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Gareth Owens LL.B Barrister/Bargyfreithiwr

Chief Officer (Governance)
Prif Swyddog (Llywodraethu)

To: Councillor Carolyn Thomas (Chair)

Councillors: Richard Dew, Brian Jones, Dafydd Meurig, Don Milne, Bob Parry, Sam Rowlands, Aaron Shotton, Julian Thompson-Hill and Gareth Wyn Griffith

Contact Officer:

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25th October, 2018

Dear Councillor

You are invited to attend a meeting of the North Wales Residual Waste Joint Committee which will be held at 10.00 am on Wednesday, 31st October, 2018 in the Conwy Business Centre, Llandudno Junction to consider the following items

A G E N D A

1 APOLOGIES

Purpose: To receive any apologies

2 DECLARATION OF INTEREST

Purpose: To receive any Declarations and advise Members accordingly

3 APPROVAL OF PREVIOUS MINUTES (Pages 5 - 12)

Purpose: To confirm as a correct record the minutes of the last meeting

4 MATTERS ARISING FROM PREVIOUS MEETING

5 CONSTRUCTION UPDATE AND INDEPENDENT CERTIFIER ROLE (Pages 13 - 16)

Purpose: To update on construction progress and timetable

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6 RESOURCES AND COMMISSIONING PLANNING REPORT

Purpose: To update Members on the progress of the preparations for the commissioning and waste going into Parc Adfer

The following item is 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

7 ACTIONS FROM TRADE UNION ATTENDANCE AT JOINT COMMITTEE IN JUNE 2018 (Pages 21 - 50)

Purpose: To provide a full suite of responses to the actions raised by the GMB and Unite Unions at the last Joint Committee in June 2018

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

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8 HAULAGE SERVICES AND WASTE TRANSFER STATIONS REPORT (Pages 51 - 56)

Purpose: To update Members on the progress of the Haulage Contract specification and tender process

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9 WELSH GOVERNMENT FUNDING (Pages 57 - 60)

Purpose: To review Welsh Government's gate fee contribution to the Partnership

10 ANY OTHER BUSINESS

Yours sincerely

Robert Robins
Democratic Services Manager

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NORTH WALES RESIDUAL WASTE JOINT COMMITTEE

Thursday 21st June 2018 at 2.00pm
Bodlondeb, Bangor Road, Conwy

PRESENT:

Councillor Richard Dew	Isle of Anglesey County Council
Councillor Brian Jones	Denbighshire County Council
Councillor Don Milne	Conwy County Borough Council
Councillor Bob Parry	Isle of Anglesey County Council
Councillor Aaron Shotton	Flintshire County Council
Councillor Gareth Wyn Griffith	Gwynedd County Council

ALSO PRESENT:

Flintshire County Council

Colin Everett (Lead Chief Executive), Lisa Brownbill (Head of Internal Audit) and Dave Ledsham (Environment Finance Manager)

Denbighshire County Council

Tony Ward (Head of Highways and Environmental Services) and Alan Roberts (Waste Officer)

Conwy County Borough Council

Andrew Wilkinson (Head of Neighbourhood Services)

Gwynedd Council

Medwyn Williams (Senior Manager – Waste Treatment)

Isle of Anglesey County Council

Dewi Williams (Head of Highways & Waste Management)

North Wales Residual Waste Treatment Project

Steffan Owen (Regional Contract Manager)

Local Partnerships UK

Hywel Jones (Advisor)

Mark Turner (Advisor)

Invited External Attendees

Steve Benson (Unite Representative)

Stephen Butterworth (GMB Representative)

Paul Burton (GMB Member)

Julian Harrison and Apostolos Sarandidis (Wheelabrator Technologies Representatives)

Becky Bell and Julien Trystram (CNIM Representatives)

1. **APOLOGIES**

Apologies for absence were received from Councillor Dafydd Meurig (Gwynedd County Council), Councillor Carolyn Thomas (Flintshire County Council), Councillor Julian Thomas (Denbighshire County Council),



Meirion Edwards (Isle of Anglesey County Council) and Dave Keville (Engineering Construction Industry Association Representative)

2. **DECLARATIONS OF INTEREST**

No declarations of interest were made.

