



# South London Waste Partnership Joint Committee Agenda

## Membership

London Borough of Croydon  
Councillor Kathy Bee – Transport and Environment  
Councillor Stuart Collins – Deputy Leader - Clean Green Croydon  
Substitutes: Councillors Stuart King and Robert Canning

Royal Borough of Kingston upon Thames  
Councillor David Cunningham (Vice-Chair) – Lead Member: Environment and Transport  
Councillor Richard Hudson – Lead Member: Capital, Projects and Contracts  
Substitutes: Councillors Kevin Davis and Gaj Wallooppillai

London Borough of Merton  
Councillor Andrew Judge - Cabinet Member for Environmental Sustainability & Regeneration  
Councillor Judy Saunders (Chair) – Cabinet Member for Environmental Cleanliness and Parking  
Substitutes: Councillors Mark Allison and Martin Whelton

London Borough of Sutton  
Councillor Colin Hall – Deputy Leader  
Councillor– Nighat Piracha – Vice Chair of the Environment & Neighbourhood Committee  
Substitutes: Councillor Jill Whitehead

**Date: Monday 30 March 2015**

**Time: 7.00 pm**

**Venue: Committee Room C,D & E, Merton Civic Centre, London Road, Morden, SM4 5DX**

This is a public meeting and attendance by the public is encouraged and welcomed. If you wish to speak on an item you must register by no later than noon on the day of the meeting. For more information about the agenda or speaking please contact [democratic.services@merton.gov.uk](mailto:democratic.services@merton.gov.uk) or telephone [020 8545 3616](tel:02085453616).

All Press contacts: [press@merton.gov.uk](mailto:press@merton.gov.uk), 020 8545 3181

# South London Waste Partnership Joint Committee Agenda

## 30 March 2015

- 1 Apologies for absence
- 2 Declarations of Interest
- 3 Minutes of the previous meeting 1 - 4
- 4 Phase A Contract Management Reporting - Quarter 4 (to date) 5 - 16
- 5 SLWP 2014/15 Budget Update - Month 11 17 - 20
- 6 Exclusion of the public  
To RESOLVE that the public are excluded from the meeting during consideration of the following report(s) on the grounds that it is (they are) exempt from disclosure for the reasons stated in the report(s).
- 7 Phase B Contract Report
- 8 Risk Register
- 9 Date of Next Meeting  
The next meeting of the Committee is scheduled for Tuesday 9 June 2015 at 5.30pm, being held at London Borough of Croydon

### **Note on declarations of interest**

Members are advised to declare any Disclosable Pecuniary Interest in any matter to be considered at the meeting. If a pecuniary interest is declared they should withdraw from the meeting room during the whole of the consideration of that matter and must not participate in any vote on that matter. If members consider they should not participate because of a non-pecuniary interest which may give rise to a perception of bias, they should declare this, withdraw and not participate in consideration of the item. For further advice please speak with the Assistant Director of Corporate Governance.

All minutes are draft until agreed at the next meeting of the committee/panel. To find out the date of the next meeting please check the calendar of events at your local library or online at [www.merton.gov.uk/committee](http://www.merton.gov.uk/committee).

## SOUTH LONDON WASTE PARTNERSHIP JOINT COMMITTEE 17 FEBRUARY 2015

(17.30 - 18.35) (at The Town Hall, Katherine Street, Croydon, CR0 1NX)

PRESENT: London Borough of Croydon  
Councillor Stuart Collins and Councillor Stuart King (substitute for Councillor Kathy Bee).

Royal Borough of Kingston upon Thames  
Councillor David Cunningham.

London Borough of Merton  
Councillor Judy Saunders (in the Chair) and Councillor Andrew Judge.

London Borough of Sutton  
Councillor Jill Whitehead (substitute for Councillor Colin Hall)

ALSO PRESENT: London Borough of Croydon  
Councillor Andrew Pelling and Councillor Joy Prince

### 1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies for absence were received from:  
Councillor Kathy Bee (London Borough of Croydon),  
Councillor Colin Hall (London Borough of Sutton) and  
Councillor Richard Hudson (Royal Borough of Kingston upon Thames).

### 2 DECLARATION OF INTERESTS (Agenda Item 2)

None.

### 3 MINUTES OF THE PREVIOUS MEETING (3 DECEMBER 2014) (Agenda Item 3)

The Minutes of the meeting held on 3 December 2014 were agreed as a correct record.

### 4 PUBLIC QUESTIONS (10 MINUTES) (Agenda Item 4)

The Chair advised that any questions asked by members of the public (a) needed to be questions rather than statements; and (b) should clearly relate to an agenda item being considered at this meeting (and not to a previous decision). The Chair also advised that 10 minutes was scheduled for this part of the meeting.

One member of the public (who had made a requested in advance in writing) asked a number of questions relating to a various issues including relating to alleged possible toxic emissions from the proposed energy recovery facility (referred to as an

incinerator by the member of public); the sorting of rubbish, the viability of the current proposals and possible alternatives to the current proposals;

Officers and Members responded where appropriate, including indicating that the issue of air quality had been examined carefully previously; none of the Boroughs comingled refuse which had been previously sorted.; the Boroughs' good recycling rates compared to others in London; and that the proposed contract allowed Boroughs to maximise recycling

A member suggested that a future meeting of the Committee look (in public session) at the problems associated with incinerators, especially air quality around the UK. (NB. See also Minute (5) of December minutes on this issue.)

At the conclusion of this item, the Chair indicated that ways of having a dialogue with the public would be looked at.

