

# Public Document Pack

## AGENDA

- 1 **AGENDA** (Pages 1 - 24)

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**Gareth Owens LL.B Barrister/Bargyfreithiwr**  
Chief Officer (Governance)  
Prif Swyddog (Llywodraethu)

To: Councillor Carolyn Thomas (Chair)

Contact Officer:

Nicola Gittins 01352 702345

[nicola.gittins@flintshire.gov.uk](mailto:nicola.gittins@flintshire.gov.uk)

Councillors: Glyn Banks, Richard Dew, Brian Jones,  
Dafydd Meuirg, Bob Parry, Greg Robbins, Sam  
Rowlands, Julian Thompson-Hill and Catrin Wager

20<sup>th</sup> November 2019

Dear Councillor

You are invited to attend a meeting of the North Wales Residual Waste Joint Committee which will be held at 2.00 pm on Thursday, 28th November, 2019 in the Venue Cymru, Llandudno LL30 1BB to consider the following items

## **A G E N D A**

### **1 APOLOGIES**

**Purpose:** To receive any apologies.

### **2 DECLARATIONS OF INTEREST**

**Purpose:** To receive any declarations of interest.

### **3 MINUTES (Pages 5 - 8)**

**Purpose:** To confirm as a correct record the minutes of the meeting held on 11<sup>th</sup> June 2019.

### **4 MATTERS ARISING FROM PREVIOUS MEETING**

**Purpose:** To consider any matters arising from the previous meeting.

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**Gareth Owens LL.B Barrister/Bargyfreithiwr**  
Chief Officer (Governance)  
Prif Swyddog (Llywodraethu)

## **5 COMMISSIONING AND OPERATIONS UPDATE (Pages 9 - 12)**

**Purpose:** To update Members on the progress of commissioning of Parc Adfer and of operations, including haulage and waste deliveries into Parc Adfer.

### **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - TO CONSIDER THE EXCLUSION OF THE PRESS AND PUBLIC**

The following items are considered to be exempt by virtue of Paragraph(s) 14 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended).

The reports contain details relating to the financial affairs of the 5 councils. Those details are commercially sensitive and the public interest in protecting that commercial position outweighs the public interest in revealing the information during the lifetime of the contract.

## **6 FINANCE REPORT (Pages 13 - 18)**

**Purpose:** To update Members on financial, invoice and payment related matters in relation to the 1<sup>st</sup> two months of Authority waste being delivered to Parc Adfer.

## **7 CONTRACTUAL UPDATE (Pages 19 - 24)**

**Purpose:** To update Members on the latest position concerning contractual matters related to the Parc Adfer Contract.

## **8 ANY OTHER BUSINESS**

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**Gareth Owens LL.B Barrister/Bargyfreithiwr**  
Chief Officer (Governance)  
Prif Swyddog (Llywodraethu)

Yours sincerely

Robert Robins  
Democratic Services Manager

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### NORTH WALES RESIDUAL WASTE JOINT COMMITTEE

Tuesday 11<sup>th</sup> June 2019 at 3:30pm at  
Optic Glyndwr, St Asaph

#### **PRESENT:**

Councillor Brian Jones  
Councillor Greg Robbins  
Councillor Carolyn Thomas  
Councillor Gareth W Griffith  
Councillor Bob Parry

Denbighshire County Council  
Conwy County Borough Council  
Flintshire County Council  
Gwynedd County Council  
Isle of Anglesey County Council

#### **ALSO PRESENT:**

##### **Flintshire County Council**

Colin Everett (Lead Chief Executive) and Gareth Owens (Chief Officer – Governance)

##### **Denbighshire County Council**

Tara Dumas

##### **Conwy County Borough Council**

Andrew Wilkinson

##### **Gwynedd Council**

Steffan Jones

##### **Isle of Anglesey County Council**

Meirion Edwards

##### **North Wales Residual Waste Treatment Project**

Steffan Owen (Regional Contract Manager)

#### 1. **APOLOGIES**

Apologies for absence were received from Gary Ferguson (Flintshire County Council), Lisa Brownbill (Flintshire County Council), Stephen Jones (Flintshire County Council), Tony Ward (Denbighshire County Council), Councillor Julian Thompson-Hill (Denbighshire County Council), Cllr Richard Dew (Isle of Anglesey County Council),

#### 2. **DECLARATIONS OF INTEREST**

No declarations of interest were made.

