

AGENDA ITEM NO. 3

NORTH WALES RESIDUAL WASTE JOINT COMMITTEE

Minutes of a meeting of the Joint Committee held at the Arfon Chamber, Arfon Area Office, Penrallt, Caernarfon on Thursday 17 September 2009.

Present – Councillor Eryl Williams (Chairman) – Denbighshire County Council
Councillor Mike Priestley – Conwy County Borough Council
Councillor Nancy Mathews – Flintshire County Council
Councillor Neville Phillips – Flintshire County Council
Councillor Arwel Pierce – Gwynedd Council
Councillor R.G. Parry – Anglesey County Council

Also present

Flintshire County Council

Mr Colin Everett, Mr Carl Longland, Ms Louise Pedreschi

Conwy County Borough Council

Mr Phil Brooks

Denbighshire County Council

Mr Iwan Prys-Jones

Gwynedd Council

Mr Dilwyn Williams and Mr Gwyn Parry Williams

Anglesey County Council

Mr Arthur Owen

North Wales Waste Treatment Partnership

Mr Stephen Penny and Mr Steffan Owen

Apologies – Councillor Graham Rees (Conwy County Borough Council), Councillor Julian Thompson-Hill (Denbighshire County Council), Councillor T.H. Jones (Anglesey County Council), Ms Hazel Nickless (Partnerships UK), Mr Barry Davies and Mrs Kerry Feather (Flintshire County Council)

1. DECLARATION OF INTEREST

No declarations of interest were received from any members/officers present.

2. MINUTES

The minutes of the meeting held on 3 July 2009 were approved as a correct record.

3. MATTERS ARISING FROM THE PREVIOUS MEETING

There were no matters arising from the meeting.

4. RISK REGISTER REPORT

Mr Stephen Penny's report drawing attention to some of the amendments made to the Risk Register to reflect the current understanding of the risks and mitigation measures which were in operation was submitted. He outlined the issues of the report and explained the changes made to two current risks and the reasons for those changes, in addition to four new risks included in the register.

He noted that the project team along with the legal, technical and financial consultants would be conducting a basic review of the risks and the risk register during the development of the Outline Business Case.

A member asked whether it would be possible for the register to be prepared bilingually from now on and the officers agreed to that.

RESOLVED that the update from the Risk Register for the project be noted.

5. DRAFT STRUCTURE FOR THE COMMUNICATION STRATEGY

Mr Stephen Penny's report on the progress made regarding the development of the main structure and content of the Communication and Engagement Strategy for the project was submitted.

The officer advised that the project would include the procurement of residual waste treatment services which would be of interest to external and internal stakeholders as well as members of the public. For a successful outcome to the project it is essential that the strategy is developed and delivered to support the project. A number of key risks in delivering the project relate to key stakeholders' understanding of the project and communication and engagement management and therefore a firm strategy will be needed to control those risks. The strategy in its present form will be developed further over the coming weeks and months. The Project Manager will work with the project team and partner authorities together with Waste Awareness Wales, which is a national campaign to ensure that high communication standards in waste projects are achieved, to develop the strategy further. The project began work on the Outline Business Case in August 2009. At this point a number of key areas within the strategy will need to be dealt with, namely –

- a) Internal approval – key briefing for decision makers and internal stakeholders.
- b) Early communication and engagement with local communities and businesses who would possibly be directly effected by the reference sites named in an Outline Business Case. (The Outline Business Case will become the property of the public and it is important that communication and engagement has started early).
- c) Preparation of questions and answers in anticipating interest from the media and stakeholders during/following the approval of the Outline Business Case.
- ch) Empowering the input of stakeholders to develop key procurement elements which can be achieved e.g. output specification and procurement evaluation frameworks, and thereby reducing the risk that any subsequent planning approval process can be successfully challenged.
- d) Preparation of a “partnership” identity to support the proposed procurement process e.g. a website that would go live immediately before the beginning of the procurement process.

He explained that the Project Manager would initially work with all partner authorities and technical consultants to the project to further develop the activities to deliver the strategy. The project team will consider securing specialist communication/public relations advice once the overall priorities of the strategy are finally formulated.

A stakeholder communication and engagement budget of £100k was allocated for 2009/10 and 2010/11 and £120k for 2011/12 within the total budget allocated to the project. He noted that these figures include engaging with the community and consultation work associated with any planning applications as well as communication, and have been set based on experience of the needs of similar projects in the past.

