

Pwyllgor CYDBWYLLGOR PROSIECT GWYRDD

Rhif Cyfarfod: 02/22

Dyddiad ac amser DYDD MAWRTH, 6 RHAGFYR 2022, 11.00 AM

Lleoliad CYFARFOD O BELL - TEAMS

Aelodaeth Cynghorydd Caro Wild, Caerdydd (Cadeirydd)
 Cynghorydd Chris Weaver, Caerdydd
 Councillor Jamie Pritchard, Caerffili
 Councillor Chris Morgan, Caerffili
 Councillor Rachel Garrick, Monmouthshire
 Councillor Catrin Maby, Monmouthshire
 Councillor Yvonne Forsey, Casnewydd
 Councillor Laura Lacey, Casnewydd
 Councillor Mark Wilson, Bro Morgannwg
 Councillor Ruba Sivagnanam, Bro Morgannwg

AGENDA

No	Item
1	Ymddiheuriadau am Absenoldeb Derbyn ymddiheuriadau am absenoldeb.
2	Datgan Buddiannau I'w wneud ar ddechrau'r eitem agenda dan sylw, yn unol â Chod Ymddygiad yr Aelodau.
3	Cofnodion (<i>Tudalennau 3 - 6</i>) Cymeradwyo cofnodion y cyfarfod blaenorol fel cofnod cywir.
4	Materion yn Codi
5	Adroddiad Diweddar (<i>Tudalennau 7 - 10</i>)
6	Sefyllfa Monitro Aildro Rhagamcanol 2022/23 Mis 6 a Chyllideb 2023/24 (<i>Tudalennau 11 - 16</i>)

No	Item
7	Dyddiad y cyfarfod nesaf. I'w drefnu.

Partnership of Councils



Supporting partner



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

PROSIECT GWYRDD JOINT COMMITTEE MEETING

21 June 2022, 11.00 am

LOCATION: Remote Meeting

Present:

Elected Members:

Councillor Caro Wild, Cardiff (Chair)
Councillor Chris Weaver, Cardiff
Councillor Jamie Pritchard, Caerphilly
Councillor Chris Morgan, Caerphilly
Councillor Rachel Garrick, Monmouthshire
Councillor Catrin Maby, Monmouthshire
Councillor Yvonne Forsey, Newport
Councillor Mark Wilson, Vale of Glamorgan
Councillor Ruba Sivagnanam, Vale of Glamorgan

Officers:

Matt Wakelam
Sian Humphries
Andrew Williamson
Colin Smith
Marc Falconer
Carol Touhig
Hayley Jones
Laura Carter
Anna Rees
Julie Baker
Marcus Lloyd
Lucy Paterson
Silvia Gonzalez-Lopez
Andrea Redmond

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No	Item
1	<p>Appointment of Chair (NB under Joint Working Agreement 2 (JWA2), chair is from Host Authority - Joint Committee to confirm appointment)</p> <p>Noted.</p>
2	<p>Apologies for Absence</p> <p>None received.</p>
3	<p>Declarations of Interest</p> <p>None received.</p>
4	<p>Membership of Joint Committee - to note the 2 elected members representatives from each Authority.</p> <p>Noted.</p>
5	<p>To adopt updated Joint Committee Procedure Rules.</p> <p>Members were referred to a small typographical error that related to JWA1 rather than JWA2.</p> <p>Noted.</p>
6	<p>Terms of Reference - to note the terms of reference as set out in Schedule 2 of the JWA2</p> <p>Noted.</p>
7	<p>Minutes</p> <p>The Minutes of Joint Committee Held on 2nd December 2021, were agreed as a correct record.</p>
8	<p>Matters Arising</p> <p>None.</p>
9	<p>JC Update Report and Briefing</p> <p>Members were provided with a presentation providing information on the Joint Committee, after which the Chairperson invited questions and comments.</p> <p>Members considered it was a very interesting presentation and asked for further information on the progress of the heat network. Officers advised that the heat network was going into the ground in Cardiff currently. Funding had been provided by key Public and Private Sector partners, so work was underway. Members were interested in seeing this and Officers offered them a visit combined with a visit to Viridor.</p>

