

Public Document Pack



Gareth Owens LL.B Barrister/Bargyfreithiwr
Head of Legal and Democratic Services
Pennaeth Gwasanaethau Cyfreithiol a Democraidd

To:

Councillors: Richard Dew, Brian Jones, Dafydd Meurig, Don Milne, Bob Parry, Sam Rowlands, Aaron Shotton, Carolyn Thomas, Julian Thompson-Hill and Gareth Wyn Griffith

CS/NG

15th June, 2018

Nicola Gittins 01352 702345
nicola.gittins@flintshire.gov.uk

Invited external attendees:-

- Unite Representatives - Steve Benson and Peter Williams
- GMB Representatives – Stephen Butterworth and Paul Burton
- Engineering Construction Industry Association (ECIA) Representative – Dave Keville
- Wheelabrator Technologies Representatives – Julian Harrison and Apostolos Sarandidis
- CNIM Representatives – Becky Bell and Julien Trystram
- Local Partnerships – Mark Turner

Dear Sir / Madam

A meeting of the **NORTH WALES RESIDUAL WASTE JOINT COMMITTEE** will be held in the **BODLONDEB, BANGOR ROAD, CONWY, LL32 8DU** on **THURSDAY, 21ST JUNE, 2018** at **2.00 PM** to consider the following items.

A G E N D A

- 1 **APOLOGIES**
- 2 **DECLARATION OF INTEREST**
- 3 **ELECTION OF CHAIRMAN AND VICE CHAIRMAN TO THE JOINT COMMITTEE**

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The Council welcomes correspondence in Welsh or English
Mae'r Cyngor yn croesawau gohebiaeth yn y Cymraeg neu'r Saesneg

4 **APPROVAL OF PREVIOUS MINUTES** (Pages 3 - 6)

5 **MATTERS ARISING FROM PREVIOUS MEETING**

6 **CONSTRUCTION UPDATE (A) AND DISCUSSIONS WITH UNIONS (B)**
(Pages 7 - 30)

Purpose:-

1. Opportunity for the Unions to address the Joint Committee.
2. CNIM and WTI to respond and run through actions from Union meeting of 3 May 2018
3. Authority actions and response
4. Summary of discussions and agreed actions

7 **ANNUAL ACCOUNTS** (Pages 31 - 44)

For the Joint Committee to approve the Statement of Accounts for 2017/18

8 **PROJECT PROGRESS (VERBAL)**

To provide an overall project update to Members

The following item is considered to be exempt by virtue of Paragraph(s) 14 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

The report contains details relating to the financial affairs of the 5 councils. Those details are commercially sensitive and the public interest in protecting that commercial position outweighs the public interest in revealing the information during the lifetime of the contract

9 **HAULAGE SERVICES AND WASTE TRANSFER STATIONS REPORT**
(Pages 45 - 50)

To update Members on the scope of the haulage contract and feedback from the soft market testing exercise

The following item is considered to be exempt by virtue of Paragraph(s) 14 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

The report contains details relating to the financial affairs of the 5 councils and WTI. Those details are commercially sensitive and the public interest in protecting that commercial position outweighs the public interest in revealing the information during the lifetime of the contract

10 **WELSH GOVERNMENT FUNDING** (Pages 51 - 72)

To review Welsh Government's gate fee contribution to the Partnership

11 **ANY OTHER BUSINESS**

Yours sincerely

A handwritten signature in black ink, appearing to read 'Robert Robins', with a horizontal line extending to the right.

Robert Robins
Democratic Services Manager

- a)
- b)

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NORTH WALES RESIDUAL WASTE JOINT COMMITTEE

Tuesday 27th March 2018 at 2.00pm
Conwy Business Centre

PRESENT:

Councillor Brian Jones	Denbighshire County Council
Councillor Julian Thompson-Hill	Denbighshire County Council
Councillor Aaron Shotton	Flintshire County Council
Councillor Carolyn Thomas	Flintshire County Council
Councillor Gareth Wyn Griffith	Gwynedd County Council
Councillor Bob Parry	Isle of Anglesey County Council
Councillor Donald Milne	Conwy County Borough Council

ALSO PRESENT:

Flintshire County Council

Colin Everett (Lead Chief Executive)

Conwy County Borough Council

Andrew Wilkinson (Head of Neighbourhood Services)

Denbighshire County Council

Tony Ward (Head of Highways and Environmental Services)

Gwynedd Council

Medwyn Williams (Senior Manager – Waste Treatment)

Isle of Anglesey County Council

Dewi Williams (Head of Service Highways, Waste and Property Services)

North Wales Residual Waste Treatment Project

Steffan Owen (Regional Contract Manager)

Wheelabrator Technologies Inc

Apostolos Sarandidis, Julian Harrison

1. **APOLOGIES**

Apologies for absence were received from Gareth Owens (Flintshire County Council), Councillor Sam Rowlands (Conwy County Borough Council), Stephen O Jones (Flintshire County Council), Lisa Brownbill (Flintshire County Council)

2. **DECLARATIONS OF INTEREST**



No declarations of interest were made.

3. **APPROVAL OF PREVIOUS MINUTES**

The minutes were accepted as a correct record.

RESOLVED: *the minutes of the meeting of the North Wales Residual Waste Joint Committee held on 27 July 2017 be approved as a correct record.*

4. **MATTERS ARISING FROM PREVIOUS MINUTES**

Colin Everett (CE) (Lead Chief Executive) suggested that the Joint Committee meet quarterly for the next 12 months in the lead up to Parc Adfer coming on line. No further matters arising.

RESOLVED: *Quarterly meeting dates to be set for the next 12 months*

5. **PROJECT PROGRESS REPORT AND BUDGET FOR 2018/19**

Steffan Owen (SO) went through the report and draft proposed budget for 2018/19. CE noted that the costs will change from operations onwards (2019/20). Budget to be worked through and detailed with the Project Board.

RESOLVED: *That that the draft budget be approved.*

6. **CONSTRUCTION UPDATE REPORT**

Apo Sarandidis(AS) and Julian Harrison of Wheelabrator Technologies Inc (WTI) gave presentation on progress on the construction of Parc Adfer. It was noted that it was currently in line with the programme with commissioning to begin in May 2019.

Julian Harrison (JH) noted that 2 jobs fairs were to be held. One in May for the construction and one in June for the operation of Parc Adfer.

AS and JH noted that current estimates indicate around £4m in local expenditure on the construction, with over 60 local suppliers to date. The local labour figure (within a 30 mile radius) varies over time but current estimates are around 50%.

AS gave update on other areas – the Power Purchase Agreement (for electricity sales from Parc Adfer) was now in place, and other ‘off take’ agreements (e.g. bottom ash) are being develop and will be in place soon.

Questions to WTI:-

Cllr Brian Jones (BJ) – construction seems to be developing well, do WTI foresee any problems?



AS – they have got through the winter and a number of key milestones have been reached, however a number have yet to be reached – e.g. connection to the national grid which is scheduled for September however has a very narrow time ‘window’ in which to be carried out

BJ – what are the potential problems with the grid connection?

AS – should the ‘window’ be missed due to delay, it would mean waiting until March 2019 for connection, which would not be preferable.

BJ noted that it is evident that it is a well run site, and thanked WTI for the presentation.

CE gave background to the protests carried out by Union activists, and noted that the protests were now officially endorsed by the GMB and Unite. He noted that he and the Contract Manager were in regular contact with the Unions on behalf of the Partnership. He noted that the Partnership’s contract with WTI was a service contract for a residual waste treatment service and that the build was a contractor responsibility.

CE added that the Partnership’s role was to hold WTI and its construction contractor, CNIM, to account on their practices, facilitate discussions and scrutinise. He also noted that WTI’s own human resources team are currently auditing CNIM’s contracting and employment processes.

CE pointed out that it was important not to confuse the issue of the NAECI agreement with meeting best practice in terms of employment and contracting.

AS – responded that it was important to recognise the work the Flintshire County Council has carried out as Lead Authority on this issue. He noted that reputation, trust and confidence were important.