RESOLVED

- a) That the report be received and the draft Communication and Engagement Strategy be noted.**
- b) The areas of initial focus as identified above be agreed.**

6. PROJECT TEAM APPOINTMENTS

Mr Colin Everett advised that Mr Steffan Owen had recently been appointed Project Manager and extended him a welcome to his first meeting of the joint committee.

Mr Owen expressed thanks for the welcome and explained that he had started his new post in August 2009 and that he had previously been working in a waste-related field with Anglesey County Council and Gwynedd Council.

RESOLVED that the information be noted.

7. PROGRESS REPORT

Mr Stephen Penny's report providing details on the progress of the waste treatment project was submitted. He advised that a solution to manage sustainable waste for the five local authorities in North Wales, namely Conwy, Denbighshire, Flintshire, Gwynedd and Anglesey should be found which would assist in the reduction of greenhouse gas emissions from landfill and in reducing the tonnage of residual waste sent to landfill, ensuring that the authorities avoid the penalties of failing to achieve the Landfill Allowance Scheme and meet the targets of the National Waste Strategy. He noted the status of the project, the key risks, an update on the budget and a projection of the expenditure profile between 2009 and 2012.

A member asked whether it would be possible from now on to include an additional column in the list of activities to be completed, noting what had happened. The officers agreed that this would be possible.

RESOLVED that the report be received.

8. OUTLINE BUSINESS CASE/JOINT WORKING AGREEMENT – SUPPORT AVAILABLE REGARDING THE APPROVAL PROCESSES FOR PARTNER AUTHORITIES

Mr Stephen Penny's report seeking feedback from members on the possible support which is available to Partner Authorities in relation to the approval process for the Outline Business Case or the Joint Working Agreement was submitted.

He advised that the Outline Business Case and the Joint Working Agreement will be submitted for approval by the Project Board and this Joint Committee in December 2009. Briefing sessions will be held for members before those meetings and the Project Manager, Mr Steffan Owen will contact members to arrange convenient dates to hold the sessions. The Project Board and the Joint Committee will be able to make recommendations to approve an Outline Business Case and Joint Working Agreement to the partner authorities and the partner authorities will then hold their own approval processes. Once all the partner

authorities have given approval, the Outline Business Case can be submitted to the Assembly for consideration and approval. At this stage, it is anticipated that the approval process for individual partner authorities will begin with the approval of the Outline Business Case/Joint Working Agreement programmed for the December cycle of the Project Board and the Joint Committee. It is expected that all approvals will be received by the partner authorities by the beginning of March 2010.

He explained that the Project Management Team, consisting of the Project Director and the Project Manager, together with the external financial, legal and technical consultants would be available as required to assist all partner authorities in the approval process. He noted the following possible areas where support can be provided to partner authorities –

- a) Briefing on the financial and technical aspects of the Outline Business Case for decision makers and internal stakeholders. Internal project boards, executive officers, scrutiny and overview committees or other officers or bodies who are members can be briefed.
- b) Briefing on the legal aspects (and where appropriate, the financial aspects) of the Joint Working Agreement for decision makers and internal stakeholders. Internal project boards, executive officers, scrutiny and overview committees or other officers or bodies who are members can be briefed.

RESOLVED

- a) The assistance available which can be offered to all partner authorities in their Outline Business Case/Joint Working Agreement approval processes be noted.**
- b) That all partner authorities should consider what assistance would be needed in the approval process, and inform the Project Director by 17 October 2009 to allow the programming of support and if required, the giving of instructions to the consultants.**

9. OUTLINE BUSINESS CASE SITUATION SETTING PAPER

Mr Stephen Penny gave the members an update regarding the initial standpoints that will need to be considered and adopted as part of the work of developing the Outline Business Case. He explained that the development of the Outline Business Case would oblige the partner authorities to define the overall boundaries of the contract i.e. which elements are to be included and which are to be excluded.

He noted, on the assumption that waste cannot be transported directly to any residual waste treatment facility/ies, that every authority should collect waste and transport it to a location or locations within their area to transfer it to the waste treatment facility/ies. A key aspect of the Outline Business Case is to define whether these receiving and transferring centres may be included as part of the overall contract to be developed and implemented by the successful contractor, in addition to the final treatment facilities. The partnership will identify and secure waste treatment sites with the costs of these sites being equally divided between the members of the partnership, which would ensure that any sites that they already own are available for the partnership. Options which include only one site and more than one site will be considered to be part of the work of developing the Outline Business Case. The Outline Business Case will need to agree how the contract would tackle commercial waste and will also consider how cases of submitting any facilities later than expected would be dealt with and how any penalties would be imposed on the contractor.

