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Head of Legal and Democratic Services
Pennaeth Gwasanaethau Cyfreithiol a Democrataidd

To: Councillor Eryl Williams (Chairman)

Councillors: Aaron Shotton, Kevin Jones, Dave Cowans, Michael Priestley, David Smith, W. G. Roberts, John Wynn Jones, Richard Dew and J. Arwel Roberts

CS/NG

3 July 2013

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Dear Sir / Madam

A meeting of the **NORTH WALES RESIDUAL WASTE JOINT COMMITTEE** will be held in the **COUNCIL CHAMBER, ANGLESEY COUNTY COUNCIL** on **THURSDAY, 11TH JULY, 2013** at **2.00 PM** to consider the following items.

Yours faithfully

Democracy & Governance Manager

A G E N D A

1 **APOLOGIES**

2 **DECLARATIONS OF INTEREST**

3 **ELECTION OF CHAIRMAN AND VICE CHAIRMAN TO THE JOINT COMMITTEE**

4 **APPROVAL OF PREVIOUS MINUTES** (Pages 1 - 10)

5 **MATTERS ARISING FROM PREVIOUS MEETING**

6 **PROGRESS REPORT (SO REPORT)** (Pages 11 - 14)

7 **RIR - RISK STATUS UPDATE (SP REPORT)** (Pages 15 - 36)

8 **COMMUNICATIONS UPDATE (SO REPORT)** (Pages 37 - 46)

9 **FCC INTERNAL AUDIT REPORT (FCC HEAD OF FINANCE REPORT)** (Pages 47 - 76)

10 **STATEMENT OF ACCOUNTS 2012-13 REPORT (FCC HEAD OF FINANCE REPORT)** (Pages 77 - 104)

11 **ANNUAL GOVERNANCE STATEMENT REPORT (FCC HEAD OF FINANCE & FCC HEAD OF LEGAL AND DEMOCRATIC SERVICES)** (Pages 105 - 108)

12 **PROJECT RESOURCE REPORT - 2012/13 OUTTURN AND 2013/14 BUDGET (SP REPORT)** (Pages 109 - 116)

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - TO CONSIDER THE EXCLUSION OF THE PRESS AND PUBLIC

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 contract process is still underway and would be prejudiced by making public at this stage

13 **PROCUREMENT UPDATE (SP BRIEFING)**

14 **ANY OTHER BUSINESS**

NWRWTP
North Wales Residual Waste Treatment Project

NORTH WALES RESIDUAL WASTE JOINT COMMITTEE

Minutes of the meeting of the Joint Committee held at Council Offices, Anglesey on Wednesday 20 February, 2013.

PRESENT: Councillor Eryl Williams (Chairman) – Denbighshire County Council
Councillor Aaron Shotton – Flintshire County Council
Councillor Kevin Jones – Flintshire County Council
Councillor Mike Priestley – Conwy County Borough Council
Councillor Dave Cowans – Conwy County Borough Council
Councillor David Smith – Denbighshire County Council
Councillor William Gareth Roberts – Gwynedd County Council
Councillor RG Parry – Isle of Anglesey County Council

ALSO PRESENT:

Flintshire County Council
Colin Everett, Carl Longland, Kerry Feather, Chris Cohen, Louise Pedreschi, Liz Thomas and David Webster

Denbighshire County Council
Mr. Steve Parker

Conwy County Borough Council
Mr. Andrew Kirkham

Gwynedd County Council
Mr. Dilwyn Williams

Isle of Anglesey County Council
Mr. Meirion Edwards
Mr. John Eastwood

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North Wales Residual Waste Treatment Partnership
Mr. Stephen Penny, Mr. Steffan Owen and Ms. Karen Powell

Partnerships UK
Mr. Huw Roberts

Pinsent Masons
John Bruce

Wales Audit Office
Amanda Hughes

1. APOLOGIES

Apologies for absence were received from Arthur Owen and Councillor John Chorlton, (Isle of Anglesey County Council).

2. DECLARATIONS OF INTEREST

Councillor Aaron Shotton declared an interest due to raising residents concerns, but this was agreed as not being prejudicial.

3. APPROVAL OF PREVIOUS MINUTES

The minutes of the meeting of the North Wales Residual Waste Joint Committee held on the 13 December, 2012 were submitted for approval.

RESOLVED:

That the minutes be approved as a correct record.

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4. MATTERS ARISING FROM THE PREVIOUS MEETING

There were no matters arising.

5. NWRWTP STATEMENT OF ACCOUNTS REPORT

Liz Thomas, (FCC) Finance presented the statement of accounts report and explained where a Joint Committee's (JC) gross income or expenditure for the year is greater than £1,000,000 per annum a comprehensive set of accounts needs to be produced in line with specific accounting guidelines. The appointed auditors are required to communicate relevant matters relating to the audit of the financial statements to those charged with governance through an International Standards Auditing 260 report.

Amanda Hughes, Wales Audit Office explained the requirements of the governance framework and advised that all issues in the course of the audit have now been corrected, to ensure that in future, accounting requirements are dealt with in line with the statutory deadlines, key issues highlighted and reported to the JC.

Liz Thomas requested that the JC acknowledge no further issues on financial management all issues have now been addressed and will be reflected in the final accounts.

RESOLVED:

Councillor Eryl Williams asked if the JC Members accepted the accounts.

All in agreement.

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6. FCC INTERNAL AUDIT

David Webster (FCC) presented the internal audit report to the group and provided background information regarding the report and explained that a full set of annual accounts need to be produced along with the Annual Governance Statement (AGS), in order for the NWRWTP to comply with audit reporting requirements. The responsibility for internal audit of regional collaborative projects rests with the host/lead authority and a review of risk management and internal controls has commenced.

David Webster informed the group looking to arrange meetings with Joint Committee Officers and Members of each authority over the coming weeks to discuss governance and risk management.

The Project Manager advised that the project team were working with FCC's Internal Audit to provide information and arrange meetings as requested.

RESOLVED:

That the report be noted and recommendations accepted.

Colin Everett, Chief Executive arrived at the meeting.

7. PROGRESS REPORT

The Project Manager presented the progress report and stated that the project was successful in securing a grant for £15,000 from Waste Awareness Wales (WAW) to fund a series of drop in sessions at Connah's Quay.

The Project Manager reported that WAW has recently contacted the project to inform that there may be a further additional £10,000 available but has to be spent by the end of March but unlikely to submit an application due to the short timescale.

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The Project Manager requested it be noted that Welsh Government (WG) are aware of the project timetable for close of dialogue with regards the final "stage payment" of £200,000 as originally allocated by WG and that the project team have worked with the lead finance officer to re-work the budget.

Councillor Kevin Jones referred to the additional funding available from WAW and asked is it not possible to cost up an activity.

The Project Manager advised had considered Member sessions on health effects and site visits to facilities but restricted with timescale.

Councillor Mike Priestley asked if £10,000 could be used with the planned drop-in sessions at Connah's Quay Town Council and expressed his concern with sending money back to WAW.

Andrew Kirkham referred to page 94 of the report and advised that approval of the budget rests with the Joint Committee.

The Project Manager informed that there would be no new items of expenditure to report, but final approval of the annual budget would be sought at the next JC.

Councillor Aaron Shotton arrived at the meeting.

RESOLVED:

(a) That the report be noted; and

(b) WAW additional funding be further investigated.

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8. RIR – RISK STATUS UPDATE

The Project Director presented a Risk Register report which highlighted some of the amendments to the risk register that had been made to reflect the current understanding of risks and mitigation measures that were in place.

The Project Director reported three changes to existing risks for this reporting period as follows:

- PD8 – Risk gone from medium to maximum to reflect the current status with Sita.
- PD19 – Risk increased from 1 to 3 to reflect loss of one bidder.
- F7 – No change to risk level.

The Project Director also reported no change to WG policy, SR1 and F15 and informed highest risk project delivery, as detailed in Appendix 1.

RESOLVED:

That the updated Risk Register for the project be noted.

9. COMMUNICATIONS UPDATE

The Project Manager updated Members on communication matters concerning the North Wales Residual Waste Treatment Project (NWRWTP).

Media Coverage

The Project Manager reported that following Sita's withdrawal from the project a number of enquiries had been received from specialist news websites and an agreed response was given. The project team were also contacted by the

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BBC asking for a general update on the project as part of preparing for the expected announcement by prosiect Gwyrdd of their preferred bidder.

Member Sessions

The Project Manager gave an update following the Member sessions held 6th/7th February with Professor David Russell from the Health Protection Agency (HPA) and Jasper Roberts, WG. Feedback received from Members indicated sessions very informative and helpful.

The Project Manager re-iterated Jasper Roberts and Professor David Russell's willingness to attend future partner authority / town and community council meetings and informed that presentations will be distributed to Members.

Communication and engagement

The Project Manager reported that drop-in sessions have been booked at Connah's Quay Town Council (CQTC) for Friday 8th /15th March and Saturday 9th / 16th March, along with external advisors to support the project team and copies of the information pack will be available to the public.

Colin Everett explained to the group that nothing proactive with press had been picked up in the local press, however the trade/specialist press had picked up on the news and all lead officers contacted and asked to brief their Members on the same day following Sita's announcement.

Councillor William Gareth Roberts suggested copy of presentations from Jasper Roberts and Professor David Russell be distributed from directors of the individual authorities to their Members with an explanatory note.

The Project Manager noted the suggestion.

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RESOLVED:

That the Communication Update be noted.

10. PROCUREMENT UPDATE REPORT (Part 2 Report)

The Project Director presented an update on progress relating to procurement aspects. He provided an update on the following areas:-

- The impact on the procurement process following the withdrawal of Sita
- Up-date on procurement programme
- Proposed PM2.5 Monitoring

- UK Treasury Guidance
- Value for money
- Receipt of confirmation of continued commitment from WTI to the procurement process
- Confirmation of continued support from WG
- FCC's section 151 Officer and Monitoring Officer opinions
- Project Board recommendation – to continue dialogue with WTI

RESOLVED:

a) Agreement to continue procurement with the sole bidder WTI; and

b) That a further report on community benefit be presented at the next JC meeting.

c) To note and agree the updated procurement programme; and

d) PM 2.5 Monitoring guidance.

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11. ANY OTHER BUSINESS

None.

Date of next meeting – Friday 14th June 2 – 4 pm, Siambr Arfon, Caernarfon, Gwynedd, LL55 1BN.

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AGENDA ITEM NUMBER 6

NORTH WALES RESIDUAL WASTE TREATMENT PROJECT PROGRESS REPORT

NORTH WALES RESIDUAL WASTE JOINT COMMITTEE

Date : 11th July 2013

Period: 13th February 2013 to 3rd July 2013

PROJECT SUMMARY

To procure a sustainable waste management solution for the 5 local authorities in North Wales (Conwy, Denbighshire, Flintshire, Gwynedd and Isle of Anglesey) that will assist with the reduction in greenhouse gas emissions from landfill and will minimise the tonnage of waste residue sent to landfill thus ensuring that the authorities avoid Landfill Allowance Scheme (LAS) infraction penalties and meet National Waste Strategy targets.

PROJECT STATUS

Overall Project Status	
Amber	Key documentation is near agreement with WTI, with only two streams of further dialogue now planned - a lease / property dialogue session and a further session to finalise the last remaining commercial positions and agree documentation drafting. Indication of pricing has now been received by WTI. This is covered in agenda item 13 (PART 2 ITEM).

Budget status	
Amber	See Agenda item 12.

Status	**Meaning**
Green	There are no problems; all is progressing well and to plan

Amber	There are some minor/ less significant problems. Action is needed in some areas but other parts are progressing satisfactory.
Red	There are significant problems and urgent and decisive action is needed.

PROJECT UPDATE – Activities due for completion 13th February 2013 to 3rd July 2013 (and highlighted longer term actions).

ID	Activity	RAG status	Comments	Forecast	Actual
78	The second IAA (IAA2) to be commenced	Amber	First draft awaiting financial team input. Circulation to legal officers to take place later in 2013 [1]	Spring 2013	
94	Prepare and schedule necessary events / meetings / drop in sessions regarding announcement	Amber	See item 8 on the agenda	March 2013	Complete
95	Pre CFT Documents drafting	Amber	Documentation received advisor input and ready to issue	November 2012	Complete
96	Post ISDS dialogue session with remaining participant	Amber	One remaining set of dialogue sessions scheduled to close all remaining outstanding issues	July 2013	
98	Draft readiness to close dialogue report	Amber	Timetable adjusted as a result of procurement timetable movement	July 2013	
99	Project team session to review project risk register ready for submission to WG as part of WG readiness to close dialogue	Amber	Timetable adjusted as a result of procurement timetable movement	August 2013	

[1] Note the original forecast was spring 2012. However on review it was deemed appropriate to wait until potential PB was identified and then the IAA2 would be drafted to reflect the specific contractual arrangement being proposed.

	review				
100	Specialist advisors to carry out heat network study in Deeside area.	Amber	Study complete, outcome reported to Members in December 2012.	October / November 2012	Complete
103	Arrange readiness to close of review with WG	Green	Dates to be set for review once close of dialogue programme agreed	August 2013	
104	Project Team to report to Joint Committee on the value for money obtained through the competitive dialogue process to date	Green	Reported to Joint Committee in February 2013 (Pease note an additional update is to be provided to members on item 13 of this agenda).	March 2013	Complete
105	Report to Project Board on subcontracting arrangements	Green	Reported to Joint Committee in February 2013	March 2013	Complete
106	Organise and host "drop in sessions" in Connah's Quay	Green	See agenda item 8	8/9 March & 15/16 March 2013	Complete
107	Provide FCC Internal Audit with information as required	Green	Work complete. See agenda item 9.	February / March 2013	Complete
108	Issue Call for Final Tender	Amber	This is subject to close of dialogue	August 2013	
109	Evaluate Final tender	Amber	This is subject to close of dialogue	September / October 2013	

KEY RISKS – See item 7 on this agenda.

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NWRWTP
North Wales Residual Waste Treatment Project

AGENDA ITEM NO: 7

REPORT TO: **NWRWTP JOINT COMMITTEE**

DATE: **11 JULY 2013**

REPORT BY: **PROJECT DIRECTOR**

SUBJECT: **RISK REGISTER REPORT**

1. PURPOSE OF REPORT

1.1. The members of the NWRWTP Joint Committee have requested that they are provided with an update of the risk register at each meeting of the Joint Committee.

1.2. This report will highlight some of the amendments to the risk register that have been made to reflect the current understanding of risks and mitigation measures that are in place.

2. BACKGROUND

2.1. The Risk Register will require continual update throughout the project.

3. CONSIDERATIONS

3.1. There are no new risks identified this reporting period.

3.2. There have been changes to existing finance related risks in this reporting period to reflect the increased certainty provided by the bidder's proposals. (F7, F11 & F12 risk rating has been reduced, Risks F3,F4,F5,F6,F8,F9 & F10 have had additional commentary added).

3.3. A minor correction was made to the description of risk CO5 (Perceived lack of community benefit leading to negative view of project).

3.4. The Top 12 risks (after controls have been put in place) are shown in appendix 1.

3.5. The changes this period are shown in appendix 2.

3.6. The risk register will continue to be reviewed by the Project Director and reported to the Joint Committee at future meetings.

4. RECOMMENDATIONS

4.1. That the Joint Committee note the updated risk register for the project.

5. FINANCIAL IMPLICATIONS

5.1. Not applicable

6. ANTI-POVERTY IMPACT

6.1. None

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. Not applicable

11. CONSULTATION UNDERTAKEN

11.1. Not applicable

LOCAL GOVERNMENT ACCESS TO INFORMATION ACT 1985

Background Documents:

None

Contact Officer: Stephen Penny NWRWTP

Appendix 1 Top (Red) risks and issues

IDENTIFYING THE RISK or ISSUE						MANAGING THE RISK or ISSUE										
			Current Assessment			How the risk will be managed and controlled				Residual risk after management						Additional explanatory notes
ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall	Implin Date	Review Date	Closure Date	
Policy & regulatory Risk – Change in WG objectives / regulations																
PO1	WG changes financial support available for residual waste treatment projects due to WG affordability / budgetary constraints in the current economic climate	Residual waste treatment projects become less affordable for partnership and each partner authority	5	4	20	Project Team to monitor WG positions in terms of budget availability and lobby at ministerial level if there are indications that proposed funding is to be reduced	PD			5	3	15	Ongoing	May-13		
PO2	WG Environmental policy and objectives change	Project is now inappropriate	4	5	20	Keep in close contact with WG to ensure potential policy changes that may impact on the project are identified early. The Project team have developed and submitted a partnership consultation response (approved by the PB and Joint Committee) highlighting the potential impact of such a target on the project and to ensure WG addresses how any such target is related to potential household numbers of population growth rates that authorities may be subject to in future.	PD			4	3	12	Ongoing	May-13		WG's Municipal Sector Plan (MSP) adopted a waste minimisation target for MSW with a negative growth rate (reduction) of -1.2% pa. The WG MSP does not take any account of individual or partner authority HH or population growth rates. The Partnership has however received guidance from WG that the Partnership is free to make its own assessments about future waste arisings as the waste reduction target is aspirational. WG has now published guidance on the Waste Heirarchy. This is viewed by the project team as helpfull and will enable the Partnership to demonstrate how any solution that comes forward ranks in the waste heirarchy.
PO4	Change in legislation or guidance either at European, National or Regional/Local level	Could require revisit of preferred solution, possible termination of project, excessive LAS compliance costs	4	5	20	Keep in close contact with WG to ensure potential policy changes that may impact on the project are identified early.	PD	Lobby WG and liaise with WLGA on this issue.	PD	4	3	12	Ongoing	May-13		WG have now clarified the position on use of IBA (Bottom ash) so the likelihood of policy change in relation to this has reduced. The initial draft of the CIM (collections, markets and infrastructure plan contained a passing reference to changing the tax regime for recovery operations such as waste to energy as part of many options open to WG. The final publication of the Collections and Infrastructure Plan has removed any reference to this and therefore any uncertainties in this area have reduced.

Appendix 1 Top (Red) risks and issues (continued)

IDENTIFYING THE RISK or ISSUE						MANAGING THE RISK or ISSUE										
			Current Assessment			How the risk will be managed and controlled				Residual risk after management						Additional explanatory notes
ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall	Implin Date	Review Date	Closure Date	
Strategy risk – change in any participating council's waste strategy or technology / solution preference																
SR 1	A change in any participating council's waste strategy or technology / solution preference by any of the partner authorities		4	4	16	Existing MWMS in place. Impartial options appraisal process carried out to identify reference solution (based on WG national evaluation framework). Multi partner authority officer input to this process. Ongoing communications and information to partner authorities on need for the project, technologies, benefits of adopted approach and a technology neutral procurement process.	PM & partner authorities			4	3	12	Ongoing	May-13		Elections in 2012 have brought about changes in administrations and make up of the NWRWTP Joint Committee. Suitable information to be provided to authorities and their members (for instance an information pack) and briefings by external agencies such as EAW and HPA together with visits to existing operational facilities to be organised during 2012 and 2013 as required to ensure full understanding of technologies being proposed (EfW)
Finance & Affordability																
F15	Partner authorities fail to make financial plans to support additional recycling and composting services to meet "front end" increased recycling levels that are required	Failure to meet WG "front end" recycling and composting targets with increased residual waste arisings as a result.	4	4	16	Partner authorities to develop long term funding plans to support enhanced front end recycling and composting services.	Partner Authorities			4	3	12	Ongoing	May-13		WG are encouraging authorities in Wales to enter into a "change programme" where WG will offer assistance to Las to work together and improve "front end" recycling and collections services.
Project Delivery																
PD8	One of the two final bidders drops out	Threat to VFM, price escalation, possible exceedance of affordability envelope, delay to procurement programme	4	5	20	Procurement process designed to ensure ability and /or appetite for contract closure is understood pre final tender appointment. Will seek agreement with all bidders at this stage in relation to major issues.		Procurement process to ensure compliance with Treasury issued guidance that relates to preamature withdrawal of bidders.	PD	4	5	20	Ongoing	May-13		Following SITA UK's decision to withdraw from the procurement process pre CFT the project team will be applying the guidance as set out by the UK treasury to ensure Value for money is obtained for the partnership.
PD19	There is no market interest due to limited capacity within the industry	Delay to project programme, excessive LAS compliance costs, excessive costs	5	3	15	Good level of market interest demonstrated.	PD			5	3	15	Ongoing	May-13		Medium risk - hoewver risk cannot be closed until PB appointed. See PD8

Appendix 1 Top (Red) risks and issues (continued)

IDENTIFYING THE RISK or ISSUE						MANAGING THE RISK or ISSUE										
			Current Assessmen			How the risk will be managed and controlled				Residual risk after management						Additional explanatory notes
ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall	Implin Date	Review Date	Closure Date	
Communication & stakeholders – failure to proactively engage with key stake holders leading to delays and lack of public support for the proposed solution.																
CO4	Pressure from lobby groups/public against the preferred solution and location.	Alternative solution/site has to be sought, increased project development costs, delays to project delivery programme, excessive LAS costs, impact on Partner Councils reputation	4	5	20	Communication and Engagement Strategy drafted and agreed in draft form by Communication Officer group. To be "live" document and therefore updated when necessary.	PM	Ensure fact based information produced to counter mis-information or alarmist claims often put forward by lobbyists and campaign groups.	PD	4	4	16	Ongoing	May-13		National campaigners' engaging with local community councils and local communities in attempt to build opposition to potential solutions.
Planning and permitting -ability to secure successful planning and permitting outcome for solution																
PS5	Suitable sites are not in council ownership to support development of the solution	Project delayed whilst suitable sites are secured	5	3	15	Project team identified sites that could be suitable for location of both the waste transfer stations and residual waste treatment facility(s). Extensive negotiations with land owners of (further) additional sites carried with the aim of securing option(s) for site(s).	PD		PD	5	3	15	Ongoing	May-13		Anglesey Aluminium site identified as a potential site for the location of a facility, but despite extensive negotiations and engagement with AAM, AAM decided not to make the site available to the Partnership as they had other uses for the site.
PS4	The recent issue of the draft Collections, Infrastructure and Markets Sector Plan (CIM) by WG has led to uncertaninty as to the status of the existing Regional Waste Plan (RWP). Thus the RWP may be given reduced weight in determination of a planning application for waste facilities. A policy vaccum may therefore exist if this is not addressed by WG.	Unsuccessfull planning application	4	4	16	Project team and north wales regional waste planning team engaging with WG on this issue to ensure that the final issued version of Collections, Infrastructure and Markets Sector Plan (CIM) does not leave a planning "policy vacuum". Regional Planing team and WG planing teams engaged with WG Waste Policy section to seek required ammendments to draft CIM			PD	4	3	12	Ongoing	May-13		WG's published draft Collections, Infrastructure and Markets Sector Plan (CIM) now issued. See risk PS1
Wastes																
W3	Composition of waste is different from that anticipated (poor data, policy changes, changes in collection practices)	Performance is below required level, excessive LAS compliance costs	3	5	15	Waste composition to be monitored during procurement and data shared at Competitive Dialogue to inform solution. All Wales Waste composition analysis has been carried out by WG through WRAP study has provided a good data set. Performance of technology solution will be tested and understood as part of the procurement process to identify the ability of each solution to process wastes with changed composition.			PD	3	4	12	Ongoing	May-13		Waste compostion risk not being accepted by partnership - risk lies with contractor
Performance																
PE1	Market/outlet is not available for outputs from the facility(s)	Increased project operational costs, increase in demand for landfill void	4	4	16	Ensure market deliverability demonstrated as part of procurement evaluation process.			PD	4	3	12	Ongoing	May-13		

Appendix 2 Headline Changes this Period

IDENTIFYING THE RISK or ISSUE						MANAGING THE RISK or ISSUE										
			Current Assessment			How the risk will be managed and controlled				Residual risk						Additional explanatory notes
ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall	Impln Date	Review Date	Closure Date	
Communication & stakeholders – failure to proactively engage with key stake holders leading to delays and lack of public support for the proposed solution.																
CO5	Perceived lack of community benefit leading to negative view of project	Any potential lack of support to the project might be mitigated by a form of a Community Benefit Package (if available) , which could be perceived to recognise the interests of the locality hosting the Project	4	3	12			Formal community benefit package to be developed.	PD	4	2	8	Sep-13	May-13		
	Commodity and construction prices increase significantly during procurement and construction phases	Increased project costs and possible exceedance of affordability envelope	4	5	20	Advisors have utilised current market pricing and liaising with WG / Local Partnerships in relation to projected cots in future and sensible assumptions to be made. A range of sensitivity tests carried out as part of the OBC process to ensure range of costs understood	PD			4	2	8	Ongoing	Mar-13		Most of the costs are being fixed for the CFT submission so as to miminise and elminate as far as possible the risk of a cost increase post CFT.
F4	Long term interest rates volatility beyond current anticipated levels	Increased project costs and effective impact on affordability envelope	3	5	15	OBC includes a number of sensitivities to be modelled to inform affordability profile.	PD			3	2	6	Ongoing	Mar-13		

Headline changes (continued)

IDENTIFYING THE RISK or ISSUE						MANAGING THE RISK or ISSUE										
			Current Assessment			How the risk will be managed and controlled				Residual risk						Additional explanatory notes
ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall	Impln Date	Review Date	Closure Date	
F5	The bid prices are outside of the affordability envelope	Delay to project programme, excessive LAS compliance costs, excessive costs associated with securing and implementing an alternative solution	4	4	16	Advisors have utilised current market pricing and liaising with WG / Local Partnerships in relation to projected cots in future and sensible assumptions to be made. A range of sensitivity tests carried out as part of the OBC process to ensure range of costs understood	PD	High market interest encouraged by active market engagement. Procurement process is to be run under competitive dialogue enabling the partnership to seek to drive down costs of the solution. ISOS solutions below affordability envelope.	PD	4	2	8	Ongoing	Mar-13		Bid positions received at ISDS were below the affordability target level which is well within approved affordability envelope.
F6	Preferred solution is not bankable	Delay to project programme, excessive LAS compliance costs, excessive costs associated with securing and implementing an alternative solution	5	3	15			Procurement process was designed to ensure that only those solutions capable of delivery (e.g. including bankability) are capable of being awarded the contract	PD	5	2	10	Ongoing	May-13		Solution is based on proven technology from proven technology providors.
	Inappropriate funding structure adopted	Failure, delay, and cost	4	3	12			Assumptions kept under review to reflect market conditions.	PD	4	1	4	Ongoing	May-13		Funding structure proposed by WTI is appropriate
F8	Inadequate due diligence where a non project finance structure is adopted	Increase in procurement cost and transfer of risk to Authority	3	3	9			Ensure that adequate advice is taken from WG, Local Partnerships and advisors so that risk of prudential borrowing or other finance route are well understood by the partner authorities.	PD	3	2	6	Ongoing	May-13		The compensation requirements for the project (contractor default) have increased the level of due diligence that the contractor has had to undertaken in relation to the technology and risk positions.

Headline changes (continued)

IDENTIFYING THE RISK or ISSUE						MANAGING THE RISK or ISSUE										
			Current Assessment			How the risk will be managed and controlled				Residual risk						Additional explanatory notes
ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall	Impln Date	Review Date	Closure Date	
F9	Foreign exchange rate changes adversely	Affordability compromised	4	3	12	Advisors have made prudent assumptions (checked with Local Partnerships and WG) and carried out sensitivity analysis as part of OBC development	PD			4	2	8	Ongoing	May-13		
F10	Financial assumption incorrect	Re-procurement and reduced level of service	5	3	15	Advisors have made prudent assumptions (checked with Local Partnerships and WG) and carried out sensitivity analysis as part of OBC development	PD			4	2	8	Ongoing	May-13		Market response on assumptions used as a guage in addition to comparison with assumptions on other projects.
F11	Banking sector cannot provide capital	Increased costs or procurement failure	4	4	16			Procurement process designed to ensure that only those solutions capable of delivery (e.g. including finance availability) are capable of being awarded the contract	PD	4	1	4	Ongoing	May-13		
F12	Robustness of bank funding clubs	Increased costs or procurement failure	3	4	12			Procurement process designed to ensure that only those solutions capable of delivery (e.g. including finance availability) are capable of being awarded the contract	PD	3	1	3	Ongoing	May-13		

IDENTIFYING THE RISK or ISSUE						MANAGING THE RISK or ISSUE										
ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Current Assessment			How the risk will be managed and controlled				Residual risk after management			Impln Date	Review Date	Closure Date	Additional explanatory notes
			Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall				
Policy & regulatory Risk – Change in WG objectives / regulations																
PO1	WG changes financial support available for residual waste treatment projects due to WG affordability / budgetary constraints in the current economic climate	Residual waste treatment projects become less affordable for partnership and each partner authority	5	4	20	Project Team to monitor WG positions in terms of budget availability and lobby at ministerial level if there are indications that proposed funding is to be reduced	PD			5	3	15	Ongoing	Jan-13		
PO2	WG Environmental policy and objectives change	Project is now inappropriate	4	5	20	Keep in close contact with WG to ensure potential policy changes that may impact on the project are identified early. The Project team have developed and submitted a partnership consultation response (approved by the PB and Joint Committee) highlighting the potential impact of such a target on the project and to ensure WG addresses how any such target is related to potential household numbers of population growth rates that authorities may be subject to in future.	PD			4	3	12	Ongoing	Mar-13		WG's Municipal Sector Plan (MSP) adopted a waste minimisation target for MSW with a negative growth rate (reduction) of -1.2% pa. The WG MSP does not take any account of individual or partner authority HH or population growth rates. The Partnership has however received guidance from WG that the Partnership is free to make its own assessments about future waste arisings as the waste reduction target is aspirational. WG has now published guidance on the Waste Heirarchy. This is viewed by the project team as helpfull and will enable the Partnership to demonstrate how any solution that comes forward ranks in the waste heirarchy.

PO4	Change in legislation or guidance either at European, National or Regional/Local level	Could require revisit of preferred solution, possible termination of project, excessive LAS compliance costs	4	5	20	Keep in close contact with WG to ensure potential policy changes that may impact on the project are identified early.	PD	Lobby WG and liaise with WLGA on this issue.	PD	4	3	12	Ongoing	Mar-13		WG have now clarified the position on use of IBA (Bottom ash) so the likelihood of policy change in relation to this has reduced. The initial draft of the CIM (collections, markets and infrastructure plan contained a passing reference to changing the tax regime for recovery operations such as waste to energy as part of many options open to WG. The final publication of the Collections and Infrastructure Plan has removed any reference to this and therefore any uncertainties in this area have reduced.
PO5	WG fail to provide clarity within their strategic objectives	Delay and loss of stakeholder support	3	4	12	Keep in close contact with WG to ensure potential policy changes that may impact on the project are identified early.	PD			3	3	9	Ongoing	Mar-13		
Strategy risk – change in any participating council's waste strategy or technology / solution preference																
SR 1	A change in any participating council's waste strategy or technology / solution preference by any of the partner authorities		4	4	16	Existing MWMS in place. Impartial options appraisal process carried out to identify reference solution (based on WG national evaluation framework). Multi partner authority officer input to this process. Ongoing communications and information to partner authorities on need for the project, technologies, benefits of adopted approach and a technology neutral procurement process.	PM & partner authorities			4	3	12	Ongoing	Jan-13		Elections in 2012 have brought about changes in administrations and make up of the NWRWTP Joint Committee. Suitable information to be provided to authorities and their members (for instance an information pack) and briefings by external agencies such as EAW and HPA together with visits to existing operational facilities to be organised during 2012 and 2013 as required to ensure full understanding of technologies being proposed (EfW)
Political																
AP1	Multi-Authority Approach leads to protracted discussions to resolve issues	Consultancy costs increase. End date not met. LAS penalty risk increased.	3	3	9	Project Plan detailing timescales. OBC Approvals process mapped out for each partner authority. Offer of support form project team and advisors in approvals processes. IAA sets out governance arrangements and reserved matters.	PM			3	2	6	ongoing	Mar-13		

AP2	Decision on award of contract is multi authority	Selection of Contractor is delayed due to multi-Authority Involvement (Cabinet Process)	4	3	12			Project Champions (technical officers) from participating Authorities shall be involved in evaluating the bids	PD	4	2	8	uly - Aug 201	Mar-13		
AP4	Lack of Council political support within one or more of the Partner Authorities.	Delays to project, increase in costs, loss of competitive pressure, threat to VFM, possible procurement challenge, or total abortion of the project	4	3	12	IAA sets our governance arrangments.. Provision of briefings and information to partner authorities - offered proactively by project team and advisors. Ongoing communication and engagement on key project parameters.	Lead chief Executive, Project Board members (lead Officers for each partner authority)			4	2	8	Ongoing	Mar-13		See SR1
AP5	Change in priorities in a Council	Major funding issues	4	3	12	OBC has identified affordability of project and benefits of the reference solution in terms of costs management.	Lead chief Executive, Project Board members (lead Officers for each partner authority)			4	2	8	Ongoing	Mar-13		
AP6	Local Government re-organisation	Confusion and uncertainty	4	4	16	To be managed if and when prospect occurs during the project period	TBC			4	2	8	Ongoing	Mar-13		
Joint Working – one or more partners exiting the partnership																
JW1	One of the Partner LA's withdraw during procurement process	New OJEU notice has to be placed	5	2	10	IAA 1 signed by partner authorities that shows clear consequences of Authorities leaving the process during and after procurement phase.	MO			5	1	5	Ongoing	Mar-13		
Finance & Affordability																
F1	Lack of Budget profile leads to unexpected surplus	Surplus is absorbed and re-application required	3	2	6	Finance Officer to be appointed to the team. Payments based on milestones. PD has updated project budget profile. PD to monitor and manage	PD			3	1	3	Ongoing	Mar-13		
F2	Procurement delays lead to increased procurement costs (due to extended procurement process)	LA's seek additional funding or withdraw	1	2	2	Affordability envelope has been agreed that includes delay to the project	PD	Manage procurement delays by appropriate design of procurement process.	PD	3	3	9	Ongoing	Mar-13		
F3	Commodity and construction prices increase significantly during procurement and construction phases	Increased project costs and possible exceedance of affordability envelope	4	5	20	Advisors have utilised current market pricing and liaising with WG / Local Partnerships in relation to projected cots in future and sensible assumptions to be made. A range of sensitivity tests carried out as part of the OBC process to ensure range of costs understood	PD			4	2	8	Ongoing	Mar-13		Most of the costs are being fixed for the CFT submission so as to miminise and elminate as far as possible the risk of a cost increase post CFT.

F4	Long term interest rates volatility beyond current anticipated levels	Increased project costs and effective impact on affordability envelope	3	5	15	OBC includes a number of sensitivities to be modelled to inform affordability profile.	PD			3	2	6	Ongoing	Mar-13		
F5	The bid prices are outside of the affordability envelope	Delay to project programme, excessive LAS compliance costs, excessive costs associated with securing and implementing an alternative solution	4	4	16	Advisors have utilised current market pricing and liaising with WG / Local Partnerships in relation to projected cots in future and sensible assumptions to be made. A range of sensitivity tests carried out as part of the OBC process to ensure range of costs understood	PD	High market interest encouraged by active market engagement. Procurement process is to be run under competitive dialogue enabling the partnership to seek to drive down costs of the solution. ISOS solutions below affordability envelope.	PD	4	2	8	Ongoing	Mar-13		Bid positions received at ISDS were below the affordability target level which is well within approved affordability envelope.
F6	Preferred solution is not bankable	Delay to project programme, excessive LAS compliance costs, excessive costs associated with securing and implementing an alternative solution	5	3	15			Procurement process was designed to ensure that only those solutions capable of delivery (e.g. including bankability) are capable of being awarded the contract	PD	5	2	10	Ongoing	May-13		Solution is based on proven technology from proven technology providors.
F7	Inappropriate funding structure adopted	Failure, delay, and cost	4	3	12			Assumptions kept under review to reflect market conditions.	PD	4	1	4	Ongoing	May-13		Funding structure proposed by WTI is appropriate
F8	Inadequate due diligence where a non project finance structure is adopted	Increase in procurement cost and transfer of risk to Authority	3	3	9			Ensure that adequate advice is taken from WG, Local Partnerships and advisors so that risk of prudential borrowing or other finance route are well understood by the partner authorities.	PD	3	2	6	Ongoing	May-13		The compensation requirements for the project (contractor default) have increased the level of due diligence that the contractor has had to undertaken in relation to the technology and risk positions.
F9	Foreign exchange rate changes adversely	Affordability compromised	4	3	12	Advisors have made prudent assumptions (checked with Local Partnerships and WG) and carried out sensitivity analysis as part of OBC development	PD			4	2	8	Ongoing	May-13		
F10	Financial assumption incorrect	Re-procurement and reduced level of service	5	3	15	Advisors have made prudent assumptions (checked with Local Partnerships and WG) and carried out sensitivity analysis as part of OBC development	PD			4	2	8	Ongoing	May-13		Market response on assumptions used as a guage in addition to comparison with assumptions on other projects.
F11	Banking sector cannot provide capital	Increased costs or procurement failure	4	4	16			Procurement process designed to ensure that only those solutions capable of delivery (e.g. including finance availability) are capable of being awarded the contract	PD	4	1	4	Ongoing	May-13		

F12	Robustness of bank funding clubs	Increased costs or procurement failure	3	4	12			Procurement process designed to ensure that only those solutions capable of delivery (e.g. including finance availability) are capable of being awarded the contract	PD	3	1	3	Ongoing	May-13		
F13	WG financial support evaporates	Project potentially unaffordable	5	3	15	Assurances already received from WG that funding is available for the project as has been agreed previously for project Gwyrdd. OBC funding award letter defines the conditions for payment of funding- this is consistent with the Partnership's expectations.	PD		PD	5	2	10	Ongoing	May-13		WG has indicated that in the event that any solution that may involve energy recovery fails to achieve (or later loses) R1 energy efficiency status, may be at risk of losing the WG financial support. All 3 bidders at ISDS stage have proposed technologies that are above R1 thresholds.
F14	WG seeks unachievable levels of VFM at Final Business case review stage and approval process due to financial constraints	WG funding support is less than anticipated making the project potentially unaffordable	5	3	15	OBC funding award letter defines the conditions for payment of funding- this is consistent with the Partnership's expectations.	PD	Lobby WG and liaise with WLGA on this issue.	PD	5	2	10	Ongoing	May-13		
F15	Partner authorities fail to make financial plans to support additional recycling and composting services to meet "front end" increased recycling levels that are required	Failure to meet WG "front end" recycling and composting targets with increased residual waste arisings as a result.	4	4	16	Partner authorities to develop long term funding plans to support enhanced front end recycling and composting services.	Partner Authorities			4	3	12	Ongoing	May-13		WG are encouraging authorities in Wales to enter into a "change programme" where WG will offer assistance to Las to work together and improve "front end" recycling and collections services.
Advisers – change in key personnel																
AD 1	Key advisor personnel team leave or are no longer available to support the project	Delays and lack of familiarity with the project by any replacement advisory staff.	3	3	9	Advisor's project directors to keep an overview of the advisor work. Capacity of teams providing advice tested during appointment of the advisors. Ongoing monitoring of advisor situation to ensure adequate advisor cover an knowledge often project .	PD			3	2	6	Ongoing	May-13		
Project Delivery																

PD1	Potential bidders do not bid due to the costs associated with Competitive Dialogue process	Reduced Competition on bid process	4	2	8	To ensure a suitably streamlined, timely and well delivered procurement process adopted. Appropriate use and instruction of advisors. Input from WG, WPPO and Local Partnerships.	PD			4	1	4	Ongoing	May-13		3 participants submitted full ISDS submissions so strong market interest and competitiion demonstrated at this stage. Dialogue was very advanced with last two participants when SITA UK withdrew before CFT. Key commercial areas had already been agreed with WTI before 2nd bidder's withdrawal. WTI has confirmed desire to continiue with tender proccess
PD2	Potential bidders do not bid due to the Risks being passed to the Contractor	Reduced Competition on bid process	4	3	12	A risk allocation workshop was held with input from Advisors to ensure appropriate risk allocations are made for the procurement and that the Partnership adopt a commercially deliverable and sustainable position.	PD	The Project Agreement will conform to standard from of contract as provided by WG / Local Partnerships. Any derrogations / changes from this standard position will be agreed with WG/ Local Partnerships before implementation to ensure acceptable transfer of risks.	PD	4	2	8	Ongoing	May-13		3 participants submitted full ISDS submissions so strong market interest and competitiion demonstrated.
PD3	Potential bidders do not bid due to lack of cohesiveness of the Partnership	Reduced Competition on bid process	4	3	12	IAA signed & Governance Arrangements arrangements for procurement period defined in OBC/ IAA.	PD	IAA signed by all partner authorities.	PD	4	2	8	Ongoing	May-13		3 participants submitted full ISDS submissions so strong market interset and competitiion demonstrated.
PD4	Potential bidders do not bid due to the prescriptive requirements	Reduced Competition on bid process	4	3	12	Procurement is to be "Technology Neutral"	PD	Ensure appropriate design of procurement process.	PD	4	1	4	Ongoing	May-13		3 participants submitted full ISDS submissions so strong market interset and competitiion demonstrated.
PD5	Potential bidders do not bid as volumes of waste are too small	Reduced Competition on bid process	4	3	12	Good level of market interest demonstrated.			PD	4	1	4	Ongoing	May-13		3 participants submitted full ISDS submissions so strong market interset and competitiion demonstrated.
PD6	Too many bidders come forward and difficult to de-select to suitable shortlist	Delays to procurement programme, increased development phase costs	3	3	9	Procurement process designed and resourced to allow a number of bidders to assessed.	PD			3	1	3	Ongoing	May-13		Maximum of 8 bidders to be invited to ISOS stage, 3 participants taken through to ISDS stage. 2 planned to CFT stage.
PD7	The Preferred Bidder drops out or fails to reach a satisfactory commercial/financial close	Programme delay, increased development phase costs, excessive LAS penalties, loss of competitive pressure and possible increase in overall solution costs	5	2	10	Procurement process designed to ensure ability and /or appetite for contract closure is understood pre preferred bidder appointment. No major issues to be allowed to remain unresolved prior to preferred bidder.			PD	5	2	10	Ongoing	May-13		WTI have confirmed their comitment to the procurement process. Note Although WTI are the sole remaining bidder, if a PB recommendation is made this would relfect the fact that no unresolved items would remain between WTI and the partnership. Therefore a single tenderer pre CFT will not increase the likelyhood of a PB dropping out.