#### 3. **ELECTION OF CHAIR AND VICE CHAIR TO THE JOINT COMMITTEE**

Councillor Brian Jones was nominated by Councillor Carolyn Thomas as Chair for the Joint Committee. This was seconded by Councillor Bob Parry.



Colin Everett thanked Brian Jones for taking on the role.

Councillor Greg Robbins was nominated by Councillor Brian Jones as Vice Chair. This was seconded by Councillor Carolyn Thomas.

**RESOLVED:**

- (a) *That Councillor Brian Jones be appointed Chair of the North Waste Residual Waste Joint Committee and Councillor Greg Robbins be appointed Vice Chair of the North Waste Residual Waste Joint Committee.*

**4. APPROVAL OF PREVIOUS MINUTES**

It was pointed out that the attendees from Gwynedd and Anglesey were incorrect. The attendee from Gwynedd was Councillor Gareth Wyn Griffith, and the attendee from Anglesey was Councillor Bob Parry.

**5. MATTERS ARISING FROM PREVIOUS MEETING**

No matters were raised that were not already included in the agenda.

**6. ANNUAL ACCOUNTS**

Steffan Owen went the Annual Accounts Report, including going through the Lead Flintshire County Council (FCC) Internal Recharge costs for Finance, Legal, Audit, Chief Executive and Democratic Services.

No comments were raised.

**RESOLVED:**

- (a) *That the Joint Committee approve the Annual Return for the year ended 31st March 2019.*

**7. EXEMPT ITEMS: LOCAL GOVERNMENT ACT 1972, SECTION 100A AND SCHEDULE 12A (ACCESS TO INFORMATION)**

**RESOLVED** *that the Public and Press be excluded from the meeting under the provisions of Section 100A of the above Act during consideration of the following items as they involves the likely disclosure of exempt information as defined in paragraph 14 of Part 4 of Schedule 12A to the Act and that in all the relevant circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.*





Steffan Owen and Colin Everett gave an update on the construction and preparations on site for Commissioning. He noted that Health and Safety had been kept up to a high standard on site, and that the most recent programme was for first waste delivery to take place in late July.

A discussion was had in relation to preparations for 1<sup>st</sup> waste delivery, given that no written date had been received to date.

**RESOLVED:**

(a) *That the report be noted.*

8. **COMMISSIONING PREPARATIONS UPDATE**

Steffan Owen went through the report as issued in the papers, with updates on the progress on preparations for the start of commissioning. The report covered preparations with relation to the following areas:-

- resourcing and staffing;
- invoicing, payment flows and data management;
- operational preparations;
- Haulage Contract(s), and
- Preparations with WTI.

**RESOLVED:**

(a) *That the report be noted.*

5. **HAULAGE CONTRACT AND WASTE TRANSFER STATIONS REPORT**

Steffan Owen went through the report as issued in the papers, outlining progress in each of the partner authorities in relation to the waste transfer stations (or waste transfer service). Each authority outlined their preparations and plans in relation to waste transfer stations for the start of Commissioning.

Conwy and Denbighshire outlined that they had worked in partnership and awarded a contract to private sector company, Thorncliffe's, for reception of both authorities' waste for onward haulage to Parc Adfer. This contract would be in place whilst their longer term plans for waste transfer stations are developed.

Gwynedd would continue to utilise their existing two waste transfer stations in Harlech and Caernarfon.

Discussions were held in relation to the haulage of waste from the partner authorities. Steffan Owen informed the Members that LWT had been



awarded the contract for hauling Conwy and Denbighshire's waste to Parc Adfer.

A discussion was also held in relation to the options for the haulage of Anglesey's waste, and options were considered and discussed.

**RESOLVED:**

- (a) *Note the Content of the report;*
- (b) *Agree the longer term haulage service option for Anglesey, subject to Project Board approval of the detail.*

10. **COMMUNITY BENEFIT FUND REPORT**

Colin Everett went through the content of the report providing a background to progress on the fund within Flintshire. He noted that the fund was in development and was not scheduled to go live for applications until mid-2020.

