

**LONDON BOROUGHS OF CROYDON, MERTON & SUTTON AND ROYAL
BOROUGH OF KINGSTON UPON THAMES**

SOUTH LONDON WASTE PARTNERSHIP JOINT COMMITTEE

To: **London Borough of Croydon**

Councillor Stuart Collins - Deputy Leader and Cabinet Member for Clean Green Croydon (Chair)

Councillor Kathy Bee - Cabinet Member for Transport and Environment

Reserves: Councillors Robert Canning and Stuart King

Royal Borough of Kingston upon Thames

Councillor Terry Paton - Portfolio Holder - Resident Services

Councillor Ian George - Lead Member - Resident Services

Reserves: Councillors Kevin Davis and Gaj Wallooppillai

London Borough of Merton

Councillor Judy Saunders - Cabinet Member for Environmental Cleanliness and Parking

Councillor Andrew Judge - Cabinet Member for Environmental Sustainability & Regeneration

Reserves: Councillors Martin Whelton and Mark Allison

London Borough of Sutton

Councillor Nighat Piracha & Vice-Chair of the Environment & Neighbourhood Committee

Councillor Jill Whitehead - Chair of the Environment and Neighbourhoods Committee

Reserve: Councillor Hanna Zuckowska

A meeting of the **LONDON BOROUGHS OF CROYDON, MERTON & SUTTON AND ROYAL BOROUGH OF KINGSTON UPON THAMES SOUTH LONDON WASTE PARTNERSHIP JOINT COMMITTEE**, which you are hereby summoned to attend, will be held on **Tuesday 15th September 2015** at **5:30pm**, in the **Council Chamber, Croydon Town Hall, Katharine Street, Croydon CR0 1NX**.

JULIE BELVIR
Borough Solicitor & Monitoring Officer
Director of Legal & Democratic Services
London Borough of Croydon
Bernard Weatherill House
8 Mint Walk, Croydon CR0 1EA

Margot Rohan
Senior Members Services Manager
020 8726 6000 ext 62564
margot.rohan@croydon.gov.uk
www.croydon.gov.uk/agenda
10 September 2015

AGENDA - PART A

1. Apologies for absence

2. Disclosure of Interest

In accordance with the Council's Code of Conduct and the statutory provisions of the Localism Act, Members and co-opted Members of the Council are reminded that it is a requirement to register disclosable pecuniary interests (DPIs) and gifts and hospitality in excess of £50. In addition, Members and co-opted Members are reminded that unless their disclosable pecuniary interest is registered on the register of interests or is the subject of a pending notification to the Monitoring Officer, they are required to disclose those disclosable pecuniary interests at the meeting. This should be done by completing the Disclosure of Interest form and handing it to the Business Manager at the start of the meeting. The Chairman will then invite Members to make their disclosure orally at the commencement of Agenda item 3. Completed disclosure forms will be provided to the Monitoring Officer for inclusion on the Register of Members' Interests.

3. Minutes of the previous meeting held on 9 June 2015 (Page 1)

To approve the minutes as a true and correct record.

4. Phase A Contract Management Report (Page 5)

The report of the SLWP Management Group is attached.

5. South London Waste Partnership Budget Update (Page 21)

The report of the SLWP Management Group is attached.

6. Phase B Update - Energy Recovery Facility (ERF) Disposal Contract (Page 25)

The report of the SLWP Management Group is attached.

7. Risk Register (Page 29)

The report of the SLWP Management Group is attached.

8. Dates of next meetings

All in Room F10, Croydon Town Hall, Katharine Street, Croydon CR0 1NX,
commencing at 5:30pm:

10 December 2015

9 March 2016

7 June 2016

9. Urgent Business - Draft Partnership Budget 2016-17 (Page 37)

The Partnership is required to produce a draft budget for consideration by the Joint Waste Committee by 31st October each year. In accordance with the Inter Authority Agreement (IAA) the agreed draft budget is then subjected to consideration by the individual boroughs before a finalised budget is taken to the Joint Waste Committee for approval. The IAA sets out that the final budget must be approved by 31st December each year.

10. Camera Resolution

To resolve that, under Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information falling within those paragraphs indicated in Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

AGENDA - PART B

None

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.

SOUTH LONDON WASTE PARTNERSHIP JOINT COMMITTEE
9 JUNE 2015

(17.30 - 18.05)

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

Royal Borough of Kingston upon Thames
Councillors David Cunningham and Richard Hudson.

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

London Borough of Sutton
Councillors Nighat Piracha

1 APPOINTMENT OF CHAIR AND VICE-CHAIR 2015/16 (Agenda Item 1)

It was noted that at this Annual Meeting, the Joint Committee needed to appoint a Chair and Vice-Chair for the next year;

RESOLVED: That Councillor Stuart Collins be appointed Chair for 2015/16; and Councillor David Cunningham be appointed Vice-Chair for 2015/16

Councillor Judy Saunders then vacated the Chair, and Councillor Stuart Collins took the Chair.

The Joint Committee then passed a motion thanking Councillor Judy Saunders for her work as Chair for 2014/15.

2 APOLOGIES FOR ABSENCE (Agenda Item 2)

Apologies for absence were received from:
Councillor Kathy Bee (London Borough of Croydon), and
Councillor Jill Whitehead (London Borough of Sutton).

An apology for lateness was received from Councillor Richard Hudson (Royal Borough of Kingston upon Thames).

3 DECLARATIONS OF INTEREST (Agenda Item 3)

Councillor Judy Saunders declared an interest (but not a disclosable pecuniary interest) by reason that she was employed by the London Borough of Croydon but did not deal with waste issues.

4 MINUTES OF THE PREVIOUS MEETING HELD ON 30 MARCH 2015
(Agenda Item 4)

The Minutes of the meeting held on 30 March 2015 were agreed as a correct record.

5 PHASE A CONTRACT MANAGEMENT REPORT (Agenda Item 5)

Andrea Keys, Contract Manager, introduced the report and then responded to Members' queries including regarding contracts held with Kingston.

Andrea Keys also confirmed that an annual report (for the financial year) was compiled on the contract and undertook to share this with Members.

RESOLVED: That the contents of the report be noted.

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

Michael Mackie, Financial Lead, introduced the report and then responded to Members' queries including regarding the HRRC procurement forecast overspend and advising that the actual waste treatment and disposal costs were dealt with directly by each of the individual boroughs as part of their budget monitoring processes and are not normally reported to the Joint Waste Committee.

RESOLVED: That the contents of the report be noted.

7 FINAL ACCOUNTS 2014/15 (Agenda Item 7)

Michael Mackie, Financial Lead, introduced the report. Following the decisions below, the Chair signed the appropriate section of the accounts.

RESOLVED: That (1) the draft 2014/15 accounts for audit be approved;

(2) the draft 2014/15 Annual Governance Statement be approved; and

(3) it be noted that due to changes enacted by the Account and Audit Regulations 2015, the SLWP will no longer be required to submit an annual return from 2015/16 onwards.

8 THE LATE COUNCILLOR COLIN HALL (LONDON BOROUGH OF SUTTON)
(Agenda Item)

Reference was made to the death of Councillor Colin Hall since the previous meeting.

RESOLVED: That Joint Committee records its appreciation of the substantial contribution made by the late Councillor Colin Hall to the South London Waste Partnership over a number of years.

9 PUBLIC QUESTION (Agenda Item)

A member of the public (in the public gallery) indicated that she had previously asked a question relating to the transportation of waste but not received a reply. The Chair asked the member of the public to contact him or the clerk to the meeting with details of her question.

10 EXCLUSION OF THE PUBLIC (Agenda Item 8)

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 Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act (as amended).

11 PHASE B UPDATE - ENERGY RECOVERY FACILITY (ERF) DISPOSAL CONTRACT (Agenda Item 9)

Annie Baker, SLWP Strategic Partnership Manager, gave an oral update on the current status of the town planning process for the proposed ERF facility, including the significant progress made since the agenda item had been compiled, and how this related to the Phase B - Energy Recovery Facility (ERF) Disposal Contract.