He advised that the current market insists that a minimum guaranteed tonnage of waste goes to each facility and that the maximum tonnage is determined by a combination of factors such as the capacity of the facility to treat waste and the contractor's ability to make other arrangements for removal of waste. The Outline Business Case will attempt to identify likely tonnage profiles for all partner authorities, together with the systems for managing cases of achieving more than expected or underachieving against that profile.

RESOLVED that the report be received.

10. DATES OF FUTURE MEETINGS

It was noted that a meeting of the Project Board will be held on 27 November 2009 and a meeting of the Joint Committee on 9 December 2009 – both meetings to be held in the Delyn Committee Room, County Hall, Mold.

AGENDA ITEM NO: 5

REPORT TO: **NORTH WALES RESIDUAL WASTE JOINT COMMITTEE**

DATE: **9 DECEMBER 2009**

REPORT BY: **FCC MONITORING OFFICER**

SUBJECT: **INTER AUTHORITY AGREEMENT**

1. PURPOSE OF REPORT

- 1.1. To update the Joint Committee on progress on the development of the Inter-Authority Agreement (IAA) that will underpin the procurement phase of the project.

2. BACKGROUND

- 2.1. An Inter-Authority Agreement (IAA) will be required to formalise their respective roles and responsibilities in relation to the joint working arrangements for the procurement of the North Wales Residual Waste Treatment Project (the "Project").
- 2.2. The IAA is intended to replace the Partnership Agreement made between the Councils on November 2008.
- 2.3. It is envisaged that the IAA will be approved by the partner authorities under the same approvals timeline as the Outline Business Case.

3. CONSIDERATIONS

- 3.1. The IAA will regulate the procurement of the Project up to the date that the Contract is executed by the Lead Council (or if earlier the date that the Councils determine not to proceed with the Project).
- 3.2. The IAA sets out the basis on which risks and liabilities are apportioned between the Councils. There has been a significant level of discussion between each of the Councils such that the IAA is very well developed and, although not yet finalised and signed by each of the Councils, there are no material issues which remain outstanding between the parties.
- 3.3. Notwithstanding the internal timetable for signature of the IAA (see 2.3 above) it will need to be signed prior to the Project going out to the market (i.e. at ISDS stage). Nonetheless the document is sufficiently well developed at this stage to demonstrate strong evidence of a joint working approach and should provide a level of comfort that a number of key issues have been considered.
- 3.4. At the point the Contract is signed the Councils have agreed to enter into an agreement (the "Second Inter-Authority Agreement") which will set out

the respective rights and obligations of each Council in relation to the implementation and operational phases of the Project.

- 3.5. The Second Inter-Authority Agreement is intended to reflect the terms of the Contract and cannot be completed until the Councils have agreed the terms of that Contract however the Councils have sought to set out a number of areas (Heads of Terms) in the IAA that they anticipate will need to be developed for inclusion in the Second Inter-Authority Agreement.

4. RECOMMENDATIONS

- 4.1. Note the report.

5. FINANCIAL IMPLICATIONS

- 5.1. Not Applicable

6. ANTI-POVERTY IMPACT

- 6.1. None

7. ENVIRONMENTAL IMPACT

- 7.1. Not applicable

8. EQUALITIES IMPACT

- 8.1. Not applicable

9. PERSONNEL IMPLICATIONS

- 9.1. Not applicable

10. CONSULTATION REQUIRED

- 10.1. Not applicable

11. CONSULTATION UNDERTAKEN

- 11.1. A series of meetings have been held during September, October and November 2009 between the legal advisors, Pinsent Masons, and the legal representatives from each of the partner authorities to discuss the IAA.

Contact Officer: Barry Davies (FCC Monitoring Officer)

AGENDA ITEM NUMBER 6**NORTH WALES RESIDUAL WASTE TREATMENT PROJECT
PROGRESS REPORT****NORTH WALES RESIDUAL WASTE JOINT COMMITTEE****Date : 9th December 2009****Period: 1st July 2009 to 20th November 2009****PROJECT SUMMARY**

To procure a sustainable waste management solution for the 5 local authorities in North Wales (Conwy, Denbighshire, Flintshire, Gwynedd and Isle of Anglesey) that will assist with the reduction in greenhouse gas emissions from landfill and will minimise the tonnage of waste residue sent to landfill thus ensuring that the authorities avoid Landfill Allowance Scheme (LAS) infraction penalties and meet National Waste Strategy targets.

