

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 1st 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
Barnsley	48,123.91	29.46%
Doncaster	63,276.37	38.74%
Rotherham	51,927.03	31.79%
TOTAL	163,327.31	100.00%

Table 2.1.1 shows the tonnage of contract waste delivered to the facility from full service commencement 3rd 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

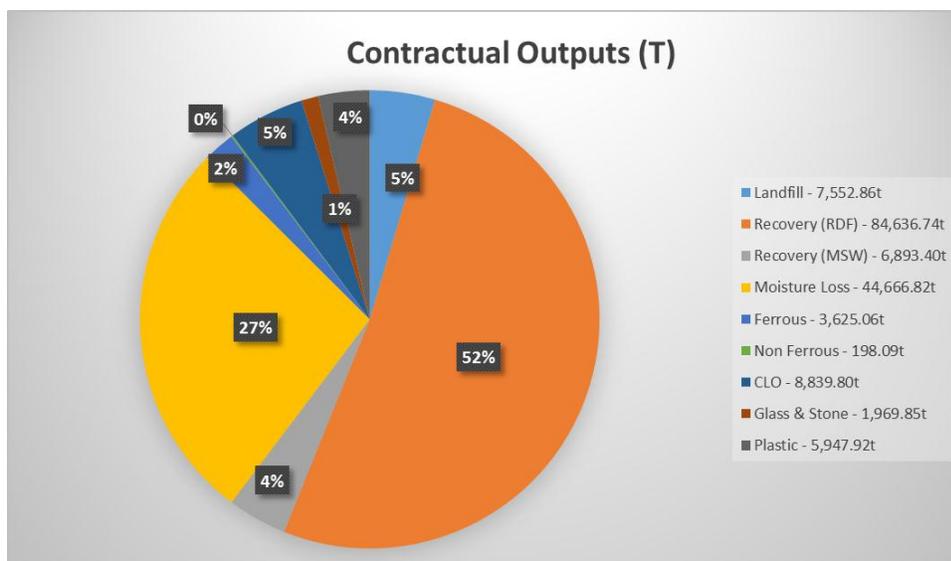


Table 2.1.3 Contract Targets

	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

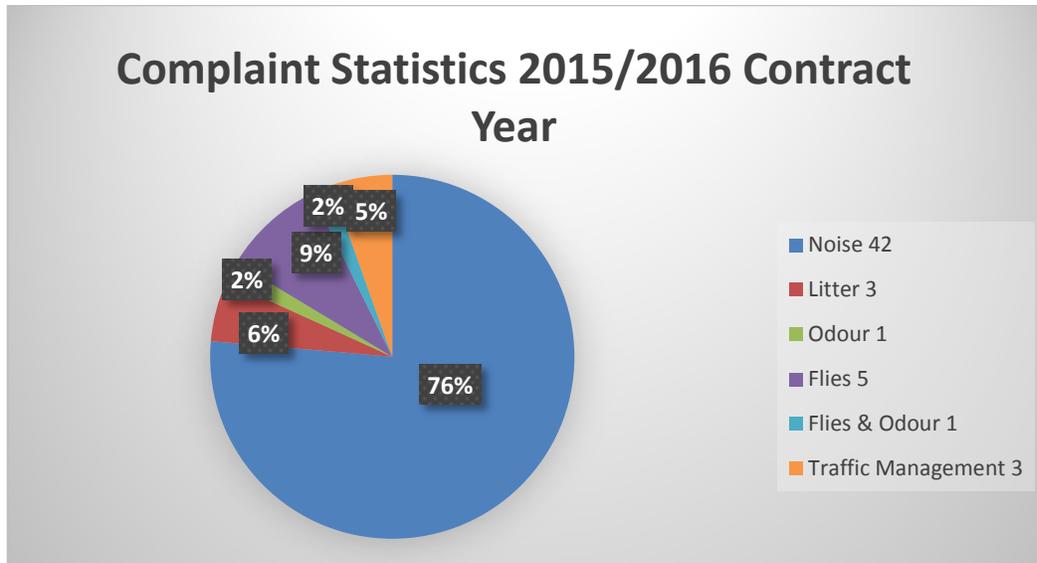
To improve the quantity and quality of the recyclates collected, Shanks have an improvement program in place to ensure the refinement section of the MBT is achieving its optimum performance. The areas for improvement have been agreed and the work is expected to be completed by the end of 2016.

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.