No	Item	Action
	<p>Members asked about the benefits of the heat network scheme, such as who would get the benefit, how many homes, the location it expands to etc. Officers explained that it gets fed into the distribution network, it is dispersed through the National Grid and displaces the carbon/coal/gas generated.</p> <p>Officers outlined the Update Report to Members and the Chairperson invited questions and comments.</p> <p>Members sought further information on the composition of the panel that agrees the Community Grants. Members were advised that the panel consists of Andrew Williamson, a representative from Viridor, Cllr Bob Derbyshire as a representative from Cardiff and 2 other community representatives. Members were concerned that there was representative from Cardiff only and considered it may be more prudent to have representatives from more of the Local Authority partners. Officers agreed to take this away and look more at the make up and see what changes need to be made.</p> <p>Members advised that there was an issue with the link for the Community Grants application and considered this may have had an impact on the number of applications received. It was noted that there were 12 applications from Cardiff and 2 from Caerphilly only. Officers agreed that the majority of bids do come from Cardiff, but that they try to encourage bids at each Joint Committee Meeting. Officers assured Members that no bids had been rejected over any Cardiff bid and they were happy to work to improve transparency and to promote the fund more. Members were also advised that the link was now working.</p> <p>Members asked if the Community Benefit Fund replaced the old landfill tax. Officers explained it did not, the old landfill tax was a Government enforced scheme. This is specific to Viridor and was built into the contract. The Chairperson agreed to have an update on this at the next meeting.</p> <p>RESOLVED: to note the contents of the report.</p>	
10	<p>Unaudited Annual Financial Return for Year Ended 31 March 2022</p> <p>Members were provided with an outline of the report on the Unaudited Annual Financial Return for year ended 31 March 2022.</p> <p>There were no questions on the report.</p> <p>RESOLVED:</p>	

No	Item	Action
	<ul style="list-style-type: none"> i. That the Joint Committee noted the outturn position for the financial year ended 31st March 2022 and approved the submission of the report and return to the Joint Committee. ii. The Joint Committee authorised the Chair to sign the Annual Return on behalf of the Joint Committee, and its subsequent submission to Audit Wales to commence the 2021/22 audit. 	
11	<p>Date of next meeting - TBC</p> <p>Members were advised that the next meeting would be held in late November/early December and they would be advised of the date in due course.</p>	

Partnership of Councils



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Llywodraeth Cynulliad Cymru
Welsh Assembly Government