There was discussion of the various implications of the update now provided. Officers gave assurances regarding informing Boroughs of the latest progress and on coordination on public announcements.

RESOLVED: That the Joint Committee notes the planning progress on the ERF Project.

12 SLWP RISK REPORT (Agenda Item 10)

Officers highlighted that the update reported under Item 9 above would have implications for the Risk Register.

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

13 ROYAL BOROUGH KINGSTON RECYCLATE PROCUREMENT (Agenda Item 11)

Officers confirmed that the Royal Borough Kingston had yet to make a decision on this matter.

RESOLVED: That Joint Committee notes the contents of the report.

This page is intentionally blank

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

Date: **15th September 2015**

Report of: **SLWP Management Group**

Author(s):

Andrea Keys Contract Manager

Chair of the Meeting:

Councillor Collins, Chair SLWP Joint Waste Committee

Report title:

PHASE A Contract management Report

Summary:

This report provides Joint Waste Committee with an 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. HRRC services - Managed by Royal Borough of Kingston (RBK)
- iii. Contract 3 - Marketing of recyclates and treatment of green and food waste

This report provides quarter 1 performance data for the period 1st April 2015 to 31st June 2015.

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 9th June 2015 by the Contract Manager.

1. BACKGROUND

- 1.1. Contract 1 is operated by Viridor Waste Management Ltd and includes the bulk haulage of material and the disposal of residual waste.
- 1.2. The Partnership's HRRC site service is currently managed by the Royal Borough of Kingston, until the new Contract with Veolia commences on the 1st October 2015.
- 1.3. Contract 3 is operated by Viridor and includes the marketing of recyclates and the treatment of green and food waste.
- 1.4. The London Boroughs of Croydon, Sutton and Merton direct deliver material into the Beddington site, operated by Viridor.
- 1.5. The Royal Borough of Kingston (RBK) direct delivers material into the Kingston Villiers Road waste transfer station (WTS). Viridor operate Villiers WTS on behalf of RBK under Contract 1.

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 1st April 2015 and the 31st June 2015, the Partnership managed just under 60,000 tonnes of residual waste. Please see Appendix A section 1 for further detail.
- 2.1.2. Thermal Treatment - During this reporting period just over 9,000 tonnes of SLWP residual waste was diverted from landfill via the Lakeside ERF. Year to date 15% of our residual waste was diverted. Viridor have direction on which Borough's waste is currently diverted to Lakeside, largely determined by the location and capacity at the facility receiving the waste. Please see Appendix A section 3 for further tonnage data.
- 2.1.3. ERF Construction - Beddington landfill and the Beddington waste transfer station (WTS) are located on the same site as the planned SLWP Phase B Energy Recovery Facility (ERF). The ERF construction timetable is estimated to take just over three years, and the works commenced in June 2015. The new facility will be built at the same time as the redevelopment of our Phase A waste facilities.
- 2.1.4. The ERF construction programme is designed to have minimal impact on SLWP Phase A waste deliveries and turn-around times at the site. However, the ability to divert residual waste to Lakeside from Beddington will reduce as the construction programme at the site moves forward. This will not affect the RBK tonnes sent via the Villiers Road WTS in Kingston.
- 2.1.5. During the three year works period, the site will become busier and the operational area of the site is reduced at certain periods. An H&S campaign 'Stop and Think' has been launched and partner Boroughs are

actively involved with Viridor in H&S 'refresher talks' and 'tool box talks' to remind users of site rules and best practice.

2.1.6. 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 continues to achieve good recycling rates across all six sites. See Appendix A sections 4 and 5 for more details.

2.2.3. The performance at Factory Lane was in line with the performance from the same quarter 1 period last year. The remaining 5 sites all achieved in excess of the 70% recycling target set under the new HRRC Contract.

2.2.4. Collectively the partnership has achieved a 73.7% average recycling rate across all six sites for the period being reported. Given the significant challenges faced by the service, and in particular the current transfer of services to the new provider, the site operatives continue to engage positively with the service and the site users.

2.2.5. HRRC Work streams -The HRRC off-take work stream is ongoing. This work stream focuses on the 28 material off-takers servicing the HRRC sites. The aim of this work stream is to monitor the quality of service being provided, assess value for money, and ensure continuity of services.

2.2.6. Following the formal award of the Contract to Veolia, the aim of the off-take work stream will start to focus on issuing notice to the current providers that the Contract with RBK will cease 30th September 2015. Where Veolia's nominated off-takers are the same as RBK current providers, this will provide a seamless transition. However, it is acknowledged that for those suppliers who are not under contract and whose services will terminate on the 30th September 2015 this work stream will need to focus on continuity and quality of service for these companies.

2.2.7. To date formal off-take agreements were established for two major materials - textiles and ferrous metals. Work to establish formal contractual positions with other current off-takers will now cease as Veolia mobilise for an October 2015 commencement date.

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 bulked and hauled off the site for treatment in the following facilities: KPS Isfield and Pease Pottage, Woodhorn Runcton and Tangmere, Tamar Beddingham and Swanley, and Birch Airfield.
- 2.3.2. The green waste is processed in order to produce a BSI PAS100 compost product. 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.
- 2.3.3. 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.
- 2.3.1. Comingled recyclates are delivered to the Viridor Beddington facility and then transferred to the Viridor Materials Recycling Facility (MRF) located in Crayford. Contamination criteria has become more stringent at both Viridor and at the end-user sites since the drop in value in the recycling market. As a result of the increase in demand for quality from the recycling market, the rejection levels for the comingled have increased slightly for both Sutton and Merton. A project is underway to establish a method to reduce contamination at the point of collection.
- 2.3.2. The Source segregated recyclates 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.
- 2.3.3. There are similar demands from the recycling markets to increase the quality of the source segregated material. A new inspection and waste receipt procedure is now in place at Villiers WTS to help identify where we can improve on quality and therefore on the prices paid for our material.
- 2.3.4. Whilst there is increased pressure on the recycling markets for both quality and price, the partnership contracts are still generating material of a sufficient standard to meet quality requirements of the end markets and generate an income from the sale of recyclates. A summary of this revenue can be found in Appendix A.

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

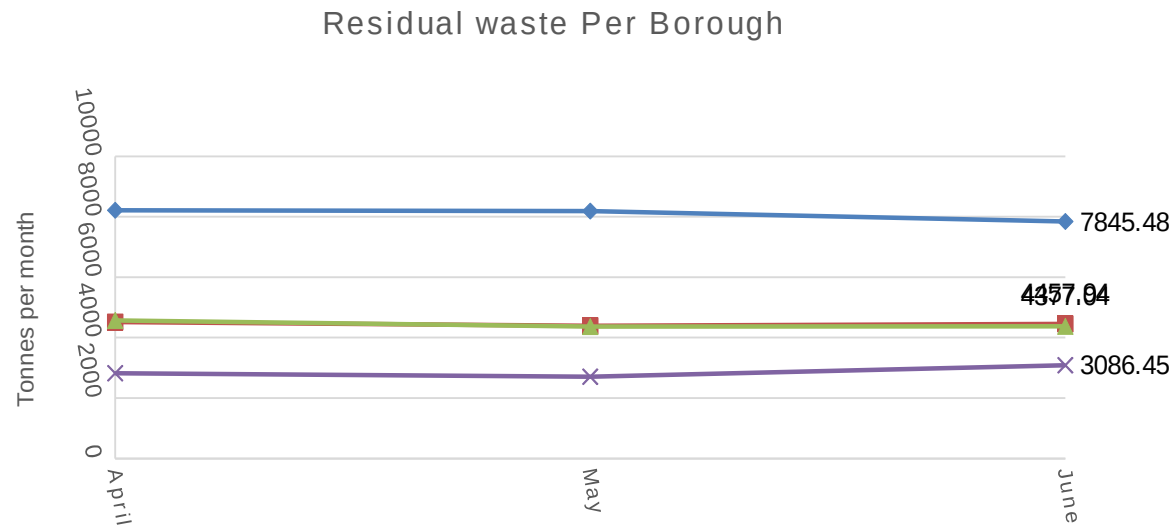
- 5.1. Appendix A provides data on the performance of the Phase A contracts for the quarter 1 reporting period April 2015 to 30th June 2015.