PROJECT STATUS

Overall Project Status	
Green	The First draft OBC was completed on 20 th November 2009. Project on timetable. Resources and budgets in line with profile. Discussions with landowner of a site for the potential location of a waste transfer station to service Conwy and Denbighshire underway. PUK have allocated the NWRWTP a new transactor (Huw Roberts) as a replacement to Hazel Nickless. Huw will be focusing on the NWRWTP project and the NE food waste hub procurements.

Budget status	
Green	WAG have made due payment of £75k toward 2008/09 spend. Partner authorities to be invoiced each for £863.29 for remaining costs. Spend to date against budget for 2009/10) is £69,330.

Status	Meaning
Green	There are no problems; all is progressing well and to plan
Amber	There are some minor/ less significant problems. Action is needed in some areas but other parts are progressing

	satisfactory
Red	There are significant problems and urgent and decisive action is needed.

PROJECT UPDATE – Activities due for completion 1st July 2009 to 20th November 2009.

ID	Activity	RAG status	Comments	Forecast	Actual
	Appointment of Project Manager	Green	Steffan Owen to joined the project on 3rd August 2009 -	03 Aug 09	Completed and closed
	Appointment of legal advisors	Green		30 July 2009	Completed and closed to schedule
	Appointment of financial advisors	Green		30 July 2009	Completed and closed to schedule
	Appointment of technical advisors	Green		30 July 2009	Completed and closed to schedule
	Organisation of Project Initiation meeting	Green		27 July 2009	Completed and closed to schedule
	Estimate of partner authority officer resource input to project	Green		30 July 2009	Completed and closed to schedule
	Project Initiation meeting	Green		20 August 2009	Completed and closed to schedule
	September meetings between Grant Thornton and Finance Offices with support from Technical Officers	Green	Target date 11 September 2009 - Information sent to PB members and section 151 officers as a substitute for face to face meetings.	11 September 2009	Closed
	Contact each partner authority	Green	Target date 4 September	4 September 2009	Completed and closed

	to confirm timetable of OBC and JWA approvals		2009 - Completed and closed to schedule		to schedule
	Update Project Plan to reflect OBC and JWA approvals timeline and share with WAG	Green	8 September 2009 Completed and closed to schedule	8 September 2009	Completed and closed to schedule
	WAG written confirmation of acceptance of re-profiled RCAF grant	Green	Target date 3 rd week August 2009. WAG confirmation received. Completed and closed	3 rd week August 2009	Completed (WAG confirmation note received 24 Sept)
	Partner authority data provision to technical advisors to enable waste flow model development	Green	Technical advisors to liaise with partner authority technical officers following project initiation meeting	8 September 2009	Completed and closed to schedule
	Initial meeting between legal advisors and partner authority legal officers re the development of the JWA/ IAA	Green		1 st week September 2009	Completed and closed to schedule
	The Technical consultants to be instructed in relation to the sites and planning Workstream	Green	Project Director to instruct	20th August 2009	Completed and closed to schedule
	Development of a waste flow model to underpin development of the reference	Green		September 2009	Completed and closed to schedule

	solution				
	Risk Workshop	Green		October 2009	Completed and closed (Risk workshop held 5 th November 2009)
	Development of the reference solution	Green		October 2009	Completed and closed 20 November 2009
	Development of affordability and shadow tariff models	Green		October 2009	Completed and closed 20 November 2009
	Development of strategic case within OBC	Green		October 2009	Completed and closed 20 November 2009
	Development of economic, commercial and financial case within OBC	Green		October 2009	Completed and closed 20 November 2009
	Planning health check (to accompany OBC) completed	Green		October 2009	Completed and closed 20 November 2009
	Finalised first draft OBC	Green		20 November 2009	Completed and closed to schedule

PROJECT UPDATE – Activities due for completion 20th November 2009 to April 2010.

ID	Activity	RAG status	Comments	Forecast
	The requirement for and approach to the potential need for interim residual waste treatment capacity will be identified as part of	Amber	Work was due to commence in September /October as part of the waste flow modelling to be carried out by the technical	December 2009

	the OBC development process		consultants. This work has been carried out but there has not been time to organise a meeting of technical officers to agree a joint approach to interim requirements. To be programmed for December 2009.	
	Working draft of OBC shared with DESH	Amber	Agreed with WAG that the first draft will be shared with them after approval by the Joint Committee and before formal submission in April 2010.	December 2009
	Finalised IAA	Amber	Report in agenda	
	Press briefings and press release about the OBC.	Green	This is in order to manage the OBC becoming a public document when the Joint Committee discuss it on 9 December 2009.	14/15 December
	Communication and engagement with stakeholders around the Deeside site	Green	Meetings to be held with community groups, members and other stakeholders local to the Deeside site	14/15 December 2009
	Website with basic information on the project and partnership to go live (suggested:- www.NWRWTP.org)	Green	A simple but informative website can be created in order to go live utilising Anglesey's Waste Marketing and Communications contract. This will help cement the project's independence. Further development of this website could form part any future wider communication and engagement support procured for the	9 December 2009