PD8	One of the two final bidders drops out	Threat to VFM, price escalation, possible exceedance of affordability envelope, delay to procurement programme	4	5	20	Procurement process designed to ensure ability and /or appetite for contract closure is understood pre final tender appointment. Will seek agreement with all bidders at this stage in relation to major issues.		Procurement process to ensure compliance with Treasury issued guidance that relates to preamature withdrawal of bidders.	PD	4	5	20	Ongoing	May-13		Following SITA UK's decision to withdraw from the procurement process pre CFT the project team will be applying the guidance as set out by the UK treasury to ensure Value for money is obtained for the partnership.
PD9	Utility connections may not be available for the solution	Possible threat to affordability, delay to programme	3	3	9			Technical advisors to be tasked to ensure ability to secure utility connections is understood early in the procurement process.	PD	3	2	6	Ongoing	May-13		Bidders have demonstrated that utlity connections are deliverable.
PD10	Construction contractor goes into liquidation/receivership during construction phase	Delay to commencement of waste processing, excessive LAS costs, replacement constructor required - increased capital costs	3	3	9	Bidders to demonstrate financial position as part of PQQ and also re-checked at key stages during procurement process			PD	3	2	6	Ongoing	May-13		
PD11	Insufficient project resource (numbers and knowledge/experience of staff/project team)	Delays to projects, increased development costs to 'repair' project, reduced market interest and consequent loss of competitive pressure VFM	3	3	9	PD and PM in post		Authorities to nominate appropriate individuals and to backfill their posts. Input required from key officers in Partner Authorities. PD has produced an estimated resource input schedule to assist Partner authorities in resource management	Individual Partner Authorities	3	2	6	Ongoing	May-13		
PD12	Negotiations on contract are protracted beyond planned programme	Contractor has opportunity to re-bid, price escalation, loss of VFM, affordability threatened, project delay, possible excessive LAS costs.	3	4	12			Procurement process will be clearly defined. Clear partner positions to be articulated to the bidders at all stages.	PD	3	2	6	Ongoing	May-13		Negotiation positions on key aspects of the project are pre agreed by Project Board to allow Dialogue team to get on with negotiations in a time efficient manner.
PD15	Inadequate project management discipline	Possible delay to project programme, LAS compliance costs incurred, delivery management objectives not met, internal stakeholders complain	2	2	4	PD and PM now in post. PD to check that adequate PM controls in place. Internal audit to be engaged prior to Procurement. 1st gatewary review completed - project amber green. Recommendations made and taken on board by project team.		Furthe WG gateway review prior to ISDS. PD to take on board any recommendations.	PD	2	1	2	Ongoing	May-13		
PD16	Facilities not commissioned on time	Possible delay to project programme, LAS compliance costs incurred.	3	3	9	Procurement process designed to ensure sites are identified and understood in terms of planning deliverability. Preliminary site investigate works to be carried out on reference sites. Procurement process to test bidders delivery timetables.	PD			2	2	4	Ongoing	May-13		

PD19	There is no market interest due to limited capacity within the industry	Delay to project programme, excessive LAS compliance costs, excessive costs associated with inflation and need to revisit market to secure and an acceptable solution. Partnership reputation damaged.	5	2	10	Good level of market interest demonstrated.	PD			5	3	15	Ongoing	May-13		Medium risk - hoewver risk cannot be closed until PB appointed. See PD8
PD20	Participants are concerned that one or more other Participants have gained a commercial advantage by gaining control of a site that may be required to deliver their solution	Participants withdraw from the procurement process	4	3	12	Partnership issue clear instruction to participants in relation to sites. Procurement team to enforce sanctions that may apply against participants that breach these instructions. The PD has received verbal assurances from a rail undertaker that their newly required option on the site in question will not be used solely to give one or more participants a competitive advantage in securing access to a rail head.	PD	Written confirmation gained for the alternative site operator that has secured an option of the site to ensure that all Participants can achieve equal access to the site if required (agreement to a non-exclusive engagement with all participants if required).		4	2	8	Ongoing	May-13		
PD21	Network Rail approvals are not secured to allow delivery of a rail based transport solution.	Transport element of Rail based solution becomes undeliverable or partially undeliverable.	3	4	12	Following the decision of Joint Committee at its meeting in March 2012, it was agreed that a review of progress would be made in September 2012 to see if key Network rail approvals had been secured. In the event that little or no progress had been made the Partnership may decide to revert to a road based transport solution.	PD			3	3	9	Sep-12	May-13		
PD22	Title issues relating to proposed sites	Increased costs oor project delays	3	3	9	Seeking to address title issues with relavant parties	LP			3	2	6		May-13		
Communication & stakeholders – failure to proactively engage with key stake holders leading to delays and lack of public support for the proposed solution.																
CO1	Mis-information to Members caused by differences in reports and documentation	Authorities working to different agendas/outcomes leading to a breakdown in the consortia	3	3	9	Communication Officer Group established, with a media protocol agreed to ensure consistency of message.	PM		PM	3	2	6	Ongoing	May-13		

CO2	Risk of challenge to planning approvals if opportunity not given to stakeholders to input to the development of the evaluation framework that will underpin the procurement and subsequent facility planning approvals process.	Risk of un successful planning application or judicial review against planning consent and therefore inability to deliver the project as procured.	4	3	12	Consultation sessions with members of the 5 authorities and external stakeholder held during July - Sep 2010 to get input into the evaluation framework.	PM		PM	4	2	8	Jul-10	May-13		Evaluation framework completed before ITPD issued. Risk can not therefore be further mitigated. However, risk of successful challenge although very low still remains. Therefore risk cannot be closed.
CO3	Reference sites identified within OBC could lead to significant opposition to proposed development. As a result planning committee(s) and /or judicial review may not support a positive planning outcome if early engagement is not carried out with affected communities.	Risk of un successful planning application or judicial review against planning consent and therefore inability to deliver the project as procured.	4	3	12	"Drop in" sessions held in the area of the Reference Site. Contact made with key businesses around Reference Site.	PM	Further engagement work around reference site (and other reference sites if identified) at key stages of project.	PM	4	2	8	Ongoing	May-13		
CO4	Pressure from lobby groups/public against the preferred solution and location.	Alternative solution/site has to be sought, increased project development costs, delays to project delivery programme, excessive LAS costs, impact on Partner Councils reputation	4	5	20	Communication and Engagement Strategy drafted and agreed in draft form by Communication Officer group. To be "live" document and therefore updated when necessary.	PM	Ensure fact based information produced to counter mis-information or alarmist claims often put forward by lobbyists and campaign groups.	PD	4	4	16	Ongoing	May-13		National campaigners' engaging with local community councils and local communities in attempt to build opposition to potential solutions.
CO5	Perceived lack of community benefit leading to negative view of project	Any potential lack of support to the project might be mitigated by a form of a Community Benefit Package (if available) , which could be perceived to recognise the interests of the locality hosting the Project	4	3	12			Formal community benefit package to be developed.	PD	4	2	8	Sep-13	May-13		
Timescales																
T5	Key Activities not identified in Project Plan	Potential for project to be delayed due to lack of resource or dependability issues	3	2	6	Local Partnerships experts to scrutinise Project documentation	PD		PD	3	1	3	Ongoing	May-13		
Procurement Strategy and Process																
P2	Existing contracts and facilities prevent all participating authorities to utilise all elements of the proposed final solution	Payment made by authorities in duplication	2	2	4	Facilities paid for on a gate fee by use. Agreement on Universal gate fee principal written into IAA. Projected timeline for commencement or residual waste treatment service clearly communicated to partner authorities. No existing partner authority contracts will over lap with commencement of this service.	PD			2	1	2	Ongoing	May-13		

P10	Differing funding proposals from bidders leads to extended procurement period	Delays to service commencement	2	2	4	Different funding proposals to be considered as part of Evaluation Framework	PD		PD	2	2	4	Ongoing	May-13		
P12	Solution offered is not technically viable	landfill diversion not obtained, LA's incur infraction penalties	5	3	15	LAS infraction fine passed to contractor. Technical viability scored within Evaluation Framework	PD		PD	5	1	5	Ongoing	May-13		All 3 ISOS submissions taken through to ISDS stage clearly meet partnership's landfill diversion requirements. All are proven technologies with good track records.
P13	Technological solutions offered are not commissionable within LAS infraction timescales	LA's face infraction fines for additional landfill above allowance	4	4	**16**	OBC modelling has shown that each partner authoirty can meet LAS allowances if they increase "front end" recycling and composting" and the project is deliverd to timetable. Any underperformacne in this "front end" recycling and composting are outside the scope of this project and any subsequent LAS liabilities will lie with the invidivual partner authorities. See also risk W1	Partner authorities	Procurment process to ensure that is dlievred ina timley manner with the risk of late delivery of the residual waste treatemtn service minmised.	PD	4	2	8	Ongoing	May-13		Updated waste flow modelling demonstrates that potential commissioning dates will not lead to significant LAS exposure to partner authorities.
P14	Bids scored by inexperienced internal team	Solution selected is not the most advantageous tender and is open to challenge by unsuccessful bidders	4	3	**12**	Bid team selected by Project Director including mix of appropriate skills (including advisors)	PD			4	2	8	Ongoing	May-13		Technical, finance and legal officers involved in evaluation challenge sessions with advisors
P15	Bids scored by external consultants	Solution selected does not meet local requirements and is not accepted by LAs	4	3	12	Bid team selected by Project Director including mix of appropriate skills (including officers from partner authorities and specialist external advisors)	PD			4	2	8	Ongoing	May-13		Technical, finance and legal officers involved in evaluation challenge sessions with advisors
P16	Officers are perceived to have preconceived ideas of the 'best' solution	Lack of trust of bidder selection and solution selected	4	3	12	Agreed scoring criteria and Evaluation Framework. Stakeholder input to evaluation framework. Moderation of scores to ensure consistency of evaluation approach. Input from local partnership's transactor.			PD	4	2	8	Ongoing	May-13		
Scope Change – Material change in the scope of services required																
SC1	Material change in the scope of services required	Delay to procurement process of bidders withdraw from procurement due to uncertainties	4	3	12	Technical officer input on draft specification and approved as part of OBC by partner authorities	PM		PM	4	2	8	Ongoing	May-13		
Planning and permitting -ability to secure successful planning and permitting outcome for solution																

PS1	Regional Waste Plan is in conflict with potential solutions	Reduced Competition on bid process	4	3	12	Planning and Site Workstream has been set up to assist in reducing site and planning uncertainty and improve prospects for a positive planning outcome for the project. North Wales regional waste planing team now in place.	PD			4	2	8	Ongoing	May-13		Collections, Infrastructure and markets plan now published by WG. Additional Regional residual waste treatment capacity clearly defined.
PS5	Suitable sites are not in council ownership to support development of the solution	Project delayed whilst suitable sites are secured	5	3	15	Project team identified sites that could be suitable for location of both the waste transfer stations and residual waste treatment facility(s). Extensive negotiations with land owners of (further) additional sites carried with the aim of securing option(s) for site(s).	PD		PD	5	3	15	Ongoing	May-13		Anglesey Aluminium site identified as a potential site for the location of a facility, but despite extensive negotiations and engagement with AAM, AAM decided not to make the site available to the Partnership as they had other uses for the site.
PS6	There is a delay on obtaining planning permission (identified reference site)	Failure to comply with LAS, increased costs, impact on award of Environmental Permit	3	3	9	Ongoing engagement / consultation with relevant planning authorities and other stakeholders/ statutory consulters. Site assessment and investigate works carried out by partnership.			PD	3	2	6	Ongoing	May-13		
PS7	There is a delay on obtaining planning permission for WTS sites requiring planning	Failure to comply with LAS, increased costs, impact on award of Environmental Permit	4	4	16	Ongoing engagement / consultation with relevant planning authorities and other stakeholders/ statutory consultees. Site assessment and investigate works carried out by partnership.	PD			3	2	6	Ongoing	May-13		
PS8	There is a delay on obtaining planning permission (alternative main reference site solution)	Failure to comply with LAS, increased costs, impact on award of Environmental Permit	4	4	16	Early identification of potentially suitable alternative main site. Ongoing engagement / consultation with relevant planning authorities and other stakeholders/ statutory consultees. Site assessment and investigate works carried out by partnership.			PD	3	3	9	Ongoing	May-13		
PS9	Planning permission has onerous conditions	Sub-optimal solution, performance below required level, increased costs	3	3	9	Ongoing engagement / consultation with relevant planning authorities and other stakeholders/ statutory consultees. Site assessment and investigate works carried out by partnership.			PD	3	2	6	Ongoing	May-13		Risks apply to all sites including those proposed by Contractor, not just Authority sites

PS10	Planning permission not secured even after appeal.	Diversion performance is below required level, excessive LAS penalties, increased costs	5	3	15	Procurement process to identify deliverability risks of contractor proposals, including likelihood of a successful planning outcome.			PD	5	2	10	Ongoing	May-13		Risks apply to all sites including those proposed by Contractor, not just Authority sites
PS12	Environmental Permit not secured in accordance with project programme	Project development costs exceed expectations, delays to project, excessive LAS penalties	4	3	12	Procurement process to identify deliverability risks of contractor proposals, including likelihood of a successful permit application.			PD	4	2	8	Ongoing	May-13		
PS13	Planning application from successfull bidder fails to demonstrate Best Practicable Environmental Option (BPEO)	Unsuccessfull planning application	4	4	16	To identify BPEO in Life Cycle Assessment (LCA) (Wizard) as part of OBC development, and to ensure supplementary measures employed to deliver siets and evaluation framework for procurement process, thereby supporting delivery of BPEO		A challenge session wil be set up pre CFT with the two last remaining particiapnts to test the way they will seek to demeosntrate their solutions are BPEO within the planning context.	PD	4	2	8	Ongoing	May-13		
PS14	The recent issue of the draft Collections, Infrastructure and Markets Sector Plan (CIM) by WG has led to uncertaninty as to the status of the existing Regional Waste Plan (RWP). Thus the RWP may be given reduced weight in determination of a planning application for waste facilities. A policy vaccum may therefore exist if this is not addressed by WG.	Unsuccessfull planning application	4	4	16	Project team and north wales regional waste planning team engaging with WG on this issue to ensure that the final issued version of Collections, Infrastructure and Markets Sector Plan (CIM) does not leave a planning "policy vacuum". Regional Planing team and WG planing teams engaged with WG Waste Policy section to seek required ammendments to draft CIM			PD	4	3	12	Ongoing	May-13		WG's published draft Collections, Infrastructure and Markets Sector Plan (CIM) now issued. See risk PS1
Sites																
S1	Site conditions are not as anticipated	Delay in project programme, excessive LAS costs, excessive Capex prices, possible threat to affordability	3	3	9	Technical advisors have been tasked to review site constraints	PD		PD	3	2	6	Ongoing	May-13		
S2	Single site not available for residual facility	Re-define the project, delayed, cost,.etc	5	3	15	Initial reference solution site already identified. Further site identification work to be carried out prior to and including early stages of procurement process			PD	5	2	10	Ongoing	May-13		
S3	One or more of the sites not available for some residual facilities	Re-define the project, delayed, cost,.etc	4	3	12	A number of potential sites already identified.	PD	Additional assessment and potential acquisition work required.	PD	4	2	8	Ongoing	May-13		See risk PS5

S4	One or more of sites not available for some WTS facilities	Disproportionate costs on some partner authorities	4	3	12	A number of potential sites already identified.	PD	Additional assessment and potential acquisition work required.	PD	4	2	8	Ongoing	May-13		
Wastes																
W1	A Council fail to reach recycling targets by not delivering enhanced "front end" recycling and composting services	Potential excessive project costs due to excess residual waste, threat to affordability, possible excessive LAS penalties if facilities under-sized and fines applied by WG to authorities for underperforming against recycling targets.	3	4	12	Initial discussions already held on key payment mechanism and inter authority principles to describe risk and how costs will be assigned amongst the partner authorities for under/ over provision of waste tonnages as a result of under/over recycling/ composting performance against agreed waste profiles.	PD	Ongoing engagement and communication with partner authorities to understand proposed waste recycling and composting services so that tonnage profiles can be finalised prior to ISDS stage of the procurement process. Partner authorities to develop plans for meeting enhanced recycling and composting services.	PD	3	3	9	Ongoing	May-13		WG are encouraging authorities in Wales to enter into a "change programme" where WG will offer assistance to Las to work together and improve "front end" recycling and collections services. See F15
W2	Waste flow model is inaccurate due to incorrect assumptions	Possible re-bidding resulting in increased project costs, delays to project, possibly excessive LAS compliance costs and increased landfill costs (If waste more than predicted), possible "put or pay" liabilities (if waste less than predicted).	3	4	12	A number of sensitivities are being carried out to that the impact of differing assumptions used can be understood. Ensure that the waste flows can be modified through early stages of procurement (up to ISDS). A range of sensitivities to be modelled and used as a basis for dialogue with bidders.	PD	Tonnage projections to be reviwed pre CFT based on latest data.	PD	3	3	9	Ongoing	May-13		Standard contract has substitute waste provisions so that contractor has duty to seek additional 3rd party waste if Partnership under deliver.
W3	Composition of waste is different from that anticipated (poor data, policy changes, changes in collection practices)	Performance is below required level, excessive LAS compliance costs	3	5	15	Waste composition to be monitored during procurement and data shared at Competitive Dialogue to inform solution. All Wales Waste composition analysis has been carried out by WG through WRAP study has provided a good data set. Performance of technology solution will be tested and understood as part of the procurement process to identify the ability of each solution to process wastes with changed composition.			PD	3	4	12	Ongoing	May-13		Waste compostion risk not being accepted by partnership - risk lies with contractor
W4	Potential changes in the legal definition of (currently) non–Municipal Solid Wastes such that they become the responsibility of the partnership authorities	Additional wastes may have to be accomodated in solution	3	2	6	Project team to continue monitoring WG and UK Government Policy	PD		PD	3	2	6	Ongoing	May-13		
Performance																

PE1	Market/outlet is not available for outputs from the facility(s)	Increased project operational costs, increase in demand for landfill void	4	4	16	Ensure market deliverability demonstrated as part of procurement evaluation process.			PD	4	3	12	Ongoing	May-13		
PE2	The selected technology fails to perform to required level (unreliable or poor performance)	Excessive LAS compliance costs, Environment Agency close facility, contractor defaults, need to modify the solution resulting in increased Capex	3	3	9	Ensure technical track record proven, adequate test of contractor operations experience and that contractor proposals are explored in detail and well understood.			PD	3	2	6	Ongoing	May-13		Contractor will have maximum landfill allowance. If more materials are land filled this would be at cost to the contractor. Ultimately lead to contractor default if significant ujnderperformance
Contractor																
C1	Contractor default	Re-procurement and additional costs	5	3	15	Ensure track record of contractor, deliverability of proposal (as at reasonable commercial return to the contractor) understood. Those contractor proposals viewed as potential high risk of non-delivery will be marked accordingly in line with the evaluation framework			PD	5	2	10	Ongoing	May-13		

Please note that the "Explanatory notes" column for risks F4,F9,F11,F12,PD20, P2 & P10 contain commercially sensitive information and have been redacted

Key

PD	Project Director
PM	Project Manager
MO	FCC Monitoring Officer

NWRWTP
North Wales Residual Waste Treatment Project

AGENDA ITEM NO: 8

REPORT TO: **NWRWTP JOINT COMMITTEE**

DATE: **11th JULY 2013**

REPORT BY: **PROJECT MANAGER**

SUBJECT: **COMMUNICATIONS UPDATE**

1. PURPOSE OF REPORT

1.1. To update the Joint Committee on communication matters concerning the North Wales Residual Waste Treatment Project (NWRWTP).

2. BACKGROUND

2.1. The Joint Committee has requested regular updates on communication matters relating to the NWRWTP. This report provides an update on progress to date.

3. CONSIDERATIONS

3.1. Media Coverage

There has been no media coverage of the project since the last Joint Committee in February 2013 other than that noted in 3.3 below.

3.2. Other coverage / activitiy

Joint Committee Members will be aware that Môn a Gwynedd Friends of the Earth (FoE) issued a briefing to all partner authority Members opposing the NWRWTP in March 2013. The NWRWTP subsequently issued a response to Joint Committee Members and partner authority Project Board representatives for distribution within their authorities as they saw fit. As Members have previously seen both the FoE briefing and NWRWTP response they are not included with this report, however any Members that require a copy can contact the Project Board Team.

The Project Team would also like to make Members aware that Burton Residents Association (Burton is a village close to the Deeside site just across the Welsh / English border in Cheshire) has been tracking the NWRWTP closely, and a recent update on their website is included in appendix 1 to this report for information only.

3.3. Public Drop in Sessions at Connah's Quay

As previously reported to the Joint Committee, project team put on a series of public "drop in session" during March 2013 where residents were able to

come and speak directly to a member of the project team and various experts were on hand to answer specific queries such as on emissions etc. The sessions were held on Friday 8th, Saturday 9th, Friday 15th and Saturday 16th March 2013 (2pm - 8pm on both Fridays and 10am - 4pm on both Saturdays). An advert was placed in the local and regional press (Flintshire Leader, Flintshire Chronicle and Daily Post) in the run up to the sessions and in the week in between the two sets of sessions, and a press release was also issued prior to the sessions and in between the two sets of sessions (see BBC news Wales website story http://www.bbc.co.uk/news/uk-wales-21804310) The sessions were also advertised on the NWRWTP website's front page.

Attendance at the first set of sessions on the 8th and 9th was low, with only a handful of residents attending. Attendance was much better the following sessions on the 15th and 16th, with around 25 people attending. These types of sessions are for the public to have a direct and informal discussion about the project, and often individuals are in discussion for long periods (there were many individuals who were in discussion for well over an hour). This direct and informal approach has proved effective in the past and was again this time, with the vast majority of attendees leaving happier / more reassured (or at the very least more informed) than when they went in.

The majority of attendees came to find out more about the project (and indeed a few were positive), however of those attendees that raised concerns, the main areas of concern were around health effects from emissions. Amec were effective in discussing the issues with those residents.

These types of sessions have been done in the past in Connah's Quay, and will be done again at the appropriate times.

4. RECOMMENDATIONS

4.1. To note the content of this update report

5. FINANCIAL IMPLICATIONS

5.1. Not applicable.

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. See above.

11. CONSULTATION UNDERTAKEN

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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Burton Residents' Association

Serving the residents of Burton

secretary@burtonresidentsassociation.co.uk

Deeside Waste Incinerator --- May 2013

In January 2013, Flintshire County Council's Environment Department published a report on the project which is freely available on the internet and it highlighted the following:

Failure for the Councils to not meet their reducing need for using landfill over a targeted time period would have a fine of £200 per ton levied by the Welsh Government.

The indicative size of the process building at the facility has a footprint of 5.500m2, that is approximately half the size of the Asda store in Queensferry or smaller than a football pitch and the facility will have a capacity of between 150,000 to 180,000 tonnes of waste treated per annum.

It is projected that the five councils will provide 115,000 tonnes per annum of residual municipal waste, after recycling at least 63% of their total waste before disposal. The remaining capacity will be taken up by the successful operator treating municipal type waste they take either from other local authorities or from the commercial sector.

The final tender submission is due this month, with individual authority approved bidder and final business case approvals to be completed by December 2013. The contract will be awarded in January 2014 with submission of the planning application in March 2014. The operational date is planned for late 2017.

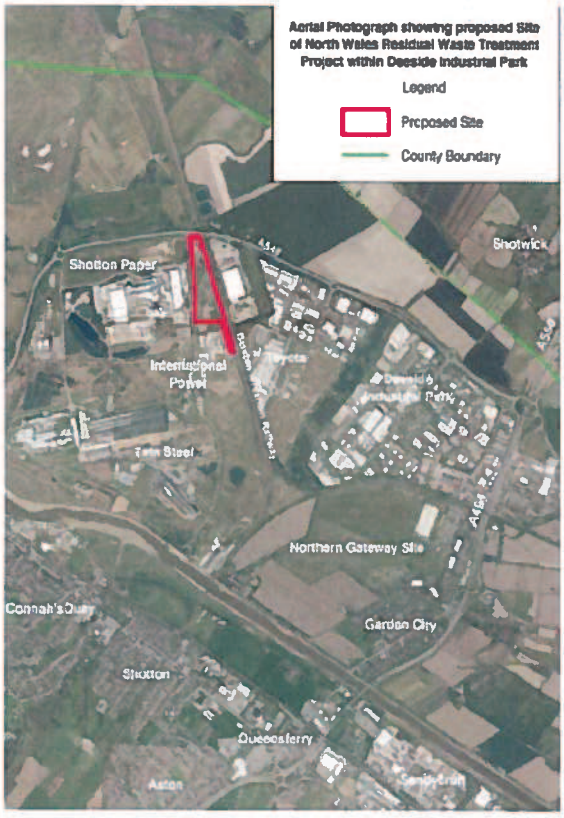
The following has been obtained from published articles in the Wrexham Leader and Flintshire Chronicle this year. In February, one of the two companies shortlisted for the project Sita has withdrawn from the tender process, leaving Wheelabrator Technologies as the only approved bidder. Connah's Quay Town Council questioned how safe the process was with only one company left in the bidding? NWRWTP confirmed, Wheelabrator's alternative process is safe and their technology is almost identical.

At a heated meeting between Connah's Quay Town Councilor's and Flintshire County Council in February, it was revealed that it would cost Flintshire £20 million to pull out of the project! Flintshire Council Chief Executive Colin Everett explained that the former administration of the council agreed to the inter-authority partnership without knowing the total penalty of opting out and if the authority backed out now, Flintshire Council would face a £20 million bill, made up of the repayment of the project support to Welsh Government, compensation to the bidders and the four councils in the agreement and the costs of the council's own procurement process. Longer term liabilities include the council not being able to avoid a £6 million per year landfill tax and the loss of a 25 per cent subsidy from Welsh Government for the running costs over 25 years.

In summary, over the past year, the Association has formally logged an objection to the project going ahead with Flintshire County Council and going forward, we will be working with our Planning Expert, John Wressencraft to see what can be done when the project goes to formal planning? With the cost penalties involved and the backing of the Welsh Government, this is going to be another difficult one to stop!

September 2012

Last month, NWRWTP announced that the council owned former steelworks site on Deeside Industrial Park had been chosen. As you can see from the image below released by NWRWTP, the proposed location is next to Shotton Paper Mill and will be in clear view from Burton and Puddington!



The following is a table extract from NWRWTP's Information Pack on the proposed facility:

Generic project parameters

The two bidders remaining in the procurement process have proposed slightly differing technical solutions. As the procurement process is ongoing, some details of each bidder's particular proposals will still need to remain confidential at this stage. However, where this is the case, the Partnership has provided generic information set out in the table below (such as the maximum height of a building etc) to ensure that readers have enough information to understand the potential proposals

Parameter	*Generic (examples)*
Technology	Energy from Waste
Capacity (tpa)	150,000 to 180,000 tpa (max)
Building height	46m (max)
Stack height	80m (max)
Online emissions data	Yes, updated weekly
Visitor centre/education	Yes, classroom seating 35 with exhibition, interactive info, plant safe route tour
Employees	30-35
Construction jobs (ave)	Up to 200
Construction period (months)	24-36 months
Local employment	To include apprenticeships
Local training partners	Local colleges and training providers
Electricity generation (y/n, est MW)	Yes, up to 15MW

The following articles were published in the Flintshire Chronicle on 22nd August and 30th August:

Deeside chosen as North Wales incinerator site

Aug 22 2012 by Dave Goodban, Flintshire Chronicle

AN INCINERATOR will be built in Deeside to burn household waste from across North Wales, it was confirmed this afternoon (Wednesday).

Councillors and campaigners have vowed to fight plans for a so-called energy-from-waste plant in the centre of Deeside Industrial Park – near UPM Shotton – since the possibility was first mooted.

But today the team behind the project to burn rubbish from across Flintshire, Anglesey, Conwy, Denbighshire and Gwynedd confirmed their fears.

The North Wales Residual Waste Treatment Project (NWRWTP) will see a new facility deal with about 150,000 tonnes of waste from across the five counties so the amount of rubbish sent to landfill is reduced to meet Welsh Government targets.

The final two bidders in the running for the mult-million pound contract – Sita UK and Wheelabrator – both specialise in incineration and identified the Deeside site as the one they would build on if chosen.

Deputy council leader Bernie Attridge, who represents Connah's Quay, said: "My worst fears have become a reality. I have significant concerns for the health and wellbeing of the residents of Deeside."

"I will continue to press for absolute assurances over the impact of emissions – and I will be seeking those assurances immediately."

NWRWTP bosses say as much waste as possible will be transported by rail to reduce carbon emissions and air quality monitoring will be of a higher level than normal industry standards.

NRWRTP chief executive Colin Everett said: "The studies we have show it will make a marginal impact on air quality in an already industrial area – a miniscule impact."

Project leaders say members of the public will be invited to a series of information and feedback sessions throughout September and October

Deeside Incinerator protesters seek assurances over health issues

Aug 30 2012 By Claire Devine

A FLINTSHIRE taxpayer is backing councillors' calls for assurances the gases belched from an incinerator at Deeside Industrial Park will not damage people's health.

North Wales Residual Waste Treatment Project (NWRWTP) leaders say the building of a 150,000-tonne-a-year burner will have a minimal impact on air quality in an already-industrial area.

But an anti-incineration campaign group has told the Chronicle there is no evidence to counter their claims the dioxins emitted are harmful.

Last week community leaders in Deeside expressed their concerns about the potential impact of the burner, and said they would be seeking assurances.

NWRWTP bosses say air quality monitoring will be of a higher level than normal industry standards, but action group CHAIN (Cheshire Anti-Incineration Network) say there is no way they can disprove claims burning plants cause health problems.

Chairman Brian Cartwright has previously told the Chronicle: "Areas near to incinerators have higher rates of cancer and heart disease, and there is a linear increase in mortality."

CHAIN spokesman Liam Byrne added: "We have repeatedly made the point that there is no medical research which can be used to give reassurances to the public about the potential health effects."

Project leaders say members of the public will be invited to a series of information and feedback sessions throughout September and October, but the dates and venues have not yet been confirmed.

Incinerator Q & A

How was the site selected?

The partnership worked closely with all five authorities to conduct a thorough search for suitable sites, and project leaders say bidders have been free to propose other locations throughout the process. The council-owned former steelworks site in the centre of Deeside Industrial Park was chosen as the most suitable, in part because it's a brownfield site away from homes with excellent rail links. The NWRWTP did identify a possible site near Holyhead and entered into talks with the owners Anglesey Aluminium, but the company later opted out.

What will be burnt there?

The rubbish remaining after materials have been separated for recycling or composting is generally composed of a mix of wastes such as non-recyclable plastics, textiles, paper and card contaminated by food, nappies and DIY waste.

How are impacts on the environment and residents considered?

Project leaders say the impact of the plant has been considered 'in depth at every stage of the site selection process'. A NWRWTP spokesman said: "The company selected will be required to carry out an environmental impact assessment in preparation for submitting a planning application. "These will include assessment of the proposal's impact on air quality and health, highways and transportation, noise and vibration and climate change. "The operator will need to apply to the Environment Agency for a permit, in which they will need to show they intend to operate in an environmentally acceptable manner. "If this application is successful then they will need to operate in strict compliance with their permit conditions."

Why is the proposed solution 'energy-from-waste'?

The Welsh Government says EfW is the most sustainable solution. It means residual waste is used as a resource to make electricity or as heat for industry, offices or homes.

How big will the building be?

The NWRWTP team says the facility will be 'small in comparison to

other industrial buildings that surround the site'. The main processing building would be about 5,500 sq m, less than 10% of the size of the main building at the adjacent Toyota plant and about half the size of the Asda Queensferry site. The height of the building would be a maximum of 46m, with the chimney stack unlikely to be more than 80m.

Will the plant operate 24 hours a day?

Although the facility itself will operate 24 hours a day, seven days a week, HGV deliveries will likely be restricted to daytime hours.

Site Map

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NWRWTP
North Wales Residual Waste Treatment Project

AGENDA ITEM NO: 9

REPORT TO: **NWRWTP JOINT COMMITTEE**

DATE: **11 JULY 2013**

REPORT BY: **HEAD OF FINANCE (FCC) AS TREASURER OF THE JOINT COMMITTEE**

SUBJECT: **INTERNAL AUDIT REVIEW**

1.00 PURPOSE OF REPORT

1.01 To inform the Joint Committee of the results of the recent internal audit review.

2.00 BACKGROUND

2.01 As outlined to the previous meeting there is a requirement for Internal Audit to provide an opinion at year end on the adequacy and effectiveness of governance, risk management and internal controls during the year. The review of internal controls forms part of the annual review of FCC's accounting systems.

2.02 A review of governance and risk management has therefore been carried out working to the scope brought to the previous meeting. This included meeting with members and officers from each Authority.

2.03 The completion of the audit work addresses a significant governance issue reported in the Annual Governance Statement for 2011/12.

2.04 The results of the audit have in turn fed into the preparation for the Annual Governance Statement for 2012/13, which is also brought to this Joint Committee meeting.

3.00 CONSIDERATIONS

3.01 The audit report is attached, Appendix A.
The contents of the report have been discussed with Colin Everett as lead officer. The Project Board were also asked to provide comments before the report was finalised.

3.02 The audit work covered the following areas

- The Adequacy and extent of compliance with the Joint Committee's corporate governance framework and relevant legislation
- The adequacy of risk identification, assessment, mitigation and

reporting

- The quality and integrity of financial and other management information utilised or reported by the Joint Committee
- The extent to which the Joint Committee's resources are safeguarded from loss of all kinds including fraud, waste, inefficient administration and poor value for money.

3.03 The report concludes that

- An effective governance framework has been established for managing risk, ensuring transparency and demonstrating accountability.
- A best practice risk register is maintained and risk identification, assessment, mitigation and reporting is robust.
- A clear decision making protocol has been established and the Joint Committee is provided with good quality information
- The procurement process is structured to optimise value for money.

4.00 RECOMMENDATIONS

4.01 That the Joint Committee accepts the report.

5.00 FINANCIAL 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 – Internal Audit Review of Governance Arrangements

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS

Contact Officer: **David Webster**
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North Wales Residual Waste Joint Committee

Review of Governance Arrangements

Internal Audit Report
May 2013

Final Report

CONTENTS

Section	Page
Executive Summary	1
Action Plan	4
Findings and Recommendations	8

Debrief meeting	28th March 2013	Auditors	Flintshire Internal Audit
Draft report issued			
Responses received			
Final report issued	3rd May 2013	Client sponsor	Chief Executive, FCC
		Distribution	Chief Executive, Project Board

1 EXECUTIVE SUMMARY

The Accounts and Audit (Wales) (Amendment) Regulations 2010 require all Joint Committees to prepare statutory accounts and comply with audit requirements. The North Wales Residual Waste partnership is a Joint Committee legally underpinned by a signed Intra Authority Agreement which appoints Flintshire County Council as the lead council. Therefore, Flintshire internal audit department is required to provide an annual audit assurance report to the Joint Committee.

This report covers the review of governance arrangements of the North Wales Residual Waste Joint Committee that has recently been carried out. This was approved as an addition to the Internal Audit plan for 2012/13 as authorised at the Joint Committee meeting on 20th February, 2013.

1.1 INTRODUCTION

The North Wales Residual Waste Joint Committee currently manages the collaborative procurement process to establish a residual waste treatment facility in North Wales and is a partnership of Flintshire County Council, Isle of Anglesey County Council, Gwynedd Council, Conwy County Borough Council and Denbighshire County Council. The partnership aims to support councils in meeting their obligations set by the Welsh Government with regard to landfill as only 5% of waste is allowed to be taken to landfill after 2025.

The partnership was established to jointly manage residual waste generated in the 5 unitary authorities and to date the partnership has been managing the procurement process to let a contract for managing the residual waste. The current status of the procurement process indicates the solution that will be provided to meet waste diversion obligations will be an *Energy from Waste* facility based at Deeside Industrial Park.

The partnership is legally underpinned by a signed Intra Authority Agreement which established the Terms of Reference for the Joint Committee, sets the decision making protocols, formalises roles and responsibilities and appoints Flintshire County Council as the lead council.

The following areas were considered as part of the internal audit review of the Joint Committee:

- Adequacy and extent of compliance with the Joint Committee's corporate governance framework and relevant legislation
- Adequacy of risk identification, assessment, mitigation and reporting
- The quality and integrity of financial and other management information utilised or reported by the Joint Committee
- The extent to which the Joint Committee's resources are safeguarded from loss of all kinds including fraud, waste, inefficient administration and poor value for money

CONCLUSION – An effective governance framework has been established for managing risk, ensuring transparency & demonstrating accountability within the Joint Committee (JC). The Joint Committee has been formally constituted in accordance with the Local Government Act 1972 and 2000 and the council's constitution has been revised to reflect this so as to ensure there is clear authority for the Joint Committee to exercise the delegated functions on behalf of the participating councils. The roles and responsibilities both individually and collectively in relation to the partnership and to the authority are clearly laid out, and dispute resolution procedures are in place. However, a formal process for developing the Annual Governance Statement (AGS) needs to be established.

A clear decision making protocol has been established and the JC are provided with information which is fit for purpose, relevant, timely and gives clear explanations of technical and financial issues and their implications. However, the current Inter Authority Agreement (IAA) allocates budgetary control to the Project Board with no requirement for the JC to receive budgetary control information, although it is responsible for approving the budget on an annual basis. The next IAA, currently being drafted, should include the need for the JC to receive budgetary control information, along with their responsibility for approval of financial statements and each year's annual budget.

A best practice risk register is maintained and risk identification, assessment, mitigation and reporting is robust. Responsibility for Risk assessment has been allocated and there is clear evidence of ownership.

Meetings with project board officers and Joint Committee members and review of the minutes for the year indicate that officers and members, through the Project board and JC, have a good understanding of their roles, responsibilities and involvement in the overall governance framework. There has been positive feedback from the external healthcheck carried out by the Office of Government Commerce (OGC) regarding governance and risk management. The Board took all decisions in accordance with the Inter Authority Agreement and Constitution.

1.3 APPROACH TO REVIEW

Secure reasonable, evidence based assurance on the effectiveness of the Joint Committee's risk management, control and governance environment.

Through meetings covering both project team and members of the Joint Committee, and review of key documentation, carry out a high level review including the governance framework, risk management, financial and non-financial management information for decision making and value for money safeguards.

Limitations to the scope of the audit:

- Our work does not provide any absolute assurance that material error, loss or fraud does not exist.
- The audit comprises a healthcheck review only. Any issues identified for further detailed review and testing as a result of the healthcheck will be programmed for 2013/14 internal audit work.

1.4 RECOMMENDATIONS SUMMARY

The following table highlights the number and categories of recommendations made. The Action Plan at Section 2 details the specific recommendations made as well as agreed management actions to implement them.

Recommendations made during this audit:

	Fundamental	Significant	Merits Attention	Suggestion	Total
Adequacy and extent of compliance with the Joint Committee's corporate governance framework and relevant legislation	0	1	3	0	4
Adequacy of risk identification, assessment and mitigation	0	0	0	0	0
The quality and integrity of financial and other management information utilised or reported by the Joint Committee	0	1	2	0	3
The extent to which the Joint Committee's resources are safeguarded from loss of all kinds including fraud, waste, inefficient administration and poor value for money	0	0	0	0	0
TOTAL	**0**	**2**	**5**	**0**	**7**

2 ACTION PLAN

The priority of the recommendations made is as follows:

Priority	Description
Fundamental	Action is imperative to ensure that the objectives for the area under review are met.
Significant	Requires action to avoid exposure to significant risks in achieving the objectives for the area under review.
Merits Attention	Action advised to enhance control or improve operational efficiency.
Suggestion	These are not formal recommendations that impact our overall opinion, but used to highlight a suggestion or idea that management may want to consider.