This page is intentionally blank

Appendix A

Phase A: Contract Performance Data for the period 1st April 2015 to 30th June 2015

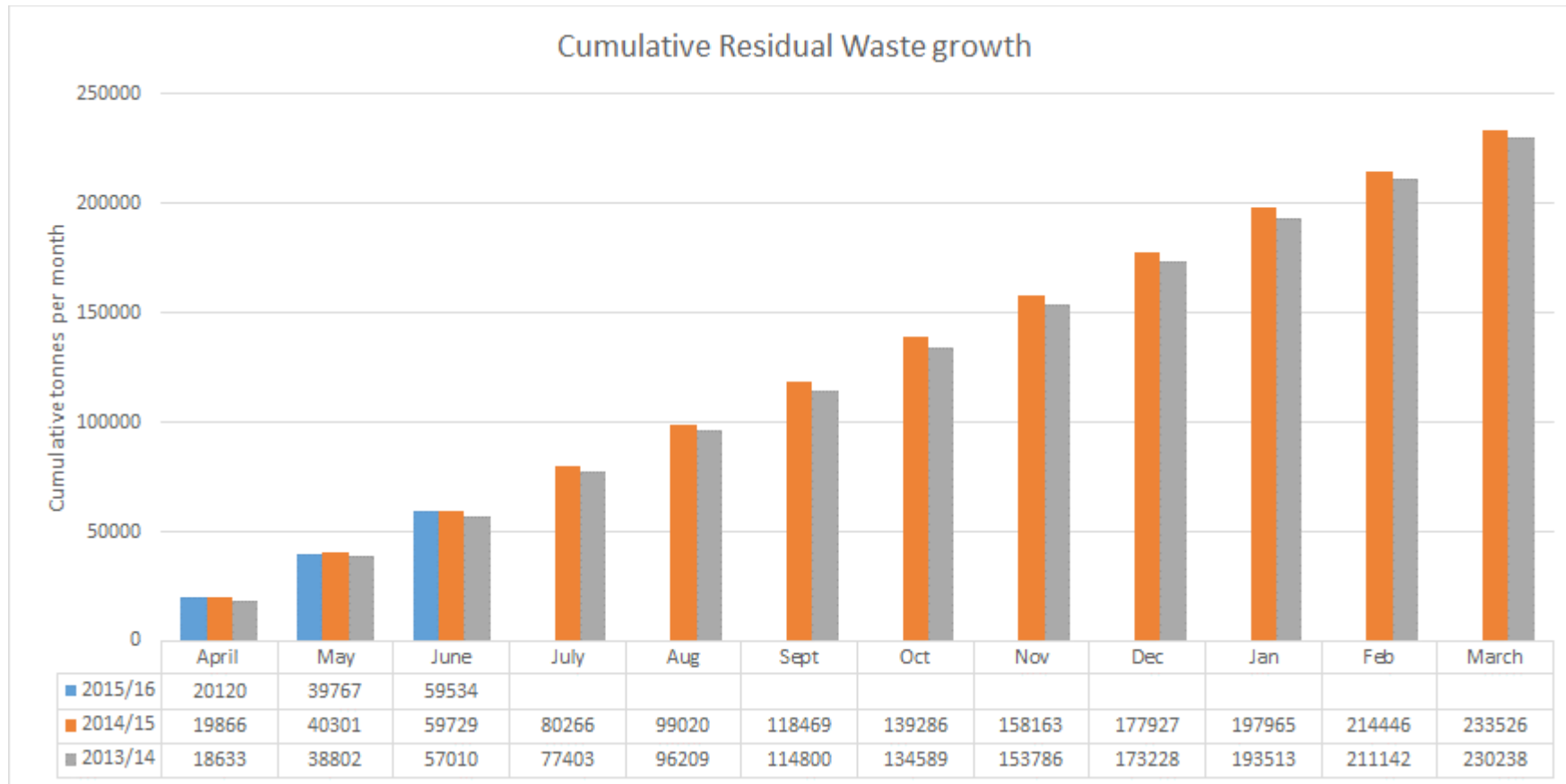
1. Residual Waste – tonnes per month per Borough for Q1:



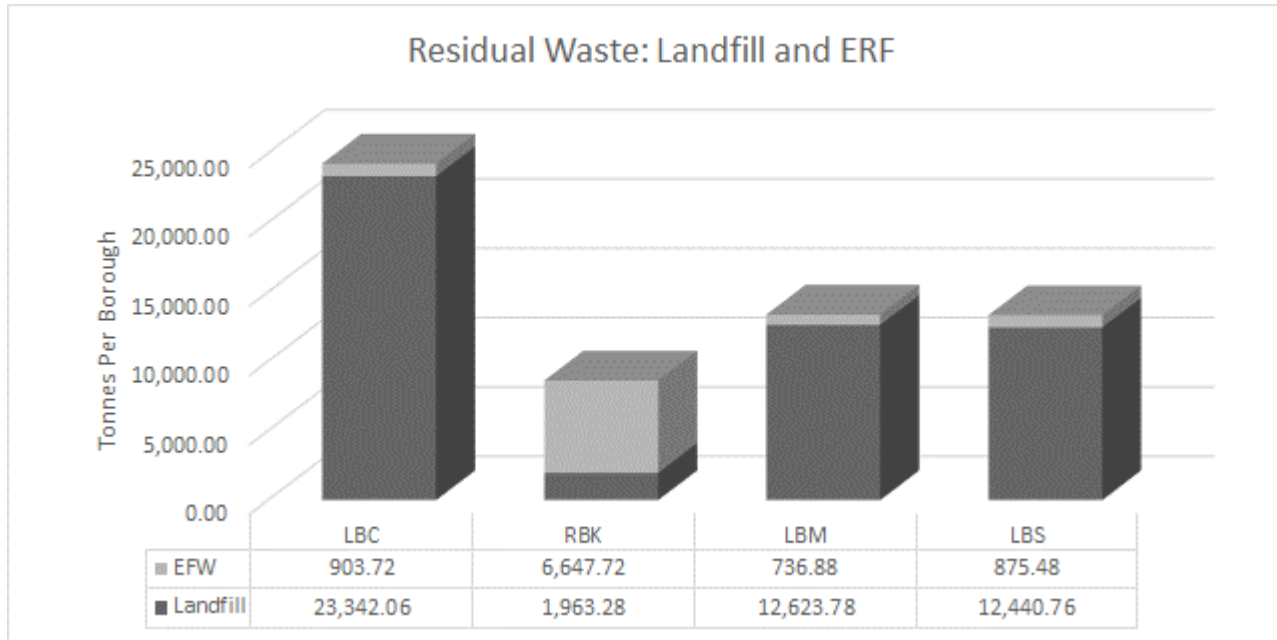
Residual	Total tonnes	April	May	June
LBC	24,246	8,216	8,184	7,845
LBM	13,361	4,511	4,392	4,458
LBS	13,316	4,573	4,366	4,377
RBK	8,611	2,820	2,705	3,086

2. Residual Waste Growth 2015/16 against 2014/15 and 2013/14:





3. Residual Waste Disposal for the Q1 period 1st April 2015 to 30th June 2015:



Residual Waste year to date	Total Partnership Diversion	LBC	RBK	LBM	LBS
Landfill	50,369.88	23,342.06	1,963.28	12,623.78	12,440.76
EFW	9,163.80	903.72	6,647.72	736.88	875.48
Total Tonnes	59,533.68	24,245.78	8,611.00	13,360.66	13,316.24
% diverted	15%	4%	77%	6%	7%