## 5 PHASE A CONTRACT MANAGEMENT REPORT (Agenda Item 5)

The Committee considered the report which provided an update on the performance of the three Phase A Contracts applicable to the South London Waste Partnership (SLWP). Officers confirmed that the disciplinary problems referred to in paragraphs 2.2.6 & 2.2.7 mainly related to the Factory Lane and Villiers Road site.

RESOLVED: That the contents of the report be noted.

## 6 SOUTH LONDON WASTE PARTNERSHIP BUDGET UPDATE (Agenda Item 6)

Members expressed concern about the cost overspends, including on the HRRC Procurement Exercise (as detailed in the report in paragraphs 2.6 - 2.10). Officers explained that although the increased costs had arisen from additional unforeseen works, this had resulted in a better outcome as detailed in the report.

Members were concerned that the reasons for the cost overspends were ascertained in order that this wasn't repeated in future procurement exercises, especially as they were likely to be more complicated. Officers gave an assurance that the issues raised by the current procurement exercise had been noted.

A Member suggested that perhaps there was a need for a protocol that if there was potential for an overspend above a certain percentage, then the Chair (and other Members as appropriate) should be involved.

Shared Services – In response to a query, officers gave an outline of the timetable for the procurement of shared services; confirmed that Boroughs would be consulted at the appropriate time, including about potential costs; but pointed out that procurement of shared services was outside the remit of this Joint Committee.

RESOLVED: That, subject to Members comments above about cost overspends being included in these Minutes, the Committee notes the contents of the report.

7 EXCLUSION OF THE PUBLIC (Agenda Item 7)

RESOLVED: That the public are excluded from the meeting during consideration of the following items on the grounds that they are exempt from disclosure by virtue of Part 4B, Paragraph 10.4 and Category 3 of the constitution.

8 PHASE B UPDATE - ENERGY RECOVERY FACILITY (ERF) DISPOSAL CONTRACT (Agenda Item 8)

The Committee considered the report which provided an update on the position of the Phase B - Energy Recovery Facility (ERF) Disposal Contract.

Officers responded to queries about the current status of the town planning process for the proposed ERF facility, and how this related to the contract, including that it was anticipated that a further update giving greater clarity, would be submitted to the next meeting; and that following the Judicial Review in October 2014 upholding the Planning Authority's decision to grant permission, a request to appeal had been made to the Court of Appeal, whose response was currently awaited.

RESOLVED: That the Committee notes the planning progress on the ERF project.

9 HOUSEHOLD REUSE AND RECYCLING CENTRES PROCUREMENT - PREFERRED BIDDER RECOMMENDATION REPORT (Agenda Item 9)

The Committee considered the report which -

- (a) informed the Committee of the outcome of the procurement process for a contractor for the Household Reuse and Recycling Centres, the contract being due to commence on 1 October 2015 for a period of 7 years with the option to extend for a further 7 years by mutual agreement; and
- (b) recommended the appointment of a Preferred Bidder and Reserve Bidder.

Officers responded to queries about the bidding process and details of the bids submitted, and how they were assessed.

Reference was made to the current scheme in Croydon, whereby residents who recycled, could receive compost derived from recycled materials. Officers confirmed that quantities of soil improver would still be similarly available under the proposed new contract.

Officers also confirmed that each household waste site would include a facility/container for the re-use/recovery of items.

Annie Baker, Strategic Partnership Manager, undertook to respond to Councillor Andrew Judge (LBM) and Councillor David Cunningham (RBK) on their individual queries after the meeting. It was noted that if any Councillor had further queries outside of the meeting, they were welcome to contact officers.

RESOLVED: That: the Joint Waste Committee agrees that -

(a) the Joint Waste Committee approves the appointment of Veolia ES (UK) Limited as Preferred Bidder in relation to the procurement exercise that has been undertaken by the South London Waste Partnership for the management of Household Reuse and Recycling Centres.

(b) the Joint Waste Committee recommends on to each of the Boroughs of Kingston-upon-Thames, Sutton, Merton and Croydon that they also approve the appointment of Veolia ES (UK) Limited as Preferred Bidder through their respective executive arrangements.

(c) the Joint Waste Committee further approves that Sita UK Limited is appointed as the Reserved Bidder and that the Committee recommends to the individual executives of the four partner authorities that they equally approve this recommendation.

(d), subject to approval of the recommendations above by each borough's executive committees, and financial close and 'fine tuning' discussions with Veolia ES (UK) Limited being resolved to the satisfaction of the Management Group and there being no material changes to the proposed solution beyond the scope of the proposed solution set out in this report, the Chair of the Management Group, acting in consultation with the Chair of the Joint Waste Committee, the Management Group and the Legal Lead of the HRRC procurement, be given authority for Croydon to award the final contract and agree all necessary documentation without further recourse to this Committee.

#### 10 SLWP RISK REPORT (Agenda Item 10)

This report detailed the red risks (i.e. high risks) around the Partnership waste disposal service contracts.

RESOLVED: That the Committee notes the key developments on the Risk Register and the mitigation of these risks.



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

**Date:** 31<sup>st</sup> March 2015

**Report of:** SLWP Management Group

**Author(s):**

Andrea Keys Contract Manager

**Chair of the Meeting:**

Councillor Judith Saunders, Chair SLWP Joint Waste Committee

**Report title:**

## **PHASE A Contract management Report**

**Summary:**

This report provides Joint Waste Committee with an interim update on the performance of the three Phase A Contracts applicable to the South London Waste Partnership:

- i. Contract 1 - Transport and Residual waste management
- ii. HRRRC services - Managed by Royal Borough of Kingston (RBK)
- iii. Contract 3 - Marketing of recyclates and treatment of green and food waste

Previous reports cover a full quarter reporting period, as an interim, this provides a report on January and February performance.

