

## **BARNSLEY, DONCASTER AND ROTHERHAM JOINT WASTE BOARD**

**Venue: Town Hall, Moorgate  
Street, Rotherham S60  
2TH**

**Date: Friday, 1st July, 2016**

**Time: 2.00 p.m.**

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

1. Appointment of Chairman for the Municipal Year 2016/2017
2. Appointment of Vice-Chairman for the Municipal Year 2016/2017
3. To determine if the following matters are to be considered under the categories suggested in accordance with the Local Government Act 1972.
4. To determine any item which the Chairman is of the opinion should be considered as a matter of urgency.
5. Apologies for absence
6. Declarations of Interest
7. Minutes of the previous meeting held on 11th March, 2016 (Pages 1 - 8)
8. Matters Arising  
To discuss matters arising from the previous minutes, which are not included elsewhere on the agenda.
9. Approval of Delegations under the Second Inter-Authority Agreement for the Municipal Year 2016/17 (Pages 9 - 13)
10. Waste Compositional Analysis (Pages 14 - 20)
11. BDR Joint Waste Project - Manager's Annual Report 2015/16 (Pages 21 - 41)
  - Governance
  - Contract Delivery
  - Legal
  - Financial
  - Communications
  - Health and Safety

- Resources
- Other

12. BDR Joint Waste Project - Current Issues

- Flies
- Noise

13. Risk Register (Pages 42 - 61)

14. Exclusion of the Press and Public

The following item is likely to be considered in the absence of the press and public as being exempt under Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended, March 2006 – information relates to finance and business affairs)

15. BDR PFI Budget Update 2016/17 and Out-turn for 2015/16 (Pages 62 - 66)

16. Date, time and venue for the next meeting

(a) if necessary, a meeting of the Barnsley, Doncaster and Rotherham Joint Waste Board be held during September, 2016, on a date to be arranged.

(b) a scheduled meeting of the Barnsley, Doncaster and Rotherham Joint Waste Board be held on a date to be arranged during December, 2016.

**BARNSELEY, DONCASTER AND ROTHERHAM JOINT WASTE BOARD**  
**11th March, 2016**

Present:- Councillor K. Sims (Rotherham MBC - in the Chair); Councillors R. Miller (Barnsley MBC) and Councillor C. McGuinness (Doncaster MBC), together with Mrs. L. Baxter (BDR Joint Waste Manager), Mr. A. Gabriel (Rotherham MBC), Mr. P. Castle (Barnsley MBC), Mr. L. Garrett (Doncaster MBC) and Mr. J. Busby (DEFRA).

Also in attendance : Councillor T. Fox and Mr. A. Black (Sheffield City Council) – attending at the invitation of the Chair, in respect of item 25 below.

Apologies for absence were received from Councillor E. Hoddinott (Rotherham MBC) and from Mr. D. Burton (Rotherham MBC), Mrs. G. Gillies (Doncaster MBC) and Mr. M. Gladstone (Barnsley MBC).

**18. RETIREMENT OF COUNCILLORS AND OFFICERS**

The Joint Waste Board was informed of the impending retirement of the following Members and officers:-

- a) Councillor Kath Sims, whose term of office ends in May 2016 and who is not seeking re-election to Rotherham Borough Council;
- b) Mr. David Burton, Director of Streetpride, Rotherham MBC, who is retiring on 31st May, 2016; and
- c) Mr. Adrian Gabriel, Principal Waste Officer, Rotherham MBC, who is retiring on 31st May, 2016.

Agreed:- That the BDR Joint Waste Board places on record its appreciation of the services of Councillor Sims and of Mr. Burton and Mr. Gabriel and they all be wished long and happy retirements.

**19. DECLARATIONS OF INTEREST**

There were no Declarations of Interest made at this meeting.

**20. MINUTES OF THE PREVIOUS MEETING HELD ON 11TH DECEMBER 2015**

Consideration was given to the minutes of the previous meeting of the Barnsley, Doncaster and Rotherham Joint Waste Board, held on 11th December, 2015.

Agreed:- That the minutes of the previous meeting of the BDR Joint Waste Board be approved as a correct record for signature by the Chairman.

**21. MATTERS ARISING**

The following matters arising from the minutes of the previous meeting of the BDR Joint Waste Board were discussed:-

(1) (Minute No. 13 – BDR Manager's Report) – a report about the waste compositional analysis will be submitted to the next meeting of the BDR Joint Waste Board, to be held on Friday, 10th June, 2016;

(2) (Minute No. 13 – BDR Manager's Report) – it was agreed that consideration be given to the production and broadcasting of a 'virtual tour' film of the waste treatment facility at Bolton Road, Wath upon Dearne, with public viewing available via either the Internet web site and/or You Tube;

(3) (Minute No. 13 – BDR Manager's Report) – it is expected that the revised Inter-Authority Agreement (IAA.3) will be finalised and signed during March 2016.

**22. INTERNAL AUDIT REPORT**

Consideration was given to a report, presented by the Barnsley, Doncaster and Rotherham Joint Waste Manager, concerning the Internal Audit review of the contract procedures relating to the operation of the BDR waste treatment facility at Manvers, Wath upon Dearne, undertaken during 2015 by officers of the Rotherham MBC Internal Audit Section. The ten recommendations of the Internal Audit review were detailed within the submitted report.

The Internal Audit report stated that the overall control environment is adequate and there were no fundamental concerns which would warrant consideration for inclusion in the Annual Governance Statement. However, implementation of the report's recommendations should enhance the control environment and provide an increased level of assurance to management.

Members discussed the contents of the Waste Treatment Facility action plan which contained details of the way in which the responses to the ten recommendations of the Internal Audit review would be actioned.

Discussion took place on the requirements of recommendation 6 of Internal Audit review report, concerning the checking of 100% of the weighbridge weight tickets. It was agreed that, in order to avoid any duplication of effort, the Internal Auditor be asked to confirm the period of time during which the requirement to check 100% of the tickets should apply.

Agreed:- (1) That the report be received and its contents noted.

(2) That a further report, updating the Waste Treatment Facility action plan and detailing the extent of compliance with each of the recommendations, be submitted to the next meeting of the BDR Joint Waste Board to be held on 10th June, 2016.

(3) That the response of the Internal Auditor in respect of recommendation 6 of the action plan be reported to the next meeting of the BDR Joint Waste Board.

**23. BDR MANAGER'S REPORT**

The Barnsley, Doncaster and Rotherham Joint Waste Manager submitted a report which highlighted and updated the following issues relating to the Joint Waste Private Finance Initiative (PFI), for the period December 2015 to February 2016:-

: further details of the changes at senior management level within Rotherham MBC;

: information about the number of tonnes of waste processed and the contract performance in respect of the recycling and diversion of waste materials;

: complaints received about the operation of the waste treatment facility at Bolton Road, Wath upon Dearne, during the period 3rd July, 2015 to 31st January, 2016; it was noted that the majority of complaints relate to the noise of site operations; some complaints are made via the Environment Agency and it was known that several complaints originate from the same local neighbourhood situated near to the site; it was noted that the Environment Agency is to undertake a noise impact assessment of the site;

: the health and safety compliance details and accident report for the period 3rd July, 2015 to 31st January, 2016; details of the RIDDOR reportable incidents will be provided for Elected Members; reference was made to the number of 'close-call' incidents and further information about trends per calendar quarter would be provided at the next meeting of this Joint Waste Board;

: Ferrybridge facility – fuel deliveries and electricity export, July 2015 to January 2016; a further explanation was requested about the figure for September 2015, which was comparatively higher than other months;

: Grange Lane facility at Wath upon Dearne;

: Communications – meetings with various community groups and the publication of a media report about the waste treatment facility at Bolton Road, Wath upon Dearne, which had been published in the Rotherham Advertiser newspaper on Friday, 5th February, 2016;

: the continuing review of the insurance policies, to try and reduce the level of premiums;

: the review of the Inter-Authority Agreement, to provide more clarity and remove some historical information, is almost complete and the expectation is that the revised agreement will be finalised and signed during March 2016;

: after completion of a tender exercise, Romaine have been appointed as financial advisers to the BDR Private Finance Initiative;

: glossary of terms relating to waste management and the Joint Waste PFI.

Discussion also took place on the national issue concerning the possible inclusion of incinerator bottom ash from the waste incineration process in the calculation of recycling performance at the waste treatment plant. It was noted that the Chair of the Sheffield City Region (Sir Steve Houghton, Barnsley MBC) has written a letter to the Secretary of State for the Environment, Food and Rural Affairs requesting clarification of this issue. The BDR Joint Waste Board suggested that all four of the principal local authorities of South Yorkshire should send a similar letter to the Secretary of State, in order to confirm the County-wide consistent and unified approach to this matter by those local authorities.

Agreed:- (1) That the BDR Manager's report be received and its contents noted.

(2) That details of the Environment Agency noise impact assessment of the waste treatment facility at Bolton Road, Wath upon Dearne be reported to a future meeting of this Joint Waste Board.

(3) That a report detailing the number of accidents and 'close-call' incidents occurring at the waste treatment facilities be submitted to every meeting of the BDR Joint Waste Board.

(4) That the Barnsley, Doncaster and Rotherham Joint Waste Manager ensure that the four principal local authorities of South Yorkshire send the letter to the Secretary of State for the Environment, Food and Rural Affairs, concerning the waste incineration process and the response of the Secretary of State be reported to a meeting of the BDR Joint Waste Board in due course.

## **24. RISK REGISTER**

The Barnsley, Doncaster and Rotherham Joint Waste Board considered the updated Waste PFI risk status report (risk register), as at March, 2016.

The BDR Joint Waste Board was informed that Rotherham MBC had recently changed the Corporate Risk Register format and that the JCAD system, previously used, was no longer supported. Consequently, a spreadsheet is now maintained and reported on corporately within Rotherham MBC. The open risks from JCAD have been transferred across to the new format and new risks have been added (eg: the risk of fraud; the risk of contractor default).

The method of scoring the benchmark effects, which was different from the method previously used on JCAD, was explained. The 'red, amber, green' method of reporting the status of each risk will also be used.

It was also noted that the BDR Joint Waste Steering Committee will be organising workshops about the preparation and use of the risk register.

Members of the BDR Joint Waste Board noted that the risk register will continue to be an evolving document. Each successive report to meetings of the Joint Waste Board will describe the progress with and status of each risk and provide information about risks which have been able to be removed from the register and those new risks which are being added to the register. It was suggested that any status 'red' risks should be highlighted early and prominently within the report.

Agreed:- That the updated information on the risk status report be received.

## **25. BARNSELEY, DONCASTER, ROTHERHAM AND SHEFFIELD WASTE STRATEGY 2016 TO 2021**

Further to Minute No. 26 of the meeting of the BDR Joint Waste Board held on 12th December, 2014, the Barnsley, Doncaster and Rotherham Joint Waste Manager gave a presentation to the meeting about the Barnsley, Doncaster, Rotherham and Sheffield Waste Strategy 2016 to 2021. The presentation included the following details:-

: All of the four of these principal Councils have individual waste strategies;

: Best practice recommends the review of these strategies every five years;

: The Strategy will outline the priorities that are most important to the residents of these local authority areas;

: The Strategy's priorities are influenced by external factors:-

- Political (e.g. new legislation)
- Financial (e.g. budget restraints)
- Consultation with residents, local businesses, statutory bodies (e.g. Environment Agency) and with other stakeholders.

: The Waste Strategy is needed:-

- To provide a clear direction
- To contribute to the aims and objectives of the Waste Management Plan for England 2013
- Because the Barnsley, Doncaster, Rotherham and Sheffield Council's current waste strategies would benefit from being reviewed.

: Joint working between the four local authorities will be beneficial because:-

- All of the authorities are working towards the same overarching strategy;
- Efficiencies and savings will be made;
- Best practice - working towards common goals in the future;
- Waste is a cross-boundary strategic planning matter;
- Co-ordinated development and use of infrastructure.

Preparation of the Waste Strategy is timely, because:-

- Previous strategies need to be reviewed
  - Barnsley 2007 - 2030
  - Doncaster 2009 - 2025
  - Rotherham 2005 - 2020
  - Sheffield 2009 - 2020
- Devolution and the Sheffield City Region.

Key Strategic Priorities (KSP)

- KSP A – the aim to encourage and inspire children and adults across Barnsley, Doncaster, Rotherham and Sheffield to make less waste by reducing, re-using and recycling more.
- KSP B – The four Councils will work together more closely to deliver value for money services.
- KSP C – the local authorities will work hard to deliver and maintain a dependable and reliable service to all customers and residents.
- KSP D – the local authorities will continue to explore how technology can be used to improve recycling and waste services.
- KSP E – the local authorities will be pro-active to influence decision-making on waste at European, national and local level, to drive investment into infrastructure within the Sheffield City Region economy.

Consultation on the key strategic priorities of the waste strategy will take place in June and July 2016. Adoption by the four principal local authorities of South Yorkshire between September and November 2016

Members discussed the following salient issues:-



- the contents of the consultation documents; it was noted that a report on this matter will be submitted for consideration by each of four principal local authorities of South Yorkshire during April 2016;
- the importance of close joint working between the four principal local authorities of South Yorkshire, acknowledging that there are differences in the various waste contracts in the individual local authority areas;
- governance arrangements, the inter-authority agreement (IAA.3) – the potential need for an inter-authority agreement between the four principal local authorities of South Yorkshire and the flexibility required for the operation of waste services within each of those four local authorities' areas.

Agreed:- That the contents of the presentation about the Waste Strategy 2016 to 2021, as now submitted, be noted and the outcome of the public consultation process about this Strategy be considered at a future meeting of the BDR Joint Waste Board.

**26. EXCLUSION OF THE PRESS AND PUBLIC**

Agreed:- That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 as amended (information relating to the financial/business affairs of any person (including the Joint Waste Board)).

**27. BDR PFI BUDGET UPDATE 2015/16**

Consideration was given to the Budget Summary, as at February 2016, for the Barnsley, Doncaster and Rotherham Joint Waste Private Finance Initiative (PFI). It was noted that current expenditure remained within the agreed budget.

Agreed:- That the report be received and its contents noted.

**28. DATE, TIME AND VENUE FOR THE NEXT MEETING**

Agreed:- (1) That the annual meeting of the Barnsley, Doncaster and Rotherham Joint Waste Board be held on Friday 10th June, 2016 at the Town Hall, Rotherham, commencing at 2.00 p.m.