3. **ELECTION OF CHAIRMAN AND VICE CHAIRMAN TO THE JOINT COMMITTEE**

Councillor Carolyn Thomas (Flintshire County Council) was elected Chair, with Councillor Julian Thompson-Hill elected Vice Chair

4. **APPROVAL OF PREVIOUS MINUTES**

The minutes of the meeting of the North Wales Residual Waste Joint Committee held on the 27th March 2018 were submitted for approval.

RESOLVED: *That the minutes of the meeting of the North Wales Residual Waste Joint Committee held on 27 March 2018 be approved as a correct record.*

5. **MATTERS ARISING FROM PREVIOUS MINUTES**

There were no matters arising.

6. **ANNUAL ACCOUNTS**

Dave Ledsham introduced the Annual Return Year Ended 31st March 2018 report for the North Wales Residual Waste Partnership (NWRWP) for approval. The Annual Return had been signed by the Responsible Finance Officer and must be approved by the Joint Committee before the deadline of 30th June. The audit must be completed and the Annual Return published by no later than 30th September.

Dave Ledsham explained that the Annual Return includes Flintshire County Council (FCC) Internal Recharge costs for Finance, Legal, Audit, Chief Executive and Democratic Services. It should be noted that the detailed breakdown of the FCC internal recharge was not able to be finalised in time for the main invoice to partner authorities therefore will be issued to authorities as a separate item. A breakdown of the costs were detailed within the report.

Colin Everett (Lead Chief Executive) explained that the Annual Return was a routine return and the figures showed less dependency on consultancy costs which was reflective of how the project had progressed. He explained that the internal recharge costs for FCC had been included to ensure that the services were proportionately re-charged across all Local Authorities.

RESOLVED: *That the Annual Return for the year end 31st March 2018 be approved.*



7. PROJECT PROGRESS

Steffan Owen explained that a report on progress on site would be provided later in the meeting. He provided an update on areas not covered under other agenda items, including the next stages of the Community Benefit Fund and contract management training.

RESOLVED: *That the progress report update be noted.*

8. CONSTRUCTION UPDATE (A) AND DISCUSSION WITH UNIONS (B)

Colin Everett welcomed the external attendees to the meeting. He advised that the Unite and GMB representatives had been invited to address the Joint Committee and that Wheelabrator Technologies (WTI) and CNIM representatives were in attendance to respond to queries/concerns raised.

Prior to the external attendees addressing the Joint Committee, Steffan Owen introduced an update on progress on the construction of the Parc Adfer facility. He provided a detailed overview on key areas of progress, as outlined within the report, and highlighted that there had been no Health and Safety reportable incidents since the start of construction since January 2017, which meant that the site was over 400,000 work hours without a reportable incident. A complaint had been received relating to a near miss between a cyclist utilising the public road and a vehicle entering the site. Remedial actions were undertaken within 48 hours which included informing all construction staff of the cyclist risk and repainting the road markings on the 'T' junction outside the site. The Health and Safety Executive (HSE) was invited to site and no recommendations or improvements were advised.

The Chairman invited Steve Benson (Unite), Stephen Butterworth (GMB) and Paul Burton (GMB) to address the Joint Committee.

Steve Benson (Unite) outlined the following concerns from Unite:-

- Why have the 5 Local Authorities not sought for the build of Parc Adfer to be carried out under the National Agreement for the Engineering Construction Industry (NAECI);
- There were no opportunities for school leavers, through an apprenticeship scheme, at Parc Adfer;
- There is a high number of agency employees working on the project, with hours of work not being fixed;
- The lack of local labour on the project; and
- Concerns that during the jobs fair, it was alleged that individuals were being asked if they belonged to a trade union. Mr Benson stated that this matter had been taken up with ACAS as "not one individual who had belonged to a trade union was offered employment".

Steve Benson also referred to an e-mail he had sent to Steffan Owen regarding the NAECI and its use at a recent Bio-mass Project. Through the use of NAECI this project had been delivered ahead of time and on budget.