**RESOLVED:**

- (a) *That the Joint Committee notes the progress report and delegates the development of the CBF to Flintshire as the beneficiary authority.*

11. **WELSH GOVERNMENT FUNDING (VERBAL)**

Colin Everett gave an informal update the Welsh Government's Revenue Support Grant. A discussion was had on the budget planning within the partner authorities based on the outcome of discussions with the Welsh Government in relation to the grant.

12. **ANY OTHER BUSINESS**

It was suggested that the next meeting of the Joint Committee take place around October 2019.

(The meeting ended at 5.00 pm)

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**REPORT TO:** NWRWTP JOINT COMMITTEE

**DATE:** 28<sup>th</sup> NOVEMBER 2019

**REPORT BY:** CONTRACT MANAGER

**SUBJECT:** COMMISSIONING AND OPERATIONS UPDATE

### 1. PURPOSE OF REPORT

- 1.1. To update the Joint Committee on progress on the Commissioning and on the early months of operations of Parc Adfer.

### 2. BACKGROUND

- 2.1. It was reported to the Joint Committee on the 11<sup>th</sup> June 2019 that Wheelabrator Technologies Inc (WTI) had been given formal notification of commencement of “Readiness Tests” (the start of the Commissioning process) by their Engineering, Procurement and Construction (EPC) contractors, CNIM, with an expected date for first waste delivery of mid July 2019.
- 2.2. “Readiness” was formally achieved on Saturday 24<sup>th</sup> August 2019 (this is when the Independent Certifier issued the “Readiness Test Certificate”), which meant that the first day waste deliveries from the partner authorities was Tuesday, 27<sup>th</sup> August 2019. It was on the Tuesday as the Monday of that week was a bank holiday and it was felt that given it was the first day of deliveries, it would be preferable to be on a normal working day rather than a bank holiday.
- 2.3. A summary of progress on the Commissioning of Parc Adfer and operations since the 1<sup>st</sup> waste deliveries is provided below.

### 3. CONSIDERATIONS

#### Commissioning

- 3.1. When facilities such as Parc Adfer achieve “Readiness”, this means that they are deemed to be capable of receiving and treating waste. It does not, however, mean that the facility is complete. At the Commissioning stage, there may remain areas of the site / facility that are not fully complete, however it is deemed complete enough that the plant and process can operate safely. During the Commissioning phase, the site can receive and treat waste, however remains in the control of the EPC contractors, CNIM.
- 3.2. During Commissioning, the site operates under a rigorous safety, reliability and performance testing regime. During this period, the day to day operation of the site is carried out WTI (under their special purpose operating arm for Parc



Adfer, Parc Adfer Operations Ltd (PAOL)), however the EPC contractor goes through a process of “hand over” to PAOL including training of staff, safety and operating procedures etc.

- 3.3. Once the safety, reliability and performance testing regime is complete and the independent certifier is satisfied with the conclusion of that process, the plant’s completion can be signed off. At that point the facility will achieve “Acceptance”. From a purely operational perspective this will have no impact on the partner authorities as the waste will continue to be delivered to Parc Adfer as it currently is during the Commissioning period, however the contract will formally enter the “Services” phase and the contract will come into force in full.
- 3.4. Commissioning has been progressing well on site with the performance of all aspects of the process performing well, with the emissions monitoring showing that emissions have been well within permitted limits.
- 3.5. The Incinerator Bottom Ash (IBA) has been undergoing a rigorous testing process to verify that it is of a quality good enough to be recycled. At the time of writing the IBA material in all the tests carried out so far has passed quality standards, and the is expected begin to be processed for recycling in the near future.
- 3.6. The most recent programme provided by CNIM for achieving “Acceptance” and Parc Adfer entering into the Services phase is the 9<sup>th</sup> December 2019.