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
Adequacy and extent of compliance with the Joint Committee's corporate governance framework and relevant legislation						
1.04	This internal audit review has identified robust governance is in place, however, as part of the annual accounts requirements the Joint Committee has to produce an Annual Governance Statement (AGS). Therefore, the project board should co-ordinate the annual self-assessment and preparation of the AGS. There should be an appropriate timeline that allows input to the AGS on a timely basis. A formalised process for reviewing the AGS during the year should be established, including ownership with an e-mail sent to all relevant officers/members with reference to: • relevant legislation; • CIPFA / SOLACE guidance; • Last years submissions for reference; • Guidance on completion	Significant	Y	A new requirement to accompany the new accounting requirements for the JC. The Project Board to be charged with agreeing a model for the AGS and with producing the first AGS for recommendation to the JCC by June 2013. In subsequent years an annual self-assessment to be conducted by the Project Board leading to the publication of the AGS alongside the annual accounts.	June 2013	Monitoring Officer

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
	The information returns should be summarised and then be subject to critical review by the Chief Executive					
1.04	The AGS should evidence how the JC adhered to the six core principles of the CIPFA / SOLACE framework *Delivering Good Governance in Local Government during 2011/12*	Merits Attention	Y	As part of the above action.	June 2013	Monitoring Officer
1.04	The Chief Executive of the lead authority and Chair of the JC should sign the AGS rather than the project lead and Chair of JC	Merits Attention	Y	As part of the above action.	June 2013	Monitoring Officer
1.05	The JC should establish a Data Protection Policy as there is evidence other long established JC's are meeting these requirements as a separate body to the lead authority	Merits Attention	Y	A formal policy to be set and adopted based on current practice operated within the Project Team and fulfilling legal and commercial requirements in full.	June 2013	Monitoring Officer
Adequacy of risk identification, assessment and mitigation						
	No recommendations arising					
The quality and integrity of financial and other management information utilised or reported by the Joint Committee						
3.04	The budget outturn statement should take account of the adjustments identified by WAO in the external audit	Merits Attention	Y	To be actioned as part of the	Annual from 2014	Project Director

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
	All income categories should be described clearly in the budget statement.			annual out-turn reporting and annual accounts processes as required.		and Section 151 Officer
3.04	The JC should be presented with budgetary control information and the annual budget for approval for the following financial year	Merits Attention	Y	Formal reporting of the out-turn position for 2012-13 and the budget for 2013-14 to be made to the next available meeting of the JCC and repeated annually	June 2013	Project Director and Section 151 Officer
3.04	The next IAA which will cover the post procurement stage of the partnership is currently being drafted. This IAA should allocate responsibility for approval of annual financial statements, and each year's annual budget, to the JC.	Significant	Y	The project is moving into a more complex phase of pre-planning operational expenditure. Once a decision is made on the governance of an operational contract with a preferred bidder for the residual waste facility, and a new IAA is drafted, this recommendation will be met.	At the completion of the next IAA (date tbc)	Project Director and Section 151 Officer
The extent to which the Joint Committee's resources are safeguarded from loss of all kinds including fraud, waste, inefficient administration and poor value for money						
	No recommendations arising					

3. FINDINGS AND RECOMMENDATIONS

1 *Adequacy and extent of compliance with the Joint Committee's corporate governance framework and relevant legislation*

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
1.01 Ensure the Joint committee has been formally constituted in accordance with the Local Government Act 1972 and 2000 and the lead council's constitution has been revised to reflect this The legal department provided evidence that 1.) the joint committee has been formally constituted under sections 101(5) and 102(1) of the Local Government Act 1972 and section 20 of the Local Government Act 2000 2.) the council's constitution been revised to reflect the appointment of the Joint Committee so as to ensure there is clear authority for the Joint Committee to exercise the delegated functions on behalf of the participating councils (Part 3, Section B at paragraph 9 of the council constitution deals with the delegation scheme for the Committee)	
1.02 Ensure an effective corporate governance framework for the partnership has been established through a signed agreement. The governance framework is clearly laid out in the signed Intra Authority Agreement established in 2010. Protocols for partnership working were reviewed by reference to the Inter Authority Agreement and supporting schedules, and discussion with the project officer re partnership approach. The review evidenced that there are the following key requirements in place: - a clear statement of the partnership principles and objectives - clarity of each partner's role within the partnership - definition of roles of partnership board members	

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
- line management responsibilities for staff who support the partnership - a statement of funding sources for the project and clear accountability for financial administration - decision making protocols - a protocol for dispute resolution within the partnership No gaps were identified in the key partnership working protocols. Individual meetings with members and lead officers from all the partners councils confirm that officers and members, through the Project board, and Joint Committee have a good understanding of their roles, responsibilities and involvement in the overall governance framework. A number of members and officers noted that the formation of a sub-group would help with discussing issues that may arise in between meetings as they are only required to meet three times per annum. Fortunately, the single bidder issue could be presented to an already programmed JC meeting relatively soon after the issue was known. However, the IAA makes clear provision for special meetings and permits any partner to call one with relevant notice, and most members and lead officers interviewed considered that had the next JC meeting been a number of months after the single bidder issue arose then a special meeting would have been called. An independent evaluation of the partnership was carried out in 2010 by the OGC and the conclusions were positive as per the extract below: *''The Review Team finds that the Project is fundamentally well-managed. The Partnership has invested in a professional team who are experienced, motivated and skilled. The Project has very well developed documentation and robust governance arrangements. There is enthusiasm and commitment to the Project at both officer and councillor level. There is currently adequate staffing capacity…There is a pride in the project and a genuine passion for future collaboration across North Wales.''*	

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
1.03 Review through meetings with members from all partners whether training and induction is provided to members of the JC and considered effective Induction for new members was held following the council elections in May 2012 through a briefing/refresher sessions in Summer 2012 prior to the first JC since the May 2012 elections to ensure new JC members were fully informed on the project and progress to date. Meetings with members of partner councils confirmed that workshops are held regularly by the project director and project officer which provide updates on key financial and other implications of procurement phases. Members also confirmed that the half day workshops provided also cover explanations and implications of the more technical issues to help support effective decision making. However, some members noted that although seminars and updates are provided it would be of benefit considering the complexity of some of the information to receive a seminar directly prior to the JC meetings explaining the implications of the information to be reviewed at the ensuing meeting.	
1.04 Review whether the lead council has established adequate arrangements to support the production of a robust Annual Governance Statement (AGS) for inclusion in the Statement of Accounts and it is approved by the J.C within required deadlines. Due to an urgent need to secure approval of accounts and Annual Governance Statement (AGS) by the Joint Committee the completion of the AGS was co-ordinated, on an interim basis, by the Finance Manager (Strategy & Technical), with input from the Project Officer, and the Wales Audit Office to some extent. This approach was deemed necessary as the deadlines for approval of financial statements for the years 2008/09 to 2011/12 had been missed as no FCC officers were aware that this was a requirement for the Joint Committee. CIPFA guidance notes that to ensure a challenging and rigorous process to developing the AGS a group should be established, as if the work is delegated to small number of officers it is likely to dilute the statement's significance. In conclusion for the 2011/12 AGS there was no formal AGS process for developing the AGS with input from members of the JC and key lead officers from each partner and an overall critical review of the AGS. In future to ensure that governance arrangements are fully integrated a small working group should be established to co-ordinate an annual self-assessment and preparation of the AGS. There should be an appropriate timeline that allows input to the document on a timely basis. A formalised process for reviewing the AGS during the year	As part of the annual accounts requirements the Joint Committee has to produce an Annual Governance Statement (AGS). Therefore, the project board should co-ordinate the annual self-assessment and preparation of the AGS. There should be an appropriate timeline that allows input to the document on a timely basis. A formalised process for reviewing the AGS during the year should be established, including ownership with an e-mail sent to all relevant officers/members with reference to: • relevant legislation; • CIPFA / SOLACE guidance; • Last years submissions for reference; • Guidance on completion

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
should be established, including ownership with an e-mail sent to all relevant officers/members with reference to: • relevant legislation; • CIPFA / SOLACE guidance; • Last years submissions for reference; • Guidance on completion The information returns should be summarised and then be subject to critical review by the Chief Executive.	The information returns should be summarised and then be subject to critical review by the Chief Executive
Two governance issues were raised in the 2011/12 AGS relating to lack of external audit and timely approval of accounts and internal audit. All of these issues were resolved by March 2013, with the JC approving all outstanding audited accounts in the February 2013 JC meeting. Review of the 2011/12 AGS also identified the following: 1.) The AGS doesn't evidence how the JC adhered to the six core principles of the CIPFA / SOLACE framework *Delivering Good Governance in Local Government during 2011/12* 2.) The Chief Executive of the lead authority and Chair of the JC should sign the AGS rather than the project lead and Chair of JC	The AGS should evidence how the JC adhered to the six core principles of the CIPFA / SOLACE framework *Delivering Good Governance in Local Government during 2011/12* The Chief Executive of the lead authority and Chair of the JC should sign the AGS rather than the project lead and Chair of JC
1.05 Review whether Data Protection Act and Health and Safety Responsibilities of the Joint Committee have been complied with as the committee is classified as a separate organisation and there is evidence other long established JC's have established these requirements The Joint Committee is not an employer and therefore it was considered the health and safety policy of the lead authority would cover the project officers who are based at Flintshire County Council. No evidence was identified that the committee has a Data Protection Policy in place nor is this mentioned in the Intra Authority Agreement (IAA) or AGS as JC responsibilities. The IAA covers Data Protection but specifies that this is the responsibility of each partner. Discussion with the project officer indicated that compliance with the DPA was considered to be through the lead authority rather than the JC as a separate organisation. We compared this approach with a long established JC – SEWTA, which is the South East Wales Transport Alliance Joint Committee, has included requirements in the committee's AGS as follows – 'In accordance with its statutory responsibilities…….the Committee has a Data Protection policy and also has procedures in place to	The joint committee should establish a Data Protection Policy as there is evidence other long established JC's are meeting these requirements as a separate body to the lead authority.

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
meet its responsibilities under the Freedom of Information Act and the Regulation of Investigatory Powers Act 2000.'	
1.06 Review whether independent healthchecks of governance and partnership arrangements have been carried out and the results implemented	

The only external review of the JC carried out to date was the Gateway review commissioned by the Welsh Government and carried out by the OGC to ensure governance arrangements were robust and the partnership working was effective. The Gateway Review's findings and recommendations were reported to the JC (agenda item 6) on 18 June 2010 and the table below shows the Gateway review recommendations and references to where Recommendations were evidenced as addressed in JC minutes :

Recommendation	Critical/ Essential/ Recommended	Reference to evidence of implementation
1. **That the Partnership possibly in conjunction with Wrexham develops, consults on and adopts a strategy for the region.**	Essential Within 6 months	See note in agenda item 6 on JC papers 18 June 2010, and SO note below. After the JC considered this report, the WG's strategy and sector plans were published which were very explicit in identifying high efficiency EfW as the preferred method of treating residual waste, which further reduced the need for any North Wales joint waste strategy
2. **That the Project Team should develop a contingent project plan providing for potential issues/delays which may arise through the planning process.**	Critical	See note in agenda item 6 on JC papers 18 June 2010
3. **That the Project Team should develop a plan for dialogue encompassing**	Essential Within 3 months	See note in agenda item 6 on JC papers 18 June 2010, and PB Papers on resourcing 23 April 2010, 22 July 2010 & 24 Sept 2010. and PB

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE			RECOMMENDATION
organisational structures, roles/responsibilities and delegated authorities. This should also include appropriate mechanisms and protocols for communication and reporting.		papers on confidentiality protocol 24 Sept 2010.	
4. **That the skill, experience and resource requirements for the procurement phase of the Project are identified (for both the Partnership and each individual Local Authority) and put in place before the OJEU Notice is publicised and reassessed at key stages of the Project.**	Essential Within 3 months	See note in agenda item 6 on JC papers 18 June 2010, and PB Papers on resourcing 23 April 2010, 22 July 2010 & 24 Sept 2010.	
5. **Senior/leadership commitment will need to be maintained to ensure that sufficient time and energy is dedicated to this Project.**	Ongoing	See note in agenda item 6 on JC papers 18 June 2010. In addition, it noteworthy that the JC Chair, Cllr Eryl Williams (Denbighshire) has been re-elected from the outset of this process which has provided stability and consistency.	
6. **That the stakeholder management plan is completed, approved by the Partnership and implemented. It should include continued communication with the market.**	Critical	See note in agenda item 6 on JC papers 18 June 2010, agenda item 6 29 Oct 2010, agenda item 7 JC papers 13 Dec 2012 Stakeholder mapping and management has been a driver of communication and engagement activities from the start of the project. The stakeholder mapping exercise is a "live" document and is therefore consistently reviewed by the project team and its advisors and if any amendments / changes to any action plans are required, then they are reported as necessary (see Dec 2012 JC papers as an example of action	

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
plan approval).	
Conclusion Action plans and recommendations from external reviews are considered and implemented promptly and effectively	

2 *Adequacy of risk identification, assessment and mitigation*

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
2.01 Review governance documents for allocation of risk management responsibility Although not mentioned under 'Joint Committee' in the main body of the IAA, Schedule 2 to the IAA which includes the Terms of Reference for the Joint Committee allocates clear responsibility for risk assessment to the JC. The 2010 gateway review by the independent OGC looked at how responsibility for risk management was being implemented and concluded the following '***The Review Team observed a robust risk management regime within the Project. There is a clear allocation of risks to senior officers and a systematic approach to the assessment of dependencies and application of mitigation and escalation procedures……****There are also a range of potential issues that the Partnership is aware of, including but not limited to, the retention of key officers leading the procurement, market interest, site selection, possible planning challenge/delays, successful procedural challenge in relation to the procurement process, and the commitment of sufficient and adequate resources throughout the life of the Project. The Partnership is conscious of these issues and the risk register reflects that awareness with a suitable mitigation plan.'*	
2.02 Ensure a comprehensive risk register is maintained and risk management is effective Overall risk management demonstrates a high degree of risk maturity as is evidenced with robust risk identification, assessment, mitigation and reporting. Each risk has a risk identification, consequence, current controls in place, further mitigation controls, residual risk classification, responsibility assigned to implement mitigation together with timescales. The format of the risk register utilised represents good practice and a similar format is promoted in the current FCC Risk Management Strategy (for service/operational risks). One council interviewed indicated that the risk register and method of managing risks was considered best practice and was being applied to other material projects in that council. All members and officers interviewed for all 5 partner authorities considered that risk reporting and management was effective. The risk register is also provided periodically to the Welsh Government for review and ensure that risk management is effective.	

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION

2.03 Through review of information provided to the February project board and JC as well as Internal Audit attendance at the meetings, review how risk assessment and mitigation was applied and informed decision making after withdrawal of the one of the final two bidders from the procurement process.

This issue had already been identified as a project risk and the extract below shows the current status of that risk prior to the single bidder issue. Detailed audit review of the single bidder issue in terms of VFM and application of Treasury Management guidance is covered in references 3.01 onwards:

ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Current Assessment			How the risk will be managed and controlled				Residual risk after management		Impln Date		Review Date
			Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall		
PD8	One of the two final bidders drops out	Threat to VFM, price escalation, possible exceedance of affordability envelope, delay to procurement programme	4	3	12			Procurement process designed to ensure ability and /or appetite for contract closure is understood pre final tender appointment. Will seek agreement with all bidders at this stage in relation to major issues.	PD	4	2	8	Ongoing	Sep-12

We confirmed the risk register was updated in February 2013 to reflect the potential impacts of one bidder remaining along with risk management, control and mitigation measures as per below extract:

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
'There have been the following changes to existing risks in this reporting period: - • *PD8 (One of the two final bidders drops out) amended to reflect withdrawal of second bidder from procurement process pre CFT. Mitigation - Following SITA UK's decision to withdraw from the procurement process pre CFT the project team will be applying the guidance as set out by the UK treasury to ensure Value for money is obtained for the partnership. Likelihood has increased from 2 to 5.* • *PD19 (There is no market interest due to limited capacity within the industry). As for PD8 amended to reflect withdrawal of second bidder from procurement process pre CFT. Risk has increased from 1 to 3 to reflect loss of one bidder.* • *F7 (Finance and affordability), PD1, PD6 & PD7 (Project Delivery) have amended commentaries to reflect second bidder withdrawal pre CFT, but no change to risk levels.'* One of the mitigation measures to manage the threat to VFM is the application of HM Treasury 'Market Failure' guidance when this situation occurs. The Monitoring Officer and S151 officer acted promptly to request information from the Project Officer regarding compliance with H M treasury guidance in a single bidder (market failure) situation to ensure clear guidance could be provided to the February 2013 Project Board. One of the key areas where risks need to be reviewed is with respect to the following guidance from HM TREASURY where there is one bidder remaining: ***'In any circumstance where a procuring authority considers it is appropriate to continue with a single bidder it should ensure there is transparent competition in the bidder's supply chain. If the bidder will not agree to market testing of its subcontracts, the procurement is unlikely to deliver VfM and should be halted.'*** Internal Audit attended the Feb 2013 Project Board meeting and confirmed the following: • Risk register updated effectively to reflect single bidder situation and compliance with HM Treasury Guidance • Clear guidance from S151 and MO about the impact of one bidder and HM Treasury guidance • Clear evidence that treasury management guidance when one bidder remaining is being applied effectively (report of subcontract element and extent of market testing is not completed yet and should be presented to next project board and then the JC) • As a result of the risk mitigation actions regarding compliance with HM Treasury guidance, robust guidance from the MO and S151 officer, reassurance secured from Welsh Government that single bidder situation is not unusual for residual waste contracts and that funding is not at risk, the project board AGREED to recommend to the JC in Feb 19 meeting that procurement should proceed subject to receiving the subcontractor report at the next meeting The February 19th JC meeting reviewed the available evidence and guidance (the updated risk register was also provided for the meeting) and as a result determined that the procurement should proceed and that a report detailing the extent of subcontracting and market testing would be received at the next joint committee meeting. Appropriate challenge was provided in the meeting including requesting assurance that the negotiating position is not weakened when the final bidder becomes aware they are sole remaining bidder.	

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
Conclusion Evidence of risk assessment and implementation of mitigation actions to reduce risks clearly helps underpin recommendations by the project board to the JC and actual decision making by the JC	

3 *The quality and integrity of financial and other management information utilised or reported by the Joint Committee*

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
3.01 Ensure decision making protocol established in the governance document (IAA) including which issues will be determined at committee level and project board level The decision making protocol has been established in the Intra Authority Agreement (IAA) as follows: - Project Board matter – this is an issue to be decided at a quorate meeting of the project board and the decision is binding on all the councils in the JC - JC matter – an issue decided upon at a quorate meeting of the JC and again binding on all the JC councils - There are some issues that may have to be referred to the individual councils involved in the JC and the IAA is clear that for the avoidance of doubt these issues will not be dealt with until the matter has been determined individually by all of the JC councils. Also if the councils individually were not able to reach a decision on an issue it would be referred under Clause 23 of the IAA which relates to Dispute Resolution To ensure there is clarity about which issues should be decided by which of the above three decision making sources all the procurement milestones have been established in Schedule 1 to the IAA and all have been identified as either a Project Board Matter, JC matter or a matter reserved for councils. In addition, the JC Terms of Reference included in Schedule 2 of the IAA allocated reserved decision making for some additional areas to the procurement milestones in Schedule 1 such as setting the affordability envelope and agreeing the negotiating remit for the project teams.	

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
Review of the minutes for both project board and JC for 2012/13 did not identify any decisions that were made contrary to the decision making protocol in the IAA.	
3.02 Ensure there is evidence that • The IAA specifies timescales for meetings and receipt of information for meetings; • Dates for distributing agenda and supporting information for joint committee meetings is adhered to The IAA specified JC requirements which are: a printed bilingual copy of the agenda and reports for each meeting and the minutes of previous meeting need to be despatched at least 5 business days before JC meetings – the Chief Executive of the lead council is responsible for making sure this deadline is met. Quorum requirements are 5 members of JC including at least one member from each of the participating councils. All reports to be submitted to the JC will be considered by the Project Board prior to submission to the JC. Dates for distributing agenda and supporting information for joint committee meetings is adhered to - see table below which evidences that papers were sent within the timescales specified in the IAA:	
3.03 Assess whether the joint committee are provided with information which is fit for purpose, relevant, timely and gives clear explanations of technical and financial issues and their implications. (Supports compliance with SOLACE/CIPFA - Core Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk). The testing strategy for this issue covered the following: • Discussion with members and officers from all partner councils re the adequacy of information to support decision making;	

Date	Date papers sent
27 January 2012	20 January 2012
16 March 2012	8 March 2012
1 August 2012	24 July 2012
13 December 2012	6 December 2012
20 February 2013	13 February 2013

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
• Ensure that professional specialist advice on matters that have legal, technical or financial implications is secured and recorded well in advance of decision making and used appropriately • Ensure members are briefed on technical issues and the impacts on the procurement Professional advice on matters that have legal, technical or financial implications is available and recorded well in advance of decision making and used appropriately. At the outset the J.C. appointed specialist independent advisors to the project through an interview process to provide professional advice as follows: - Technical – ENTEC, AMEC - Legal – Pinsent Mason - Financial – Grant Thornton Each of these organisations have nominated specialist officers that attend the Project Board meetings to provide input and guidance, and advisors are also commissioned to provide reports on specialist areas when required which are first considered by Project board prior to submission of recommendations to the J.C. meetings eg Transport options for Waste via Road or Rail. Key procurement stages including Pre Qualification Questionnaire (PQQ) stage and Invitation to Submit Outline Solutions (ISOS) stage were scored by the technical and financial specialists with full explanations included in reports of reasons for the scoring. For example, for the PQQ submissions ENTEC assessed General Company information, Technical and Professional Ability, Experience and Quality Assurance, Grant Thornton assessed Economic and Financial health, and FCC assessed Equal Opportunities, Health and Safety, Environment and Sustainability. Review of the agenda and supporting papers for 2012/13 for both project board and JC meetings evidence that regular use is made of specialists for guidance including during meetings of the Project Board. The Health Protection Agency has also been commissioned to assess and provide reassurance re emissions from the EfW plant. Meetings with members of partner councils confirmed that seminars/workshops are held regularly by the project director and project officer which provide updates on key financial and other implications of procurement phases. Issues raised in feedback from some members/officers included the following: • Apparent lack of financial analysis comparing the affordability envelope agreed as per the Outline Business Case and current position for each council was identified by some interviewees as an issue – particularly as decisions have been taken since which have increased costs eg transport of waste by	

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
rail instead of road. However, review of the minutes shows that the impact of decisions made in terms of costs is identified and assurance is provided that councils remain within the affordability envelope initially agreed to by the partners • although seminars and updates are provided some members noted it would be of benefit considering the complexity of some of the information to receive a seminar directly prior to the JC meetings explaining the implications of the information to be reviewed at the ensuing meeting • a number of members indicated it would be preferable to hold meetings half way across the partnership eg at Bodlondeb, Conwy rather than by rotation across all councils in the partnership	
3.04 Review budget outturn information presented to the Joint Committee and ensure this agrees to the audited Financial Statements. Assess budget requirements and budgetary control reporting. Budgetary control information is analysed by detailed inputs under the headings of Project management costs, Advisor costs and other costs. In addition, so that members can easily assess how detailed costs compare with previous years, all the detailed costs against each detailed input heading are provided for all the years from 2008/09 to 2012/13 as well as the 2013/14 budget. However, the costs as presented in the 2011/12 budget outturn statement in February 2013 do not agree to the final audit accounts as shown below: Total 2011/12 Expenditure per Statement of accounts £997924 Total 2011/12 Expenditure per final budgetary control statement £1073506 Difference £75582 This difference equates to the net effect of 2011/12 WAO adjustments £75581.4. In the final budget statement for 2011/12, presented to the project board in February 2013, an income category is unnamed but £25000 has been allocated to the category for 2012/13, below Welsh Government contributions, with no description of the source of the income. This information presented to the February 2013 board was not subsequently presented to the JC so no budget outturn information has been received by the JC. The IAA allocates responsibility for budgetary control to the Project Board only, no authority for approval of financial statements, and does not specify when the next year's annual budget should be presented for approval. Conclusion The budget outturn statement should take account of the adjustments identified by the Wales Audit Office.	The budget outturn statement should take account of the adjustments identified by WAO All income categories should be described clearly in the budget statement.

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
All income categories should be described clearly in the budget statement. The JC should be presented with budgetary control information and should also be presented with an annual budget for approval for the following financial year	The JC should be presented with budgetary control information and should also be presented with an annual budget for approval for the following financial year The next IAA, currently being drafted, should allocate responsibility for approval of financial statements, and each year's annual budget for the JC, to the JC and should ensure governance procedures result in budgetary control information, including annual outturn, is presented to the JC.

4 The extent to which the Joint Committee's resources are safeguarded from loss of all kinds including fraud, waste, inefficient administration and poor value for money

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
4.01 Review allocation of risk factors re VFM and Generic Factors driving VFM as specified by HM Treasury Guidance for PPPs To review whether the approach to the procurement was optimising VFM in terms of risk transfer we applied the HM Treasury checklist for risk allocation covering Design, Financing, Implementation, Operation, Usage, regulatory change, obsolescence, service provider lock-in and residual value and concluded that as far as possible, considering the nature of the project which is 25 year Energy from Waste (EfW) plant, risk factors have been allocated to the service provider. There is clear risk transfer of future costs from the councils to the service provider, and this strategy is evidenced in the original Outline Business Case (OBC). In particular the service provider is being made responsible for delivery of a high quality service at required levels of availability and continuity and quality of service and performance will be monitored through the contract and there will be penalty clauses for poor performance. The contract will define the partnership requirements through an output specification linked to a performance framework. The EfW plant is a market led solution and this accords with Welsh Government long term strategy. In addition, this solution aggregates the risks of construction and ongoing delivery to the service provider rather than the councils.	
4.02 Review of generic factors driving VFM, again with reference to HM Treasury guidance identified that there had been focus on whole life costs in the OBC with calculation of affordability envelope and sensitivity analysis. A VFM scoring was applied to the options identified in the OBC options appraisal. Options appraisal to assess VFM is also applied to key decision points in the project eg the Road/Rail Waste Transport Options appraisal, and relative options will be assessed when reviewing community benefits. In terms of managing procurement costs to ensure they are not disproportionate to the underlying project the OBC shows a clear comparison of % procurement costs with similar PPP projects to enable a budget to be established.	

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
The procurement process and contract will be output based on diversion levels achieved to ensure sufficient incentives including deadlines for commencement which in turn should help ensure that assets and services are developed and delivered in a timely, efficient and effective manner. Performance framework is noted in the OBC and to be developed for the contract will aim to ensure both rewards and deductions based on performance achieved. As noted in 4.01 the partnership is clearly executing a transfer of risks to the service provider, and through the contract and performance framework should help ensure that the allocation of risks can be enforced and that the costs associated with these risks borne by the service provider. The procurement to date has resulted in a competitive process after PQQ in that 7 outline bids were received at the ISOS stage, and three detailed bids at the ISDS stage. After de-selection of one of the three bidders at ISDS stage the two remaining bidders both offered the same EfW solution. There are sufficient skills and expertise involved in the partnership and procurement exercise, and these are utilised effectively during the procurement process; technical and financial specialist skills have been brought into the project (eg Grant Thornton and AMEC) and the project board is very experienced in terms of technical and financial issues relating to waste. Additional legal skills have also been secured (over and above FCC legal department) as Pinsent Mason have been contracted to carry out this role. There is clear evidence that specialist input is secured when required in terms of formal reports and input at JC and project board meetings. Conclusion The procurement process is structured to optimise VFM whilst supporting delivery of each council's strategic objectives for diversion of waste from landfill.	
4.03 Ensure the HM Treasury guidance for Market Failure applied effectively to inform decision making and help provide assurance that VFM can still be secured when one of final two remaining bidders withdrew from the procurement process **HM Treasury Guidance to assess potential Market Failure is extracted below:** ***Market Failure*** ***5.7*** *If at any stage the procurement team identifies market failure (e.g. absence of competition), they should consider the implications for the project. Market failure or lack of competition occurs where there is only a single bidder for a project or perhaps where there are two or more bidders but only one is considered to be credible. The*	

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
concern is that in the absence of competitive tension the bidder may not be appropriately incentivised to offer its best price, terms and conditions to the public sector. In this case market abuse might arise. Market abuse can be defined as a situation where the bid offered is out of the market, that is to say above the market price for similar projects, or where the risk profile has been substantially eroded relative to other similar recent PFI projects at this price. ***STAGE 3 - PROCUREMENT LEVEL ASSESSMENT*** *- if the market failure occurs early on in the procurement process (i.e. before bids have been received), the procurement should be halted unless there are systemic market failures which would equally affect any alternative procurement route;* *- where failure occurs after bids have been received, the procuring authority will wish to consider the strength and quality of the remaining or only credible bid, and will need to consider the extent to which the competition has been able to drive out and demonstrate VfM; and* *- in any circumstance where a procuring authority considers it is appropriate to continue with a single bidder it should ensure there is transparent competition in the bidder's supply chain. Benchmarking is not an adequate alternative to market testing. If the bidder will not agree to market testing of its subcontracts, the procurement is unlikely to deliver VfM and should be halted.* *There are many reasons why only a small number of bidders might express interest in particular projects. There is no substitute for procuring authorities and sponsoring departments jointly examining the circumstances surrounding a particular project and determining the characteristics that will demonstrate that a strong competition is taking place.'* The s151 and MO acted promptly to apply the HM Treasury Guidance re Market Failure, including requesting information from the Project Officers regarding the proportion of the sub contractors tendered by the single bidder, certainty of Welsh Government funding for the project if it was decided to proceed with just one bidder, reasons other bidder dropped out of process at a late stage, validity of re-running the procurement exercise (ie whether would be viewed as a distressed purchaser) and value driven out of the procurement process to date In terms of the stage of the procurement process reached, the partnership has benefited from a competitive process in that 7 outline bids were received at the outline solutions stage, and then three detailed bids at the detailed stage. The JC de-selected one of the three bidders at the detailed stage, leaving the two most competitively priced bidders. The two remaining bidders proposed the same EfW technology, so the partnership has not lost the choice of another technical option.	

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
Assurance has been received from the Welsh Government that It is not unusual for PPP type projects both within waste and other sectors to find themselves in this situation. For example, North London Waste Authority are now in a similar situation. Northumberland and West Berkshire both awarded contracts with one remaining bidder in the process. Both these examples of awarded contracts had to follow the same HM Treasury VFM guidance. **Actual S151 and MO feedback provided to JC is included below:** "The Section 151 Officer (Chief Financial Officer) and the Monitoring Officer (MO) were asked to give an opinion in their statutory roles about proceeding with only one bidder. Both confirmed that they did not think that the best interests of the Partnership would be served by running a fresh process because bidders that have already dropped out or been rejected would be unlikely to submit more competitive bids knowing that this initial process had failed. They felt that before proceeding the Board should receive evidence to show the savings and value that had already been generated by the competitive process to date. The Board should also examine the extent to which it would be possible to require elements of the contract to be subcontracted through a competitive process. This would involve assessing the feasibility of competitively procuring every element of the contract that is not currently going to be treated in that way. Needless to say, any element that can be competitively procured without harming the project should be subject to competition in order to increase levels of transparency around value for money." **Outcome of Project Board meeting February 12th** – After consideration of the MO, S151 guidance and the HM Treasury guidance the board agreed to recommend that to the JC to proceed with the procurement and in the Feb 19 JC meeting this was agreed. A report on subcontract aspects was required for the next project board and JC meeting. On March 21st an overall VFM report was circulated to the JC which also noted that the subcontractor report would be presented at the next JC meeting. **Conclusion** The single bidder (market failure) issue has been managed effectively with robust governance demonstrated to ensure VFM can continue to be evidenced and optimised. The Joint Committee will be presented with evidence of the extent of sub-contracting and market testing as recommended by both the S151 and MO in the next JC meeting.	

NWRWTP
North Wales Residual Waste Treatment Project

AGENDA ITEM NO: 10

REPORT TO: **NWRWTP JOINT COMMITTEE**

DATE: **11 JULY 2013**

REPORT BY: **HEAD OF FINANCE AS TREASURER OF THE JOINT COMMITTEE**

SUBJECT: **NORTH WALES RESIDUAL WASTE TREATMENT PROJECT STATEMENT OF ACCOUNTS 2012/13**

1.00 PURPOSE OF REPORT

1.01 To present the Statement of Accounts 2012/13 (subject to audit) for Members' information only at this stage.

2.00 BACKGROUND

2.01 The Accounts and Audit (Wales) (Amendment) Regulations 2010 require all Joint Committees to prepare year-end accounts and specify the statutory deadline for the approval of the accounts, being 30th September.

2.02 The Joint Committee's Statement of Accounts is treated in the same way as a Council's single entity accounts i.e. subject to its own separate audit. The appointed auditors are required to communicate relevant matters relating to the audit of the financial statements to those charged with governance through an ISA (International Standards on Auditing) 260 report.

3.00 CONSIDERATIONS

Audit Requirements

3.01 The audit must be completed and the Statement of Accounts approved and published by no later than 30th September 2013. At completion of the audit, Wales Audit Office will provide a report and opinion on the accounts. Any required adjustments to the accounts as a result of the audit will be incorporated into the final Statement of Accounts.

3.02 The accounts are for information only at this stage, but they will come back (post audit) to the September meeting of the Joint Committee for formal approval.

Information Included in the Statement of Accounts

3.03 The core financial statements included are – the movement in reserves statement, comprehensive income and expenditure statement, balance sheet and cash flow statement.

4.00 RECOMMENDATIONS

4.01 The Joint Committee is requested to note the draft Statement of Accounts 2012/13 (including the Annual Governance Statement).

5.00 FINANCIAL IMPLICATIONS

None.

6.00 ANTI POVERTY IMPACT

None.

7.00 ENVIRONMENTAL IMPACT

None.

8.00 EQUALITIES IMPACT

None.

9.00 PERSONNEL IMPLICATIONS

None.

10.00 CONSULTATION REQUIRED

None required.

11.00 CONSULTATION UNDERTAKEN

None required.

12.00 APPENDICES

Appendix 1 – Statement of Accounts 2012/13 (includes Annual Governance Statement)

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS

Various Final Accounts Working Papers

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NORTH WALES RESIDUAL WASTE PARTNERSHIP

NORTH WALES RESIDUAL WASTE TREATMENT PROJECT

STATEMENT OF ACCOUNTS

2012-13

C O N T E N T S

	Page
North Wales Residual Waste Treatment Project	
Explanatory Foreword	1
Statement of Responsibilities for the Statement of Accounts	2-3
Financial Statements -	
Movement in Reserves Statement	4
Comprehensive Income and Expenditure Statement	5
Balance Sheet	6
Cash Flow Statement	7
Notes to the Accounts (Including Statement of Accounting Policies)	8-11
Independent Auditor's Report to the Joint Committee	12-13
Annual Governance Statement	14-21

EXPLANATORY FOREWORD

Introduction

The North Wales Residual Waste Treatment Project (NWRWTP) is a partnership of Flintshire County Council (Lead Authority), the Isle of Anglesey County Council, Conwy County Borough Council, Denbighshire County Council, and Gwynedd County Council created in order to seek a solution for residual waste on behalf of the five partner authorities, for a 25 year period.

The partnership is underpinned by a legally binding Inter-Authority Agreement (IAA) that all five partner authorities have signed. This commits the partner authorities to working together throughout the procurement process up until contract award. The North Wales Residual Waste Joint Committee manages the project on behalf of all five partner authorities, and has delegated authority to do so (including de-selection of bidders) up until the Preferred Bidder stage of the procurement process. The North Wales Residual Waste Joint Committee consists of two members from each partner authority, with one member from each partner authority having voting rights at Joint Committee meetings.

The decision to award Preferred Bidder will need to be agreed by all five partner authorities individually and therefore a full approval process will be required within each one (e.g. Scrutiny Committee, Cabinet/Executive and Full Council). The project is at present in dialogue with the one remaining bidder (Wheelabrator) with dialogue expected to be closed June 2013. The Preferred Bidder approvals process within each partner authority is expected to take place in late 2013 with a planning application to follow after that. The facility is currently expected to be operational in 2017.

The Financial Statements

The Statement of Accounts 2012/13 provide details of the NWRWTP's financial position for the year ended 31st March 2013, and reflects the wholly revenue nature of the activities undertaken. The information presented on pages 4 to 11 is in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2005.

The statements included are :-

- **movement in reserves statement** – this statement shows the movement in the year on the different reserves held by the Joint Committee, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and other reserves. Nil balances are recorded throughout the statement, linked with the equivalent nil values recorded within those statements referred to below.

- **comprehensive income and expenditure statement** – this statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices. All income and expenditure is shared equally between the five partner authorities.

- **balance sheet** - the Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Joint Committee. The net assets (assets less liabilities) of the Joint Committee are matched by the reserves held.

- **cash flow statement** - the Cash Flow Statement shows the changes in cash and cash equivalents of the Joint Committee during the reporting period. The statement shows how the Joint Committee generates and uses cash and cash equivalents.

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS – NORTH WALES RESIDUAL WASTE TREATMENT PROJECT

THE AUTHORITY'S RESPONSIBILITIES

The Authority is required to :-

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, this is the Head of Finance;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;

The Joint Committee's Responsibilities

- To approve the accounts.

Signature: _____ Date: _____

Chair of North Wales Residual Waste Treatment Project

Address -

THE HEAD OF FINANCE'S RESPONSIBILITIES

The Head of Finance is responsible for the preparation of the statement of accounts in accordance with the proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ("the Code").

In preparing this statement of accounts, the Head of Finance has :-

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code.

The Head of Finance has also :-

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate of the Head of Finance as Treasurer of the Joint Committee

I certify that the statement of accounts give a true and fair view of the financial position of the Joint Committee at 31st March 2013 and its income and expenditure for the year then ended.

Signed:_____ **Date:**_____

Kerry Feather CPFA
Head of Finance

Treasurer of the Joint Committee

Address -

MOVEMENT IN RESERVES STATEMENT

for the year ended 31st March 2013

Movements 2012/13

	Capital Receipts Reserve £	Capital Grants Unapplied £	Gereral Balance £	Earmarked Reserves £	Total Usable Reserves £	Unusable Reserves £	Total Reserves £
At 31st March 2012	0	0	0	0	0	0	**0**
Surplus/(deficit) on the provision of services	0	0	0	0	**0**	0	**0**
Other comprehensive income and expenditure	0	0	0	0	**0**	0	**0**
Total comprehensive income and expenditure	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Adjustments between accounting and funding basis under regulations	0	0	0	0	**0**	0	**0**
Net increase/(decrease) before transfer to earmarked reserves	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Transfers to/(from) earmarked reserves	0	0	0	0	**0**	0	**0**
Increase/(decrease) in year	**0**	**0**	**0**	**0**	**0**	**0**	**0**
At 31st March 2013	0	0	0	0	**0**	0	**0**

Movements 2011/12

	Capital Receipts Reserve £	Capital Grants Unapplied £	Gereral Balance £	Earmarked Reserves £	Total Usable Reserves £	Unusable Reserves £	Total Reserves £
At 31st March 2011	0	0	0	0	**0**	0	**0**
Surplus/(deficit) on the provision of services	0	0	0	0	**0**	0	**0**
Other comprehensive income and expenditure	0	0	0	0	**0**	0	**0**
Total comprehensive income and expenditure	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Adjustments between accounting and funding basis under regulations -	0	0	0	0	**0**	0	**0**
Net increase/(decrease) before transfer to earmarked reserves	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Transfers to/(from) earmarked reserves	0	0	0	0	**0**	0	**0**
Increase/(decrease) in year	**0**	**0**	**0**	**0**	**0**	**0**	**0**
At 31st March 2012	0	0	0	0	**0**	0	**0**

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

for the year ended 31st March 2013

		2013 £	2012 £
Expenditure			
Note 2			
(a)	Employees	207,994	244,959
	Transport	998	1,357
(b)	Supplies & Services	518,826	613,235
(c)	Support Services	114,979	138,373
	Gross Expenditure	**842,797**	**997,924**
Income			
(d)	Grants and Contributions	(842,797)	(997,924)
	Total Income	**(842,797)**	**(997,924)**
Net (Surplus)/Deficit		**0**	**0**

BALANCE SHEET
as at 31st March 2013

	Note	2013 £	2012 £
NON-CURRENT ASSETS		0	0
CURRENT ASSETS			
Short term debtors	**3**	417,599	864,784
CURRENT LIABILITIES			
Short term creditors	**4**	417,599	864,784
NET CURRENT ASSETS		0	0
NET ASSETS		0	0
TOTAL RESERVES		0	0

CASH FLOW STATEMENT

for the year ended 31st March 2013

	2013 £	2012 £
Net surplus or (deficit) on the provision of services	0	0
Net cash (outflow)/inflow from returns on investments and servicing of finance	0	0
Net cash outflow from capital expenditure	0	0
Net increase or decrease in cash and cash equivalents	0	0
Cash and cash equivalents at start of year	0	0
Cash and cash equivalents at end of year	0	0

Note: There are no individual entries in the summary cash flow statement as entries at the more detailed level sum to zero.

1. STATEMENT OF ACCOUNTING POLICIES

The accounts have been prepared in accordance with the requirements of the 2012/13 Code of Practice on Local Authority Accounting in the United Kingdom (the Code) - based on International Financial Reporting Standards (IFRSs) - issued by CIPFA, supported by guidance notes on the application of accounting standards.

Debtors and Creditors

The revenue accounts of the Joint Committee are prepared on an accruals basis. Sums are included in the final accounts to cover income or expenditure attributable to the year of account for goods received or work done, but for which payment has not been received/made by 31st March 2013.

Government Grants and Contributions

Grant receipts in support of revenue expenditure are accounted for on an accruals basis.

Overheads

The costs of centrally provided support services and administrative buildings have been charged to services in line with the Service Reporting Code of Practice (SeRCOP).

Value Added Tax

The Council receives reimbursement for the net cost of value added tax incurred. The accounts have been prepared exclusive of tax, in accordance with SSAP 5.

2. INCOME AND EXPENDITURE STATEMENT

	2013 £	2012 £
(a) Employees		
Contractor payments - Project Director *	123,263	161,490
Salaries	64,933	64,038
Social Security costs	5,188	5,010
Other Pension costs	14,610	14,409
Agency Staff	0	12
	207,994	**244,959**

* see note 5 on page 10.

(b) Supplies and Services	2013 £	2012 £
Advisor costs		
Technical and Communications	273,171	245,313
Legal	146,201	235,664
Financial	82,243	108,021
Insurance	9,500	1,121
Other	1,190	12,950
	512,305	603,069
Advertising/Publicity	3,997	6,261
Audit Fee	2,524	3,905
Total Supplies and Services	**518,826**	**613,235**

(c) Support Services -	2013 £	2012 £
Finance, Technical, Legal & Procurement Support		
Lead Authority Personnel		
Finance	42,544	35,735
Legal	29,466	28,984
	72,010	64,719
Isle of Anglesey County Council Personnel	26,998	37,000
	99,008	101,719
Office services		
IT/ Telephones	738	1,630
Software	2,440	4,020
Stationery/Printing	2,048	2,622
Translation	2,977	2,511
	8,203	10,783
Accommodation	7,768	25,871
Total Support Services	**114,979**	**138,373**

(d) Income -	2013 £	2012 £
Contribution from participating Local Authorities		
Conwy County Borough Council	(100,629)	(199,584)
Denbighshire County Council	(100,628)	(199,585)
Flintshire County Council	(100,628)	(199,585)
Gwynedd County Council	(100,628)	(199,585)
Isle of Anglesey County Council	(100,628)	(199,585)
	(503,141)	(997,924)
Grants		
Welsh Government	(339,656)	0
Total Income	**(842,797)**	**(997,924)**

3. DEBTORS

	2013 £	2012 £
Local authorities	411,582	783,223
Other entities and individuals	6,017	81,561
	417,599	864,784

4. CREDITORS

	2013 £	2012 £
Local authorities	298,863	804,330
Other entities and individuals	118,736	60,454
	417,599	864,784

5. OFFICERS' REMUNERATION

Regulation 7A of the Accounts and Audit (Wales) Amendment Regulations 2010 requires disclosure (in £5,000 bandings) of the number of employees whose remuneration – all sums paid to or receivable by the employee, expense allowances chargeable to tax, and the money value of benefits - exceeded £60,000.

One employee meets the disclosure requirement – the Project Director, a contracted employee :-

Remuneration Band	2013 No.	2012 No.
£120,000 - £124,999	1	0
£125,000 - £129,999	0	0
£130,000 - £134,999	0	0
£135,000 - £139,999	0	0
£140,000 - £144,999	0	0
£145,000 - £149,999	0	0
£150,000 - £154,999	0	0
£155,000 - £159,999	0	0
£160,000 - £164,999	0	1
	1	1

6. EXTERNAL AUDIT COSTS

The 2012/13 audit fee charges in relation to the Statement of Accounts amounted to £2,524 (£3,905 in 2011/12). External audit services were provided by Wales Audit Office.

7. RELATED PARTIES

The Joint Committee is required to disclose material transactions with related parties i.e. bodies or individuals that have the potential to control or influence the Committee or to be controlled or influenced by the Committee; there were no such transactions during 2012/13 (as was the position in 2011/12).

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NORTH WALES RESIDUAL WASTE JOINT COMMITTEE

Independent auditor's report will be provided at completion of the audit for inclusion in the published Statement of Accounts

Independent auditor's report will be provided at completion of the audit for inclusion in the published Statement of Accounts

This statement has the following five sections:-

1. Scope of Responsibilities.
2. The Purpose of the Governance Framework.
3. The Governance Framework.
4. Review of Effectiveness
5. Significant Governance Issues.

1. SCOPE OF RESPONSIBILITY

The North Wales Residual Waste Treatment Project is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used appropriately and effectively.
In discharging this overall responsibility, the North Wales Residual Waste Treatment Project should maintain proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and the management of risk.

Each of the Authorities taking part in the Project has approved and adopted a Code of Corporate Governance which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) / the Society of Local Authority Chief Executives and Senior Managers (SOLACE) Delivering Good Governance in Local Government : A Framework.

Flintshire County Council is the Project's lead council and its Code of Corporate Governance is included in Flintshire County Council's Constitution and a copy is also available from Flintshire's Democracy & Governance Manager in Legal and Democratic Services.

This Statement explains how the North Wales Residual Waste Treatment Project has complied with the Code and also meets the requirements of the Accounts and Audit (Wales) (Amendment) Regulations 2010.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework brings together the systems and processes, staff, other resources, culture and values by which the Project is managed and controlled and the activities through which it accounts to, engages with and leads the community. The framework enables the Project to monitor achievement against its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risks and challenges to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore provide proportionate and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Project's policies, priorities, aims and objectives, to evaluate the likelihood of those risks and challenges occurring and to evaluate the impact if they do; to manage risks efficiently, effectively and economically.

The governance framework has been in place at the North Wales Residual Waste Treatment Project for the year ended 31st March 2013 and up to the date of approval of the annual statement of accounts.

3. THE GOVERNANCE FRAMEWORK

Code of Corporate Governance

The key elements of each Authority's governance arrangements are reflected in their individual Codes of Corporate Governance. Codes apply to all aspects of each Authority's business. Members and employees are required to conduct themselves in accordance with the high standards expected by the citizens of North Wales and the six core principles set out within the revised CIPFA / SOLACE Framework:-

- Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
- Members and officers working together to achieve a common purpose with clearly defined functions and roles
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- Developing the capacity and capability of members and officers to be effective
- Engaging with local people and other stakeholders to ensure robust public accountability

Inter Authority Relationship

The whole Project is based on the joint working of all five North Wales Authorities with a common aim of securing a Residual Waste Treatment contract. The relationship is made legally binding by the Inter Authority Agreements (the 1st one signed by the Authorities on the 24th June 2010 takes matters up to the conclusion of the Procurement and the 2nd one will take matters through the long-term Project Agreement with approved final bidder). The Inter Authority Agreement is supported financially and in terms of policy by the Welsh Government (who also carry out a commercial review of the final Project Agreement to be signed prior to close of Dialogue with the Bidder).

