

**PROSIECT GWYRDD JOINT COMMITTEE MEETING**

1 December 2020, 10.00 am

**LOCATION: Remote Meeting**

**Present:**

**Elected Members:**

**Councillor Michael Michael, Cardiff Council (Chair)**

**Councillor Chris Weaver, Cardiff Council**

**Councillor Nigel George, Caerphilly County Borough Council**

**Councillor Colin Gordon, Caerphilly County Borough Council**

**Councillor Phil Murphy, Monmouthshire County Council**

**Councillor Jane Pratt, Monmouthshire County Council**

**Councillor Ray Truman, Newport City Council**

**Councillor Peter G King, Vale of Glamorgan Council**

**Councillor Eddie Williams, Vale of Glamorgan Council**

**Officers:**

**Sian Humphries, Cardiff Council**

**Andrew Williamson, Prosiect Gwyrdd**

**Marc Falconer, Cardiff Council**

**Silvia Gonzalez Lopez, Newport County Council**

**Colin Smith, Vale of Glamorgan**

**Emma Reed, Cardiff Council**

**Carl Touhig, Monmouthshire County Council**

**Hayley Jones, Caerphilly County Borough Council**

| No | Item | Action |
|----|------|--------|
|----|------|--------|

| No | Item  |
|----|---|
| 23 | <p><b>Apologies for Absence</b><br/>Apologies were received from Councillor Roger Jeavons.</p>  |
| 24 | <p><b>Declarations of Interest</b><br/>None received.</p>   |
| 25 | <p><b>Minutes</b><br/>The minutes of the meeting held on 19 May 2020 were agreed as a correct record.</p>   |
| 26 | <p><b>Matters Arising</b><br/>None received.</p>  |
| 27 | <p><b>Update Report</b></p> <p>Members were advised that as reported at the May meeting, Pennon Group's anticipated sale of Viridor to KKR was concluded in July this year.</p> <p>During July the PG Partner authorities delivered their one millionth tonne of waste to the facility. Some of this was delivered under an interim contract which was in place prior to waste being delivered under the PG Contract. July also marked the two millionth tonne of waste being processed at Trident Park ERF.</p> <p>The annual maintenance outage for Trident Park was carried out during September and October. During this period a proportion of the Partnership's waste was diverted for treatment at Viridor's Ardley and Avonmouth Energy Recovery Facilities in line with the contract. All works were completed as per the outage schedule and both lines at the facility were returned to service.</p> <p>On 4th September Extinction Rebellion set up a protest outside of Trident Park ERF preventing access to the facility for the delivery of Contract Waste. As a result of this the Contingency Plan was put into action and Contract Waste was diverted to two Contingency Delivery Points, within Cardiff. The waste from the contingency delivery points was transferred to either Trident Park or Ardley ERF. Following the disruption to deliveries on the 4<sup>th</sup> September there was no further protestor action or interruption to deliveries.</p> <p>During April to September 2020 a total of 93,999 tonnes of residual waste was sent to the Prosiect Gwyrdd Contract, with all of the residual waste being treated at Trident Park.</p> <p>Proportion of Contract Waste Delivered April – September 2020 by Partner Authority:<br/>Cardiff 50%; Caerphilly 19%; Vale of Glamorgan 10%; Newport 14%; Monmouthshire 7%.</p> <p>From the waste delivered 16,866 tonnes of the Incinerator Bottom Ash was recycled, 508 tonnes of the Air Pollution Control Residue was recycled, 1,804 tonnes of metals was recycled.</p> |

| No | Item  | Action          |                 |
|----|---|-----------------|-----------------|
|    | In April to September 2020 Viridor achieved all of the five Key Targets:  |                 |                 |
|    | <b>Key Target</b>   | <b>Target %</b> | <b>Actual %</b> |
|    | 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%            | 0.34%           |
|    | 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%            |
|    | <p>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 0.76 which is in excess of the 0.65 requirement.</p> <p>The Incinerator Bottom Ash is currently being recycled by Days Aggregates at their facility in Avonmouth.</p> <p>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.</p> <p>Further to the June 2019 Joint Committee presentation on the proposed Cardiff Heat Network, we understand discussions between Cardiff and Viridor have progressed. We are in the progress of managing any change this may present in line with the established contract processes.</p> |                 |                 |
|    | <b><u>Community and Community Benefit Fund</u></b>  |                 |                 |
|    | <p>During 2020 to date the Prosiect Gwyrdd Community Benefits Fund Panel has met three times, where a total of £14,882 was awarded between eight 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.</p>  |                 |                 |
|    | <b>Breakdown of 2020/21 Prosiect Gwyrdd and Viridor Community Fund Awards</b>   |                 |                 |
|    | April 2020  |                 |                 |