### Waste Diversion

- 3.7. Overall the Commissioning process has been progressing well, with only one issue that affected acceptance of partner authority waste, an unprogrammed shutdown was required to fix defects in the water system, requiring diversion of waste to contingency locations between Tuesday 15<sup>th</sup> October and Monday 21<sup>st</sup> October.
- 3.8. Following repair works and testing, Parc Adfer was able to receive waste again on Tuesday 22<sup>nd</sup> October, meaning waste was diverted to other sites for 5 days in total (including Saturday deliveries).
- 3.9. Whilst a diversion event is never welcome for any party, such diversion events are not wholly unexpected given that the facility is undergoing commissioning and testing and complications and issues are a normal part of this period. A Contingency Plan had been created for such occurrences which was implemented.
- 3.10. It is also important to note that WTI/PAOL, the partner authorities, the hauliers and the waste transfer site operators all worked well together in order to secure contingency locations and deliveries were taken to those locations at short notice. The Contract Management Team would like to extend thanks to all partner authorities for their support and work during that period.
- 3.11. On the first day of diversion (Wednesday 16<sup>th</sup> October), due to the late notice, WTI were only able to secure a certain amount of waste tonnage capacity with



third party suppliers with waste treatment such as Energy from Waste as the destination. This meant that unfortunately Gwynedd and Anglesey had to send their residual waste to a landfill (Hafod landfill, near Wrexham) for one day. For the remainder of the waste diversion period (4 days), all partnership waste was diverted from landfill.

- 3.12. As noted above, Parc Adfer resumed accepting waste on Tuesday 22<sup>nd</sup> October 2019, and has been operating without any major issues since then.

### Operations

- 3.13. As noted above, deliveries of the partner authorities' waste (Contract Waste) began on the 27<sup>th</sup> August 2019. Only Contract Waste was accepted at Parc Adfer during that first week. Third Party (commercial) waste deliveries started on site the following week on Monday 2<sup>nd</sup> September. The process itself was also started and waste started to be treated on the 3<sup>rd</sup> September.

- 3.14. Operations on site and the interface between the partner authorities, hauliers and Parc Adfer has been positive overall. There were a very small number of deliveries where waste was delivered that didn't meet WTI's waste acceptance criteria during the first week (bulky items), however this has been the only issue with waste acceptance thus far, with the Partner Authorities settling in to an operational pattern.

- 3.15. WTI have reported that the waste composition / calorific value (cv) of the waste is within expectations.

- 3.16. One area where some minor, but not unexpected, issues have been experienced is in relation to the time taken to accept, weigh in, empty and weigh out vehicle deliveries, known as "turnaround times" which is a key project metric. Average vehicle turnaround times have to date been good overall. A small number of delays have occurred whilst operational procedures are refined, drivers become more familiar with site and management systems are put in place for duty of care paperwork. WTI and the Authority have been working constructively together to optimise turnaround times..

### Haulage

- 3.17. The partner authorities' waste is taken to site through a variety of hauliers. Anglesey's waste is delivered to the site by Potters Group, Gwynedd undertake their own haulage, and Conwy, Denbighshire and a proportion of Flintshire's waste is delivered by LWT Contractors. Some of Flintshire's waste is delivered directly to site (e.g. some of the refuse collection round vehicles).

- 3.18. Overall, all the haulage services have been successful and largely trouble free. There have been a small number of minor issues in relation to queuing to get into site and time taken to empty their loads on site (as noted in 3.16 above), however these have been minor on the whole and the majority of deliveries have been smooth. As noted above, WTI have been working to minimise any disruption to deliveries to site, ensuring that Contract Waste is prioritised.



## Summary

3.19. In summary, the Commissioning of Parc Adfer has been progressing well and despite some minor “teething troubles”, overall the early operations have been successful. A seamless and trouble free transition to full services is expected in December 2019.

## **4. RECOMMENDATIONS**

4.1. Note the content of the report

## **5. FINANCIAL IMPLICATIONS**

5.1. Financial implications of Contract has previously been reported to the Joint Committee.

## **6. ANTI-POVERTY IMPACT**

N/A

## **7. ENVIRONMENTAL IMPACT**

N/A

## **8. EQUALITIES IMPACT**

N/A

## **9. PERSONNEL IMPLICATIONS**

9.1. As described in the body of this report

## **10. CONSULTATION REQUIRED**

None.