Inter Authority Agreement

The key elements of the Project's governance arrangements are reflected in the Inter-Authority Agreement, which outlines the Joint Committee's terms of reference, formalises the respective roles and responsibilities in relation to the joint working arrangements for the procurement of the Project, and appoints Flintshire County Council as the lead council.

Copies of the Inter-Authority Agreement are available by contacting Flintshire County Council's Head of Legal and Democratic Services.

Project Structure

Section 6 of the Inter-Authority Agreement sets out the procedures for making decisions during the procurement phase of the Project. The Councils have approved 3 categories together with the means by which decisions will be taken; 'Project Board Matter', 'Joint Committee Matter' and a 'Matter Reserves to the Councils'. A list of procurement stages called 'Procurement Milestones' along with the decision making category allocated to each milestone is included in Schedule 1 of the Inter-Authority Agreement.

Project Board
The Project Board consists of the Chief Executive of the lead council, one director or senior office representative from each of the other four Councils, the Project Director, the Project Section 151 Officer (of the lead council), the Project Monitoring Officer (of the lead council) and other external parties as appropriate. The quorum necessary for Project Board Meeting is a Senior Officer Representative from each Council. The Chair of the Project Board is appointed by the Project Board from time to time. The Project Board strives to reach a consensus but decisions at meetings are taken by a simple majority vote with each Council having one vote only.

The purpose of the Project Board is to implement the Procurement Milestones and the day-to-day management and monitoring of the procurement process. The Project Board has the powers to make decisions and make recommendations as set out in Schedule 3 of the Inter-Authority Agreement.

Joint Committee
Each Council appoints two elected members of their executive or cabinet, one of whom is a voting member, as their representatives to the Joint Committee. The Chair and Vice Chair of the Joint Committee are elected executive members of a Council who are elected by the Joint Committee at the annual general meeting. Appointments take effect until the next annual general meeting. The quorum necessary for a Joint Committee Meeting is five members of the Joint Committee comprising at least one member from each of the Councils. Decisions at meeting of the Joint Committee are taken by simple majority vote with each elected voting member or appropriate deputy from each Council having one vote.

The Joint Committee has the powers to make decisions and recommendations within its terms of reference as set out in Schedule 2 of the Inter-Authority Agreement.

Matters Reserved to the Councils
Each Authority has its own Constitution which sets out responsibility for making decisions which can be found on each Council's website.

Members
On taking office all elected Members are required to sign a Declaration of Acceptance of Office whereby they undertake to be guided by the National Code of Local Government Conduct in the performance of their functions as a Councillor. Each Authority has an individual Members' Code that complies with the National Code and all Members are given a copy of it when taking up office. Any complaints that a Member has not complied with the Code are considered by the Public Services Ombudsman for Wales who may refer any apparent breaches to either the relevant Council's Standards Committee or to the Adjudication Panel for Wales which may apply sanctions if a breach of the Code is found.

Officers
Officers are subject to a separate Code of Conduct, each Authority has an individual Officers' Code of Conduct. Breach of the Officers' Code can lead to disciplinary action.

Copies of both the Members and Officers Codes of Conduct are available from each Authority.

Lead Council
The Councils have agreed that Flintshire County Council shall be the lead council. Responsibilities include:

- Acting on behalf of the Project in the management and supervision of the procurement exercise
- Act as the employing authority for any staff engaged in the discharge of the Project's functions
- Being the legal point of contact for the purposes of managing the procurement
- Providing such additional administrative resources and office facilities that may be necessary for the purpose of discharging the Project and hold all central funds
- Provide senior officers who will act as Secretary, Monitoring Officer, and Treasurer (who will also be the Section 151 Officer) for the Project and who will therefore act as the primary legal and financial advisers to the Project
- Responsibility for liaison and communication with Welsh Government and co-ordination of communication and public relations
- Power to enter into contracts for Consultants as required for the purposes of the Project

Monitoring Officer
Article 15 of Flintshire County Council's Constitution designates the Head of Legal and Democratic Services as the Council's Monitoring Officer under Section 5 of the Local Government & Housing Act 1989 and therefore is the Project's Monitoring Officer.

Finance
Flintshire County Council's Head of Finance as lead council is the Project's Responsible Finance Officer and takes responsibility for the proper administration of the North Wales Residual Waste Treatment Project's financial affairs under Section 151 of the Local Government Act 1972 and in accordance with the CIPFA Statement on the role of the Chief Financial Officer.

Flintshire County Council as lead council holds all central funds, and the Project applies the lead council's Contract Procedure Rules and Financial Procedure Rules. Flintshire County Council treats the Project's funds with the same stewardship to that of its own funds and there are robust arrangements for effective financial management and control through the Council's accounting procedures, key financial systems, Financial Procedure Rules and Contract Procedure Rules as set out in Flintshire County Council's Constitution. Both the Financial Procedure Rules and Contract Procedure Rules are regularly reviewed and are available on Flintshire County Council's intranet called the infonet.

Section 9 of the Inter-Authority Agreement sets out the financial commitments each Council has agreed to make to the Project, together with arrangements for agreeing and reimbursing Project costs incurred by each Council. The Joint Committee has overall responsibility for monitoring the budget, which it does by receiving regular budget status reports as part of the overall project update as a regular agenda item. The Project Board also receives a budget status report as part of the overall project update as a regular agenda item. There is a section within the Inter-Authority Agreement that sets out procedures for any expenditure not within the agreed expenditure profile; the Project Board must agree any such expenditure in advance.

Flintshire County Council as lead council has adopted the Chartered Institute of Public Finance Accountants (CIPFA) Treasury Management in the Public Services: Code of Practice. Treasury Management is conducted in accordance with Flintshire County Council's Treasury Management Policy and Strategy Statement and Treasury Management Practices which are both reviewed annually. All borrowing and long term financing is made in accordance with CIPFA's Prudential Code. Treasury Management update reports are made to Flintshire County Council's Audit Committee and Cabinet on a quarterly basis.

Business Planning
The Project has established a robust approach to business planning. The project is not a continuous project, but rather a specific one off process with a set outcome – the procurement of a residual waste treatment contract. The justification for the project, its outline description and indicative costs, project timetable, project governance and management arrangements and the project budget was set out in a Project Initiation Document (PID – final version dated 1 October 2008) and was agreed by all authorities. This allowed a dedicated project team to be employed, which allowed an Outline Business Case and Inter-Authority Agreement to be developed, and ultimately agreed by all authorities.

The Outline Business Case (OBC) set out the strategic, economic, commercial, financial and management case for the Project, all prepared in accordance with good industry practice. It also served as a bid document to the Welsh Government (WG) for financial support for the project. The OBC was approved by WG, which led to WG committing to supporting the cost of the contract up to a value of £142.7m. There are also various stages where WG have carried out and will carry out "gateway reviews" to ensure that the project is progressing satisfactorily and that the project agreement (contract) is represents value for money and does not pose unacceptable risk to the authorities,

All the authorities report the project's progress to their Members that are not on the Joint Committee. WG carry out "gateway reviews" at various key stages in the project to ensure that the project is progressing satisfactorily and that the project agreement (contract) represents value for money and does not pose unacceptable risk to the authorities.

Communications
Communicating, consulting and engaging with the public and stakeholders is a key aspect of the NWRWTP. Since its inception, the partnership has created and regularly updated a communications plan. Communication and Engagement is a regular item on the agenda of every Project Board and Joint Committee meeting and there is a communication officer group that meet on an as and when basis with each partner authority's press office / communications officers present.

The above governance arrangements have ensured that there has been consultation, communication and engagement with stakeholders at all levels from partner authority Members to interest groups to residents throughout the process.

Risk Management
The Project has a detailed risk register that is a regular item on the Project Board and Joint Committee agendas. Any new risks, any changes to existing risks and the highest level risks are highlighted to both groups at all of their meetings.

Regulation and Assurance
Regulation and accountability provides assurance for the effectiveness of the Project's arrangements for the services it is responsible for and the achievement of its objectives. It is undertaken both internally through governance arrangements, practices and procedures and externally by various organisations such as the Wales Audit Office (WAO) which has an independent statutory role. Responsibility for procuring necessary audit and assurance checks resides with the Joint Committee. The Joint Committee oversees the financial reporting process to ensure the balance, transparency and integrity of published financial information, and, monitors the performance and effectiveness of the external audit functions within the wider regulatory context.

Audit Committee
Internally, Flintshire County Council's Audit Committee's role and function, as lead council, provides assurance of the systems of internal control through reviewing the effectiveness of Flintshire's systems through which the Project's funds are controlled. It also monitors the performance and effectiveness of Flintshire's internal audit function.

Internal Audit
Flintshire County Council's Internal Audit service is provided in accordance with CIPFA's Code of Practice for Internal Audit for Local Government in the United Kingdom and in accordance with the CIPFA Statement on the Role of the Head of Internal Audit. The Code of Practice states that Internal Audit is an assurance function that provides an independent and objective opinion to the organization on the control environment, by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.

In accordance with the requirements of the CIPFA Code of Practice the Internal Audit Manager reports to Flintshire County Council's Audit Committee, as the lead Council, a summary of audit findings and prepares an annual report that summarises the results of internal audit work during the year on the overall system of internal control at Flintshire County Council, through which the Partnership's funds are controlled.

External Regulation
External arrangements for regulation and assurance are provided principally the Wales Audit Office (WAO).

Their role is independent of government and they examine and challenge the performance and effectiveness of Welsh public bodies work and produce either periodic or annual local and national reports on their findings. All formal reports are presented to the Joint Committee.

The whole project is closely supported, monitored and reviewed by WG to ensure the project is delivering part of their waste strategy as it set out to do.

Whistle Blowing
Each Council is committed to the highest possible standards of openness, probity and accountability. To support that commitment employees and others with serious concerns about any aspect of the Project's work are encouraged to come forward and voice those concerns. It is recognised that sensitive cases have to proceed on a confidential basis. Each individual Council's policy makes it clear that employees can do so without fear of reprisal. Policies are available from each Partner Council.

Complaints
Each Council has adopted a formal complaints procedure and these are periodically updated.

4. REVIEW OF EFFECTIVENESS

The North Wales Residual Waste Treatment Project has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the work of the Senior Managers within the Councils who have responsibility for the development and maintenance of the governance environment, and by comments made by the external auditors and other review agencies and inspectorates.

Internal Audit Review
During the year Internal Audit completed an overall governance review which concluded that

- An effective governance framework has been established for managing risk, ensuring transparency and demonstrating accountability
- A clear decision making protocol has been established and the Joint Committee is provided with information which is fit for purpose, relevant, timely and gives clear explanations of technical and financial issues and their implications
- A best practice risk register is maintained and risk identification, assessment, mitigation and reporting is robust.
- Officers and members have a good understanding of their roles, responsibilities and involvement in the overall governance framework.

Member Training
During the latter part of the year a programme of induction was prepared ready for new Members of the Joint Committee following the County Council elections on 3rd May 2012. An induction / briefing was held for Joint Committee Members in August prior to the first Joint Committee since the May 2012 County Council elections to ensure any new Joint Committee Members were fully informed on the project.

The project has also carried out a number of briefing sessions and consultation sessions with Members of all five authorities at key stages in the procurement process. The intention is to continue, and indeed increase this direct engagement with Members across the Councils leading up to key decisions such as appointment of preferred bidder and contract award.

Flintshire County Council's Internal Audit
The department undertook a self-assessment against the CIPFA guidelines for Internal Audit in Local Government and found a high level of compliance.

The Wales Audit Office undertake an annual review of the Council's Internal Audit service against the CIPFA Code of Practice for Internal Audit in Local Government. Although this evaluation is not carried out to provide assurance to FCC about the internal audit function, in their latest review they concluded that internal audit complied with nine of the eleven standards and partially complied with the other two.

In his annual report, based on the results of internal audits undertaken during the year, the Internal Audit Manager has concluded that Flintshire's arrangements for governance, risk management and internal control are adequate and effective.

Flintshire County Council's Audit Committee
The committee received specific training after the May elections to enable the members to fulfil their role. Members completed a self-assessment against CIPFA Toolkit for Local Authority Audit Committees in late 2012. The results showed that in the main the Committee meets the guidelines. Some areas were highlighted where existing arrangements can be strengthened. Training for the new Audit Committee will be maintained in 2013/14.

5. SIGNIFICANT GOVERNANCE ISSUES

The governance of the project is very clearly set out in the PID and the Inter Authority Agreement which defines key decisions throughout the project and at which level those decisions are required. This has given clarity and certainty to the governance arrangements which protect all the authorities.

No significant issues have been identified when completing the above statement

Signed……Chair of the North Wales Residual Waste Partnership Joint Committee

Signed……Chief Executive of the Lead Authority

NWRWTP
North Wales Residual Waste Treatment Project

AGENDA ITEM NO: 11

REPORT TO: **NWRWTP JOINT COMMITTEE**

DATE: **11 JULY 2013**

REPORT BY: **HEAD OF FINANCE (FCC) AND HEAD OF LEGAL & DEMOCRATIC SERVICES (FCC)**

SUBJECT: **ANNUAL GOVERNANCE STATEMENT**

1.00 PURPOSE OF REPORT

1.01 To present the annual governance statement for Members' information only at this stage.

2.00 BACKGROUND

2.01 For each financial year the project is required to produce an annual governance statement (AGS) as part of its final accounts. This statement explains the governance framework in operation throughout the year and how it has been reviewed to ensure it is effective.

2.02 The AGS for 2011/12 was reported as part of the annual accounts paper. However, it is an important document detailing the Project's corporate governance arrangements and it is best practice for it to be reviewed and approved as a discreet agenda item.

2.03 The AGS has been prepared by the FCC Internal Audit Manager and Corporate Solicitor in compliance with "Delivering Good Governance in Local Government: A Framework" published jointly by CIPFA and SOLACE. It was then submitted to the Chief Executive, Section 151 Officer and Monitoring Officer of the lead council for their observations. The final version after approval by the Joint Committee will be submitted to the Chief Executive of the lead council and the Chair of the Joint Committee for signing.

2.04 The AGS will be considered by the Wales Audit Office who have to report if it does not reflect compliance with the guidance in "Delivering Good Governance in Local Government: A Framework".

3.00 CONSIDERATIONS

3.01 In accordance with the guidance the governance statement is divided into five sections namely:-

1. Scope of responsibility
2. The Purpose of the Governance Framework
3. The Governance Framework
4. Review of Effectiveness
5. Significant Governance Issues

3.02 The AGS for 2011/12 included two significant governance issues – the need to meet statutory financial reporting deadlines and the need for Internal Audit review. During 2012/13 both these issues have been addressed, so that there are now no outstanding significant governance issues for the project.

3.03 In reviewing the draft AGS, Joint Committee members are requested to consider the following:

1. Whether the statement accurately reflects the governance framework in place in the Project
2. Whether they are satisfied with the overall review of effectiveness, and
3. Whether they agree that there are no significant governance issues facing the project

3.04 Joint Committee Members should note that appendix 1 to this report is the Statement of Accounts for 2012/13, which includes the Annual Governance Statement within it.

4.00 RECOMMENDATIONS

4.01 That the Joint Committee note the content of this report, and that they will formally be required to approve the Annual Governance Statement at the next Joint Committee meeting.

5.00 FINANCIAL 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 1 – Statement of Accounts 2012/13 (includes Annual Governance Statement)

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS

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NWRWTP
North Wales Residual Waste Treatment Project

AGENDA ITEM NO: 12

REPORT TO: **NWRWTP JOINT COMMITTEE**

DATE: **11 JULY 2013**

REPORT BY: **PROJECT DIRECTOR**

SUBJECT: **PROJECT RESOURCE REPORT – 2012/13 OUTTURN AND 2013/14 BUDGET**

1. PURPOSE OF REPORT

1.1. To present the final outturn statement for 2012/13 (subject to audit) for Members' information at this stage

1.2. To present the budget for 2013/14 for Members' approval.

2. BACKGROUND

2.1. This report was considered by the Project Board at their meeting of 6 June 2013 and it was agreed that it be approved for consideration by members of the Joint Committee.

2.2. It was considered that the Joint Committee should be presented with both the final outturn for 2012/13 and the annual budget for 2013/14.

2.3. It should also be noted that some items of expenditure in the budget go beyond the financial year 2013/14, and these items are shown in their own column in appendix 2 below.

3. CONSIDERATIONS

3.1. The table in Appendix 1 outlines 2012/13's final outturn (a provisional outturn was reported to the Project Board in February 2013). This shows an underspend against provisional outturn of £59.8k. Main areas of saving being project management costs £35k and unused contingency £28k.

3.2. The total projected cost for the project (subject to the assumptions set out below) is £3,000,367 as set out in Appendix 2. The project financial overview summarises the current projection (as at June) compared to the the IAA, the contribution per authority and the profile of the expenditure over the years 2008/09 to 2014/15.

3.3. The supporting paper to Appendix 2 sets out the detailed analysis over these years. The proposed budget for 2013/14 is shown in the table (shaded in yellow) in this appendix. The 2013/14 budget takes account of the final outturn for 2012/13. The underspend in 2012/13 has been rolled over and utilised in 2013/14 together with an increase in resources to cover staff cost to June 2014.

3.4. It should be noted that the assumption made for the timescales is that the budget is required to cover expenditure up to the appointment of Preferred Bidder, currently programmed for February 2014. Some expenditure headlines are projected further that this (e.g. Project Manager and Administrative Assistance costs). The budget is also based on the programme that was discussed at the Project Board in April 2013, and does not take into account any potential changes to the programme that may occur.

3.5. As the project is nearing its final stages, certain assumptions have had to be made to ensure the project completes within its budget without requiring additional funds from the partner authorities. The key assumptions are outlined in the table below:-

Expenditure heading	Assumption for 2013/14 budget
Project Director Cost	Assumes 3 days per week until Nov 2013, then 2 days a week until January 2014 and then 1 day a week until PB appointment in February 2014.
Project Manager Cost	Costed up June 2014 (as per contract)
Administrative Assistance	Costed up June 2014 (as per contract)
Lead Finance	Costed up to JC PB approval in July (will become authority officers at this point)
Lead Legal	Costed up to JC PB approval in July (will become authority officers at this point)
Lead Technical	Costed up to JC PB approval in July (will become authority officers at this point)
Technical Advisors – Entec/Amec	Air quality monitoring to Feb 2014 £1250/mth + Apr 2013 billing £7400 + further dialogue & MS review £30k + Evaluation £18k+ Approvals £6k+FBC £10k + £20k contingency
Legal Advisors – Pinsent Mason	Bulk of legal work to be complete by June 2013.
Financial Advisors – Grant Thornton	GT estimate to PB stage adjusted for members briefings to include 5 days for MR + 1 day SR
Insurance Advisors – Jardine Lloyd Thompson	Allowance for CFT evaluation and financial close £5k

3.6. The Joint Committee is asked to note that a key assumption in the budget projections relate to the resources required in relation to the preferred bidder approvals processes that will be carried out by all five individual partner authorities. The profile allows 1 day's attendance by the external advisors and the Project Director at an individual partner approval meeting. Due to budget constraints further attendance at individual partner authorities meetings cannot be delivered within the existing budget. The Project Board was asked to consider whether it would support the ability for the external advisors and if required the Project Director to attend more meetings for individual authorities if requested by that authority, but that it would be recognised that that authority would be re-charged for these additional costs. The Project Board approved this approach.

3.7. The Joint Committee is also asked to note that the original budget as approved by all partner authorities as set out in the Inter Authority Agreement was £3.20m. The Project Director reviewed the budget in October 2010 and indicated that the full budget spend would potentially not be required and at that time the projected budget was revised down to £2.83m. As this was a downward adjustment, it was not required to report this to the individual partner authorities. A project expenditure review was provided for the Project Board in February 2013, and further analysis of the budget and projected spend up until contract award indicates that the full original budget (as approved by all partner authorities in the IAA) may be required to take the project to contract award. However alternatively the revised budget will be sufficient to support delivery of the project until formal preferred bidder (PB) award. This is attached in Appendix 2 below. The PB approval process that would first be considered by the Joint Committee and subsequently considered by each individual partner authority could be asked to also agree the budget from PB to contract award. It should be noted that during the PB approval process, approval would in any case be sought for post contract award budget to cover the period from contract award until service commencement. The Joint Committee is asked to instruct the Project Team on its preference as to how this matter should be addressed.

3.6 Budget monitoring updates will be provided in reports to future meetings of the Project Board and the Joint Committee, with any changes needed to the assumptions as the project progresses through these next stages.

4. RECOMMENDATIONS

4.1. For Joint Committee members to note the final outturn for 2012/13 (subject to audit) at this stage and that this be considered at the next meeting of the Committee.

4.2. For the Joint Committee members to approve the proposed 2013/14 budget (based on the assumptions as set out in the report)..

5. FINANCIAL IMPLICATIONS

5.1. See sections 3.1 to 3.6 above

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. See above.

11. CONSULTATION UNDERTAKEN

11.1. Not applicable.

LOCAL GOVERNMENT ACCESS TO INFORMATION ACT 1985

Background Documents:

None

Contact Officer: Stephen Penny NWRWTP Project Director

Appendix 1 – final outturn for 2012/13

NORTH WALES RESIDUAL WASTE TREATMENT PROJECT							
BUDGET MONITORING REPORT as at 31 March 2013 (FINAL)							
	YEAR TO DATE 2012/13				CUMULATIVE PROJECT TO DATE		
EXPENDITURE HEADING	Provisional Outturn Feb 2013	ACTUAL	VARIANCE - =OVER ; + =UNDER	Projected TOTAL PROJECT	Actual + Provisional Outturn	ACTUAL	VARIANCE
	£	£	£	£	£	£	£
Project Director	121,663	123,263	-1,600	651,881	589,481	591,081	-1,600
Project Director Travel etc	1,200		+1,200	3,095	2,495	1,295	+1,200
Project Manager	56,651	56,970	-319	229,440	201,594	201,913	-319
Project Manager and other travel	6,000	998	+5,002	13,958	9,458	4,456	+5,002
Administrative assistance	27,762	27,761	+1	104,254	90,371	90,371	+1
Lead finance	48,005	42,543	+5,462	110,611	83,740	78,278	+5,462
Interim finance	0		+0	38,000	38,000	38,000	+0
Lead Technical	35,506	26,998	+8,507	113,898	102,938	94,431	+8,507
IT/ Telephones	1,800	738	+1,062	7,296	5,796	4,734	+1,062
Software	780		+780	13,030	11,470	10,690	+780
Stationery/Printing/Subscriptions	306	2,048	-1,742	3,871	3,718	5,460	-1,742
Translation	2,981	2,977	+4	13,597	12,107	12,103	+4
Status enquiries	127		+127	419	355	228	+127
Remote document managements system	2,600	2,440	+160	15,611	14,111	13,951	+160
Advertising	12,000	3,997	+8,003	49,243	40,243	32,240	+8,003
Joint Working	0		+0	4,000	4,000	4,000	+0
Procurement recharge	1,500		+1,500	3,405	1,905	405	+1,500
Finance recharge	0		+0	0	0	0	+0
Legal recharge	27,142	29,466	-2,324	126,160	109,395	111,719	-2,324
Office accommodation recharge	5,000		+5,000	11,879	9,379	4,379	+5,000
Venues	13,000	7,768	+5,232	71,126	63,626	58,394	+5,232
Audit fees	10,787	11,787	-1,000	13,787	10,787	11,787	-1,000
TOTAL PROJECT MANAGEMENT COSTS	**374,810**	**339,755**	**+35,056**	**1,598,582**	**1,404,971**	**1,369,916**	**+35,056**
Technical advisors - Entec/Amec/Cofley	223,280	227,230	-3,951	1,066,795	996,795	1,000,746	-3,951
Tech advisors - Entec/Amec Sauce/Comms	69,908	47,912	+21,996	164,119	104,119	82,123	+21,996
Legal advisors - Pinsent Mason	130,137	146,303	-16,166	636,443	551,443	567,609	-16,166
Financial advisors - Grant Thornton	73,690	82,243	-8,552	373,821	340,821	349,373	-8,552
Other advisors - AEA Technology	1,190	1,190	+0	97,926	97,926	97,926	+0
Insurance advisors - Jardine Lloyd Thompson	8,000	9,500	-1,500	13,105	11,105	12,605	-1,500
TOTAL ADVISOR COSTS	**506,205**	**514,379**	**-8,173**	**2,352,208**	**2,102,208**	**2,110,381**	**-8,173**
Potential site survey costs				55,000	0		
Contingency - comms		0	+0	45,000	0	0	+0
Contingency - general (10%)	28,294		+28,294	72,655	28,294	0	+28,294
TOTAL COSTS	**909,309**	**854,134**	**+55,176**	**4,123,445**	**3,535,473**	**3,480,297**	**+55,176**
WAG Contribution	310,000	310,000	+0	1,130,000	930,000	930,000	+0
Other Income	25,000	29,656	-4,656	25,000	25,000	29,656	-4,656
TOTAL INCOME	**335,000**	**339,656**	**-4,656**	**1,155,000**	**955,000**	**959,656**	**-4,656**
NET COST	**574,309**	**514,477**	**+59,832**	**2,968,445**	**2,580,473**	**2,520,641**	**+59,832**

Appendix 2 – Project Financial Overview
NWRWTP Budget Review June 2013

PROJECTED SPEND	included in IAA	June 2013 Projection
Project Management costs	£816,814	£1,654,868
Advisor costs (core)	£787,343	
Additional /time and cost works	£1,420,000	
	£2,207,343	£2,395,531
Potential site option/ lease payment)	£500,000	
Total costs	£3,524,157	£4,050,400
Project Contingency (10%)	£344,516	£109,624
WAG RCAF contribution & Other Income	-£670,000	-£1,159,656
net	**£3,198,673**	**£3,000,367**
Per authority	**£639,735**	**£600,073**

PROFILED NET EXPENDITURE		Year	
	£4,000	2008/09	£4,316
	£902,806	2009/10	£60,928
	£1,285,680	2010/11	£867,414
	£1,006,187	2011/12	£1,073,506
		2012/13	£514,477
		2013/14	£455,862
		2014/15	£23,864
	£3,198,673		**£3,000,367**

PROFILED PROJECT PROJECTION v5

EXPENDITURE HEADING	A2008/9	A2009/10	A2010/11	A2011/12	A2012/13	PROPOSED BUDGET P2013/14	P2014/15	PTotal
Project Director	57,706	106,622	142,000	161,490	123,263	100,533	0	**691,615**
Project Director Travel etc	45	8	1,183	60	0	0	0	**1,295**
Project Manager	0	35,051	54,197	55,695	56,970	55,692	13,923	**271,528**
Project Manager travel and other expenses	0	0	2,161	1,298	998	2,500	0	**6,956**
Administrative assistance	1,237	0	33,599	27,773	27,761	27,764	6,941	**125,076**
Lead finance	0	0	0	35,735	42,543	26,871	0	**105,149**
Interim finance	0	0	38,000	0	0	0	0	**38,000**
Lead Technical	0	0	30,432	37,000	26,998	10,960	0	**105,390**
IT/ Telephones	0	1,077	1,290	1,630	738	1,000	0	**5,734**
Software	0	6,670	0	4,020	0	0	0	**10,690**
Stationery/Printing	0	630	161	2,622	2,048	683	0	**6,143**
Translation	0	3,928	2,687	2,511	2,977	2,500	0	**14,603**
Status enquiries	0	101	127	0	0	0	0	**228**
Remote document managements system	0	0	11,511	0	2,440	1,500	0	**15,451**
Advertising	18,981	0	3,000	6,261	3,997	5,500	0	**37,740**
Joint Working	0	0	4,000	0	0	0	0	**4,000**
Procurement recharge	0	0	405	0	0	300	0	**705**
Finance recharge	0	0	0	0	0	0	0	**0**
Legal recharge	0	29,797	23,472	28,984	29,466	16,785	0	**128,504**
Office accommodation recharge	0	0	4,379	0	0	0	0	**4,379**
Venues	1,348	5,668	14,865	28,745	7,768	1,500	0	**59,894**
Audit fees	0	0	0	0	11,787	7,000	3,000	**21,787**
TOTAL PROJECT MANAGEMENT COSTS	**79,316**	**189,553**	**367,468**	**393,823**	**339,755**	**261,088**	**23,864**	**1,654,868**
Technical advisors - Entec/Amec	0	149,824	350,862	272,830	227,230	105,150	0	**1,105,896**
Technical advisors - Entec/Amec Sauce	0	0	0	34,210	47,912	60,000	0	**142,123**
Legal advisors - Pinsent Mason	0	33,850	151,792	235,664	146,303	80,000	0	**647,609**
Financial advisors - Grant Thornton	0	32,701	111,523	122,907	82,243	35,000	0	**384,373**
Other advisors - AECOM/Acer	0	0	83,786	12,950	1,190	0	0	**97,926**
Insurance advisors - Jardine Lloyd Thompson	0	0	1,984	1,121	9,500	5,000	0	**17,605**
TOTAL ADVISOR COSTS	**0**	**216,374**	**699,946**	**679,682**	**514,379**	**285,150**	**0**	**2,395,531**
Potential site survey costs	0	0	0	0	0	55,000	0	55,000
Contingency - general (10%)	0	0	0	0	0	54,624	0	54,624
TOTAL COSTS	**79,316**	**405,928**	**1,067,414**	**1,073,506**	**854,134**	**655,862**	**23,864**	**4,160,023**
WAG Contribution	75,000	345,000	200,000	0	310,000	200,000	0	1,130,000
Other Income	**0**	**0**	**0**	**0**	29,656	0	0	29,656
TOTAL INCOME	**75,000**	**345,000**	**200,000**	**0**	**339,656**	**200,000**	**0**	**1,159,656**
NET COST	**£4,316**	**£60,928**	**£867,414**	**£1,073,506**	**£514,477**	**£455,862**	**£23,864**	**£3,000,367**

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Public Document Pack

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

To: Councillor Eryl Williams (Chairman)

Councillors: Aaron Shotton, Kevin Jones, Dave Cowans, Michael Priestley, David Smith, W. G. Roberts, John Wynn Jones, Richard Dew and J. Arwel Roberts

CS/NG

3 Gorffennaf 2013

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Annwyl Sir/Fadam

Cynhelir **CYFARFOD CYD-BWYLLGOR GWASTRAFF GWEDDILLIOL GOGLEDD CYMRU YN SIAMBR Y CYNGOR, LLANGEFNI, YNYS MON AR DYDD IAU 11 GORFFENNAF 2013 AM 2.00YP** i drafod y materion canlynol.

Yr eiddoch yn gywir

Rheolwr Democratiaeth a Rheolaeth

A G E N D A

1 **YMDDIHEURIADAU**

2 **DATGAN DIDDORDEB**

3 **ETHOL CADEIRYDD AG IS-GADEIRYDD I'R CYD-BWYLLGOR**

4 **CYMERADWYO COFNODION BLAENOROL** (Tudalennau 1 - 10)

5 **MATERION YN CODI O'R CYFARFOD BLAENOROL**

6 **ADRODDIAD CYNNYDD (ADRODDIAD SO)** (Tudalennau 11 - 14)

7 **RIR - DIWEDDARIAD STATWS RISG (ADRODDIAD SP)** (Tudalennau 15 - 36)

8 **DIWEDDARIAD CYFATHREBU (ADRODDIAD SO)** (Tudalennau 37 - 46)

9 **ADRODDIAD ARCHWYLIO MEWNOL CSYFF (ADRODDIAD PENNATH CYLLID CSYFF)** (Tudalennau 47 - 76)

10 **ADRODDIAD DATGANIAD O GYFRIFON PTGGGC (ADRODDIAD ADRAN CYLLID CSYFF A SWYDDFA ARCHWILIO CYMRU)** (Tudalennau 77 - 104)

11 **ADRODDIAD DATGANIAD LLYWODRAETHU BLYNYDDOL (ADRODDIAD PENNATH CYLLID CSYFF A PHENNAETH CHYFREITHIOL A GWASANAETHAU DEMOCRATAIDD)** (Tudalennau 105 - 108)

12 **ADRODDIAD AR ADNODDAU PROSIECT - GWARIANT 2012/13 A CHYLLID 2013/14 (ADRODDIAD SP)** (Tudalennau 109 - 116)

DEDDF LLYWODRAETH LEOL (MYNEDIAD AT WYBODAETH) 1985 - I GYSIDRO EITHRIO'R WASG A'R CYHOEDD

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 contract process is still underway and would be prejudiced by making public at this stage

13 **DIWEDDARIAD PWRCASU (BRIFF SP)**

14 **UNRHYW FATER ARALL**

NWRWTP
North Wales Residual Waste Treatment Project

CYD BWYLLGOR GWASTRAFF GWEDDILLIOL GOGLEDD CYMRU

Cofnodion cyfarfod y Cyd Bwyllgor a gynhaliwyd yn Swyddfeydd y Cyngor, Ynys Môn ar ddydd Mercher 20 Chwefror, 2013.

PRESENNOL: Cynghorydd Eryl Williams (Cadeirydd) – Cyngor Sir Ddinbych
Cynghorydd Aaron Shotton – Cyngor Sir y Fflint
Cynghorydd Kevin Jones – Cyngor Sir y Fflint
Cynghorydd Mike Priestley – Cyngor Bwrdeistref Sirol Conwy
Cynghorydd Dave Cowans – Cyngor Bwrdeistref Sirol Conwy
Cynghorydd David Smith – Cyngor Sir Ddinbych
Cynghorydd William Gareth Roberts – Cyngor Gwynedd
Cynghorydd RG Parry – Cyngor Sir Ynys Môn

HEFYD YN BRESENNOL:

Cyngor Sir y Fflint
Colin Everett, Carl Longland, Kerry Feather, Chris Cohen, Louise Pedreschi, Liz Thomas a David Webster

Cyngor Sir Ddinbych
Mr. Steve Parker

Cyngor Bwrdeistref Sirol Conwy
Mr. Andrew Kirkham

Cyngor Gwynedd
Mr. Dilwyn Williams

Cyngor Sir Ynys Môn
Mr. Meirion Edwards
Mr. John Eastwood

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Prosiect Triniaeth Gwastraff Gweddilliol Gogledd Cymru
Mr. Stephen Penny, Mr. Steffan Owen a Ms. Karen Powell

Partnerships UK
Mr. Huw Roberts

Pinsent Masons
John Bruce

Swyddfa Archwilio Cymru
Amanda Hughes

1. YMDDIHEURIADAU

Derbyniwyd ymddiheuriadau am absenoldeb oddi wrth Arthur Owen a'r Cynghorydd John Chorlton (Cyngor Sir Ynys Môn).

2. DATGAN DIDDORDEB

Datganodd y Cynghorydd Aaron Shotton ddiddordeb oherwydd codi pryderon trigolion, ond cytunwyd nad oedd hynny'n fater rhagfarnu.

3. CYMERADWYO COFNODION BLAENOROL

Cyflwynwyd cofnodion y cyfarfod o'r Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru a gynhaliwyd ar 13 Rhagfyr, 2012 i'w cymeradwyo.

PENDERFYNWYD:

Bod y cofnodion yn cael eu cymeradwyo fel cofnod cywir.

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4. MATERION YN CODI O'R CYFARFOD BLAENOROL

Nid oedd unrhyw faterion yn codi.

5. ADRODDIAD DATGANIAD O GYFRIFON PTGGGC

Cyflwynodd Liz Thomas, Cyllid (Cyngor Sir y Fflint) adroddiad datganiad o gyfrifon ac eglurodd lle y bo incwm gros neu wariant Cyd Bwyllgor (CB) ar gyfer y flwyddyn yn fwy na £1,000,000 y flwyddyn, bod angen set gynhwysfawr o gyfrifon wedi'u paratoi yn unol â chanllawiau cyfrifyddu penodol. Mae'n ofynnol i'r archwilwyr penodedig gyfathrebu materion perthnasol sy'n ymwneud â'r archwiliad o'r datganiadau ariannol i'r rhai sy'n gyfrifol am lywodraethu drwy adroddiad Safonau Rhyngwladol Archwilio 260.

Esboniodd Amanda Hughes, Swyddfa Archwilio Cymru, ofynion y fframwaith llywodraethu a dywedodd bod yr holl faterion yn ystod yr archwiliad wedi eu cywiro erbyn hyn, er mwyn sicrhau yn y dyfodol yr ymdrinnir â gofynion cyfrifyddu yn unol â'r terfynau amser statudol, y materion allweddol a amlygwyd a'u hadrodd i'r CB.

Gofynnodd Liz Thomas i'r CB gydnabod nad oes unrhyw faterion pellach ar reolaeth ariannol; mae'r holl faterion wedi cael sylw yn awr a byddant yn cael eu hadlewyrchu yn y cyfrifon terfynol.

PENDERFYNWYD:

Gofynnodd y Cynghorydd Eryl Williams os oedd Aelodau'r CB yn derbyn y cyfrifon.

Pawb o blaid.

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6. ARCHWILIO MEWNOL CSFf

Cyflwynodd David Webster (Cyngor Sir y Fflint) yr adroddiad archwilio mewnol i'r grŵp a rhoddodd wybodaeth gefndir ynghylch yr adroddiad ac eglurodd fod angen cynhyrchu set lawn o gyfrifon blynyddol ynghyd â'r Datganiad Llywodraethu Blynyddol (AGS), er mwyn i'r PTGGGC gydymffurfio â gofynion adrodd archwilio. Mae'r cyfrifoldeb am archwilio mewnol o brosiectau cydweithredol rhanbarthol yn nwylo'r awdurdod lletyol / arweiniol ac mae adolygiad o reolaethau rheoli risg a rheolaethau mewnol wedi dechrau.

Hysbysodd David Webster y grŵp ei fod yn bwriadu trefnu cyfarfodydd gyda Swyddogion y Cyd Bwyllgor ac Aelodau pob awdurdod dros yr wythnosau nesaf i drafod llywodraethu a rheoli risg.

Dywedodd y Rheolwr Prosiect fod y tîm prosiect yn gweithio gydag Archwilio Mewnol Cyngor Sir y Fflint i ddarparu gwybodaeth a threfnu cyfarfodydd yn ôl y gofyn.

PENDERFYNWYD:

Nodi'r adroddiad a derbyn yr argymhellion.

Cyrhaeddodd Colin Everett, Prif Weithredwr, y cyfarfod.

7. ADRODDIAD CYNNYDD

Cyflwynodd y Rheolwr Prosiect adroddiad cynnydd a dywedodd bod y prosiect wedi llwyddo i sicrhau grant o £15,000 Craff am Wastraff (WAW) i ariannu cyfres o sesiynau galw heibio yng Nghei Connah.

Adroddodd y Rheolwr Prosiect fod WAW wedi cysylltu â'r prosiect yn ddiweddar i roi gwybod y gall £10,000 ychwanegol pellach fod ar gael ond mae'n

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rhaid ei wario erbyn diwedd mis Mawrth, ond yn annhebygol y cyflwynir cais oherwydd yr amserlen dynn.

Gofynnodd y Rheolwr Prosiect iddo gael ei nodi bod Llywodraeth Cymru (LIC) yn ymwybodol o amserlen y prosiect ar gyfer cau'r ddeialog o safbwynt y "taliad rhannol" terfynol o £200,000 fel y dyrannwyd yn wreiddiol gan Lywodraeth Cymru a bod y tîm prosiect wedi gweithio gyda'r swyddog cyllid arweiniol i ail-weithio'r gyllideb.

Cyfeiriodd y Cynghorydd Kevin Jones at y cyllid ychwanegol sydd ar gael o WAW a gofynnodd onid yw'n bosibl costio gweithgaredd.

Dywedodd y Rheolwr Prosiect ei fod wedi ystyried sesiynau Aelodau ar effeithiau iechyd ac ymweliadau safle i gyfleusterau, ond roedd yn cael ei gyfyngu gan yr amserlen.

Gofynnodd y Cynghorydd Mike Priestley a ellid defnyddio'r £10,000 ar gyfer y sesiynau galw heibio a gynlluniwyd yng Nghyngor Tref Cei Connah a mynegodd ei bryder ynglŷn ag anfon arian yn ôl i WAW.

Cyfeiriodd Andrew Kirkham at dudalen 94 o'r adroddiad a dywedodd fod cymeradwyo'r gyllideb yn aros gyda'r Cyd-bwyllgor.

Hysbysodd y Rheolwr Prosiect na fyddai unrhyw eitemau newydd o wariant i'w hadrodd, ond gofynnir i'r CB nesaf am gymeradwyaeth derfynol o'r gyllideb flynyddol.

Cyrhaeddodd y Cynghorydd Aaron Shotton y cyfarfod.

PENDERFYNWYD:

(a) Nodi'r adroddiad; ac

(b) ymchwilio ymhellach i gyllid ychwanegol WAW.

8. RIR - DIWEDDARIAD STATWS RISG

Cyflwynodd y Cyfarwyddwr Prosiect adroddiad Cofrestr Risg a oedd yn tynnu sylw at rai o'r diwygiadau i'r gofrestr risg a oedd wedi eu gwneud i adlewyrchu'r ddealltwriaeth bresennol o'r risgiau a mesurau lliniaru a oedd ar waith.

Adroddodd y Cyfarwyddwr Prosiect fod tri newid i risgiau presennol ar gyfer y cyfnod adrodd hwn fel a ganlyn:

- PD8 – Risg wedi mynd o ganolig i'r uchafswm i adlewyrchu'r statws presennol gyda Sita.
- PD19 – Risg wedi cynyddu o 1 i 3 i adlewyrchu colli un cynigydd.
- F7 – Dim newid i'r lefel risg.

Hefyd adroddodd y Cyfarwyddwr Prosiect nad oedd unrhyw newid i bolisi Llywodraeth Cymru, SR1 a F15 a chyflawni prosiectau risg uchaf gwybodus, fel y manylir yn Atodiad 1.

PENDERFYNWYD:

Nodi'r Gofrestr Risg wedi'i diweddaru ar gyfer y prosiect.

9. DIWEDDARIAD CYFATHREBU

Diweddarodd y Rheolwr Prosiect yr Aelodau ar faterion cyfathrebu a oedd yn ymwneud â'r Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru (PTGGGC).

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Sylw yn y Cyfryngau

Adroddodd y Rheolwr Prosiect yn dilyn Sita'n tynnu yn ôl o'r prosiect, cafwyd nifer o ymholiadau o wefannau newyddion arbenigol a rhoddwyd ymateb y cytunwyd arno. Hefyd cysylltodd y BBC â'r tîm prosiect yn gofyn am ddiweddariad cyffredinol ar y prosiect fel rhan o baratoi ar gyfer y cyhoeddiad disgwyliedig gan brosiect Gwyrdd o'u cynigydd a ffefrir.