(2) That, if necessary, a meeting of the Barnsley, Doncaster and Rotherham Joint Waste Board be held during September, 2016, on a date to be arranged.

(3) That a scheduled meeting of the Barnsley, Doncaster and Rotherham Joint Waste Board be held on a date to be arranged during December, 2016.

Public Report  
Barnsley, Doncaster and Rotherham Waste Partnership Joint Waste  
Board Meeting – 1 July 2016

---

## **Summary Sheet**

### **Barnsley, Doncaster and Rotherham Waste Partnership Joint Waste Board Meeting Council Report**

#### **Approval of Delegations under Second Inter-Authority Agreement for Municipal Year 2016/17**

#### **Is this a Key Decision and has it been included on the Forward Plan?**

No it is not a key decision.

#### **Strategic Director Approving Submission of the Report**

Damien Wilson, Strategic Director, Regeneration & Environment

#### **Report Author(s)**

*Lisbeth Baxter, BDR Manager, Regeneration & Environment – Waste PFI*

#### **Ward(s) Affected**

None

#### **Summary**

One of the contractual documents entered into between Barnsley, Doncaster and Rotherham Councils at financial close of the BDR Waste PFI project was an Inter-Authority Agreement (IAA). This IAA creates the Joint Waste Board ("JWB") as a joint committee pursuant to section 101(5) of the Local Government Act 1972, which is established as part of the joint working arrangements between the Authorities for the management and administration of what are termed Relevant Contracts under IAA. At the date of this meeting, the BDR Waste PFI Contract is the only Relevant Contract to which IAA applies and is referred to as the "Principal Contract".

This report details how the functions of the JWB will be delegated down to the BDR Steering Committee and BDR Manager in order to more efficiently deal with the day-to-day decisions that will be required under the Principal Contract. All decisions of the JWB, BDR Steering Committee and BDR Manager will be made in accordance with the provisions of the prevailing IAA.

**Recommendations that the Joint Waste Board note that:-**

- a) With the exception of the decisions reserved to the Authorities for a unanimous decision under the IAA all other decisions in respect of the Principal Contract are delegated by the JWB to the Authorised BDR Steering Committee Member.
- b) The Authorised BDR Steering Committee Member may elect to delegate certain decisions to the BDR Manager.
- c) The BDR Manager may delegate any decisions delegated to them to a member of the Joint Waste Team (if the right to delegate is granted by the Authorised BDR Steering Committee Member).
- d) That Rotherham Metropolitan Borough Council's representative on the BDR Steering Committee will be the Authorised BDR Steering Committee Member for 2016/17.

**List of Appendices Included**

None.

**Background Papers**

Joint Waste Board IAA Delegations report v4 21.5.14 Final  
Inter Authority Agreement (IAA)

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**

The information in this document has been prepared by the BDR Joint Waste Team and considered by the BDR Steering Committee.

**Council Approval Required**

No

**Exempt from the Press and Public**

No

## **Main Report**

### **Approval of Delegations under Second Inter-Authority Agreement for Municipal Year 2016/17**

#### **1. Recommendations that the Joint Waste Board note that:**

- a) With the exception of the decisions reserved to the Authorities for a unanimous decision under the IAA all other decisions in respect of the Principal Contract are delegated by the JWB to the Authorised BDR Steering Committee Member.**
- b) The Authorised BDR Steering Committee Member may elect to delegate certain decisions to the BDR Manager.**
- c) The BDR Manager may delegate any decisions delegated to them to a member of the Joint Waste Team (if the right to delegate is granted by the Authorised BDR Steering Committee Member).**
- d) That Rotherham Metropolitan Borough Council's representative on the BDR Steering Committee will be the Authorised BDR Steering Committee Member for 2016/17.**

#### **2. Background**

- 2.1** Local Authorities may arrange for the discharge of functions by (i) a joint committee or (ii) by an officer of one of them under the Local Government Act 1972 s101(5)(a). In this case, a group of officers is established under IAA called the BDR Steering Committee, which will be empowered to make the day-to-day decisions required for the management and administration of the Principal Contract. However, the 1972 Act does not allow the delegation of powers to be exercise jointly by a committee of officers.
- 2.2** To fit with the legislative requirements the JWB therefore delegates its powers to one of the BDR Steering Committee officers (the "Authorised BDR Steering Committee Member"), who will then act in consultation with the others. For the municipal year 2015/16, this delegation was made to the Barnsley member of the Steering Committee, who also acted as the Chairman of that body. It has been agreed previously that the roles of the Chairman and Vice-Chairman of the JWB will rotate between the three Authorities on an annual basis. In line with this principle, it has been agreed that the Authorised BDR Steering Committee Member will also rotate annually. For the municipal year 2016/17, this delegation will therefore be made to the Rotherham member of the Steering Committee. This officer will subsequently delegate certain functions to the BDR Manager in order to more efficiently deal with the day-to-day decisions that will be required under the Principal Contract.

2.3 The structure of the BDR Steering Committee will be as follows:

Barnsley Representative

The Service Director, Environment & Transport or in their absence the Head of Commercial and Support Services, Environment and Transport

Doncaster Representative

The Assistant Director Environment or in their absence Head of Waste and Highways Infrastructure

Rotherham Representative

Assistant Director Community Safety and Street Scene or in their absence Street Scene Manager

**3. Key Issues**

- 3.1 Delegation of decisions in the manner requested facilitates the smooth running of the Joint Waste Board. Without such delegations in place, given that this is a project involving three local authorities, there would be a serious risk that proper and prompt decision-making would prove to be very difficult, with a consequent adverse effect on the efficient operation of the project.

**4. Options considered and recommended proposal**

- 4.1 The delegations are a contractual requirement of the Inter Authority Agreement so no further options were considered

**5. Consultation**

- 5.1 BDR Portfolio Holders for Waste, BDR Steering Committee, BDR Waste Service Managers

**6. Timetable and Accountability for Implementing this Decision**

- 6.1 The delegations and rotation of Chair are a contractual requirement of the Inter Authority Agreement and should take place at the AGM in June each year.

**7. Financial and Procurement Implications**

- 7.1 No financial implications associated with this.

**8. Legal Implications**

- 8.1 The delegations and rotation of Chair are a contractual requirement of the Inter Authority Agreement and should take place at the AGM in June each year.

**9. Human Resources Implications**

9.1 None.

**10. Implications for Children and Young People and Vulnerable Adults**

10.1 None

**11 Equalities and Human Rights Implications**

11.1 None

**12. Implications for Partners and Other Directorates**

12.1 None

**13. Risks and Mitigation**

13.1 Delegation of decisions in the manner requested facilitates the smooth running of the Joint Waste Board. Without such delegations in place, given that this is a project involving three local authorities, there would be a serious risk that proper and prompt decision-making would prove to be very difficult, with a consequent adverse effect on the efficient operation of the project.

**14. Accountable Officer(s)**

Karen Hanson, Assistant Director, Community Safety and Street Scene

Adrian Gabriel, Waste Manager

Lisbeth Baxter, BDR Manager

Approvals Obtained from:-

Interim Strategic Director of Resources and Transformation:- Stuart Booth

Assistant Director of Legal Services:- Dermot Pearson

Head of Procurement (if appropriate):- Not applicable

This report is published on the Council's website or can be found at:-

<http://moderngov.rotherham.gov.uk/ieDocHome.aspx?Categories=>

Public Report

**Barnsley, Doncaster and Rotherham Waste Partnership Joint Waste Board Meeting – 1 July 2016**

---

**Barnsley, Doncaster and Rotherham Waste Partnership Joint Waste Board Meeting Council Report**

**Waste Compositional Analysis Report**

**Is this a Key Decision and has it been included on the Forward Plan?**

No it is not a key decision.

**Strategic Director Approving Submission of the Report**

Damien Wilson, Strategic Director, Regeneration & Environment

**Report Author(s)**

*Lisbeth Baxter, BDR Manager, Regeneration & Environment – Waste PFI*

**WASTE COMPOSITIONAL ANALYSIS REPORT**

A Waste Compositional Analysis (WCA) looks at the type of waste that is left in the residual black bin. It is used to analyse what residents are throwing away and helps the waste management teams plan how to manage this material. The 3 Councils receive an income from some of the recyclates and this helps to offset the costs of the service.

In 2009/10 a waste compositional analysis was conducted across Barnsley Doncaster and Rotherham Council's, the data from which was used to feed into technical models used in the planning and development of the BDR Waste Treatment Facility. The waste composition can affect the performance of the facility; for example the more recycling that is available in the waste the more material there is available for the Mechanical Biological Treatment process to remove and present to the market for recycling.

Changes the authorities make to their collection service can affect the composition therefore the performance of the facility. The WCA can also be used in planning waste education programs, for example if there was a large amount of glass in the residual waste stream a campaign could be implemented targeting glass waste

WCA have been completed in 2009/10, 2014/15 and 2015/16, WCA are normally conducted twice in per year to take into account changes in seasonality. The 2015/16 data below is anecdotal data only as we are still awaiting the results for part two of the analysis.



Figure 1

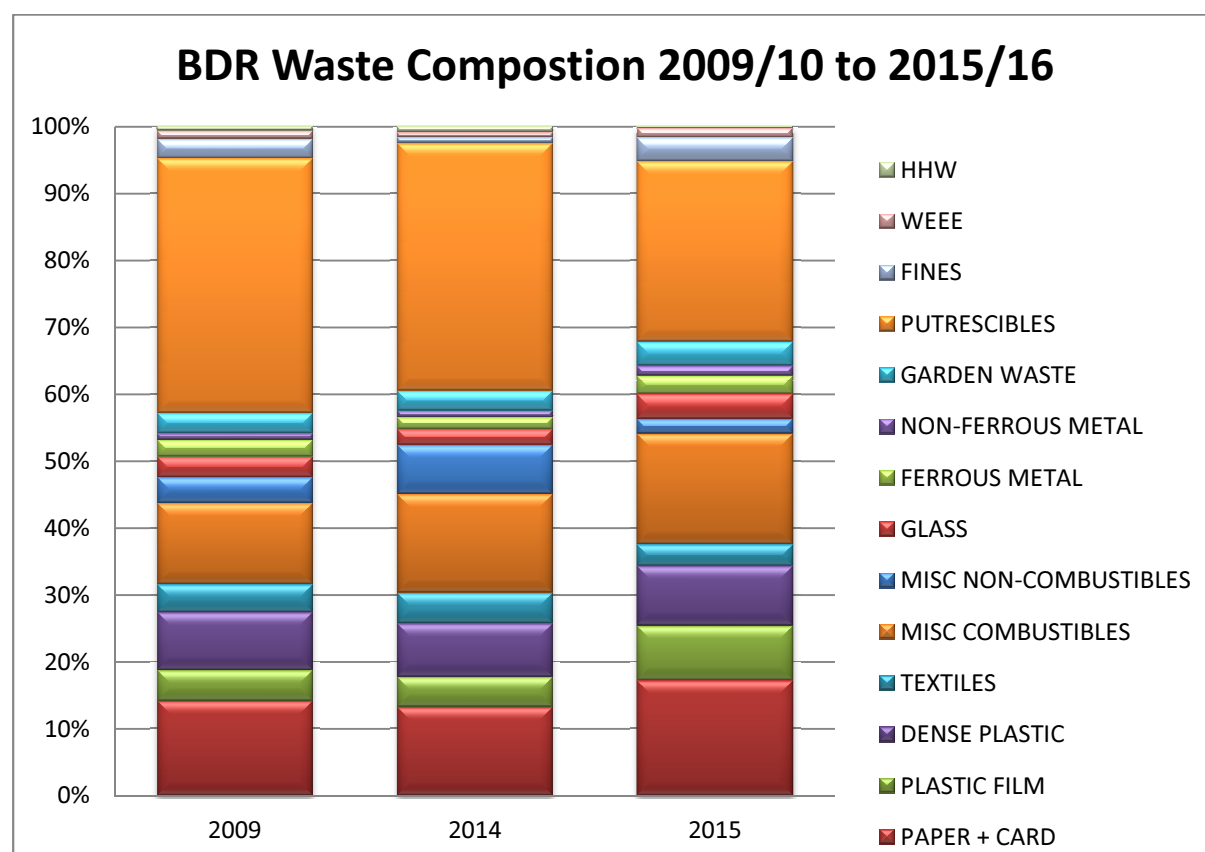


Table 1

% PRIMARY WASTE CATEGORIES	2009/10	2014/15	2015/16
PAPER + CARD	14.12%	13.25%	17.20%
PLASTIC FILM	4.59%	4.47%	8.16%
DENSE PLASTIC	8.66%	7.99%	8.95%
TEXTILES	4.20%	4.59%	3.24%
MISC COMBUSTIBLES	12.13%	14.75%	16.52%
MISC NON-COMBUSTIBLES	3.87%	7.37%	2.20%
GLASS	3.07%	2.35%	3.73%
FERROUS METAL	2.50%	1.76%	2.74%
NON-FERROUS METAL	0.97%	1.01%	1.47%
GARDEN WASTE	3.04%	2.96%	3.62%
PUTRESCIBLES	38.05%	36.96%	26.94%
FINES	2.88%	0.86%	3.54%
WEEE	1.24%	0.76%	1.39%
HHW	0.68%	0.92%	0.30%
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Figure 1 and Table 1 show the average waste composition for the three authorities in 2009/10, 2014/15 and anecdotally 2015/16 (after phase one of the survey).

It can be seen that there is still a high percentage of paper and card being put into the black bins that could potentially be collected and generate an income.

It is also evident that food waste is reducing, the remainder is treated by the MBT and the dried material (fines) is processed in the Anaerobic Digestion plant producing gas and compost like output.

Figures 2,3 and 4 below the changes in composition between 2009/10 and 2014/15 by authority.