Stephen Butterworth (GMB) outlined similar concerns as those raised by Steve Benson. He reported that he had recently attended a meeting with colleagues with a company in Warsaw, Poland to outline the positive advantages of NAECI. He said that he had, on a number of occasions, asked for information on how many UK workers were employed through CNIM but not had been unable to obtain this information and noted that the representatives of the Polish company had outlined the problems they were facing of skilled workers in Poland due to the opportunities being given to Polish workers in the UK. Mr Benson also said that he had asked for rates of pay for employees but again had not received this information. He provided evidence of projects where contracts had been amended to introduce NAECI and explained that not one day had been lost because of the agreement.

Paul Burton (GMB) introduced himself as a member of GMB and a Flintshire resident. He explained that he had been sending his CV to the e-mail address provided on the Parc Adfer website but had received no correspondence in response and could not find a contact number to speak to anyone in person. He had attended the last jobs fair and stated that he had been asked if he was a member of a trade union. He noted that he had enough experience to be employed at Parc Adfer but that there were no opportunities for local people.

Colin Everett reported that he had attended two meetings with Steffan Owen and representatives of WTI, CNIM and the Unions to discuss the Union concerns. During the meetings the Unions had asked why NAECI had not been adopted and it had been explained to the Unions that the Project contract was awarded to WTI in December 2016, therefore the Partnership was not in a contractual position to impose NAECI on either WTI or its sub-contractors after the fact.

Becky Bell (CNIM) responded to the questions raised. She explained that CNIM had set up a website to assist in providing employment opportunities but advised that CNIM did not employ many people directly on the project. She advised that responses had been provided to Paul Burton's requests and that a report on every contact made and response given was regularly produced and kept. She accepted that employment opportunities were limited due to sub-contractors bringing their own core team when required but said that all individuals seeking employment would be given equal consideration. She advised that Union members were on site and that there were no issues with employees being members of a trade union. In relation to the concerns around apprenticeships, she said that she was happy to work with Unions on site to discuss this further and also confirmed that CNIM do use agency staff but there were no zero hour contracts. She concluded that all EU residents had a right to access work and that an external audit of local labour numbers had been carried out.

Colin Everett asked if CNIM were aware of people being asked if they were a member of a trade union during the jobs fair. Becky Bell advised that nobody should have been asked this question and would look into the matter following the meeting. Steve Benson reiterated his comments that no work opportunities were given to any person who had said during the jobs fair that they were a member of a trade union.



In response to the comments around the external audit of local labour numbers, Lisa Brownbill (Head of Internal Audit at Flintshire County Council) reported that an audit had been carried out on the local labour numbers as defined within a 30 mile radius of the site. CNIM provided Internal Audit at Flintshire County Council with all information requested and the system they currently use to record data was sophisticated and stored postcodes of employees. The information on employees was gathered on 1st May, 2018 which totalled 238 individuals. Some employee information was excluded but out of the remaining employees it was found that 30% were local labour. Feedback had been provided to CNIM around ensuring local labour figures were published to show transparency, and all of the advice/recommendation given have been taken on board.

Councillor Aaron Shotton thanked the Lead Chief Executive and Contract Manager for facilitating all parties attending the meeting. He explained that the Joint Committee was made up of representatives of 5 Local Authorities and felt that it had been unfair that some of the trade union demonstrations had fallen on the door of Flintshire County Council. He said that the issues were around ensuring socially/ethically responsible contractors in the construction sector and the ability to protect services through the NAECI agreement. He explained that as Members of the Joint Committee, the advice of Officers and WG had been taken at all times and outlined the difficulties in the possibility of the Joint Committee in imposing NAECI. He said that as a Member of the Joint Committee he wanted reassurance that everyone was being given an equal access to employment opportunities and wanted to ensure there were benefits for local people. He said that he was concerned around the comments of individuals being asked if they were a member of a trade union at the jobs fair and hoped this matter would be looked into.

Steve Benson said that it was the client's responsibility to seek NAECI and in this case the clients were the 5 Local Authorities. He asked the Joint Committee the following questions:-

- There was only 1 local person employed on site, were the 5 Local Authorities happy with this;
- There were no apprenticeship/trainee opportunities on site, were the 5 Local Authorities happy with this; and
- Why did the 5 Local Authorities not insist on local labour/companies being used in the construction of Parc Adfer?