**THE BOROUGHES, CITY AND COUNTY COUNCILS OF CAERPHILLY, CARDIFF,
MONMOUTHSHIRE, NEWPORT AND THE VALE OF GLAMORGAN**

PROSIECT GWYRDD JOINT COMMITTEE

REF: 02-22

DATE: 06.12.22

PROSIECT GWYRDD UPDATE REPORT FOR JOINT COMMITTEE

REPORT OF: SENIOR RESPONSIBLE OFFICER

AGENDA ITEM: 5

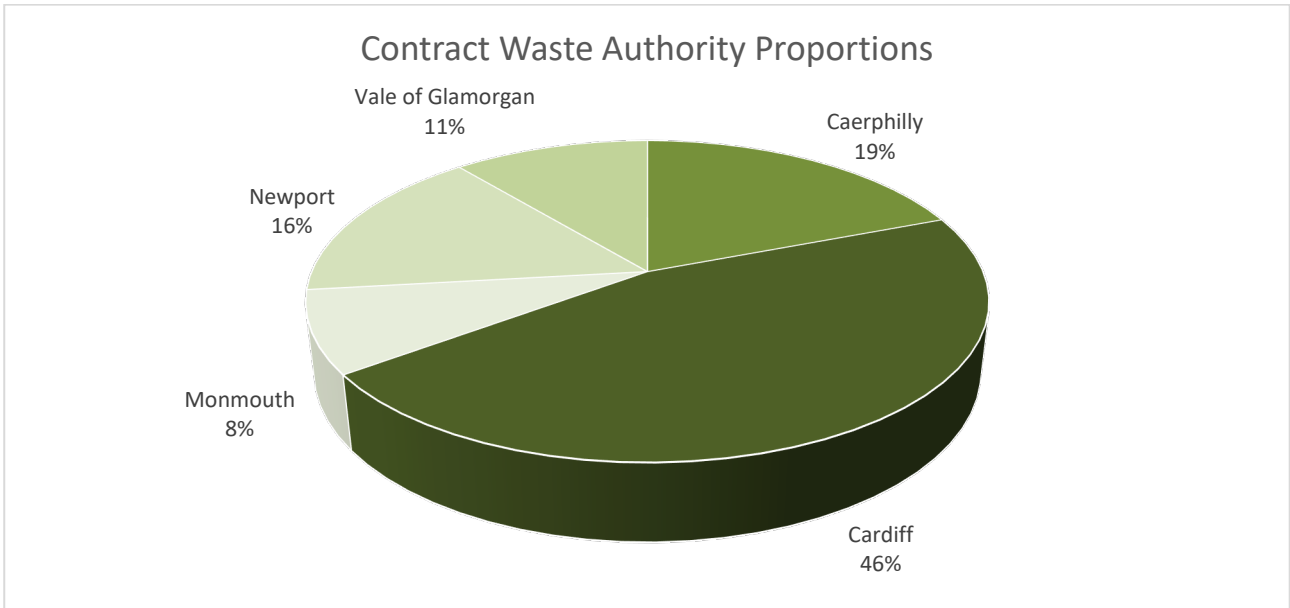
Background

1. At previous Joint Committee meetings Update Reports on the Prosiect Gwyrdd Contract have been provided, this report provides a further update in relation to this contract.

Contract Update

2. The annual maintenance outage for Trident Park was carried out during May and June 2022. During this period the facility's waste bunker was used to store the Partnerships waste, and all Contract Waste was treated at the facility. All works were completed as per the outage schedule and both lines at the facility were returned to service on 10th June 2022.
3. During April to October 2022 a total of 95,937 tonnes of residual waste was sent to the Prosiect Gwyrdd Contract, with all of the residual waste being treated at Trident Park.

4. Proportion of Contract Waste Delivered April – October 2022 by Partner Authority:



5. From the waste delivered 15,805 tonnes of the Incinerator Bottom Ash was recycled, 682 tonnes of the Air Pollution Control Residue was recycled, 168 tonnes of metals was recycled.

6. In April to October 2022 Viridor achieved all of the five Key Targets:

Key Target	Target Percentage	Actual Percentage
The Contractor's Guaranteed Unprocessed Landfill Target Percentage	0.0%	0.0%
The Contractor's Guaranteed Maximum Percentage of Contract Waste to Landfill	2.1%	0.0%
The Contractor's Guaranteed IBA Recycling Target Percentage	100.0%	100.0%
The Contractor's Guaranteed BMW Diversion Target Percentage	100.0%	100.0%
the Contractor's Guaranteed Un-reprocessed IBA Target Percentage	0.0%	0.0%

7. As a requirement of revenue support from WG the facility is required to be CHP ready and to achieve and maintain R1 Status. Trident Park submitted the final stage 3 report to Natural Resources Wales confirmed with an annual figure of 0.78 which is in excess of the 0.65 requirement.

8. The Incinerator Bottom Ash is currently being recycled by Days Aggregates at their facility in Avonmouth.

9. The Air Pollution Control Residue is currently either being recycled by O.C.O. Technology Ltd previous called Carbon8 Aggregates at their facility in Avonmouth or landfilled by Grundon (Waste) Ltd at their Gloucestershire facility.