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%	73%	Mar	69%	72%	71%	71%	69%	Mar	73%	80%	74%	74%	73%
Apr	78%	76%	74%	76%	76%	Apr	69%	73%	71%	68%	71%	Apr	75%	74%	74%	73%	74%
May	76%	80%	79%	77%	78%	May	74%	76%	72%	75%	73%	May	72%	76%	77%	73%	75%
Jun	76%	79%	78%	77%	76%	Jun	75%	73%	73%	75%	74%	Jun	71%	74%	70%	75%	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%

Fishers Farm HWRC					
Month	2011	2012	2013	2014	2015
Jan	71%	70%	66%	65%	66%

Purley Oaks HWRC					
Month	2011	2012	2013	2014	2015
Jan	79%	77%	72%	75%	73%

Feb	71%	72%	69%	60%	66%
Mar	74%	71%	71%	70%	68%
Apr	72%	73%	69%	69%	68%
May	72%	69%	75%	63%	69%
Jun	71%	73%	69%	61%	66%
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%	

Feb	67%	60%	71%	73%	71%
Mar	73%	80%	74%	77%	75%
Apr	75%	74%	74%	77%	75%
May	72%	76%	77%	77%	71%
Jun	71%	74%	70%	78%	74%
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%	

Feb	83%	73%	77%	73%	68%
Mar	84%	82%	76%	Closed *	77%
Apr	80%	79%	81%	82%	78%
May	83%	80%	83%	80%	77%
Jun	78%	81%	79%	80%	79%
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%	

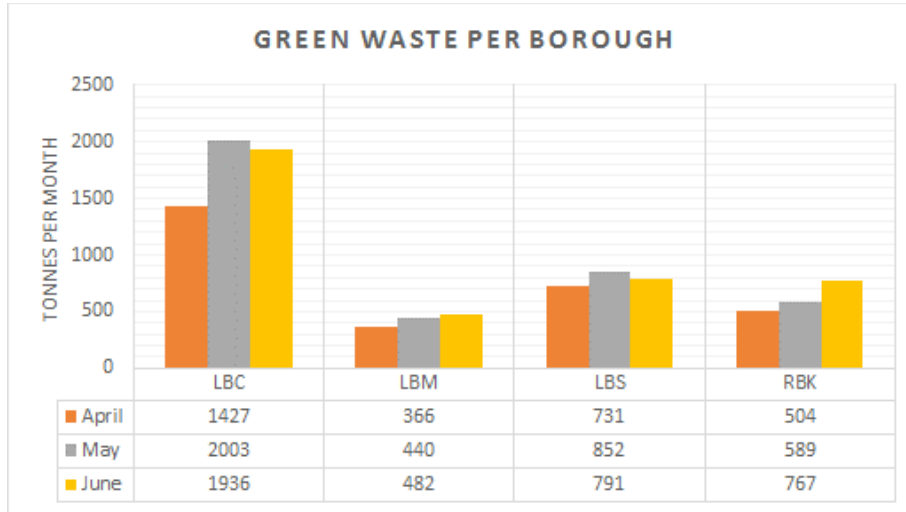
*Purley oaks closed due to flood control measures in the area.

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

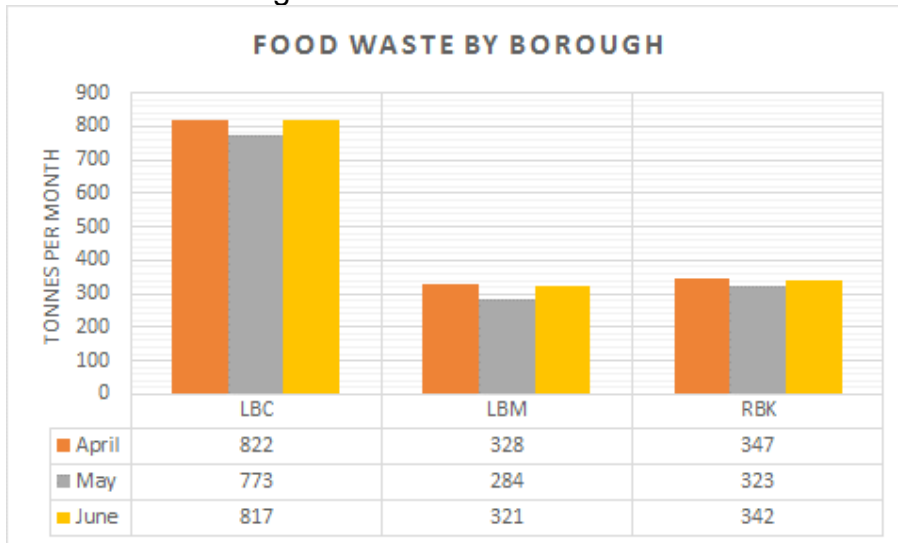
2014/15	Factory lane	Fishers Farm	Purley Oaks	Villiers Road	Garth Road	Kimpton Park Way
Apr-14	69.4%	77.4%	81.6%	76.2%	68.4%	72.8%
May-14	63.0%	76.9%	79.9%	77.1%	75.2%	73.1%
Jun-14	63.7%	78.1%	79.8%	76.9%	73.1%	74.4%
Jul-14	62.5%	71.9%	80.0%	72.4%	68.7%	69.8%
Aug-14	64.4%	71.2%	74.8%	74.3%	70.0%	69.0%
Sep-14	66.6%	75.8%	77.6%	76.0%	71.8%	73.9%
Oct-14	65.7%	71.4%	75.1%	74.4%	67.2%	71.4%
Nov-14	67.8%	69.0%	78.5%	73.9%	69.1%	69.7%
Dec-14	65.5%	69.0%	72.8%	68.3%	60.6%	68.3%
Jan-15	70.3%	65.9%	73.2%	69.1%	65.2%	69.8%
Feb-15	65.5%	70.9%	68.0%	70.9%	65.7%	70.1%
Mar-15	68.49%	74.90%	77.39%	72.85%	69.21%	72.87%
YTD Avg	66.1%	72.7%	76.6%	73.5%	68.7%	71.3%
Rank	6	3	1	2	5	4

2015/16	Factory lane	Fishers Farm	Purley Oaks	Villiers Road	Garth Road	Kimpton Park Way
Apr-15	68.0%	75.4%	77.7%	75.8%	70.9%	73.7%
May-15	68.6%	70.5%	76.5%	77.5%	72.8%	75.0%
Jun-15	66.4%	73.8%	78.6%	76.1%	73.7%	74.9%
YTD Avg	67.6%	73.2%	77.6%	76.5%	72.5%	74.5%
Rank	6	4	1	2	5	3