A discussion was held on allegations made by the Unions about worker ‘exploitation’, local workers being excluded and the Partnership being ‘uncaring’. It was noted that evidence of good practice would allow Joint Committee Members to become advocates locally.

CE – a practical action to get information in the public domain would be to release some information demonstrating local benefit.

Cllr Carolyn Thomas – things such local contractors list would be helpful.

JH – agreed this could be shared.

AS noted that some work is inevitably specialist and therefore some workers will be from mainland Europe.

BJ – how do the contracts get awarded.



AS – CNIM let the contracts, however things such as bidders days, contact with local businesses and organisations etc. Where possible, contracts will be let locally.

CE – a fuller public statement is therefore needed based on facts from the site.

7. **INTERIM SERVICES, HAULAGE CONTRACT AND WASTE TRANSFER STATIONS REPORT**

SO went through the report.

Andrew Wilkinson (AW) noted that Conwy were looking at a number of options for their waste transfer, including carrying out a site search for both authority owned site and privately owned sites and private sector options.

Tonw Ward (TW) noted that the modelling work on collection systems was still on going and would need to be complete before their waste transfer station was able to proceed.

SO highlighted the work required to procure the haulage contract and issues to consider when doing so.

BJ asked could we buy our own fleet?

SO replied that if the Partnership wished to do so, yes. It is within our gift.

DW noted that there were plenty of local private sector options.

SO noted that the Technical Officer Group would be hosting an informal bidders day to get feedback from local companies on haulage and waste transfer options for the partner authorities.

RESOLVED *Note the update*

RESOLVED to move to Part 2 and to exclude the press and public Proposed – Cllr Brian Jones, Seconded, Cllr Aaron Shotton

8. **CONTRACT MANAGEMENT REPORT**

This discussion was held under Part 2 with the press and public excluded.

10. **ANY OTHER BUSINESS**

None

(The meeting ended at 4.00 pm)



AGENDA ITEM NO: 6a

REPORT TO: NWRWTP JOINT COMMITTEE

DATE: 21st JUNE 2018

REPORT BY: CONTRACT MANAGER

SUBJECT: CONSTRUCTION PROGRESS REPORT

1. PURPOSE OF REPORT

- 1.1. To update the Joint Committee on progress on the construction of the Parc Adfer facility

2. BACKGROUND

- 2.1. Financial Close on the NWRWTP procurement was reached in mid-December 2016 and the contract formally awarded to Wheelabrator Technologies Inc (WTI).
- 2.2. WTI's Engineering Procurement and Construction (EPC) contractor is CNIM, whose Civil Engineering sub-contractor is Clugston. Both CNIM and Clugston are highly experienced contractors in the Energy from Waste (EfW) market. Furthermore, they have a well-established relationship, with Parc Adfer being their 10th EfW construction project together.
- 2.3. A Liaison Procedure for reporting progress of the construction against the timetable is set out in the Project Agreement (PA). To comply with the with PA's requirements a formal Monthly Construction Progress Report is submitted to the authority by WTI. Monthly meetings (Contract Management Board) are held with WTI and their contractors to formally report on progress, issues on site and any potential known risks to the programme.
- 2.4. The NWRWTP are represented on the Contract Management Board (CMB) and all output and discussions of the CMB is reported to the Technical Officers Group and the Project Board.
- 2.5. As well as the above, the authority's Contract Manager visits the site weekly, although flexibility remains to visit the site at other times should the need arise.

3. CONSIDERATIONS

Overview and key areas of progress

- 3.1. Below is a summary of progress of the construction of Parc Adfer.



Overall progress

- 3.2. The current works are focused on the fire water tank and pump room, cladding of the bunker, turbine hall roof, switchgear rooms, flue gas treatment steel erection and electricity substation. The boiler pressure components continue to be welded and installation of the hydraulic lines have commenced. Building services continue to be installed on site.
- 3.3. The engineering activities have included the control room ergonomic study, addressing the insurer's queries on the fire strategy and site traffic management for the operational period.
- 3.4. The civil work programme is currently focusing on the waste bunker, grid connection & electrical rooms, turbine hall, administration building, bottom ash storage area and the dirty water pit. Excavation works for the foundations to the bottom ash storage area has commenced.
- 3.5. The first design meeting for the visitor centre is scheduled for later this month (June 2018).
- 3.6. Overall, progress on site has been good with no changes to the programme.

Health and Safety

- 3.7. The Health and Safety record on site remains extremely good. There have been no Health and Safety reportable (Riddor) incidents since the start of construction in over twelve months ago in January 2017, which means that as at the end of May 2018, the site is over 388,000 work hours without a Riddor reportable incident.
- 3.8. As noted in 3.7 above there have been no Health and Safety reportable incidents for this Reporting Period however two near miss incidents and one complaint have occurred. The near miss incidents involved smouldering packaging from welding activities and an electrical cable trailing a road occurred. The complaint related to a near miss between a cyclist utilising the public road and a vehicle entering the site. Remedial actions were undertaken within 48 hours which included informing all construction staff of the cyclist risk and repainting the road markings on the t junction outside the site. The Health and Safety Executive (HSE) was invited to site and no recommendations or improvements were advised.

Planning and Permit

- 3.9. The planning application for a number of non-material amendments reported to the Joint Committee in March 2018 has now been approved. It is expected that there will be further set of non-material amendments towards the end of the construction.
- 3.10. The permit variation submitted to Natural Resources Wales that was reported to the Joint Committee in March 2018 has now been approved. The variation covers:-



- Change of technology provider (from original permit of Baumgarte to CNIM);
- Modified flue gas treatment;
- Option for change to the emissions sampling point; and
- For information purposes only an explanation of how the IBA area will be used.

Risk to programme

3.11. WTI's assessment of the overall risk to the timetable remains low.

3.12. One area which has been highlighted as medium is Industrial Relations, specifically action by Unions (see agenda item 6b, separate report).

Reported key dates

3.13. WTI's reported Planned Service Commencement date is remains at 14th October 2019 and Planned Readiness Date remains at 21st May 2019. The Planned Readiness Date is a key date for the authorities as it is the date when the commissioning of Parc Adfer begins and waste from the authorities starts going to into the facility Other key dates are shown in table 2 below :-

Activity	Key Date	Achieved
Financial Close / Effective Date	15th December 2016	
Procurement of all long lead time items complete	27th March 2018	31 st July 2017
Commencement of Grid Connection Works by DNO	11th April 2018	4 th October 2017
Design works complete	7th August 2019	
Bunker excavation and concrete works complete	8th October 2018	
Site hand-over from Clugston to CNIM complete	28th June 2019	4 th December 2017
Long lead time items all on site	27th September 2018	
Long lead time items installed	31st December 2018	
Boiler pressure test	2nd August 2018	
Grid Connection G59 Test / Completion by SPEN	22nd August 2018	
Commencement of O&M Contractor staff training	18th March 2019	
Issue of Construction Completion Certificate	21st May 2019	
Issue of Readiness Test Certificate	21st May 2019	
Issue of Acceptance Test Certificate	14th October 2019	
Planned Service Commencement	14th October 2019	
EPC Contractor's Longstop Completion Date	14th October 2020	
Credit Agreement Longstop Date	15th January 2021	



3.14. Overall, the construction progress is recorded at 61.45% complete, against an expected level of 59.67%.

4. RECOMMENDATIONS

The Project Board is asked to:-

4.1. Note the content of this report.

5. RESOURCE IMPLICATIONS

5.1. The financial implications of the contract have previously been through an approvals process within all partner authorities.

6. ANTI-POVERTY IMPACT

6.1. Not applicable.

7. ENVIRONMENTAL IMPACT

7.1. The environmental implications of the contract have previously been through an approvals process within all partner authorities.