**Figure 2**

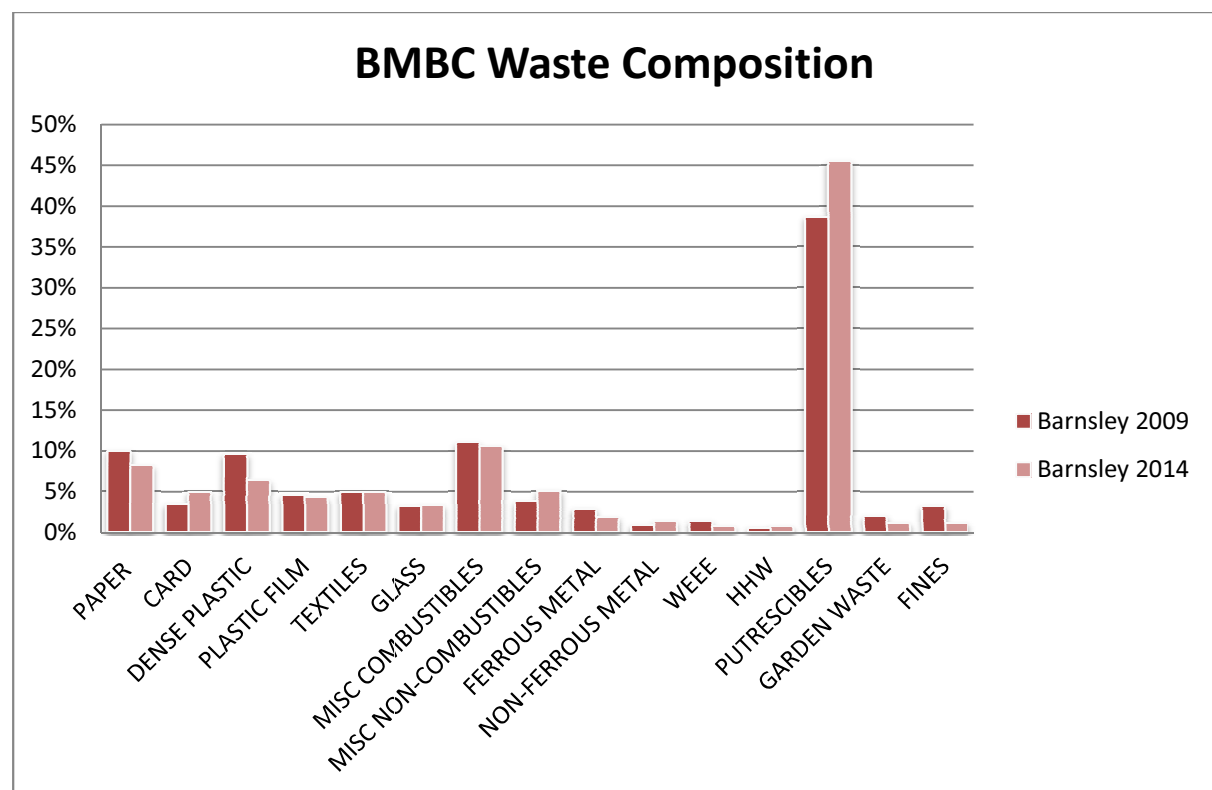


Figure 3

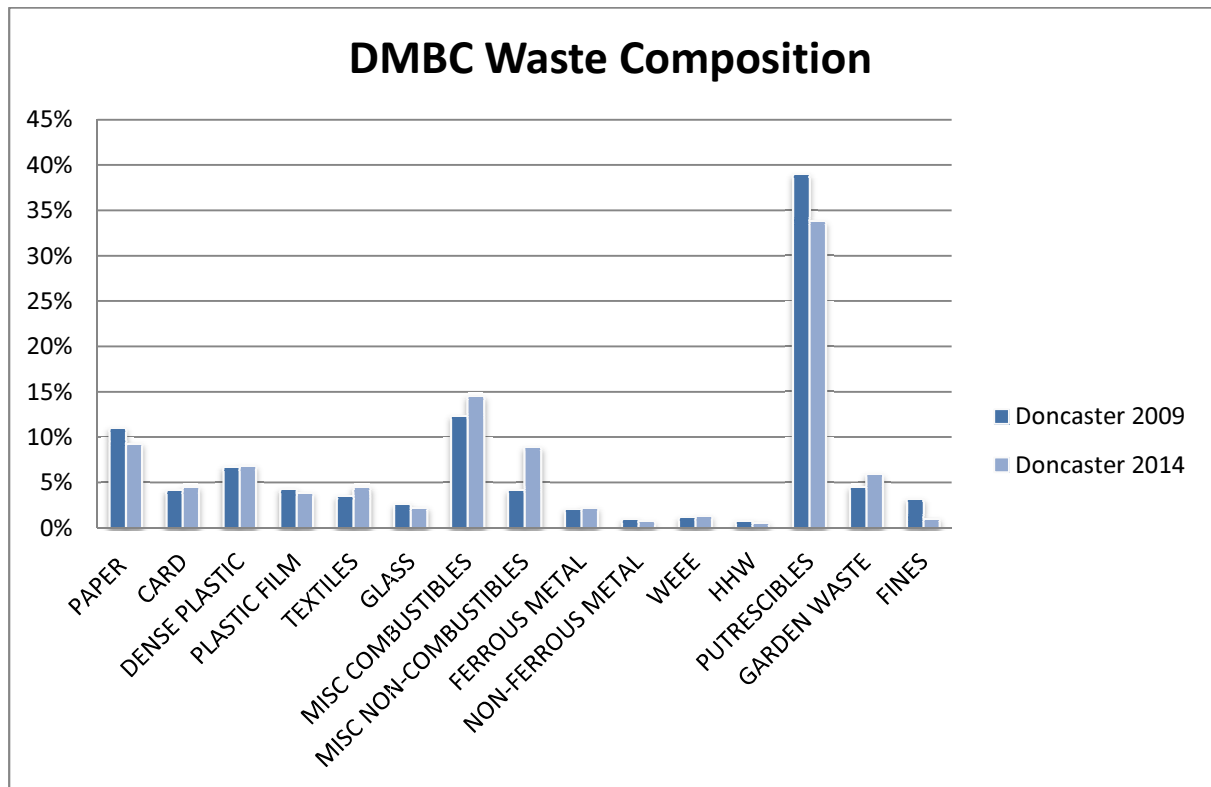


Figure 4

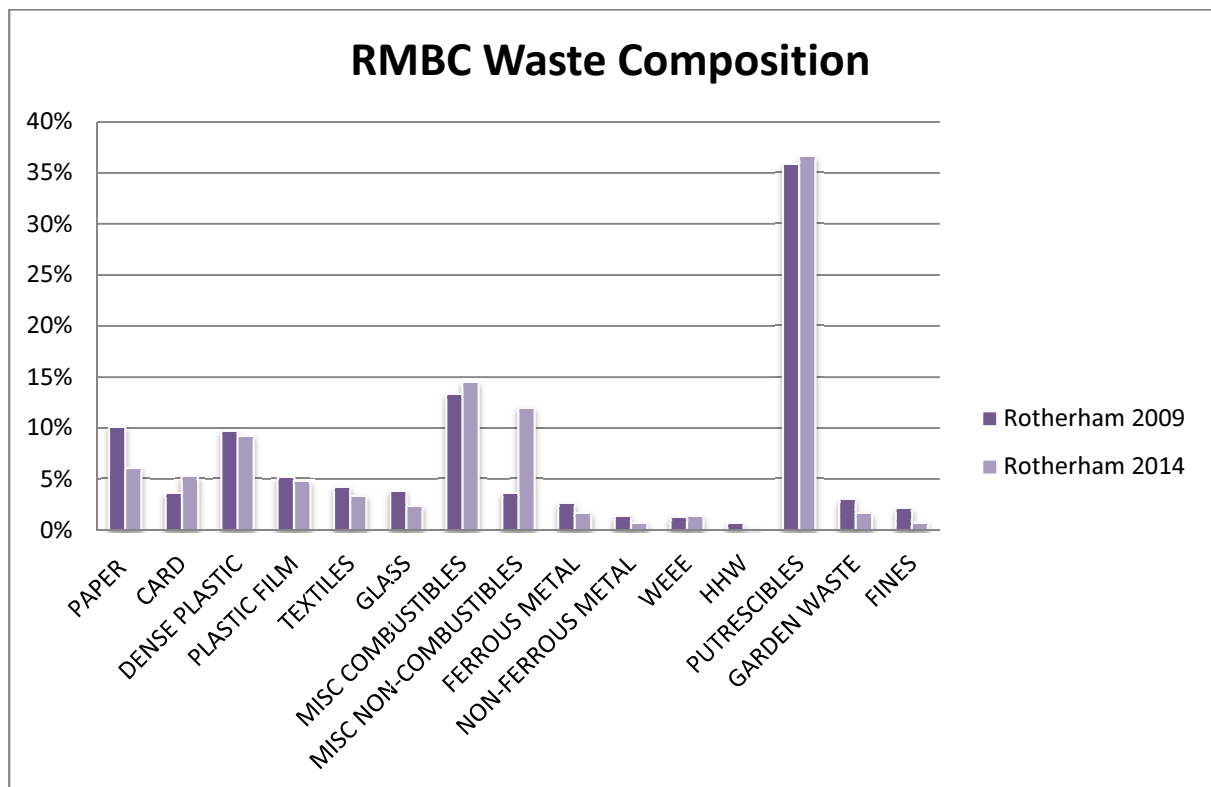
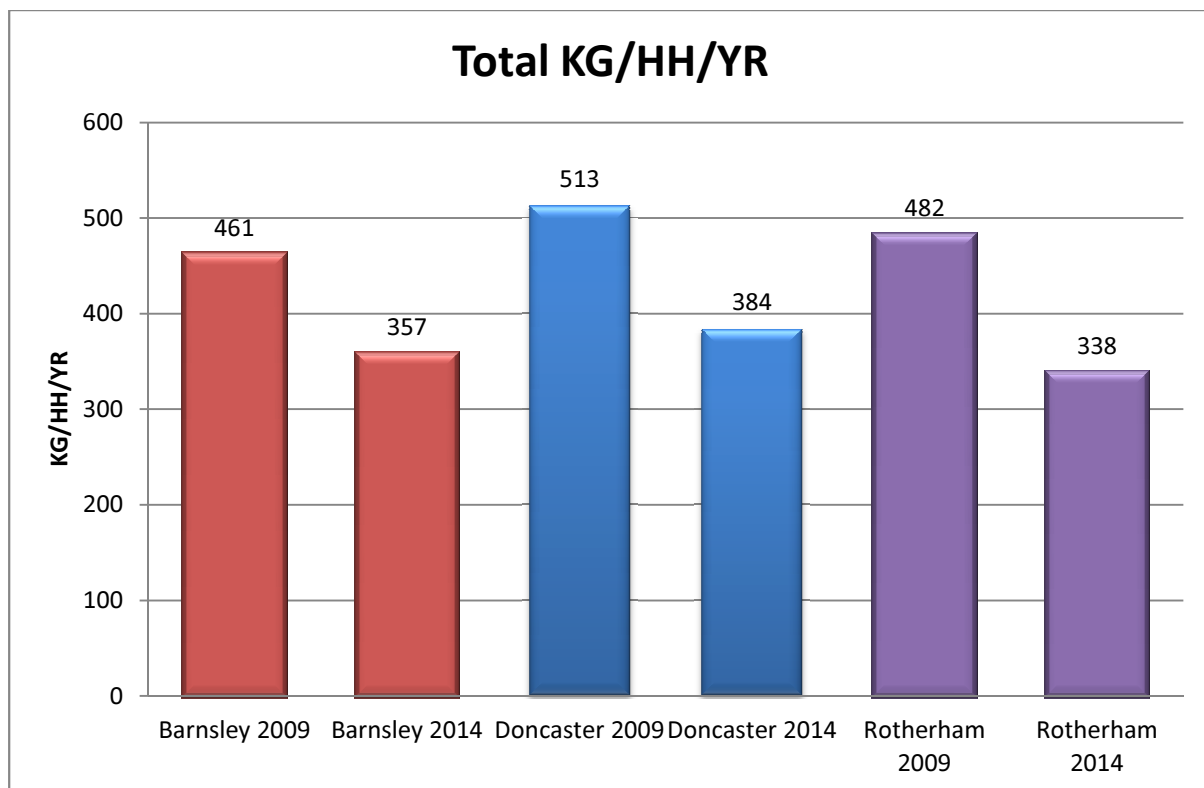


Figure 5 illustrates the change in KG per Household per year based on the compositional analysis.