Community and Community Benefit Fund

10. During 2022/23 to date the Prosiect Gwyrdd Community Benefits Fund Panel has met twice, where a total of £32,760.27 awarded between twelve community initiatives based with the Prosiect Gwyrdd Partnership Local Authority areas, the panel will be meeting once more this financial year. A breakdown of the projects supported this year to date, is detailed in the table below.

11. Breakdown of 2022/23 Prosiect Gwyrdd and Viridor Community Fund Awards

Organisation	Region	Contribution
June		
28 th Newport Scout Group	Newport	£2,999.00
Cardiff Canoe Club	Cardiff	£2,995.31
Make a Smile	All PG LA's	£3,000.00
Railway Gardens	Cardiff	£2,965.00
St Albans Minis	Cardiff	£2,775.00
Techniquet	Cardiff	£2,657.00
VOG Brass Band	Vale	£3,000.00
September		
Blackwood Golf Club	Caerphilly	£1,600.00
Kymin View Primary School PTA	Monmouth	£3,299.00
Newbridge Tsunami RFC	Newport	£1,729.96
Splott Albion FC	Cardiff	£3,000.00
Thriving Communities	All PG LA's	£2,739.40

12. Details of the funding criteria and how to apply can be found at: <https://viridor.co.uk/our-operations/energy/energy-recovery-facilities/cardiff-erf/community>

Financial Implications

13. There are no direct financial implications arising from this update report. The financial arrangements between the Partnership and Viridor will operate in accordance with the Contract and in particular the Payment Mechanism.

Legal Implications

14. There are no direct legal implications associated with this report

Recommendations

15. To note the content of this report.

Matt Wakelam

Senior Responsible Officer, Prosiect Gwyrdd

06 December 2022

Mae'r dudalen hon yn wag yn fwriadol



**THE BOROUGH, CITY AND COUNTY COUNCILS OF CAERPHILLY, CARDIFF,
MONMOUTHSHIRE, NEWPORT AND THE VALE OF GLAMORGAN**

PROSIECT GWYRDD JOINT COMMITTEE

REF: 02-22

DATE: 06/12/2022

**2022/23 MONTH 6 MONITORING POSITION AND PROJECTED OUTTURN:
2023/24 BUDGET**

**REPORT OF: TREASURER TO THE PROSIECT GWYRDD JOINT COMMITTEE
AGENDA ITEM: 6**

PURPOSE OF REPORT

1. To provide Joint Committee with an update of the financial monitoring position and projected outturn for the Prosiect Gwyrdd Budget based on the Month 6 position for the 2022/23 financial year.
2. For Joint Committee to consider the proposed 2023/24 Revenue Budget, including the projected balance of the Reserve Account, and to recommend these budgets to the partnering Councils for consideration as part of their budget planning frameworks for 2023/24.
3. To provide the partner Councils with early indicative estimates for the period from 2024/25 onwards.

BACKGROUND

4. The Joint Committee's budget approval process is set-out in the Joint Working Agreement 2 (JWA2). In addition, the JWA2 also provides that the budget is reviewed on a regular basis during the financial year and where appropriate, action taken to ensure sufficient resources are available to the project in order to deliver the agreed outcomes.
5. The Prosiect Gwyrdd Joint Committee approved the original 2022/23 Budget at its meeting on the 2nd December 2021, which recommended the 2022/23 Revenue budget to the partner councils for consideration as part of their respective annual budget setting processes.

2022/23 MONITORING

6. Table 1 below provides an update on the Joint Committee's Month 6 financial position for the 2022/23 financial year. In summary the current position shows a projected gross expenditure outturn of £200,828 which represents a decrease of £52,830 against the original 2022/23 gross expenditure budget of £253,658.