## **11. CONSULTATION UNDERTAKEN**

11.1. As outlined in the report.

## **LOCAL GOVERNMENT ACCESS TO INFORMATION ACT 1985**

### **Background Documents:**

None

**Contact Officer:** Steffan Owen  
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**REPORT TO: NWRWTP JOINT COMMITTEE**

**DATE: 28<sup>th</sup> NOVEMBER 2019**

**REPORT BY: CONTRACT MANAGER**

**SUBJECT: FINANCE REPORT (PART 2 ITEM)**

### **Part 2 Item**

#### **1. PURPOSE OF REPORT**

- 1.1. To update the Joint Committee on progress on the finance and payments in relation to the early months of operations of Parc Adfer.

#### **2. BACKGROUND**

- 2.1. It was reported to the Joint Committee on the 11<sup>th</sup> June 2019 that Wheelabrator Technologies Inc (WTI) had been given formal notification of commencement of "Readiness Tests" (the start of the Commissioning process) by their Engineering, Procurement and Construction (EPC) contractors, CNIM, with an expected date for first waste delivery of mid July 2019.
- 2.2. "Readiness" was formally achieved on Saturday 24<sup>th</sup> August 2019 (this is when the Independent Certifier issued the "Readiness Test Certificate"), which meant that the first day waste deliveries from the partner authorities was Tuesday, 27<sup>th</sup> August 2019. It was on the Tuesday as the Monday of that week was a bank holiday and it was felt that given it was the first day, it would be preferable to be on a normal working day rather than a bank holiday.
- 2.3. At that point, as waste started being delivered to Parc Adfer, a Commissioning Gate Fee was payable to Parc Adfer on a monthly basis under the Payment Mechanism within the contract.
- 2.4. Months of preparation took place with the partner authorities for these first payments, as regularly reported to the Project Board and this Joint Committee. At the time of writing, 3 monthly invoices have been received (for August, September and October waste deliveries), and preparations are now underway for the full Payment Mechanism coming into force Parc Adfer reaches full "Services" (as reported in agenda item 5).

#### **3. CONSIDERATIONS**

Commissioning and Services period Payments





- 3.1. The start of Commissioning and therefore Partnership waste being delivered to Parc Adfer meant that it was also the start of payments being due to WTI for the treatment of that waste.
- 3.2. In the Contract, payments to WTI (as well as deductions and income sharing) are detailed and prescribed in Schedule 4, the 'Payment Mechanism'. This Payment Mechanism covers the Commissioning period as well as the main Services period.
- 3.3. In the Payment Mechanism, a specific Commissioning Gate Fee is payable to WTI for each tonne of waste delivered by the Partnership and reflects the Commissioning stage of the facility. This is a simpler payment than during Services and is a single gate fee for every tonne of waste delivered by the Partner Authorities.
- 3.4. When the facility achieves "Acceptance" and the Services period starts, the main part of the Payment Mechanism begins. This has a more complex payment structure than Commissioning, with different gate fees for different tonnage "bands", pass through costs, deductions etc. At this stage, the Welsh Government revenue support grant will formally start (see 3.13 – 3.16 below) and will continue for the remainder of the Services period.

#### First Invoices and Payment Procedures

- 3.5. As part of preparations for the first invoices from WTI, the Partner Authorities agreed a set of procedures for allocating the costs between the Authorities in line with the Second Inter Authority Agreement and the Contract. These costs not only included the Parc Adfer gate fee, but also other costs such as contract management costs and haulage costs.
- 3.6. The procedures noted above include the following:-
  - 3.6.1 Contract Management Team issue estimates for full project costs for each authority for the forthcoming quarter (including all cost streams such as contract management costs, haulage costs etc) based on tonnage projections provided by the authorities;
  - 3.6.2 The above estimates are used for each authority to provide a monthly "automatic payment" to Flintshire as lead authority;
  - 3.6.3 Each Authority approves its actual monthly tonnages and its actual monthly invoice amount via a standard pro-forma;
  - 3.6.4 At the end of each quarter, the amounts actually paid by each authority to Flintshire for that quarter will be reconciled against correct amounts due;
  - 3.6.5 All reports, invoices and data to be available to the authorities on a shared drive created and managed by WTI;
  - 3.6.6 All approvals to be uploaded onto shared drive by partner authorities.
- 3.7 The payment procedures mentioned above serve a number of purposes:-