Sesiynau Aelodau

Rhoddodd y Rheolwr Prosiect y wybodaeth ddiweddaraf yn dilyn y sesiynau Aelodau a gynhaliwyd 6ed / 7fed Chwefror gyda'r Athro David Russell o Asiantaeth Diogelu Iechyd (HPA) a Jasper Roberts, Llywodraeth Cymru. Dangosodd yr adborth a gafwyd gan Aelodau eu bod wedi cael y sesiynau'n llawn gwybodaeth a chymorth.

Ail-bwysleisiodd y Rheolwr Prosiect barodrwydd Jasper Roberts a'r Athro David Russell i fynychu cyfarfodydd awdurdod partner / cynghorau tref a chymuned i'r dyfodol, a nododd y bydd y cyflwyniadau yn cael eu dosbarthu i'r Aelodau.

Cyfathrebu ac ymgysylltu

Adroddodd y Rheolwr Prosiect fod sesiynau galw heibio wedi cael eu trefnu yng Nghyngor Tref Cei Connah (CQTC) ar gyfer dydd Gwener 8fed / 15fed Mawrth a dydd Sadwrn 9fed/ 16eg Mawrth, ynghyd ag ymgynghorwyr allanol i gefnogi'r tîm prosiect, a bydd copïau o'r pecyn gwybodaeth ar gael i'r cyhoedd.

Eglurodd Colin Everett wrth y grŵp nad oedd dim rhagweithiol gyda'r wasg wedi cael ei nodi yn y wasg leol, fodd bynnag, roedd y wasg masnach/ arbenigol wedi ei godi i fyny ar y newyddion a chysylltwyd â'r holl swyddogion arweiniol a gofynnwyd iddynt friffio eu Haelodau ar yr un diwrnod yn dilyn cyhoeddiad Sita.

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Awgrymodd y Cynghorydd William Gareth Roberts bod copi o gyflwyniadau Jasper Roberts a'r Athro David Russell yn cael eu dosbarthu gan gyfarwyddwyr yr awdurdodau unigol i'w Haelodau gyda nodyn esboniadol.

Nododd y Rheolwr Prosiect yr awgrym.

PENDERFYNWYD:

Nodi'r Diweddariad Cyfathrebu.

10. ADRODDIAD DIWEDDARU CAFFAEL (Adroddiad Rhan 2)

Cyflwynodd y Cyfarwyddwr Prosiect y wybodaeth ddiweddaraf am y cynnydd yn ymwneud ag agweddau o'r broses gaffael. Rhoddodd y wybodaeth ddiweddaraf ar y meysydd canlynol:-

- Effaith ar y broses gaffael yn dilyn Sita'n tynnu'n ôl
- Y diweddaraf ar y rhaglen gaffael
- Monitro Arfaethedig PM2.5

- Canllawiau Trysorlys y DU
- Gwerth am arian
- Derbyn cadarnhad o ymrwymiad parhaus gan WTI i'r broses gaffael
- Cadarnhad o gefnogaeth barhaus gan Lywodraeth Cymru
- Barn Swyddog Adran 151 a Swyddog Monitro Cyngor Sir y Fflint
- Argymhelliad y Bwrdd Prosiect - i barhau deialog gyda WTI

PENDERFYNWYD:

a) Cytuno i barhau â'r caffael gyda'r cynigydd unigol WTI; a

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b) Bod adroddiad pellach ar fudd y gymuned yn cael ei gyflwyno yn y cyfarfod CB nesaf.

c) Nodi a chytuno ar y rhaglen gaffael wedi'i diweddaru; a

d) Canllawiau Monitro PM 2.5.

11. UNRHYW FATER ARALL

Dim.

Dyddiad y cyfarfod nesaf – Dydd Gwener 14eg Mehefin 2-4pm, Siambr Arfon, Caernarfon, Gwynedd, LL55 1BN.

DRAFT

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EITEM AGENDA RHIF 6

ADRODDIAD CYNNYDD CYDBWYLLGOR GWASTRAFF GWEDDILLIOL GOGLEDD CYMRU

CYDBWYLLGOR GWASTRAFF GWEDDILLIOL GOGLEDD CYMRU

Dyddiad: 11 Gorffennaf 2013

Cyfnod: 13 Chwefror 2013 i 3ydd Gorffennaf 2013

CRYNODEB Y PROSIECT

I gaffael datrysiad rheoli gwastraff cynaliadwy i'r 5 awdurdod lleol yng Ngogledd Cymru (Conwy, Sir Ddinbych, Sir y Fflint, Gwynedd ac Ynys Môn) a fydd yn cynorthwyo â lleihau allyriadau nwyon tŷ gwydr o dirlenwi ac yn lleihau'r tunelledd o weddillion gwastraff a anfonir i dirlenwi a thrwy hynny sicrhau fod yr awdurdodau'n osgoi'r cosbau tordyletswydd Cynllun Lwfans Tirlenwi (LAS) a chwrdd â thargedau'r Strategaeth Wastraff Genedlaethol.

STATWS Y PROSIECT

Statws Cyffredinol y Prosiect	
Ambr	Mae'r ddogfennaeth allwedddol yn agos i gytuno gyda WTI, gyda ddau ffrwd o ddeialog pellach wedi'i gynlluni – un sesiwn ar gyfer faterion eiddo / les ag un sesiwn pellach i gwblhau y materion masnachol sydd dal yn weddill ac i gytuno drafftio ddogfennaeth. Mae arwydd o'r pris wedi'i dderbyn gan WTI. Mae hwn yn cael ei gyfarch yn eitem 13 o'r agend (EITEM RHAN 2)

Statws Cyllideb	
Gwyrdd	Gweler eitem agenda rhif 12.

Statws	Ystyr
Gwyrdd	Nid oes unrhyw broblemau; popeth yn mynd ymlaen yn dda ac i'r cynllun
Ambr	Mae rhai problemau bach / llai. Mae angen gweithredu mewn rhai meysydd ond mae rhannau eraill yn bwrw ymlaen yn foddhaol
Coch	Mae problemau sylweddol a rhai brys ac mae angen gweithredu pendant.

DIWEDDARIAD PROSIECT – Gweithgareddau sydd i'w cwblhau o 23 Gorffennaf 2012 i 5 Rhagfyr 2012 (a gweithredoedd tymor hirach sydd wedi'u lliwoleuo).

ID	Gweithgaredd	Statws RAG	Sylwadau	Rhagolwg	Gwirioneddol
78	Yr ail IAA (IAA2) i'w ddechrau	Ambr	Draft cyntaf yn aros am mewnbwn tim ariannol. Cylchrediad i swyddogion cyfreithiol i ddigwydd hwyrach ymlaen yn 2013 [1]	Gwanwyn 2013	
94	Paratoi a threfnu deigwyddiadau / cyfarfodydd / sesiynau galw heibio angenrheidiol ar gyfer cyhoediad penderfyniad y cyd bwyllgor	Ambr	Gweler eitem 8 ar yr agenda.	Mawrth 2013	
95	Drafftio dogfennau cyn CFT	Ambr	Dogfennaeth wedi cael mewnbwn gan ymgynghorwyr ac yn barod i gyhoeddi	Tachwedd 2012	
96	Sesiynau deialog ôl ISDS gyda'r ddau ymgeiswyr sydd yn weddill	Ambr	Un set o sesiynau deialog yn pellach i gau materion sydd yn weddill	Gorffennaf 2013	
98	Drafftio adroddiad	Ambr	Amserlen wedi'i newid i adlewyrchu	Gorffennaf 2013	

[1] Nodir mae'r amserlen gwreiddiol oedd Gwanwyn 2012. Fodd bynnag yn dilyn adolygiad, ystyrir y byddai'n addas i aros tan adnabyddwyd cynigydd a ffefrir bosib ac yna y bydd yr IAA2 yn cael ei ddrafftio i adlewyrchu y trefniadau cytundebol spesiffig a gynigwyd.

	parodwydd i gau deialog		newid yn amserlen y caffael		
99	Tîm Prosiect i ddrafftio adroddiad i BP a CB yn ymwneud â pharodrwydd i gau deialog. Medi 2012	Ambr	Amserlen wedi'i newid i adlewyrchu newid yn amserlen y caffael	Awst 2013	
100	Ymgynghorwyr arbennigol i gwblhau astudiaeth rhwydwaith gwrs yn ardal Glannau'r Dyfrdwy	Ambr	Adroddiad wedi'i cwblhau, canlyniad wedi'i adrodd i Aelodau ym Mis Rhagfyr 2012	Hydref / Tachwedd 2012	Wedi'i cwblhau
103	Trefnu arolwg parodrwydd i gau deialog gyda Llywdraeth Cymru.	Gwyrdd	Gosod dyddiadau ar gyfer cyfarfod arolwg, unwaith bod amserlen cau deialog wedi'i gytuno.	Awst 2013	
104	Tîm Prosiect i adrodd i'r Bwrdd Prosiect ar y gwerth am arian wedi'i ennill drwy;r broses deialog cystadleuol hyd yn hyn	Gwyrdd	Adroddir i'r Cyd Bwyllgor ym Mis Chwefror 2013. (Nodir ddarperir diweddariad ychwanegol i I aelodau yn eitem 13 o'r agenda hwn)	Mawrth 2013	Wedi'i cwblhau
105	Adrodd i'r Bwrdd Prosiect ar drefniadau is-gytundebau	Gwyrdd	Adroddir i'r Cyd Bwyllgor ym Mis Chwefror 2013.	Mawrth 2013	Wedi'i cwblhau
106	Trefnu a sesiynau galw heibio	Gwyrdd	Gweler eitem agenda 8	8/9 Mawrth & 15/16 Mawrth 2013	Wedi'i cwblhau
107	Paratoi Archwylio Mewnol CSYFf gyda'r wybodaeth	Gwyrdd	Gwaith eisioes wedi cwblhau. Gweler eitem agenda 9.	Cwefror / Mawrth 2013	Wedi'i cwblhau

	angenrheidiol				
108	Cyhoeddi Galw am Dendr Olaf (CFT)	Ambr	Mae hwn yn ddibynnol ar gau deialog	Awst 2013	
109	Gwerthuso Tendr Olaf	Ambr	Mae hwn yn ddibynnol ar gau deialog	Medi / Hydref 2013	

RISGIAU ALLWEDDOL – Gweler eitem 7 ar yr agenda hon.

PTGGGC

Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru

EITEM AGENDA RHIF: 7

ADRODDIAD I: **CYD BWYLLGOR NWRWTP**

DYDDIAD: **11 GORFFENNAF 2013**

ADRODDIAD GAN: **Y CYFARWYDDWR PROSIECT**

TESTUN: **ADRODDIAD COFRESTR RISG**

1. PWRPAS YR ADRODDIAD

1.1. Mae aelodau Cyd-bwyllgor NWRWTP wedi gofyn am gael diweddariad ar y gofrestr risg ym mhob cyfarfod o'r Cyd-bwyllgor.

1.2. Bydd yr adroddiad hwn yn tynnu sylw at rai o'r newidiadau i'r gofrestr risg sydd wedi eu gwneud i adlewyrchu'r ddealltwriaeth gyfredol o risgiau a mesurau lliniaru sydd ar waith.

2. CEFNDIR

2.1. Bydd y Gofrestr Risg angen ei diweddaru drwy gydol y prosiect.

3. YSTYRIAETHAU

3.1. Nid oes unrhyw risgiau newydd wedi'u nodi yn ystod y cyfnod adrodd hwn.

3.2. Cafwyd y newidiadau i'r risgiau ariannol yn y cyfnod adrodd hwn i adlewyrchu'r cynnydd yn sicrwydd a roddir gan cynig yr ymgeisydd. (F7, F11 & F12 risg wedi lleihau, risgiau F3,F4,F5,F6,F8,F9 & F10 wedi cael sylwadau wedi'i ychwanegu).

3.3. Gwnaethpwyd cywiriad lleiaf i ddisgrifiad o risg CO5.

3.4. Dangosir 12 risg mwyaf uchel (yn dilyn rheolaethau) yn atodiad 1.

3.5. Mae'r newidiadau yn ystod y cyfnod hwn yn cael eu dangos yn atodiad 2.

3.6. Bydd y gofrestr risg yn parhau i gael eu hadolygu gan y Cyfarwyddwr Prosiect a'i hadrodd i'r Cyd-bwyllgor yng nghyfarfodydd y dyfodol.

4. ARGYMHELLION

4.1. Bod aelodau'n nodi'r gofrestr risg wedi'i diweddaru ar gyfer y prosiect

5. GOBLYGIADAU ARIANNOL

5.1. Amherthnasol

6. EFFAITH GWRTH DLODI

6.1. Dim

7. EFFAITH AMGYLCHEDDOL

7.1. Amherthnasol

8. EFFAITH CYDRADDOLDEB

8.1. Amherthnasol

9. GOBLYGIADAU PERSONÉL

9.1. Amherthnasol

10. ANGEN YMGYNGHORIAD

10.1. Amherthnasol

11. YMGYNGHORIAD WEDI'I GYNNAL

11.1. Amherthnasol

DEDDF LLYWODRAETH LEOL (MYNEDIAD AT WYBODAETH) 1985

Dogfennau Cefndir:

Dim

Swyddog Cyswllt: Stephen Penny NWRWTP

Atodiad 1 Prif Risgiau a meterion (coch)

IDENTIFYING THE RISK or ISSUE						MANAGING THE RISK or ISSUE										
			Current Assessment			How the risk will be managed and controlled				Residual risk after management						Additional explanatory notes
ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall	Implin Date	Review Date	Closure Date	
Policy & regulatory Risk – Change in WG objectives / regulations																
PO1	WG changes financial support available for residual waste treatment projects due to WG affordability / budgetary constraints in the current economic climate	Residual waste treatment projects become less affordable for partnership and each partner authority	5	4	20	Project Team to monitor WG positions in terms of budget availability and lobby at ministerial level if there are indications that proposed funding is to be reduced	PD			5	3	15	Ongoing	May-13		
PO2	WG Environmental policy and objectives change	Project is now inappropriate	4	5	20	Keep in close contact with WG to ensure potential policy changes that may impact on the project are identified early. The Project team have developed and submitted a partnership consultation response (approved by the PB and Joint Committee) highlighting the potential impact of such a target on the project and to ensure WG addresses how any such target is related to potential household numbers of population growth rates that authorities may be subject to in future.	PD			4	3	12	Ongoing	May-13		WG's Municipal Sector Plan (MSP) adopted a waste minimisation target for MSW with a negative growth rate (reduction) of -1.2% pa. The WG MSP does not take any account of individual or partner authority HH or population growth rates. The Partnership has however received guidance from WG that the Partnership is free to make its own assessments about future waste arisings as the waste reduction target is aspirational. WG has now published guidance on the Waste Heirarchy. This is viewed by the project team as helpfull and will enable the Partnership to demonstrate how any solution that comes forward ranks in the waste heirarchy.
PO4	Change in legislation or guidance either at European, National or Regional/Local level	Could require revisit of preferred solution, possible termination of project, excessive LAS compliance costs	4	5	20	Keep in close contact with WG to ensure potential policy changes that may impact on the project are identified early.	PD	Lobby WG and liaise with WLGA on this issue.	PD	4	3	12	Ongoing	May-13		WG have now clarified the position on use of IBA (Bottom ash) so the likelihood of policy change in relation to this has reduced. The initial draft of the CIM (collections, markets and infrastructure plan contained a passing reference to changing the tax regime for recovery operations such as waste to energy as part of many options open to WG. The final publication of the Collections and Infrastructure Plan has removed any reference to this and therefore any uncertainties in this area have reduced.

Atodiad 1 Prif Risgiau a meterion (coch) (parhad)

IDENTIFYING THE RISK or ISSUE						MANAGING THE RISK or ISSUE										
			Current Assessment			How the risk will be managed and controlled				Residual risk after management						Additional explanatory notes
ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall	Implin Date	Review Date	Closure Date	
Strategy risk – change in any participating council's waste strategy or technology / solution preference																
SR 1	A change in any participating council's waste strategy or technology / solution preference by any of the partner authorities		4	4	16	Existing MWMS in place. Impartial options appraisal process carried out to identify reference solution (based on WG national evaluation framework). Multi partner authority officer input to this process. Ongoing communications and information to partner authorities on need for the project, technologies, benefits of adopted approach and a technology neutral procurement process.	PM & partner authorities			4	3	12	Ongoing	May-13		Elections in 2012 have brought about changes in administrations and make up of the NWRWTP Joint Committee. Suitable information to be provided to authorities and their members (for instance an information pack) and briefings by external agencies such as EAW and HPA together with visits to existing operational facilities to be organised during 2012 and 2013 as required to ensure full understanding of technologies being proposed (EfW)
Finance & Affordability																
F15	Partner authorities fail to make financial plans to support additional recycling and composting services to meet "front end" increased recycling levels that are required	Failure to meet WG "front end" recycling and composting targets with increased residual waste arisings as a result.	4	4	16	Partner authorities to develop long term funding plans to support enhanced front end recycling and composting services.	Partner Authorities			4	3	12	Ongoing	May-13		WG are encouraging authorities in Wales to enter into a "change programme" where WG will offer assistance to Las to work together and improve "front end" recycling and collections services.
Project Delivery																
PD8	One of the two final bidders drops out	Threat to VFM, price escalation, possible exceedance of affordability envelope, delay to procurement programme	4	5	20	Procurement process designed to ensure ability and /or appetite for contract closure is understood pre final tender appointment. Will seek agreement with all bidders at this stage in relation to major issues.		Procurement process to ensure compliance with Treasury issued guidance that relates to preamature withdrawal of bidders.	PD	4	5	20	Ongoing	May-13		Following SITA UK's decision to withdraw from the procurement process pre CFT the project team will be applying the guidance as set out by the UK treasury to ensure Value for money is obtained for the partnership.
PD19	There is no market interest due to limited capacity within the industry	Delay to project programme, excessive LAS compliance costs, excessive costs	5	3	15	Good level of market interest demonstrated.	PD			5	3	15	Ongoing	May-13		Medium risk - hoewver risk cannot be closed until PB appointed. See PD8

Atodiad 1 Prif Risgiau a meterion (coch) (parhad)

IDENTIFYING THE RISK or ISSUE						MANAGING THE RISK or ISSUE										
			Current Assessment			How the risk will be managed and controlled				Residual risk after management						Additional explanatory notes
ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall	Implin Date	Review Date	Closure Date	
Communication & stakeholders – failure to proactively engage with key stake holders leading to delays and lack of public support for the proposed solution.																
CO4	Pressure from lobby groups/public against the preferred solution and location.	Alternative solution/site has to be sought, increased project development costs, delays to project delivery programme, excessive LAS costs, impact on Partner Councils reputation	4	5	20	Communication and Engagement Strategy drafted and agreed in draft form by Communication Officer group. To be "live" document and therefore updated when necessary.	PM	Ensure fact based information produced to counter mis-information or alarmist claims often put forward by lobbyists and campaign groups.	PD	4	4	16	Ongoing	May-13		National campaigners' engaging with local community councils and local communities in attempt to build opposition to potential solutions.
Planning and permitting -ability to secure successful planning and permitting outcome for solution																
PS5	Suitable sites are not in council ownership to support development of the solution	Project delayed whilst suitable sites are secured	5	3	15	Project team identified sites that could be suitable for location of both the waste transfer stations and residual waste treatment facility(s). Extensive negotiations with land owners of (further) additional sites carried with the aim of securing option(s) for site(s).	PD		PD	5	3	15	Ongoing	May-13		Anglesey Aluminium site identified as a potential site for the location of a facility, but despite extensive negotiations and engagement with AAM, AAM decided not to make the site available to the Partnership as they had other uses for the site.
PS4	The recent issue of the draft Collections, Infrastructure and Markets Sector Plan (CIM) by WG has led to uncertaninty as to the status of the existing Regional Waste Plan (RWP). Thus the RWP may be given reduced weight in determination of a planning application for waste facilities. A policy vaccum may therefore exist if this is not addressed by WG.	Unsuccessfull planning application	4	4	16	Project team and north wales regional waste planning team engaging with WG on this issue to ensure that the final issued version of Collections, Infrastructure and Markets Sector Plan (CIM) does not leave a planning "policy vacuum". Regional Planing team and WG planing teams engaged with WG Waste Policy section to seek required ammendments to draft CIM			PD	4	3	12	Ongoing	May-13		WG's published draft Collections, Infrastructure and Markets Sector Plan (CIM) now issued. See risk PS1
Wastes																
W3	Composition of waste is different from that anticipated (poor data, policy changes, changes in collection practices)	Performance is below required level, excessive LAS compliance costs	3	5	15	Waste composition to be monitored during procurement and data shared at Competitive Dialogue to inform solution. All Wales Waste composition analysis has been carried out by WG through WRAP study has provided a good data set. Performance of technology solution will be tested and understood as part of the procurement process to identify the ability of each solution to process wastes with changed composition.			PD	3	4	12	Ongoing	May-13		Waste compostion risk not being accepted by partnership - risk lies with contractor
Performance																
PE1	Market/outlet is not available for outputs from the facility(s)	Increased project operational costs, increase in demand for landfill void	4	4	16	Ensure market deliverability demonstrated as part of procurement evaluation process.			PD	4	3	12	Ongoing	May-13		

Atodiad 2 – Prif newidadau yn y cyfnod hwn

IDENTIFYING THE RISK or ISSUE						MANAGING THE RISK or ISSUE										
			Current Assessment			How the risk will be managed and controlled				Residual risk						Additional explanatory notes
ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall	Impln Date	Review Date	Closure Date	
Communication & stakeholders – failure to proactively engage with key stake holders leading to delays and lack of public support for the proposed solution.																
CO5	Perceived lack of community benefit leading to negative view of project	Any potential lack of support to the project might be mitigated by a form of a Community Benefit Package (if available) , which could be perceived to recognise the interests of the locality hosting the Project	4	3	12			Formal community benefit package to be developed.	PD	4	2	8	Sep-13	May-13		
	Commodity and construction prices increase significantly during procurement and construction phases	Increased project costs and possible exceedance of affordability envelope	4	5	20	Advisors have utilised current market pricing and liaising with WG / Local Partnerships in relation to projected cots in future and sensible assumptions to be made. A range of sensitivity tests carried out as part of the OBC process to ensure range of costs understood	PD			4	2	8	Ongoing	Mar-13		Most of the costs are being fixed for the CFT submission so as to miminise and elminate as far as possible the risk of a cost increase post CFT.
F4	Long term interest rates volatility beyond current anticipated levels	Increased project costs and effective impact on affordability envelope	3	5	15	OBC includes a number of sensitivities to be modelled to inform affordability profile.	PD			3	2	6	Ongoing	Mar-13		

Prif newidiadau (parhad)

IDENTIFYING THE RISK or ISSUE						MANAGING THE RISK or ISSUE										
			Current Assessment			How the risk will be managed and controlled				Residual risk						Additional explanatory notes
ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall	Impln Date	Review Date	Closure Date	
F5	The bid prices are outside of the affordability envelope	Delay to project programme, excessive LAS compliance costs, excessive costs associated with securing and implementing an alternative solution	4	4	16	Advisors have utilised current market pricing and liaising with WG / Local Partnerships in relation to projected cots in future and sensible assumptions to be made. A range of sensitivity tests carried out as part of the OBC process to ensure range of costs understood	PD	High market interest encouraged by active market engagement. Procurement process is to be run under competitive dialogue enabling the partnership to seek to drive down costs of the solution. ISOS solutions below affordability envelope.	PD	4	2	8	Ongoing	Mar-13		Bid positions received at ISDS were below the affordability target level which is well within approved affordability envelope.
F6	Preferred solution is not bankable	Delay to project programme, excessive LAS compliance costs, excessive costs associated with securing and implementing an alternative solution	5	3	15			Procurement process was designed to ensure that only those solutions capable of delivery (e.g. including bankability) are capable of being awarded the contract	PD	5	2	10	Ongoing	May-13		Solution is based on proven technology from proven technology providors.
	Inappropriate funding structure adopted	Failure, delay, and cost	4	3	12			Assumptions kept under review to reflect market conditions.	PD	4	1	4	Ongoing	May-13		Funding structure proposed by WTI is appropriate
F8	Inadequate due diligence where a non project finance structure is adopted	Increase in procurement cost and transfer of risk to Authority	3	3	9			Ensure that adequate advice is taken from WG, Local Partnerships and advisors so that risk of prudential borrowing or other finance route are well understood by the partner authorities.	PD	3	2	6	Ongoing	May-13		The compensation requirements for the project (contractor default) have increased the level of due diligence that the contractor has had to undertaken in relation to the technology and risk positions.

Prif newidiadau (parhad)

IDENTIFYING THE RISK or ISSUE						MANAGING THE RISK or ISSUE										
			Current Assessment			How the risk will be managed and controlled				Residual risk						Additional explanatory notes
ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall	Impln Date	Review Date	Closure Date	
F9	Foreign exchange rate changes adversely	Affordability compromised	4	3	12	Advisors have made prudent assumptions (checked with Local Partnerships and WG) and carried out sensitivity analysis as part of OBC development	PD			4	2	8	Ongoing	May-13		
F10	Financial assumption incorrect	Re-procurement and reduced level of service	5	3	15	Advisors have made prudent assumptions (checked with Local Partnerships and WG) and carried out sensitivity analysis as part of OBC development	PD			4	2	8	Ongoing	May-13		Market response on assumptions used as a guage in addition to comparison with assumptions on other projects.
F11	Banking sector cannot provide capital	Increased costs or procurement failure	4	4	16			Procurement process designed to ensure that only those solutions capable of delivery (e.g. including finance availability) are capable of being awarded the contract	PD	4	1	4	Ongoing	May-13		
F12	Robustness of bank funding clubs	Increased costs or procurement failure	3	4	12			Procurement process designed to ensure that only those solutions capable of delivery (e.g. including finance availability) are capable of being awarded the contract	PD	3	1	3	Ongoing	May-13		

IDENTIFYING THE RISK or ISSUE						MANAGING THE RISK or ISSUE										
ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Current Assessment			How the risk will be managed and controlled				Residual risk after management			Impln Date	Review Date	Closure Date	Additional explanatory notes
			Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall				
Policy & regulatory Risk – Change in WG objectives / regulations																
PO1	WG changes financial support available for residual waste treatment projects due to WG affordability / budgetary constraints in the current economic climate	Residual waste treatment projects become less affordable for partnership and each partner authority	5	4	20	Project Team to monitor WG positions in terms of budget availability and lobby at ministerial level if there are indications that proposed funding is to be reduced	PD			5	3	15	Ongoing	Jan-13		
PO2	WG Environmental policy and objectives change	Project is now inappropriate	4	5	20	Keep in close contact with WG to ensure potential policy changes that may impact on the project are identified early. The Project team have developed and submitted a partnership consultation response (approved by the PB and Joint Committee) highlighting the potential impact of such a target on the project and to ensure WG addresses how any such target is related to potential household numbers of population growth rates that authorities may be subject to in future.	PD			4	3	12	Ongoing	Mar-13		WG's Municipal Sector Plan (MSP) adopted a waste minimisation target for MSW with a negative growth rate (reduction) of -1.2% pa. The WG MSP does not take any account of individual or partner authority HH or population growth rates. The Partnership has however received guidance from WG that the Partnership is free to make its own assessments about future waste arisings as the waste reduction target is aspirational. WG has now published guidance on the Waste Heirarchy. This is viewed by the project team as helpfull and will enable the Partnership to demonstrate how any solution that comes forward ranks in the waste heirarchy.

PO4	Change in legislation or guidance either at European, National or Regional/Local level	Could require revisit of preferred solution, possible termination of project, excessive LAS compliance costs	4	5	20	Keep in close contact with WG to ensure potential policy changes that may impact on the project are identified early.	PD	Lobby WG and liaise with WLGA on this issue.	PD	4	3	12	Ongoing	Mar-13		WG have now clarified the position on use of IBA (Bottom ash) so the likelihood of policy change in relation to this has reduced. The initial draft of the CIM (collections, markets and infrastructure plan contained a passing reference to changing the tax regime for recovery operations such as waste to energy as part of many options open to WG. The final publication of the Collections and Infrastructure Plan has removed any reference to this and therefore any uncertainties in this area have reduced.
PO5	WG fail to provide clarity within their strategic objectives	Delay and loss of stakeholder support	3	4	12	Keep in close contact with WG to ensure potential policy changes that may impact on the project are identified early.	PD			3	3	9	Ongoing	Mar-13		
Strategy risk – change in any participating council's waste strategy or technology / solution preference																
SR 1	A change in any participating council's waste strategy or technology / solution preference by any of the partner authorities		4	4	16	Existing MWMS in place. Impartial options appraisal process carried out to identify reference solution (based on WG national evaluation framework). Multi partner authority officer input to this process. Ongoing communications and information to partner authorities on need for the project, technologies, benefits of adopted approach and a technology neutral procurement process.	PM & partner authorities			4	3	12	Ongoing	Jan-13		Elections in 2012 have brought about changes in administrations and make up of the NWRWTP Joint Committee. Suitable information to be provided to authorities and their members (for instance an information pack) and briefings by external agencies such as EAW and HPA together with visits to existing operational facilities to be organised during 2012 and 2013 as required to ensure full understanding of technologies being proposed (EfW)
Political																
AP1	Multi-Authority Approach leads to protracted discussions to resolve issues	Consultancy costs increase. End date not met. LAS penalty risk increased.	3	3	9	Project Plan detailing timescales. OBC Approvals process mapped out for each partner authority. Offer of support form project team and advisors in approvals processes. IAA sets out governance arrangements and reserved matters.	PM			3	2	6	ongoing	Mar-13		

AP2	Decision on award of contract is multi authority	Selection of Contractor is delayed due to multi-Authority Involvement (Cabinet Process)	4	3	12			Project Champions (technical officers) from participating Authorities shall be involved in evaluating the bids	PD	4	2	8	uly - Aug 201	Mar-13		
AP4	Lack of Council political support within one or more of the Partner Authorities.	Delays to project, increase in costs, loss of competitive pressure, threat to VFM, possible procurement challenge, or total abortion of the project	4	3	12	IAA sets our governance arrangments.. Provision of briefings and information to partner authorities - offered proactively by project team and advisors. Ongoing communication and engagement on key project parameters.	Lead chief Executive, Project Board members (lead Officers for each partner authority)			4	2	8	Ongoing	Mar-13		See SR1
AP5	Change in priorities in a Council	Major funding issues	4	3	12	OBC has identified affordability of project and benefits of the reference solution in terms of costs management.	Lead chief Executive, Project Board members (lead Officers for each partner authority)			4	2	8	Ongoing	Mar-13		
AP6	Local Government re-organisation	Confusion and uncertainty	4	4	16	To be managed if and when prospect occurs during the project period	TBC			4	2	8	Ongoing	Mar-13		
Joint Working – one or more partners exiting the partnership																
JW1	One of the Partner LA's withdraw during procurement process	New OJEU notice has to be placed	5	2	10	IAA 1 signed by partner authorities that shows clear consequences of Authorities leaving the process during and after procurement phase.	MO			5	1	5	Ongoing	Mar-13		
Finance & Affordability																
F1	Lack of Budget profile leads to unexpected surplus	Surplus is absorbed and re-application required	3	2	6	Finance Officer to be appointed to the team. Payments based on milestones. PD has updated project budget profile. PD to monitor and manage	PD			3	1	3	Ongoing	Mar-13		
F2	Procurement delays lead to increased procurement costs (due to extended procurement process)	LA's seek additional funding or withdraw	1	2	2	Affordability envelope has been agreed that includes delay to the project	PD	Manage procurement delays by appropriate design of procurement process.	PD	3	3	9	Ongoing	Mar-13		
F3	Commodity and construction prices increase significantly during procurement and construction phases	Increased project costs and possible exceedance of affordability envelope	4	5	20	Advisors have utilised current market pricing and liaising with WG / Local Partnerships in relation to projected cots in future and sensible assumptions to be made. A range of sensitivity tests carried out as part of the OBC process to ensure range of costs understood	PD			4	2	8	Ongoing	Mar-13		Most of the costs are being fixed for the CFT submission so as to miminise and elminate as far as possible the risk of a cost increase post CFT.

F4	Long term interest rates volatility beyond current anticipated levels	Increased project costs and effective impact on affordability envelope	3	5	15	OBC includes a number of sensitivities to be modelled to inform affordability profile.	PD			3	2	6	Ongoing	Mar-13		
F5	The bid prices are outside of the affordability envelope	Delay to project programme, excessive LAS compliance costs, excessive costs associated with securing and implementing an alternative solution	4	4	16	Advisors have utilised current market pricing and liaising with WG / Local Partnerships in relation to projected cots in future and sensible assumptions to be made. A range of sensitivity tests carried out as part of the OBC process to ensure range of costs understood	PD	High market interest encouraged by active market engagement. Procurement process is to be run under competitive dialogue enabling the partnership to seek to drive down costs of the solution. ISOS solutions below affordability envelope.	PD	4	2	8	Ongoing	Mar-13		Bid positions received at ISDS were below the affordability target level which is well within approved affordability envelope.
F6	Preferred solution is not bankable	Delay to project programme, excessive LAS compliance costs, excessive costs associated with securing and implementing an alternative solution	5	3	15			Procurement process was designed to ensure that only those solutions capable of delivery (e.g. including bankability) are capable of being awarded the contract	PD	5	2	10	Ongoing	May-13		Solution is based on proven technology from proven technology providors.
F7	Inappropriate funding structure adopted	Failure, delay, and cost	4	3	12			Assumptions kept under review to reflect market conditions.	PD	4	1	4	Ongoing	May-13		Funding structure proposed by WTI is appropriate
F8	Inadequate due diligence where a non project finance structure is adopted	Increase in procurement cost and transfer of risk to Authority	3	3	9			Ensure that adequate advice is taken from WG, Local Partnerships and advisors so that risk of prudential borrowing or other finance route are well understood by the partner authorities.	PD	3	2	6	Ongoing	May-13		The compensation requirements for the project (contractor default) have increased the level of due diligence that the contractor has had to undertaken in relation to the technology and risk positions.
F9	Foreign exchange rate changes adversely	Affordability compromised	4	3	12	Advisors have made prudent assumptions (checked with Local Partnerships and WG) and carried out sensitivity analysis as part of OBC development	PD			4	2	8	Ongoing	May-13		
F10	Financial assumption incorrect	Re-procurement and reduced level of service	5	3	15	Advisors have made prudent assumptions (checked with Local Partnerships and WG) and carried out sensitivity analysis as part of OBC development	PD			4	2	8	Ongoing	May-13		Market response on assumptions used as a guage in addition to comparison with assumptions on other projects.
F11	Banking sector cannot provide capital	Increased costs or procurement failure	4	4	16			Procurement process designed to ensure that only those solutions capable of delivery (e.g. including finance availability) are capable of being awarded the contract	PD	4	1	4	Ongoing	May-13		

F12	Robustness of bank funding clubs	Increased costs or procurement failure	3	4	12			Procurement process designed to ensure that only those solutions capable of delivery (e.g. including finance availability) are capable of being awarded the contract	PD	3	1	3	Ongoing	May-13		
F13	WG financial support evaporates	Project potentially unaffordable	5	3	15	Assurances already received from WG that funding is available for the project as has been agreed previously for project Gwyrdd. OBC funding award letter defines the conditions for payment of funding- this is consistent with the Partnership's expectations.	PD		PD	5	2	10	Ongoing	May-13		WG has indicated that in the event that any solution that may involve energy recovery fails to achieve (or later loses) R1 energy efficiency status, may be at risk of losing the WG financial support. All 3 bidders at ISDS stage have proposed technologies that are above R1 thresholds.
F14	WG seeks unachievable levels of VFM at Final Business case review stage and approval process due to financial constraints	WG funding support is less than anticipated making the project potentially unaffordable	5	3	15	OBC funding award letter defines the conditions for payment of funding- this is consistent with the Partnership's expectations.	PD	Lobby WG and liaise with WLGA on this issue.	PD	5	2	10	Ongoing	May-13		
F15	Partner authorities fail to make financial plans to support additional recycling and composting services to meet "front end" increased recycling levels that are required	Failure to meet WG "front end" recycling and composting targets with increased residual waste arisings as a result.	4	4	16	Partner authorities to develop long term funding plans to support enhanced front end recycling and composting services.	Partner Authorities			4	3	12	Ongoing	May-13		WG are encouraging authorities in Wales to enter into a "change programme" where WG will offer assistance to Las to work together and improve "front end" recycling and collections services.
Advisers – change in key personnel																
AD 1	Key advisor personnel team leave or are no longer available to support the project	Delays and lack of familiarity with the project by any replacement advisory staff.	3	3	9	Advisor's project directors to keep an overview of the advisor work. Capacity of teams providing advice tested during appointment of the advisors. Ongoing monitoring of advisor situation to ensure adequate advisor cover an knowledge often project .	PD			3	2	6	Ongoing	May-13		
Project Delivery																

PD1	Potential bidders do not bid due to the costs associated with Competitive Dialogue process	Reduced Competition on bid process	4	2	8	To ensure a suitably streamlined, timely and well delivered procurement process adopted. Appropriate use and instruction of advisors. Input from WG, WPPO and Local Partnerships.	PD			4	1	4	Ongoing	May-13		3 participants submitted full ISDS submissions so strong market interest and competitiion demonstrated at this stage. Dialogue was very advanced with last two participants when SITA UK withdrew before CFT. Key commercial areas had already been agreed with WTI before 2nd bidder's withdrawal. WTI has confirmed desire to continiue with tender proccess
PD2	Potential bidders do not bid due to the Risks being passed to the Contractor	Reduced Competition on bid process	4	3	12	A risk allocation workshop was held with input from Advisors to ensure appropriate risk allocations are made for the procurement and that the Partnership adopt a commercially deliverable and sustainable position.	PD	The Project Agreement will conform to standard from of contract as provided by WG / Local Partnerships. Any derrogations / changes from this standard position will be agreed with WG/ Local Partnerships before implementation to ensure acceptable transfer of risks.	PD	4	2	8	Ongoing	May-13		3 participants submitted full ISDS submissions so strong market interest and competitiion demonstrated.
PD3	Potential bidders do not bid due to lack of cohesiveness of the Partnership	Reduced Competition on bid process	4	3	12	IAA signed & Governance Arrangements arrangements for procurement period defined in OBC/ IAA.	PD	IAA signed by all partner authorities.	PD	4	2	8	Ongoing	May-13		3 participants submitted full ISDS submissions so strong market interset and competitiion demonstrated.
PD4	Potential bidders do not bid due to the prescriptive requirements	Reduced Competition on bid process	4	3	12	Procurement is to be "Technology Neutral"	PD	Ensure appropriate design of procurement process.	PD	4	1	4	Ongoing	May-13		3 participants submitted full ISDS submissions so strong market interset and competitiion demonstrated.
PD5	Potential bidders do not bid as volumes of waste are too small	Reduced Competition on bid process	4	3	12	Good level of market interest demonstrated.			PD	4	1	4	Ongoing	May-13		3 participants submitted full ISDS submissions so strong market interset and competitiion demonstrated.
PD6	Too many bidders come forward and difficult to de-select to suitable shortlist	Delays to procurement programme, increased development phase costs	3	3	9	Procurement process designed and resourced to allow a number of bidders to assessed.	PD			3	1	3	Ongoing	May-13		Maximum of 8 bidders to be invited to ISOS stage, 3 participants taken through to ISDS stage. 2 planned to CFT stage.
PD7	The Preferred Bidder drops out or fails to reach a satisfactory commercial/financial close	Programme delay, increased development phase costs, excessive LAS penalties, loss of competitive pressure and possible increase in overall solution costs	5	2	10	Procurement process designed to ensure ability and /or appetite for contract closure is understood pre preferred bidder appointment. No major issues to be allowed to remain unresolved prior to preferred bidder.			PD	5	2	10	Ongoing	May-13		WTI have confirmed their comitment to the procurement process. Note Although WTI are the sole remaining bidder, if a PB recommendation is made this would relfect the fact that no unresolved items would remain between WTI and the partnership. Therefore a single tenderer pre CFT will not increase the likelyhood of a PB dropping out.