**Recommendations:**

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

**Background Documents:**

Contract Performance Monitoring updates have been presented to the Joint Waste Committee since 22 July 2010. The most recent reports were presented at the meeting on 17<sup>th</sup> February 2015 by the Contract Manager.

## **1. BACKGROUND**

- 1.1. Contract 1 is operated by Viridor Waste Management Ltd and includes the haulage of all materials requiring transfer and the management of residual waste.
- 1.2. The Partnership's HRRC site service is currently managed by the Royal Borough of Kingston, pending re-procurement of the service.
- 1.3. Contract 3 is operated by Viridor and includes the marketing of recyclates and the treatment of green and food waste.

## **2. PERFORMANCE DETAIL**

### **2.1. Contract 1: Transport and Residual waste management (Viridor Waste Management Limited)**

- 2.1.1. Under Contract 1, during the reporting period January and February 2015, the Partnership managed in excess of 36,500 tonnes of residual waste. Please see Appendix A section 1 for further detail.
- 2.1.2. Viridor continue to divert a proportion of the Contract 1 residual waste to their Lakeside energy recovery facility (ERF) at the Partnership's request. Partnership waste is thermally treated at the same rate as the residual waste landfill Gatefee. Viridor have direction on which Borough waste is diverted.
- 2.1.3. During this reporting period over 9,000 tonnes of SLWP residual waste was diverted from landfill via the Lakeside ERF. Year to date 18% of our residual waste has been diverted. Please see Appendix A section 3 for further tonnage data.
- 2.1.4. Residual waste diversion from landfill has increased with each period reported and we continue to work with Viridor to improve this rate further.
- 2.1.5. The Contract is operating effectively. There were no major operational or performance issues and no formal complaints reported under Contract 1.

### **2.2. Contract 2: Management of the Household Reuse and Recycling Centres (Royal Borough of Kingston)**

- 2.2.1. Contract management - The Royal Borough of Kingston continues to manage the HRRC services across the four boroughs on behalf of the Partnership.
- 2.2.2. Recycling performance – The HRRC service is operating well. Individually the performance at each site is broadly comparable to January and February of 2014, with a slight drop at the London Borough of Merton Garth Road facility. This will be investigated and improvement measures put in place.



- 2.2.3. Collectively the HRRC sites are also performing well. For this reporting period (January and February 2015) the service delivered a 69% recycling rate across the Partnership, and year to date the sites have achieved an average recycling rate of 71%. (Appendix A section 4 includes a performance breakdown by site, and section 5 shows the collective performance rates for all six sites).
- 2.2.4. HRRC Work streams -The HRRC off-take work stream is ongoing. This work stream focuses on the material off-takers servicing the HRRC sites and aims to review the quality of service being provided, assess value for money, and ensure continuity of services.
- 2.2.5. To date the off-take agreements for two major materials - textiles and ferrous metals – have been successfully formalised and a third major contract with our waste electrical recycler DHL is close to completion. Work to establish formal contractual positions with other current off-takers is ongoing although this process is becoming increasingly difficult due to the relatively short period between now and the new HRRC contractor starting on the 1<sup>st</sup> October.

**2.3. Contract 3 – Materials Recycling Services, composting, and Additional treatment Services (Viridor Waste Management Limited)**

- 2.3.1. Green waste is delivered to the Viridor Beddington facility where it is treated to produce a BSI PAS100 compost product. Some of the green waste material is also transferred from Beddington to alternative processing sites such as Viridor Foxhill and third party facilities. There are no issues to report on this element of the service. Detailed green waste tonnage data can be found in Appendix A section 6.
- 2.3.2. Food waste is delivered to either the Beddington facility or the Villiers Road transfer station facility. From both sites the food is transferred by Viridor to the Agrivert Trump Farm Anaerobic Digestion facility (AD) located in Surrey. The Agrivert facility produces a BSI PAS 110 compost product. There are no performance issues with this element of the contract 3 service. Appendix A section 7 contains further food waste information.
- 2.3.3. Comingled recyclates are delivered to the Viridor Beddington facility and then transferred to the Viridor Materials Recycling Facility (MRF) located in Crayford. Of the material collected in January 92% was recycled. The February analysis was not yet available at the point of producing this report.
- 2.3.4. January saw the highest comingled tonnage collected year to date, and whilst February shows a considerable drop in tonnes this is comparable to the

same period in 2014 and so can be attributed to seasonal variation. Please see Appendix A sections 8 and 9 for further comingled recycle data.

2.3.5. The Source segregated recyclates, also termed as Kerside-sorted recyclable materials, collected by the Royal Borough of Kingston are delivered to the Villiers Road TS and then transferred either directly to re-processors, to the Viridor MRF at Crayford, the paper MRF in Erith, or the newly developed polymer processing facility. February saw a drop in tonnes but again this is comparable to the same period in 2014 so can be attributed to seasonal factors.

### **3. RECOMMENDATIONS**

3.1. It is recommended that the Joint Waste Committee:

- a) Note the contents of this report, and comment on any aspects of the performance of the Partnership's Phase A contracts.