8. EQUALITIES IMPACT

8.1. Not applicable.

9. PERSONNEL IMPLICATIONS

9.1. Not applicable.

10. CONSULTATION REQUIRED

10.1. As set out within the report.

11. CONSULTATION UNDERTAKEN

11.1. Not applicable.

LOCAL GOVERNMENT ACCESS TO INFORMATION ACT 1985

Background Documents:

None

Contact Officer: Steffan Owen - NWRWTP Project Manager



AGENDA ITEM NO: 6b

REPORT TO: NWRWTP JOINT COMMITTEE

DATE: 21st JUNE 2018

REPORT BY: CONTRACT MANAGER

SUBJECT: UNION RELATIONS REPORT

1. PURPOSE OF REPORT

- 1.1. To update the Joint Committee on developments on discussions with the Unite and GMB Unions on the construction of the Parc Adfer facility.

2. BACKGROUND

- 2.1. Financial Close on the NWRWTP procurement was reached in mid-December 2016 and the contract formally awarded to Wheelabrator Technologies Inc (WTI), and construction began in January 2017.
- 2.2. It has previously been reported to the Joint Committee that a number of protests have been staged by Unite and GMB Union members at the Parc Adfer site from August 2017. The protestors have been seeking the build of Parc Adfer to be carried out under a specific agreement called the National Agreement for the Engineering Construction Industry (NAECI).
- 2.3. This agreement is a collective bargaining agreement used in the Engineering Construction Industry backed by the Unite and GMB Unions and is essentially a set of terms of employment negotiated between employer representatives and Trades Unions.
- 2.4. NAECI typically applies to “Major Projects” such as significant energy projects whose planning determinations are not carried out locally (over 50MW), but there is no requirement for it to apply below this level. There are currently 4 projects in the whole of the UK that are working under NAECI.
- 2.5. Since early August 2017 there have been 13 protests in total. 11 at the Parc Adfer site and 2 at County Hall, Mold, the most recent being on the 30th May 2018. See 3.3 below for further detail.
- 2.6. The Partnership has facilitated discussions with the Unions including 2 meetings in 2018 with both Unions, WTI, CNIM and the partnership present. Further detail is provided in 3.5 below.



3. CONSIDERATIONS

NAECI Agreement

- 3.1. As has previously been reported, the NWRWTP contract was awarded to WTI in December 2016, therefore the Partnership is not in a contractual position to impose NAECI on either WTI or its sub-contractors. It is also worth noting that signing up to NAECI is not an obligation and no requirement was placed on the Partnership from any party (including Welsh Government) to specify NAECI during the NWRWTP procurement process.
- 3.2. CNIM, as the engineering, procurement and construction (EPC) contractor have stated that they cannot sign up to NAECI after the fact as they entered into a contract with WTI on a particular commercial and legal basis, and as NAECI was not part of that it could not be added in subsequently.

Union protests, disruption and media statements

- 3.3. As noted in 2.5 above, there have been 13 protests in total since early August 2017 by both Unions, with 11 being outside the Parc Adfer site and 2 at Flintshire County Council's offices at County Hall, Mold. The protests have proved to be disruptive and have taken considerable time and effort by both Flintshire County Council (Highways, Chief Officer level and Chief Executive) and North Wales Police to manage and ensure public safety, whilst maintaining the Unions' legitimate right to protest.
- 3.4. The Unions have made a number of allegations in the media related to contracting practices on the Parc Adfer site, CNIM's press statements in response to those Union allegations are attached in Appendix 1 below.

Dialogue with the Unions

- 3.5. The Partnership, through the lead authority Flintshire County Council, have facilitated direct discussions with CNIM, WTI and Unions seeking to address union concerns relating to contracting and employment practices on site. The Partnership have been clear and firm in seeking assurances that good employment and contracting practices are in place for all sub-contractors on site. CNIM have also held discussions with the unions independently.
- 3.6. Two meetings have been in 2018 held with representatives of the Partnership (Lead Chief Executive and Contract Manager), WTI, CNIM and the Unions to discuss Union concerns. A summary of the actions from both meetings are attached in Appendices 2 and 3 below. The majority of the actions are associated with providing information to the Unions the use of contractors, worker welfare, Health and Safety provisions and processes on site and employment and contracting practices as part of the assurances sought referred to above.
- 3.7. CNIM have a "good practice guide" which they impose on all their sub-contractors which, amongst other things, formally forbids "umbrella contracts", zero hours contracts and "False Self Employment". It also states



that any sub-contractors will provide accommodation for employees on a one per room basis. Also, CNIM accepted an offer for Flintshire County Council's Audit team to review the method of calculating the percentage of local labour and the rigour of the figures. This will be reported on in full when the report from Flintshire's internal audit team is complete.

- 3.8. Another key action has been for the Unions to be allowed to visit the site and opportunity for workers to meet directly with Union representatives. An initial site visit with the Unions was held earlier in 2018, and following further requests from the Unions a second Union visit was held on the 1st of June. The Contract Manager attended this second site visit as an observer. On both occasions no workers on site took the opportunity to meet with the Unions directly.
- 3.9. At the Partnership's invitation, WTI representatives attended the last Joint Committee in March 2018, where the Joint Committee reviewed the challenges and actions raised in the January meeting (see Appendix 2). Following the discussion, the Committee was assured by the answers given, for example on the audit of contractor compliance with CNIM policies.
- 3.10. Separate to the above, the Unions have also been in direct contact with Flintshire County Council with a series of queries related to the procurement process itself. The most recent of these queries and the responses provided are attached in Appendix 4 below.
- 3.11. Since the start of the protests, the NWRWTP Partnership, WTI and CNIM have extended an open invitation to the Unions to bring to their attention any contracting practices which is contrary to CNIM's own good practice guide or illegal. Two very minor issues were raised and dealt with swiftly.

Cost of protests

- 3.12. The costs of managing the protests for North Wales Police and Flintshire County Council's Highways is calculated to be just under £82,000 to date. This cost does not count the considerable Flintshire County Council Chief Officer and Chief Executive involvement in not only managing the protests, but also the extensive work involved in direct contact and facilitating wider discussions with the Unions, WTI and CNIM. Those discussions continue, including the invitation of the Unions to this meeting to discuss their concerns.

4. RECOMMENDATIONS

The Project Board is asked to:-

- 4.1. Note the content of this report.

5. RESOURCE IMPLICATIONS

- 5.1. The financial implications of the protests are noted in the report.



NWRWTP

North Wales Residual Waste Treatment Project

6. ANTI-POVERTY IMPACT

6.1. Not applicable.

7. ENVIRONMENTAL IMPACT

7.1. Not Applicable.

8. EQUALITIES IMPACT

8.1. Not applicable.

9. PERSONNEL IMPLICATIONS

9.1. Not applicable.

10. CONSULTATION REQUIRED

10.1. As set out within the report.

11. CONSULTATION UNDERTAKEN

11.1. Not applicable.

LOCAL GOVERNMENT ACCESS TO INFORMATION ACT 1985

Background Documents:

None

Contact Officer: Steffan Owen - NWRWTP Contract Manager



30 January 2018

Statement on Protest at Flintshire County Council

A spokesperson for CNIM said:

"CNIM totally rejects the comments made by the protesters about its work in the UK. The company has followed good practice in the UK for more than 20 years.

"With respect to the allegations made by the protesters regarding NAECI. NAECI is an optional agreement. CNIM has been clear that it complies fully with UK law and observes all relevant UK legislation.

"This project was procured by local authorities in 2016, who are duty bound to make the best use of public funds. The UK and Welsh Governments are clear that NAECI is not specified as a requirement for local authority projects. As a result, the project is not designated as being a NAECI site and will not become one. There are no local authority projects to date that have been designated NAECI and as far as we are aware, no project has become one after the procurement phase has closed.

"We have been working according to the Welsh Government Code of Conduct, which sets out best practice for projects like this. This position is supported by the Unions and we also require our sub-contractors to work to the same guidelines."

Parc Adfer is a new energy recovery facility for North Wales. It will use non-recyclable waste to generate electricity, equivalent to the needs of more than 30,000 homes. For more information on Parc Adfer visit www.parcadferconstruction.co.uk.

