

## ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	<b>Meeting:-</b>	<b>BDR Joint Waste Board</b>
2.	<b>Date:-</b>	<b>14/6/2013</b>
3.	<b>Title:-</b>	<b>Waste Management PFI Contract Review Audit Report 2012/13 – Summary Progress Report</b>
4.	<b>Directorate:-</b>	Environment and Development Services

### **5. Summary**

- 5.1** This report outlines the progress made towards the recommendations of the BMBC Waste Management PFI Contract Review Audit Report 2013.

### **6. Recommendations**

- 6.1** That Joint Waste Board note the progress made towards the recommendations of the Waste Management PFI Contract Review Audit Report 2013.

## **7. Proposals and Details**

- 7.1** Barnsley Doncaster and Rotherham Councils (BDR) have jointly entered into a 25 year Waste PFI contract with 3SE. The period starts when the facility becomes operational, which is programmed to be the 1<sup>st</sup> July 2015. An Inter Authority Agreement has been entered into by the three parties to mirror the overarching contract period.
- 7.2** Barnsley MBC carried out a strategic level governance review of the Waste Management PFI Contract as part of an agreed planned programme of works. The findings of the review were reported to BMBC on 30<sup>th</sup> July 2012. Joint Waste Board were updated on 18<sup>th</sup> September 2012, 14<sup>th</sup> December 2012 and 15<sup>th</sup> March 2013.
- 7.3** The review considered the existing governance arrangements along with those scheduled for implementation. A rating of adequate assurance was given in relation to the internal control framework. This means a sufficient framework of key controls exist that are likely to result in objectives being achieved, but the control framework could be stronger.
- 7.4** Table 1 below details the recommendations from the audit, the areas needing attention and the current progress towards completion.

**Table 1**

<b>Issue</b>	<b>Action identified</b>	<b>Progress</b>
Clarification of roles and responsibilities	BDR Manager to ensure additional clarification included in contract manuals in relation to roles and responsibilities for risk management, financial management, performance management and joint working arrangements including Internal Audit.	A project plan is in place for the production of the contract manuals. Responsible people have been identified and deadlines have been set
Formal transfer of responsibility to RMBC	DEFRA website still detailed BMBC as the lead authority BDR manager to notify DEFRA of change.	DEFRA notified that RMBC were the lead authority. <b>This action completed.</b>
Joint Waste Board did not include a non-executive member.	Joint Waste Board to consider appointing a non-executive member.	Joint Waste Board considered including a non-executive member at the meeting on 18 <sup>th</sup> September 2012 and decided this was not necessary due to the process being subject to the scrutiny processes of three local authorities. <b>This action completed.</b>
Deputies were not in place for all Local Authorities	Deputies to be identified	Deputies in place for all three authorities for all forums. <b>This action Completed</b>
Steering Committee had too many attendees.	Steering Committee limited to the BDR Manager, supporting officers as required and one representative from each Authority.	<b>This action completed</b>
Barnsley MBC did not invite the BDR Manager to internal meetings	Barnsley to consider when it is appropriate to invite BDR Manager to internal meetings.	It has not been considered necessary to invite the BDR Manager to Barnsley internal meetings due to the involvement of the Group Manager Waste Management Services within the PFI Joint Waste Team.
Meetings not scheduled for a full year.	Project administrator to schedule all meetings 12 months in advance.	This action is ongoing but <b>complete for 2013.</b>

**Table 1 continued**

<b>Issue</b>	<b>Action identified</b>	<b>Progress</b>
Defra guidance suggests monthly meeting of JWB	Consideration to be given to the frequency of Joint Waste Board meetings.	Joint Waste Board agreed to quarterly meetings on 3 <sup>rd</sup> April 2012. An extraordinary meeting can be called at any time should it be necessary. <b>This action completed.</b>
Lack of terms of reference for all groups may impact on understanding of roles, responsibilities and reporting structure.	Terms of reference for each group to be drafted and agreed.	The Terms of Reference for the Liaison Committee is currently under review. This to be completed by September 2013.
Meetings, Agenda and minutes	Standard items to include:- <ul style="list-style-type: none"> <li>• Declarations of Interest</li> <li>• Performance Management</li> <li>• Risk Management</li> <li>• Health and Safety</li> </ul> Minute taker to be noted Deputies to be available for meetings	<b>These actions have been completed.</b>
Project Plan	Format and information recorded to be reviewed. Consideration to be given to implement a Gantt chart. Version control to be noted, key stages for Gateway Reviews to be identified.	<b>This action is completed</b> for all disciplines and the Barnsley Transfer Station. A Contract Management Review has been undertaken by DEFRA in November 2012.
Financial Management	BDR Manager to reconcile budget quarterly.  All financial matters to be included in the contract manual.  BDR Manager to ensure compliance with Terms & Conditions of the Award letter. Memorandum of Understanding (MOU) between WIDP and BDR to be signed asap.	This is an ongoing action but <b>completed for 2012/13.</b> RMBC are undergoing a change to financial systems once completed the Contract Manuals will detail the financial processes. This is an ongoing action.  <b>The MOU was signed 17<sup>th</sup> July 2012.</b>

## **8. Finance**

- 8.1** The Governance structure that is in place has ensured that the financial risks identified through the contract negotiations have been appropriately managed and mitigated.
- 8.2** Progress towards compliance with all the recommendations of the Audit will be contained within the Operational Management Budget 2013/14

## **9. Risks and Uncertainties**

- 9.1** Of the 7 specific risks considered by the Governance Audit 4 are closed (planning and permitting delay and failure) control measures are in place for the 3 risks that remain open.

## **10. Policy and Performance Agenda Implications**

- 10.1** The delivery of the sub-regional waste facility by 2015 will provide sustainable waste treatment solutions to support reduced CO2 emissions and increased recycling while reducing reliance on landfill.

## **11. Background Papers and Consultation**

- 11.1** BMBC Finance and Property Services Internal Audit Waste Management PFI Contract Review Audit Report 2012/13.

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