| No | Item  | Action            |           |
|----|---|-------------------|-----------|
|    | <b>Cardiff Central Youth Club – gymnastics equipment</b>  | Cardiff           | £2,904.00 |
|    | <b>Fairwater Social Juniors FC</b>  | Cardiff           | £1,075.69 |
|    | <b>Newport Litter Pickers - equipment</b>   | Newport           | £841.80   |
|    | <b>Pentwyn - Llanederyn Litter Pickers</b>  | Cardiff           | £954.45   |
|    | <b>Berllan Deg PTA – equipment for new school activities</b>  | Cardiff           | £2,295.62 |
|    | <b>September 2020</b>   |                   |           |
|    | <b>Cardiff Rivers Group – cleaning equipment and training</b>   | Cardiff           | £1,210.00 |
|    | <b>Ministry of Life – audio equipment</b>   | Cardiff           | £2,700.00 |
|    | <b>VOG Brass Band – stands and instrument</b>   | Vale of Glamorgan | £2,900.00 |
|    | <p>Details of the funding criteria and how to apply can be found at: <a href="https://viridor.co.uk/our-operations/energy/energy-recovery-facilities/cardiff-erf/community">https://viridor.co.uk/our-operations/energy/energy-recovery-facilities/cardiff-erf/community</a></p> <p>The Chairperson invited questions and comments from Members;</p> <p>Members referred to Extinction Rebellion and asked if there were contingency plans in place for incidents like these. Officers advised that there are contingency plans, they were implemented and alternative delivery points were used.</p> <p>RESOLVED: To note the report.</p>  |                   |           |
| 28 | <p><b>2020/21 Projected Outturn Month 7 Monitoring Position and 2021/22 Budget</b></p> <p>Members were advised that 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.</p> <p>The Prosiect Gwyrdd Joint Committee approved the original 2020/21 Budget at its meeting on the 26<sup>th</sup> November 2019, which recommended the 2020/21 Revenue budget to the partner councils for consideration as part of their respective annual budget setting processes.</p> <p><b>2020/21 MONITORING</b></p> |                   |           |

| No | Item   | Action                 |                                      |                          |
|----|--|------------------------|--------------------------------------|--------------------------|
|    | <p>Table 1 below provides an update on the Joint Committee’s Month 7 financial position for the 2020/21 financial year. In summary the current position shows a projected gross expenditure outturn of £192,064 which represents a decrease of £58,445 over the original 2020/21 gross expenditure budget of £250,509.</p> <p><b><u>TABLE 1: 2020/21 Summary Monitoring Position</u></b></p> |                        |                                      |                          |
|    |  | 2020/21<br>Budget<br>£ | 2020/21<br>Projected<br>Outturn<br>£ | 2020/21<br>Variance<br>£ |
|    | Project Team   | 185,332                | 167,401                              | (17,931)                 |
|    | Supplies & Services  | 18,050                 | 17,850                               | (200)                    |
|    | Committee & Support Services   | 9,700                  | 10,000                               | 300                      |
|    | Organics Contribution  | (40,103)               | (36,688)                             | 3,415                    |
|    | <b>Expenditure funded by Partner Contributions</b>   | <b>172,979</b>         | <b>158,564</b>                       | <b>(14,415)</b>          |
|    | External Advisors  | 57,530                 | 23,500                               | (34,030)                 |
|    | Contingency  | 20,000                 | 10,000                               | (10,000)                 |
|    | <b>Expenditure funded by Reserve Account</b>   | <b>77,530</b>          | <b>33,500</b>                        | <b>(44,030)</b>          |
|    | <b>Gross Expenditure</b>   | <b>250,509</b>         | <b>192,064</b>                       | <b>(58,445)</b>          |
|    | <b>Partner Contributions</b>   | <b>(185,000)</b>       | <b>(135,000)</b>                     | <b>50,000</b>            |
|    | <b>Net Expenditure</b>   | <b>65,509</b>          | <b>57,064</b>                        | <b>(8,445)</b>           |
|    | <b>Appropriations (from) / to Joint Committee Reserve A/c</b>  | <b>(65,509)</b>        | <b>(57,064)</b>                      | <b>8,445</b>             |
|    | <b>Projected Balance of the Joint Committee Reserve A/c as at 31.03.2021</b>   |                        | <b>266,799</b>                       |                          |