Project developer, Wheelabrator has selected CNIM Group as the EPC (Engineering Procurement Construction) contractor. In turn, CNIM has appointed Clugston Construction to lead the civil engineering works. Together CNIM and Clugston form the chosen delivery partners for the Parc Adfer project.

ENDS

For further information please contact Coast Communications on 01579

352600 or info@coastmarcoms.co.uk.

Notes to editors

CNIM Group

CNIM is a leading European specialist for the design and construction of turnkey non-fossil thermal power plants for the treatment of waste with almost a thousand references across the world. For more information on CNIM visit www.cnim.com.

Clugston Construction

Clugston is a privately owned building and civil engineering contractor with a wealth of knowledge from a wide range of building and civil engineering projects, for national and international customers. For more information on Clugston visit www.clugston.co.uk.

Wheelabrator

Wheelabrator Technologies is the second largest US energy-from-waste business, and is an industry leader in the conversion of everyday residential and business waste into clean energy. Wheelabrator currently has a platform of 23 power-producing assets across the US and UK —19 energy-from-waste facilities (three under construction), four independent power plants as well as four ash monofills and three transfer stations.

Wheelabrator currently has an annual waste processing capacity of over 6.8 million tonnes (7.5 million US tons), and a total combined electric generating capacity of 853 megawatts—enough energy to power more than 805,000 homes. Wheelabrator also recovers metals for recycling into commercial products. The company's vision to develop, deliver and realize the potential of clean energy speaks to Wheelabrator's ongoing commitment to the development of clean energy solutions for its customers and local communities. Wheelabrator is owned by Energy Capital Partners, an energy infrastructure-focused private equity firm. For more on Energy Capital Partners, please visit www.ecpartners.com. For more on Wheelabrator, please visit www.wtienergy.co.uk.



25 May 2018

CNIM Statement: Unite Allegations

A spokesperson for CNIM said:

“CNIM has followed good practice in the UK for more than 20 years and with regards to the Parc Adfer project, we have been clear that it complies fully with UK law and observes all relevant UK legislation.

“We are disappointed that Unite continues to make these erroneous allegations about the company. CNIM has maintained an ongoing dialogue with the trade unions during the course of the construction of the Parc Adfer energy-from-waste facility.

“The company has met Unite on a number of occasions including two site visits, with a further visit scheduled for next month. Unite attended the first jobs fair last year and was invited to the second one earlier this week, but did not attend.

“CNIM has agreed and actioned a number of requests from the trade unions. These include:

- External audit on local labour numbers
- Proportion of agency employees working on the project
- Quality Assurance inspection of worker accommodation
- Contractor and supplier lists
- HSE site visit from regional and national inspectors
- Information on the project Health and Safety Committee
- Project health and safety statistics
- Audit of main sub-contractors against CNIM's Good Practice Guide
- Bell curve for worker numbers and trades for the rest of CNIM's contract
- Continuation of site visits with access to workers

“In line with CNIM's Good Practice Guide, the procurement of all contracts on the Parc Adfer project meets or exceeds the Welsh Government's Code of Conduct. The voluntary living wage is the minimum rate of pay. There is a request by the unions that we adopt a voluntary collective agreement that is currently only being used on four other construction projects in the UK. This agreement would require significant additional pay and conditions. Given it is a voluntary

agreement and was not specified when the companies were tendering, to retrospectively apply it would require funds that the local authorities, who are duty bound to make the best use of public funds, do not have.

“CNIM does not compromise health and safety on its sites and we dispute that health and safety, welfare provision and training is being undermined at Parc Adfer. We have had inspections by the local authority and HSE, which were exemplary.

“At the unions’ request, we invited HSE to inspect the site again last week. The inspectors were impressed with the site with no observations or advice.

“Welfare facilities have been independently inspected by the North Wales Residual Waste Partnership, with no concerns raised. Unite has also seen the facilities and did not raise any concerns either so we are particularly surprised at this allegation.

“Training is provided as required and no one is allowed on site without having had the necessary training relevant to their role.

“CNIM has committed to investigate rigorously any case of malpractice and has invited the trade unions to bring forward any specific incidences.

“The claim that CNIM excludes local workers is also not true. CNIM has been working according to the Welsh Government Code of Conduct, which sets out best practice regarding labour for projects like this. We require our sub-contractors to work to the same guidelines. A recent audit showed that 35% of the workforce on site at that point in time was local.

“We held a jobs fair last year, which was attended by more than 150 people and since then, we have had an additional 200 people express interest in employment. Our most recent jobs fair, held earlier this week, saw a further 100 people register interest in the project. As well as CNIM, exhibitors included sub-contractors, recruitment and employment support agencies, and GMB – not Unite.

“There are 30 local companies who are currently or have been employed on site, and there will be more to come as construction continues.”

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ENDS

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Clugston is a privately owned building and civil engineering contractor with a wealth of knowledge from a wide range of building and civil engineering projects, for national and international customers. For more information on Clugston visit www.clugston.co.uk.

Wheelabrator

Wheelabrator Technologies is the second largest US energy-from-waste business, and is an industry leader in the conversion of everyday residential and business waste into clean energy. Wheelabrator currently has a platform of 22 power-producing assets across the US and UK —19 energy-from-waste facilities (three under construction), three independent power plants as well as four ash monofills and three transfer stations. Wheelabrator currently has an annual waste processing capacity of over 6.8 million tonnes (7.5 million US tons), and a total combined electric generating capacity of 825 megawatts — enough energy to power more than 771,000 homes. Wheelabrator also recovers metals for recycling into commercial products. The company's vision to develop, deliver and realize the potential of clean energy speaks to Wheelabrator's ongoing commitment to the development of clean energy solutions for its customers and local communities. Wheelabrator is owned by Energy Capital Partners, an energy infrastructure-focused private equity firm. For more on Energy Capital Partners, please visit www.ecpartners.com. For more on Wheelabrator, please visit www.wtienergy.co.uk.

APPENDIX 2

Meeting Action		Status
1	Audit process – CNIM’s audit of the 60/ 40%, determining robustness of process	<p>The local workforce figures to December 2017 were generated by Parc Adfer’s gate entry system, for which each worker registers and submits their address.</p> <p>The data has been reviewed by CNIM and the dataset independently verified by Wheelabrator.</p> <p>On review of the data it has become apparent that some workers have used lodging addresses rather than home addresses, meaning that the quoted number is potentially overstated. It is estimated that, were home addresses used consistently, the revised estimate of the workforce living within 30 miles would be closer to 50%.</p> <p>Moving forward, CNIM has advised that home addresses will be recorded to ensure more accurate data.</p>
2	CNIM to review application of the risk assessment process and audit of subbies – has it raised any concerns? (To let us all know)	<p>CNIM has provided Wheelabrator with three audit reports, covering each key topic of the Good Practice Guide. One non-conformance was reported (an incidence of room-sharing) which CNIM reports as rectified.</p> <p>CNIM’s response suggests that the action, as originally agreed, has been completed (one of the reports examines worker fatigue in relation to the working time directive), however Wheelabrator has requested further detail and has asked CNIM to work with Wheelabrator’s own HR department to ensure that:</p> <ul style="list-style-type: none"> a) the contents of the reports are accurate and verifiable; and b) a robust process exists for ensuring that the Good Practice Guide is robustly applied and monitored. <p>CNIM has agreed to Wheelabrator’s request and further audit and oversight will be taking place over the coming months. Wheelabrator’s Human Resources department will be visiting CNIM on site on 28th March as part of their review.</p>
3	Any evidence from unions – please provide (to TUs)	<p>Since the meeting of 17th January 2018 the following statement has been received from the trade unions:</p> <p>Reported Grievance</p> <p>As set out in comments to summary of meeting of 17th January 2018 with trade unions:</p> <p><i>“The Trade Unions highlighted examples of breaches of the Working Time Regulations by the Civil contractor whose workforce travels between Willenhall and the site on a daily basis which is a 2 hours travelling journey each way, plus working a ten hour day, we await BB to provide a written response on this ?, “</i></p>

Response

An audit has been carried out on the relevant subcontractor and presented to CNIM, who is satisfied that the Working Time Regulations are not being breached. CNIM has advised that the drive times have been calculated and timesheets examined from Willenhall commuters. They have further advised that each vehicle has multiple drivers, to minimise any risk of fatigue.