- 3.7.1 Ensures that all authorities have formally approved the tonnage deliveries into Parc Adfer (i.e. that the tonnages delivered to Parc Adfer match their own records) – this ensures that Flintshire is able to pay Parc Adfer’s monthly invoices knowing they are correct;
- 3.7.2 Ensures that any disputed amounts in Parc Adfer’s monthly invoices are identified and highlighted in time to be raised with WTI within the mechanism of the Contract;
- 3.7.3 Ensures Flintshire, as lead authority, has sufficient funds from the Partner Authorities to pay WTI’s monthly invoices whilst avoiding “cash flow” issues;
- 3.7.4 Provides a clear audit trail for all payments and all authorisations;
- 3.7.5 Provides transparency and clarity on all costs, income and payments for all partner authorities;
- 3.7.6 Aides Partner Authorities’ accounting and budgeting.

#### Payment flows for the Commissioning period

- 3.8 Overall there have been no significant issues in relation to the first 3 invoices (two have been paid, and one is due for payment at the end of November), with all authorities following the agreed procedures.
- 3.9 The shared access drive was created (and is managed by) WTI in order to share data, reports, information and invoices with Flintshire as Lead Authority. Flintshire has made this shared drive available to all authorities to ensure a robust, transparent and thorough method of sharing information and to ensure a clear audit trail.
- 3.10 Whilst there have been some very minor issues as the first few months of Commissioning have begun and payment flows start, overall the process has worked well with all required payments made with no disputes so far. It is expected that the process will improve further as the authorities settle into a working pattern.

#### Service Period Payments

- 3.11 As noted above, Parc Adfer is expected to start full Services in December 2019, when the full Payment Mechanism will come into force. The Contract Management Team have been in preparations for this change, including discussions with WTI.
- 3.12 A meeting is being planned for January 2020 with Finance and Technical Officers from each authority to discuss and prepare for the full Services payments.

#### Welsh Government Revenue Support Grant

- 3.13 Following discussion and agreement at the Joint Committee meeting of 11<sup>th</sup> June 2019, the Lead Chief Executive, the Chair and Vice Chair of the Joint Committee wrote to Hannah Blythyn AM requesting that the grant be released to the Partnership from the Planned Services Commencement Date (15<sup>th</sup> October), rather than the actual Services Commencement date (currently scheduled for early to mid-December 2019). The value of the grant for a full 2 month period would be £936,710.



# NWRWTP

North Wales Residual Waste Treatment Project

- 3.14 At the time of writing, the Partnership has not received a response to the letter from the Minister's Office.
- 3.15 For the avoidance of doubt, the letter above does not in any way affect the main revenue support grant, which is a contractual commitment by WG and will be payable from the Services Commencement Date and is not at risk in any way.
- 3.16 The Regional Contract Manager has been in contact with Welsh Government officers in relation to the main grant and the administrative process for drawing down / receiving payments from WG. Preparations are now underway to start the payment flows from WG.

### 3 RECOMMENDATIONS

- 3.6 Note the content of the report

### 4 FINANCIAL IMPLICATIONS

- 4.6 Financial implications of Contract has previously been reported to the Joint Committee.

### 5 ANTI-POVERTY IMPACT

N/A

### 6 ENVIRONMENTAL IMPACT

N/A

### 7 EQUALITIES IMPACT

N/A

### 8 PERSONNEL IMPLICATIONS

- 8.6 As described in the body of this report

### 9 CONSULTATION REQUIRED

None.

### 10 CONSULTATION UNDERTAKEN

- 10.6 As outlined in the report.

## LOCAL GOVERNMENT ACCESS TO INFORMATION ACT 1985

### Background Documents:

None

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**REPORT TO:** NWRWTP JOINT COMMITTEE

**DATE:** 28<sup>th</sup> NOVEMBER 2019

**REPORT BY:** CONTRACT MANAGER

**SUBJECT:** CONTRACTUAL UPDATE REPORT (PART 2 ITEM)

## Part 2 Item

### 1. PURPOSE OF REPORT

1.1. To update the Joint Committee on contractual issues in relation to the Parc Adfer contract.

### 2. BACKGROUND

2.1. As reported in agenda item 5, the first delivery of Contract Waste to Parc Adfer was on the 27<sup>th</sup> of August 2019. The facility has been in Commissioning since that time.