PD8	One of the two final bidders drops out	Threat to VFM, price escalation, possible exceedance of affordability envelope, delay to procurement programme	4	5	20	Procurement process designed to ensure ability and /or appetite for contract closure is understood pre final tender appointment. Will seek agreement with all bidders at this stage in relation to major issues.		Procurement process to ensure compliance with Treasury issued guidance that relates to preamature withdrawal of bidders.	PD	4	5	20	Ongoing	May-13		Following SITA UK's decision to withdraw from the procurement process pre CFT the project team will be applying the guidance as set out by the UK treasury to ensure Value for money is obtained for the partnership.
PD9	Utility connections may not be available for the solution	Possible threat to affordability, delay to programme	3	3	9			Technical advisors to be tasked to ensure ability to secure utility connections is understood early in the procurement process.	PD	3	2	6	Ongoing	May-13		Bidders have demonstrated that utlity connections are deliverable.
PD10	Construction contractor goes into liquidation/receivership during construction phase	Delay to commencement of waste processing, excessive LAS costs, replacement constructor required - increased capital costs	3	3	9	Bidders to demonstrate financial position as part of PQQ and also re-checked at key stages during procurement process			PD	3	2	6	Ongoing	May-13		
PD11	Insufficient project resource (numbers and knowledge/experience of staff/project team)	Delays to projects, increased development costs to 'repair' project, reduced market interest and consequent loss of competitive pressure VFM	3	3	9	PD and PM in post		Authorities to nominate appropriate individuals and to backfill their posts. Input required from key officers in Partner Authorities. PD has produced an estimated resource input schedule to assist Partner authorities in resource management	Individual Partner Authorities	3	2	6	Ongoing	May-13		
PD12	Negotiations on contract are protracted beyond planned programme	Contractor has opportunity to re-bid, price escalation, loss of VFM, affordability threatened, project delay, possible excessive LAS costs.	3	4	12			Procurement process will be clearly defined. Clear partner positions to be articulated to the bidders at all stages.	PD	3	2	6	Ongoing	May-13		Negotiation positions on key aspects of the project are pre agreed by Project Board to allow Dialogue team to get on with negotiations in a time efficient manner.
PD15	Inadequate project management discipline	Possible delay to project programme, LAS compliance costs incurred, delivery management objectives not met, internal stakeholders complain	2	2	4	PD and PM now in post. PD to check that adequate PM controls in place. Internal audit to be engaged prior to Procurement. 1st gatewary review completed - project amber green. Recommendations made and taken on board by project team.		Furthe WG gateway review prior to ISDS. PD to take on board any recommendations.	PD	2	1	2	Ongoing	May-13		
PD16	Facilities not commissioned on time	Possible delay to project programme, LAS compliance costs incurred.	3	3	9	Procurement process designed to ensure sites are identified and understood in terms of planning deliverability. Preliminary site investigate works to be carried out on reference sites. Procurement process to test bidders delivery timetables.	PD			2	2	4	Ongoing	May-13		

PD19	There is no market interest due to limited capacity within the industry	Delay to project programme, excessive LAS compliance costs, excessive costs associated with inflation and need to revisit market to secure and an acceptable solution. Partnership reputation damaged.	5	2	10	Good level of market interest demonstrated.	PD			5	3	15	Ongoing	May-13		Medium risk - hoewver risk cannot be closed until PB appointed. See PD8
PD20	Participants are concerned that one or more other Participants have gained a commercial advantage by gaining control of a site that may be required to deliver their solution	Participants withdraw from the procurement process	4	3	12	Partnership issue clear instruction to participants in relation to sites. Procurement team to enforce sanctions that may apply against participants that breach these instructions. The PD has received verbal assurances from a rail undertaker that their newly required option on the site in question will not be used solely to give one or more participants a competitive advantage in securing access to a rail head.	PD	Written confirmation gained for the alternative site operator that has secured an option of the site to ensure that all Participants can achieve equal access to the site if required (agreement to a non-exclusive engagement with all participants if required).		4	2	8	Ongoing	May-13		
PD21	Network Rail approvals are not secured to allow delivery of a rail based transport solution.	Transport element of Rail based solution becomes undeliverable or partially undeliverable.	3	4	12	Following the decision of Joint Committee at its meeting in March 2012, it was agreed that a review of progress would be made in September 2012 to see if key Network rail approvals had been secured. In the event that little or no progress had been made the Partnership may decide to revert to a road based transport solution.	PD			3	3	9	Sep-12	May-13		
PD22	Title issues relating to proposed sites	Increased costs oor project delays	3	3	9	Seeking to address title issues with relavant parties	LP			3	2	6		May-13		
Communication & stakeholders – failure to proactively engage with key stake holders leading to delays and lack of public support for the proposed solution.																
CO1	Mis-information to Members caused by differences in reports and documentation	Authorities working to different agendas/outcomes leading to a breakdown in the consortia	3	3	9	Communication Officer Group established, with a media protocol agreed to ensure consistency of message.	PM		PM	3	2	6	Ongoing	May-13		

CO2	Risk of challenge to planning approvals if opportunity not given to stakeholders to input to the development of the evaluation framework that will underpin the procurement and subsequent facility planning approvals process.	Risk of un successful planning application or judicial review against planning consent and therefore inability to deliver the project as procured.	4	3	12	Consultation sessions with members of the 5 authorities and external stakeholder held during July - Sep 2010 to get input into the evaluation framework.	PM		PM	4	2	8	Jul-10	May-13		Evaluation framework completed before ITPD issued. Risk can not therefore be further mitigated. However, risk of successful challenge although very low still remains. Therefore risk cannot be closed.
CO3	Reference sites identified within OBC could lead to significant opposition to proposed development. As a result planning committee(s) and /or judicial review may not support a positive planning outcome if early engagement is not carried out with affected communities.	Risk of un successful planning application or judicial review against planning consent and therefore inability to deliver the project as procured.	4	3	12	"Drop in" sessions held in the area of the Reference Site. Contact made with key businesses around Reference Site.	PM	Further engagement work around reference site (and other reference sites if identified) at key stages of project.	PM	4	2	8	Ongoing	May-13		
CO4	Pressure from lobby groups/public against the preferred solution and location.	Alternative solution/site has to be sought, increased project development costs, delays to project delivery programme, excessive LAS costs, impact on Partner Councils reputation	4	5	20	Communication and Engagement Strategy drafted and agreed in draft form by Communication Officer group. To be "live" document and therefore updated when necessary.	PM	Ensure fact based information produced to counter mis-information or alarmist claims often put forward by lobbyists and campaign groups.	PD	4	4	16	Ongoing	May-13		National campaigners' engaging with local community councils and local communities in attempt to build opposition to potential solutions.
CO5	Perceived lack of community benefit leading to negative view of project	Any potential lack of support to the project might be mitigated by a form of a Community Benefit Package (if available) , which could be perceived to recognise the interests of the locality hosting the Project	4	3	12			Formal community benefit package to be developed.	PD	4	2	8	Sep-13	May-13		
Timescales																
T5	Key Activities not identified in Project Plan	Potential for project to be delayed due to lack of resource or dependability issues	3	2	6	Local Partnerships experts to scrutinise Project documentation	PD		PD	3	1	3	Ongoing	May-13		
Procurement Strategy and Process																
P2	Existing contracts and facilities prevent all participating authorities to utilise all elements of the proposed final solution	Payment made by authorities in duplication	2	2	4	Facilities paid for on a gate fee by use. Agreement on Universal gate fee principal written into IAA. Projected timeline for commencement or residual waste treatment service clearly communicated to partner authorities. No existing partner authority contracts will over lap with commencement of this service.	PD			2	1	2	Ongoing	May-13		

P10	Differing funding proposals from bidders leads to extended procurement period	Delays to service commencement	2	2	4	Different funding proposals to be considered as part of Evaluation Framework	PD		PD	2	2	4	Ongoing	May-13		
P12	Solution offered is not technically viable	landfill diversion not obtained, LA's incur infraction penalties	5	3	15	LAS infraction fine passed to contractor. Technical viability scored within Evaluation Framework	PD		PD	5	1	5	Ongoing	May-13		All 3 ISOS submissions taken through to ISDS stage clearly meet partnership's landfill diversion requirements. All are proven technologies with good track records.
P13	Technological solutions offered are not commissionable within LAS infraction timescales	LA's face infraction fines for additional landfill above allowance	4	4	**16**	OBC modelling has shown that each partner authoirty can meet LAS allowances if they increase "front end" recycling and composting" and the project is deliverd to timetable. Any underperformacne in this "front end" recycling and composting are outside the scope of this project and any subsequent LAS liabilities will lie with the invidivual partner authorities. See also risk W1	Partner authorities	Procurment process to ensure that is dlievred ina timley manner with the risk of late delivery of the residual waste treatemtn service minmised.	PD	4	2	8	Ongoing	May-13		Updated waste flow modelling demonstrates that potential commissioning dates will not lead to significant LAS exposure to partner authorities.
P14	Bids scored by inexperienced internal team	Solution selected is not the most advantageous tender and is open to challenge by unsuccessful bidders	4	3	**12**	Bid team selected by Project Director including mix of appropriate skills (including advisors)	PD			4	2	8	Ongoing	May-13		Technical, finance and legal officers involved in evaluation challenge sessions with advisors
P15	Bids scored by external consultants	Solution selected does not meet local requirements and is not accepted by LAs	4	3	12	Bid team selected by Project Director including mix of appropriate skills (including officers from partner authorities and specialist external advisors)	PD			4	2	8	Ongoing	May-13		Technical, finance and legal officers involved in evaluation challenge sessions with advisors
P16	Officers are perceived to have preconceived ideas of the 'best' solution	Lack of trust of bidder selection and solution selected	4	3	12	Agreed scoring criteria and Evaluation Framework. Stakeholder input to evaluation framework. Moderation of scores to ensure consistency of evaluation approach. Input from local partnership's transactor.			PD	4	2	8	Ongoing	May-13		
Scope Change – Material change in the scope of services required																
SC1	Material change in the scope of services required	Delay to procurement process of bidders withdraw from procurement due to uncertainties	4	3	12	Technical officer input on draft specification and approved as part of OBC by partner authorities	PM		PM	4	2	8	Ongoing	May-13		
Planning and permitting -ability to secure successful planning and permitting outcome for solution																

PS1	Regional Waste Plan is in conflict with potential solutions	Reduced Competition on bid process	4	3	12	Planning and Site Workstream has been set up to assist in reducing site and planning uncertainty and improve prospects for a positive planning outcome for the project. North Wales regional waste planing team now in place.	PD			4	2	8	Ongoing	May-13		Collections, Infrastructure and markets plan now published by WG. Additional Regional residual waste treatment capacity clearly defined.
PS5	Suitable sites are not in council ownership to support development of the solution	Project delayed whilst suitable sites are secured	5	3	15	Project team identified sites that could be suitable for location of both the waste transfer stations and residual waste treatment facility(s). Extensive negotiations with land owners of (further) additional sites carried with the aim of securing option(s) for site(s).	PD		PD	5	3	15	Ongoing	May-13		Anglesey Aluminium site identified as a potential site for the location of a facility, but despite extensive negotiations and engagement with AAM, AAM decided not to make the site available to the Partnership as they had other uses for the site.
PS6	There is a delay on obtaining planning permission (identified reference site)	Failure to comply with LAS, increased costs, impact on award of Environmental Permit	3	3	9	Ongoing engagement / consultation with relevant planning authorities and other stakeholders/ statutory consulters. Site assessment and investigate works carried out by partnership.			PD	3	2	6	Ongoing	May-13		
PS7	There is a delay on obtaining planning permission for WTS sites requiring planning	Failure to comply with LAS, increased costs, impact on award of Environmental Permit	4	4	16	Ongoing engagement / consultation with relevant planning authorities and other stakeholders/ statutory consultees. Site assessment and investigate works carried out by partnership.	PD			3	2	6	Ongoing	May-13		
PS8	There is a delay on obtaining planning permission (alternative main reference site solution)	Failure to comply with LAS, increased costs, impact on award of Environmental Permit	4	4	16	Early identification of potentially suitable alternative main site. Ongoing engagement / consultation with relevant planning authorities and other stakeholders/ statutory consultees. Site assessment and investigate works carried out by partnership.			PD	3	3	9	Ongoing	May-13		
PS9	Planning permission has onerous conditions	Sub-optimal solution, performance below required level, increased costs	3	3	9	Ongoing engagement / consultation with relevant planning authorities and other stakeholders/ statutory consultees. Site assessment and investigate works carried out by partnership.			PD	3	2	6	Ongoing	May-13		Risks apply to all sites including those proposed by Contractor, not just Authority sites

PS10	Planning permission not secured even after appeal.	Diversion performance is below required level, excessive LAS penalties, increased costs	5	3	15	Procurement process to identify deliverability risks of contractor proposals, including likelihood of a successful planning outcome.			PD	5	2	10	Ongoing	May-13		Risks apply to all sites including those proposed by Contractor, not just Authority sites
PS12	Environmental Permit not secured in accordance with project programme	Project development costs exceed expectations, delays to project, excessive LAS penalties	4	3	12	Procurement process to identify deliverability risks of contractor proposals, including likelihood of a successful permit application.			PD	4	2	8	Ongoing	May-13		
PS13	Planning application from successfull bidder fails to demonstrate Best Practicable Environmental Option (BPEO)	Unsuccessfull planning application	4	4	16	To identify BPEO in Life Cycle Assessment (LCA) (Wizard) as part of OBC development, and to ensure supplementary measures employed to deliver siets and evaluation framework for procurement process, thereby supporting delivery of BPEO		A challenge session wil be set up pre CFT with the two last remaining particiapnts to test the way they will seek to demeosntrate their solutions are BPEO within the planning context.	PD	4	2	8	Ongoing	May-13		
PS14	The recent issue of the draft Collections, Infrastructure and Markets Sector Plan (CIM) by WG has led to uncertaninty as to the status of the existing Regional Waste Plan (RWP). Thus the RWP may be given reduced weight in determination of a planning application for waste facilities. A policy vaccum may therefore exist if this is not addressed by WG.	Unsuccessfull planning application	4	4	16	Project team and north wales regional waste planning team engaging with WG on this issue to ensure that the final issued version of Collections, Infrastructure and Markets Sector Plan (CIM) does not leave a planning "policy vacuum". Regional Planing team and WG planing teams engaged with WG Waste Policy section to seek required ammendments to draft CIM			PD	4	3	12	Ongoing	May-13		WG's published draft Collections, Infrastructure and Markets Sector Plan (CIM) now issued. See risk PS1
Sites																
S1	Site conditions are not as anticipated	Delay in project programme, excessive LAS costs, excessive Capex prices, possible threat to affordability	3	3	9	Technical advisors have been tasked to review site constraints	PD		PD	3	2	6	Ongoing	May-13		
S2	Single site not available for residual facility	Re-define the project, delayed, cost,.etc	5	3	15	Initial reference solution site already identified. Further site identification work to be carried out prior to and including early stages of procurement process			PD	5	2	10	Ongoing	May-13		
S3	One or more of the sites not available for some residual facilities	Re-define the project, delayed, cost,.etc	4	3	12	A number of potential sites already identified.	PD	Additional assessment and potential acquisition work required.	PD	4	2	8	Ongoing	May-13		See risk PS5

S4	One or more of sites not available for some WTS facilities	Disproportionate costs on some partner authorities	4	3	12	A number of potential sites already identified.	PD	Additional assessment and potential acquisition work required.	PD	4	2	8	Ongoing	May-13		
Wastes																
W1	A Council fail to reach recycling targets by not delivering enhanced "front end" recycling and composting services	Potential excessive project costs due to excess residual waste, threat to affordability, possible excessive LAS penalties if facilities under-sized and fines applied by WG to authorities for underperforming against recycling targets.	3	4	12	Initial discussions already held on key payment mechanism and inter authority principles to describe risk and how costs will be assigned amongst the partner authorities for under/ over provision of waste tonnages as a result of under/over recycling/ composting performance against agreed waste profiles.	PD	Ongoing engagement and communication with partner authorities to understand proposed waste recycling and composting services so that tonnage profiles can be finalised prior to ISDS stage of the procurement process. Partner authorities to develop plans for meeting enhanced recycling and composting services.	PD	3	3	9	Ongoing	May-13		WG are encouraging authorities in Wales to enter into a "change programme" where WG will offer assistance to Las to work together and improve "front end" recycling and collections services. See F15
W2	Waste flow model is inaccurate due to incorrect assumptions	Possible re-bidding resulting in increased project costs, delays to project, possibly excessive LAS compliance costs and increased landfill costs (If waste more than predicted), possible "put or pay" liabilities (if waste less than predicted).	3	4	12	A number of sensitivities are being carried out to that the impact of differing assumptions used can be understood. Ensure that the waste flows can be modified through early stages of procurement (up to ISDS). A range of sensitivities to be modelled and used as a basis for dialogue with bidders.	PD	Tonnage projections to be reviwed pre CFT based on latest data.	PD	3	3	9	Ongoing	May-13		Standard contract has substitute waste provisions so that contractor has duty to seek additional 3rd party waste if Partnership under deliver.
W3	Composition of waste is different from that anticipated (poor data, policy changes, changes in collection practices)	Performance is below required level, excessive LAS compliance costs	3	5	15	Waste composition to be monitored during procurement and data shared at Competitive Dialogue to inform solution. All Wales Waste composition analysis has been carried out by WG through WRAP study has provided a good data set. Performance of technology solution will be tested and understood as part of the procurement process to identify the ability of each solution to process wastes with changed composition.			PD	3	4	12	Ongoing	May-13		Waste compostion risk not being accepted by partnership - risk lies with contractor
W4	Potential changes in the legal definition of (currently) non–Municipal Solid Wastes such that they become the responsibility of the partnership authorities	Additional wastes may have to be accomodated in solution	3	2	6	Project team to continue monitoring WG and UK Government Policy	PD		PD	3	2	6	Ongoing	May-13		
Performance																

PE1	Market/outlet is not available for outputs from the facility(s)	Increased project operational costs, increase in demand for landfill void	4	4	16	Ensure market deliverability demonstrated as part of procurement evaluation process.			PD	4	3	12	Ongoing	May-13		
PE2	The selected technology fails to perform to required level (unreliable or poor performance)	Excessive LAS compliance costs, Environment Agency close facility, contractor defaults, need to modify the solution resulting in increased Capex	3	3	9	Ensure technical track record proven, adequate test of contractor operations experience and that contractor proposals are explored in detail and well understood.			PD	3	2	6	Ongoing	May-13		Contractor will have maximum landfill allowance. If more materials are land filled this would be at cost to the contractor. Ultimately lead to contractor default if significant ujnderperformance
Contractor																
C1	Contractor default	Re-procurement and additional costs	5	3	15	Ensure track record of contractor, deliverability of proposal (as at reasonable commercial return to the contractor) understood. Those contractor proposals viewed as potential high risk of non-delivery will be marked accordingly in line with the evaluation framework			PD	5	2	10	Ongoing	May-13		

Please note that the "Explanatory notes" column for risks F4,F9,F11,F12,PD20, P2 & P10 contain commercially sensitive information and have been redacted

Key

PD	Project Director
PM	Project Manager
MO	FCC Monitoring Officer

PTGGGC

Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru

EITEM AGENDA RHIF:8

ADRODDIAD I: **CYD-BWYLLGOR PROSIECT PTGGGC**

DYDDIAD: **11 GORFFENNAF 2013**

ADRODDIAD GAN: **Y RHEOLWR PROSIECT**

PWNC: **DIWEDDARIAD CYFATHREBU**

1. PWRPAS YR ADRODDIAD

1.1. I ddiweddaru'r Cyd-Bwyllgor am faterion cyfathrebu ynglŷn â Phrosiect Trin Gwastraff Gweddilliol Gogledd Cymru. (PTGGGC).

2. CEFNDIR

2.1. Mae'r Cyd-Bwyllgor wedi gofyn am ddiweddariadau rheolaidd ar faterion cyfathrebu sy'n ymwneud â PTGGGC. Mae'r adroddiad hwn yn darparu diweddariad ar gynnydd hyn yma.

3. YSTYRIAETHAU

3.1. Sylw gan y cyfryngau

Nid oedd unrhyw ymholiadau na sylw gan y wasg ers y Cyd-Bwyllgor diwethaf ym Mis Chwefror 2013 ac eithrio hyn a nodir yn 3.3 isod.

3.2. Sylw / gweithgaredd arall

Fydd Aelodau'r Cyd Bwyllgor yn ymwybodol y bu i Gyfeillion y Ddaear Môn a Gwynedd (CyDd) ddosbarthu nodyn briffio yn gwrthwynebu'r prosiect Aelodau'r awdurdodau partner i gyd ym mis Mawrth 2013. Yn dilyn hyn, cyhoeddwyd ymateb gan y PTGGGC i Aeolodau'r Cyd Bwyllgor ac i gynrychiolwyr Bwrdd Prosiect yr Awdurdodau partner i'w ddorbarthu fel y bo angen. Oherwydd fod Aelodau eisioes wedi gweld nodyn briffio CyDd ac ymateb y PTGGGC nid ydynt wedi ei gynnwys gyda'r adroddiad hwn, fodd bynnag os oes unrhyw Aelod angen copi yna gellir gysylltu â'r tîm prosiect.

Mae'r tim prosiect eisiau hysbysu Aelodau bod Cymdeithas Trigolion Burton (mae Burton yn bentref yn agos i safle Glannau Dyfrdwy dros ffîn Cymru / Lloegr yn swydd Cheshire) wedi bod yn dilyn y PTGGGC yn agos, a mae diweddariad ddiweddar ar ei safle we wedi'i gynnwys yn atodiad i'r adroddiad yma er gwybodaeth yn unig.

3.3. Siesiynau galw heibio yng Nghei Connah

Fel a adroddir i'r Cyd Bwyllgor yn flaenorol, bu i'r tîm prosiect gynnal gyfres o sesiynau galw heibio yn ystod mis Mawrth 2013 lle roedd trigolion yn medru siarad yn uniongyrchol â aelod o'r tîm prosiect ac roedd amrwyiad o arbenigwyr ar gael i drafod cwestiynau sbesiffig ar faterion fel allyriadau ayb.

Cynhelir y sesiynau ar Ddydd Gwener 8ed, Dydd Sadwrn 9ed, Dydd Gwener 15ed a Dydd Sadwrn 16ed Mawrth 2013 (2pm - 8pm ar y ddau Ddydd Gwener a 10am - 4pm ar y ddau Ddydd Sadwrn). Rhoddir hysbyseb yn y wasg lleol yn Sir Y Fflint a'r wasg rhanbarthol (Flintshire Leader, Flintshire Chronicle a'r Daily Post) oflaen y sesiynau ac yn yr wythnos rhwng y ddau set o sesiynau. Hefyd, fe gyhoeddwyd datganiad i'r wasg oflaen y sesiynau ac yn yr wythnos rhwng y ddau set o sesiynau (gweler stori ar safle we BBC http://www.bbc.co.uk/news/uk-wales-21804310). Fe hysbysebwyd y sesiynau ar dudalen blaen safle we'r prosiect hefyd.

Roedd y nifer o ymwelwyr yn y set o sesiynau cyntaf ar yr 8ed a 9ed yn isel, gyda dim ond llond llaw o drigolion yn mynychu. Roedd y nifer o ymwelwyr yn llawer uwch yn ail set o sesiynau ar yr 15eg a 16eg, gyda tua 25 o bobl yn mynychu. Mae'r math yma o sesiynau i'r cyhoedd i gael drafodaeth anffurfiol ag uniongyrchol ynglyn â'r prosiect, ac yn aml mae unigolion mewn trafodaeth am gyfnod hir (roedd llawer o unigolion mewn trafodaeth am ymhell dros awr). Mae'r dull anffurfiol ac uniongyrchol yma wedi bod yn effeithiol yn y gorffenol ac roedd unwaith eto y tro ma, gyda'r mwyafrif o fynychwyr yn gadael yn hapusach / wedi'i gysuro rhywfaint (neu yn fwy wybodus ar y lleiaf) na cyn iddynt fynychu'r sesiwn.

Bu i mwyafrif o fynychwyr ddod i ddarganfod mwy amdan y prosiect (yn wir roedd rhai yn bositif), fodd bynnag o'r bobl a godwyd pryderon, y prif fater o bryder roedd effeithion iechyd oherwydd allyriadau. Roedd Amec yn effeithiol iawn yn trafod y mater yma gyda'r trigolion yna.

Mae'r math yma o sesiynau wedi'i wneud yn y gorfennol yng Nghei Connah, a cynhelir rhai tebyg yn y dyfodol hefyd ar yr adegau priodol.

4. ARGYMHELLION

4.1. I nodi cynnwys yr adroddiad diweddaru hwn.

5. GOBLYGIADAU ARIANNOL

5.1 Amherthnasol

6. EFFAITH GWRTH DLODI

6.1 Amherthnasol

7. EFFAITH AMGYLCHEDDOL

7.1. Amherthnasol

8. EFFAITH CYDRADDOLDEB

8.1 Amherthnasol

9. GOBLYGIADAU PERSONÉL

9.1 Amherthnasol

10. ANGEN YMGYNGHORIAD

10.1 Gweler uchod

11. YMGYNGHORIAD WEDI'I GYNNAL

11.1 Amherthnasol

DEDDF LLYWODRAETH LEOL MYNEDIAD AT WYBODAETH 1985

Dogfennau cefndir:

Dim

Swyddog Cyswllt: Steffan Owen – Rheolwr Prosiect NWRWTP

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Burton Residents' Association

Serving the residents of Burton

secretary@burtonresidentsassociation.co.uk

Deeside Waste Incinerator --- May 2013

In January 2013, Flintshire County Council's Environment Department published a report on the project which is freely available on the internet and it highlighted the following:

Failure for the Councils to not meet their reducing need for using landfill over a targeted time period would have a fine of £200 per ton levied by the Welsh Government.

The indicative size of the process building at the facility has a footprint of 5.500m2, that is approximately half the size of the Asda store in Queensferry or smaller than a football pitch and the facility will have a capacity of between 150,000 to 180,000 tonnes of waste treated per annum.

It is projected that the five councils will provide 115,000 tonnes per annum of residual municipal waste, after recycling at least 63% of their total waste before disposal. The remaining capacity will be taken up by the successful operator treating municipal type waste they take either from other local authorities or from the commercial sector.

The final tender submission is due this month, with individual authority approved bidder and final business case approvals to be completed by December 2013. The contract will be awarded in January 2014 with submission of the planning application in March 2014. The operational date is planned for late 2017.

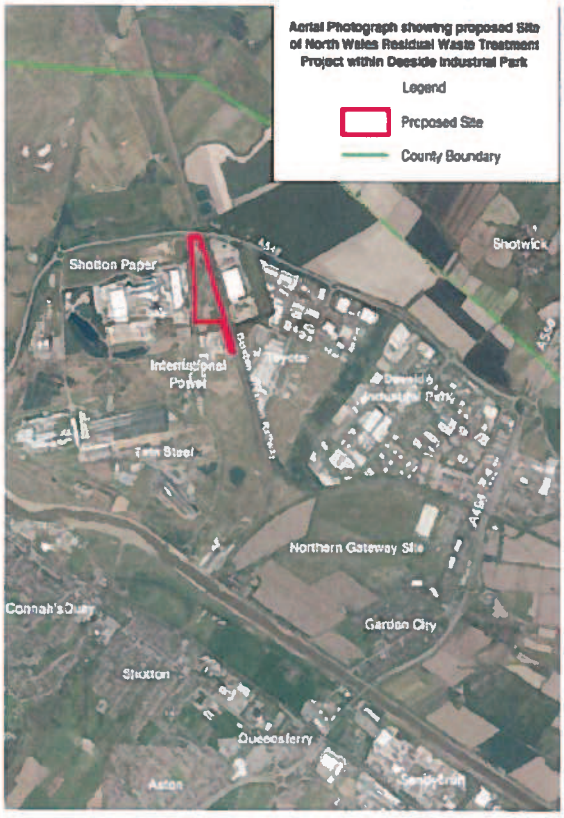
The following has been obtained from published articles in the Wrexham Leader and Flintshire Chronicle this year. In February, one of the two companies shortlisted for the project Sita has withdrawn from the tender process, leaving Wheelabrator Technologies as the only approved bidder. Connah's Quay Town Council questioned how safe the process was with only one company left in the bidding? NWRWTP confirmed, Wheelabrator's alternative process is safe and their technology is almost identical.

At a heated meeting between Connah's Quay Town Councilor's and Flintshire County Council in February, it was revealed that it would cost Flintshire £20 million to pull out of the project! Flintshire Council Chief Executive Colin Everett explained that the former administration of the council agreed to the inter-authority partnership without knowing the total penalty of opting out and if the authority backed out now, Flintshire Council would face a £20 million bill, made up of the repayment of the project support to Welsh Government, compensation to the bidders and the four councils in the agreement and the costs of the council's own procurement process. Longer term liabilities include the council not being able to avoid a £6 million per year landfill tax and the loss of a 25 per cent subsidy from Welsh Government for the running costs over 25 years.

In summary, over the past year, the Association has formally logged an objection to the project going ahead with Flintshire County Council and going forward, we will be working with our Planning Expert, John Wressencraft to see what can be done when the project goes to formal planning? With the cost penalties involved and the backing of the Welsh Government, this is going to be another difficult one to stop!

September 2012

Last month, NWRWTP announced that the council owned former steelworks site on Deeside Industrial Park had been chosen. As you can see from the image below released by NWRWTP, the proposed location is next to Shotton Paper Mill and will be in clear view from Burton and Puddington!



The following is a table extract from NWRWTP's Information Pack on the proposed facility:

Generic project parameters

The two bidders remaining in the procurement process have proposed slightly differing technical solutions. As the procurement process is ongoing, some details of each bidder's particular proposals will still need to remain confidential at this stage. However, where this is the case, the Partnership has provided generic information set out in the table below (such as the maximum height of a building etc) to ensure that readers have enough information to understand the potential proposals

Parameter	*Generic (examples)*
Technology	Energy from Waste
Capacity (tpa)	150,000 to 180,000 tpa (max)
Building height	46m (max)
Stack height	80m (max)
Online emissions data	Yes, updated weekly
Visitor centre/education	Yes, classroom seating 35 with exhibition, interactive info, plant safe route tour
Employees	30-35
Construction jobs (ave)	Up to 200
Construction period (months)	24-36 months
Local employment	To include apprenticeships
Local training partners	Local colleges and training providers
Electricity generation (y/n, est MW)	Yes, up to 15MW

The following articles were published in the Flintshire Chronicle on 22nd August and 30th August:

Deeside chosen as North Wales incinerator site

Aug 22 2012 by Dave Goodban, Flintshire Chronicle

AN INCINERATOR will be built in Deeside to burn household waste from across North Wales, it was confirmed this afternoon (Wednesday).

Councillors and campaigners have vowed to fight plans for a so-called energy-from-waste plant in the centre of Deeside Industrial Park – near UPM Shotton – since the possibility was first mooted.

But today the team behind the project to burn rubbish from across Flintshire, Anglesey, Conwy, Denbighshire and Gwynedd confirmed their fears.

The North Wales Residual Waste Treatment Project (NWRWTP) will see a new facility deal with about 150,000 tonnes of waste from across the five counties so the amount of rubbish sent to landfill is reduced to meet Welsh Government targets.

The final two bidders in the running for the mult-million pound contract – Sita UK and Wheelabrator – both specialise in incineration and identified the Deeside site as the one they would build on if chosen.

Deputy council leader Bernie Attridge, who represents Connah's Quay, said: "My worst fears have become a reality. I have significant concerns for the health and wellbeing of the residents of Deeside."

"I will continue to press for absolute assurances over the impact of emissions – and I will be seeking those assurances immediately."

NWRWTP bosses say as much waste as possible will be transported by rail to reduce carbon emissions and air quality monitoring will be of a higher level than normal industry standards.

NRWRTP chief executive Colin Everett said: "The studies we have show it will make a marginal impact on air quality in an already industrial area – a miniscule impact."

Project leaders say members of the public will be invited to a series of information and feedback sessions throughout September and October

Deeside Incinerator protesters seek assurances over health issues

Aug 30 2012 By Claire Devine

A FLINTSHIRE taxpayer is backing councillors' calls for assurances the gases belched from an incinerator at Deeside Industrial Park will not damage people's health.

North Wales Residual Waste Treatment Project (NWRWTP) leaders say the building of a 150,000-tonne-a-year burner will have a minimal impact on air quality in an already-industrial area.

But an anti-incineration campaign group has told the Chronicle there is no evidence to counter their claims the dioxins emitted are harmful.

Last week community leaders in Deeside expressed their concerns about the potential impact of the burner, and said they would be seeking assurances.

NWRWTP bosses say air quality monitoring will be of a higher level than normal industry standards, but action group CHAIN (Cheshire Anti-Incineration Network) say there is no way they can disprove claims burning plants cause health problems.

Chairman Brian Cartwright has previously told the Chronicle: "Areas near to incinerators have higher rates of cancer and heart disease, and there is a linear increase in mortality."

CHAIN spokesman Liam Byrne added: "We have repeatedly made the point that there is no medical research which can be used to give reassurances to the public about the potential health effects."

Project leaders say members of the public will be invited to a series of information and feedback sessions throughout September and October, but the dates and venues have not yet been confirmed.

Incinerator Q & A

How was the site selected?

The partnership worked closely with all five authorities to conduct a thorough search for suitable sites, and project leaders say bidders have been free to propose other locations throughout the process. The council-owned former steelworks site in the centre of Deeside Industrial Park was chosen as the most suitable, in part because it's a brownfield site away from homes with excellent rail links. The NWRWTP did identify a possible site near Holyhead and entered into talks with the owners Anglesey Aluminium, but the company later opted out.

What will be burnt there?

The rubbish remaining after materials have been separated for recycling or composting is generally composed of a mix of wastes such as non-recyclable plastics, textiles, paper and card contaminated by food, nappies and DIY waste.

How are impacts on the environment and residents considered?

Project leaders say the impact of the plant has been considered 'in depth at every stage of the site selection process'. A NWRWTP spokesman said: "The company selected will be required to carry out an environmental impact assessment in preparation for submitting a planning application. "These will include assessment of the proposal's impact on air quality and health, highways and transportation, noise and vibration and climate change. "The operator will need to apply to the Environment Agency for a permit, in which they will need to show they intend to operate in an environmentally acceptable manner. "If this application is successful then they will need to operate in strict compliance with their permit conditions."

Why is the proposed solution 'energy-from-waste'?

The Welsh Government says EfW is the most sustainable solution. It means residual waste is used as a resource to make electricity or as heat for industry, offices or homes.

How big will the building be?

The NWRWTP team says the facility will be 'small in comparison to

other industrial buildings that surround the site'. The main processing building would be about 5,500 sq m, less than 10% of the size of the main building at the adjacent Toyota plant and about half the size of the Asda Queensferry site. The height of the building would be a maximum of 46m, with the chimney stack unlikely to be more than 80m.

Will the plant operate 24 hours a day?

Although the facility itself will operate 24 hours a day, seven days a week, HGV deliveries will likely be restricted to daytime hours.

Site Map

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PTGGGC

Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru

Eitem Agenda: 9

ADRODDIAD I: **CYD-BWYLLGOR PTGGGC**

DYDDIAD: **11 GORFFENNAF 2013**

ADRODDIAD GAN: **PENNAETH CYLLID (CYNGOR SIR Y FFLINT) FEL TRYSORYDD I'R CYD BWYLLGOR**

PWNC: **ADOLYGIAD ARCHWILIO MEWNOL**

1.00 PWRPAS YR ADRODDIAD

1.01 Rhoi gwybod i'r pwyllgor am y gwaith archwilio mewnol sy'n cael ei wneud er mwyn bodloni'r gofynion statudol ar gyfer Cydbwyllgorau.

2.00 CEFNDIR

2.01 Fel a amlinellwyd i'r cyfarfod blaenorol mae yna ofyn i Archwylio Mewnol i baratoi barn ar ddiwedd y flwyddynnar digonolrwydd ag effeithiolrwydd trefniadau lywodraethol, rheoli risg a rheolaethau mewnol yn ystod y flwyddyn. Mae adolygiad y rheolaethau mewnol yn ffurfio rhan o adolygiad y sustemau cyfrifo CsyFf..

2.02 Mae adolygiad o drefniadau llywodraethol a rheoli risg felly wedi'i gynnal i'r sgôp a roddwyd oflaen y cyfarfod blaenorol. Roedd hyn yn cynnwys cyfarfod gyda Aelodau a swyddogion o bob awdurdod partner.

2.03 Mae cwblhau'r archwyliad yn ymateb mater arwyddocaol adroddir yn Datganiad Llywodraethu Blynyddol ar gyfer 2011/12.

2.04 Mae canlyniadau'r archwyliad wedi bwydo mewn i'r Datganiad Llywodraethu Blynyddol ar gyfer 2012/13, sydd hefyd yn cael ei rhoi oflaen cyfarfod y Cyd Bwyllgor yma.

3.00 YSTYRIAETHAU

3.01 Mae'r adroddiad archwyliad wedi atodi (atodiad a).
Mae cynnwys yr adroddiad wedi'i drafod gyda Colin Everett fel swyddog arweiniol. Gofynnir hefyd i'r Bwrdd Prosiect am sylwadau cyn i'r adroddiad gael ei gwblhau.

3.02 Bu i'r gwaith archwylio ymdrîn a'r materion isod:

- Dogonolrwydd ac ehangder cydymffurffiad gyda fframwaith llywodraethu corfforaethol y Cyd Bwyllgor a ddeddfwriaeth priodol.
- Digonolrwydd o adnabod, asesiad, lliniaru ac adrodd risgiau
- Ansawdd a chyfanrwydd o rheolaeth ariannol a gwyboddaeth a

ddefnyddwyd neu adroddwyd i'r Cyd Bwyllgor.

- I ba raddau mae adnoddau'r Cyd Bwyllgor wedi'i ddiogelu o golled o bob math gan gynnwys twyll, gwastraff, gweinyddiaeth aneffeithiol a gwerth am arian gwael.

3.03 Casgliad yr adroddiad yw:-

- Bod fframwaith llywodraethu effeithiol wedi'i sefydlu i rheoli risg, sicrhau tryloywder a mynegi atebolrwydd.
- Mae cofrestr risg ymarfer orau yn cael ei gadw a mae adnabod, asesu, lliniaru ac adrodd risgiau yn gadarn
- Mae protocol penderfyniadau clir wedi'i sefydlu a darperir gwybodaeth o ansawdd dda i'r Cyd Bwyllgor
- Mae'r proses pwrcasu wedi'i strwythuro i optimeiddio gwerth am arian.

4.00 ARGYMHELLION

4.01 Bod y pwyllgor yn derbyn yr adroddiad.

5.00 GOBLYGIADAU ARIANNOL

5.01 Dim o ganlyniad i'r adroddiad hwn.

6.00 EFFAITH GWRTH-DLODI

6.01 Dim o ganlyniad i'r adroddiad hwn.

7.00 EFFAITH AMGYLCHEDDOL

7.01 Dim o ganlyniad i'r adroddiad hwn.

8.00 EFFAITH AR GYDRADDOLDEB

8.01 Dim o ganlyniad i'r adroddiad hwn.

9.00 GOBLYGIADAU PERSONÉL

9.01 Dim o ganlyniad i'r adroddiad hwn.

10.00 ANGEN YMGYNGHORIAD

10.01 Dim o ganlyniad i'r adroddiad hwn.

11.00 YMGYNGHORIAD WEDI EI WNEUD

11.01 Dim o ganlyniad i'r adroddiad hwn.

12.00 ATODIADAU

Atodiad A – Adroddiad Archwylio Mewnol o drefniadau llywodraethu

(MYNEDIAD AT WYBODAETH) 1985

Swyddog Cyswllt: **David Webster**
Ffôn **01352 702248**
E-bost: david.webster@flintshire.gov.uk

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North Wales Residual Waste Joint Committee

Review of Governance Arrangements

Internal Audit Report
May 2013

Final Report

CONTENTS

Section	Page
Executive Summary	1
Action Plan	4
Findings and Recommendations	8

Debrief meeting	28th March 2013	Auditors	Flintshire Internal Audit
Draft report issued			
Responses received			
Final report issued	3rd May 2013	Client sponsor	Chief Executive, FCC
		Distribution	Chief Executive, Project Board

1 EXECUTIVE SUMMARY

The Accounts and Audit (Wales) (Amendment) Regulations 2010 require all Joint Committees to prepare statutory accounts and comply with audit requirements. The North Wales Residual Waste partnership is a Joint Committee legally underpinned by a signed Intra Authority Agreement which appoints Flintshire County Council as the lead council. Therefore, Flintshire internal audit department is required to provide an annual audit assurance report to the Joint Committee.

This report covers the review of governance arrangements of the North Wales Residual Waste Joint Committee that has recently been carried out. This was approved as an addition to the Internal Audit plan for 2012/13 as authorised at the Joint Committee meeting on 20th February, 2013.

1.1 INTRODUCTION

The North Wales Residual Waste Joint Committee currently manages the collaborative procurement process to establish a residual waste treatment facility in North Wales and is a partnership of Flintshire County Council, Isle of Anglesey County Council, Gwynedd Council, Conwy County Borough Council and Denbighshire County Council. The partnership aims to support councils in meeting their obligations set by the Welsh Government with regard to landfill as only 5% of waste is allowed to be taken to landfill after 2025.

The partnership was established to jointly manage residual waste generated in the 5 unitary authorities and to date the partnership has been managing the procurement process to let a contract for managing the residual waste. The current status of the procurement process indicates the solution that will be provided to meet waste diversion obligations will be an *Energy from Waste* facility based at Deeside Industrial Park.

The partnership is legally underpinned by a signed Intra Authority Agreement which established the Terms of Reference for the Joint Committee, sets the decision making protocols, formalises roles and responsibilities and appoints Flintshire County Council as the lead council.

The following areas were considered as part of the internal audit review of the Joint Committee:

- Adequacy and extent of compliance with the Joint Committee's corporate governance framework and relevant legislation
- Adequacy of risk identification, assessment, mitigation and reporting
- The quality and integrity of financial and other management information utilised or reported by the Joint Committee
- The extent to which the Joint Committee's resources are safeguarded from loss of all kinds including fraud, waste, inefficient administration and poor value for money

CONCLUSION – An effective governance framework has been established for managing risk, ensuring transparency & demonstrating accountability within the Joint Committee (JC). The Joint Committee has been formally constituted in accordance with the Local Government Act 1972 and 2000 and the council's constitution has been revised to reflect this so as to ensure there is clear authority for the Joint Committee to exercise the delegated functions on behalf of the participating councils. The roles and responsibilities both individually and collectively in relation to the partnership and to the authority are clearly laid out, and dispute resolution procedures are in place. However, a formal process for developing the Annual Governance Statement (AGS) needs to be established.

A clear decision making protocol has been established and the JC are provided with information which is fit for purpose, relevant, timely and gives clear explanations of technical and financial issues and their implications. However, the current Inter Authority Agreement (IAA) allocates budgetary control to the Project Board with no requirement for the JC to receive budgetary control information, although it is responsible for approving the budget on an annual basis. The next IAA, currently being drafted, should include the need for the JC to receive budgetary control information, along with their responsibility for approval of financial statements and each year's annual budget.

A best practice risk register is maintained and risk identification, assessment, mitigation and reporting is robust. Responsibility for Risk assessment has been allocated and there is clear evidence of ownership.

Meetings with project board officers and Joint Committee members and review of the minutes for the year indicate that officers and members, through the Project board and JC, have a good understanding of their roles, responsibilities and involvement in the overall governance framework. There has been positive feedback from the external healthcheck carried out by the Office of Government Commerce (OGC) regarding governance and risk management. The Board took all decisions in accordance with the Inter Authority Agreement and Constitution.

1.3 APPROACH TO REVIEW

Secure reasonable, evidence based assurance on the effectiveness of the Joint Committee's risk management, control and governance environment.

Through meetings covering both project team and members of the Joint Committee, and review of key documentation, carry out a high level review including the governance framework, risk management, financial and non-financial management information for decision making and value for money safeguards.

Limitations to the scope of the audit:

- Our work does not provide any absolute assurance that material error, loss or fraud does not exist.
- The audit comprises a healthcheck review only. Any issues identified for further detailed review and testing as a result of the healthcheck will be programmed for 2013/14 internal audit work.

1.4 RECOMMENDATIONS SUMMARY

The following table highlights the number and categories of recommendations made. The Action Plan at Section 2 details the specific recommendations made as well as agreed management actions to implement them.

Recommendations made during this audit:

	Fundamental	Significant	Merits Attention	Suggestion	Total
Adequacy and extent of compliance with the Joint Committee's corporate governance framework and relevant legislation	0	1	3	0	4
Adequacy of risk identification, assessment and mitigation	0	0	0	0	0
The quality and integrity of financial and other management information utilised or reported by the Joint Committee	0	1	2	0	3
The extent to which the Joint Committee's resources are safeguarded from loss of all kinds including fraud, waste, inefficient administration and poor value for money	0	0	0	0	0
TOTAL	**0**	**2**	**5**	**0**	**7**

2 ACTION PLAN

The priority of the recommendations made is as follows:

Priority	Description
Fundamental	Action is imperative to ensure that the objectives for the area under review are met.
Significant	Requires action to avoid exposure to significant risks in achieving the objectives for the area under review.
Merits Attention	Action advised to enhance control or improve operational efficiency.
Suggestion	These are not formal recommendations that impact our overall opinion, but used to highlight a suggestion or idea that management may want to consider.

