONDON WASTE PARTNERSHIP BUDGET UPDATE

Summary

This paper provides an update on the Partnership's budget position for the first 4 months of the financial year with the predicted outturn for the 2013/14 financial year.

Recommendations

To note the content of this report.

Background Documents and Previous Decisions

Previous budget reports.

1. Background

- 1.1 The Partnership sets its budget in September for the forthcoming financial year. Therefore budget illustrated below was constructed last year assuming particular time scales specifically in relation to the submission of the planning application for the Energy Recovery Facility by Viridor.
- 1.2 The budget is monitored Management Group every month to allow the budgets to be flexed where appropriate in order to respond to any budget pressures.

2. Financial Position 2013/14

2.1 The table below refers to the Partnership’s current budget position for the first four months of the 2013/14 financial year. It relates to expenditure in the following areas; procurement, project management, administration, contract management and communications.

Item	Budget £	Anticipated Outturn £	Variance £
<i>Advisor Consortium - Phase B</i>	100,000	100,000	0
<i>Project & Contract Management</i>	300,000	300,000	0
<i>Internal Advisors and Accounting</i>	125,000	125,000	0
<i>Document and Data Management</i>	36,000	36,000	0
<i>Audit Fee</i>	2,500	2,500	0
<i>Communications</i>	105,000	105,000	0
<i>Transition Costs</i>	0	60,000	60,000
TOTAL	668,500	728,500	60,000
COST PER BOROUGH	167,125	182,127	15,000

2.2 The Partnership is currently showing a predicted over spend of £60k due to unbudgeted transitions costs as a result of the delay in the initially planning date (to April) and the referral of decision at this meeting to a meeting in May. This also includes the resources required to reach agreement to the S106 mitigation to secure the £2.8m of mitigation measures.

2.3 As a result of the decision to exit from the EWC contract, the Partnership have incurred unforeseen costs of in the region of £30k relating to legal advice in reaching this agreement. These costs will be recorded against the “Advisor Consortium” above, however, it is anticipated that these will be contained within the existing estimates.

2.4 The budget will continue to be carefully managed and monitored by the Management Group throughout 2013/14, in order to reduce the projected overspend.

3. Recommendations:

3.1 To note the content of this report.

4. Impacts and Implications:

Finance

4.1 Contained within report.