**Figure 5**



**Table 2 Percentage waste reduction**

Barnsley	23%
Doncaster	25%
Rotherham	30%

Figure 6

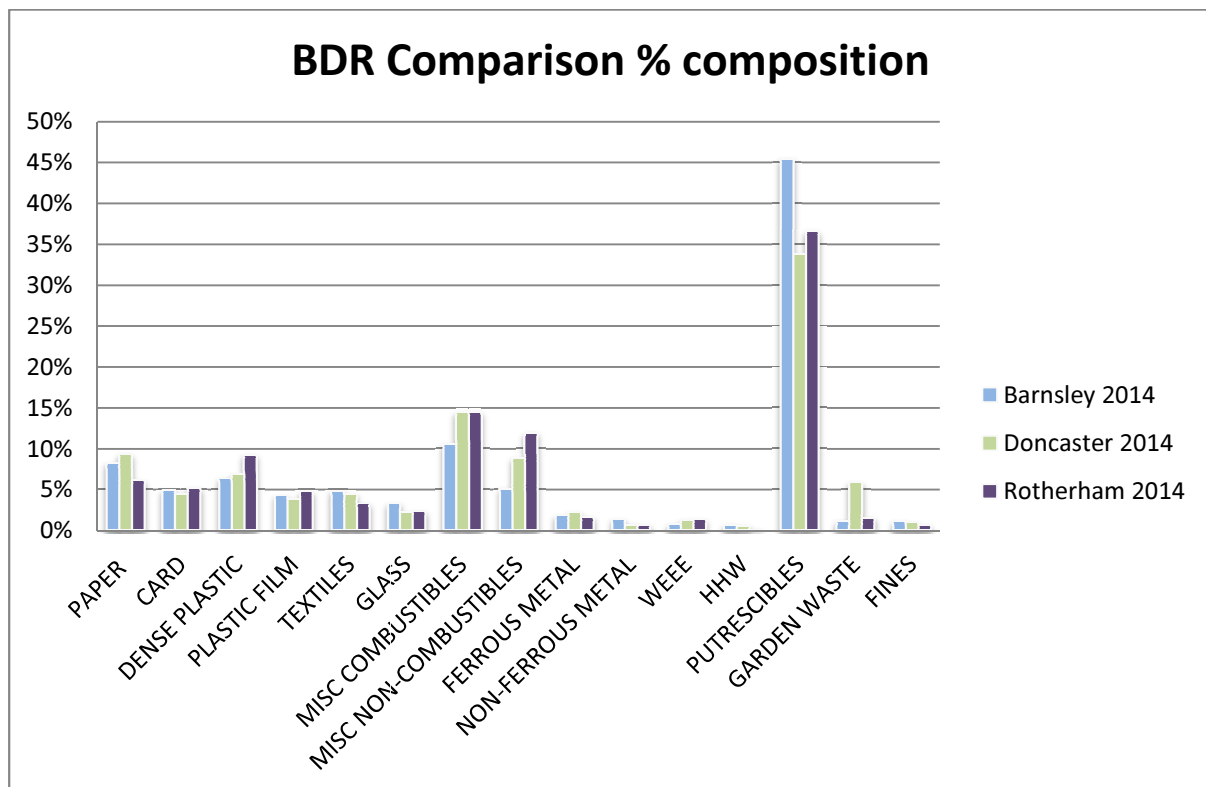


Figure 7

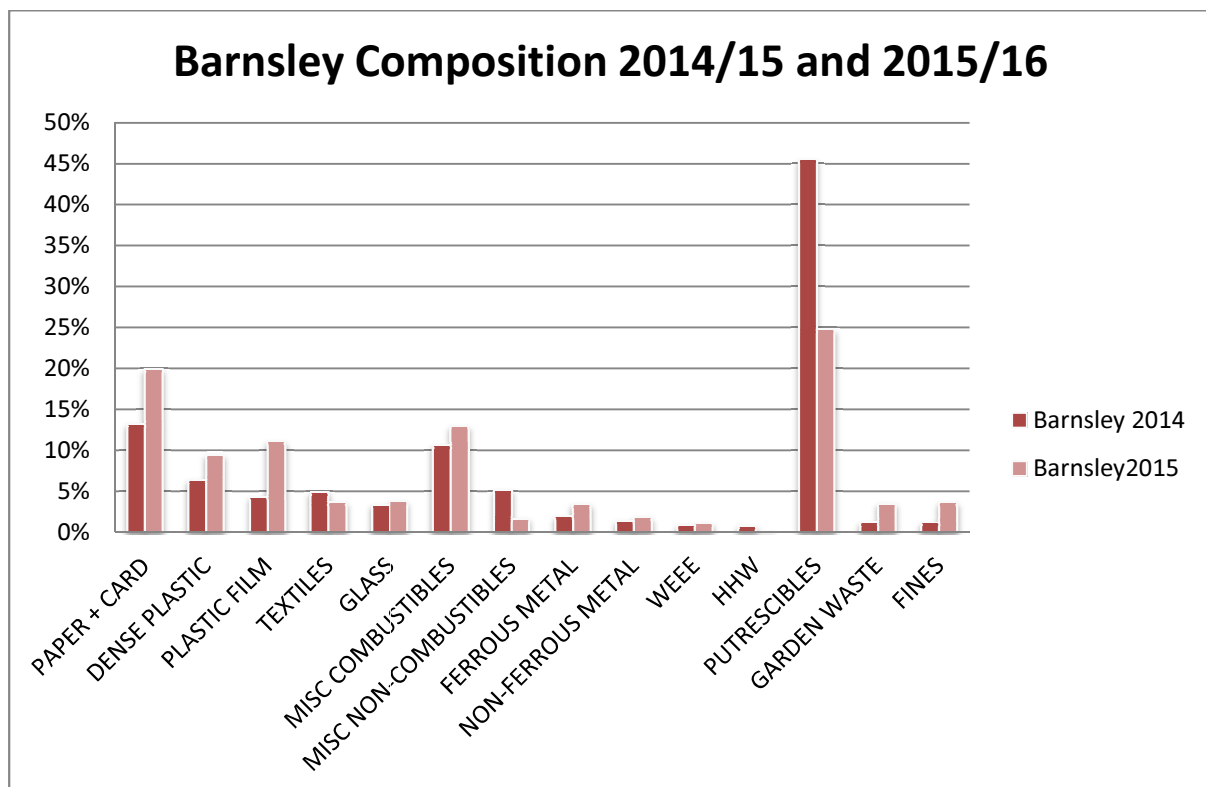


Figure 8

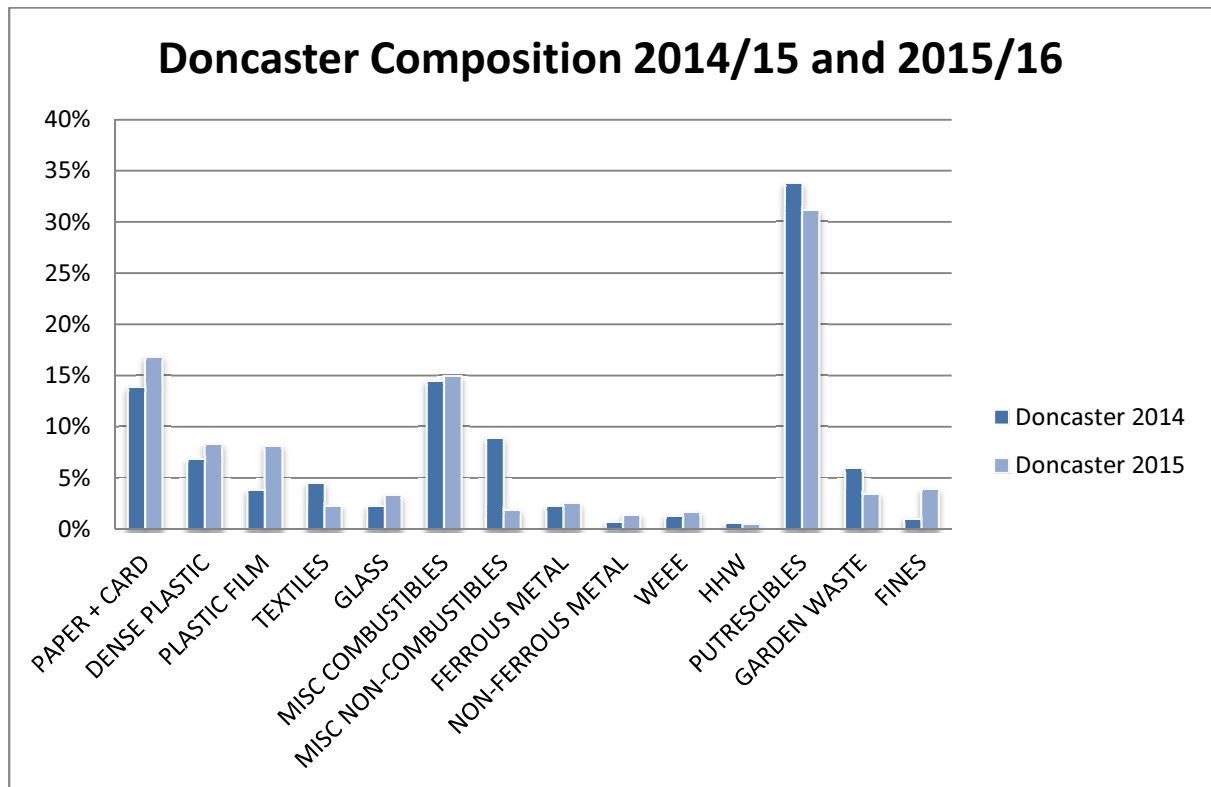
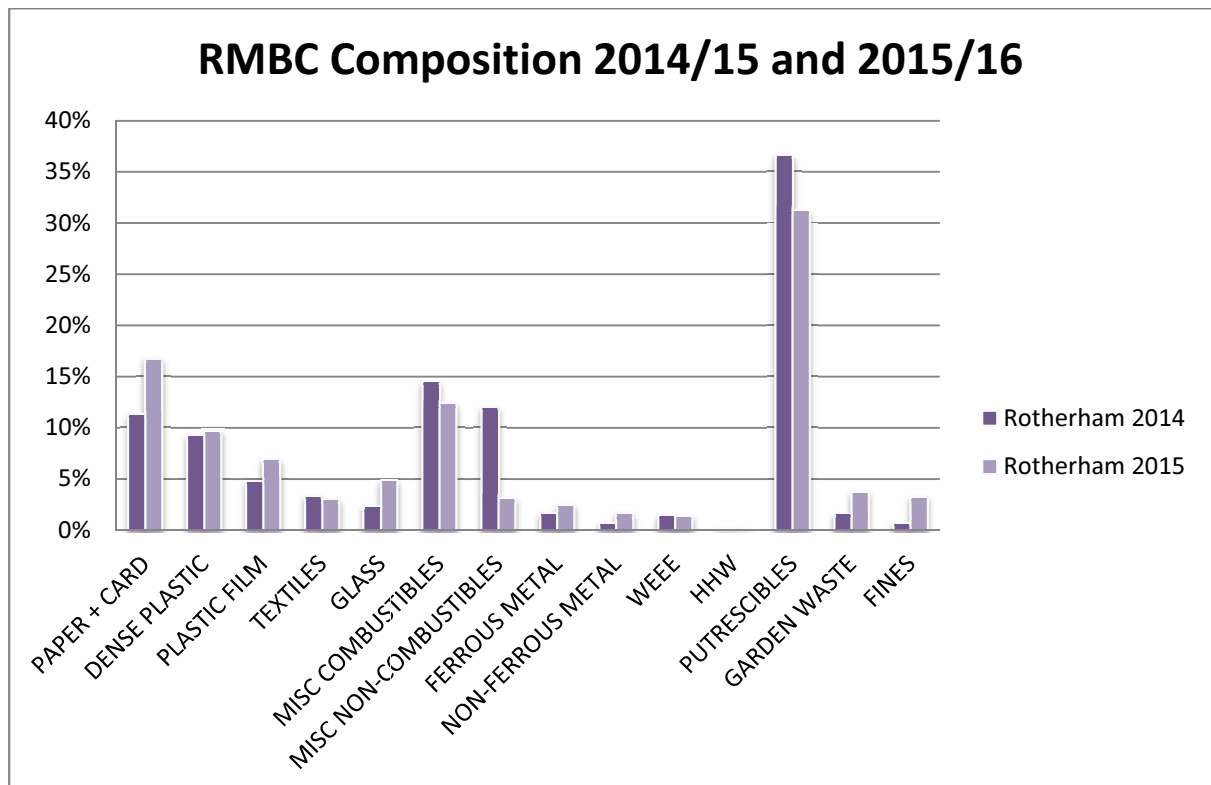


Figure 9



**BDR WASTE PFI**  
**BDR MANAGER ANNUAL UPDATE REPORT**

**APRIL 2015 – MARCH 2016**

## **1.0 Governance**

### **1.1 Inter-Authority Agreement (IAA)**

The legal agreement that dictates how the BDR Councils will work together, the Inter Authority Agreement, has been reviewed to ensure it is fit for purpose for the operational phase of the Contract.

### **1.2 Joint Waste Board**

The Annual General Meeting of the BDR Joint Waste Board will take place on 1<sup>st</sup> July 2016, at this meeting Councillor Roy Miller from Barnsley will take over as Chair.

Councillor Kath Sims presided over the Joint Waste Board until summer 2016 when she retired from Office. The BDR Team would like to thank her for her work during 2015/16. Councillor Emma Hoddinott is now the RMBC Portfolio Holder for Waste, Roads and Community Safety.

Commissioner Ney has oversight of the RMBC waste services portfolio.

### **1.3 Steering Committee**

Karen Hanson Assistant Director Community Safety and Street Scene, Regeneration and Environment RMBC will take over as Chair of the BDR Steering Committee in June 2016.

### **1.4 Internal Audit**

The internal audit of the BDR contract management systems was completed in January 2016. The audit enquiries were focussed on the following areas:

- Have risks to the Council been identified and managed in the Environment and Development Services (EDS) Risk Register
- Ensure that the BDR Client Team has robust arrangements in place for checking the payments to 3SE
- Are the outputs from the transfer station accurately recorded to satisfy the Council's reporting obligation to central government (via WasteDataFlow)
- Are there adequate arrangements in place for the effective performance monitoring of the contractor against the contract terms and conditions.
- Is BDR recharging Barnsley and Doncaster as per the agreed contract terms (IAA)

The audit findings were that the overall control environment is adequate and there are no fundamental concerns, which would warrant consideration for inclusion in the

Annual Governance Statement. However, implementation of their recommendations should enhance the control environment and provide an increased level of assurance to management, for full details see appendix 1 and 2

### 1.5 External Audit

A letter from BDO has been received confirming that the external audit of the Operational Management Budget is not necessary for 2016-17, see appendix 3.

## 2.0 Contract Delivery

### 2.1 Bolton Road

In June 2015, the BDR Partnership received the first payment of the Waste Infrastructure Credits. These are now be paid on a quarterly basis.

Having passed the acceptance tests the BDR PFI Facility achieved full service delivery on the 3 July 2015.

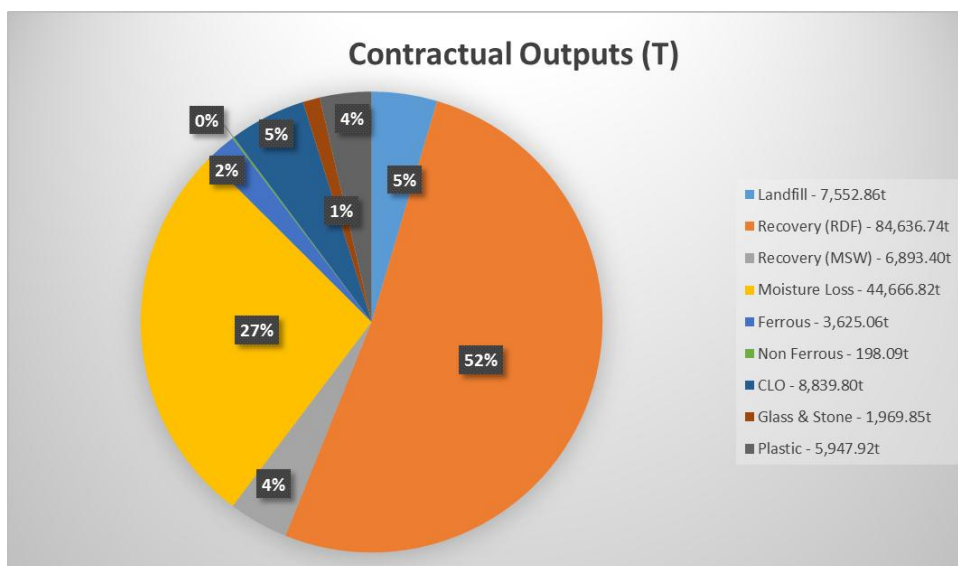
The Capital Contribution was paid on 6 July 2015 following the issue of the acceptance test certificate.