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
Adequacy and extent of compliance with the Joint Committee's corporate governance framework and relevant legislation						
1.04	This internal audit review has identified robust governance is in place, however, as part of the annual accounts requirements the Joint Committee has to produce an Annual Governance Statement (AGS). Therefore, the project board should co-ordinate the annual self-assessment and preparation of the AGS. There should be an appropriate timeline that allows input to the AGS on a timely basis. A formalised process for reviewing the AGS during the year should be established, including ownership with an e-mail sent to all relevant officers/members with reference to: • relevant legislation; • CIPFA / SOLACE guidance; • Last years submissions for reference; • Guidance on completion	Significant	Y	A new requirement to accompany the new accounting requirements for the JC. The Project Board to be charged with agreeing a model for the AGS and with producing the first AGS for recommendation to the JCC by June 2013. In subsequent years an annual self-assessment to be conducted by the Project Board leading to the publication of the AGS alongside the annual accounts.	June 2013	Monitoring Officer

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
	The information returns should be summarised and then be subject to critical review by the Chief Executive					
1.04	The AGS should evidence how the JC adhered to the six core principles of the CIPFA / SOLACE framework *Delivering Good Governance in Local Government during 2011/12*	Merits Attention	Y	As part of the above action.	June 2013	Monitoring Officer
1.04	The Chief Executive of the lead authority and Chair of the JC should sign the AGS rather than the project lead and Chair of JC	Merits Attention	Y	As part of the above action.	June 2013	Monitoring Officer
1.05	The JC should establish a Data Protection Policy as there is evidence other long established JC's are meeting these requirements as a separate body to the lead authority	Merits Attention	Y	A formal policy to be set and adopted based on current practice operated within the Project Team and fulfilling legal and commercial requirements in full.	June 2013	Monitoring Officer
Adequacy of risk identification, assessment and mitigation						
	No recommendations arising					
The quality and integrity of financial and other management information utilised or reported by the Joint Committee						
3.04	The budget outturn statement should take account of the adjustments identified by WAO in the external audit	Merits Attention	Y	To be actioned as part of the	Annual from 2014	Project Director

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
	All income categories should be described clearly in the budget statement.			annual out-turn reporting and annual accounts processes as required.		and Section 151 Officer
3.04	The JC should be presented with budgetary control information and the annual budget for approval for the following financial year	Merits Attention	Y	Formal reporting of the out-turn position for 2012-13 and the budget for 2013-14 to be made to the next available meeting of the JCC and repeated annually	June 2013	Project Director and Section 151 Officer
3.04	The next IAA which will cover the post procurement stage of the partnership is currently being drafted. This IAA should allocate responsibility for approval of annual financial statements, and each year's annual budget, to the JC.	Significant	Y	The project is moving into a more complex phase of pre-planning operational expenditure. Once a decision is made on the governance of an operational contract with a preferred bidder for the residual waste facility, and a new IAA is drafted, this recommendation will be met.	At the completion of the next IAA (date tbc)	Project Director and Section 151 Officer
The extent to which the Joint Committee's resources are safeguarded from loss of all kinds including fraud, waste, inefficient administration and poor value for money						
	No recommendations arising					

3. FINDINGS AND RECOMMENDATIONS

1 *Adequacy and extent of compliance with the Joint Committee's corporate governance framework and relevant legislation*

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
1.01 Ensure the Joint committee has been formally constituted in accordance with the Local Government Act 1972 and 2000 and the lead council's constitution has been revised to reflect this The legal department provided evidence that 1.) the joint committee has been formally constituted under sections 101(5) and 102(1) of the Local Government Act 1972 and section 20 of the Local Government Act 2000 2.) the council's constitution been revised to reflect the appointment of the Joint Committee so as to ensure there is clear authority for the Joint Committee to exercise the delegated functions on behalf of the participating councils (Part 3, Section B at paragraph 9 of the council constitution deals with the delegation scheme for the Committee)	
1.02 Ensure an effective corporate governance framework for the partnership has been established through a signed agreement. The governance framework is clearly laid out in the signed Intra Authority Agreement established in 2010. Protocols for partnership working were reviewed by reference to the Inter Authority Agreement and supporting schedules, and discussion with the project officer re partnership approach. The review evidenced that there are the following key requirements in place: - a clear statement of the partnership principles and objectives - clarity of each partner's role within the partnership - definition of roles of partnership board members	

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
- line management responsibilities for staff who support the partnership - a statement of funding sources for the project and clear accountability for financial administration - decision making protocols - a protocol for dispute resolution within the partnership No gaps were identified in the key partnership working protocols. Individual meetings with members and lead officers from all the partners councils confirm that officers and members, through the Project board, and Joint Committee have a good understanding of their roles, responsibilities and involvement in the overall governance framework. A number of members and officers noted that the formation of a sub-group would help with discussing issues that may arise in between meetings as they are only required to meet three times per annum. Fortunately, the single bidder issue could be presented to an already programmed JC meeting relatively soon after the issue was known. However, the IAA makes clear provision for special meetings and permits any partner to call one with relevant notice, and most members and lead officers interviewed considered that had the next JC meeting been a number of months after the single bidder issue arose then a special meeting would have been called. An independent evaluation of the partnership was carried out in 2010 by the OGC and the conclusions were positive as per the extract below: *''The Review Team finds that the Project is fundamentally well-managed. The Partnership has invested in a professional team who are experienced, motivated and skilled. The Project has very well developed documentation and robust governance arrangements. There is enthusiasm and commitment to the Project at both officer and councillor level. There is currently adequate staffing capacity…There is a pride in the project and a genuine passion for future collaboration across North Wales.''*	

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
1.03 Review through meetings with members from all partners whether training and induction is provided to members of the JC and considered effective Induction for new members was held following the council elections in May 2012 through a briefing/refresher sessions in Summer 2012 prior to the first JC since the May 2012 elections to ensure new JC members were fully informed on the project and progress to date. Meetings with members of partner councils confirmed that workshops are held regularly by the project director and project officer which provide updates on key financial and other implications of procurement phases. Members also confirmed that the half day workshops provided also cover explanations and implications of the more technical issues to help support effective decision making. However, some members noted that although seminars and updates are provided it would be of benefit considering the complexity of some of the information to receive a seminar directly prior to the JC meetings explaining the implications of the information to be reviewed at the ensuing meeting.	
1.04 Review whether the lead council has established adequate arrangements to support the production of a robust Annual Governance Statement (AGS) for inclusion in the Statement of Accounts and it is approved by the J.C within required deadlines. Due to an urgent need to secure approval of accounts and Annual Governance Statement (AGS) by the Joint Committee the completion of the AGS was co-ordinated, on an interim basis, by the Finance Manager (Strategy & Technical), with input from the Project Officer, and the Wales Audit Office to some extent. This approach was deemed necessary as the deadlines for approval of financial statements for the years 2008/09 to 2011/12 had been missed as no FCC officers were aware that this was a requirement for the Joint Committee. CIPFA guidance notes that to ensure a challenging and rigorous process to developing the AGS a group should be established, as if the work is delegated to small number of officers it is likely to dilute the statement's significance. In conclusion for the 2011/12 AGS there was no formal AGS process for developing the AGS with input from members of the JC and key lead officers from each partner and an overall critical review of the AGS. In future to ensure that governance arrangements are fully integrated a small working group should be established to co-ordinate an annual self-assessment and preparation of the AGS. There should be an appropriate timeline that allows input to the document on a timely basis. A formalised process for reviewing the AGS during the year	As part of the annual accounts requirements the Joint Committee has to produce an Annual Governance Statement (AGS). Therefore, the project board should co-ordinate the annual self-assessment and preparation of the AGS. There should be an appropriate timeline that allows input to the document on a timely basis. A formalised process for reviewing the AGS during the year should be established, including ownership with an e-mail sent to all relevant officers/members with reference to: • relevant legislation; • CIPFA / SOLACE guidance; • Last years submissions for reference; • Guidance on completion

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
should be established, including ownership with an e-mail sent to all relevant officers/members with reference to: • relevant legislation; • CIPFA / SOLACE guidance; • Last years submissions for reference; • Guidance on completion The information returns should be summarised and then be subject to critical review by the Chief Executive.	The information returns should be summarised and then be subject to critical review by the Chief Executive
Two governance issues were raised in the 2011/12 AGS relating to lack of external audit and timely approval of accounts and internal audit. All of these issues were resolved by March 2013, with the JC approving all outstanding audited accounts in the February 2013 JC meeting. Review of the 2011/12 AGS also identified the following: 1.) The AGS doesn't evidence how the JC adhered to the six core principles of the CIPFA / SOLACE framework *Delivering Good Governance in Local Government during 2011/12* 2.) The Chief Executive of the lead authority and Chair of the JC should sign the AGS rather than the project lead and Chair of JC	The AGS should evidence how the JC adhered to the six core principles of the CIPFA / SOLACE framework *Delivering Good Governance in Local Government during 2011/12* The Chief Executive of the lead authority and Chair of the JC should sign the AGS rather than the project lead and Chair of JC
1.05 Review whether Data Protection Act and Health and Safety Responsibilities of the Joint Committee have been complied with as the committee is classified as a separate organisation and there is evidence other long established JC's have established these requirements The Joint Committee is not an employer and therefore it was considered the health and safety policy of the lead authority would cover the project officers who are based at Flintshire County Council. No evidence was identified that the committee has a Data Protection Policy in place nor is this mentioned in the Intra Authority Agreement (IAA) or AGS as JC responsibilities. The IAA covers Data Protection but specifies that this is the responsibility of each partner. Discussion with the project officer indicated that compliance with the DPA was considered to be through the lead authority rather than the JC as a separate organisation. We compared this approach with a long established JC – SEWTA, which is the South East Wales Transport Alliance Joint Committee, has included requirements in the committee's AGS as follows – 'In accordance with its statutory responsibilities…….the Committee has a Data Protection policy and also has procedures in place to	The joint committee should establish a Data Protection Policy as there is evidence other long established JC's are meeting these requirements as a separate body to the lead authority.

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
meet its responsibilities under the Freedom of Information Act and the Regulation of Investigatory Powers Act 2000.'	
1.06 Review whether independent healthchecks of governance and partnership arrangements have been carried out and the results implemented	

The only external review of the JC carried out to date was the Gateway review commissioned by the Welsh Government and carried out by the OGC to ensure governance arrangements were robust and the partnership working was effective. The Gateway Review's findings and recommendations were reported to the JC (agenda item 6) on 18 June 2010 and the table below shows the Gateway review recommendations and references to where Recommendations were evidenced as addressed in JC minutes :

Recommendation	Critical/ Essential/ Recommended	Reference to evidence of implementation
1. **That the Partnership possibly in conjunction with Wrexham develops, consults on and adopts a strategy for the region.**	Essential Within 6 months	See note in agenda item 6 on JC papers 18 June 2010, and SO note below. After the JC considered this report, the WG's strategy and sector plans were published which were very explicit in identifying high efficiency EfW as the preferred method of treating residual waste, which further reduced the need for any North Wales joint waste strategy
2. **That the Project Team should develop a contingent project plan providing for potential issues/delays which may arise through the planning process.**	Critical	See note in agenda item 6 on JC papers 18 June 2010
3. **That the Project Team should develop a plan for dialogue encompassing**	Essential Within 3 months	See note in agenda item 6 on JC papers 18 June 2010, and PB Papers on resourcing 23 April 2010, 22 July 2010 & 24 Sept 2010. and PB

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE			RECOMMENDATION
organisational structures, roles/responsibilities and delegated authorities. This should also include appropriate mechanisms and protocols for communication and reporting.		papers on confidentiality protocol 24 Sept 2010.	
4. **That the skill, experience and resource requirements for the procurement phase of the Project are identified (for both the Partnership and each individual Local Authority) and put in place before the OJEU Notice is publicised and reassessed at key stages of the Project.**	Essential Within 3 months	See note in agenda item 6 on JC papers 18 June 2010, and PB Papers on resourcing 23 April 2010, 22 July 2010 & 24 Sept 2010.	
5. **Senior/leadership commitment will need to be maintained to ensure that sufficient time and energy is dedicated to this Project.**	Ongoing	See note in agenda item 6 on JC papers 18 June 2010. In addition, it noteworthy that the JC Chair, Cllr Eryl Williams (Denbighshire) has been re-elected from the outset of this process which has provided stability and consistency.	
6. **That the stakeholder management plan is completed, approved by the Partnership and implemented. It should include continued communication with the market.**	Critical	See note in agenda item 6 on JC papers 18 June 2010, agenda item 6 29 Oct 2010, agenda item 7 JC papers 13 Dec 2012 Stakeholder mapping and management has been a driver of communication and engagement activities from the start of the project. The stakeholder mapping exercise is a "live" document and is therefore consistently reviewed by the project team and its advisors and if any amendments / changes to any action plans are required, then they are reported as necessary (see Dec 2012 JC papers as an example of action	

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
plan approval).	
Conclusion Action plans and recommendations from external reviews are considered and implemented promptly and effectively	

2 *Adequacy of risk identification, assessment and mitigation*

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
2.01 Review governance documents for allocation of risk management responsibility Although not mentioned under 'Joint Committee' in the main body of the IAA, Schedule 2 to the IAA which includes the Terms of Reference for the Joint Committee allocates clear responsibility for risk assessment to the JC. The 2010 gateway review by the independent OGC looked at how responsibility for risk management was being implemented and concluded the following '***The Review Team observed a robust risk management regime within the Project. There is a clear allocation of risks to senior officers and a systematic approach to the assessment of dependencies and application of mitigation and escalation procedures……****There are also a range of potential issues that the Partnership is aware of, including but not limited to, the retention of key officers leading the procurement, market interest, site selection, possible planning challenge/delays, successful procedural challenge in relation to the procurement process, and the commitment of sufficient and adequate resources throughout the life of the Project. The Partnership is conscious of these issues and the risk register reflects that awareness with a suitable mitigation plan.'*	
2.02 Ensure a comprehensive risk register is maintained and risk management is effective Overall risk management demonstrates a high degree of risk maturity as is evidenced with robust risk identification, assessment, mitigation and reporting. Each risk has a risk identification, consequence, current controls in place, further mitigation controls, residual risk classification, responsibility assigned to implement mitigation together with timescales. The format of the risk register utilised represents good practice and a similar format is promoted in the current FCC Risk Management Strategy (for service/operational risks). One council interviewed indicated that the risk register and method of managing risks was considered best practice and was being applied to other material projects in that council. All members and officers interviewed for all 5 partner authorities considered that risk reporting and management was effective. The risk register is also provided periodically to the Welsh Government for review and ensure that risk management is effective.	

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION

2.03 Through review of information provided to the February project board and JC as well as Internal Audit attendance at the meetings, review how risk assessment and mitigation was applied and informed decision making after withdrawal of the one of the final two bidders from the procurement process.

This issue had already been identified as a project risk and the extract below shows the current status of that risk prior to the single bidder issue. Detailed audit review of the single bidder issue in terms of VFM and application of Treasury Management guidance is covered in references 3.01 onwards:

ID	Risk / Issue (i.e.: Threat to the Project)	Consequence	Current Assessment			How the risk will be managed and controlled				Residual risk after management		Impln Date		Review Date
			Impact	L'hood	Overall	Already in Place	Who is Managing	Not in Place (Proposed)	Who will Manage	Impact	L'hood	Overall		
PD8	One of the two final bidders drops out	Threat to VFM, price escalation, possible exceedance of affordability envelope, delay to procurement programme	4	3	12			Procurement process designed to ensure ability and /or appetite for contract closure is understood pre final tender appointment. Will seek agreement with all bidders at this stage in relation to major issues.	PD	4	2	8	Ongoing	Sep-12

We confirmed the risk register was updated in February 2013 to reflect the potential impacts of one bidder remaining along with risk management, control and mitigation measures as per below extract:

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
'There have been the following changes to existing risks in this reporting period: - • *PD8 (One of the two final bidders drops out) amended to reflect withdrawal of second bidder from procurement process pre CFT. Mitigation - Following SITA UK's decision to withdraw from the procurement process pre CFT the project team will be applying the guidance as set out by the UK treasury to ensure Value for money is obtained for the partnership. Likelihood has increased from 2 to 5.* • *PD19 (There is no market interest due to limited capacity within the industry). As for PD8 amended to reflect withdrawal of second bidder from procurement process pre CFT. Risk has increased from 1 to 3 to reflect loss of one bidder.* • *F7 (Finance and affordability), PD1, PD6 & PD7 (Project Delivery) have amended commentaries to reflect second bidder withdrawal pre CFT, but no change to risk levels.'* One of the mitigation measures to manage the threat to VFM is the application of HM Treasury 'Market Failure' guidance when this situation occurs. The Monitoring Officer and S151 officer acted promptly to request information from the Project Officer regarding compliance with H M treasury guidance in a single bidder (market failure) situation to ensure clear guidance could be provided to the February 2013 Project Board. One of the key areas where risks need to be reviewed is with respect to the following guidance from HM TREASURY where there is one bidder remaining: ***'In any circumstance where a procuring authority considers it is appropriate to continue with a single bidder it should ensure there is transparent competition in the bidder's supply chain. If the bidder will not agree to market testing of its subcontracts, the procurement is unlikely to deliver VfM and should be halted.'*** Internal Audit attended the Feb 2013 Project Board meeting and confirmed the following: • Risk register updated effectively to reflect single bidder situation and compliance with HM Treasury Guidance • Clear guidance from S151 and MO about the impact of one bidder and HM Treasury guidance • Clear evidence that treasury management guidance when one bidder remaining is being applied effectively (report of subcontract element and extent of market testing is not completed yet and should be presented to next project board and then the JC) • As a result of the risk mitigation actions regarding compliance with HM Treasury guidance, robust guidance from the MO and S151 officer, reassurance secured from Welsh Government that single bidder situation is not unusual for residual waste contracts and that funding is not at risk, the project board AGREED to recommend to the JC in Feb 19 meeting that procurement should proceed subject to receiving the subcontractor report at the next meeting The February 19th JC meeting reviewed the available evidence and guidance (the updated risk register was also provided for the meeting) and as a result determined that the procurement should proceed and that a report detailing the extent of subcontracting and market testing would be received at the next joint committee meeting. Appropriate challenge was provided in the meeting including requesting assurance that the negotiating position is not weakened when the final bidder becomes aware they are sole remaining bidder.	

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
Conclusion Evidence of risk assessment and implementation of mitigation actions to reduce risks clearly helps underpin recommendations by the project board to the JC and actual decision making by the JC	

3 *The quality and integrity of financial and other management information utilised or reported by the Joint Committee*

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
3.01 Ensure decision making protocol established in the governance document (IAA) including which issues will be determined at committee level and project board level The decision making protocol has been established in the Intra Authority Agreement (IAA) as follows: - Project Board matter – this is an issue to be decided at a quorate meeting of the project board and the decision is binding on all the councils in the JC - JC matter – an issue decided upon at a quorate meeting of the JC and again binding on all the JC councils - There are some issues that may have to be referred to the individual councils involved in the JC and the IAA is clear that for the avoidance of doubt these issues will not be dealt with until the matter has been determined individually by all of the JC councils. Also if the councils individually were not able to reach a decision on an issue it would be referred under Clause 23 of the IAA which relates to Dispute Resolution To ensure there is clarity about which issues should be decided by which of the above three decision making sources all the procurement milestones have been established in Schedule 1 to the IAA and all have been identified as either a Project Board Matter, JC matter or a matter reserved for councils. In addition, the JC Terms of Reference included in Schedule 2 of the IAA allocated reserved decision making for some additional areas to the procurement milestones in Schedule 1 such as setting the affordability envelope and agreeing the negotiating remit for the project teams.	

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
Review of the minutes for both project board and JC for 2012/13 did not identify any decisions that were made contrary to the decision making protocol in the IAA.	
3.02 Ensure there is evidence that • The IAA specifies timescales for meetings and receipt of information for meetings; • Dates for distributing agenda and supporting information for joint committee meetings is adhered to The IAA specified JC requirements which are: a printed bilingual copy of the agenda and reports for each meeting and the minutes of previous meeting need to be despatched at least 5 business days before JC meetings – the Chief Executive of the lead council is responsible for making sure this deadline is met. Quorum requirements are 5 members of JC including at least one member from each of the participating councils. All reports to be submitted to the JC will be considered by the Project Board prior to submission to the JC. Dates for distributing agenda and supporting information for joint committee meetings is adhered to - see table below which evidences that papers were sent within the timescales specified in the IAA:	
3.03 Assess whether the joint committee are provided with information which is fit for purpose, relevant, timely and gives clear explanations of technical and financial issues and their implications. (Supports compliance with SOLACE/CIPFA - Core Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk). The testing strategy for this issue covered the following: • Discussion with members and officers from all partner councils re the adequacy of information to support decision making;	

Date	Date papers sent
27 January 2012	20 January 2012
16 March 2012	8 March 2012
1 August 2012	24 July 2012
13 December 2012	6 December 2012
20 February 2013	13 February 2013

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
• Ensure that professional specialist advice on matters that have legal, technical or financial implications is secured and recorded well in advance of decision making and used appropriately • Ensure members are briefed on technical issues and the impacts on the procurement Professional advice on matters that have legal, technical or financial implications is available and recorded well in advance of decision making and used appropriately. At the outset the J.C. appointed specialist independent advisors to the project through an interview process to provide professional advice as follows: - Technical – ENTEC, AMEC - Legal – Pinsent Mason - Financial – Grant Thornton Each of these organisations have nominated specialist officers that attend the Project Board meetings to provide input and guidance, and advisors are also commissioned to provide reports on specialist areas when required which are first considered by Project board prior to submission of recommendations to the J.C. meetings eg Transport options for Waste via Road or Rail. Key procurement stages including Pre Qualification Questionnaire (PQQ) stage and Invitation to Submit Outline Solutions (ISOS) stage were scored by the technical and financial specialists with full explanations included in reports of reasons for the scoring. For example, for the PQQ submissions ENTEC assessed General Company information, Technical and Professional Ability, Experience and Quality Assurance, Grant Thornton assessed Economic and Financial health, and FCC assessed Equal Opportunities, Health and Safety, Environment and Sustainability. Review of the agenda and supporting papers for 2012/13 for both project board and JC meetings evidence that regular use is made of specialists for guidance including during meetings of the Project Board. The Health Protection Agency has also been commissioned to assess and provide reassurance re emissions from the EfW plant. Meetings with members of partner councils confirmed that seminars/workshops are held regularly by the project director and project officer which provide updates on key financial and other implications of procurement phases. Issues raised in feedback from some members/officers included the following: • Apparent lack of financial analysis comparing the affordability envelope agreed as per the Outline Business Case and current position for each council was identified by some interviewees as an issue – particularly as decisions have been taken since which have increased costs eg transport of waste by	

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
rail instead of road. However, review of the minutes shows that the impact of decisions made in terms of costs is identified and assurance is provided that councils remain within the affordability envelope initially agreed to by the partners • although seminars and updates are provided some members noted it would be of benefit considering the complexity of some of the information to receive a seminar directly prior to the JC meetings explaining the implications of the information to be reviewed at the ensuing meeting • a number of members indicated it would be preferable to hold meetings half way across the partnership eg at Bodlondeb, Conwy rather than by rotation across all councils in the partnership	
3.04 Review budget outturn information presented to the Joint Committee and ensure this agrees to the audited Financial Statements. Assess budget requirements and budgetary control reporting. Budgetary control information is analysed by detailed inputs under the headings of Project management costs, Advisor costs and other costs. In addition, so that members can easily assess how detailed costs compare with previous years, all the detailed costs against each detailed input heading are provided for all the years from 2008/09 to 2012/13 as well as the 2013/14 budget. However, the costs as presented in the 2011/12 budget outturn statement in February 2013 do not agree to the final audit accounts as shown below: Total 2011/12 Expenditure per Statement of accounts £997924 Total 2011/12 Expenditure per final budgetary control statement £1073506 Difference £75582 This difference equates to the net effect of 2011/12 WAO adjustments £75581.4. In the final budget statement for 2011/12, presented to the project board in February 2013, an income category is unnamed but £25000 has been allocated to the category for 2012/13, below Welsh Government contributions, with no description of the source of the income. This information presented to the February 2013 board was not subsequently presented to the JC so no budget outturn information has been received by the JC. The IAA allocates responsibility for budgetary control to the Project Board only, no authority for approval of financial statements, and does not specify when the next year's annual budget should be presented for approval. Conclusion The budget outturn statement should take account of the adjustments identified by the Wales Audit Office.	The budget outturn statement should take account of the adjustments identified by WAO All income categories should be described clearly in the budget statement.

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
All income categories should be described clearly in the budget statement. The JC should be presented with budgetary control information and should also be presented with an annual budget for approval for the following financial year	The JC should be presented with budgetary control information and should also be presented with an annual budget for approval for the following financial year The next IAA, currently being drafted, should allocate responsibility for approval of financial statements, and each year's annual budget for the JC, to the JC and should ensure governance procedures result in budgetary control information, including annual outturn, is presented to the JC.

4 The extent to which the Joint Committee's resources are safeguarded from loss of all kinds including fraud, waste, inefficient administration and poor value for money

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
4.01 Review allocation of risk factors re VFM and Generic Factors driving VFM as specified by HM Treasury Guidance for PPPs To review whether the approach to the procurement was optimising VFM in terms of risk transfer we applied the HM Treasury checklist for risk allocation covering Design, Financing, Implementation, Operation, Usage, regulatory change, obsolescence, service provider lock-in and residual value and concluded that as far as possible, considering the nature of the project which is 25 year Energy from Waste (EfW) plant, risk factors have been allocated to the service provider. There is clear risk transfer of future costs from the councils to the service provider, and this strategy is evidenced in the original Outline Business Case (OBC). In particular the service provider is being made responsible for delivery of a high quality service at required levels of availability and continuity and quality of service and performance will be monitored through the contract and there will be penalty clauses for poor performance. The contract will define the partnership requirements through an output specification linked to a performance framework. The EfW plant is a market led solution and this accords with Welsh Government long term strategy. In addition, this solution aggregates the risks of construction and ongoing delivery to the service provider rather than the councils.	
4.02 Review of generic factors driving VFM, again with reference to HM Treasury guidance identified that there had been focus on whole life costs in the OBC with calculation of affordability envelope and sensitivity analysis. A VFM scoring was applied to the options identified in the OBC options appraisal. Options appraisal to assess VFM is also applied to key decision points in the project eg the Road/Rail Waste Transport Options appraisal, and relative options will be assessed when reviewing community benefits. In terms of managing procurement costs to ensure they are not disproportionate to the underlying project the OBC shows a clear comparison of % procurement costs with similar PPP projects to enable a budget to be established.	

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
The procurement process and contract will be output based on diversion levels achieved to ensure sufficient incentives including deadlines for commencement which in turn should help ensure that assets and services are developed and delivered in a timely, efficient and effective manner. Performance framework is noted in the OBC and to be developed for the contract will aim to ensure both rewards and deductions based on performance achieved. As noted in 4.01 the partnership is clearly executing a transfer of risks to the service provider, and through the contract and performance framework should help ensure that the allocation of risks can be enforced and that the costs associated with these risks borne by the service provider. The procurement to date has resulted in a competitive process after PQQ in that 7 outline bids were received at the ISOS stage, and three detailed bids at the ISDS stage. After de-selection of one of the three bidders at ISDS stage the two remaining bidders both offered the same EfW solution. There are sufficient skills and expertise involved in the partnership and procurement exercise, and these are utilised effectively during the procurement process; technical and financial specialist skills have been brought into the project (eg Grant Thornton and AMEC) and the project board is very experienced in terms of technical and financial issues relating to waste. Additional legal skills have also been secured (over and above FCC legal department) as Pinsent Mason have been contracted to carry out this role. There is clear evidence that specialist input is secured when required in terms of formal reports and input at JC and project board meetings. Conclusion The procurement process is structured to optimise VFM whilst supporting delivery of each council's strategic objectives for diversion of waste from landfill.	
4.03 Ensure the HM Treasury guidance for Market Failure applied effectively to inform decision making and help provide assurance that VFM can still be secured when one of final two remaining bidders withdrew from the procurement process **HM Treasury Guidance to assess potential Market Failure is extracted below:** ***Market Failure*** ***5.7*** *If at any stage the procurement team identifies market failure (e.g. absence of competition), they should consider the implications for the project. Market failure or lack of competition occurs where there is only a single bidder for a project or perhaps where there are two or more bidders but only one is considered to be credible. The*	

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
concern is that in the absence of competitive tension the bidder may not be appropriately incentivised to offer its best price, terms and conditions to the public sector. In this case market abuse might arise. Market abuse can be defined as a situation where the bid offered is out of the market, that is to say above the market price for similar projects, or where the risk profile has been substantially eroded relative to other similar recent PFI projects at this price. ***STAGE 3 - PROCUREMENT LEVEL ASSESSMENT*** *- if the market failure occurs early on in the procurement process (i.e. before bids have been received), the procurement should be halted unless there are systemic market failures which would equally affect any alternative procurement route;* *- where failure occurs after bids have been received, the procuring authority will wish to consider the strength and quality of the remaining or only credible bid, and will need to consider the extent to which the competition has been able to drive out and demonstrate VfM; and* *- in any circumstance where a procuring authority considers it is appropriate to continue with a single bidder it should ensure there is transparent competition in the bidder's supply chain. Benchmarking is not an adequate alternative to market testing. If the bidder will not agree to market testing of its subcontracts, the procurement is unlikely to deliver VfM and should be halted.* *There are many reasons why only a small number of bidders might express interest in particular projects. There is no substitute for procuring authorities and sponsoring departments jointly examining the circumstances surrounding a particular project and determining the characteristics that will demonstrate that a strong competition is taking place.'* The s151 and MO acted promptly to apply the HM Treasury Guidance re Market Failure, including requesting information from the Project Officers regarding the proportion of the sub contractors tendered by the single bidder, certainty of Welsh Government funding for the project if it was decided to proceed with just one bidder, reasons other bidder dropped out of process at a late stage, validity of re-running the procurement exercise (ie whether would be viewed as a distressed purchaser) and value driven out of the procurement process to date In terms of the stage of the procurement process reached, the partnership has benefited from a competitive process in that 7 outline bids were received at the outline solutions stage, and then three detailed bids at the detailed stage. The JC de-selected one of the three bidders at the detailed stage, leaving the two most competitively priced bidders. The two remaining bidders proposed the same EfW technology, so the partnership has not lost the choice of another technical option.	

OVERVIEW AND ASSESSMENT OF ACTUAL CONTROLS IN PLACE	RECOMMENDATION
Assurance has been received from the Welsh Government that It is not unusual for PPP type projects both within waste and other sectors to find themselves in this situation. For example, North London Waste Authority are now in a similar situation. Northumberland and West Berkshire both awarded contracts with one remaining bidder in the process. Both these examples of awarded contracts had to follow the same HM Treasury VFM guidance. **Actual S151 and MO feedback provided to JC is included below:** "The Section 151 Officer (Chief Financial Officer) and the Monitoring Officer (MO) were asked to give an opinion in their statutory roles about proceeding with only one bidder. Both confirmed that they did not think that the best interests of the Partnership would be served by running a fresh process because bidders that have already dropped out or been rejected would be unlikely to submit more competitive bids knowing that this initial process had failed. They felt that before proceeding the Board should receive evidence to show the savings and value that had already been generated by the competitive process to date. The Board should also examine the extent to which it would be possible to require elements of the contract to be subcontracted through a competitive process. This would involve assessing the feasibility of competitively procuring every element of the contract that is not currently going to be treated in that way. Needless to say, any element that can be competitively procured without harming the project should be subject to competition in order to increase levels of transparency around value for money." **Outcome of Project Board meeting February 12th** – After consideration of the MO, S151 guidance and the HM Treasury guidance the board agreed to recommend that to the JC to proceed with the procurement and in the Feb 19 JC meeting this was agreed. A report on subcontract aspects was required for the next project board and JC meeting. On March 21st an overall VFM report was circulated to the JC which also noted that the subcontractor report would be presented at the next JC meeting. **Conclusion** The single bidder (market failure) issue has been managed effectively with robust governance demonstrated to ensure VFM can continue to be evidenced and optimised. The Joint Committee will be presented with evidence of the extent of sub-contracting and market testing as recommended by both the S151 and MO in the next JC meeting.	

PTGGGC
Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru

Eitem Agenda: 10

ADRODDIAD I'R: **CYD-BWYLLGOR**

DYDDIAD: **DYDD IAU, 11 GORFFENNAF 2013**

ADRODDIAD GAN: **Y PENNAETH CYLLID FEL TRYSORYDD Y CYD-BWYLLGOR**

PWNC: **DATGANIAD O GYFRIFON 2012/13 PARTNERIAETH GWASTRAFF GWEDDILLIOL GOGLEDD CYMRU**

1.00 PWRPAS YR ADRODDIAD

1.01 I gyflwyno'r Datganiad o Gyfrifon 2012/13 (yn amodol ar archwiliad) er gwybodaeth i'r Aelodau yn unig ar hyn o bryd.

2.00 CEFNDIR

2.01 Mae Rheoliadau Cyfrifon ac Archwilio (Cymru) (Diwygio) 2010 yn mynnu bod pob Cyd-bwyllgor yn paratoi cyfrifon ar ddiwedd y flwyddyn ac yn nodi'r dyddiad cau statudol ar gyfer cymeradwyo'r cyfrifon, sef 30ain Medi.

2.02 Mae Datganiad o Gyfrifon y Cyd-Bwyllgor yn cael ei drin yn yr un ffordd â chyfrifon endid sengl Cyngor h.y. yn amodol ar ei archwiliad ar wahân ei hun. Mae'n ofynnol i'r archwilwyr penodedig gyfleu materion perthnasol sy'n ymwneud â'r archwiliad o'r datganiadau ariannol i'r rhai sy'n gyfrifol am lywodraethu drwy adroddiad ISA (Safonau Rhyngwladol ar Archwilio) 260.

3.00 YSTYRIAETHAU

Gofynion Archwilio

3.01 Rhaid i'r archwiliad gael ei gwblhau a'r Datganiad o Gyfrifon gael ei gymeradwyo a'i gyhoeddi heb fod yn hwyrach na 30ain Medi 2013. Ar ôl cwblhau'r archwiliad, bydd Swyddfa Archwilio Cymru yn darparu adroddiad a barn ar y cyfrifon. Bydd unrhyw addasiadau angenrheidiol i'r cyfrifon o ganlyniad i'r archwiliad yn cael eu hymgorffori yn y Datganiad o Gyfrifon terfynol.

3.02 Bydd y Datganiad terfynol yn cael ei gyflwyno i'r Cyd-Bwyllgor yng nghyfarfod cyn diwedd mis Medi 2013 i'w gymeradwyo.

Gwybodaeth sy'n gynwysedig yn y Datganiad o Gyfrifon

3.03 Y datganiadau ariannol craidd a gynhwysir yw - datganiad o symudiad yn y cronfeydd wrth gefn, datganiad incwm a gwariant cynhwysfawr, y fantolen a datganiad llif arian parod.

4.00 ARGYMHELLION

4.01 Gofynnir i aelodau'r Cyd-bwyllgor nodi'r Datganiad o Gyfrifon 2012/13 drafft (gan gynnwys y Datganiad Llywodraethu Blynyddol).

5.00 GOBLYGIADAU ARIANNOL

Dim.

6.00 EFFAITH GWRTH DLODI

Dim.

7.00 EFFAITH AMGYLCHEDDOL

Dim.

8.00 EFFAITH CYDRADDOLDEB

Dim.

9.00 GOBLYGIADAU PERSONÉL

Dim.

10.00 ANGEN YMGYNGHORI

Nid oes angen dim.

11.00 YMGYNGHORI A WNAED

Nid oes angen dim.

12.00 ATODIADAU

Atodiad 1 - Datganiad o Gyfrifon 2012/13

DEDDF LLYWODRAETH LEOL (MYNEDIAD AT WYBODAETH) 1985

DOGFENNAU CEFNDIR

Amrywiol Bapurau Gwaith Cyfrifon Terfynol

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PARTNERIAETH GWASTRAFF GWEDDILLIOL GOGLEDD CYMRU

PROSIECT TRIN GWASTRAFF GWEDDILLIOL GOGLEDD CYMRU

DATGANIAD O GYFRIFON

2012-13

CYNNWYS

	Tudalen
Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru	
Rhagair Esboniadol	1
Datganiad o Gyfrifoldebau ar gyfer y Datganiad o Gyfrifon	2-3
Datganiadau Ariannol -	
Datganiad o Symudiadau mewn Cronfeydd wrth Gefn	4
Datganiad Incwm a Gwariant Cynhwysfawr	5
Mantolen	6
Datganiad Llif Arian	7
Nodiadau ar y Cyfrifon (gan gynnwys Datganiad o Bolisïau Cyfrifyddu)	8-11
Adroddiad yr Archwilydd Annibynnol i'r Cydbwyllgor	12-13
Datganiad Llywodraethu Blynyddol	14-21

RHAGAIR ESBONIADOL

Cyflwyniad

Mae Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru (PTGGGC) yn bartneriaeth rhwng Cyngor Sir y Fflint (Awdurdod Arweiniol), Cyngor Sir Ynys Môn, Cyngor Bwrdeistref Sirol Conwy, Cyngor Sir Ddinbych a Chyngor Sir Gwynedd a grëwyd er mwyn ceisio sicrhau datrysiad ar gyfer gwastraff gweddilliol ar ran y pum awdurdod partner, am gyfnod o 25 mlynedd.

Mae'r bartneriaeth yn seiliedig ar Gytundeb Rhyng-Awdurdod (IAA) sy'n gyfreithiol rwymol, y mae pob un o'r pum awdurdod partner wedi ei lofnodi. Mae hyn yn ymrwymo'r awdurdodau partner i weithio gyda'i gilydd drwy gydol y broses gaffael hyd at ddyfarnu contract. Mae Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru yn rheoli'r prosiect ar ran bob un o'r pum awdurdod partner, ac mae ganddo awdurdod dirprwyedig i wneud hynny (gan gynnwys dad-ddethol ymgeiswyr) hyd nes cyrraedd cam Cynigydd a Ffefrir y broses gaffael. Mae Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru yn cynnwys dau aelod o bob awdurdod partner, gydag un aelod o bob awdurdod partner yn cael hawliau pleidleisio yng nghyfarfodydd y Cydbwyllgor.

Bydd angen i'r penderfyniad i ddyfarnu Cynigydd a Ffefrir gael ei gytuno gan bob un o'r pum awdurdod partner yn unigol ac felly bydd angen proses gymeradwyo lawn o fewn pob un (e.e. Pwyllgor Craffu, Cabinet/Pwyllgor Gwaith a'r Cyngor Llawn). Mae'r prosiect ar hyn o bryd yn trafod gyda'r un cynigydd sy'n weddill (Wheelabrator) gyda disgwyl i'r ddeialog gau ym mis Mehefin 2013. Disgwylir i'r broses gymeradwyo Cynigydd a Ffefrir ym mhob un o'r awdurdodau partner ddigwydd yn hwyr yn 2013 gyda chais cynllunio i ddilyn wedi hynny. Ar hyn o bryd, disgwylir i'r cyfleuster fod yn weithredol yn 2017.

Y Datganiadau Ariannol

Mae'r Datganiad o Gyfrifon 2012/13 yn darparu manylion am sefyllfa ariannol PTGGGC ar gyfer y flwyddyn a ddaeth i ben 31ain Mawrth 2013, ac mae'n adlewyrchu natur cyfan gwbl refeniw'r gweithgareddau a wnaed. Mae'r wybodaeth a gyflwynir ar dudalennau 4 i 11 yn unol â gofynion Rheoliadau Cyfrifon ac Archwilio (Cymru) 2005. Y datganiadau a gynhwysir yw:-

- **y datganiad o symudiadau mewn cronfeydd wrth gefn** - dengys y datganiad hwn y symudiadau yn ystod y flwyddyn yn y gwahanol gronfeydd wrth gefn a ddelir gan y Cydbwyllgor, wedi eu dadansoddi yn 'gronfeydd defnyddiadwy' (h.y. y rhai y gellir eu defnyddio i gyllido gwariant) a chronfeydd wrth gefn eraill. Cofnodir balansau o ddim (sero) drwy'r datganiad i gyd, yn gysylltiedig â'r gwerthoedd cyfatebol o ddim sydd wedi'u cofnodi o fewn datganiadau hynny y cyfeirir atynt isod.

- **y datganiad incwm a gwariant cynhwysfawr** – dengys y datganiad hwn y gost gyfrifyddu yn y flwyddyn o ddarparu gwasanaethau yn unol ag arferion cyfrifyddu a dderbynnir yn gyffredinol. Mae'r holl incwm a gwariant yn cael ei rannu'n gyfartal rhwng y pum awdurdod partner.

- **y fantolen** - dengys y Fantolen werth yr asedau a'r rhwymedigaethau a gydnabyddir gan y Cydbwyllgor fel y maent ar ddyddiad y Fantolen. Mae'r cronfeydd wrth gefn yn cyfateb i asedau net (asedau llai rhwymedigaethau) y Cydbwyllgor.

- **datganiad llif arian** - dengys y Datganiad Llif Arian y newidiadau yn arian parod ac arian parod cyfatebol y Cydbwyllgor yn ystod y cyfnod adrodd. Mae'r datganiad yn dangos sut y mae'r Cydbwyllgor yn cynhyrchu ac yn defnyddio arian parod ac arian parod cyfatebol.

DATGANIAD O GYFRIFOLDEBAU AR GYFER Y DATGANIAD O GYFRIFON – PROSIECT TRIN GWASTRAFF GWEDDILLIOL GOGLEDD CYMRU

CYFRIFOLDEBAU'R AWDURDOD

Mae'n ofynnol i'r Awdurdod:-

- wneud trefniadau ar gyfer gweinyddu ei faterion ariannol a sicrhau bod gan un o'i swyddogion y cyfrifoldeb am weinyddu'r materion hynny. Yn yr Awdurdod hwn, dyma'r Pennaeth Cyllid;
- reoli ei faterion i sicrhau defnydd economaidd, effeithlon ac effeithiol o adnoddau a diogelu ei asedau;

Cyfrifoldebau'r Cydbwyllgor

- I gymeradwyo'r cyfrifon.

Llofnod: _____ Dyddiad: _____

Cadeirydd Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru

Cyfeiriad -

CYFRIFOLDEBAU'R PENNAETH CYLLID

Mae’r Pennaeth Cyllid yn gyfrifol am baratoi datganiad o'r cyfrifon yn unol ag arferion priodol fel y nodir yng Nghod Ymarfer CIPFA/LASAAC ar gyfer Cadw Cyfrifon Awdurdodau Lleol ym Mhrydain Fawr ("y Cod").

Wrth baratoi datganiad o'r cyfrifon, mae'r Pennaeth Cyllid wedi:-

- dewis polisïau cyfrifyddu addas ac yna eu defnyddio'n gyson;
- gwneud penderfyniadau ac amcangyfrifon a oedd yn rhesymol a doeth;
- cydymffurfio â'r Cod.

Mae'r Pennaeth Cyllid hefyd wedi :-

- cadw cofnodion cyfrifyddu cywir a oedd yn gyfredol;
- cymryd camau rhesymol i atal a chanfod twyll ac unrhyw afreoleidd-dra.

Tystysgrif y Pennaeth Cyllid fel Trysorydd y Cydbwyllgor

Yr wyf yn tystio bod y datganiad o gyfrifon yn rhoi darlun cywir a theg o sefyllfa ariannol y Cydbwyllgor ar 31ain Mawrth 2013 a'i incwm a'i wariant am y flwyddyn a ddaeth i ben bryd hynny.