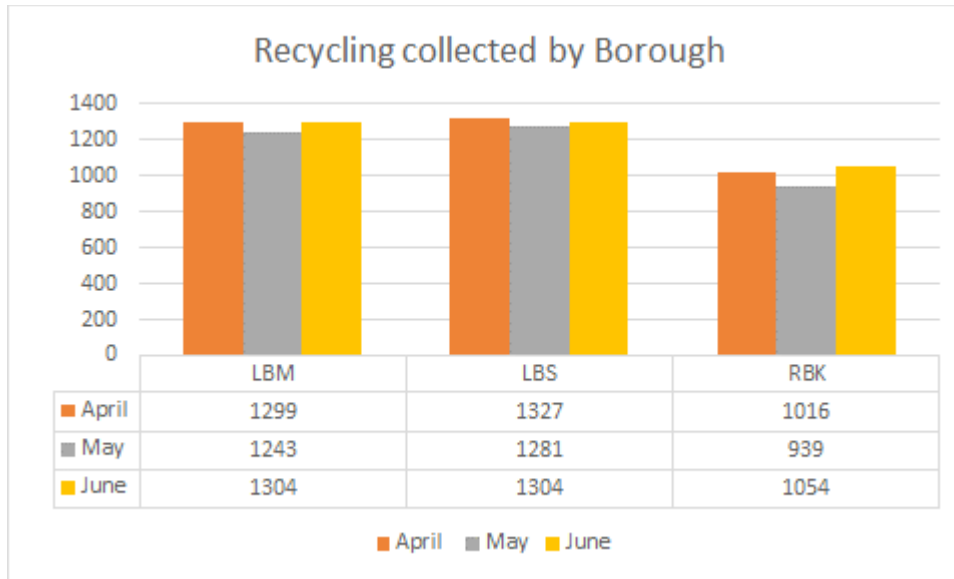
6. Green Waste Tonnage



7. Food Waste Tonnage



8. Recycling data



9. Financial Information – Total Contract Cost

	April	May	June	Year to date total
SLWP C1				
Acceptance, Transfer and Disposal	£1,851,052.88	£1,807,489.96	£1,818,555.72	£5,477,098.56
Acceptance, Bulking And Transfer - Indexed element	£121,105.96	£116,852.73	£125,204.38	£363,163.07
Acceptance, Bulking And Transfer- Pass-through	£26,092.71	£24,033.62	£25,784.96	£75,911.29
	£1,998,251.55	£1,948,376.31	£1,969,545.06	£5,916,172.93
SLWP C3				
Monthly Contract Payment - Green & Kitchen Waste	177,583	213,588	219,772	£610,943.46
Monthly Revenue paid to SLWP for Recyclates	32,454	33,151	27,643	£93,247.90
	£145,129.62	£180,437.34	£192,128.61	£517,695.56
Total SLWP charges	£2,143,381.17	£2,128,813.65	£2,161,673.67	£6,433,868.49

This page is intentionally blank

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

Date: **Tuesday 15 September 2015**

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

Author(s):
Michael Mackie, Finance Lead

Chair of the Meeting:
Councillor Stuart Collins, 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 4 of the financial year and the projected outturn for the 2015/16 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 for core activities illustrated below was constructed last year assuming particular time scales specifically in relation to the planning process for the Energy Recovery Facility by.
- 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 2015/16

2.1 The table below refers to the Partnership's budget position for its core activities at month 4 (July) of the 2015/16 financial year. It relates to expenditure in the following areas; procurement, project management, administration, contract management and communications.

Item	Approved Budget £	Actuals £	Anticipate d Outturn £	Variance £
<i>Advisor Consortium</i>	50,000	56,872	60,000	10,000
<i>Project & Contract Management</i>	300,000	61,648	260,000	(40,000)
<i>Internal Advisors and Accounting</i>	75,000	3,650	75,000	0
<i>Document and Data Management</i>	20,000	0	18,000	(2,000)
<i>Audit Fee</i>	2,500	0	2,500	0
<i>Communications</i>	50,000	0	35,000	(15,000)
TOTAL	497,500	122,170	450,500	(47,000)
COST PER BOROUGH	124,375	30,543	112,625	(11,750)

2.2 The Partnership's budget for core functions forecasts an under spend for the year of £47,000 (£11,750 per borough). The major variances are detailed below.

2.3 There is a forecast overspend on Advisor Consortium of £10k as a result of the work required as part of the Notice to Proceed. This work included checks on re-basing Viridor's financial model, a check by Rathbones on the foreign exchange rate for construction and also included a check on insurance during the construction of the facility. These checks are expected to realise a reduction of costs to the partnership of £4.5million over the life of the contract.

2.4 Underspend on salaries of £40k due to the Contract Data Officer post being held vacant pending a decision on the requirements of the post, and from the

Project Support Officer post being vacant whilst the current post holder is seconded to another position. A Project Support Officer has been appointed to the role on a fixed term basis for two years, and was in post from July.

2.5 The partnership is currently undertaking 1 project

- 1). a procurement exercise for the Household Reuse and Recycling Centres (HRRC's); and

The forecast position for 2015/16 for this project is illustrated below.

HRRC Procurement Exercise

Item	Estimate £	Actuals £	Anticipated Outturn £	Variance £
<i>Advisor Consortium</i>	94,870	7,798	94,870	0
<i>Project & Contract Management</i>	59,850	4,475	59,850	0
<i>Internal Legal Advice</i>	18,000	2,775	18,000	0
TOTAL	172,720	15,048	172,720	0
COST PER BOROUGH	43,180	3,762	43,180	0

2.6 The HRRC procurement is currently at the fine tuning stage and fine tuning pre-meetings have been held. Contract mobilisation is scheduled for 1 October 2015.

2.7 The budget position for all activities for 2015/16 is shown below and forecasts an under spend for all activities of £47,000 (£11,750 per borough).

Item	Approved Budget £	Outturn Forecast £	Variance £	Variance per borough £
<i>Core Activities</i>	497,500	450,500	(47,000)	(11,750)
<i>HRRC Procurement</i>	172,720	172,720	0	0

TOTAL	670,220	623,220	(47,000)	(11,750)
COST PER BOROUGH	167,555	155,805	(11,750)	

3. Recommendations:

3.1 To note the content of this report.

4. Impacts and Implications:

Finance

4.1 Contained within report.

Report to: **SLWP Joint Waste Committee**

Date: **Tuesday 15th September 2015**

Report of: **Residual Waste Contract Planning Update**

Author(s): **Annie Baker** – SLWP Strategic Partnership Manager

Chair of the Meeting: **Councillor Stuart Collins**, Chair SLWP Joint Waste Committee

Report title:

PHASE B UPDATE - Energy Recovery Facility (ERF) Disposal Contract

Summary

This report provides an update on the position of the ERF project.

Planning permission was granted by London Borough of Sutton on 14th March 2014 following completion of the agreement made pursuant to section 106 of the Town and Country Planning Act 1990 relating to the application.

A Judicial Review was heard in October 2014 and the Planning Authority's decision was upheld. Further to this judgement, a request to appeal was made to the Court of Appeal and this was refused. The appellant subsequently requested an oral hearing to apply for leave to appeal and this was heard on April 28th 2015; again the application was refused.

Viridor have resolved all outstanding issues around the planning conditions and issued formal confirmation that Satisfactory Planning, free from legal challenge, was achieved on the 1st June 2015.

Financial close took place on 9th June 2015 and Notice to Proceed (NTP) was issued by Viridor to their EPC contractors on the 1st June 2015.

Now that NTP has been issued, the construction timetable is updated and the ERF Planned Commencement Date is set as August 2018.

Recommendations

To note the planning progress on the ERF Project

Background Documents and Previous Decisions

Previous Phase B Update reports held by Chair of Management Group.

1. Background

1.1. Viridor South London Limited ('Viridor') was formally awarded a contract for the treatment and disposal of Residual Waste in November 2012. The Contract involves Viridor designing, building and operating an Energy Recovery Facility (ERF) which will remain in its ownership and through which it will dispose of municipal residual waste arising in the South London Waste Partnership area.

2. Detail – Satisfactory Planning

2.1. Full planning consent was granted for the Construction of the ERF in March 2014, the Judicial review concluded on the 28th April 2015, following which Viridor confirmed that Satisfactory Planning, free from legal challenge, was achieved on the 1st June 2015.

3. Detail – Financial Close

3.1. Financial close took place on 9th June 2015, at which point the Sterling Euro exchange rate for the construction capital was agreed and fixed, in addition, the construction indexation was also fixed.

3.2. Following the agreement of the variable rates detailed above, an updated base case Financial Model was agreed by all parties and the model was locked. Completion of the financial close stage provided a revised and more beneficial ERF gate fee for the Partnership.

3.3. Copies of the Financial Model have been provided on CD for each Borough, together with the necessary signed documentation confirming the process that was followed and the the updated rates confirmed.