| No | Item   | Action |
|----|--|--------|
|    | <p>The Project Team is currently reporting an underspend of £17,931. This variance is a consequence of the Budget being based on top of the pay scale costings and full employee on-costs. The 2020/21 Budget was prepared before the results of the tri-annual Pension Fund review were available with the subsequent decrease in the Employers contribution rate for Cardiff Council with effect from 1<sup>st</sup> April 2020.</p> <p>The underspend of £34,030 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.</p> <p>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.</p> <p>Based on the projected Reserve Account position at Month 7 a £10,000 rebate per partner is proposed for 2020/21. 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 31<sup>st</sup> March 2021 is £266,799 and this resource will be available to continue the principle of funding non-recurring Prosiect Gwyrdd expenditure in future financial years.</p> <p>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 2021-22 financial year assuming a full drawdown of the budgeted funding is £203,441.</p> <p>Table 2 below provides a summary of the proposed Budget for 2021-22 as well as a comparison with the current 2020-21 budget. A pay award of 2% from 1<sup>st</sup> April 2021 has been assumed for uplifting employee costs with an indexation assumption of 2% being applied to the other non-employee budget headings.</p> |        |

| No  | Item | Action                                       |   |
|---|------|--|---|
| <b>TABLE 2: Summary Budget Position 2021-22</b>   |      |  |   |
|   |      | <b>2020-21<br/>Original<br/>Budget<br/>£</b> | <b>2021-22<br/>Propose<br/>d<br/>Budaet</b> |
| Expenditure   |      |  |   |
| Contract Management Team  |      | 185,332                                      | 182,607                                     |
| Supplies & Services   |      | 18,050                                       | 18,450                                      |
| Support Services  |      | 9,700  | 10,200                                      |
| Cardiff & Vale Organics Contribution  |      | (40,103)                                     | (40,429)                                    |
| Expenditure – funded by Partner contributions   |      | <b>172,979</b>                               | <b>170,828</b>                              |
| External Advisors   |      | 57,530                                       | 57,530                                      |
| Contingency   |      | 20,000                                       | 20,000                                      |
| Expenditure – funded by Reserve Account   |      | <b>77,530</b>                                | <b>77,530</b>                               |
| Gross Expenditure   |      | <b>250,509</b>                               | <b>248,358</b>                              |
| Partner Contributions   |      | <b>(185,000)</b>                             | <b>(185,000)</b>                            |
| Appropriations from Joint Committee Reserve   |      | <b>(65,509)</b>                              | <b>(63,358)</b>                             |
| Projected Balance of the Joint Committee Reserve A/c as at 31.03.2022   |      |  | <b>203,441</b>                              |
| <p>A full year spend for the Contract Management team is assumed in the above budget along with a full year assumptions for External Advisors and contingency expenditure. The other budgets heads remain broadly unchanged with the proposed partner contributions unchanged at £185,000, which is £37,000 per partner.</p> <p>The projected drawdown from the Reserve account is £63,358 to leave a projected balance on the account of £203,441 as at 31<sup>st</sup> March 2022.</p> <p>Table 3 below provides a summary of indicative Joint Committee budgets and partner contributions for the financial years 2022-23 to 2024-25 which have also been indexed by inflation assumptions of 2% 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.</p> <p>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.</p> <p><b>TABLE 3: Summary 2022-23 to 2024-25 Indicative Resource</b></p> |      |  |   |