### **4. IMPACTS AND IMPLICATIONS**

#### Legal

4.1. Legal Shared services are assisting on the HRRC off-take work stream.

#### Finance

4.2. None

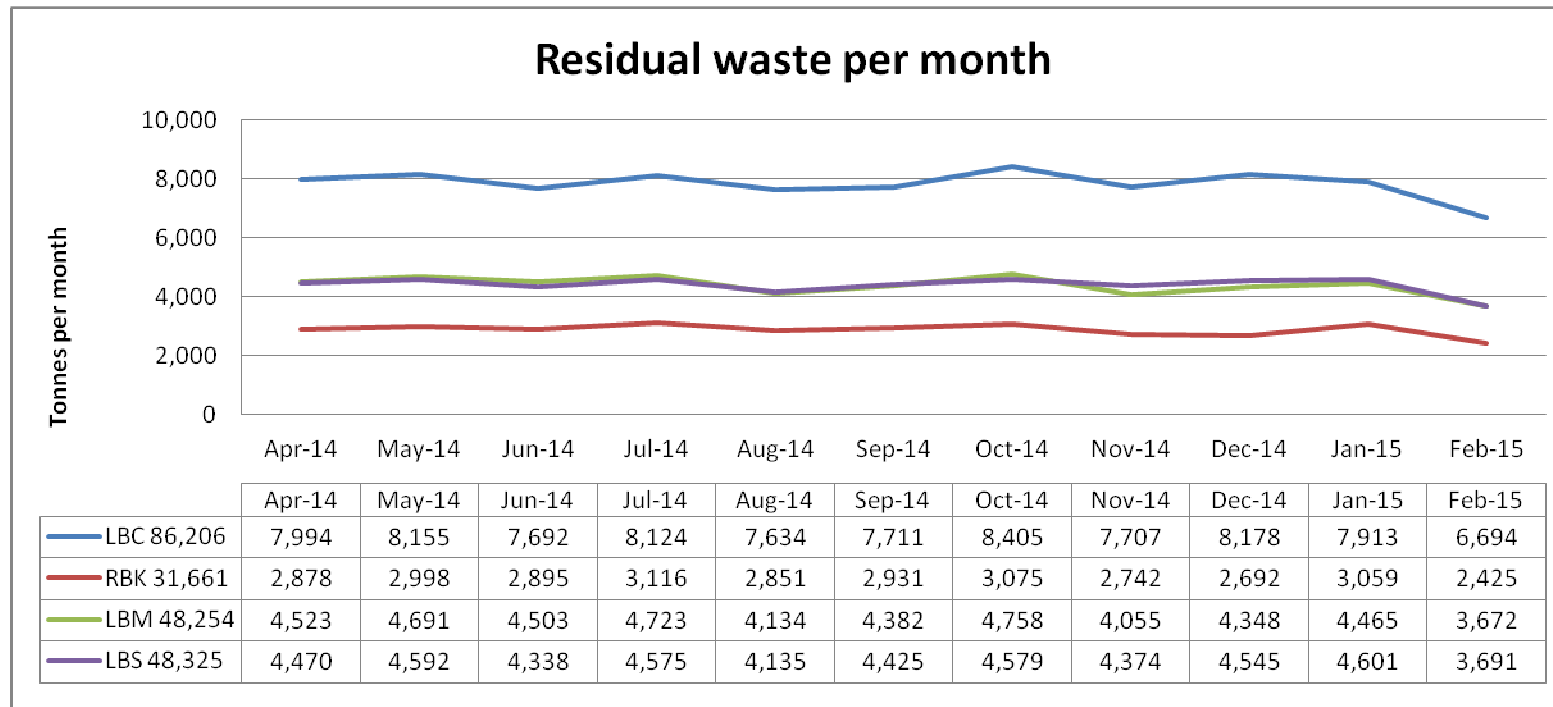
### **5. Appendices**

5.1. Appendix A provides data on the performance of the Phase A contracts for the reporting period January and February 2015.