2.2. There are large number of performance standards that WTI must meet as part of their contractual obligations, and a critical one from the partner authorities' perspective is the time taken to accept, weigh in, empty and weigh out vehicle deliveries, known as "turnaround times". This is an important metric for the authorities, as minimising the time taken for vehicles to deposit the waste at Parc Adfer and leave the site is important to maximise the efficiency of the haulage and waste collection services.

2.3. As reported in agenda item 5 above, there have been a small number of instances where there have been delays to vehicles on site. On the whole though these have not been significant and could be put down to "teething troubles". The Partnership have, however, begun contractual discussions with WTI in relation to the contractual performance standard for "turnaround times". The discussions in relation to this are outlined in 3.1 to 3.6 below.

2.4. WTI have informed the Partnership they are seeking to increase the maximum tonnage capacity of the facility from 200,000 tonnes per annum (200 ktpa) to 232ktpa. Under the contract, any changes to the Planning or Environmental Permit Consents requires the approval of the Authority. With this in mind, WTI have been in discussions with the Planning Authority in relation to the Planning Consent and with Natural Resources Wales in relation to the Environmental Permit. Further detail is outlined in 3.7 to 3.12 below.



2.5. The Contract Manager has recently been contacted by Powys' contractor, Potters Waste Management, asking if the Partnership would be willing to enter into a contract to receive North Powys' waste. Further detail on this is provided in 3.13 to 3.15 below.

### 3. CONSIDERATIONS

#### Turnaround Time Discussions

- 3.1. As outlined in 2.2 above, the Partnership have begun contractual discussions with WTI in relation to the contractual performance standard for "turnaround times". The discussions started with WTI as a result of an issue that has arisen in relation to how vehicles subject to the Turnaround Time performance standard are defined within the Contract, and the appropriateness of the turnaround times to different types of vehicles.
- 3.2. The contract's Turnaround Times and Method Statements within the contract were originally set on the basis that the successful Contractor would be operating waste transfer stations across the Partnership. Therefore the only direct interface with the Contractor would be Refuse Collection Vehicles (RCV's) delivering directly into the facility. The turnaround time in the contract was set at 15 mins (30 mins during Commissioning). Towards the latter end of the procurement, the Partnership changed the scope of the contract such that the operating of the waste transfer stations was removed from its scope and would be carried out by the partner authorities' themselves (or contacted separately).
- 3.3. The majority of the waste is delivered to site in "walking floor" Heavy Goods Vehicle (HGV) articulated vehicles. In the initial discussions with the Partnership, WTI stated that 15 minutes is physically not sufficient to unload "walking floor" HGV's on site as the discharge process alone for those types of vehicles takes in excess of 10 minutes, and that they interpret the definition of an authority vehicle subject to the 15 minutes performance standard is for RCV's only (i.e. vehicles delivering direct to site only), not HGV's.
- 3.4. This issue has been discussed at the Project Board, who gave instruction to the Regional Contract Manager to enter into discussions with WTI to enter into discussions with WTI to agree a specific Turnaround Time for HGV vehicles. This was agreed as whilst it is clear that the Partnership must have some performance mechanism in the contract for the delivery



of all Partnership waste on site, it was accepted that 15 minutes was not realistically achievable by HGV's.

- 3.5. Following the instruction of the Project Board, The Regional Contract Manager and the Lead Authority's Chief Officer (Streetscene and Transportation) held an opening meeting with WTI to listen to any proposal they had in relation to Turnaround Times. WTI put forward a proposal for Turnaround Times for HGV's based on data from late August to mid-October. Those proposals have now been received in writing by WTI and the Project Board will advise on the Partnership's formal response. The Contract Manager has also sought guidance, information and support from Welsh Government's Transactor (who have access to specialists in this field) on the same performance standard in other similar contracts.
- 3.6. The Joint Committee is asked to note the discussions and delegate the agreement of any new performance standards in the contract to the Project Board.

