

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: Wednesday 3 December 2014

Time: 5.30 pm

**Venue: Committee rooms B, C & D - Merton Civic Centre, London Road,
Morden SM4 5DX**

This is a public meeting and attendance by the public is encouraged and welcomed.
For more information about the agenda please contact
democratic.services@merton.gov.uk or telephone [020 8545 3616](tel:02085453616).

All Press contacts: press@merton.gov.uk, 020 8545 3181

South London Waste Partnership Joint Committee Agenda

3 December 2014

- 1 Apologies for absence
- 2 Declaration of Interests
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- 4 South London Waste Partnership Budget for 2015/16 7 - 10
- 5 Any Other Business

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.

SOUTH LONDON WASTE PARTNERSHIP JOINT COMMITTEE 16 SEPTEMBER 2014

(17.30 - 18.30)

PRESENT London Borough of Croydon
 Councillors Stuart Collins and Stuart King

 Royal Borough of Kingston upon Thames
 Councillor Richard Hudson

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

 London Borough of Sutton
 Councillors Colin Hall and Nighat Piracha

1 APOLOGIES FOR ABSENCE AND ATTENDANCE OF ALTERNATE MEMBERS (Agenda Item 1)

Apologies were received from Councillor David Cunningham (Royal Borough of Kingston) and Councillor Kathy Bee (London Borough of Croydon).

2 DECLARATION OF INTERESTS (Agenda Item 2)

No declarations of interest were received.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

The Minutes of South London Waste Partnership Joint Committee held on Tuesday 10 June 2014, were approved as a correct record.

A question was raised, based on part of a discussion held at the last meeting; would having representatives of Viridor present for the South London Waste Partnership Joint Committee (SLWPJC) meetings be beneficial, as they could provide a different perspective to the Members and the Management Group and answer some enquiries directly?

In response officers felt that with the current ongoing Judicial Review, it would not be appropriate to have any contractors actively present for SLWPJC meetings. However, Members might wish to reconsider that position in the future.

4 PHASE A CONTRACT MANAGEMENT REPORTING - QUARTER 1 (Agenda Item 4)

The Committee considered the report that provided an update on the performance of the three Phase A contracts, namely the transport and residual waste management

contract, the HRRC services contract and processing and marketing of recyclates and treatment of green and food waste contract.

In considering the information the Members were interested how the recent European legislation would affect the current practices of each Council, especially in respect of having co-mingled waste. The Chair asked that they be provided with a legal steer on this matter for the next meeting of the SLWPJC.

RESOLVED:

- 1) That the Committee noted the report.
- 2) That a report be produced for the next meeting of the on the legal implication of the recent European legislation on co-mingled waste collections.

5 SLWP 2015/16 BUDGET UPDATE (Agenda Item 5)

The Committee considered the report which provided them with an update on the Partnership's draft budget for 2015/16. It was noted that the predicted budget was a least £10k reduction on 2014/15, and that saving would be split between the four Boroughs.

In answer to a question, the Committee were informed that within the budget there was not specific allocated funds for the Judicial Review, but contained within the communication budget, there was approximately £20k provisionally earmarked should it be required. A further query was raised in relation to paragraph 2.4, over the Contract Data Officer (CDO) post not being filled. It was confirmed that the CDO was a support officer to the Contract Manager and that support was not yet required. However as the various 'phases' develop there would likely be the need for the CDO to help track the performance data linked to the various contracts

RESOLVED:

That the Committee:

1. agreed the proposed draft budget as set out in the table in 2.1 and request that the individual boroughs consider and agree the resources required in consultation with borough Finance Directors.
2. agreed to receive a final budget for approval at its meeting of 3rd December 2014

6 FINAL ACCOUNTS 2013/14 (Agenda Item 12)

Reason for urgency: The Chair has approved the submission of this report as a matter of urgency, as it ensured that the committee fulfils all its audit requirements in respect of the Partnerships accounts.

The Committee considered the tabled report which informed that the Accounts and Audit Regulations required the Partnership's Accounts to be signed off for 2013/14 before they were subject to audit. It was noted that the Committee had signed off the account at its meeting held on 10 June 2014.