Steve Benson also referred to a recent site visit which saw Unions being allowed to visit the site and speak to workers directly. He raised concerns that the break time had been changed to ensure employees did not meet with the Union representatives. Steffan Owen responded that he had been present during the site visit and said that leaflets were shared by the Union representatives and advised that no attempt had been made to stop employees from going to speak to Union representatives. Colin Everett said that the site visit had been arranged through mutually agreed terms with Union representatives and said that more site visits could be arranged.



Julian Harrison (WTI) explained that because the build of Parc Adfer was not being carried out under NAECI this did not mean that the build was being carried out to a low standard. He said that WTI were proud of the project and the achievements which had been met in terms of health and safety on site and in the engagement with the local community. Engagement with the community would continue and a recent jobs fair had been held at Connah's Quay Town Council offices where over 200 local people had expressed an interest in the operational jobs which would be available following completion of the construction phase of Parc Adfer. Current statistics show that between 30% - 50% of the employees are local (dependent on when it measured) and this statistic had been audited with no challenge.

In response to a question from Councillor Aaron Shotton on how many of the current employees were members of a Trade Union, Becky Bell responded that this information was not available as the employees were not asked this question.

Paul Burton explained that his concerns had related to the mechanical phase of the build which was the area he had necessary experience but he had sent 3 CV's without receiving any correspondence back. He also reiterated his comments around students at Deeside College not being given the opportunity to gain training experience on site. Stephen Butterworth said that European employees should be used as a supplement to local employees and not as a substitute.

Hywel Jones (Advisor) said that, speaking on behalf of Welsh Government (WG), signing up to NAECI was not an obligation and that no requirement was placed on the Partnership from WG to specify NAECI during the procurement process. Since the procurement process ended, WG have brought in a code on employment and they are currently looking at how Parc Adfer measures up to that code and any lessons that can be learnt. There are currently eight similar projects across Wales and none of them have signed up to NAECI. WG would be meeting with WTI next week and one of the areas currently being considered is a review of performance against WG community benefits provisions within the contract.

Colin Everett said that continued dialogue between the project team and Union Representatives would continue and that the option remained for a further site visit and for Union Representatives to address future Joint Committee meetings. He commented on the costs of managing protests for North Wales Police and Flintshire County Council's Highway Services which were currently calculated at just under £82,000 to date. This level of protest was not sustainable. Colin Everett noted reiterated to the Unions that if they have any specific areas of concern relating to employment practices or contracting practices they should raise them with WTI, CNIM or the Partnership and they will be looked into immediately.

Councillor Aaron Shotton asked that, in view of the comments made by Union Representatives, a response be provided to the Joint Committee on whether NAECI could be introduced at this stage and whether there would be any implications.



Colin Everett said that in view of the comments made, the following actions to be undertaken following the meeting:-

1. More detail and assurance on open recruitment including job fairs (CNIM);
2. A review of performance against WG community benefits provisions within the contract;
3. Site visit practice review, and further visits offered (CNIM);
4. Anonymised rates of pay illustrations (CNIM);
5. Statement on (1) comparable practice by WTI/CNIM with the NAECI provisions and (2) the opportunities and risks from movement towards/adoption of NAECI with or without the agreement of the Partnership as necessary (WTI).

Following a question, Colin Everett agreed to provide information on the comparable practice by WTI/CNIM with the NAECI provisions following the meeting.

The Chairman thanked all external attendees for their attendance and contribution.

RESOLVED:

- (a) *That more detail and assurance on open requirement, including job fairs be provided (CNIM);*
- (b) *That a review of performance against WG community benefits provisions within the contract be undertaken (Steffan Owen, Hywel Jones and WTI);*
- (c) *That site visit practices be reviewed and further visits offered (CNIM);*
- (d) *That anonymised rates of pay illustrations be provided (CNIM); and*
- (e) *That Statements be provided on (1) comparable practice by WTI/CNIM with the NAECI provisions and (2) the opportunities and risks from movement towards/adoption of NAECI with or without the agreement of the Partnership as necessary (WTI)*

FOLLOWING A 10 MINUTE ADJOURNMENT THE MEETING RECONVENED AT 4.15PM.