			project.	
	Secure on going communication and engagement support for the project going forward into and through procurement	Green	This agreement will be tendered during January 2010	February 2010
	Opinion survey across region	Green	An opinion survey of residents across the region on waste related matters. Information from the survey will feed into the Communications and Engagement Strategy. (This is not a consultation, but will help shape the approach taken to communication and engagement).	January 2010
	Further development of the Communications and Engagement Strategy	Green	Document to be developed by the Communication Officer Group, including agreement of media relations plan, media protocol.	March 2010
	All Partner authority approvals for OBC and IAA completed	Green	Partner authorities have outlined their approvals process, and all are stated as being completed by early March 2010.	March 2010
	Finalisation of output specification following Stakeholder engagement ready for Joint Committee approval	Green	Various sessions with stakeholders will need to be scheduled for February 2010.	26 February 2010
	Finalisation of evaluation framework following Stakeholder engagement ready for Joint Committee approval	Green	Various sessions with stakeholders will need to be scheduled for February 2010.	
	Procurement documentation ready	Green	Joint Committee approval of	May 2010



NWRWTP

North Wales Residual Waste Treatment Project

	for Joint Committee approval		documentation will allow procurement process to begin as soon as the OBC and IAA are approved by WAG.	
	Update position on sites and partner authority access to them prior to submission of OBC to WAG.	Green	The project team will work to gain access to sites up until the start of the procurement process.	12 March 2009
	WAG gateway review of project (prior to commencement of project).	Green	A Gateway review has been scheduled with WAG's Gateway Team for March 2010.	April 2010
	Submission of OBC to WAG	Green		9 April 2010
	Approval of OBC by WAG.	Green	WAG have been given the timetable and are planning on that basis to ensure a timely turnaround of the OBC.	10 May 2010
	OJEU notice published.	Green		14 May 2010

KEY RISKS – To be discussed at next meeting due to consideration of OBC.

Budget Update - WAG RCAF Grant re-profile (July 2009)

Amended Profile (as agreed by WAG)

Period	Activity (ref to QA Regime Annex A)	Funding	
		Cap	£m
1 April 2008 to 31 March 2009	Stage 1 Project Preparation		0.075
1 April 2009 to 31 March 2010	Stage 2 Business Case Production		0.195
1 April 2010 to 31 March 2011	Stage 3 Procurement Activities		0.2
1 April 2011 to 31 March 2012	Stage 3 Procurement Activities		0.2

NWRWTP – PROJECTED SPEND PROFILE 2009/10 TO 20011/12

Spend year	2008/09	2009/10	2010/11	2011/12	Total
Project Management costs	£79,000	£228,200	£253,462	£256,152	£816,814
Advisor costs (core)		£154,805	£484,656	£147,882	£787,343
Additional /time and cost works		£515,000	£412,500	£492,500	£1,420,000
Potential site option/ lease payment)		£100,000	£200,000	£200,000	£500,000
Total costs	£79,000	£998,005	£1,350,618	£1,096,534	£3,524,157
Project Contingency (10%)		£99,801	£135,062	£109,653	£352,416

WAG RCAF contribution	£75,000	£195,000	£200,000	£200,000	£670,000
net	£4,316	£902,806	£1,285,680	£1,006,187	£3,198,673
Per authority	£863.29	£180,561	£257,136	£201,237	
Spend to date (actual)		£69,330.80			

Notes

Per authority Allocation is a 1/5th of total and subject to confirmation

Site option / lease payments relate to the potential requirement to provide funding to secure access to site(s) for residual waste treatment or waste transfer services

Advisor costs (core) relate to fixed price / target price elements of advisor works

Additional time and cost works relate to non-core activities (time and cost) - including planning and site support from technical advisors and communications support

Project Management costs include Project Director, Project Manager, administrative, venue, translation and finance -recharges costs related to the project.

NORTH WALES RESIDUAL WASTE JOINT COMMITTEE

2010 Meeting Schedule

Date	Time	Venue (to be approved)
Friday 12 March 2010	10.30am	Denbighshire (Ruthin - subject to room availability)
Friday 18 June 2010	10.30am	Anglesey (Llangefni - subject to room availability)
Friday 3 September 2010	10.30am	Conwy (subject to room availability)