Members were informed that the audit of the accounts was completed within the statutory deadline of 30 September 2014 and the accounts were passed with an unqualified opinion by the auditors.

RESOLVED

That the Committee notes the completion of the 2013/14 SLWP accounts audit and the issue of an unqualified opinion.

7 BOROUGH WASTE COLLECTION OPERATING MODELS AND ASSOCIATED PERFORMANCE (Agenda Item 6)

The Committee considered the report which set out the current operating practices of each member borough of the Partnership: with respect to the collection of household waste against current performance in respect to household recycling rates in each borough, the levels of resident satisfaction with waste collection services and the overall costs of the services.

Members noted that the report was before them following a request made at the previous meeting. The purpose of the report was as a discussion/ information report, and did not relate to decision. One of its aims was to provide the Councillors with a better understanding of the difference between each authority and where there were possible areas for improvement.

In receiving the report Members acknowledged that each council collected resident satisfaction statistics in different ways, such as asking different questions, and thus it was difficult to compare like for like. Similarly the costing of the service for each council was very different partly due to some of the authorities using in-house service and others having outsourced. Other cost implications included the use of weekly or fortnightly collections and the types of bins/collection receptacles used.

Members briefly discussed the differences between what services each authority had, especially highlighting the positives and the perceived areas of weaknesses with their current collections processes. It was collectively felt that in the future, whenever any of the councils re-examine any of its collections they should use the experience of the other partner authorities and also consider if joint working would be practical or beneficial. Members highlighted an area where closer working between each authority could occur immediately, that being the collection routes for roads that were close to, or divided by, borough boundaries.

RESOLVED

- 1) That the Committee noted the report
- 2) That the Management Group should, when the next revision of collection routes occurs, give closer consideration to the impact that this has on the residents living on, or close to, roads divided by borough boundaries.

8 EXCLUSION OF THE PUBLIC (Agenda Item 7)

RESOLVED;

That the public are excluded from the meeting during consideration of the following item on the grounds that it is exempt from disclosure by virtue of Part 4B, Paragraph 10.4 and Category 3 of the constitution

9 PHASE A STRATEGY & PROCUREMENT (Agenda Item 8)

The Committee considered the Phase A strategy and Procurement report which provided an update on the Phase A contract renegotiation and the associated procurement exercises.

Members were pleased with the value achieved for residents from the contract renegotiation. Members felt that such positive news should be fed back to our residents, but they were also mindful of the potentially commercially sensitive information involved. The Committee asked the Management Group to devise a suitable communication over the retendering process, so that residents could be informed. The Committee hoped that this press release would be published in advance of the next meeting and Members asked that they be kept informed on this.

RESOLVED

- 1). That the Committee noted:
 - i. the conclusion of the Phase A contract renegotiation
 - ii. the progress on the Framework procurement
 - iii. the progress on the HRRC re-procurement
- 2) That the Management Group be tasked to look at the most appropriate approach for communicating the findings of the retendering, and that the Management Group are to keep the Members informed on this matter directly.

10 PHASE B UPDATE REPORT (Agenda Item 9)

The Committee considered the update report on the Phase B update – ERF Disposal Contract.

Members noted the update on the status of the planning process surrounding the ERF project. They also received a briefing on the status of the judicial review aligned to the planning permission of the ERF.

RESOLVED

That the Committee noted the planning progress on the ERF Project

11 RISK REPORT (Agenda Item 10)

The report before the SLWPJC provided Members with the high level 'red' risk surrounding the Partnership's waste disposal service contracts.

Members noted the change of status of risk 4.9 and the removal from the register of risks 1.15 and 4.13 respectively, whilst acknowledging that no new risks had been added.

RESOLVED

That the Committee noted the key developments on the Risk Register and the mitigation of those risks.