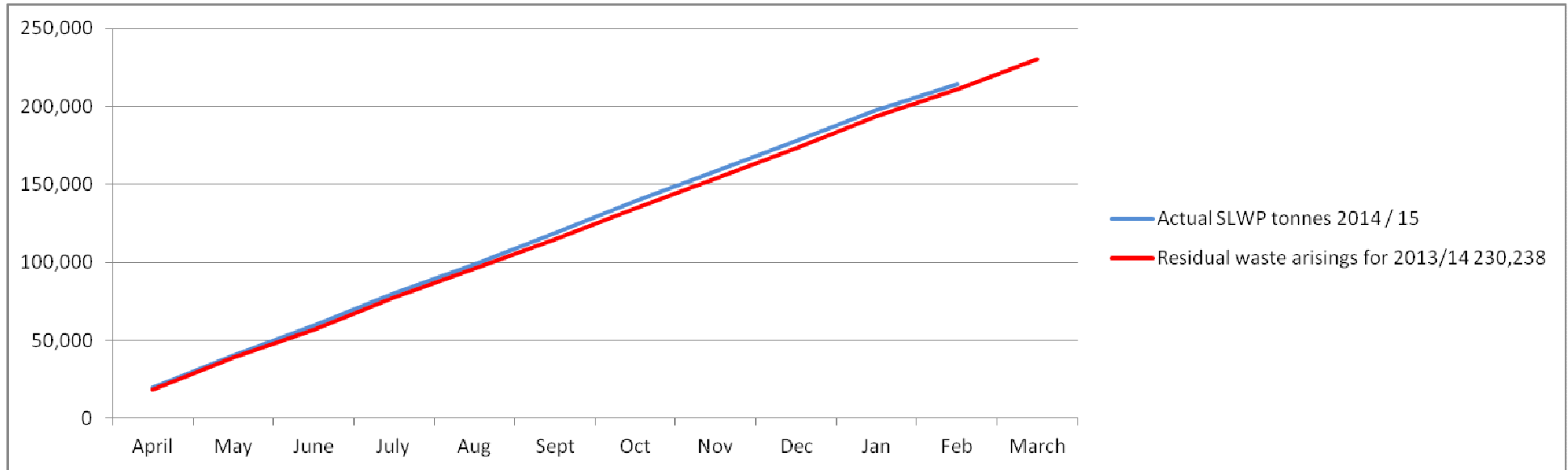
## Appendix A

### Phase A: Contract Performance Data for the period April to February

#### 1. Residual Waste – tonnes per month per Borough:

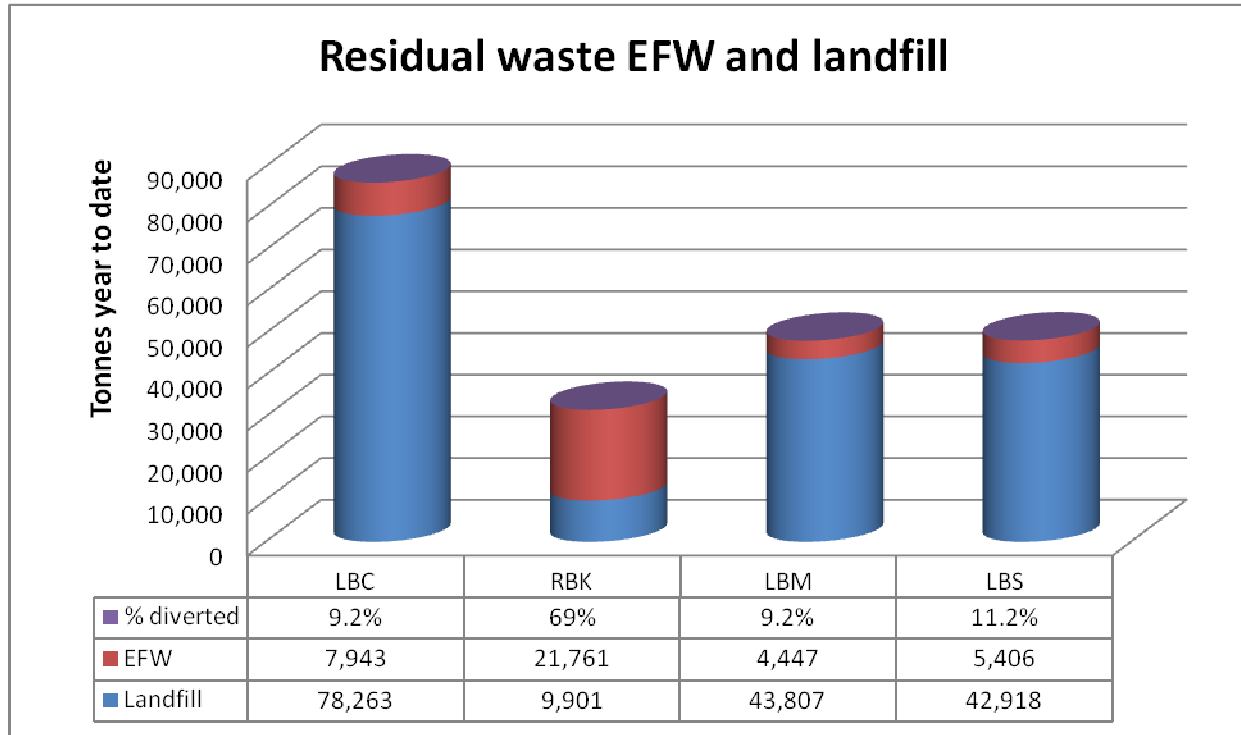


## 2. Residual Waste Growth 2014/15 against 2013/14:



<b>Cumulative residual tonnes</b>	April	May	June	July	August	September	October	November	December	January	February	March
Residual waste 2014/15 (tonnes)	19,866	40,301	59,729	80,266	99,020	118,469	139,286	158,163	177,927	197,965	214,446	
Residual waste 2013/14 (tonnes)	18,633	38,802	57,010	77,403	96,209	114,800	134,589	153,786	173,228	193,513	211,142	230,238

3. Residual Waste Disposal for the period April to February:



Residual Waste year to date	Total Partnership Diversion	LBC	RBK	LBM	LBS
Landfill	174,889	78,263	9,901	43,807	42,918
EFW	39,556	7,943	21,761	4,447	5,406
% diverted	18%	9.2%	69%	9.2%	11.2%

#### 4. HRRC Performance Data: Recycling and Composting

		Kingston Villiers Road HWRC							Merton Garth Road HWRC							Sutton Kimpton Park Way				
Month		2011	2012	2013	2014	2015	Month		2011	2012	2013	2014	2015	Month		2011	2012	2013	2014	2015
Jan		69%	74%	70%	70%	69%	Jan		68%	72%	68%	69%	65%	Jan		71%	70%	66%	71%	70%
Feb		72%	75%	71%	72%	71%	Feb		67%	76%	71%	68%	66%	Feb		67%	60%	71%	69%	70%
Mar		75%	77%	72%	74%		Mar		69%	72%	71%	71%		Mar		73%	80%	74%	74%	
Apr		78%	76%	74%	76%		Apr		69%	73%	71%	68%		Apr		75%	74%	74%	73%	
May		76%	80%	79%	77%		May		74%	76%	72%	75%		May		72%	76%	77%	73%	
Jun		76%	79%	78%	77%		Jun		75%	73%	73%	75%		Jun		71%	74%	70%	75%	
Jul		75%	78%	73%	72%		Jul		77%	74%	70%	69%		Jul		75%	71%	68%	70%	
Aug		74%	74%	76%	74%		Aug		74%	69%	70%	70%		Aug		72%	75%	73%	70%	
Sep		77%	76%	76%	76%		Sep		76%	76%	72%	72%		Sep		72%	75%	68%	74%	
Oct		75%	75%	75%	74%		Oct		75%	71%	67%	67%		Oct		79%	71%	71%	71%	
Nov		76%	75%	74%	73%		Nov		76%	73%	69%	68%		Nov		76%	69%	69%	69%	
Dec		72%	65%	67%	68%		Dec		72%	65%	66%	61%		Dec		72%	71%	67%	68%	