#### Increase in Parc Adfer's Maximum Tonnage Capacity

- 3.7. Parc Adfer's planning application documentation included a maximum tonnage capacity of 200ktpa, however the plant has the technical capability to treat more waste than that figure. With that in mind, WTI have informed the Authority that it is seeking to increase the capacity of the facility from the 200ktpa to 232ktpa.
- 3.8. With that in mind, WTI have been in informal discussions with the Planning Authority and Natural Resources Wales in relation to the Planning Consent and the Environmental Permit respectively.
- 3.9. Any changes to those consents requires the approval of the Authority within the contract. Following advice from their specialist consultants, WTI believe that changing both the Planning and Permit consents will not prove a difficult process. They believe this as firstly in relation to the Environmental Permit, the key parameters (such as emissions etc) in WTI's initial permit application was based on the plant operating at full capacity, therefore increasing the throughput does not mean any increase in those key environmental parameters. An application will need to be submitted to Natural Resources Wales (NRW), however WTI believe this should be an internal NRW decision.





- 3.10. In terms of planning, WTI are in discussions with the Planning Authority and are awaiting guidance. WTI believe that the most significant planning consideration would be highways impact, and based on the early data for the number of vehicle movements on and off site they believe that the increase to 232ktpa would not exceed the estimates provided in the planning application.
- 3.11. The Partnership is now awaiting information from WTI in relation to what the change in capacity would mean to the Partnership, and how it seeks to move forward with it. From a Partnership perspective, the increase in capacity could present benefits as it increases the income WTI generate annually, therefore increasing the possibility of the Authority sharing in that additional income through the “gain share” mechanism in the Contract. The Regional Contract Manager has, however, sought specialist advice from the project’s legal, technical and finance advisors on all the impacts of agreeing to the capacity increase to ensure that there are no unforeseen consequences to the increase.
- 3.12. The Lead Chief Executive and Regional Contract Manager will report back to the Joint Committee with a full update once WTI’s full proposals and specialist advice are received. It should be noted that due to the sensitive nature of the subject, any discussions are kept strictly confidential at this stage.

### Other Authorities’ Waste

- 3.13. The Contract Manager was recently contacted by Powys County Council’s waste treatment contractor, Potters Waste Management, to ask if the Partnership would be willing to enter into an agreement to treat North Powys’ residual waste.
- 3.14. The Regional Contract Manager has looked into the detail of this within the Contract and also discussed with the Project’s Transactor, Mark Turner (who’s been able to seek the views of specialist commercial solicitors). Whilst such an agreement with Potters / Powys is potentially attractive, it would not be possible for the Partnership to directly enter into such an agreement. “Contract Waste” is defined in the Contract as waste that originates from what’s termed the “Administrative Area”, which is essentially the boundary of the partnership (all five partner authorities). This means that the Partnership therefore does not have the ability to act as a “broker” and buy/sell waste that originates from outside of the Partnership boundary, unless the Partnership are under the Guaranteed





Minimum Tonnage (GMT) levels, which as a Partnership we currently aren't.

3.15. Whilst this means that the Partnership is unable to enter into any direct agreement with Potters or Powys, it has become apparent through discussions with Welsh Government (WG) that they are keen to open discussions with both WTI and Viridor (owners / operators of Cardiff's Trident Park facility) about utilising any capacity in these facilities for waste from authorities that haven't got contracts in place. The Regional Contract Manager will update the Joint Committee on any progress on the matter.

#### **4. RECOMMENDATIONS**

The Joint Committee is asked to:-

4.1. Note the content of the report.

4.2. Give delegated authority to the Lead Authority to agree new contractual performance standards with WTI for vehicle deliveries.

#### **5. RESOURCE IMPLICATIONS**

5.1. As noted in the report.

#### **6. ANTI-POVERTY IMPACT**

N/A

#### **7. ENVIRONMENTAL IMPACT**

N/A

#### **8. EQUALITIES IMPACT**

N/A

#### **9. PERSONNEL IMPLICATIONS**

N/A

#### **10. CONSULTATION REQUIRED**

None.

#### **11. CONSULTATION UNDERTAKEN**

None

#### **LOCAL GOVERNMENT ACCESS TO INFORMATION ACT 1985**

**Background Documents:**



None

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