| No             | Item  | Action                    |                                     |                               |                     |                               |  |   |   |   |  |         |         |        |        |         |         |         |        |        |        |         |         |        |        |       |  |
|----------------|---|---------------------------|-------------------------------------|-------------------------------|---------------------|-------------------------------|--|---|---|---|--|---------|---------|--------|--------|---------|---------|---------|--------|--------|--------|---------|---------|--------|--------|-------|--|
|                | <p data-bbox="336 304 552 338"><b><u>Requirements</u></b></p> <table border="1" data-bbox="336 394 1453 680"> <thead> <tr> <th data-bbox="336 394 488 539">Financial Year</th> <th data-bbox="496 394 775 539">Indicative Gross Expenditure Budget</th> <th data-bbox="783 394 999 539">Contributions per Partner</th> <th data-bbox="1007 394 1206 539">Reserve A/c funding</th> <th data-bbox="1214 394 1453 539">Projected Reserve A/c balance</th> </tr> <tr> <td></td> <td data-bbox="496 551 775 573">£</td> <td data-bbox="783 551 999 573">£</td> <td data-bbox="1007 551 1206 573">£</td> <td></td> </tr> </thead> <tbody> <tr> <td data-bbox="336 573 488 607">2022-23</td> <td data-bbox="496 573 775 607">253,000</td> <td data-bbox="783 573 999 607">37,800</td> <td data-bbox="1007 573 1206 607">64,000</td> <td data-bbox="1214 573 1453 607">139,000</td> </tr> <tr> <td data-bbox="336 607 488 640">2023-24</td> <td data-bbox="496 607 775 640">259,000</td> <td data-bbox="783 607 999 640">38,600</td> <td data-bbox="1007 607 1206 640">66,000</td> <td data-bbox="1214 607 1453 640">73,000</td> </tr> <tr> <td data-bbox="336 640 488 674">2024-25</td> <td data-bbox="496 640 775 674">264,000</td> <td data-bbox="783 640 999 674">39,400</td> <td data-bbox="1007 640 1206 674">67,000</td> <td data-bbox="1214 640 1453 674">6,000</td> </tr> </tbody> </table> <p data-bbox="336 752 536 786"><b>RESOLVED:</b></p> <ol data-bbox="440 819 1437 1301" style="list-style-type: none"> <li>a. That the Joint Committee notes the 2020/21 projected outturn forecast including the projected year-end balance for the Joint Committee Reserve Account.</li> <li>b. That the Joint Committee recommends the 2021-22 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 2021-22.</li> <li>c. The Joint Committee asks the Partnering Councils to note the indicative budgets, and associated partner contributions, outlined for the financial years 2022-23 to 2024-25.</li> </ol> | Financial Year            | Indicative Gross Expenditure Budget | Contributions per Partner     | Reserve A/c funding | Projected Reserve A/c balance |  | £ | £ | £ |  | 2022-23 | 253,000 | 37,800 | 64,000 | 139,000 | 2023-24 | 259,000 | 38,600 | 66,000 | 73,000 | 2024-25 | 264,000 | 39,400 | 67,000 | 6,000 |  |
| Financial Year | Indicative Gross Expenditure Budget   | Contributions per Partner | Reserve A/c funding                 | Projected Reserve A/c balance |                     |                               |  |   |   |   |  |         |         |        |        |         |         |         |        |        |        |         |         |        |        |       |  |
|                | £   | £                         | £                                   |                               |                     |                               |  |   |   |   |  |         |         |        |        |         |         |         |        |        |        |         |         |        |        |       |  |
| 2022-23        | 253,000   | 37,800                    | 64,000                              | 139,000                       |                     |                               |  |   |   |   |  |         |         |        |        |         |         |         |        |        |        |         |         |        |        |       |  |
| 2023-24        | 259,000   | 38,600                    | 66,000                              | 73,000                        |                     |                               |  |   |   |   |  |         |         |        |        |         |         |         |        |        |        |         |         |        |        |       |  |
| 2024-25        | 264,000   | 39,400                    | 67,000                              | 6,000                         |                     |                               |  |   |   |   |  |         |         |        |        |         |         |         |        |        |        |         |         |        |        |       |  |
| <b>29</b>      | <b>Urgent Items (if any)</b><br>None received.  |                           |                                     |                               |                     |                               |  |   |   |   |  |         |         |        |        |         |         |         |        |        |        |         |         |        |        |       |  |
| <b>30</b>      | <b>Proposed Date of next meeting</b><br>To be confirmed.  |                           |                                     |                               |                     |                               |  |   |   |   |  |         |         |        |        |         |         |         |        |        |        |         |         |        |        |       |  |