Factory lane HWRC					
Month	2011	2012	2013	2014	2015
Jan	72%	70%	67%	68%	70%
Feb	71%	72%	69%	60%	66%
Mar	74%	71%	71%	70%	
Apr	72%	73%	69%	69%	
May	72%	69%	75%	63%	
Jun	71%	73%	69%	61%	
Jul	74%	72%	68%	63%	
Aug	74%	71%	64%	65%	
Sep	71%	69%	66%	67%	
Oct	74%	67%	68%	66%	
Nov	77%	66%	64%	67%	
Dec	67%	67%	59%	66%	

Fishers Farm HWRC					
Month	2011	2012	2013	2014	2015
Jan	71%	70%	66%	65%	66%
Feb	67%	60%	71%	73%	71%
Mar	73%	80%	74%	77%	
Apr	75%	74%	74%	77%	
May	72%	76%	77%	77%	
Jun	71%	74%	70%	78%	
Jul	75%	71%	68%	72%	
Aug	72%	75%	73%	71%	
Sep	72%	75%	68%	76%	
Oct	79%	71%	71%	71%	
Nov	76%	69%	69%	68%	
Dec	72%	71%	67%	69%	

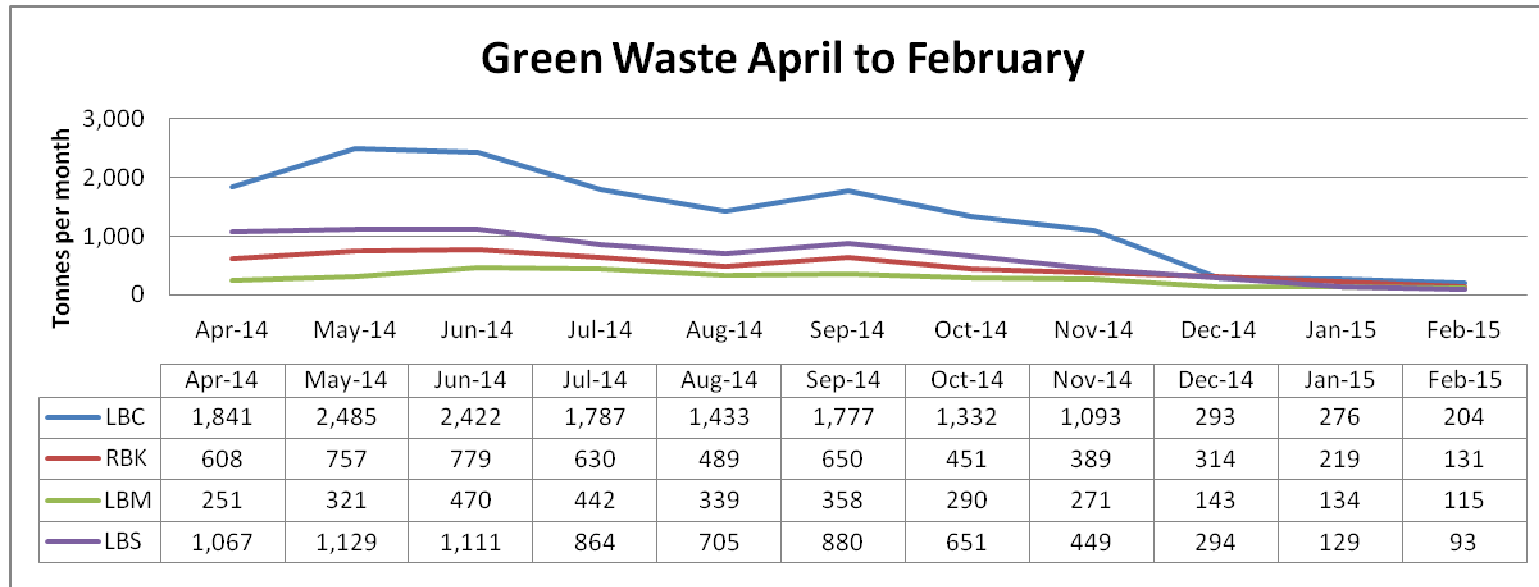
Purley Oaks HWRC					
Month	2011	2012	2013	2014	2015
Jan	79%	77%	72%	75%	73%
Feb	83%	73%	77%	73%	68%
Mar	84%	82%	76%	Closed*	
Apr	80%	79%	81%	82%	
May	83%	80%	83%	80%	
Jun	78%	81%	79%	80%	
Jul	81%	78%	79%	80%	
Aug	80%	77%	75%	75%	
Sep	82%	76%	76%	78%	
Oct	84%	75%	77%	75%	
Nov	83%	78%	75%	78%	
Dec	78%	73%	76%	73%	

\*Purley oaks closed due to flood control measures in the area.