4. Detail – Notice to Proceed

4.1. Notice to Proceed (NTP) was issued by Viridor to their Engineering Procurement and Construction contractors on the 1st July 2015. Following the issue of NTP construction works are deemed to have started, and this is termed the Works Commencement Date. The key dates in relation to the Phase B ERF construction are updated and agreed between the Partnership and Viridor to be as follows:

- | | |
|--|------------------------------|
| • Interim Services Commencement Date | 1 st April 2014 |
| • Key Facility Planned Readiness Date | 24 th May 2018 |
| • Key Facility Planned Commencement Date | 31 st August 2018 |

5. Recommendations

5.1. To note progress on the ERF project

6. Legal Impacts and Implications

6.1. The process set out above to agree Notice to Proceed was the process that was contractually agreed by the Partnership and Viridor South London Limited and was set out in the 'Project Agreement' entered into in November 2012.

7. Financial Impacts

- 7.1. The financing risk in relation to the construction indexation is now closed.
- 7.2. The Partnership risk on the Sterling Euro exchange rate for the construction capital is now closed.
- 7.3. Revised Project Plan risk is now closed.
- 7.4. Due to a number of variable factors built into and agreed as part of the Contract, the revised gatefee now locked in the model is an improvement on the gate fee submitted at the point of tender in 2012.

8. Communications

8.1. A communications plan has been worked up with the Partnership's Communications Lead, and shared with borough Heads of Communications. The communications plan is being updated for the next stage of the construction project, which includes the key construction activities that may be experienced by the immediate residents around the site.

8.2. Activities to date include:

- The Sutton Council Combined Community Forum met 24th June
- Resident Newsletter was delivered to a pre-agreed list of postcodes and was received by residents in July.
- Community Liaison Group (CLG) – an agreed list of stakeholders were invited to the CLG event that took place on 22nd July and will be scheduled quarterly.
- Meet the Buyer – The Meet the Buyer event took place at the Beddington Conference centre for the 28th July. Press releases were issued to local and trade press. Press adverts were booked at the Croydon, Kingston, Sutton and Wimbledon Guardians. Posts were also issued on Viridor's social media channels and website. A total of 59 companies attended.
- A rolling 3 month Communications and construction plan is being managed by Viridor.
- Viridor have updated their Viridor Beddington ERF website. Follow the attached link: <http://viridor.co.uk/our-developments/beddington-erf/>

9. Timetable for Implementation

9.1. The Phase B Project Board meet on a monthly basis and the ongoing communications work will be discussed. The next Phase B meeting will be held on 23rd September 2015.

This page is intentionally blank

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

Date: Tuesday 15 September 2015

Report of: SLWP Management Group

Author(s):

Annie Baker – Strategic Partnership Manager

Chair of the Meeting:

Councillor Stuart Collins, Chair SLWP Joint Waste Committee

Report title:	SLWP Risk Report
Summary	This report presents the red risks around the Partnership’s waste disposal service contracts.
Recommendations to Committee	a) To note the key developments on the Risk Register and the mitigation of these risks.
Background Documents and Previous Decisions	Previous Risk reports and Risk Registers held by Chair of Management Group

1. Background

- 1.1 The Risk Register is currently reviewed by the Management Group in its entirety every 12 weeks and by a ‘highlight and review’ process every 6 weeks.
- 1.2 Following the outcome of the Judicial Review in relation to the ERF facility planning decision and the end of the relevant appeal process, “Satisfactory Planning Permission” has been achieved, Notice to Proceed has been issued and financial close has been reached. This means that several risks can now be closed and these are detailed in Section 3.
- 1.3 Construction work has now started at the Beddington Lane site.

2. Red Risks

2.1 There are no open red risks on the current risk register

3. Closed Risks

- 3.1 Financial risks 2.16, 2.17 and 2.21 which related to the potential movement of the currency markets, construction indexation and interest rates respectively have been closed now that the Notice to Proceed has been issued and financial close reached.
- 3.2 Planning risk 4.15 and Stakeholder risk 10.1 which related to the potential for change of political administration at the Greater London Authority and engagement with the GLA respectively, with potential impact on the planning determination have been closed as there is no longer any possibility of any impact on the planning process for the ERF.
- 3.3 Planning risk 4.14, Unsatisfactory Planning Conditions, has been closed following Viridor's confirmation that the planning conditions are considered satisfactory.

4. New Risks

- 4.1 Two new risks have been added to the risk register:
- Risk 1.15, STRAT 15, which describes the potential for reputational risk if the construction and associated communications work isn't well managed. This is mitigated through management of the contract with Viridor and regular review of their comms work;
 - Financial risk 2.23, FIN23, which describes the risk that construction completion is delayed. This could result in the Partnership paying 'Phase B interim' prices for longer than anticipated. The risk is mitigated through management of Viridor to ensure no unnecessary delay to construction plus a potential procurement exercise to seek a lower disposal price than the Phase B interim price.

5. Impacts and Implications

Legal

- 5.1 There are no direct legal implications arising out of the recommendation of this report.

Finance

- 5.2 The Band 1 gate-fee is now fixed.

Environmental Impact

- 5.3 Risks described in this report relate to the development of a residual waste treatment facility that would bring about significant environmental improvements by diverting waste from landfill.

SLWP Risk Register

Sep-15

Phase	Risk no	Category	Risk Description	Cause	Consequence	Date Risk Identified / Changed	Risk Owner	Likelihood (5 = high level of certainty and 1 = unlikely)	Impact /5	Risk Score /25	Current Mitigation	Further Planned Action
Strategic/ Partnership												
Strategic	1.1	STRAT 1	Failure to maintain a strong Partnership structure	Failure to agree Partnership's key objectives, Governance or approach to the procurement.	Cannot benefit from Partnership economies of scale. Lack of credibility weak/inconsistent will suffer reputational damage.	18/03/14	Chair of MG	1	5	5	Governed by IAA, which was reviewed in September and reported to JWC in December 2013 Strategic Steering Group provide ongoing review and challenge	
Strategic	1.2	STRAT 2	Failure to develop, implement or regularly review a Joint Waste Strategy		Lack of cohesive direction. Loss of confidence, reputational risk with DEFRA.	18/03/14	AB	1	3	3	Second annual review of JMWMS taken place and presented to JWC on 10/12/13	Next review planned for 15/16
Strategic	1.5	STRAT 5	Failure to recruit and retain sufficient staff resources, or change in key personnel	Lack of staff resource.	Inability to manage Partnership matters appropriately	03/12/12	Chair of MG	3	4	12	Recruited to Project Support Officer and Contract Manager and Strategic Partnership Manager in Dec 13, Feb 14 and Oct 14 respectively	Recruitment processes underway to ensure adequate resources are in place asap.
Strategic	1.6	STRAT 6	Change to political control in Councils which results in one or more councils attempting to withdraw from the Partnership and its contracts		Changes to Partnership arrangement.	06/02/13	Chair of MG	1	3	3	Existing IAA and Contractual obligations	
Strategic	1.9	STRAT 9	Partner Boroughs do not release sufficient officer time to support the Management Group			18/03/14	Chair of MG	1	4	4	Continued Engagement of Management Group/Strategic Steering Group	
Strategic	1.12	STRAT 12	Complete ban on Landfill of certain waste streams			03/04/09	Tech Lead	1	4	4	Regulatory environment monitored.	
Strategic	1.13	STRAT 13	Lack of internal project capacity to manage transition to Contract Management	Lack of resource. Availability of staff against competing priorities.	Impact on project timescales leads to slippage	18/03/14	Chair of MG	1	4	4	Recruited to Project Support Officer and Contract Manager and Strategic Partnership Manager in Dec 13, Feb 14 and Oct 14 respectively	Resources Meeting with Borough Leads
Phase B	1.15	STRAT 15	Phase B construction programme communication failure	Phase B Construction and Communication programme are not sufficiently managed	Reputational risk; resident complaints	20/08/15	AB	2	4	8	This is mitigated through management of the contract with Viridor and regular review of their comms programme	
Financial												
Strategic	2.11	FIN 11	Continued Landfill tax increases - impact on affordability.	Changes in the rate of landfill tax.	Possible additional costs borne by the Council.	19/03/14	AB	1	4	4	Landfill Tax position is fixed until March 2016. Partnership will look to maximise landfill diversion through new HRRC contract, and setting up Framework Agreement for waste materials to minimise waste to landfill.	No change