9. 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.

10. **HAULAGE SERVICED AND WASTE TRANSFER STATIONS REPORT**

Steffan Owen presented the report to update the Joint Committee on progress on the development of waste transfer stations in Conwy and Denbighshire. The report also provided an update on developments on the partnership haulage contract.

Colin Everett responded to a question raised around haulage costs and Steffan Owen suggested that further information be provided to the Joint Committee at its next meeting in early September, 2018.

RESOLVED: *That the report be noted.*

9. **WELSH GOVERNMENT FUNDING**

Steffan Owen presented the report to inform the Joint Committee of discussions that were taking place with the Welsh Government (WG) on the subject of the gate fee grant support from WG and specifically when the WG funding was to start.

RESOLVED:

(f) *That the report be noted; and*

(g) *That the case made to Welsh Government, as outlined within the report, be supported.*

10. **ANY OTHER BUSINESS**

There was no other business to consider.

(The meeting ended at 5.00 pm)



AGENDA ITEM NO: 5

REPORT TO: NWRWTP JOINT COMMITTEE

DATE: 31st OCTOBER 2018

REPORT BY: CONTRACT MANAGER

SUBJECT: CONSTRUCTION PROGRESS REPORT

1. PURPOSE OF REPORT

- 1.1. To update the Joint Committee on progress on the construction of the Parc Adfer facility

2. BACKGROUND

- 2.1. Financial Close on the NWRWTP procurement was reached in mid-December 2016 and the contract formally awarded to Wheelabrator Technologies Inc (WTI).
- 2.2. WTI's Engineering Procurement and Construction (EPC) contractor is CNIM, whose Civil Engineering sub-contractor is Clugston. Both CNIM and Clugston are highly experienced contractors in the Energy from Waste (EfW) market. Furthermore, they have a well-established relationship, with Parc Adfer being their 10th EfW construction project together.
- 2.3. A Liaison Procedure for reporting progress of the construction against the timetable is set out in the Project Agreement (PA). To comply with the with PA's requirements a formal Monthly Construction Progress Report is submitted to the authority by WTI. Monthly meetings (Contract Management Board) are held with WTI and their contractors to formally report on progress, issues on site and any potential known risks to the programme.
- 2.4. The NWRWTP are represented on the Contract Management Board (CMB) and all output and discussions of the CMB is reported to the Technical Officers Group and the Project Board. The Contract Manger also attends the Monthly Progress meeting on site between WTI and the main contractors.
- 2.5. As well as the above, the authority's Contract Manager visits the site weekly, although flexibility remains to visit the site at other times should the need arise.

3. CONSIDERATIONS

Overview and key areas of progress Page 13

- 3.1. Below is a summary of progress of the construction of Parc Adfer.



Overall progress

- 3.2. The works have continued on the focused on the fire water tank and pump room, cladding of the buildings, switchgear rooms, administrative building and Incinerator Bottom Ash (IBA) storage area. The main focus on site in September was site drainage, fire water main ring and cladding of the boiler.
- 3.3. Work is continuing on the visitor centre, with meetings between the Partnership and WTI being scheduled for November and going forward to work on detail such as messaging, how to manage group visits etc.
- 3.4. Overall, progress on site has been good with no changes to the programme.

Health and Safety

- 3.5. The Health and Safety record on site remains extremely good. There has been one Health and Safety reportable (Riddor) incident since the start of construction in January 2017 with over 650,000 work hours completed since then.

Planning and Permit

- 3.6. As previously reported to the Joint Committee, a number of minor amendments were made to the planning and permit, which have both been approved by the relevant bodies. It is expected that there will be further set of non-material amendments towards the end of the construction.

Risk to programme

- 3.7. WTI's assessment of the overall risk to the timetable remains low.
- 3.8. One area which has been highlighted as medium is Industrial Relations, specifically action by Unions (see agenda item 7 (Part 2 item), separate report).