5. Average Recycling and Composting Rate across all SLWP HRRC sites:

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March
2008/09						72%	74%	75%	69%	67%	73%	78%
2009/10	77%	77%	76%	76%	76%	78%	78%	76%	71%	71%	73%	77%
2010/11	73%	76%	79%	75%	75%	76%	75%	75%	66%	72%	72%	74%
2011/12	74%	75%	74%	75%	74%	75%	77%	77%	71%	73%	72%	76%
2012/13	75%	76%	76%	75%	72%	74%	72%	72%	69%	69%	72%	73%
2013/14	74%	76%	74%	71%	72%	72%	71%	71%	67%	70%	68%	65% <sup>1</sup>
2014/15	74%	74%	74%	71%	71%	74%	71%	71%	67%	69%	69%	

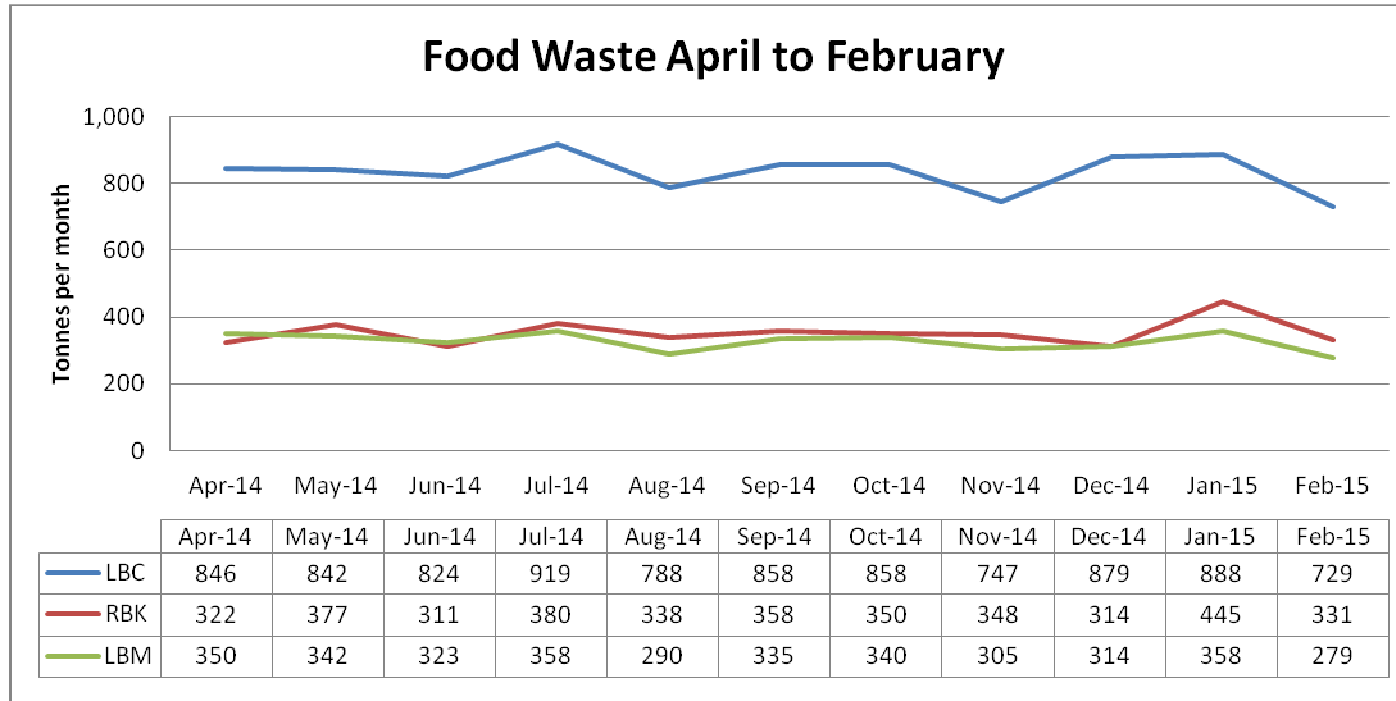
6. Green Waste Tonnage



<sup>1</sup> Purley Oaks was forced to close due to flooding. This had a negative impact on the recycling rates for March.



7. Food Waste Tonnage



8. Commingled Recyclates Tonnage Contract year 2014/15:

Comingled Recycling	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan
Sutton	96.74%	94.93%	93.94%	97.84%	96.23%	95.83%	91.55%	90.27%	91.89%	93.06%
Merton	97.91%	97.69%	96.79%	98.00%	96.79%	97.63%	94.74%	92.52%	91.84%	91.74%

The February comingled recyclables data not available at the time of report.

### 9. Recycling data

Tonnes sent for recycling	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
LBM	1,290	1,364	1,264	1,424	1,210	1,312	1,228	1,297	1,461	1,413	1,215
LBS	1,369	1,363	1,300	1,385	1,252	1,362	1,376	1,274	1,453	1,530	1,200
RBK	1,040	1,044	993	1,108	937	1,130	1,115	1,118	1,032	1,261	961

### 10. Financial Information – Total Contract Cost

SLWP	April	May	June	July	August	September	October	November	December	January	February
1	£1,978,374.55	£2,036,663.66	£1,933,603.95	£2,019,625.49	£1,836,693.51	£1,945,199.22	£2,074,761.15	£1,887,797.53	£1,978,241.83	£2,011,785.10	£1,650,818.96
3	£174,711.32	£174,858.38	£177,477.16	£154,853.35	£113,048.44	£111,713.65	£69,226.01	£39,604.32	£-4,040.15	£-2,139.95	£-5,940.33



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

**Date:** Monday 30 March 2015

**Report of:** South London Waste Partnership Management Group

**Author(s):**

Michael Mackie, Finance Lead

**Chair of the Meeting:**

Councillor Judy Saunders, 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 at month 10 of the financial year and the projected outturn for the 2014/15 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 the budget illustrated below was constructed last year assuming particular time scales specifically in relation to the planning process for the Energy Recovery Facility by Viridor and excludes any costs that may arise from any planning appeals.
- 1.2 The budget is monitored by Management Group every month to allow the budgets to be flexed where appropriate in order to respond to any budget pressures.