**Table 2.1.1 Performance - Tonnage**

Authority	Contract Waste Tonnage	Percentage Breakdown
<b>Barnsley</b>	<b>48,123.91</b>	<b>29.46%</b>
<b>Doncaster</b>	<b>63,276.37</b>	<b>38.74%</b>
<b>Rotherham</b>	<b>51,927.03</b>	<b>31.79%</b>
<b>TOTAL</b>	<b>163,327.31</b>	<b>100.00%</b>

Table 2.1.1 shows the tonnage of contract waste delivered to the facility from full service commencement 3<sup>rd</sup> July 2016. These tonnages are very close to the Guaranteed Minimum Tonnage used in the planning of the facility, which was a 30% BMBC 40% DMBC and 30% RMBC.

**Table 2.1.2 Contractual Outputs**





**Table 2.1.3 Contract Targets**

	Recycling %	Diversion %	Contract Waste Processed %
Contract Target	19%	95%	100%
Barnsley	12.96%	90.57%	87.67%
Doncaster	14.64%	96.90%	99.04%
Rotherham	13.83%	97.98%	93.58%
Contract Performance	13.89%	95.38%	93.68%

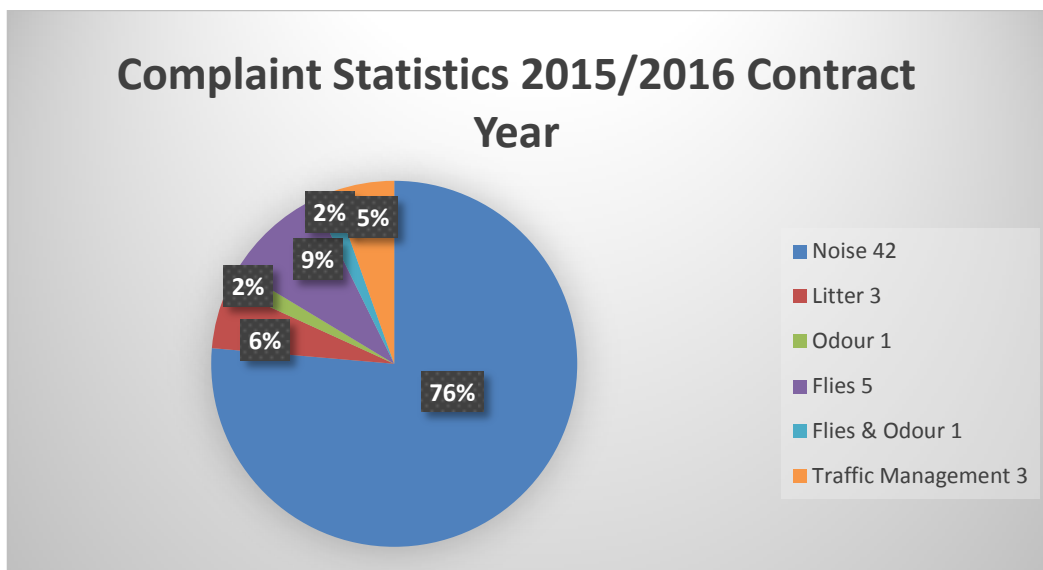
During the first year of full service there have been some processing issues in the refinement section of the plant. As a result some waste was diverted from the facility to contingency points to allow for improvements to be made to the refinement section of the MBT

To improve the quantity and quality of the recyclates collected, Shanks have an improvement program in place to ensure the refinement section of the MBT is achieving its optimum performance. The areas for improvement have been agreed and the work is expected to be completed by the end of 2016.

### **2.3 Complaints**

A total of 55 complaints have been received. The majority of these have been in relation to noise coming from the facility. Noise surveys have undertaken and two sources of noise were detected, the de-dusting stack and the bio filters.

A muffler for the de-dusting stack and acoustic fencing around the bio-filters were installed in mid-August 2015. In excess of £100,000 has been spent by Shanks in 2014/15 to mitigate the issue. However, there is still a tonal quality to the noise that is impacting on residents in the Bolton on Dearne area. The Contractor is in discussion with the Environment Agency to determine what other measures can be implemented.

**Table 2.3.1 Complaint Statistics**

## 2.4 Ferrybridge

BDR pre-treated refuse derived fuel is sent to Ferrybridge Multifuel 1 (FM1), a 50:50 joint venture project between SSE and Wheelabrator Technologies Inc. FM1 takes waste derived fuels from various sources of municipal solid waste. FM1 is capable of contributing around 70MW of electricity to the National Grid, enough to power around 160,000 homes.

The new power station is located on SSE owned land next to Ferrybridge 'C' Power Station. The final milestone in the commissioning works was reached on 31 July 2015 when Hitachi Zosen Inova (HZI) completed a series of operability tests

## 2.5 Grange Lane

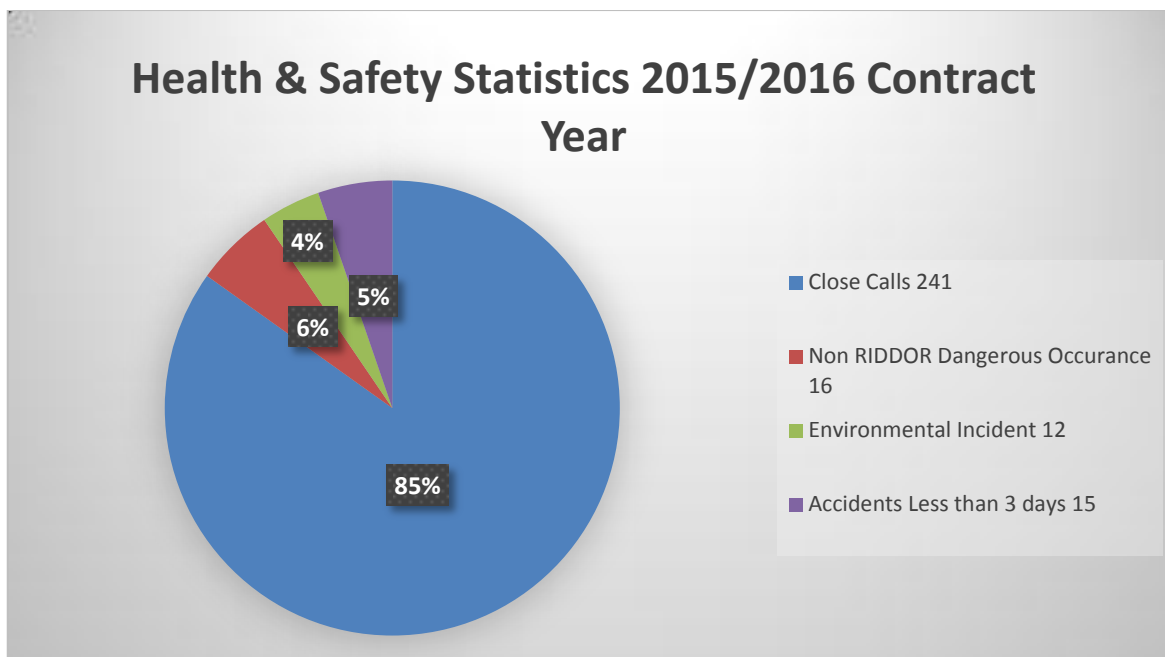
The transfer of the Environmental Permit, leases and staff at Grange Lane from FCC to Shanks took place on the 1 July 2015. 4 staff were transferred over to Shanks & a new Supervisor placed.

## 2.6 Health and Safety

Shanks use the SHE assure incident reporting database which records all incidents, actions taken and reviews. Shanks are promoting a "Home Safe" branding to create a health and safety culture.

For example all staff are issued with a health and safety passport and asked to record and incidents or close calls in these passports. A close call is anything observed by a member of staff that has the potential to cause an accident. The theory behind this practice is that the more close calls that are recorded and addressed the less the risk of an accident occurring.

Shanks, Bolton Road Road Waste Treatment facility have been successful in obtaining both ISO 9001 & ISO 14001 registrations.

**Table 2.6.1 Health & Safety Statistics 2015-16**

### 3.0 Legal

The lease area of the access bridge is currently being amended to account for two areas of land that should be included.

### 4.0 Financial

The Operational Management costs for 2015/16 were within budget.

It is proposed to keep the Operational Management budget for 2016/17 at the same level as in 2015/16. This will include costs for the Service Review, any discussions around insurance and for technical advice on plant operation.

The total Unitary Charge from the 3<sup>rd</sup> of July 2015 to the 31<sup>st</sup> March 2016 was:  
**£15,936,499.09**

From July 2015 to 31<sup>st</sup> March 2016 the BDR waste partnership received Waste Infrastructure Credits from DEFA for the value of: **£ 4,471,512.00**

### 5.0 Communications

The Waste Infrastructure Development Program (WIDP) quarterly meeting in June 2015 was held at the BDR Visitors centre and involved a site tour. This meeting is for WIDP Transactors, PFI Contract Directors and Managers to share knowledge and experiences.

A Chartered Institute of Waste Management (CIWM) North East Centre Council meeting was held at the BDR Visitors centre in November 2015.

The BDR PFI Facility was officially opened on the 13<sup>th</sup> November 2015, by the Lord Lieutenant Andrew Coombe.

### 6.0 Resources

The post of Contract Compliance Officer was filled in May 2015.

A number of Officers associated with the BDR PFI facility have retired or moved on to new posts over the past few months namely Karl Battersby, David Burton and Adrian Gabriel. The BDR team would like to thank them for their contribution to the BDR Project.

### 7.0 Other

A Compositional Analysis was completed to determine the composition of the waste in the black bins of the BDR area. The results will be used to formulate the educational awareness activities of the Community Education and Liaison Officer.

The BDR PFI has been shortlisted for two National Recycling Awards:-

- Best Energy from Waste Initiative
- Best Private-Public Sector Partnership.

The “It’s a Rubbish Adventure” has also been nominated for the Communications Award for the Private Sector.

The letter to DEFRA regarding recycling had been signed by Leaders across the Councils and sent out. DEFRA have now provided a response to this, please see appendix 4.

### 8.0 Glossary of Terms

Term	Definition
<b>3SE</b>	The name for the partnership between Shanks Group plc and Scottish & Southern Energy plc.
<b>A2A (formerly Ecodeco)</b>	Italian company who research, design, construct, and manage plant and equipment for the disposal of waste.
<b>Anaerobic Digestion (AD)</b>	A series of biological processes in which micro-organisms break down biodegradable material in the absence of oxygen. One of the end products is biogas, which is combusted to generate electricity and heat.
<b>BDO</b>	BDO is a national, leading accountancy and business advisory firm focused on

	providing services to businesses within the UK and worldwide.
<b>Chartered Institute of Waste Management CIWM)</b>	The leading waste management organisation in the UK.
<b>Compositional Analysis</b>	Waste Composition Analysis is a study that provides essential information about the weight and type of each component waste material that is in any given waste stream. It firstly involves obtaining representative samples of these waste streams, then manually hand sorting into various pre-defined sort categories using the correct methodology, which are then weighed in each individual fractions in align with Waste Data Flow (WDF) municipal reporting each waste stream has it's own European Waste Code (EWC).
<b>Department for Environment, Food and Rural Affairs (DEFRA)</b>	The UK government department responsible for policy and regulations on environmental, food and rural issues.
<b>Environment Agency (EA)</b>	An executive non-departmental public Body responsible to the Secretary of State for Environment, Food and Rural Affairs for issues affecting the environment.
<b>FCC Environment</b>	One of the UK's leading waste and resource management companies.
<b>Ferrybridge Multifuel 1 (FM1)</b>	Multifuel Energy Ltd. (MEL) operates a new £300 million multifuel plant on land owned by SSE at Ferrybridge 'C' Power Station near Knottingley in West Yorkshire. This project is called Ferrybridge Multifuel 1 (FM1)
<b>Hitachi Zosen Inova (HZI)</b>	are a global leader in energy from waste (EfW), acting as an engineering, procurement and construction (EPC) contractor delivering complete turnkey plants
<b>Inter Authority Agreement (IAA2)</b>	The legal agreement between the three authorities that sets out how the

	contract will be governed.
<b>Joint Waste Board (JWB)</b>	The Statutory Committee comprising Portfolio Holders and Senior Officers with responsibility for waste.
<b>Mechanical Biological Treatment (MBT)</b>	A type of waste processing facility that combines a sorting facility with a form of biological treatment such as composting or anaerobic digestion. MBT plants are designed to process mixed household waste as well as commercial and industrial wastes.
<b>Private Finance Initiative (PFI)</b>	Mechanism for creating "public-private partnerships" (PPPs) by funding public infrastructure projects with private capital.
<b>Solid Recovered Fuel (SRF)</b>	A fuel produced by shredding and dehydrating solid waste (MSW) with a waste converter technology.
<b>SSE plc (formerly Scottish and Southern Energy plc)</b>	A British energy company headquartered in Perth, Scotland.
<b>Shanks Waste Management (SWM)</b>	The UK arm of Shanks Group plc, a leading international sustainable waste management business.
<b>Waste Infrastructure Credits</b>	Awarded by DEFRA to incentivise local authorities to develop infrastructure to treat waste as an alternate to landfill.
<b>Waste Infrastructure Delivery Programme (WIDP)</b>	The delivery unit in England to make available programme management resources to Defra.
<b>Waste Transfer Station (WTS)</b>	Facilities where municipal solid waste is unloaded from collection vehicles and briefly held while it is reloaded onto larger long-distance transport vehicles for shipment to landfills or other treatment or disposal facilities.