Strategic	2.14	FIN 14	Financial standing of ERF Contractor affects their ability to deliver the contract or sub contractors.		Potential loss of savings already realised by boroughs Fracture of relationship requiring Partnership to seek new contractual relationship	18/03/134	AB	1	4	4	Regular checks by financial advisors. Require contractor to notify partnership of any material change in financial standing.	Continued monitoring through monthly contractor meetings
Strategic	2.20	FIN 20	Failure to agree costs for individual work streams into the Partnership		Delay to tasks being completed	03/12/12	Chair of MG	2	3	6	IAA, Governance and FDs meetings in place to ensure oversight of work streams	
Phase A	2.22	FIN22	Changes in prices available for recyclable materials and their handling costs	Poor performance of the recycle market	Increased costs in handling recyclable materials and reduced ability to mitigate these through income generation. Worst case scenario would be no end market availability for one or more material		AB	4	3	12	Recyclate framework set up to improve end market availability and ongoing review of market position.	Monthly market forecast requested from Viridor.
Phase B	2.23	FIN23	Risk that construction completion is delayed.	Variety of unforeseen technical, operational and/or contractual issues	The Partnership pay 'Phase B interim' prices for longer than anticipated; reputational damage; contractual issues require additional negotiation and resources to resolve	20/08/15	AB	1	5	5	The risk is mitigated through management of Viridor to ensure no unnecessary delay to construction plus a potential procurement exercise to seek a lower disposal price than the Phase B interim price.	
Procurement Planning												
Phase B	4.10	PL 10	Limited viable CHP opportunity	Commercially difficult to tie up	Possible impact on planning outcome and perceived long term viability of the site	29/08/14	AB	2	4	8	Viridor have developed substantive CHP Business Case. Ongoing negotiation between Viridor and planning authority	Subject to ongoing negotiation between Viridor and planning authority.
Sites												
Phase B	5.2	SITE 2	Delays caused by failure to address timetable impacts of site surveys/species relocation required as part of EIA on partnership sites.	Lack of knowledge about sites.	Delays and costs.	08/04/10	Tech Lead	2	3	6		
Phase B	5.3	SITE 3	Failure to get critical Utility connections to sites	Insufficient utility supplies. e.g. electricity.	Delays and costs.	03/04/09	Tech Lead	2	4	8		
Phase B	5.4	SITE 4	Partnership site conditions are not as expected	Geo-technical survey information not up to date.	Bidders will not accept risk transfer. Partnership must have up to date information prepared.	27/03/12	Tech Lead	2	2	4	Conduct asset condition survey	
Technical												

Phase A	2.50	TECH 5	Prosecuted for the failure of the contractor to manage health and safety resulting in serious injury/death.	Inadequate monitoring of health and safety standards	Bad publicity, prosecution, fine, civil suit	08/10/12	Chair of MG	2	5	10	H&S training has been undertaken by Borough Officers responsible for sites, and by the Management Group. Joint inspections of the HRRCs continue using the checklist developed by the Partnership; inspections involve officers from each borough and representatives of EWC. H&S staff in each Borough are also involved. Regular reporting of these inspections to the Management Group is ongoing, and H&S is a regular item on the Management Group agenda.	H&S Officers across the councils to benchmark, develop checklist and train monitoring officers
Phase B	6.1	TECH 1	Waste model does not predict the future waste trends with sufficient accuracy.	Amec and Waste Officers do not validate data.	Inaccurate waste flows distort the financial model and affordability and costs are inaccurate.	05/10/11	Tech Lead	2	4	8	Current model has been reviewed by each Borough. Regular ongoing review, to reflect the changing nature of the waste.	Partnership regularly updates waste flow models and issues to bidders.
Phase B	6.2	TECH 2	Technical failure in interface arrangements between Phase A and Phase B contracts.	IAA's do not fully cover the scope of the projects, cannot be agreed, or are not adhered to.	Contract/s are not awarded. Or post award, unforeseen problems arise, including delay to construction or operation and/or damage to Contractor property.	03/04/09	Tech Lead	2	3	6	Monitored by Technical lead.	
Phase B	6.3	TECH 3	Failure in existing collection services to meet facility input specifications.	Collections do not meet the input needs of residual technology	Poor technology performance.	03/04/09	Tech Lead	2	3	6	Monitored by Technical lead.	
Phase B	6.9	TECH 9	Failure of Contractor to deliver services / Technology fails to perform as specified	Poor choice of technology	Poor service and performance	03/04/09	Tech Lead	2	4	8	Performance Management System and Project Agreement proposed to address failure of technology.	
Phase B	6.10	TECH 10	Prosecuted for the failure of the contractor to manage health and safety resulting in serious injury/death	Inadequate monitoring of health and safety standards	Bad publicity, prosecution, fine, civil suit	03/12/12	Tech Lead	2	5	10	Work carried out by H&S working group, H&S method statement received with Final Tender submission	Dave Garioch (LB Sutton) arranging refresher H&S training for H&S Borough Leads in capacity as H&S Lead for the Partnership
Legal												
Phase A	7.5	LEG 5	Risk that the carrying on of the EWC service by Kingston on behalf of the SLWP is challenged by a potential third party provider	Caused by the necessary early termination of the EWC contract	Needing to defend actions taken by SLWP in the light of EWC's financial position and risk of insolvency.	20/03/2014	SM	1	1	1	Legal advice obtained and confirms that actions to date are lawful. OJEU notice for re-procurement published on 7th March so it is considered that the risk of a third party challenge is minimal	No change

Phase A	7.7	LEG 7	Risk of legal challenge from existing materials suppliers for HRRC sites	Lack of proper arrangements in place with existing suppliers which the Partnership inherited from EWC	Competitive prices are not achieved, Partnership fails to maximise income Potential legal challenge from existing suppliers	09/04/2014	AB	1	3	3	Contracts Manager is taking legal advice on the approach to suppliers in regard to materials offtake	No change
Communications												
Strategic	8.1	COM 1	Communications Strategy and supporting Plan is insufficient to enable stakeholders' engagement with the programme	Officers have insufficient information or time with which to brief stakeholders	Poor level of engagement. Stakeholders are not informed.	04/09/14	AC/ JH	2	4	8	Comms strategy is in place with some funding held back to deal with issues that may arise from the JR	SLWP Comms work currently under review, recommendations to be brought to future JWC
Phase B	8.2	COM 2	Public opposition to the preferred solution.	Media/personal views	Negative public perception to solution may hinder progress.	18/03/14	AC/ JH	5	3	15	Proactive press release following JR outcome issued by LB Sutton, same for subsequent request to appeal outcomes. Reactive press release by Partnership and Viridor drafted and agreed as needed.	Keep under review. Monitored by Comms Lead. Develop and maintain an open and honest relationship with local media.
Phase B	8.3	COM 3	Environmental lobby opposition to facility / solution	Negative perception of solution. Localised issues with solution.	Delay or need to amend solution.	18/03/14	AC/ JH	5	3	15	Environmental groups are a key target audience in the Communications Strategy	No change
Phase B	8.7	COM 7	Risk That Residents/Public are not appropriately engaged	Inability to resource the work required	Missed opportunity / increased likelihood of public opposition to preferred solution	18/03/14	AC/ JH	2	2	4	Viridor have developed a comms plan which has been agreed by MG and will roll out after JR and subsequent appeal period elapses	Annual Communications Plan to be delivered until completion. SLWP to work with Viridor to undertake engagement work with resident groups.
Phase B	8.9	COM 9	'Break-away' messaging from individual boroughs	Specific local issues take precedence	Contradicts or dilutes the messages of the Partnership.	18/03/14	AC/ JH	2	4	8	Communications Coordination Group established as agreed at September 2013 JWC	Continue to engage with Comms leads in each borough to ensure appropriate attendance at Comms Coordination Group and with Partnership comms activities