## 2. Financial Position 2014/15

2.1 The table below refers to the Partnership's budget position for its core activities at month 10 (January) of the 2014/15 financial year. It relates to expenditure in the following areas; procurement, project management, administration, contract management and communications.

Item	Approved Budget £	Actuals £	Anticipated Outturn £	Variance £
<i>Advisor Consortium</i>	50,000	36,552	50,000	0
<i>Project &amp; Contract Management</i>	300,000	148,572	191,000	(109,000)
<i>Internal Advisors and Accounting</i>	75,000	16,625	77,000	2,000
<i>Document and Data Management</i>	18,000	20,204	20,250	2,250
<i>Audit Fee</i>	2,500	0	2,500	0
<i>Communications</i>	100,000	75,094	90,000	(10,000)
<i>Transition Costs</i>	12,000	17,675	18,000	6,000
<b>TOTAL</b>	<b>557,500</b>	<b>314,722</b>	<b>448,750</b>	<b>(108,750)</b>
<b>COST PER BOROUGH</b>	<b>139,375</b>	<b>78,681</b>	<b>112,188</b>	<b>(27,188)</b>

2.2 The Partnership's budget for core functions forecasts an under spend for the year of £108,750 (£27,188 per borough). The major variance is detailed below.

2.3 The Joint Waste Committee at its meeting of 25 April 2013 approved the recruitment of a Contract Data Officer. The post is currently being held vacant resulting in a full year saving of £33k on the 'Project and Contract Management' budget.

2.4 The post of Strategic Partnership Manager is also included within budget for Project and Contract Management. This post was vacant until October 2014 saving approximately £65k for the financial year.

2.5 There are currently 2 projects being undertaken

- 1). To set up a Four Year Framework Agreement
- 2). A procurement exercise for the HRRCs and

And the forecast position for 2014/15 for the 2 projects is illustrated below.

### Four Year Framework Agreement

Item	Estimate £	Actuals £	Anticipated Outturn £	Variance £
<i>Advisor Consortium</i>	29,000	20,781	29,000	0
<i>Project &amp; Contract Management</i>	10,750	0	0	(10,750)
<i>Internal Legal Advice</i>	4,500	3,913	4,500	0
<b>TOTAL</b>	<b>44,250</b>	<b>24,694</b>	<b>33,500</b>	<b>(10,750)</b>
<b>COST PER BOROUGH</b>	<b>11,063</b>	<b>6,173</b>	<b>8,375</b>	<b>(2,687)</b>

- 2.6 The estimated completion of the 4 year framework agreement is estimated to be March 2015.

### HRRC Procurement Exercise

Item	Estimate £	Actuals £	Anticipated Outturn £	Variance £
<i>Advisor Consortium</i>	190,230	278,820	334,000	143,770
<i>Project &amp; Contract Management</i>	61,560	43,626	82,200	20,640
<i>Internal Legal Advice</i>	27,900	16,313	27,900	0
<b>TOTAL</b>	<b>279,690</b>	<b>338,759</b>	<b>444,100</b>	<b>164,410</b>
<b>COST PER BOROUGH</b>	<b>69,923</b>	<b>84,690</b>	<b>111,025</b>	<b>41,103</b>

- 2.7 Contract mobilisation is scheduled for 1 October 2015.
- 2.8 The budget for advisor consortium is forecasting an over spend of £144k for the year. This is a result of additional work required on pensions, TUPE information and leases by legal advisors (£25k) and additional work required on evaluation and moderation of 2 additional variant bids at ISDS stage, additional modelling meetings and associated time preparing documentation, also required at ISDS stage, by finance advisors (£125k). Measures have been put in place to minimise advisors costs during IFST stage by reducing advisor attendance at bidder meetings, by removal of the contingency allocation and through tighter monitoring of advisor activities. This is estimated to have reduced the potential overspend for 2014/15 by £38k. This additional work, although unforeseen, has resulted in greater transparency within the bidder models, has reduced bidder costs and identified errors within bidder models at ISDS stage.
- 2.9 Project and Contract Management is forecasting a £21k overspend due to additional SLWP costs relating to additional advisor activity detailed in 2.8.
- 2.10 The budget position for all activities for 2014/15 is shown below and forecasts total spend of £926k for 2014/15 compared to the £944k reported to this committee on 17 February, an improvement of £18k.

Item	Original Estimate £	Outturn Forecast £	Variance £	Variance per borough £
<i>Core Activities</i>	557,500	448,750	(108,750)	(27,188)
<i>Framework Agreement</i>	44,250	33,500	(10,750)	(2,688)
<i>HRRC Procurement</i>	279,690	444,100	164,410	41,103
<b>TOTAL</b>	<b>881,440</b>	<b>926,350</b>	<b>44,910</b>	<b>11,227</b>

### 3. Recommendations:

- 3.1 To note the content of this report.

**4. Impacts and Implications:**

Finance

4.1 Contained within report.