Reported key dates

- 3.9. WTI's reported Planned Service Commencement date is remains at 14th October 2019 and Planned Readiness Date remains at 21st May 2019. The Planned Readiness Date is a key date for the authorities as it is the date when the commissioning of Parc Adfer begins and waste from the authorities starts going to into the facility Other key dates are shown in table 2 below :-

Activity	Key Date	Achieved
Financial Close / Effective Date	15th December 2016	
Procurement of all long lead time items complete	27th March 2018	31 st July 2017
Commencement of Grid Connection Works by DNO	11th April 2018	4 th October 2017



Design works complete	7th August 2019	
Bunker excavation and concrete works complete	8th October 2018	
Site hand-over from Clugston to CNIM complete	28th June 2019	4 th December 2017
Long lead time items all on site	27th September 2018	
Long lead time items installed	31st December 2018	
Boiler pressure test	2nd August 2018	
Grid Connection G59 Test / Completion by SPEN	22nd August 2018	
Commencement of O&M Contractor staff training	18th March 2019	
Issue of Construction Completion Certificate	21st May 2019	
Issue of Readiness Test Certificate	21st May 2019	
Issue of Acceptance Test Certificate	14th October 2019	
Planned Service Commencement	14th October 2019	
EPC Contractor's Longstop Completion Date	14th October 2020	
Credit Agreement Longstop Date	15th January 2021	

3.10. Whilst the date above is the officially reported programme, indications from the contractors on site are that they are a little ahead of schedule. This is being continuously monitored by the Contract Manager and reported to the partner authorities.

4. RECOMMENDATIONS

The Joint Committee is asked to:-

4.1. Note the content of this report.

5. RESOURCE IMPLICATIONS

5.1. The financial implications of the contract have previously been through an approvals process within all partner authorities.

6. ANTI-POVERTY IMPACT

6.1. Not applicable.

7. ENVIRONMENTAL IMPACT

7.1. The environmental implications of the contract have previously been through an approvals process within all partner authorities.



NWRWTP

North Wales Residual Waste Treatment Project

8. EQUALITIES IMPACT

8.1. Not applicable.

9. PERSONNEL IMPLICATIONS

9.1. Not applicable.

10. CONSULTATION REQUIRED

10.1. As set out within the report.

11. CONSULTATION UNDERTAKEN

11.1. Not applicable.

LOCAL GOVERNMENT ACCESS TO INFORMATION ACT 1985

Background Documents:

None

Contact Officer: Steffan Owen - NWRWTP Project Manager



REPORT TO: **NWRWTP JOINT COMMITTEE**

DATE: **31st OCTOBER 2018**

REPORT BY: **CONTRACT MANAGER**

SUBJECT: **RESOURCING AND COMMISSIONING PLANNING REPORT**

1. PURPOSE OF REPORT

- 1.1. To update the Joint Committee on the process of bringing in additional resources into the Contract Management Team for the NWRWTP.
- 1.2. To update the Joint Committee on progress on the work of planning for the start of Commissioning the Parc Adfer when the authorities' waste will start going into facility.

2. BACKGROUND

- 2.1. It has long been recognised and agreed that additional resources would be required to the lead authority's resourcing for managing the Parc Adfer contract. This is required for workstreams such as contract performance monitoring, administrative, invoicing, financial and accounting functions.
- 2.2. This Joint Committee has received previous updates on the resourcing of the Contract Management Team as required.
- 2.3. As has previously reported to the Joint Committee, it has long been the intention to provide training to key partner authority officers on key aspects of the contract and contract management. This training has now taken place, and detailed in 3.1 below.

3. CONSIDERATIONS

Contract Management Training

- 3.1. The Contract Management Training took place over two days in September 2018, and was provided by Local Partnerships on behalf of the Welsh Government. The main areas covered by the course included:-
 - Understanding the Payment Mechanism and Base Case financial model
 - Managing Contract Relationships
 - Managing Contract Documentation and record keeping for Audit
 - Managing difficult conversations and negotiations
 - Risk Management
 - Effective monitoring of KPI's and application of the Performance



Management Framework

- Contractor/Authority Change and identifying savings
- Knowledge Management

3.2. The course was well attended by officers from all partner authorities from various roles, including waste managers (technical), finance, audit and legal. The training highlighted the importance of resourcing of the contract management function within the lead authority.