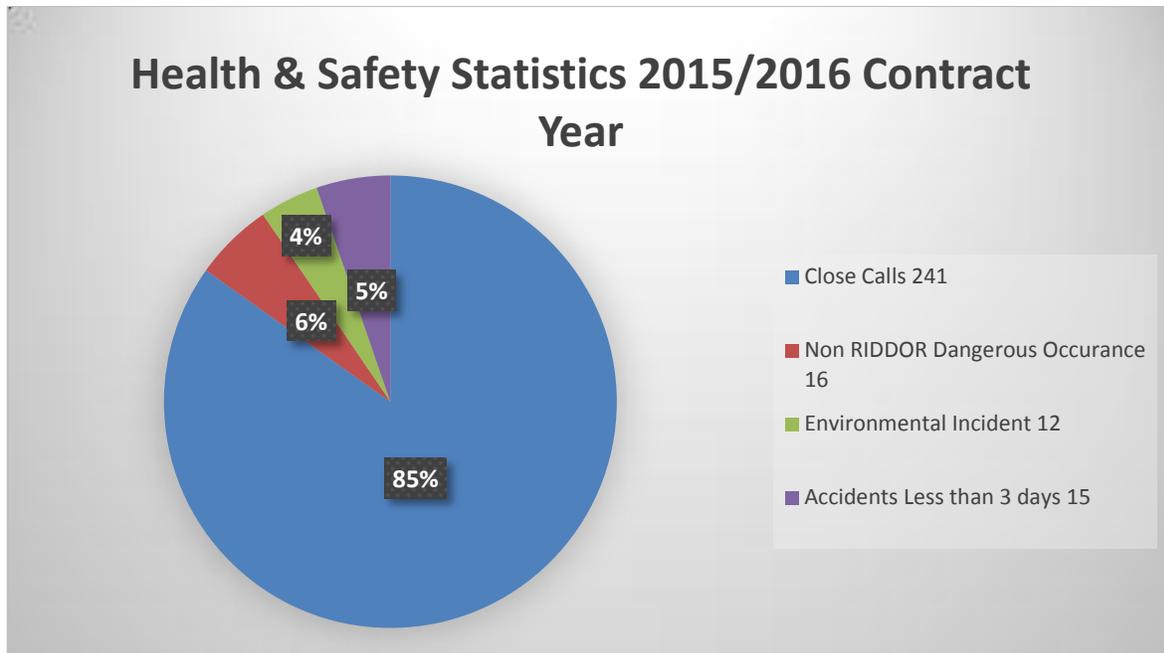
2.6 Health and Safety

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 3rd of July 2015 to the 31st March 2016 was:
£15,936,499.09

From July 2015 to 31st 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 13th 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
3SE	The name for the partnership between Shanks Group plc and Scottish & Southern Energy plc.
A2A (formerly Ecodeco)	Italian company who research, design, construct, and manage plant and equipment for the disposal of waste.
Anaerobic Digestion (AD)	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.
BDO	BDO is a national, leading accountancy and business advisory firm focused on

	providing services to businesses within the UK and worldwide.
Chartered Institute of Waste Management (CIWM)	The leading waste management organisation in the UK.
Compositional Analysis	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).
Department for Environment, Food and Rural Affairs (DEFRA)	The UK government department responsible for policy and regulations on environmental, food and rural issues.
Environment Agency (EA)	An executive non-departmental public Body responsible to the Secretary of State for Environment, Food and Rural Affairs for issues affecting the environment.
FCC Environment	One of the UK's leading waste and resource management companies.
Ferrybridge Multifuel 1 (FM1)	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)
Hitachi Zosen Inova (HZI)	are a global leader in energy from waste (EfW), acting as an engineering, procurement and construction (EPC) contractor delivering complete turnkey plants
Inter Authority Agreement (IAA2)	The legal agreement between the three authorities that sets out how the

	contract will be governed.
Joint Waste Board (JWB)	The Statutory Committee comprising Portfolio Holders and Senior Officers with responsibility for waste.
Mechanical Biological Treatment (MBT)	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.
Private Finance Initiative (PFI)	Mechanism for creating "public-private partnerships" (PPPs) by funding public infrastructure projects with private capital.
Solid Recovered Fuel (SRF)	A fuel produced by shredding and dehydrating solid waste (MSW) with a waste converter technology.
SSE plc (formerly Scottish and Southern Energy plc)	A British energy company headquartered in Perth, Scotland.
Shanks Waste Management (SWM)	The UK arm of Shanks Group plc, a leading international sustainable waste management business.
Waste Infrastructure Credits	Awarded by DEFRA to incentivise local authorities to develop infrastructure to treat waste as an alternate to landfill.
Waste Infrastructure Delivery Programme (WIDP)	The delivery unit in England to make available programme management resources to Defra.
Waste Transfer Station (WTS)	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.

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