**Contact Name:-** Lisbeth Baxter, BDR Manager, Tel. Ext 55989  
e.mail: Lisbeth.Baxter@rotherham.gov.uk

## Waste Treatment Facility – Action Plan

<b>Priority</b>	<b>***</b>	<b>Fundamental</b>	<b>(Action considered necessary to avoid exposure to high risk)</b>
	<b>**</b>	<b>Significant</b>	<b>(Action considered necessary to avoid exposure to a significant risk)</b>
	<b>*</b>	<b>Merits Attention</b>	<b>(Action desirable to enhance control or value for money)</b>

<b>Rec.</b>	<b>Recommendations.</b>	<b>Priority.</b>	<b>Responsibility.</b>	<b>Agreed.</b>	<b>Comments.</b>	<b>Date.</b>
1	The mitigating actions detailed in the Council Risk Register need to be progressed to full completion. There should be a reasonable timescale stated for each action and progress against this should be highlighted at the Joint Waste Board meetings. Any areas where there is no progress being made should be highlighted to the Board for their information and their consideration of whether to prioritise / allocate additional resource to aid completion.	*	BDR Manager BDR Administrator	Yes	The BDR Team have been notified that JCAD will no longer be used for the Risk Register.  Currently populating the new system per corporate instruction  Risk Register is considered as part of Steering Committee and Joint Waste Board meetings  Confirmation received that JCAD obsolete	5.2.16
2	The Client Team need to ensure that the current risks on the Council's Jcad system are transferred to the equivalent of Jcad (spreadsheet format) within the service and the progress against these is regularly monitored.	*	BDR Administrator	Yes	Completed - Risk register to be subject to a Steering Committee workshop in June	24.3.2016
3	The error highlighted in the calculation of the monthly Transfer Loading Station Facility Payment to 3SE should be corrected for payments already made to the contractor and in the calculation of future payments for	*	BDR Compliance Officer	Yes	This has been highlighted to contractor and rebate has been applied	10.1.16

## Waste Treatment Facility – Action Plan

Rec.	Recommendations.	Priority.	Responsibility.	Agreed.	Comments.	Date.
	waste management services to the contractor.					
4	A base tonnage reconciliation exercise should be performed at the end of the third quarter and quarterly thereafter. Any revision to the base tonnage figure should be applied to payments to the contractor as per the contract payment mechanism.	*	BDR Manager BDR Compliance Officer	Yes	<p>Base tonnage reconciliations have already been completed. Forecasts are monitored against actuals each month with quarterly adjustments made when required.</p> <p>One adjustment has been made in October and a further in February.</p> <p>An annual reconciliation will be made, however the aim is for the forecast adjustments to be as close to the actuals reducing the year end reconciliation.</p> <p>2016/17 forecasts have been provided.</p>	<p>31.10.15</p> <p>And 2/2/16</p> <p>Year end reconciliation – 1.5.16</p> <p>3/4/2016</p>
5	The Client Team should ensure that resources are in place to address the year-end cost/profit or pain/gain process as specified in the contract. The process should be documented in order to produce a formal work instruction to identify each step of the process along with the roles and responsibilities of staff.	*	BDR Manager	Yes	<p>Financial advisor has been appointed to assist with the refinance and savings and will assist in the year end resolutions.</p> <p>Work instructions are currently being progressed but will not be finalised until post year end reconciliation to ensure that any unforeseen items can be documented</p>	<p>5.2.16</p> <p>1.5.16</p>



## Waste Treatment Facility – Action Plan

Rec.	Recommendations.	Priority.	Responsibility.	Agreed.	Comments.	Date.
6	In order to gain assurance that the Council's municipal waste data reporting to government is accurate, the Client Team should have in place a routine monthly monitoring process where weighbridge weights of 100% of the outputs from the transfer station are verified to the weight records of the respective off takers. Any verification discrepancies should be investigated, the findings recorded and the results reported to the Joint Waste Board.	**	BDR Compliance Officer	Yes	BDR Compliance Officer is checking 100% of the tickets retrospectively. Ticket information provided by the contractor is being checked against the invoices provided by the third party off takers.  Significant discrepancies will be recorded and available for joint waste board. N.B there will be variance between one weighbridge and another.  This is now being completed on a monthly basis,	24.3.16          On-going
7	The BDR Client Team should instruct the contractor (Shanks) to ensure that output data from the off-takers is filed and available for inspection without delay.	*	BDR Compliance Officer	Yes	BDR Compliance Officer has instructed the financial controller to ensure the output data is available and in a format that is easily accessible. This data is also cross referenced with the invoices prior to RFL inspection.	1.2.16
8	The BDR Manager should review the performance monitoring arrangements undertaken by the Client Team to ensure that the routine monitoring of all operational performance standards that have been classified as 'highly likelihood of impact on service or reputation' are included.	**	BDR Manager	Yes	Performance monitoring framework has been RAG rated.  Performance monitoring inspection sheet has been created to inspect all aspects of the performance framework	11.1.16
9	The performance monitoring programme should be structured to ensure that each	**	BDR Compliance Officer	Yes	PFI contracts are self-monitoring Frequency is detailed in schedule	Complete

## Waste Treatment Facility – Action Plan

Rec.	Recommendations.	Priority.	Responsibility.	Agreed.	Comments.	Date.
	performance standard is allocated a frequency and intensity for inspection – monthly, quarterly or annually.				<p>5 Table 3 of the Performance Framework</p> <p>Inspection sheet to look at the performance framework is completed monthly.</p> <p>Where there are areas of concerns more frequent monitoring will occur.</p> <p>Contractor is aware of the monitoring but does not know the date or time monitoring to ensure no additional preparation can be conducted.</p> <p>Team are also based at site 2-3 times a week and will pick up on any issues as they arise.</p>	11.2.1 6
10	The BDR Client Team should ensure that the right people receive the right information at the right time. To assist in this process the BDR Client Team should create a master document to detail the data/information flow throughout the waste transfer process along with the data/information requirements of staff.	**	BDR Compliance Officer	Yes	<p>Process flowchart already available has names and posts of who requires what. Dates to be included in this diagram.</p> <p>A further meeting with relevant officers planned for March to ensure that for the next financial year the data provided is correct and in a usable format.</p>	<p>11.2.1 6</p> <p>31.3.1 6</p>

## **Assurance Objectives, Overall Conclusions, Key Findings and Recommendations**

### 1. Assurance Objective

**Have risks to the Council been identified and managed in the EDS Risk Register?**

#### Overall Conclusion

**The major risks to the Council have been identified in the Council Risk Register; however, for a number of risks there appears to be a lack of progress being made towards full implementation of the actions that need to be taken to mitigate these.**

#### Key Findings

A total of 13 risks with 105 control measures are recorded on the EDS Risk Register. It is noted that a number of the control measures refer to the construction and commissioning of the plant. At the time of the audit the implementation of the control measures were:

- 32 = implemented (100% complete)
- 35 = in progress (various levels of completion)
- 7 = proposed (various levels of completion)
- 31 = withdrawn (100% complete (older risks))

Progress against the risks is monitored by the Client Team and reported at each meeting of the Joint Waste Board, however from a sample of control measures examined, it was evident that little progress had been made with control measure WPFIT0001/004 – Dispute Resolution (30% complete) and WPFIT0011/005 – Contract Manuals (25% complete).

#### **Recommendation 1**

The mitigating actions detailed in the Council Risk Register need to be progressed to full completion. There should be a reasonable timescale stated for each action and progress against this should be highlighted at the Joint Waste Board meetings. Any areas where there is no progress being made should be highlighted to the Board for their information and their consideration of whether to prioritise / allocate additional resource to aid completion.

#### **Recommendation 2**

The Client Team need to ensure that the current risks on the Council's Jcad system are transferred to the equivalent of Jcad (spreadsheet format) within the service and the progress against these is regularly monitored.

## 1.2 Assurance Objective

**Ensure that the BDR Client Team has robust arrangements in place for checking the payments to 3SE.**

### Overall Conclusion

**The BDR Client Team has adequate arrangements in place for the checking of payments to 3SE. Payments to 3SE appear to be broadly accurate and calculated as per the terms and conditions of the contract. One minor error was noted in the application of the contract terms, this has been highlighted to the Client Team.**

### Key Findings

Payments to 3SE for waste management services provided for the months of June, July and August 2015 were examined. All elements of the monthly net fee payable were confirmed to have been calculated and apportioned as per the payment mechanism detailed in the contract.

Testing revealed that the July payment calculation had used an incorrect figure for the calculation of the Transfer Loading Station Facility Payment – the contract states that the indexed figure used in this calculation should change to a different indexed figure in the year which service commencement occurs. This error has been pointed out to the BDR Contract Compliance Officer and is to be corrected for payments already made and payments going forward.

### **Recommendation 3**

The error highlighted in the calculation of the monthly Transfer Loading Station Facility Payment to 3SE should be corrected for payments already made to the contractor and in the calculation of future payments for waste management services to the contractor.

The base tonnage monthly payment to the contractor is based on tonnage forecasts supplied by the contractor at the commencement of the contract. These are monitored on a monthly basis against the actual throughputs at the plant. The contract agreement states that a reconciliation exercise should be performed at the end of each quarter and an adjustment made to the base tonnage forecasted figure where appropriate. It is noted that this reconciliation exercise has not been performed. The BDR manager has indicated that a reconciliation will be performed at the end of the third quarter.

### **Recommendation 4**

A base tonnage reconciliation exercise should be performed at the end of the third quarter and quarterly thereafter. Any revision to the base tonnage figure should be applied to payments to the contractor as per the contract payment mechanism.

With reference to the residual waste outputs from the plant, it is noted that the arrangements for applying the output data to the terms of the contract at the year-end have yet to be finalised (there is also a diversion and recycling target that is derived

from the waste ins and outs and an income share that is worked out at the end of the year from a basket of income once the base case income has been exceeded). The BDR Manager has indicated that the Client Team is looking at options of how to deal with any additional income / expenditure data at the year-end and the consequences to BDR as per the terms of the contract. It is understood that a preferred solution of buying in 'expert' assistance is being considered by the team.

**Recommendation 5**

The Client Team should ensure that resources are in place to address the year-end cost/profit or pain/gain process as specified in the contract. The process should be documented in order to produce a formal work instruction to identify each step of the process along with the roles and responsibilities of staff.

**1.3 Assurance Objective**

**Are the outputs from the transfer station adequately recorded and monitored?**

**Overall Conclusion**

**The outputs from the transfer station are recorded in sufficient detail to enable the Council to meet its obligations to provide accurate data to central government and to monitor the performance of the contractor, including the making of financial penalties in the event of underperformance. The Client Team is in the process of introducing a monthly output monitoring system to gain assurance that the municipal waste data provided by the contractor is accurate. Checks conducted on the output data for September 2015 has provided some assurance that the output weighbridge data provided by the contractor can be relied on.**

**Key Finding**

The site operator has a detailed recording arrangement in place to provide the information required to fulfil the Council's reporting obligations to government. A process of monitoring outputs from the transfer station has recently been introduced by the Client Team. The result from this initial exercise has revealed some discrepancies between the weights of the outputs recorded at the plant's weighbridge and the weights recorded by the recipients of the outputs from the plant, however this is most likely due to either moisture loss in transit or a difference between the weighbridges at both sites, or a combination of the two; the differences were minor and not a concern, however they have been identified by the Client Team for further investigation. The outputs from the site for September 2015 were checked against tonnage received data from the off-takers; this check has provided assurance that the output weighbridge data provided by the contractor is accurate. It was noted that due to poor information management on the part of the contractor, off-taker data was not available for inspection and reconciliation for the month of October 2015.

**Recommendation 6**

In order to gain assurance that the Council's municipal waste data reporting to government is accurate, the Client Team should have in place a routine monthly monitoring process where weighbridge weights of 100% of the outputs from the

transfer station are verified to the weight records of the respective off takers. Any verification discrepancies should be investigated, the findings recorded and the results reported to the Joint Waste Board.

**Recommendation 7**

The BDR Client Team should instruct the contractor (Shanks) to ensure that output data from the off-takers is filed and available for inspection without delay.

1.4 Assurance Objective**Are there adequate performance monitoring arrangements in place?**Overall Conclusion

**Sufficient performance monitoring arrangements are in place to enable the Council to fulfil its statutory reporting requirements to government through WasteDataFlow.**

**In addition the Client Team has introduced a series of performance monitoring arrangements in order to monitor the performance of the site operator against the performance standards stated in the contract.**

Key Findings

Certain performance standards, for example 'turnaround times', are embedded into the site operator's data recording and reporting mechanism and routinely monitored by the Client Team and any performance deductions applied to the monthly payments to the site operator; however other standards require a system of routine inspection to be undertaken by the Client Team. The Client Team has recently introduced a routine performance monitoring programme to assess performance of the site operator on a monthly basis. The programme is based on the performance standards as stated in the contract. The BDR Manager has risk assessed the indicators in order to identify those relevant to the operational aspect of the facility, and allocate each a red amber or green rating based on their potential risk to the organisation (financial, service, operational, safety, reputational). From an examination of the performance monitoring undertaken to date, it is not clear whether the examination frequency and intensity of the individual performance indicators has been based on structured methodology.

**Recommendation 8**

The BDR Manager should review the performance monitoring arrangements undertaken by the Client Team to ensure that the routine monitoring of all operational performance standards that have been classified as 'highly likelihood of impact on service or reputation' are included.

**Recommendation 9**

The performance monitoring programme should be structured to ensure that each performance standard is allocated a frequency and intensity for inspection – monthly, quarterly or annually.

**1.5 Assurance Objective**

**Is BDR recharging Barnsley and Doncaster as per the agreed contract terms (IIA)?**

**Overall Conclusion**

**With reference to payments made to 3SE that relate to waste treatment charges for the months of June, July and August 2015, Barnsley and Doncaster appear to have been recharged appropriately for the correct amounts and in a timely manner. There were no findings or recommendations arising from our audit of this area.**

**1.6 Assurance Objective**

**Are there adequate reporting arrangements in place?**

**Overall Conclusion**

**Reporting arrangements for the site operator and the BDR Client Team are considered to be adequate. At the commencement of the audit the Council's Waste Management Team raised a concern with the availability of timely information for reporting to WasteDataFlow. It is understood that the Waste Management Team have been working with the Client Team and this is no longer a concern.**

**Key Finding**

There is no process documentation to record who routinely produces what data/information, when, why and for whom.

**Recommendation 10**

The BDR Client Team should ensure that the right people receive the right information at the right time. To assist in this process the BDR Client Team should create a master document to detail the data/information flow throughout the waste transfer process along with the data/information requirements of staff.



Tel: +44 (0)23 8088 1737  
 Fax: +44 (0)23 8088 1701  
 www.bdo.co.uk

Arcadia House  
 Maritime Walk  
 Ocean Village  
 Southampton  
 SO14 3TL

## Private and Confidential

Mrs L Baxter  
 Barnsley, Doncaster and Rotherham Joint Waste Board  
 Environment and Development Services  
 Rotherham Metropolitan Borough Council  
 Riverside House, Floor 2, Wing B, Main Street  
 ROTHERHAM  
 South Yorkshire  
 S60 1AE

Date: 14 March 2016  
 Our ref: 2016/C3/BARN46  
 Ext: 023 8088 + ext (1911)  
 E-mail: councilaudits@bdo.co.uk

Dear Mrs Baxter

### Limited Assurance Review for year ending 31 March 2016 and 31 March 2017

The statutory requirement for joint committees to have an annual review of the annual return, ceased with the passing of the Local Audit and Accountability Act 2014. Instead of the joint committee requiring an audit it was envisaged that the transactions of the joint committee would be reflected in the host authority's accounts.