TABLE 1: 2022/23 Summary Monitoring Position

	2022/23 Budget £	2022/23 Projected Outturn £	2022/23 Variance £
Project Team	148,315	144,358	-3,957
Supplies & Services	18,819	11,315	-7,504
Committee & Support Services	48,348	44,174	-4,175
Organics Contribution	-40,905	-38,560	2,345
Expenditure funded by Partner Contributions	174,577	161,287	-13,290
External Advisors	58,681	29,340	-29,340
Contingency	20,400	10,200	-10,200
Expenditure funded by Reserve Account	79,081	39,540	-39,540
Gross Expenditure	253,658	200,828	-52,830
Partner Contributions	-185,000	-135,000	50,000
Net Expenditure	68,658	65,828	-2,830
Appropriations (from) / to Joint Committee Reserve A/c	-68,658	-65,828	2,830
Projected Balance of the Joint Committee Reserve A/c as at 31.03.2022		229,718	

7. The Project Team is currently reporting an underspend of £3,957 (this assumes the proposed £1,925 pay award plus oncost adjustments for 22/23). This variance is a consequence of the Budget being based on top of the pay scale costings and full employer on-costs.
8. The underspend of £29,340 with external advisors includes the assumptions that further advisor expenditure in the rest of the financial year will be pro-rata to the original budget provision. The actual spend to date on advisors is nil and there are no current commitments to engage advisors in this financial year.

9. The other significant expenditure variance identified in Table 1 is with the contingency provision which, in a similar manner to projected Advisor's expenditure, has also had a pro-rata reduction to reflect that there has been no requirement to use this budget in the financial year to date. Again there are no current commitments to use the contingency budget in this financial year.
10. Based on the projected Reserve Account position at Month 6 a £10,000 rebate per partner is again proposed for 2022/23. This position will be kept under review in future monitoring reports for the remainder of this financial year and appropriate adjustments made to this projected rebate if required. The projected balance for the Reserve account as at 31st March 2023 is £229,718 and this resource will be available to continue the principle of funding non-recurring Prosiect Gwyrdd expenditure in future financial years.

2023/24 BUDGET

11. A reasonable balance in the Reserve Account will be necessary to ensure that the Joint Committee has the financial flexibility to respond to unforeseen events without the need to ask Partner Councils to increase their in-year partner contributions. Against this background it is proposed that Partner contributions will continue to primarily fund the recurring regular expenditure of the Joint Committee, with the Reserve Account funding any ad-hoc non-recurring expenditure, specifically External Advisors and the Contingency provision. Any in-year additional resource requirements such as an upturn in external advisor activity would be funded from further drawdowns from the Joint Committee Reserve Account. The projected balance for this account for the end of 2023/24 financial year assuming a full drawdown of the budgeted funding is £148,548.
12. Table 2 below provides a summary of the proposed Budget for 2023/24 as well as a comparison with the current 2022/23 budget. A pay award of 3% from 1st April 2023 applied to the 2022/23 revised annual costs has been assumed for uplifting employee costs with a corresponding indexation assumption of 3% being applied to the other non-employee budget headings. If this assumed indexation increase is subsequently found to be less than the actual April 2023 Pay Award then any under provision will be funded from the Contingency and / or the Reserve Account.

TABLE 2: Summary Budget Position 2023/24

	2022/23 Original Budget £	2023/24 Proposed Budget £
Expenditure		
Contract Management Team	148,315	157,188
Supplies & Services	18,819	19,384
Support Services	48,348	52,288
Cardiff & Vale Organics Contribution	-40,905	-44,143
Expenditure – funded by Partner contributions	174,577	184,717
External Advisors	58,681	60,441
Contingency	20,400	21,012
Expenditure – funded by Reserve Account	79,081	81,453
Gross Expenditure	253,658	266,170
Partner Contributions	-185,000	-185,000
Appropriations from Joint Committee Reserve A/c	-68,658	-81,170
Projected Balance of the Joint Committee Reserve A/c as at 31.03.2023		148,548

13. The other budgets heads have been increased by 3% with the proposed partner contributions unchanged at £185,000, which is £37,000 per partner.
14. The projected drawdown from the Reserve account is £81,170 to leave a projected balance on the account of £148,548 as at 31st March 2024.