Reported Grievance

Report from Alyn Thomas 5th April 2018

Further to recent discussions and ongoing concerns with regards to a local workforce at Parc Adfer, I have just received a telephone call from a local resident who is a joiner, he wished to be closer to home to work because his wife was pregnant.

He left a job at Manchester Airport and worked via an agency here, he was informed by the agency there was at least 6 months work at Parc Adfer.

He informs me that he was released from the contract after 2.5 weeks being informed that he was not required they were reducing the workforce.

He also informed me that other workers who are employed by an agency in the midlands some of whom travel in every day have all been retained. When he asked them if they were being released he was told no.

I am concerned that a local resident working via an agency has been released when others who cannot be deemed to be local if they are coming from the midlands are being employed.

This issue clearly highlights that the local workforce is not being given a chance.

I will be asking one of my colleagues to make contact with the person to ascertain more detailed facts, but this behaviour would appear to be against the contractual requirement

Response

No further details were received from GMB on the individual or any specific alleged breach of contractual conditions, employment law or the CNIM Good Practice Guide. However CNIM has anyway undertaken an investigation and report that:

- The individual was identified and invited in to discuss
- He was one of several joiners that were released as carpentry work slowed in one of the construction zones

Summary of Progress Against Agreed Actions from Meeting of 17th January 2018 with members of the GMB and Unite trade unions - DRAFT

		<ul style="list-style-type: none"> • The criteria for release was skillset • Geographical discrimination was not a criteria • There was no evidence of any breach of contractual conditions, employment law or the CNIM Good Practice Guide
4	... a list of sub contractors	A list of subcontractors has been provided to the trade unions.
5	Site visits agree with scope	<p>One site visit took place on 16th February. The visit was constructive and cordial. A further follow up visit programmed for 1st March was cancelled due to weather conditions and is now taking place on 16th March (today).</p> <p>On the visit of 16th February, workers had prior notice of the event and were invited to meet with the trade unions on an appointment basis. No workers took up that invitation.</p> <p>CNIM will not permit uncontrolled site access for visiting trade union representatives.</p>
6	What is the contract – living or not?	<p>We understand that the query is currently with Welsh Government.</p> <p>Wheelabrator is not aware of the term “Living Contract”. The contract follows a largely standard ‘SOPC4’ form, typical for public procurements of this nature. No material changes can take place without the formal consent of various stakeholders.</p>

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Appendix 3

Meeting Action		Status
1	CNIM to consider offer of external audit on local labour figures, by Colin Everett.	CNIM accepted this offer. The audit was carried out by Flintshire's Internal Audit Team and has been completed and verified. It reports that on 1 st May 2018, the percentage of local workers (30-mile radius) on site was 30%, after exclusions of certain groups. CNIM is investigating the possibility of a bespoke report, from the bio-metric gate entry systems, which would provide more user-friendly information for analysis.
2	CNIM to consider visit by Border Control, as suggested by the unions.	In considering this suggested action, as no specific concerns have been raised to date, it is deemed to be unnecessary. However, this can be revisited in light of any facts being presented.
3	CNIM to provide proportion of workers on the project who are employed by agencies (BB action)	Snap shot: 21% workers on site agency on 8 th May 2018.
4	CNIM to carry out Quality Assurance inspection of worker accommodation (to ensure reasonable standard – BB action –	A Quality Assurance inspection of Mostostal Pulawy worker accommodation took place on 23rd May 2018. A random selection of three properties were inspected and all found to be in a very good state of repair, décor and space. There were sufficient bathroom facilities in proportion to the number of occupants and single occupancy was evident.
5	CNIM to provide updated contractor list, both to include both site based and service/supplier, with contract length and type of work, for all companies in Wales (BB action with Cedric Beaufile)	This action has been completed and issued to all parties.
6	CNIM to provide more information on the worker H&S committee and redacted meeting minutes (JT action)	This has been completed and issued to all parties.
7	CNIM to invite HSE to site for inspection, not investigation (JT action)	Paul Harvey, Principal Inspector and Damien Corbett, Regional Inspector, both of HSE Wales, conducted a Health & Safety inspection of the site on 24th May 2018. The feedback is that they are very impressed with how the project is being run and had no

Summary of Progress Against Agreed Actions from Meeting of 3rd May 2018 with members of the GMB and Unite trade unions – Issue 11 Dated 14.06.18

		observations or advice to issue.
8	CNIM to provide H&S statistic reports (JT action)	This has been completed and issued to all parties.
9	CNIM to provide bell curve for worker numbers and trades for the rest of the contract (JT action)	This has been completed and issued to all parties.
10	CNIM to audit Harris Pye against 'Good Practice Guide' (CB/BB action)	Harris Pye will commence on site week commencing 18 June. A pre-site meeting took place with the company on 15th and 16th May 2018. The audit will take place at the end of July.
11	CNIM/Unions to arrange site visit for May – dates given 15/16 May, for unions to come back (BB action)	The agreed scope of the visit was to give the union representatives access to the induction room, next to the welfare area, to present the values of union membership to any workers who wished to attend. Union posters were displayed before the visit. The visit took place on Friday 1 st June 2018 in line with the agreed scope and was overseen by FCC.
12	WTi to provide written statement outlining reasons for the selection of CNIM as EPC (WTi action)	<p>Wheelabrator Technologies selected CNIM as the EPC contractor for Parc Adfer because of:</p> <ul style="list-style-type: none"> • the ability of CNIM to deliver a single cost effective EPC package that satisfied the complex scope and specification required by the Authority; • CNIM's proven technology and its successful track record in meeting the UK's stringent regulatory requirements; and • CNIM's experience of constructing similar facilities in the UK and elsewhere in the world.
13	NWRWTP	Provide reports regarding project procurement.
14	NWRWTP	The partnership has organised a Joint Committee meeting on 21st June 2018. An invitation has been extended to WTi, CNIM, Unite and GMB to attend the meeting, in part, with two representatives per Trade Union.

Appendix 4

Queries received from Unite (black text), and responses provided by the Partnership (in blue text) responses provided 8 June 2018)

response in blue).

1. Kindly confirm if the project was tender for under the Public Procure (2015) Regulations;
 - a. The procurement for the project began in 2010 therefore was carried out under the 2006 regulations. Many of your questions are based on the assumption that the 2015 regulations applied and are therefore unfounded. However, we have nevertheless demonstrated where the partnership addressed the substance of your concerns. Also, it is important to note that Welsh Government played an important role through Local Partnerships throughout the procurement process at each stage and during negotiations with all bidders.
2. Could you kindly identify if the Parc Adfer project comes under the “Well-being of Future Generations (Wales) Act 2015”, if so, what are the Sustainable developments the Five Council and the Partnership delivering on with regards to “the economic, social and environmental and cultural well-being for the next generation to those residents within the five communities;
 - a. Note that Colin Everett has already responded to this noting that the Act is very general in its objectives and does not in itself introduce specific legal requirements for procurement.
3. If so, could you please set out what procedures are in place to monitor the Guidance on Social, Ethical and Environmental aspects as per the (PPR 2015, Contract award Criteria 67), when the Five Authorities awarded the project to Wheelabrator Technologies Inc,
 - a. The regulation you have quoted does not apply to this contract because it was not let under the 2015 regulations. There are guaranteed levels of environmental performance for the plant within the contract, and as provided in an email to you on 19/4/18, Schedule 13 of the contract refers to the Authorities Policies. This is attached again for ease. This is a contract management and comprehensive governance structure in place to monitor the contract and its performance. The plant is also subject to and will be required to operate in compliance with environmental consents granted, monitored and enforced by Natural Resources Wales as the appropriate regulator.
4. Would you confirm if the Public Private Partnership contracts includes a Variants Clause of the (PPR 2015 as like clause 45);
 - a. The regulation you have quoted does not apply to this contract because it was not let under the 2015 regulations. This is a long term waste service contract, and whilst the possibility exists to vary aspects of the contract, no material

changes can take place without the formal consent of various stakeholders to the contract. It should also be noted that as a result of being a waste services contract, the responsibility for the construction of the facility rests with the Contractor.

5. Again, does the contract comply with Clause 56 (2) of the (PPR 2015) in its entirety or is it solely designed around the term National Law i.e. Living Wage
 - a. The regulation you have quoted does not apply to this contract because it was not let under the 2015 regulations. As noted above, responsibility for the construction of the facility rests with the Contractor, however there is a general obligation for them to act within the law.

6. What procedures did the Five Authorities take, prior to awarding the contract to Wheelabrator Technologies Inc, ensuring the contract was not an abnormally low bid (PPR 2015 clause 67) –
 - a. The regulation you have quoted does not apply to this contract because it was not let under the 2015 regulations. The Partnership has a robust and proven governance structure within which the procurement process was managed. The procurement began in 2010, and this governance structure detailed how each decision point was to be dealt with. Each stage required rigorous scrutiny before approval to move on to the next stage including detailed work of specialist advisors (legal, technical and financial) as well as a robust scrutiny process from Welsh Government throughout the procurement. Of course, this all relates in direct terms to the cost of the service to be provided (which is, of course a function of man aspects, not just the construction costs).

7. What mechanism does members of the Five Authorities Board have in place to monitor any special conditions relating to the performance of Wheelabrator Technologies Inc as per (PPR 2015 Conditions for Performance of Contract 70 & 67.5).
 - a. The regulation you have quoted does not apply to this contract because it was not let under the 2015 regulations. Within the contract there are a host of performance standards for WTI to adhere to in relation to the safe and efficient operation of the facility.

8. How regular are workplace inspections taking place on the project along with any supporting evidence on actions that need to be addressed.
 - a. The Regional Contract Manager visits the site on at least a weekly basis and there are monthly contractual meetings that cover all aspects of the contract (not just the construction).

9. Kindly clarify and provide copies of the Project Health & Safety Committee minutes and how regular these meeting are held.
 - a. These have been provided previously through Becky Bell.

10. What steps does the Public Private Partnership have in place in providing Equality of opportunity for Employment with the Engineering Construction Contractors (Mostostal Pulawy, Harris Pye & Others) as our members have grave concerns regards the success rate through the Job Fair

- a. All CVs received are acknowledged and recorded through the project website, which is widely advertised, including by local partners, such as Job Centre Plus. Following this, the CV's are scanned and sorted into trades.

As each contractor is appointed through the procurement process, relevant trade CVs are forwarded to the contractor. The contractor is required to consider these CVs as part of any recruitment process for any opportunities that arise. This may vary from contractor to contractor, depending on the function or service being provided and the skills required.

11. More importantly, whilst I note from the last meeting there is a commitment for the authorities to undertake a project Audit, kindly confirm if both Trade Unions will be provided with a copy of the Audit report for transparency.

- a. This process is not quite complete yet, however this will be passed on when it is finalised."

Further to the above, a number of follow up queries were received:-

"Many thanks for Colin and your time, and I really appreciate your response in confirming the Parc Adfer project was procured under the 2006 regulations.

Nevertheless could you kindly confirm was the award of the public contract as per Regulation 30

- 30.-(1) Subject to regulation 18 (27) and to paragraph (6) and (9) of this regulation, a contracting authority shall award a public contract on the basis of the offer which-
 - (a) Is the most economically advantageous from the point of view of the contracting authority; or
 - (b) Offers the lowest price
- 30.(6) If an offer for a public contract is abnormally low the contracting authority may reject that offer but only if it has-
 - (a) Requested in writing an explanation of the offer or those parts it considers to the offer being abnormally low;
 - (b) Taken account of the evidence provided in response to a request in writing; and
 - (c) Subsequently verified the offer or parts of the offer being abnormally low with the economic operator

Kindly clarify what mechanism and processes are in place within the Five Authorities to ensure the Parc Adfer project was not of an abnormally low price prior to accepting Wheelabrator offer to construct and maintain the project throughout the term.

- 30.(7) Where a contacting authority requests an explanation in accordance with paragraph (6) the information requested may, in particular, include-
 - (d) Compliance with the provisions relating to employment protection and working conditions in force at the place where the contract is to be performed;

Kindly provide a copy of the provisions relating to employment protection, relating to which relevant Collective Agreement(s) are the employees of the respective Tier 2 Contractors employed under as the advertisement on the Parc Adfer website makes reference to "Broadly Comparable to NAECI".

Also could you kindly confirm what "Free Protective Equipment" is provided by the Tier 2 contractors to their employees and also by the Employment Business Service Providers (Agencies).

The following response was provided on the 14 June 2018

["The further questions are again based on the 2015 regulations and not the relevant regulations under which the contract was let. The 2006 regulations don't contain equivalent requirements."](#)



Agenda Item 7

NWRWTP

North Wales Residual Waste Treatment Project

AGENDA ITEM NO: 7

REPORT TO: NWRWTP JOINT COMMITTEE

DATE: 21 JUNE 2018

REPORT BY: CORPORATE FINANCE MANAGER (FCC)

SUBJECT: ANNUAL RETURN YEAR ENDED 31ST MARCH 2018

1.00 PURPOSE OF REPORT

1.01 To present to Members of the Joint Committee the Annual Return Year Ended 31st March 2018 for the North Wales Residual Waste Partnership (NWRWP) for their approval.

2.00 BACKGROUND

- 2.01 The Joint Committee is classed as a smaller relevant body as its gross income and expenditure is less than £2.5m in the year of account. The type of accounts that a smaller body is required to produce is an Annual Return provided by the Wales Audit Office.
- 2.02 The Annual Return must be signed by the Responsible Finance Officer and approved by the Joint Committee before the deadline of 30th June. The audit commences after the Joint Committee has approved the Annual Return.
- 2.03 The audit must be completed and the Annual Return published by no later than 30th September. If no amendments are made to the Annual Return during the audit there will be no requirement for the Joint Committee to approve the amended Annual Return before publication.

3.00 CONSIDERATIONS

- 3.01 The Annual Return for 2017/18 is attached at Appendix 5.
- 3.02 The Annual Return includes Flintshire County Council (FCC) Internal Recharge costs for Finance, Legal, Audit, Chief Executive and Democratic Services. It should be noted that the detailed breakdown of the FCC internal recharge was not able to be finalised in time for the main invoice to partner authorities therefore will be issued to authorities as a separate item. A breakdown of the costs are shown below:-



Department	Time spent on project	Rate	Value
Finance	24 days in total 3 days - Corporate Finance Manager (WG Interview and prep, various report reviews (inc SoA 201718)) 5 days - Finance Manager (Financial Modelling, Joint Committee, budget strategy) 16 days - Accountant Budget Monitoring, Financial Modelling, preparation, collation and presentation	Various £700 £1,235 £3,065	£5,000
Legal	4.5 hours (check heat study agreement)	£150	£690
Internal Audit	2.43 days	£241	£586
Committee Services	8 hours (issuing papers, website) 3 hours (Minute taking)	£17 £15	£223
Chief Executives	This figure is for time allocated to the project since the contract signing in December 2016. Note that no reclaim has been made for extensive time allocations for project leadership and contract negotiations for the preceding years		£5,000
Total			£11,499
Total per authority			£2,299.80

4.00 **RECOMMENDATIONS**

4.01 Members are requested to approve the Annual Return for the year ended 31st March 2018.

5.00 **RESOURCE IMPLICATIONS**

5.01 None as a result of this report.



6.00 ANTI POVERTY IMPACT

6.01 None as a result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None as a result of this report.

8.00 EQUALITIES IMPACT

8.01 None as a result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None as a result of this report.

10.00 CONSULTATION REQUIRED

10.01 None as a result of this report.

11.00 CONSULTATION UNDERTAKEN

11.01 None as a result of this report.

12.00 APPENDICES

Appendix A – Annual Return

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

Contact Officer: Dave Ledsham
Telephone: 01352 704503
Email: dave.ledsham@flintshire.gov.uk

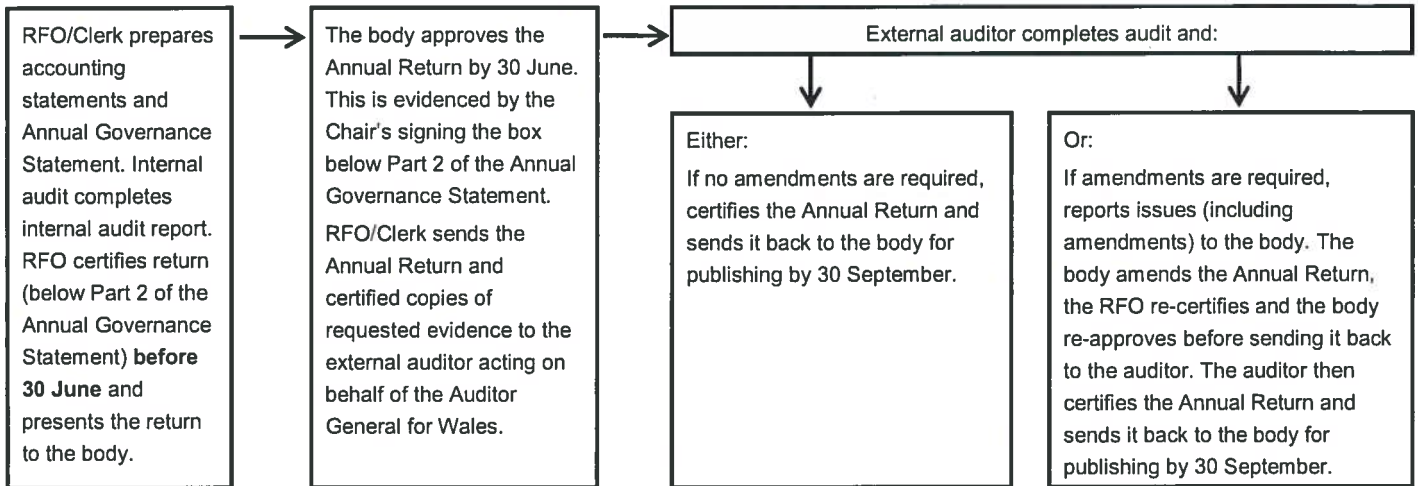
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Smaller local government bodies in Wales Annual Return for the Year Ended 31 March 2018

Smaller local government bodies in Wales must prepare annual accounts following proper practices as set out in the One Voice Wales/SLCC publication **Governance and accountability for local councils in Wales – A Practitioners’ Guide** (the Practitioners’ Guide). The Practitioners’ Guide states that bodies may prepare their accounts in the form of an annual return prepared by the Wales Audit Office.

The accounts and audit process

The accounts and audit arrangements follow the process as set out below.



Please read the guidance on completing this Annual Return and complete all sections highlighted in red including both sections of the Annual Governance Statement.

PLEASE PRINT THIS DOCUMENT FOR SIGNATURE AND SEND IT TO YOUR AUDITOR

Incomplete or incorrect returns may require additional external audit work and incur additional costs. Send the **original** Annual Return, together with all additional information requested, to the external auditor acting on behalf of the Auditor General for Wales. Unless requested, please **do not** send any original financial or other records to the external auditor.

Audited and certified returns are sent back to the body for publication or display of the accounting statements, Annual Governance Statement and the Auditor General for Wales’ certificate and report.

Completion checklist

'No' answers mean that you may not have met requirements		Done?	
		Yes	No
Initial submission to the external auditor			
Accounts	Has the RFO certified the accounting statements and the body approved the Annual Return (as evidenced by the relevant signatures), no later than 30 June 2018?	<input checked="" type="radio"/>	<input type="radio"/>
	Do the accounts add up and does the balance carried forward from last year equal the opening balance this year?	<input checked="" type="radio"/>	<input type="radio"/>
	Do the papers to be sent to the external auditor include an explanation of significant variations, including a quantified analysis of the changes from last year to this year?	<input checked="" type="radio"/>	<input type="radio"/>
	Does the bank reconciliation as at 31 March 2018 agree to line 9?	<input checked="" type="radio"/>	<input type="radio"/>
All sections	Have all red boxes been completed and explanations provided where needed?	<input checked="" type="radio"/>	<input type="radio"/>
Evidence	Has all the information requested by the external auditor been included?	<input checked="" type="radio"/>	<input type="radio"/>

Accounting statements 2017-18 for:

Name of body: NORTH WALES RESIDUAL WASTE JOINT COMMITTEE

	Year ending		Notes and guidance for compilers
	31 March 2017 (£)	31 March 2018 (£)	Please round all figures to nearest £. Do not leave any boxes blank and report £0 or nil balances. All figures must agree to the underlying financial records for the relevant year.

Statement of income and expenditure/receipts and payments

1. Balances brought forward	0	0	Total balances and reserves at the beginning of the year as recorded in the financial records. Must agree to line 7 of the previous year.
2. (+) Income from local taxation/levy	0	0	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	412,521	120,296	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	-108,093	-59,233	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and related expenses eg termination costs.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on external borrowing (if any).
6. (-) Total other payments	-304,428	-61,064	Total expenditure or payments as recorded in the cashbook minus staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	0	0	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).

Statement of balances

8. (+) Debtors and stock balances	330,017	120,296	Income and expenditure accounts only: Enter the value of debts owed to the body and stock balances held at the year-end.
9. (+) Total cash and investments	0	0	All accounts: The sum of all current and deposit bank accounts, cash holdings and investments held at 31 March. This must agree with the reconciled cashbook balance as per the bank reconciliation.
10. (-) Creditors	-330,017	-120,296	Income and expenditure accounts only: Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	0	0	Total balances should equal line 7 above: Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	0	0	The original asset and investment register value of all fixed assets and any other long-term assets held as at 31 March.
13. Total borrowing	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

14. Trust funds disclosure note	Yes	No	N/A	Yes	No	N/A	The body acts as sole trustee for and is responsible for managing (a) trust fund(s)/assets (readers should note that the figures above do not include any trust transactions).
	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Annual Governance Statement (Part 1)

We acknowledge as the members of the Committee, our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2018, that:

	Agreed?		'YES' means that the Council/Board/Committee:	PG Ref	
	Yes	No*			
<p>1. We have put in place arrangements for:</p> <ul style="list-style-type: none"> effective financial management during the year; and the preparation and approval of the accounting statements. 	<input checked="" type="radio"/>	<input type="radio"/>	Properly sets its budget and manages its money and prepares and approves its accounting statements as prescribed by law.	6, 12	
<p>2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.	6, 7	
<p>3. We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice that could have a significant financial effect on the ability of the Committee to conduct its business or on its finances.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.	6	
<p>4. We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Has given all persons interested the opportunity to inspect and to ask questions about the body's accounts.	6, 23	
<p>5. We have carried out an assessment of the risks facing the Committee and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Considered the financial and other risks it faces in the operation of the body and has dealt with them properly.	6, 9	
<p>6. We have maintained an adequate and effective system of internal audit of the accounting records and control systems throughout the year and have received a report from the internal auditor.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of the body.	6, 8	
<p>7. We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the Committee and, where appropriate, have included them on the accounting statements.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6	
<p>8. We have taken appropriate action on all matters raised in previous reports from internal and external audit.</p>	<input checked="" type="radio"/>	<input type="radio"/>	Considered and taken appropriate action to address issues/weaknesses brought to its attention by both the internal and external auditors.	6, 8, 23	
<p>9. Trust funds – in our capacity as trustee, we have:</p> <ul style="list-style-type: none"> discharged our responsibility in relation to the accountability for the fund(s) including financial reporting and, if required, independent examination or audit. 	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.	3, 6

* Please provide explanations to the external auditor on a separate sheet for each 'no' response given; and describe what action is being taken to address the weaknesses identified.

Annual Governance Statement (Part 2)

	Agreed?		'YES' means that the Council/Board/ Committee:
	Yes	No*	
1. We have considered the adequacy of reserves held by the body in setting the budget for 2017-18 and 2018-19 and have appropriate plans in place for the use of these reserves.	<input checked="" type="radio"/>	<input type="radio"/>	Has met the requirements of the Local Government Finance Act 1989 in setting the budget requirement and precept for the financial years.
2. When awarding grants under section 137 of the Local Government Act 1972, we have kept a separate account of such grants and considered whether or not the benefits arising from such payments are commensurate with the sums paid.	<input checked="" type="radio"/>	<input type="radio"/>	Has kept and appropriate record of grants awarded and ensured that the expenditure is commensurate with the benefit to the community.
3. The council has ensured that it has a lawful obligation to pay a service gratuity to employees* or The council has no obligation or intention to pay a gratuity to employees.*	<input checked="" type="radio"/>	<input type="radio"/>	Has ensured that where it has an arrangement to provide a gratuity to staff, it has ensured that there is a legal obligation to provide the gratuity.

* Please delete as appropriate.

Committee approval and certification

The Committee is responsible for the preparation of the accounting statements in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014 and for the preparation of the Annual Governance Statement.

Certification by the RFO I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2018.	Approval by the Committee I confirm that these accounting statements and Annual Governance Statement were approved by the Committee under minute reference: Insert minute reference and date of meeting
RFO signature:  signature required	Chair signature: signature required
Name: GARY FERGUSON	Name: name required
Date: dd/mm/yyyy 11/6/18	Date: dd/mm/yyyy

Committee re-approval and re-certification (only required if the annual return has been amended at audit)

Certification by the RFO I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2018.	Approval by the Committee I confirm that these accounting statements and Annual Governance Statement were approved by the Committee under minute reference: Insert minute reference and date of meeting
RFO signature: signature required	Chair signature: signature required
Name: name required	Name: name required
Date: dd/mm/yyyy	Date: dd/mm/yyyy

Auditor General for Wales' Audit Certificate and report

The external auditor conducts the audit on behalf of, and in accordance with, guidance issued by the Auditor General for Wales. On the basis of their review of the Annual Return and supporting information, they report whether any matters that come to their attention give cause for concern that relevant legislation and regulatory requirements have not been met.

We certify that we have completed the audit of the Annual Return for the year ended 31 March 2018 of:

External auditor's report

[Except for the matters reported below]* On the basis of our review, in our opinion, the information contained in the Annual Return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

[[These matters along with]* Other matters not affecting our opinion which we draw to the attention of the body and our recommendations for improvement are included in our report to the body dated _____.]

Other matters and recommendations

On the basis of our review, we draw the body's attention to the following matters and recommendations which do not affect our audit opinion but should be addressed by the body.

(Continue on a separate sheet if required.)

External auditor's name:

External auditor's signature:

Date:

For and on behalf of the Auditor General for Wales

* Delete as appropriate.

Annual internal audit report to:

Name of body: NORTH WALES RESIDUAL WASTE JOINT COMMITTEE

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The Committee's internal audit, acting independently and on the basis of an assessment of risk, has included carrying out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ending 31 March 2018.

The internal audit has been carried out in accordance with the Committee's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and the internal audit conclusions on whether, in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Committee.

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
1. Appropriate books of account have been properly kept throughout the year.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	Review on AP/P2P is currently in progress. This review will incorporate NWRW Transactions.
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
4. The annual precept/levy/resource demand requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
8. Asset and investment registers were complete, accurate, and properly maintained.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
9. Periodic and year-end bank account reconciliations were properly carried out.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
10. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cashbook, were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Reviewed as part of the annual AR review
11. Trust funds (including charitable trusts). The Committee has met its responsibilities as a trustee.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	

For any risk areas identified by the Council/Board/Committee (list any other risk areas below or on separate sheets if needed) adequate controls existed:

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
12. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	
13. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	
14. Insert risk area	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	

* If the response is 'no', please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

** If the response is 'not covered', please state when the most recent internal audit work was done in this area and when it is next planned, or if coverage is not required, internal audit must explain why not.

During 2017/18 NWRW did not have its own separate books of account, bank account etc. as they were all part of the Flintshire Accounts. As such they were subject to the Flintshire Financial Procedural Rules and the same level of control as the rest of the Flintshire financial systems. During 2017/18 Internal Audit reviewed Payroll. General Ledger, Sundry Debtors, including debt management and Sundry Creditors. NWRW Risk Register was not covered. The Annual Internal Audit report is formed based on the overall work completed during 2017/18.

Internal audit confirmation

I confirm that as the Council's internal auditor, I have not been involved in a management or administrative role within the body or as a member of the body during the financial years 2016-17 and 2017-18. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit: LISA BROWNBILL

Signature of person who carried out the internal audit: signature required *L Brownbill*

Date: dd/mm/yyyy

11/06/2018

Guidance notes on completing the Annual Return

1. You must apply proper practices when preparing this annual return. For guidance, please read the Practitioners' Guide (**Governance and accountability for local councils: A Practitioners' Guide (Wales)**) – available from One Voice Wales and SLCC. It contains everything you need for the financial year-end and the statutory audit.
2. The Wales Audit Office Good Practice Exchange (www.audit.wales/good-practice/finance/community-council-money) provides further information on the accounts and audit process along with guidance on governance matters.
3. Make sure that the Annual Return is fully completed ie, no empty red boxes. Please avoid making any amendments to the completed return. If this is unavoidable, cross out the incorrect entries, make sure the amendments are drawn to the attention of the body, properly initialled and an explanation for them is provided to the external auditor. **Please do not use correction fluid.** Annual returns that are incomplete or contain unapproved and/or unexplained amendments or correction fluid will be returned unaudited and may incur additional costs.
4. **There are now two boxes for certification and approval by the body. The second box is only required if the annual return has to be amended as a result of the audit. You should only complete the top box before sending the form to the auditor.**
5. Use a second pair of eyes, perhaps the Chair or a member, to review your Annual Return for completeness before sending the original form to the auditor.
6. Make sure that your accounting statements add up, that the balance carried forward from the previous year (line 7 of 2017) equals the balance brought forward in the current year (line 1 of 2018). Explain any differences between the 2017 figures on this annual return and the amounts recorded in last year's annual return.
7. Explain fully any significant variances in the accounting statements. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include a detailed analysis to support your explanation and be specific about the values of individual elements making up the variances.
8. Make sure that the copy of the bank reconciliation you send to your auditor with the Annual Return covers **all** your bank accounts and cash balances. If there are no reconciling items, please state this and provide evidence of the bank balances. If your Council holds any short-term investments, please note their value on the bank reconciliation. The auditor should also be able to agree your bank reconciliation to line 9 in the accounting statements. More help on bank reconciliation is available in the Practitioners' Guide*.
9. **Every** small body is now required to send to the external auditor, information to support the assertions made in the Annual Governance Statement. Your auditor will tell you what information you need to provide. Please read the audit notice carefully to ensure you include all the information the auditor has asked for. You should send **copies** of the original records (certified by the Clerk and Chair as accurate copies) to the external auditor and not the original documents themselves.
10. Please do not send the auditor any information that you are not specifically asked for. Doing so is not helpful.
11. If the auditor has to review unsolicited information, repeat a request for information, receives an incomplete bank reconciliation or explanation of variances or receives original documents that must be returned, the auditor will incur additional costs for which they are entitled to charge additional fees.
12. **Do not complete the Auditor General for Wales' Audit Certificate and report.** The external auditor completes this on behalf of the Auditor General for Wales on completion of the audit.
13. **Please deal with all correspondence with the external auditor promptly.** This will help you to meet your statutory obligations and will minimise the cost of the audit.
14. **Please note that if completing the electronic form, you must print the form for it to be certified by the RFO and signed by the Chair before it is sent to the auditor.**

By virtue of paragraph(s) 14 of Part 4 of Schedule 12A of the Local Government Act 1972.

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