A number of joint committees have approached us and would like to continue with an annual review. We have therefore decided to explore this and we can provide a service which would be similar to what you have experienced in previous years.

- We would be offering an annual review based on agreed upon procedures.
- We would provide you with a form similar to the annual return that you are used to and request supporting documentation to enable us to complete the work.
- We would provide you with a report at the end.
- The service would operate under the same basic fee scales\* as the Limited Assurance Regime, except for the joint committees that were previously charged a £nil fee, and these would be charged £100 plus VAT.

\*The fee scales would apply providing all information was provided. If we are missing information, there would be a small fee for any additional work undertaken, similar to the Limited Assurance Regime.

If you would like to continue to have a review of your accounts then we will need confirmation from your host authority that they are in agreement with this. Please note the transactions of the joint committee must also be incorporated into the host authority's accounts. If you would like further information, please contact Louise Caplen on 023 8088 1911 or email councilaudits@bdo.co.uk.

Yours sincerely

For and on behalf of BDO LLP







# BARNSELEY

Metropolitan Borough Council

**Councillor Sir Stephen Houghton C.B.E.,  
Leader of the Council**

**Leader's Office,  
PO Box 634, Barnsley S70 9GG  
Telephone Barnsley (01226) 773450  
Email [cllrstephenhoughton@barnsley.gov.uk](mailto:cllrstephenhoughton@barnsley.gov.uk)**

21 March 2016

Rt Hon Elizabeth Truss MP  
Minister for Environment  
House of Commons  
London  
SW1A 0AA

Dear Rt Hon Elizabeth Truss MP

## **Recycling in Barnsley, Doncaster and Rotherham**

The Barnsley, Doncaster and Rotherham Waste Partnership (the BDR Partnership) are proud of the excellent improvement in their recycling rates, achieved with the support of their residents over the last 12 years.

From the inception of the BDR Waste Treatment Project, our aim has been to implement the principles of the waste hierarchy, whilst reducing the overall costs of waste management for our residents and achieving maximum diversion from landfill.

In July last year, working with our PFI partner 3SE, we successfully delivered a new waste treatment plant. This was both on time and to budget. The new facility is providing partners with the latest waste treatment technology that will ensure that this area of the country will meet the national 2030 landfill municipal waste target of 10% some 14 years early.

As part of this contract, DEFRA have provided £75m PFI credits to the scheme on the condition that key performance criteria are achieved, notably attaining an overall 50% recycling rate across the partnership.

This Partnership, along with many others across the country, commissioned this new treatment facility deploying the latest technology to ensure that the waste hierarchy is strategically incorporated within its standard operation. As a consequence of this two areas in particular serve to improve recycling levels, but do not comply with the current method of measuring recycling levels in England.

To the Partnership, this is both disappointing from a public relations perspective and means that it does not reflect a consistent approach to measurement of recycling with Europe. We therefore ask you to strongly reconsider the component elements used within the recycling percentage indicator.

The Partnership feels these small changes would enable the Partnership to potentially unlock further savings opportunities across the three authorities.

The Partnership would like DEFRA to consider including the following as recycling:-

- Incinerator Bottom Ash residues that are used in applications such as aggregate replacement for sub base road construction, bulk fill, concrete block manufacture or concrete grouting. This could add approximately 4% to the BDR Partnership recycling rate.
- To include as an 'input tonnage' leachate and fines derived from the waste refinement and drying processes that is subsequently used to produce the compost like output from the anaerobic digestion plant. This could add approximately 2% to the BDR Partnership recycling rate.

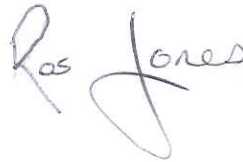
These proposed amendments could see an estimated increase in the plants overall recycling rate by circa 6% and significantly go beyond meeting the conditional 50% criteria for PFI Credits. Thus providing the BDR partnership sufficient capacity to model and implement further service changes that would assist in achieving the fiscal challenges. For example, introducing a charge for green waste could realise significant savings, but could be detrimental to the overall recycling rate. With these changes the Partnership would safely have the capacity within the recycling rate so as not to breach the key performance criteria of the PFI credits.

We request that the above is given due consideration and would like to understand if the Partnership are obliged to inform DEFRA about any such operational changes to the regime of collection services, or indeed any other aspect of recycling services such as materials collected at HWRCs or kerbside?

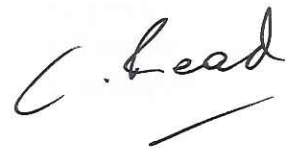
Yours sincerely



Councillor Sir Stephen Houghton CBE  
Leader Barnsley MBC



Ros Jones  
Mayor Doncaster MBC



Cllr Chris Read  
Leader Rotherham MBC



**Department  
for Environment  
Food & Rural Affairs**

Nobel House  
17 Smith Square  
London SW1P 3JR

T 03459 335577  
helpline@defra.gsi.gov.uk  
www.gov.uk/defra

Cllr Sir Stephen Houghton CBE  
Leader Barnsley MBC  
Leader's Office  
PO Box 634  
Barnsley  
S70 9GG

Our ref: PO401464/GW

26 April 2016

**From Rory Stewart OBE MP**

Parliamentary Under Secretary of State for Environment and Rural Affairs

*Dear Sir Stephen,*

Thank you for your letter of 21 March on behalf of the Barnsley, Doncaster and Rotherham Waste Partnership (the BDR Partnership) about recycling and the way the UK recycling rate is currently measured.

I am pleased to see the importance the BDR Partnership places on the issue of waste management and ways to achieving high recycling rates through the maximum diversion from landfill and implementation of the waste hierarchy. Disposal of waste in landfill should generally be the waste management option of last resort and we should first always seek to prevent waste and then to reuse or recycle wherever possible.

We remain committed to meeting the 50 per cent recycling target for household waste by 2020. The significant progress we have made to achieving this reflects a great deal of hard work by local authorities such as yourselves and a desire by residents to recycle more. We are working with the Waste and Resources Action Programme to see what more can be done and what further measures may be needed to achieve this.

I can assure you that we continue to keep under consideration the way in which we estimate our recycling rate and to make sure that we accurately capture the full range of materials included. I understand the concerns you raise on how the recycling rate is calculated in the UK and in particular how certain materials, such as Incinerator Bottom Ash have been historically excluded from this.

You may be aware that the European Commission is currently developing proposals for the new Circular Economy package, which will include the way in which Member States approach the calculation of their recycling rates. We want to be sure that the approach we take in the UK is consistent with the EU legislative framework. Equally, we want to ensure our recycling rate accurately reflects the range of materials that can be considered as having been recycled and that, where sensible, there is consistency across the UK and with other Member States. We would of course engage fully with local authorities and industry around any proposals to make significant change to the UK's position.

*Rory Stewart*  
**RORY STEWART**

Public Report

Barnsley, Doncaster and Rotherham Waste Partnership Joint Waste  
Board Meeting – 1 July 2016

---

**Barnsley, Doncaster and Rotherham Waste Partnership Joint Waste Board  
Meeting Council Report**

**Risk Register Update**

Risk management is about managing threats and opportunities. Managing the Partnerships contractual risks effectively allows for the successful delivery of the contract objectives.

At the inception of the BDR PFI Project a Risk Register was developed. This has been maintained during the various stages of the project.

In order to decide which risks are most important and merit most attention risks are scored along two dimensions:

- The **likelihood** (or probability) that the risk will occur
- The **impact** (or severity) that the risk will have if it occurs

These two figures are multiplied together and this is to identify the major risks. Once identified measures are put in place to minimise or mitigate these risks and the process is repeated the aim is to bring the level of risk down.

The Risk Register follows RMBC Corporate requirements for scoring as in appendix 1 and is scrutinised by Steering Committee on a monthly basis.

The key risks to the delivery of contract during the operational phase can be found in appendix 2.

**Priority Risks**

In recent months a number of the identified risks have occurred despite the mitigations that are in place.

Table 1

Risk	Issue	Further Action
Environmental Impact to Local Area from Noise/Odour/Flies/Vermin etc (Compliance)	An Environment Agency noise survey identified a tonal noise that is likely to be the cause of residents concern.	A plan has been agreed with the EA to resolve the issue through additional acoustic mitigation.
Environmental Impact to Local Area from Noise/Odour/Flies/Vermin etc (Compliance)	A number of fly complaints have been received from properties close to the facility.	Fly suppressant applications have been increased in the facility. Additional fly baits are in place. The properties have been visited and fly papers have been removed for analysis.



Risk	Issue	Further Action
Changes in Government Law/Regulations (Legislative Change)	Changes to legislation could result in costs or savings. Exiting the EU may result in more legislative change in the future.	Mitigations can only be put in place once the type of legislative change is known.
Obtaining required terms for Insurance is difficult or impossible due to market conditions - Insurance costs increase	The insurance costs for the facility are higher than those that were anticipated at close.	Insurance advisor has been appointed to review the insurance report. The Partnership has a different view of where the risk lies to the Contractor. The Partnerships view is supported by DEFRA.
Failure of plant equipment results in withdrawal of credits (Review of WICS)	The plant is not currently achieving the targeted recycling rate but it is performing above the minimum recycling rate of the contract.	The Contractor is undertaking some improvements to the plant to increase recycling. DEFRA are continually updated to ensure no risk to credits.
Changes to Collection services to support budget savings that impact on the PFI Contract - waste volumes change	Changes to collection services could result in an increase or decrease in waste and potentially affect the composition.	Indemnities exist in the Inter-Authority Agreement to protect the Authorities. A change mechanism exists in the PFI Contract to protect the Contractor. All Partner Council reports to include implications to the PFI Contract when considering changes to service
Closure of facility or inability to provide the service due to a force majeure event (major incident at ITSAD Facility)	There could be a catastrophic failure or the Environment Agency could take action to close the facility.	The Contractor would have to provide contingency delivery points for the Partnership Councils. A mechanism exists within the Contract to deal with Force Majeure events. Mitigations would be developed further depending on the event.

It should be noted that applies to the PFI Contract. At the last Steering Committee it was proposed to widen the scope of the Risk Register. A further paper on this will be presented to the next Joint Waste Board meeting.

	IMPACT	SCORE	BENCHMARK EFFECTS
CRITERIA	CRITICAL/ CATASTROPHIC	5	<ul style="list-style-type: none"> <li>Multiple deaths of employees or those in the Council's care</li> <li>Inability to function effectively, Council-wide</li> <li>Will lead to resignation of Chief Operating Officer and/or City Mayor</li> <li>Corporate Manslaughter charges</li> <li>Service delivery has to be taken over by Central Government</li> <li>Front page news story in National Press</li> <li>Financial loss over £10m</li> </ul>
	MAJOR	4	<ul style="list-style-type: none"> <li>Suspicious death in Council's care</li> <li>Major disruption to Council's critical services for more than 48hrs (e.g. major ICT failure)</li> <li>Noticeable impact in achieving strategic objectives</li> <li>Will lead to resignation of Strategic Director and/ or Executive Member</li> <li>Adverse coverage in National Press/Front page news locally</li> <li>Financial loss £5m - £10m</li> </ul>
	MODERATE	3	<ul style="list-style-type: none"> <li>Serious Injury to employees or those in the Council's care</li> <li>Disruption to one critical Council Service for more than 48hrs</li> <li>Will lead to resignation of Divisional Director/ Project Director</li> <li>Adverse coverage in local press</li> <li>Financial loss £1m - £5m</li> </ul>
	MINOR	2	<ul style="list-style-type: none"> <li>Minor Injury to employees or those in the Council's care</li> <li>Manageable disruption to internal services</li> <li>Disciplinary action against employee</li> <li>Financial loss £100k to £1m</li> </ul>
	INSIGNIFICANT/ NEGLIGIBLE	1	<ul style="list-style-type: none"> <li>Day-to-day operational problems</li> <li>Financial loss less than £100k</li> </ul>

LIKELIHOOD	SCORE	EXPECTED FREQUENCY
ALMOST CERTAIN	5	Reasonable to expect that the event WILL undoubtedly happen/recur, possibly frequently and is probable in the current year.
PROBABLE/LIKELY	4	Event is <b>MORE THAN LIKELY</b> to occur. Will probably happen/recur, but it is not a persisting issue. Will possibly happen in the current year and be likely in the longer term.
POSSIBLE	3	<b>LITTLE LIKELIHOOD</b> of event occurring. Not likely in the current year, but reasonably likely in the medium/long term.
UNLIKELY	2	Event <b>NOT EXPECTED</b> . Do not expect it to happen/recur. Extremely unlikely to happen in the current year, but possible in the longer term.
VERY UNLIKELY/RARE	1	<b>EXCEPTIONAL</b> event. This will probably never happen/recur. A barely feasible event.