Phase B	8.11	COM 11	Organised opposition groups – secure significant media coverage, over-simplifying and sensationalising the issues in the process.	Desire to halt or hamper development of waste treatment facilities.	Leads to a ground-swell of public concern and suspicion	08/10/12	AC/ JH	4	3	12	Provide residents with consistent, honest and timely information that refer back to the key messages.	No change
Phase B	8.12	COM 12	Sensationalist media coverage – the local media sensationalise the issues,	Quest for a 'good story'	Misinforming residents and damaging the reputation of the SLWP.	08/10/12	AC/ JH	3	3	9	Provide timely, robust responses to all media enquiries that consistently refer back to the key messages. Adopt an open and honest approach reinforced by regular contact and good relationships.	No change
Phase B	8.13	COM 13	Individual activists – use the letters pages of the local media to get their views across.	Desire to halt or hamper development of waste treatment facilities.	Creates an unrepresentative impression of opinion and damages the reputation of the SLWP	08/10/12	AC/ JH	4	2	8	Respond proportionately to any letters which contain factual inaccuracies	No change
Phase B	8.14	COM 14	Unintentional consequences - residents perceive the environmental impact of putting recyclable waste in their landfill bins as being reduced.	Message that the residual waste treatment facility will prevent waste from ending up in landfill.	Negative impact on recycling and composting rates	29/08/14	AC/ JH	2	3	6	Consistently reiterate the reduce, re-use and recycle message.	"Kerching" recycling campaign delivered in Spring 14 to reinforce financial benefits of recycling
Phase B	8.18	COM 18	Further commercially sensitive information enters the public domain	Officers or Members with access to, or knowledge of confidential information leak details to the public or press.	The commercial process is hampered, weakening the partnership's negotiating position or even leaving it vulnerable to legal action from the Preferred Bidder.	08/10/12	AC/ JH	2	3	6	Mutual agreement with Newsquest in place to consult Partnership before publishing any further story.	Review of processes for publication of JWC papers in each of the boroughs underway to minimise accidental publication of confidential information
Phase B	8.19	COM 19	Public perception is that the Partnership is just about commissioning an ERF / Partnership does not receive recognition it deserves for managing recycling materials contracts	Insufficiently effective communication		29/08/14	AC/ JH	2	2	4	Communications plan includes specific activities promoting Phase A and related work.	"Kerching" recycling campaign delivered in Spring 14 to reinforce financial benefits of recycling
Political												
Phase B	9.2	POL 2	Risk that political considerations take precedence over wider service delivery, strategic and economic objectives.	Politicians at individual or party level pursue a political agenda in light of any forthcoming elections	Delays or halt to procurement, which would have serious economic impact on the partner boroughs.	06/02/13	Chair of MG	3	4	12	Member briefing and involvement is key to the success of the procurements. Joint Committee and Joint Member Planning Working group are encouraged to disseminate the message that this is as far as possible an apolitical issue.	
Stakeholders												
Operational Risk												

This page is intentionally blank

Report to: South London Waste Partnership (SLWP)
Joint Waste Committee
Date: Tuesday 15 September 2015

Report of: South London Waste Partnership Management Group

Author(s):
Michael Mackie, Finance Lead

Chair of the Meeting:
Cllr Stuart Collins, Deputy Leader - Cabinet Member for Clean Green Croydon

Report title:
SOUTH LONDON WASTE PARTNERSHIP DRAFT BUDGET FOR 2016/17

Summary
This paper provides the proposed budget for the Partnership for 2016/17 for its core activities.

Recommendations

1. To agree the proposed draft budget for the core activities of the Partnership as set out in 2.1 and request individual boroughs to consider and agree the resources required in consultation with borough Finance Directors.

Background Documents and Previous Decisions
Previous budget reports.

1. Background

- 1.1. The Partnership is required to produce a draft budget for consideration by the Joint Waste Committee by 31st October each year. In accordance with the Inter Authority Agreement (IAA) the agreed draft budget is then subjected to consideration by the individual boroughs before a finalised budget is taken to the Joint Waste Committee for approval. The IAA sets out that the final budget must be approved by 31st December each year.

2. Issues

- 2.1. The table below gives an early indication of the draft budget requirement of the Partnership for 2016/17 together with the approved 2015/16 budget for comparison.

Core Activities

Item	2015/16 Approved Budget £
<i>External Advisors</i>	50,000
<i>Project & Contract Management</i>	300,000
<i>Internal Advisors and Accounting</i>	75,000
<i>Document and Data Management</i>	20,000
<i>Audit Fee</i>	2,500
<i>Communications</i>	50,000
TOTAL	497,500
COST PER BOROUGH	124,375

Item	2016/17 Proposed Budget £
<i>Internal & External Advisors and Accounting</i>	125,000
<i>SLWP Staff Resources</i>	300,000
<i>Document and Data Management</i>	20,000
<i>Audit Fee</i>	2,500
<i>Communications</i>	50,000
TOTAL	497,500
COST PER BOROUGH	124,375

Residual Waste Procurement

Item	Estimate £
<i>Advisor Consortium</i>	55,000
<i>Internal Legal Advice</i>	4,500
TOTAL	59,500
COST PER BOROUGH	14,875

- 2.2. Inflation has been contained within the above budgets, resulting in an estimated saving of approximately £6k for 2016/17.
- 2.3. The Internal & External Advisors and Accounting budget allows the Partnership to engage external and internal (legal) advisors to provide expert legal, financial and technical advice in respect of both Phase A and Phase B contracts. This also includes costs from Kingston for providing finance activities for managing Phase A transactions (£25k), costs from Croydon for providing finance activities for Phase B transactions (£25k).
- 2.4. The SLWP Staff Resources budget contains provision for five posts, the Strategic Partnership Manager, a Contract Manager, a Project Support Officer, a Contract Data Officer, and a £25k contribution for a communications officer post that is to be recruited shortly on a fixed term contract. The Contract Data Officer post is currently being held vacant and the need for this post will be reviewed by the Strategic Partnership Manager during the second half of the 2015/16 financial year. The SLWP Staff Resources budget also contains a small provision for staff training.
- 2.5. Document and Data Management provides data storage for the Partnership's data room to allow the sharing of documents across the Partnership and for the storage of project documentation in an online library which is available on-licence to authorised stakeholders.
- 2.6. The communications budget includes a £25k budget for officer time for providing communication expertise and advice throughout the year, and £25k for communications resources in respect of planning and delivering communications activities.
- 2.7. The Residual Waste Procurement budget provides resources for a project to procure short term provision for residual waste disposal prior to the Energy Recovery Facility reaching operational completion. This capacity is required in the short term due to a two year delay in the ERF project associated with the Judicial Review of the planning decision. This delay has created a gap in residual waste disposal capacity of about 12 months duration, however is dependent upon the ERF construction programme, where additional provision is needed. The current disposal contractor Viridor are contractually obliged to receive this waste, however the procurement would aim to secure an improved price.

3. Recommendations

- 3.1. To agree the proposed draft budget for the core activities of the Partnership as set out in 2.1 and request individual boroughs to consider and agree the resources required in consultation with borough Finance Directors.

4. Impacts and Implications:

Finance

- 4.1 Contained within report.

Legal

4.2 Section 9 of the Inter Authority Agreement sets out the budget setting process for the Joint Waste Committee. This is referred to within the body of the report.

5 Appendices

5.1 None