POST 2023/24 INDICATIVE BUDGET PROJECTIONS

15. Table 3 below provides a summary of indicative Joint Committee budgets and partner contributions for the financial years 2024/25 to 2026/27 which have also been indexed by inflation assumptions of 3% for both pay awards and other non-pay expenditure per annum. The projections are based on the continuation of a funding position adopted elsewhere in this report with the Reserve Account funding non-recurring expenditure. Any significant in-year drawdown from the Reserve may need to be subsequently replenished by the Partners but there would be sufficient early warning of this requirement to avoid in-year increases in Partner contributions.
16. An upper threshold of £275,000 and a lower threshold of £150,000 have been previously proposed for managing the Joint Committee Reserve Account but the account balance has been consistently above this threshold in recent years.

TABLE 3: Summary 2024/25 to 2026/27 Indicative Resource Requirements

Financial Year	Indicative Gross Expenditure Budget	Contributions per Partner	Reserve A/c funding	Projected Reserve A/c balance
	£	£	£	
2024/25	274,000	39,400	77,000	71,000
2025/26	282,000	42,800	68,000	3,000
2026/27	291,000	57,600	3,000	0

FINANCIAL IMPLICATIONS

17. This report provides Joint Committee with an update on the 2022/23 projected out-turn position at Month 6 with a gross expenditure underspend of £52,830 being projected. The projected balance of the Reserve Account at the end of 2022/23 is £229,718 which will be available to assist in funding non-recurring Prosiect Gwyrdd expenditure in future financial years.
18. The budget requirement of £266,170 for 2023/24 will be funded from partner contributions of £185,000 with the remaining funding of £81,170 being funded from a drawdown from the Reserve account. The closing projected Reserve Account balance of £148,548 assumes full drawdown in line with budget requirements for 2023/24 which will be monitored and updated accordingly with its implications for future years funding.
19. Indicative budgets have also been prepared for financial years 2024/25 to 2026/27 to inform Partner Councils in considering Prosiect Gwyrdd Joint Committee funding requirements in setting their Medium Term Financial Forecasts. These assume a continuation of the funding policy with the Reserve Account funding ad-hoc, non-recurring expenditure. The Reserve Account drawdown is dependent on sufficient resources being available to fund relevant expenditure. If Reserve Account resources are not sufficient then any shortfall will need to be made up either by partners contributing to the Reserve account and / or by increasing partner contributions. The expectation is that the balance of the Reserve Account can be managed to avoid any in year increases in Partner contributions.

LEGAL IMPLICATIONS

20. The Joint Working Agreement 2 (JWA2) in respect of the PG contract makes provision in respect of monitoring of costs, approving annual budgets (for recommendation to each Partner Council for approval) and council contributions. As part of the annual budget the JWA2 also allows Joint Committee to confirm the contingency to be included in the annual budget. The annual budget is the amount reasonably required to administer the contract.
21. It should be noted that the figures set out in this report are the best estimates at this time and as with any complex contract there is always a risk that the costs may exceed estimates as the contract progresses.

RECOMMENDATIONS

- a. That the Joint Committee notes the 2022/23 projected outturn forecast including the projected year-end balance for the Joint Committee Reserve Account.
- b. That the Joint Committee recommends the 2023/24 budget, including the proposed drawdown and closing balance of the Reserve Account, to the Partnering Councils for approval as part of their respective budget planning frameworks for 2023/24.
- c. The Joint Committee asks the Partnering Councils to note the indicative budgets, and associated partner contributions, outlined for the financial years 2024/25 to 2026/27.

Christopher Lee
Section 151 Officer – Cardiff Council
Treasurer to the Prosiect Gwyrdd Joint Committee

6th December 2022