LEVEL OF RISK	OVERALL RATING	HOW THE RISK SHOULD BE TACKLED/ MANAGED
High Risk	15-25	IMMEDIATE MANAGEMENT ACTION
Medium Risk	9-12	Plan for CHANGE
Low Risk	1-8	Continue to MANAGE

LIKELIHOOD (A)	Almost Certain 5	5	10	15	20	25
	Probable/Likely 4	4	8	12	16	20
	Possible 3	3	6	9	12	15
	Unlikely 2	2	4	6	8	10
	Very unlikely/ Rare 1	1	2	3	4	5
		Insignificant/ Negligible 1	Minor 2	Moderate 3	Major 4	Critical/ Catastrophic 5
	IMPACT (B)					

10	Environmental Impact to Local Area from Noise/Odour/Flies/Vermin etc ( <b>Compliance</b> )	Reputational damage and adverse publicity from pollution emanating from State of the Art Facility. Potential for Local/National interest	Contractual controls and performance measures. Monitoring the contract. Pro-active engagement with the local community . Sharing data Regular monitoring outside the perimeter of the plant	4	5	20	Further plant investment in Acoustic measures. Increased fly spraying during the fly season. Communicate to householders to wrap waste.	3
9	Changes in Government Law/Regulations including the UK exiting the European Union ( <b>Legislative Change</b> )	Potential financial implications to cover the cost of required service change	Procedure incorporated in the Contract Conditions. Impact and actions to be jointly agreed with the Contractor to mitigate costs as far as possible. Application of the Change in Law Clauses within the contract	3	4	12	Consider the need for the Change in Law retention fund.	3
7	Obtaining required terms for Insurance is difficult or impossible due to market conditions - <b>Insurance costs increase</b>	There is a lack of Markets for Insuring waste plants	Robust fire strategy, latest technology for fire suppression . Fire plan signed off by insurers BDR Technical advisors and Independent Certifier. Regular fire drills. Contractor liaison and education of insurance markets	2	5	10	Consider reviewing the insurance requirements regarding the business interruption.	2
11	Failure of plant equipment results in withdrawal of credits ( <b>Review of WCS</b> )	Reputational damage and adverse publicity emanating from poor performance of state of the art facility. Potential for Local/National interest. Budget impact	Regular contract meetings/Monitoring and review procedures/Contingency facilities in place/Performance deduction , Step in provisions exist. It is likely that the Funders would step in an appoint another Contractor if performance is poor. Alternately the Councils could step in until the Contract could be retendered	5	3	15	Ensure monitoring staff are sufficiently skilled to manage this situation. Liaison with other PFI Contract Managers, knowledge transfer close liaison with DEFRA	5



8	Changes to Collection services to support budget savings that impact on the PFI Contract - <b>waste volumes change</b>	Potential to impact on the performance of the plant. Potential to impact on the Third Party Revenue Share due to the Councils. Implications on PFI Credits. Implications on Inter Authority Agreement.	Inter Authority Agreement measures. Significant collection change clause in the PFI Contract. Current WIDP/DEFRA position in terms of Credit Allocation position requires BDR to abide by the terms and conditions in the Promissary letter and the Final Business Case.	3	4	12	Dialogue with WIDP/DEFRA and between BDR Councils. Test potential impacts to the contract/Councils against the IAA2. Lobby Government on recycling definitions.	3
13	Closure of facility or inability to provide the service due to a force majeure event (major incident at ITSAD Facility)	Service disruption. Temporary full or partial closure of facilities.	Contractual conditions provide a shared responsibility to agree measures to mitigate the effects and facilitate the continuation of the service. There are contingencies within the contract to divert waste to other waste facilities	4	3	12	Undertake a Communications campaign. Use contingency sites/ other Contracts where possible e.g. Veolia Landfill. Use emergency procurement if absolutely necessary.	3
1	There is a risk that the contractor will not comply with the terms and conditions and the performance will be less than the Councils are paying for.	Service disruption. Temporary full or partial closure of facilities.	Regular contract meetings/Monitoring and review procedures/Emergency plan/Contingency facilities in place/Performance deduction , Step in provisions exist. It is likely that the Funders would step in and appoint another Contractor if performance is poor. Alternately the Councils could step in until the Contract could be retendered	2	4	8	Ensure succession planning is adequate. Invest in training for the current team Project Management and COTC.	2

2	Contractor default needing emergency action and/or leading to contract termination.	Service disruption. Temporary full or partial closure of facilities.	A series of performance bond and Parent Company Guarantees exist to provide and/or pay for interm/alternative arrangements to be made. Funders would work with BDR to bring in a new contractor to deliver the service. Contingency arrangements may be implemented in the short term. Robust contract monitoring procedures	4	2	8	Ensure monitoring staff are sufficiently skilled to manage this situation. Liaison with other PFI Contract Managers, knowledge transfer	3
6	Serious injury/death of a member of staff or public through service operation <b>(MAJOR INCIDENT AT ITS/AD)</b>	Personal tragedy. Health and Safety Executive intervention. Possible service disruption. Possible corporate liability offence	Contractor has completed and regularly reviews full Risk Assessments. Staff training, H&S Inspections, Contract Monitoring and performance deductions for non compliance. External Audit has been undertaken by Consultants and RMBC Health and Safety Team Regular monitoring of the Contractual requirements in relation to Health and Safety Consistent application of the Payment Mechanism	3	3	9	Regular visits by Health and Safety officers	3
4	Fraud	Contractor could attempt to charge for more than they are entitled to/Client team could collude with Contractor	Process for checking Tickets from each Council is in place. Financial and Legal Officers form part of team. Information shared across all 3 Councils Direct debit mandate is in place for Barnsley and Doncaster to pay Rotherham. All deductions are accounted for in line with the IAA3. Guaranteed minimum tonnage requirement for the Councils. Regular reports to Steering Group/Joint Waste Board. Systems in place to pay the Contractor Internal and External Audits undertaken	3	2	6	Make an agenda item at meetings	2
5	Ensure the balance of risk between Contractor and BDR is maintained.	Councils could take more risk than anticipated	Change protocol in place, consideration needs to be given to level of risk as changes are negotiated.	3	2	6	Councils may consider taking on more risk as long (as this is properly assessed) to deliver savings. Currently being investigated as part of the Operational Savings review	2
12	Lack of resources due to restructures, and staff resignations failure to have a knowledge management plan <b>(Business Continuity - BDR)</b>	Failure to monitor the contract effectively/make payments resulting in Breach	Contract manual to document the processes and procedures. To be maintained and updated when changes occur. Contract information held on CIPFA site and on a Sharepoint portal. Staff training and development. Knowledge management plan.	3	5	15	Staff retention could be improved if a clear career path existed.	2
3	Failure to pay the Contractor or deliver waste could result in the Councils being in breach. Failure to correctly apportion the costs could result in one Council paying more than is necessary.	Contractor could terminate contract and seek damages	Process for checking Tickets from each Council is in place. Direct debit mandate is in place for Barnsley and Doncaster to pay Rotherham. All deductions are accounted for in line with the IAA3. Guaranteed minimum tonnage requirement for the Councils. Regular reports to Steering Group/Joint Waste Board. Systems in place to pay the Contractor Internal and External Audits undertaken	1	1	1	Ensure regular reports to Joint Waste Board/Steering Committee/Joint Waste Team	1



5	15	Beth Baxter	31/07/16
4	12	Beth Baxter	31/07/16
5	10	Beth Baxter	31/07/16
2	10	Beth Baxter	31/07/16

3	9	Beth Baxter	31/07/16
3	9	Beth Baxter	31/07/16
	6	Beth Baxter	31/07/16

2	6	Beth Baxter	31/07/16
2	6	Beth Baxter	31/07/16
2	4	Beth Baxter	31/07/16
2	4	Beth Baxter	31/07/16
2	4	Beth Baxter	31/07/16
1	1	Beth Baxter	31/07/16



Risk Number	Risk Title	Consequence /effect: - <i>What would actually happen as a result? How much of a problem would it be? To whom and why?</i>	Existing actions/controls - What are you doing to manage this now?	Number of Control Measures Implemented	Risk Score with existing measures (See scoring table)			Further management actions/controls required - What would you like to do in addition to your controls?
1	There is a risk that the contractor will not comply with the terms and conditions and the performance will be less than the Councils are paying for.	Service disruption. Temporary full or partial closure of facilities.	Regular contract meetings/Monitoring and review procedures/Emergency plan/Contingency facilities in place/Performance deduction, Step in provisions exist. It is likely that the Funders would step in and appoint another Contractor if performance is poor. Alternately the Councils could step in until the Contract could be retendered	6	2	4	8	Ensure succession planning is adequate. Invest in training for the current team Project Management and COTC.
2	Contractor default needing emergency action and/or leading to contract termination.	Service disruption. Temporary full or partial closure of facilities.	A series of performance bond and Parent Company Guarantees exist to provide and/or pay for interim/alternative arrangements to be made. Funders would work with BDR to bring in a new contractor to deliver the service. Contingency arrangements may be implemented in the short term. Robust contract monitoring procedures	2	4	2	8	Ensure monitoring staff are sufficiently skilled to manage this situation. Liaison with other PFI Contract Managers, knowledge transfer
3	Failure to pay the Contractor or deliver waste could result in the Councils being in breach. Failure to correctly apportion the costs could result in one Council paying more than is necessary.	Contractor could terminate contract and seek damages	Process for checking Tickets from each Council is in place. Direct debit mandate is in place for Barnsley and Doncaster to pay Rotherham. All deductions are accounted for in line with the IAA3. Guaranteed minimum tonnage requirement for the Councils. Regular reports to Steering Group/Joint Waste Board. Systems in place to pay the Contractor Internal and External Audits undertaken	9	1	1	1	Ensure regular reports to Joint Waste Board/Steering Committee/Joint Waste Team



4	Fraud	Contractor could attempt to charge for more than they are entitled to/Client team could collude with Contractor	Process for checking Tickets from each Council is in place. Financial and Legal Officers form part of team. Information shared across all 3 Councils Direct debit mandate is in place for Barnsley and Doncaster to pay Rotherham. All deductions are accounted for in line with the IAA3. Guaranteed minimum tonnage requirement for the Councils. Regular reports to Steering Group/Joint Waste Board. Systems in place to pay the Contractor Internal and External Audits undertaken	9	3	2	6	Make an agenda item at meetings
5	Ensure the balance of risk between Contractor and BDR is maintained.	Councils could take more risk than anticipated	Change protocol in place, consideration needs to be given to level of risk as changes are negotiated.	2	3	2	6	Councils may consider taking on more risk as long (as this is properly assessed) to deliver savings. Currently being investigated as part of the Operational Savings review
6	Serious injury/death of a member of staff or public through service operation <b>(MAJOR INCIDENT AT ITS/AD)</b>	Personal tragedy. Health and Safety Executive intervention. Possible service disruption. Possible corporate liability offence	Contractor has completed and regularly reviews full Risk Assessments. Staff training, H&S Inspections, Contract Monitoring and performance deductions for non compliance. External Audit has been undertaken by Consultants and RMBC Health and Safety Team Regular monitoring of the Contractual requirements in relation to Health and Safety Consistent application of the Payment Mechanism	7	3	3	9	Regular visits by Health and Safety officers
7	Obtaining required terms for Insurance is difficult or impossible due to market conditions - <b>Insurance costs increase</b>	There is a lack of Markets for Insuring waste plants	Robust fire strategy, latest technology for fire suppression . Fire plan signed off by insurers BDR Technical advisors and Independent Certifier. Regular fire drills. Contractor liaison and education of insurance markets	4	2	5	10	Consider reviewing the insurance requirements regarding the business interruption.

8	Changes to Collection services to support budget savings that impact on the PFI Contract - <b>waste volumes change</b>	Potential to impact on the performance of the plant. Potential to impact on the Third Party Revenue Share due to the Councils. Implications on PFI Credits. Implications on Inter Authority Agreement.	Inter Authority Agreement measures. Significant collection change clause in the PFI Contract. Current WIDP/DEFRA position in terms of Credit Allocation position requires BDR to abide by the terms and conditions in the Promissary letter and the Final Business Case.	2	3	4	12	Dialogue with WIDP/DEFRA and between BDR Councils. Test potential impacts to the contract/Councils against the IAA2. Lobby Government on recycling definitions.
9	Changes in Government Law/Regulations ( <b>Legislative Change</b> )	Potential financial implications to cover the cost of required service change	Procedure incorporated in the Contract Conditions. Impact and actions to be jointly agreed with the Contractor to mitigate costs as far as possible. Application of the Change in Law Clauses within the contract	3	3	4	12	Consider the need for the Change in Law retention fund.
10	Environmental Impact to Local Area from Noise/Odour/Flies/Vermin etc ( <b>Compliance</b> )	Reputational damage and adverse publicity from pollution emanating from State of the Art Facility. Potential for Local/National interest	Contractual controls and performance measures. Monitoring the contract. Pro-active engagement with the local community . Sharing data Regular monitoring outside the perimeter of the plant	5	4	5	20	Further plant investment in Acoustic measures. Increased fly spraying during the fly season
11	Failure of plant equipment results in withdrawal of credits ( <b>Review of WICS</b> )	Reputational damage and adverse publicity emanating from poor performance of state of the art facility. Potential for Local/National interest. Budget impact	Regular contract meetings/Monitoring and review procedures/Contingency facilities in place/Performance deduction , Step in provisions exist. It is likely that the Funders would step in an appoint another Contractor if performance is poor. Alternately the Councils could step in until the Contract could be retendered	5	5	3	15	Ensure monitoring staff are sufficiently skilled to manage this situation. Liaison with other PFI Contract Managers, knowledge transfer close liaison with DEFRA
12	Lack of resources due to restructures, and staff resignations failure to have a knowledge management plan ( <b>Business Continuity - BDR</b> )	Failure to monitor the contract effectively/make payments resulting in Breach	Contract manual to document the processes and procedures. To be maintained and updated when changes occur. Contract information held on CIPFA site and on a Sharepoint portal. Staff training and development. Knowledge management plan.	2	3	5	15	Staff retention could be improved if a clear career path existed.
13	Closure of facility or inability to provide the service due to a force majeure event (major incident at ITSAD Facility)	Service disruption. Temporary full or partial closure of facilities.	Contractual conditions provide a shared responsibility to agree measures to mitigate the effects and facilitate the continuation of the service. There are contingencies within the contract to divert waste to other waste facilities	2	4	3	12	Undertake a Communications campaign. Use contingency sites/ other Contracts where possible e.g. Veolia Landfill. Use emergency procurement if absolutely necessary.

Further Control Measure	Target Score with further management actions/controls required (See Scoring Table)			Risk Owner (Officer responsible for managing risk and controls)	Risk Review Date
2	2	3	6	Beth Baxter	31/07/16
3	3	2	6	Beth Baxter	31/07/16
1	1	1	1	Beth Baxter	31/07/16

1	2	2	4	Beth Baxter	31/07/16
1	2	2	4	Beth Baxter	31/07/16
1	3	2	6	Beth Baxter	31/07/16
1	2	5	10	Beth Baxter	31/07/16

2	3	3	9	Beth Baxter	31/07/16
1	3	4	12	Beth Baxter	31/07/16
1	3	3	9	Beth Baxter	31/07/16
2	5	2	10	Beth Baxter	31/07/16
	2	2	4	Beth Baxter	31/07/16
3	3	3	9	Beth Baxter	31/07/16

Risk Number	Risk Title	Consequence /effect: - <i>What would actually happen as a result?</i> <i>How much of a problem would it be? To whom and why?</i>	Existing actions/controls - What are you doing to manage this now?	Number of Control Measures Implemented	Risk Score with existing measures (See scoring table)
-------------	------------	--	---	--	--

Further management actions/controls required - What would you like to do in addition to your controls?	Further Control Measures	Target Score with further management actions/controls required (See Scoring Table)	Risk Owner (Officer responsible for managing risk and controls)	Risk Review Date

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted