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Gareth Owens LL.B Barrister/Bargyfreithiwr
Chief Officer (Governance)
Prif Swyddog (Llywodraethu)

To: Councillor Carolyn Thomas (Chair)

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

CS/NG

19th March 2019

Nicola Gittins 01352 702345
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Dear Sir/Madam

A meeting of the **NORTH WALES RESIDUAL WASTE JOINT COMMITTEE** will be held in the **OPTIC GLYNDWR, ST ASAPH BUSINESS PARK, ST ASAPH, LL17 0JD** on **TUESDAY, 26TH MARCH, 2019** at **3.00 PM** to consider the following items.

A G E N D A

1 **APOLOGIES**

Purpose: To receive any apologies

2 **DECLARATION OF INTEREST**

Purpose: To receive any Declarations and advise Members accordingly

3 **APPROVAL OF PREVIOUS MINUTES** (Pages 5 - 12)

Purpose: To confirm as a correct record the minutes of the last meeting

4 **MATTERS ARISING FROM PREVIOUS MEETING**

Purpose: To consider any matters arising from the previous meeting

5 **CONSTRUCTION UPDATE**

Purpose: To update on construction progress and timetable

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Gareth Owens LL.B Barrister/Bargyfreithiwr
Chief Officer (Governance)
Prif Swyddog (Llywodraethu)

The following item is considered to be exempt by virtue of Paragraph(s) 14 of Part 4 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

6 RESOURCES AND COMMISSIONING PLANNING UPDATE (Pages 17 - 30)

Purpose: To update Members on the progress of the preparations for the commissioning and waste going into Parc Adfer

The following item is considered to be exempt by virtue of Paragraph(s) 14 of Part 4 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

7 HAULAGE SERVICES AND WASTE TRANSFER STATIONS REPORT (Pages 31 - 40)

Purpose: To update Members on the progress of the Haulage Contract specification and tender process

The following item is considered to be exempt by virtue of Paragraph(s) 14 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended).

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8 **AIR QUALITY MONITORING (PM2.5)** (Pages 41 - 48)

Purpose: To inform Members of the cost of additional monitoring of 'PM2.5' emissions from Parc Adfer, and outline changes to the environmental permit regime managed by Natural Resources Wales

The following item is considered to be exempt by virtue of Paragraph(s) 14 of Part 4 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 **WELSH GOVERNMENT FUNDING**

Purpose: To provide a verbal update to Members on the latest position regarding Welsh Government's gate fee contribution to the Partnership

10 **ANY OTHER BUSINESS**

Yours sincerely

Robert Robins
Democratic Services Manager

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NORTH WALES RESIDUAL WASTE JOINT COMMITTEE

Wednesday 31st October 2018 at 10.00am
Conwy Business Centre, Llandudno Junction

PRESENT:

Councillor Julian Thompson-Hill	Denbighshire County Council
Councillor Brian Jones	Denbighshire County Council
Councillor Don Milne	Conwy County Borough Council
Councillor Aaron Shotton	Flintshire County Council
Councillor Gareth Wyn Griffith	Gwynedd County Council

ALSO PRESENT:

Flintshire County Council

Colin Everett (Lead Chief Executive), Lisa Brownbill (Head of Internal Audit) and Gareth Owens (Chief Officer – Governance)

Denbighshire County Council

Tara Dumas (Waste and Recycling Manager)

Conwy County Borough Council

Andrew Wilkinson (Head of Neighbourhood Services)

Gwynedd Council

Medwyn Williams (Senior Manager – Waste Treatment)

Isle of Anglesey County Council

Meirion Edwards (Chief Waste Management Officer)

North Wales Residual Waste Treatment Project

Steffan Owen (Regional Contract Manager)

1. **APOLOGIES**

Apologies for absence were received from Councillor Carolyn Thomas (Flintshire County Council), Councillor Dafydd Meurig (Gwynedd Council), Councillor Bob Parry (Isle of Anglesey County Council), Councillor Richard Dew (Isle of Anglesey County Council), Tony Ward (Denbighshire County Council), Gary Ferguson (Flintshire County Council).

2. **DECLARATIONS OF INTEREST**

No declarations of interest were made.



3. **APPROVAL OF PREVIOUS MINUTES**

The minutes of the meeting of the North Wales Residual Waste Joint Committee held on the 21st June 2018 were submitted for approval.

It was noted that the minutes did not note that Councillor Brian Jones (Denbighshire County Council) stepped in to chair in lieu of apologies for absence being received from Councillor Carolyn Thomas (Flintshire County Council) (Chair) and Councillor Julian Thompson-Hill (Denbighshire County Council) (Vice Chair).

RESOLVED:

- (a) *That the minutes of the meeting of the North Wales Residual Waste Joint Committee held on 21st June 2018 be approved as a correct record.*

4. **MATTERS ARISING FROM PREVIOUS MINUTES**

There were no matters arising.

5. **CONSTRUCTION UPDATE AND INDEPENDENT CERTIFIER ROLE**

Steffan Owen went through the Construction Update Report, and also showed Joint Committee Members a presentation given by WTI to a recent meeting of the Parc Adfer Community Liaison Group.

Councillor Brian Jones noted that he believed that the scaffolding on site was from a company that was not local.

Steffan Owen responded that he believed that there were several scaffolding sub-contractors on site, however he would look into who they were.

Councillor Gareth Wyn Griffith asked if a site visit would be possible.

Colin Everett responded that this could be arranged with WTI, with a possible date being the date of the next Joint Committee in January 2019.

Aaron Shotton raised a query in relation to the monitoring of small particulate matter (PM2.5) and how / what form this would take. Steffan Owen responded that he had asked WTI for a short briefing on what monitoring occurs under WTI's environmental permit (as issued and monitored by Natural Resources Wales), and what options available on the monitoring of PM2.5's over and above the permit requirements and the costs associated with those options. This would be reported to the Joint Committee at a future notice.

Councillor Aaron Shotton asked about WTI's own community benefit fund (£50k during construction) and how this was being allocated. Steffan Owen noted that this fund was WTI's own fund and therefore the decision on which projects would be funded and which wouldn't was made by WTI. He did add



that WTI worked with the Authority when setting up the criteria and eligibility for the fund to ensure it matched the intentions and plans for the main Community Benefit Fund.

Councillor Aaron Shotton asked about the main Community Benefit Fund and how it would be managed. Colin Everett responded that this fund would be managed by the Authority.

RESOLVED:

- (a) *That the report be noted,*
- (b) *That Steffan Owen reverts with information on the scaffolding contract, and*
- (c) *A site visit is organised for the next Joint Committee meeting.*

6. **RESOURCES AND COMMISSIONING PLANNING UPDATE**

Steffan Owen went through the report as issued in the papers, with updates on the contract management training that had been provided by Local Partnerships on behalf of Welsh Government and finance training provided by the partnership's financial advisors. He went on to outline the work that was being undertaken within Flintshire as lead authority to prepare for Commissioning when the partner authorities' waste would be going into Parc Adfer, including resourcing and administrative process for payment flows.

Councillor Brian Jones asked if the Joint Committee could see information on the payment flows between WTI and the Partnership and between the Partner authorities.

Colin Everett agreed that this would be good idea and outlined in summary the process that WTI would invoice Flintshire as lead authority for the whole partnership, and Flintshire would then, in turn, allocate the costs to each partner authority as per Inter Authority Agreement.

RESOLVED:

- (a) *That the report be noted, and*
- (b) *That a report be presented to the next Joint Committee on the payment flows of the contract.*

7. **EXEMPT ITEMS: LOCAL GOVERNMENT ACT 1972, SECTION 100A AND SCHEDULE 12A (ACCESS TO INFORMATION)**

RESOLVED *that the Public and Press be excluded from the meeting under the provisions of Section 100A of the above Act during consideration of the following items as they involves the likely disclosure of exempt information as defined in paragraph 14 of Part 4 of Schedule 12A to the Act and that in all the relevant circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.*



ACTIONS FROM TRADE UNION ATTENDANCE AT JOINT COMMITTEE IN JUNE 2018

Colin Everett summarised the actions resulting from queries raised by the trade Unions at the Joint Committee meeting in June. These were:-

1. *That more detail and assurance on open requirement, including job fairs be provided (CNIM);*
2. *That a review of performance against WG community benefits provisions within the contract be undertaken (Steffan Owen, Hywel Jones and WTI);*
3. *That site visit practices be reviewed and further visits offered (CNIM);*
4. *That anonymised rates of pay illustrations be provided (CNIM); and*
5. *That Statements be provided on (1) comparable practice by WTI/CNIM with the NAECI provisions and (2) the opportunities and risks from movement towards/adoption of NAECI with or without the agreement of the Partnership as necessary (WTI)*

Colin Everett outlined that formal trade Union work has now stopped. He also noted that the trade Unions had met the First Minister at the Welsh Government and that he and Steffan Owen would carry out a follow up from that meeting with Welsh Government.

Colin Everett noted that in relation to item 4, CNIM were unwilling to share the rates of pay in a written format, however were willing to the Partnership in person. To that end, Colin Everett and Steffan Owen met with a representative of CNIM (Becky Bell) to view the rates of pay for 6 main trades on site, with 3 levels of pay for each trade reported. Labour rates, tradesman / skilled labour rate and supervisor rates. These rates were shown in comparison to the “blue book” rates.

Colin Everett gave feedback on the rates of pay that were shown. Firstly was that labour rates compared very favourably with the “blue book” rates, with 2 of the trades not applying in the case of labour, and the remaining 4 starting at well above the National Living Wage. For tradesman / skilled labour, the feedback was that although not all trades started at levels above the blue book rates, the rates overall were similar to the “blue book” rates. The rates for supervisor trades were shown to be slightly lower than the “blue book” rates.

Colin Everett and Steffan Owen were assured that the rates shown were entirely representative of rates paid within the engineering construction industry.

Colin Everett noted that the responses to the Union queries should be shared with the trade unions and with Welsh Government colleagues.



He also noted that the Unions raised accusations of “blacklisting” at the last Joint Committee, however as the partnership or WTI or CNIM had been contacted by the Unions with evidence of such activity, the Partnership had not been able to do anything further on the issue.

Councillor Aaron Shotton raised a query about basic labour rates and if they are in the “blue book”. Colin Everett replied that it wasn’t.

Councillor Aaron Shotton also raised a concern about accommodation rates appearing low.

Colin Everett noted that this would be looked into.

RESOLVED:

- (a) *That the report be noted.*
- (b) *To share the written responses with the Trade Unions and Welsh Government*
- (c) *Follow up concerns on accommodation rates with CNIM*

8. **HAULAGE SERVICED AND WASTE TRANSFER STATIONS REPORT**

Steffan Owen presented the report to update the Joint Committee on progress on the development of waste transfer stations in Conwy and Denbighshire. The report also provided an update on developments on the partnership haulage contract.

Colin Everett noted that an application was being developed to Welsh Government as part of a wider case for capital funding of waste infrastructure to increase recycling levels in Conwy and Denbighshire.

Tara Dumas added that Denbighshire were still considering options as to the most efficient, economic and operationally advantageous system of sites, including working in partnership with Conwy County Borough Council.

Colin Everett raised the issue of timing of the application to Welsh Government given that progress had been slower than planned on this issue. He added that this was not a criticism, however it was important to highlight that it would become more difficult to carry forward the capital funding that the partner authorities have allocated for this.

Andrew Wilkinson stated that he agreed with Colin Everett on the increasing difficulty of carrying forward capital funding as time goes on.

Meirion Edwards updated the Joint Committee on Anglesey’s progress on their arrangements for waste transfer. He reported that they are currently evaluating whether to go out to tender or not, or whether to consider re-opening their Penhesgyn site.

Meirion Edwards and Medwyn Williams both informed the Committee that Gwynedd and Anglesey were currently in discussions about Gwynedd



potentially using Penhesgyn as a waste transfer station for the northern part of the county.

Steffan Owen updated the Committee on progress

RESOLVED: *That the report be noted.*

9. **WELSH GOVERNMENT FUNDING**

Colin Everett went through the report and highlighted the importance of this issue given that the grant payment would be a significant amount during the commissioning period.

Colin Everett informed the group that he had a call with Welsh Government who had noted that they were not minded to change the conditions of the grant to allow the payments to begin at the start of commissioning, however the Partnership's application would be considered further. He stated that he expected a response from Welsh Government by the end of November 2018, and that if this was not, then it would be escalated to the Cabinet Secretary for Finance.

Councillor Julian Thompson-Hill stated that he agreed with this approach.

RESOLVED:

(a) *That the report be noted; and*

(b) *That the case made to Welsh Government, as outlined within the report, be supported.*

10. **ANY OTHER BUSINESS**

Steffan Owen informed the group that the intention would be to issue a report to the Joint Committee at the next meeting outlining what WTI are required to do under their Environmental Permit (as issued and monitored by Natural Resources Wales), the options available to the Partnership in terms of particulate testing "above and beyond" the standard regulatory regime and the costs of the options.

It was agreed that the next Joint Committee meeting would be combined with a site visit to Parc Adfer if possible. Steffan Owen to arrange.

Councillor Gareth Wyn Griffith informed the Committee that Medwyn Williams would be leaving Gwynedd Council at the end of the November, and that he wished to thank Medwyn for his hard work for Gwynedd Council and on this project, and wished him well for the future.

The Committee echoed Councillor Wyn Griffith's thanks and best wishes for the future.



Colin Everett noted that he believed that the Joint Committee should meet quarterly for a period of time as commissioning draws closer, which can be reduced in the future

The next meeting was confirmed as the 17 January 2019 (location to be confirmed)

(The meeting ended at 12.00 pm)

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AGENDA ITEM NO: 5

REPORT TO: NWRWTP JOINT COMMITTEE

DATE: 26th MARCH 2019

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 being 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 complete flexibility remains to visit the site at other times should the need arise.

3. CONSIDERATIONS

Overall progress



- 3.1. Progress on site has remained positive. The civil work programme is currently focusing on the following areas; electrical rooms (M&E)/administration building (room construction and M&E), external drains and site works (kerbing and highways, turning area)
- 3.2. The process focus during the Reporting Period has been on water and steam pipework installation, waste crane completion and testing, insulation and cladding of the boiler and Flue Gas Treatment, erection of the Air Cooled Condensers, completion of the bottom ash conveyors and general electrical installation and termination.
- 3.3. The Incinerator Bottom Ash and Air Pollution Control Residues contracts have now been completed and signed and are in place, with one amendment from the Authority being made. This is in relation to the availability of information to the Authority in the event that the contract with WTI is terminated and the Authority need to step in.
- 3.4. The entrance to the site, the road network on site and the turning area for waste deliveries are currently in process.
- 3.5. One issue that has arisen is in relation to parking. The site is now at “peak” in terms of staff on site, with close to 500 people working on site. This has meant that there have been some issues with parking, both in terms of a shortage of space at times, and also ground conditions that are not always ideal. As groundworks have begun in relation to attenuation pond to the north of the site, this means that plant and machinery are also operating around the parking area, which has required careful management.
- 3.6. Health and Safety

The health and safety standards have been maintained for this Reporting Period.. The British Safety Council has inspected the site and awarded the project a 5 star rating.

Planning and Permit

- 3.7. The planning authority visited Parc Adfer on the 30th January 2019 to view proposed revisions to the Site fence line. There were no issues raised on the fencing however the following observations were made:
 - Concern over the exposed air handling units on the roof of the west façade (atop the admin building) – Parc Adfer has asked Civil Works Sub-Contractor to remedy; and
 - Potential problems with the drainage from site arising from poor maintenance on surrounding land – Parc Adfer Ltd has subsequently raised the concern with the adjacent landowners (Flintshire County Council and UPM).

A site decommissioning and restoration plan is due to be submitted to the planning authority in February 2019. Parc Adfer Ltd has requested an



extension to the deadline to allow time for discussions with the Authority (as client) on the best approach, considering that it might be desirable for a certain level of amenity to remain for future industrial users.

Risk to programme

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

Reported key dates

3.9. The date of 1st waste delivery by the Partnership to Parc Adfer is expected to be early May. Preparations for this are discussed further in the agenda.

4. RECOMMENDATIONS

The Joint Committee is asked to:-

4.1. Note the content of this report.

5. FINANCIAL IMPLICATIONS

5.1. The financial implications of the contract have previously been through an approvals process within all partner authorities, and the implications of the revised offer have been discussed by the Project Board and Joint Committee.

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



NWRWTP

North Wales Residual Waste Treatment Project

11.1. Not applicable.

LOCAL GOVERNMENT ACCESS TO INFORMATION ACT 1985

Background Documents:

None

Contact Officer: Steffan Owen - NWRWTP Project Manager

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