Financial training

3.3. As well as the above training, the Partnership engaged financial advisors Grant Thornton to create 2 financial models for the partner authorities that replicate the main Payment Mechanism and the IAA payment schedule. This will greatly assist the authorities in managing the monthly and annual flow of payments, which are complex and large given the tonnages being treated.

3.4. Flintshire County Council will pay WTI on a monthly basis as lead authority, however will recoup what they pay out minus their own share within a timetable that ensures they are not left out of pocket as a result of paying WTI's monthly invoices. As well as the above, WG's revenue contribution will be provided to Flintshire County Council on a quarterly basis, who will in turn need to pass that on in the correct proportions to the partners authorities. There will also be a reconciliation process annually both between Flintshire and WTI and also between the Partner authorities.

3.5. To accompany the models themselves, Grant Thornton completed 3 days' training for partner authority Finance Officers in early 2018. More recently, however, during September and early October 2018 Grant Thornton and the Contract Manager have held sessions with each partner authority individually to run through the financial model. These sessions were attended by the technical (waste) officers and finance officers and had two main aims. Firstly was to go through the financial model in detail with the officers in order that they could start using it for financial planning purposes. Secondly was in order for the authorities to make whatever internal arrangements required in order to prepare for the flow of payments when commissioning begins. An internal discussion between the partner authority technical and finance officers is now underway to determine the most efficient way to process the flow of payments within payment deadlines.

Contract Management Team Resourcing

3.6. It has been reported to the Joint Committee previously that additional resources will be required to accompany the Contract Manager at the appropriate time. As noted above the training Local Partnerships further supported this.

3.7. Flintshire, as lead authority has taken the approach that the resourcing for the Contract Management function is done within the existing Streetscene and Finance functions. This ensures that crucial knowledge is spread amongst officers and allows resilience to cover absence of key staff once the facility is operational.



Finance

- 3.8. Finance - It has become clear from the above discussions and also from direct feedback from the Finance Officer training sessions that the Finance role for the Parc Adfer contract is a critical role. It is apparent that this role needs to be set at minimum at accountant level due to the level of responsibility (flows of large sums of money) and complexity involved.
- 3.9. Flintshire are currently undergoing a re-structuring of their Finance function which is at an advanced stage and currently going through consultation and will in place shortly.
- 3.10. The Contract Manager has also agreed with the Finance Manager Environment that the any further training will be met as required utilising the financial advisors.

Technical and Administrative

- 3.11. Two other resource requirements have been identified for the Contract Management function, a “technical” role and an administrative function. The administrative function will be carried out within Flintshire’s Streetscene’s administrative team as required. This requirement will start increasing as commissioning draws nearer.
- 3.12. In relation to the technical role, this role is required for crucial aspects of the Contract Management function for workstreams such as monitoring of key contract performance indicators (some of these carry deductions for the contractor therefore is a key role), monitoring and scrutiny of evidence provided by the contractor and general day to day liaison with the contractor on operational matters.
- 3.13. The technical resource for the Contract Management function is being built into Flintshire’s wider Streetscene function. Two individuals within the Streetscene team attended the Contract Management Training noted above and have started getting themselves acquainted with the contract. Having more than a single individual being familiar with the contract ensures the resilience described above. Work has started on preparing some of the documentation and tools required to carry out the functions outlined in 3.12 above.
- 3.14. Progress on the above resourcing will be reported to the Project Board in the lead up to Commissioning.

Other preparatory work

- 3.15. As well as the work highlighted above, the Contract Manager along with members of Flintshire’s Environment Finance team attended a meeting with finance representatives of WTI to start work on agreeing the information required to ensure the flows of payments happen as smoothly as possible. A key aspect is to agree the level of information and evidence provided by WTI to accompany their invoices and ensuring the right checks and balances are in place for approving invoices for payment. These meetings will become regular meetings going forward as required, with a further meeting scheduled for November.



4. RECOMMENDATIONS

4.1. Note the content of the report

5. FINANCIAL IMPLICATIONS

5.1. LP / WG training – None. The training was funded by WG.

5.2. Financial implications of Contract Management Team have 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

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