12 FUTURE MEETING DATES (Agenda Item 11)

The Committee noted that the dates of the future meeting, which would all be held at the Merton's Civic Centre and were scheduled for:

- Wednesday 3 December 2014 at 5.30pm
- Tuesday 17 February 2015 at 5.30pm
- Monday 30 March 2015 at 5.30pm
- Tuesday 9 June 2015 at 5.30pm

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Report to: South London Waste Partnership (SLWP)
Joint Waste Committee
Date: Wednesday 3 December 2014

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 FOR 2015/16

Summary
This paper provides the proposed budget for the Partnership for 2015/16 for its core activities, for the final stages of the HRRC procurement.

Recommendations

1. To agree the proposed budget for the core activities of the Partnership as set out in 2.2.
2. To agree that communication campaigns are reduced from an annual cycle to biennial and that the campaigns and surveys are carried out in alternating years.
3. To agree the proposed budget for the final stages of the HRRC Procurement as set out in 2.9.

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.
- 1.2. A draft budget was presented to JWC at its meeting of 16 September 2014 where the recommendation was to agree the proposed budget and request individual boroughs to consider and agree the resources required in consultation with borough Finance Directors.

2. Issues

- 2.1. The following budgets have been considered by the individual boroughs and the budgets were agreed by Finance Directors at their meeting on 18 November.

Core Activities

- 2.2. The table below details the draft budget submitted to the September meeting and the final proposed budget for the Partnerships core activities for 2015/16.

Item	2014/15 Approved Budget £	2015/16 Draft Budget 16/09/14 £	2015/16 Proposed Budget £
<i>External Advisors</i>	50,000	50,000	50,000
<i>Project & Contract Management</i>	300,000	300,000	300,000
<i>Internal Advisors and Accounting</i>	75,000	75,000	75,000
<i>Document and Data Management</i>	18,000	20,000	20,000
<i>Audit Fee</i>	2,500	2,500	2,500
<i>Communications</i>	100,000	100,000	50,000
<i>Transition Costs</i>	12,000	0	0
TOTAL	557,500	547,500	497,500
COST PER BOROUGH	139,375	136,875	124,375

- 2.3. Inflation has been contained within the above budgets, resulting in an estimated saving of approximately £6k for 2015/16.
- 2.4. The external advisors budget allows the Partnership to engage external advisors to provide expert legal, financial and technical advice.
- 2.5. The Project and Contract Management budget contains provision for four posts, the Strategic Partnership Manager, a Contract Manager, a Project Support Officer and a Contract Data Officer. 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 2015/16.
- 2.6. The internal advisor and accounting budget 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) and the remaining £25k is for internal legal advice.
- 2.7. 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.

- 2.8. It has previously been agreed that the communication budget would allow for an annual communication campaign at a cost of £80k, and a further £20k budget for officer time for providing communication expertise and advice throughout the year, including managing the annual communication campaign. In addition it was previously agreed that an independent biennial survey would be carried out at a cost of £30k. With the need to reduce costs in mind Management Group are recommending that the communication campaign and surveys are carried out in alternating years and that the next survey is procured and carried out in the 2015/16 financial year. This will result in a reduced budget requirement of £50k for 2015/16. This will also provide a basis for deciding what the future communications role for the partnership might look like and how this can best compliment the waste communications work undertaken by each of the boroughs.

Project Activities

- 2.9. The table below details the proposed budget requirement of the Partnership for the final stages of the HRRC procurement for 2015/16.

Item	2015/16 Proposed Budget £
<i>External Advisors</i>	95,000
<i>Project & Contract Management</i>	60,000
<i>Internal Advisors and Accounting</i>	18,000
TOTAL	173,000
COST PER BOROUGH	43,250

- 2.10. The HRRC procurement is currently at the Invitation to Submit Final Tender (ISFT) stage and the selection of the preferred bidder is scheduled for February 2015.
- 2.11. The above budget will provide for preferred bidder fine tuning, contract signing and contract mobilisation.
- 2.12. Contract start date is scheduled for 1 October 2015.

3. Recommendations

- 3.1. To agree the proposed budget for the core activities of the Partnership as set out in 2.2.
- 3.2. To agree that communication campaigns are reduced from an annual cycle to biennial and that the campaigns and surveys are carried out in alternating years.

3.3. To agree the proposed budget for the final stages of the HRRC Procurement as set out in 2.9.

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