Llofnodwyd:_____ **Dyddiad:_____**

Kerry Feather CPFA
Pennaeth Cyllid

Trysorydd y Cydbwyllgor

Cyfeiriad -

DATGANIAD O SYMUDIADAU MEWN CRONFEYDD WRTH GEFN

ar gyfer y flwyddyn a ddaeth i ben 31ain Mawrth 2013

Movements 2012/13

	Capital Receipts Reserve £	Capital Grants Unapplied £	Gereral Balance £	Earmarked Reserves £	Total Usable Reserves £	Unusable Reserves £	Total Reserves £
At 31st March 2012	0	0	0	0	0	0	**0**
Surplus/(deficit) on the provision of services	0	0	0	0	**0**	0	**0**
Other comprehensive income and expenditure	0	0	0	0	**0**	0	**0**
Total comprehensive income and expenditure	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Adjustments between accounting and funding basis under regulations	0	0	0	0	**0**	0	**0**
Net increase/(decrease) before transfer to earmarked reserves	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Transfers to/(from) earmarked reserves	0	0	0	0	**0**	0	**0**
Increase/(decrease) in year	**0**	**0**	**0**	**0**	**0**	**0**	**0**
At 31st March 2013	0	0	0	0	**0**	0	**0**

Movements 2011/12

	Capital Receipts Reserve £	Capital Grants Unapplied £	Gereral Balance £	Earmarked Reserves £	Total Usable Reserves £	Unusable Reserves £	Total Reserves £
At 31st March 2011	0	0	0	0	**0**	0	**0**
Surplus/(deficit) on the provision of services	0	0	0	0	**0**	0	**0**
Other comprehensive income and expenditure	0	0	0	0	**0**	0	**0**
Total comprehensive income and expenditure	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Adjustments between accounting and funding basis under regulations -	0	0	0	0	**0**	0	**0**
Net increase/(decrease) before transfer to earmarked reserves	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Transfers to/(from) earmarked reserves	0	0	0	0	**0**	0	**0**
Increase/(decrease) in year	**0**	**0**	**0**	**0**	**0**	**0**	**0**
At 31st March 2012	0	0	0	0	**0**	0	**0**

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

ar gyfer y flwyddyn a ddaeth i ben 31ain Mawrth 2013

		2013 £	2012 £
Expenditure			
Note 2			
(a)	Employees	207,994	244,959
	Transport	998	1,357
(b)	Supplies & Services	518,826	613,235
(c)	Support Services	114,979	138,373
	Gross Expenditure	**842,797**	**997,924**
Income			
(d)	Grants and Contributions	(842,797)	(997,924)
	Total Income	**(842,797)**	**(997,924)**
Net (Surplus)/Deficit		**0**	**0**

MANTOLEN

fel yr oedd ar 31ain Mawrth 2013

	Note	2013 £	2012 £
NON-CURRENT ASSETS		0	0
CURRENT ASSETS			
Short term debtors	**3**	417,599	864,784
CURRENT LIABILITIES			
Short term creditors	**4**	417,599	864,784
NET CURRENT ASSETS		0	0
NET ASSETS		0	0
TOTAL RESERVES		0	0

DATGANIAD LLIF ARIAN

ar gyfer y flwyddyn a ddaeth i ben 31ain Mawrth 2013

	2013 £	2012 £
Net surplus or (deficit) on the provision of services	0	0
Net cash (outflow)/inflow from returns on investments and servicing of finance	0	0
Net cash outflow from capital expenditure	0	0
Net increase or decrease in cash and cash equivalents	0	0
Cash and cash equivalents at start of year	0	0
Cash and cash equivalents at end of year	0	0

Noder: Nid oes unrhyw gofnodion unigol yn y Datganiad Llif Arian cryno gan fod y cofnodion ar y lefel fwy manwl yn ddim (sero).

1. DATGANIAD O BOLISÏAU CYFRIFO

Mae'r cyfrifon wedi cael eu paratoi yn unol â gofynion y Cod Ymarfer ar gyfer Cadw Cyfrifon Awdurdodau Lleol yn y Deyrnas Unedig 2012/13 (y Cod) - yn seiliedig ar y Safonau Adrodd Ariannol Rhyngwladol (IFRS) - a gyhoeddir gan CIPFA, ac a gefnogir gan nodiadau canllawiau ar ddefnyddio safonau cyfrifyddu.

Dyledwyr a Chredydwyr

Mae cyfrifon refeniw'r Cydbwyllgor yn cael eu paratoi ar sail croniadau. Mae symiau wedi'u cynnwys yn y cyfrifon terfynol i gynnwys incwm neu wariant sydd i'w briodoli i flwyddyn y cyfrif am nwyddau a dderbyniwyd neu waith a wnaed, ond lle na dderbyniwyd neu na wnaed taliad amdanynt erbyn 31ain Mawrth 2013.

Grantiau a Chyfraniadau gan y Llywodraeth

Cyfrifir y derbyniadau grant i gefnogi gwariant refeniw ar sail croniadau.

Gorbenion

Mae costau gwasanaethau cymorth a ddarperir yn ganolog ac adeiladau gweinyddol wedi cael eu codi ar wasanaethau yn unol â'r Cod Ymarfer Adrodd ar Wasanaethau (SeRCOP).

Treth ar Werth

Mae'r Cyngor yn derbyn ad-daliad am gost net y dreth ar werth yr eir iddi. Mae'r cyfrifon wedi cael eu paratoi heb gynnwys y dreth, yn unol â SSAP 5.

2. CYFRIF INCWM A GWARIANT

	2013 £	2012 £
(a) Employees		
Contractor payments - Project Director *	123,263	161,490
Salaries	64,933	64,038
Social Security costs	5,188	5,010
Other Pension costs	14,610	14,409
Agency Staff	0	12
	207,994	**244,959**

* gweler nodyn 5 ar dudalen 10..

NODIADAU AR Y DATGANIADAU ARIANNOL CRAIDD
parhad

		2013 £	2012 £
(b)	**Supplies and Services**		
	Advisor costs		
	Technical and Communications	273,171	245,313
	Legal	146,201	235,664
	Financial	82,243	108,021
	Insurance	9,500	1,121
	Other	1,190	12,950
		512,305	603,069
	Advertising/Publicity	3,997	6,261
	Audit Fee	2,524	3,905
	Total Supplies and Services	**518,826**	**613,235**

		2013 £	2012 £
(c)	**Support Services -**		
	Finance, Technical, Legal & Procurement Support		
	Lead Authority Personnel		
	Finance	42,544	35,735
	Legal	29,466	28,984
		72,010	64,719
	Isle of Anglesey County Council Personnel	26,998	37,000
		99,008	101,719
	Office services		
	IT/ Telephones	738	1,630
	Software	2,440	4,020
	Stationery/Printing	2,048	2,622
	Translation	2,977	2,511
		8,203	10,783
	Accommodation	7,768	25,871
	Total Support Services	**114,979**	**138,373**

		2013 £	2012 £
(d)	**Income -**		
	Contribution from participating Local Authorities		
	Conwy County Borough Council	(100,629)	(199,584)
	Denbighshire County Council	(100,628)	(199,585)
	Flintshire County Council	(100,628)	(199,585)
	Gwynedd County Council	(100,628)	(199,585)
	Isle of Anglesey County Council	(100,628)	(199,585)
		(503,141)	(997,924)
	Grants		
	Welsh Government	(339,656)	0
	Total Income	**(842,797)**	**(997,924)**

3. DYLEDWYR

	2013 £	2012 £
Local authorities	411,582	783,223
Other entities and individuals	6,017	81,561
	417,599	864,784

4. CREDYDWYR

	2013 £	2012 £
Local authorities	298,863	804,330
Other entities and individuals	118,736	60,454
	417,599	864,784

5. TALIADAU SWYDDOGION

Mae Rheoliad 7A o'r Rheoliadau Cyfrifon ac Archwilio (Cymru) Diwygio 2010 yn ei gwneud yn ofynnol i ddatgelu (mewn bandiau o £5,000) nifer y gweithwyr yr oedd eu tâl - pob swm a dalwyd neu a dderbynnir gan y gweithiwr, lwfansau treuliau sy'n drethadwy, a gwerth arian buddiannau – yn fwy na £60,000.

Un gweithiwr sy'n cwrdd â'r gofyniad datgelu - Cyfarwyddwr y Prosiect, gweithiwr contract :-

Remuneration Band	2013 No.	2012 No.
£120,000 - £124,999	1	0
£125,000 - £129,999	0	0
£130,000 - £134,999	0	0
£135,000 - £139,999	0	0
£140,000 - £144,999	0	0
£145,000 - £149,999	0	0
£150,000 - £154,999	0	0
£155,000 - £159,999	0	0
£160,000 - £164,999	0	1
	1	1

6. COSTAU ARCHWILIO ALLANOL

Roedd ffioedd archwilio 2012/13 mewn perthynas â'r Datganiad o Gyfrifon yn £2,524 (£3,905 yn 2011/12). Darparwyd y gwasanaethau archwilio allanol gan Swyddfa Archwilio Cymru.

7. PARTÏON CYSYLLTIEDIG

Mae'n ofynnol i'r Cydbwyllgor ddatgelu trafodion o bwys gyda phartïon cysylltiedig h.y. cyrff neu unigolion sydd â'r potensial i reoli neu ddylanwadu ar y Pwyllgor, neu i gael eu rheoli neu eu dylanwadu gan y Pwyllgor; nid oedd unrhyw drafodion o'r fath yn ystod 2012/13 (fel yr oedd y sefyllfa yn 2011/12).

ADRODDIAD YR ARCHWILYDD ANNIBYNNOL I AELODAU CYDBWYLLGOR GWASTRAFF GWEDDILLIOL GOGLEDD CYMRU

Bydd adroddiad yr archwilydd annibynnol yn cael ei ddarparu ar ôl cwblhau'r archwiliad i'w gynnwys yn y Datganiad o Gyfrifon a gyhoeddir.

ADRODDIAD YR ARCHWILYDD ANNIBYNNOL I AELODAU CYDBWYLLGOR GWASTRAFF GWEDDILLIOL GOGLEDD CYMRU

parhad

Bydd adroddiad yr archwilydd annibynnol yn cael ei ddarparu ar ôl cwblhau'r archwiliad i'w gynnwys yn y Datganiad o Gyfrifon a gyhoeddir

DATGANIAD LLYWODRAETHU BLYNYDDOL
ar gyfer y flwyddyn a ddaeth i ben 31ain Mawrth 2013

Yn y datganiad hwn, ceir y pum adran ganlynol:-

1. Cwmpas Cyfrifoldebau.
2. Pwrpas y Fframwaith Llywodraethu.
3. Y Fframwaith Llywodraethu.
4. Adolygiad o Effeithiolrwydd
5. Materion Llywodraethu Arwyddocaol.

1. CWMPAS CYFRIFOLDEB

Mae Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru yn gyfrifol am sicrhau bod ei busnes yn cael ei gynnal yn unol â'r gyfraith a safonau priodol, a bod arian cyhoeddus yn cael ei ddiogelu, bod cyfrif priodol amdano a'i fod yn cael ei ddefnyddio'n briodol ac yn effeithiol. Wrth gyflawni'r cyfrifoldeb cyffredinol hwn, dylai Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru gynnal trefniadau priodol ar gyfer llywodraethu ei materion, hyrwyddo arfer ei swyddogaethau'n effeithiol, a rheoli risg.

Mae bob Awdurdod sy'n cymryd rhan yn y Prosiect wedi cymeradwyo a mabwysiadu Cod Llywodraethu Corfforaethol sy'n gyson ag egwyddorion Cyflawni Llywodraethu Da mewn Llywodraeth Leol: Fframwaith y Sefydliad Siartredig Cyllid Cyhoeddus a Chyfrifyddiaeth (CIPFA)/ Cymdeithas Prif Weithredwyr yr Awdurdodau Lleol ac Uwch Reolwyr (SOLACE).

Cyngor Sir y Fflint yw cyngor arweiniol y Prosiect ac mae ei God Llywodraethu Corfforaethol yn cael ei gynnwys yng Nghyfansoddiad Cyngor Sir y Fflint ac mae copi ar gael hefyd gan Reolwr Llywodraethu a Democratiaeth Sir y Fflint yn y Gwasanaethau Cyfreithiol a Democrataidd.

Mae'r datganiad hwn yn esbonio sut y mae Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru yn cydymffurfio â'r Cod, a hefyd mae'n ateb gofynion Rheoliadau Cyfrifon ac Archwilio (Cymru) (Diwygio) 2010.

2. PWRPAS Y FFRAMWAITH LLYWODRAETHU

Mae'r fframwaith llywodraethu yn dwyn ynghyd y systemau a'r prosesau, staff, adnoddau eraill, diwylliant a gwerthoedd y rheolir y Prosiect drwyddynt a'r gweithgareddau drwy'r rhai y mae'n atebol i'r gymuned, yn ymgysylltu â'r gymuned, ac yn arwain y gymuned. Mae'r fframwaith yn galluogi'r Prosiect i fonitro cyflawniad yn erbyn ei hamcanion strategol, ac i fod yn sicr p'un a yw gwasanaethau cyhoeddus wedi'u cynllunio'n dda, eu darparu, a chydag adnoddau i gyflawni'r amcanion hynny.

Mae'r system rheolaeth fewnol yn rhan sylweddol o'r fframwaith hwnnw ac fe'i lluniwyd i reoli risgiau a heriau i lefel resymol. Ni all ddileu pob risg o fethu â chyflawni polisïau, nodau ac amcanion ac felly gall ddarparu sicrwydd cymesur ond nid absoliwt o effeithiolrwydd. Mae'r system rheolaeth fewnol yn seiliedig ar broses barhaus a gynlluniwyd i nodi a blaenoriaethu'r risgiau i gyflawni polisïau, blaenoriaethau, nodau ac amcanion y Prosiect, i werthuso'r tebygolrwydd y bydd y risgiau a'r heriau hynny'n digwydd, ac i werthuso'r effaith os ydynt yn digwydd mewn gwirionedd; i reoli risgiau'n effeithlon, yn effeithiol ac yn economaidd.

Mae’r fframwaith llywodraethu wedi bod yn ei le ym Mhrosiect Trin Gwastraff Gweddilliol Gogledd Cymru ar gyfer y flwyddyn a ddaeth i ben 31ain Mawrth 2013 a hyd at ddyddiad cymeradwyo'r datganiad o gyfrifon blynyddol.

3. Y FFRAMWAITH LLYWODRAETHU

Cod Llywodraethu Corfforaethol

Mae elfennau allweddol o drefniadau llywodraethu pob Awdurdod yn cael eu hadlewyrchu yn eu Codau Llywodraethu Corfforaethol unigol. Mae codau’n berthnasol i bob agwedd o fusnes pob Awdurdod. Mae'n ofynnol i'r Aelodau a'r gweithwyr ymddwyn yn unol â'r safonau uchel a ddisgwylir gan ddinasyddion Gogledd Cymru a'r chwe egwyddor graidd a nodir yn y Fframwaith CIPFA/SOLACE diwygiedig:-

- Canolbwyntio ar bwrpas yr awdurdod ac ar ganlyniadau i'r gymuned, a chreu a gweithredu gweledigaeth ar gyfer yr ardal leol
- Aelodau a swyddogion yn cydweithio i gyflawni pwrpas cyffredin gyda swyddogaethau a rolau wedi'u diffinio'n glir
- Hyrwyddo gwerthoedd yr awdurdod ac arddangos gwerthoedd llywodraethu da trwy gynnal safonau uchel o ymarweddiad ac ymddygiad
- Gwneud penderfyniadau gwybodus a thryloyw sy'n destun craffu effeithiol a rheoli risg
- Datblygu capasiti a gallu aelodau a swyddogion i fod yn effeithiol
- Ymgysylltu â phobl leol a rhanddeiliaid eraill i sicrhau atebolrwydd cyhoeddus cadarn

Perthynas Rhyng-Awdurdod

Mae'r Prosiect cyfan yn dibynnu ar gydweithio rhwng pob un o'r pum Awdurdod yng Ngogledd Cymru, gyda’r nod cyffredin o sicrhau contract Trin Gwastraff Gweddilliol. Mae’r berthynas yn cael ei gwneud yn gyfreithiol rwymol gan y Cytundebau Rhyng-Awdurdod (cafodd y 1af ei lofnodi gan yr Awdurdodau ar 24ain Mehefin 2010 sy’n dwyn y materion i fyny at ddiwedd y Caffael a bydd yr 2il yn mynd â’r materion trwy'r Cytundeb Prosiect hir-dymor gyda'r cynigydd terfynol a gymeradwyir). Mae'r Cytundeb Rhyng-Awdurdod yn cael ei gefnogi’n ariannol ac o ran polisi gan Lywodraeth Cymru (a fydd hefyd yn cynnal adolygiad masnachol o’r Cytundeb Prosiect terfynol i'w lofnodi cyn cau'r Ddeialog gyda'r Cynigydd).

Cytundeb Rhyng-Awdurdod

Mae elfennau allweddol o drefniadau llywodraethu'r Prosiect yn cael eu hadlewyrchu yn y Cytundeb Rhyng-Awdurdod, sy'n amlinellu cylch gorchwyl y Cydbwyllgor, yn ffurfioli'r rolau a chyfrifoldebau priodol mewn perthynas â'r trefniadau cydweithio ar gyfer caffael y Prosiect i’r Partneriaid, ac yn penodi Cyngor Sir y Fflint fel y cyngor arweiniol

Mae copïau o'r Cytundeb Rhyng-Awdurdod ar gael drwy gysylltu â Phennaeth Gwasanaethau Cyfreithiol a Democrataidd Cyngor Sir y Fflint.

Strwythur y Prosiect

Mae Adran 6 y Cytundeb Rhyng-Awdurdod yn nodi'r gweithdrefnau ar gyfer gwneud penderfyniadau yn ystod cyfnod caffael y Prosiect. Mae'r Cynghorau wedi cymeradwyo 3 chategori, ynghyd â'r modd y bydd penderfyniadau yn cael eu cymryd; 'Mater Bwrdd Prosiect', 'Mater Cydbwyllgor' a ‘Mater Wrth Gefn i'r Cynghorau’. Mae rhestr o gamau caffael a elwir yn 'Gerrig Milltir Caffael' ynghyd â’r categori gwneud penderfyniadau a ddyrennir i bob carreg filltir yn cael eu cynnwys yn Atodlen 1 o'r Cytundeb Rhyng-Awdurdod.

Bwrdd Prosiect
Mae'r Bwrdd Prosiect yn cynnwys Prif Weithredwr y cyngor arweiniol, un cyfarwyddwr neu gynrychiolydd uwch swyddog o bob un o'r pedwar Cyngor arall, Cyfarwyddwr y Prosiect, Swyddog Adran 151 y Prosiect (y cyngor arweiniol), Swyddog Monitro'r Prosiect (y cyngor arweiniol) a phartïon allanol eraill fel y bo'n briodol. Y cworwm angenrheidiol ar gyfer Cyfarfod Bwrdd y Prosiect yw Cynrychiolydd Uwch Swyddog o bob Cyngor. Mae Cadeirydd y Bwrdd Prosiect yn cael ei benodi gan y Bwrdd Prosiect o bryd i'w gilydd. Mae'r Bwrdd Prosiect yn ymdrechu i gyrraedd consensws ond cymerir penderfyniadau mewn cyfarfodydd drwy bleidlais fwyafrif syml gyda phob Cyngor yn cael un bleidlais yn unig

Pwrpas y Bwrdd Prosiect yw gweithredu'r Cerrig Milltir Caffael a rheolaeth dydd i ddydd a monitro'r broses gaffael. Mae gan y Bwrdd Prosiect bwerau i wneud penderfyniadau a gwneud argymhellion fel y nodir yn Atodlen 3 y Cytundeb Rhyng-Awdurdod.

Y Cydbwyllgor
Mae pob Cyngor yn penodi dau aelod etholedig o'u pwyllgor gwaith neu gabinet, un ohonynt yn aelod â phleidlais, fel eu cynrychiolwyr ar y Cydbwyllgor. Mae Cadeirydd ac Is-Gadeirydd y Cydbwyllgor yn aelodau etholedig gweithredol o Gyngor sy'n cael eu hethol gan y Cydbwyllgor yn y cyfarfod cyffredinol blynyddol. Mae'r penodiadau mewn grym tan y cyfarfod cyffredinol blynyddol nesaf. Y cworwm angenrheidiol ar gyfer Cyfarfod o'r Cydbwyllgor yw pum aelod o'r Cydbwyllgor yn cynnwys o leiaf un aelod o bob un o'r Cynghorau. Cymerir penderfyniadau yng nghyfarfod y Cydbwyllgor drwy bleidlais fwyafrif syml gyda phob aelod etholedig sydd â phleidlais, neu ddirprwy priodol, o bob Cyngor yn cael un bleidlais.

Mae gan y Cydbwyllgor y pwerau i wneud penderfyniadau ac argymhellion o fewn ei gylch gorchwyl fel y nodir yn Atodlen 2 o'r Cytundeb Rhyng-Awdurdod.

Materion Wrth Gefn i'r Cynghorau
Mae gan bob Awdurdod ei Gyfansoddiad ei hun sy'n nodi cyfrifoldeb am wneud penderfyniadau, sydd i'w weld ar wefan pob Cyngor.

Aelodau
Wrth ymgymryd â'r swydd, mae angen i bob Aelod etholedig lofnodi Datganiad Derbyn Swydd lle maent yn ymrwymo i gael eu harwain gan God Cenedlaethol Ymddygiad Llywodraeth Leol wrth gyflawni eu swyddogaethau fel Cynghorydd. Mae gan bob Awdurdod God Aelodau Unigol sy'n cydymffurfio â'r Cod Cenedlaethol ac mae'r holl Aelodau yn cael copi ohono wrth ymgymryd â'r swydd. Ystyrir unrhyw gwynion nad yw Aelod wedi cydymffurfio â'r Cod gan Ombwdsmon Gwasanaethau Cyhoeddus Cymru, a all gyfeirio unrhyw doriad amlwg i naill ai at Bwyllgor Safonau'r Cyngor perthnasol neu at Banel Dyfarnu Cymru, a all osod sancsiynau os canfyddir toriad o'r Cod.

Swyddogion
Mae swyddogion yn destun Cod Ymddygiad ar wahân, ac mae gan bob Awdurdod ei God Ymddygiad Swyddogion unigol. Gall torri'r Cod Swyddogion arwain at gamau disgyblu.

Mae copïau o Godau Ymddygiad Aelodau a Swyddogion ar gael gan bob Awdurdod.

Cyngor Arweiniol
Mae'r Cynghorau wedi cytuno mai Cyngor Sir y Fflint fydd y cyngor arweiniol. Mae'r cyfrifoldebau yn cynnwys:

- Gweithredu ar ran y Prosiect wrth reoli a goruchwylio'r ymarferiad caffael
- Gweithredu fel yr awdurdod cyflogi ar gyfer unrhyw staff sy'n ymwneud â chyflawni swyddogaethau'r Prosiect
- Bod yn bwynt cyswllt cyfreithiol i ddibenion rheoli'r caffael
- Darparu adnoddau gweinyddol ychwanegol a chyfleusterau swyddfa a allai fod yn angenrheidiol at ddibenion cyflawni'r Prosiect a dal yr holl gronfeydd canolog
- Darparu uwch swyddogion a fydd yn gweithredu fel Ysgrifennydd, Swyddog Monitro, a Thrysorydd (a fydd hefyd yn Swyddog Adran 151) ar gyfer y Prosiect, ac a fyddant felly'n gweithredu fel prif ymgynghorwyr cyfreithiol ac ariannol i'r Prosiect
- Yn gyfrifol am gysylltu a chyfathrebu gyda Llywodraeth Cymru a chyd-drefnu cyfathrebu a chysylltiadau cyhoeddus
- Y pŵer i fynd i mewn i gontractau ar gyfer Ymgynghorwyr fel sy'n ofynnol at ddibenion y Prosiect

Swyddog Monitro
Mae Erthygl 15 o Gyfansoddiad Cyngor Sir y Fflint yn dynodi'r Pennaeth Gwasanaethau Cyfreithiol a Democrataidd fel Swyddog Monitro'r Cyngor dan Adran 5 Deddf Llywodraeth Leol a Thai 1989 a'r swyddog hwn, felly, yw Swyddog Monitro'r Prosiect.

Cyllid
Pennaeth Cyllid Cyngor Sir y Fflint fel y cyngor arweiniol yw Swyddog Cyllid Cyfrifol y Prosiect, ac mae'n cymryd cyfrifoldeb am weinyddu materion ariannol Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru o dan Adran 151 o Ddeddf Llywodraeth Leol 1972 ac yn unol â Datganiad CIPFA ar rôl Prif Swyddog Cyllid.

Mae Cyngor Sir y Fflint fel y cyngor arweiniol yn dal yr holl gronfeydd canolog, ac mae'r Prosiect yn defnyddio Rheolau Gweithdrefn Contract a Rheolau Gweithdrefn Ariannol y cyngor arweiniol. Mae Cyngor Sir y Fflint yn trin arian y Prosiect gyda'r un stiwardiaeth â'i arian ei hun ac mae trefniadau cadarn ar gyfer rheolaeth ariannol effeithiol trwy weithdrefnau cyfrifyddu, systemau ariannol allweddol, Rheolau Gweithdrefn Ariannol a Rheolau Gweithdrefn Contract y Cyngor fel y nodir yng Nghyfansoddiad Cyngor Sir y Fflint. Mae'r Rheolau Gweithdrefn Ariannol a Rheolau Gweithdrefn Contractau yn cael eu hadolygu'n rheolaidd ac maent ar gael ar fewnrwyd Cyngor Sir y Fflint, o'r enw infonet.

Mae Adran 9 y Cytundeb Rhyng-Awdurdod yn nodi'r ymrwymiadau ariannol y mae pob Cyngor wedi cytuno eu gwneud i'r Prosiect, ynghyd â threfniadau ar gyfer cytuno ar ac ad-dalu costau'r Prosiect a wynebir gan bob Cyngor. Mae gan y Cydbwyllgor gyfrifoldeb cyffredinol am fonitro'r gyllideb, ac mae'n gwneud hynny drwy dderbyn adroddiadau statws cyllideb rheolaidd fel rhan o'r diweddariad prosiect cyffredinol, fel eitem reolaidd ar yr agenda. Mae'r Bwrdd Prosiect hefyd yn derbyn adroddiad o sefyllfa'r gyllideb fel rhan o'r diweddariad prosiect cyffredinol, fel eitem reolaidd ar yr agenda. Noda adran yn y Cytundeb Rhyng-Awdurdod y gweithdrefnau ar gyfer unrhyw wariant nad yw o fewn y proffil gwariant a gytunwyd; rhaid i'r Bwrdd Prosiect gytuno ar unrhyw wariant o'r fath ymlaen llaw.

Mae Cyngor Sir y Fflint fel y cyngor arweiniol wedi mabwysiadu Rheoli Trysorlys yn y Gwasanaethau Cyhoeddus: Cod Ymarfer y Sefydliad Siartredig Cyllid Cyhoeddus (CIPFA). Mae Rheoli'r Trysorlys yn cael ei gynnal yn unol â Pholisi a Datganiad Strategaeth Rheoli'r Trysorlys ac Arferion Rheoli'r Trysorlys Cyngor Sir y Fflint a adolygir yn flynyddol. Mae'r holl fenthyciadau ac ariannu tymor hir yn cael eu gwneud yn unol â Chod Darbodus CIPFA. Rhoddir adroddiadau diweddariad Rheoli'r Trysorlys i Bwyllgor Archwilio Cyngor Sir y Fflint a'r Cabinet ar sail chwarterol.

Cynllunio Busnes
Mae'r Prosiect wedi sefydlu dull cadarn o gynllunio busnes. Nid yw'r prosiect yn brosiect parhaus, ond yn hytrach yn un penodol gyda chanlyniad rhagosodedig – sef caffael contract trin gwastraff gweddilliol. Mae'r cyfiawnhad ar gyfer y prosiect, ei ddisgrifiad amlinellol a chostau dangosol, amserlen y prosiect, trefniadau llywodraethu a rheoli prosiect a chyllideb y project wedi eu nodi mewn Dogfen Cychwyn Prosiect (PID - fersiwn terfynol dyddiedig 1 Hydref, 2008) a gytunwyd gan yr holl awdurdodau. Roedd hyn yn caniatáu cyflogi tîm prosiect pwrpasol, a oedd yn caniatáu datblygu Achos Busnes Amlinellol a Chytundeb Rhyng-Awdurdod, y cytunwyd arnynt yn y pen draw gan yr holl awdurdodau.

Noda'r Achos Busnes Amlinellol (OBC) yr achos strategol, economaidd, masnachol, ariannol a rheoli ar gyfer y Prosiect, i gyd wedi'u paratoi yn unol ag arferion da yn y diwydiant. Mae hefyd yn gwasanaethu fel dogfen gais i Lywodraeth Cymru (LIC) am gymorth ariannol ar gyfer y prosiect. Arweiniodd yr Achos Busnes Amlinellol a gymeradwywyd gan Lywodraeth Cymru at ymrwymiad gan LIC i gefnogi cost y contract hyd at werth o £142.7m. Bu hefyd nifer o gyfnodau lle cynhaliodd Llywodraeth Cymru "adolygiadau porth", a lle byddant yn gwneud hynny i'r dyfodol, er mwyn sicrhau bod y prosiect yn bwrw ymlaen yn foddhaol a bod y cytundeb prosiect (contract) yn cynrychioli gwerth am arian ac nad yw'n peri risg annerbyniol i'r awdurdodau.

Mae pob awdurdod yn adrodd ar gynnydd y prosiect i'w Aelodau nad ydynt ar y Cydbwyllgor. Mae LIC yn cynnal "adolygiadau porth" ar wahanol gyfnodau allweddol yn y prosiect er mwyn sicrhau bod y prosiect yn bwrw ymlaen yn foddhaol a bod y cytundeb prosiect (contract) yn cynrychioli gwerth am arian ac nad yw'n peri risg annerbyniol i'r awdurdodau.

Cyfathrebu
Mae cyfathrebu, ymgynghori ac ymgysylltu â'r cyhoedd a rhanddeiliaid yn agwedd allweddol o'r PTGGGC. Ers ei sefydlu, mae'r bartneriaeth wedi creu cynllun cyfathrebu a'i ddiweddaru'n rheolaidd. Mae Cyfathrebu ac Ymgysylltu yn eitem reolaidd ar agenda pob Bwrdd Prosiect a chyfarfod y Cydbwyllgor ac mae grŵp o swyddogion cyfathrebu sy'n cwrdd fel bo'r angen gyda swyddfa'r wasg/swyddogion cyfathrebu pob awdurdod partner yn bresennol. Mae'r trefniadau llywodraethu uchod wedi sicrhau y bu ymgynghori, cyfathrebu ac ymgysylltu â rhanddeiliaid ar bob lefel, o Aelodau awdurdodau partner i grwpiau diddordeb i breswylwyr drwy gydol y broses

Rheoli Risg
Mae gan y Prosiect gofrestr risg fanwl sydd yn eitem reolaidd ar agendâu'r Bwrdd Prosiect a'r Cydbwyllgor. Amlygir unrhyw risgiau newydd, unrhyw newidiadau i risgiau presennol a'r risgiau lefel uchaf i'r ddau grŵp ym mhob un o'u cyfarfodydd.

Rheoleiddio a Sicrwydd
Mae rheoleiddio ac atebolrwydd yn rhoi sicrwydd ynglŷn ag effeithiolrwydd trefniadau'r Prosiect ar gyfer y gwasanaethau y mae'n gyfrifol amdanynt, ac i gyflawni ei hamcanion. Mae'n cael ei wneud yn fewnol drwy drefniadau llywodraethu, arferion a gweithdrefnau ac yn allanol gan wahanol sefydliadau megis Swyddfa Archwilio Cymru (WAO) sydd â rôl statudol annibynnol. Mae'r cyfrifoldeb am gaffael y gwiriadau archwilio a sicrwydd angenrheidiol yn aros gyda'r Cydbwyllgor. Mae'r Cydbwyllgor yn goruchwylio'r broses o gyflwyno adroddiadau ariannol i sicrhau cydbwysedd, tryloywder a chywirdeb y wybodaeth ariannol a gyhoeddir, ac mae'n monitro perfformiad ac effeithiolrwydd y swyddogaethau archwilio allanol o fewn y cyd-destun rheoleiddio ehangach.

Pwyllgor Archwilio
Yn fewnol, mae rôl a swyddogaeth Pwyllgor Archwilio Cyngor Sir y Fflint, fel y cyngor arweiniol, yn rhoi sicrwydd systemau rheolaeth fewnol drwy adolygu effeithiolrwydd systemau Sir y Fflint y mae arian y Prosiect yn cael ei reoli drwyddynt. Mae hefyd yn monitro perfformiad ac effeithiolrwydd swyddogaeth archwilio mewnol Sir y Fflint.

Archwilio Mewnol
Mae Gwasanaeth Archwilio Mewnol Cyngor Sir y Fflint yn cael ei ddarparu yn unol â Chod Ymarfer CIPFA ar gyfer Archwilio Mewnol i Lywodraeth Leol yn y Deyrnas Unedig ac yn unol â Datganiad CIPFA ar Rôl y Pennaeth Archwilio Mewnol. Dywed y Cod Ymarfer bod Archwilio Mewnol yn sicrwydd sydd yn darparu barn annibynnol a gwrthrychol i gyfundrefn ar yr amgylchedd reolaeth wrth werthuso ei effeithiolrwydd, tra'n gwireddu amcanion y gyfundrefn. Mae'n archwilio, gwerthuso ac yn adrodd yn wrthrychol ar ddigonolrwydd yr amgylchedd rheolaethol fel cyfraniad at y defnydd priodol, economaidd, effeithlon ac effeithiol o adnoddau.

Yn unol â gofynion y Cod Ymarfer CIPFA, mae'r Rheolwr Archwilio Mewnol yn adrodd i Bwyllgor Archwilio Cyngor Sir y Fflint, fel y Cyngor arweiniol, grynodeb o ganfyddiadau'r archwiliad ac mae'n paratoi adroddiad blynyddol sydd yn crynhoi canlyniadau'r gwaith archwilio mewnol yn ystod y flwyddyn ar y system gyffredinol o reolaeth fewnol yng Nghyngor Sir y Fflint, y mae arian y Bartneriaeth yn cael ei rheoli drwyddynt.

Rheoleiddio Allanol
Mae'r trefniadau allanol ar gyfer rheoleiddio a sicrwydd yn cael eu darparu yn bennaf gan Swyddfa Archwilio Cymru (WAO). Mae eu rôl yn annibynnol ar y llywodraeth, ac maent yn archwilio a herio perfformiad ac effeithiolrwydd gwaith cyrff cyhoeddus yng Nghymru ac yn cynhyrchu naill ai adroddiadau lleol a chenedlaethol cyfnodol neu flynyddol ar eu canfyddiadau. Mae pob adroddiad ffurfiol yn cael eu cyflwyno i'r Cydbwyllgor.

Mae'r prosiect cyfan yn cael ei gefnogi, ei fonitro a'i adolygu'n fanwl gan Lywodraeth Cymru er mwyn sicrhau bod y prosiect yn cyflawni rhan o'u strategaeth gwastraff fel yr oedd yn bwriadu ei wneud.

Chwythu'r chwiban
Mae pob Cyngor wedi ymrwymo i'r safonau uchaf posibl o onestrwydd, atebolrwydd a bod yn agored. I gefnogi'r ymrwymiad hwnnw, mae gweithwyr ac eraill sydd â phryderon difrifol am unrhyw agwedd ar waith y Prosiect yn cael eu hannog i ddod ymlaen a mynegi'r pryderon hynny. Cydnabyddir bod rhaid i achosion sensitif fwrw ymlaen ar sail gyfrinachol. Mae polisi pob Cyngor unigol yn ei gwneud yn glir y gall gweithwyr wneud hynny heb ofni dial. Mae polisïau ar gael gan bob Cyngor Partner.

Cwynion
Mae pob Cyngor wedi mabwysiadu trefn gwyno ffurfiol ac mae'r rhain yn cael eu diweddaru o bryd i'w gilydd.

4. ADOLYGIAD EFFEITHIOLRWYDD

Mae gan Brosiect Trin Gwastraff Gweddilliol Gogledd Cymru gyfrifoldeb am gynnal, o leiaf bob blwyddyn, adolygiad o effeithiolrwydd ei fframwaith llywodraethu, gan gynnwys y system rheolaeth fewnol. Mae'r adolygiad effeithiolrwydd yn cael ei lywio gan waith Uwch Reolwyr o fewn y Cynghorau sy'n gyfrifol am ddatblygu a chynnal yr amgylchedd llywodraethu, a gan sylwadau a wneir gan archwilwyr allanol ac asiantaethau adolygu ac arolygiaethau eraill.

Adolygiad o Archwiliad Mewnol
Yn ystod y flwyddyn cwblhaodd Archwilio Mewnol adolygiad llywodraethu cyffredinol a ddaeth i'r casgliad bod:

- Fframwaith llywodraethu effeithiol wedi cael ei sefydlu ar gyfer rheoli risg, gan sicrhau tryloywder a dangos atebolrwydd
- Protocol gwneud penderfyniadau clir wedi cael ei sefydlu a bod y Cydbwyllgor yn cael gwybodaeth sy'n addas at y diben, yn berthnasol, yn amserol ac yn rhoi esboniadau clir o faterion technegol ac ariannol a'u goblygiadau
- Cofrestr risg arfer gorau yn cael ei chynnal a bod dynodi risg, asesu, lliniaru ac adrodd yn gadarn
- Gan Swyddogion ac aelodau ddealltwriaeth dda o'u rolau, cyfrifoldebau a chyfranogiad yn y fframwaith llywodraethu cyffredinol

Hyfforddiant Aelodau
Yn ystod rhan olaf y flwyddyn paratowyd rhaglen sefydlu yn barod ar gyfer Aelodau newydd y Cydbwyllgor yn dilyn etholiadau'r Cyngor Sir ar 3ydd Mai 2012. Cynhaliwyd sesiwn sefydlu/briffio ar gyfer Aelodau'r Cydbwyllgor ym mis Awst cyn cyfarfod cyntaf y Cydbwyllgor ers yr etholiadau Cyngor Sir ym Mai 2012 er mwyn sicrhau bod gan unrhyw Aelodau newydd o’r Cydbwyllgor wybodaeth lawn am y prosiect.

Mae'r prosiect hefyd wedi cynnal nifer o sesiynau briffio ac ymgynghori gydag Aelodau o bob un o’r pum awdurdod ar gamau allweddol yn y broses gaffael. Y bwriad yw parhau, ac yn wir i gynyddu’r ymgysylltu uniongyrchol gydag Aelodau ar draws y Cynghorau yn arwain i fyny at benderfyniadau allweddol megis penodi cynigydd a ffefrir a dyfarnu'r contract.

Archwiliad Mewnol Cyngor Sir y Fflint
Cynhaliodd yr adran hunanasesiad yn erbyn canllawiau CIPFA ar gyfer Archwilio Mewnol mewn Llywodraeth Leol a chanfod lefel uchel o gydymffurfiaeth.

Mae Swyddfa Archwilio Cymru yn cynnal adolygiad blynyddol o wasanaeth Archwilio Mewnol y Cyngor yn erbyn Cod Ymarfer CIPFA ar gyfer Archwilio Mewnol mewn Llywodraeth Leol. Er nad yw’r gwerthusiad hwn yn cael ei gynnal i roi sicrwydd i Gyngor Sir y Fflint ynglŷn â’r swyddogaeth archwilio mewnol, daethant i'r casgliad yn eu hadolygiad diweddaraf bod archwiliad mewnol yn cydymffurfio gyda naw o'r un ar ddeg o safonau a chydymffurfio'n rhannol â'r ddau arall.

Yn ei adroddiad blynyddol, yn seiliedig ar ganlyniadau’r archwiliadau mewnol a gynhaliwyd yn ystod y flwyddyn, daeth y Rheolwr Archwilio Mewnol i'r casgliad bod trefniadau Sir y Fflint ar gyfer llywodraethu, rheoli risg a rheolaeth fewnol yn ddigonol ac yn effeithiol.

Pwyllgor Archwilio Cyngor Sir y Fflint
Derbyniodd y pwyllgor hyfforddiant penodol ar ôl etholiadau mis Mai er mwyn galluogi'r aelodau i gyflawni eu rôl. Cwblhaodd aelodau hunan-asesiad yn erbyn Pecyn Cymorth CIPFA ar gyfer Pwyllgorau Archwilio Awdurdodau Lleol yn hwyr yn 2012. Dangosodd y canlyniadau fod y Pwyllgor at ei gilydd yn cyfarfod y canllawiau. Tynnwyd sylw at rai meysydd lle y gall trefniadau presennol gael eu cryfhau. Bydd hyfforddiant ar gyfer y Pwyllgor Archwilio newydd yn cael ei gynnal yn 2013/14.

5. MATERION LLYWODRAETHU ARWYDDOCAOL

Mae dull llywodraethu'r prosiect wedi'i nodi'n glir iawn yn y Ddogfen Cychwyn Prosiect a'r Cytundeb Rhyng-Awdurdod sy'n diffinio'r penderfyniadau allweddol drwy gydol y prosiect ac ar ba lefel y mae angen y penderfyniadau hynny. Mae hyn wedi rhoi eglurder a sicrwydd i'r trefniadau llywodraethu sy'n diogelu'r holl awdurdodau.

Ni nodwyd unrhyw faterion sylweddol wrth gwblhau'r datganiad uchod.

Llofnodwyd…….....Cadeirydd Cydbwyllgor Partneriaeth Gwastraff Gweddilliol Gogledd Cymru

Llofnodwyd ……Prif Weithredwr yr Awdurdod Arweiniol

PTGGGC
Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru

Eitem Agenda: 11

ADRODDIAD I'R: **CYD-BWYLLGOR**

DYDDIAD: **DYDD IAU, 11 GORFFENNAF 2013**

ADRODDIAD GAN: **Y PENNAETH CYLLID (CSYFF) A PHENNAETH CHYFREITHIOL A GWASANAETHAU DEMOCRATAIDD (CSYFF)**

PWNC: **ADRODDIAD DATGANIAD LLYWODRAETHU BLYNYDDOL**

1.00 PWRPAS YR ADRODDIAD

1.01 I gyflwyno'r Datganiad Llywodraethu Blynyddol i'r Cyd-bwyllgor er gwybodaeth i Aelodau ar hyn o bryd.

2.00 CEFNDIR

2.01 Ar gyfer pob flwyddyn ariannol mae gyfyn i'r prosiect greu Datganiad Llywodraethu Blynyddol (AGS) fel rhan o'i gyfrifon terfynnol. Mae'r datganiad yma yn esbonio'r fframwaith llywodraethu mewn gweithrediad trwy'r flwyddyn a sut y bu iddo gael ei adolygu i sicrhau ei fod yn effeithiol.

2.02 Mae'r AGS ar gyfer 2011/12 wedi'i adrodd fel rhan o'r adroddiad cyfrifon blynyddol. Fodd bynnag, mae'n ddogfen bwysig sydd yn manylu trefniadau llywodraethu corfforaethol y prosiect a mae'n arfer orau i'w adolygu a'i gymeradwyo fel eitem agenda arbenig.

2.03 Mae'r AGS wedi'i baratoi gan Rhwolwr Archwylio Mewnol CsyFf a Chyfreithiwr Corfforaethol i gydymffurfio â "Delivering Good Governance in Local Government: A Framework" a gyhoeddwyd ar y cyd gan CIPFA a SOLACE. Yna fe adroddwyd i'r Prif Weithredwr, y Swyddog Rhan 151 a Swyddog Monitro yr awdurdod arweiniol i gael ei sylwadau. Ar ôl cael ei gymeradwyo gan y Cyd-bwyllgor fe fydd y fersiwn terfynnol yn cael ei gyflwyno i Brif Wethredwr yr awdurdod arweiniol a Cadeirydd y Cyd-bwyllgor i'w arwyddo.

2.04 Fydd yr AGS yn cael ei ystyried gan Swyddfa Archwylio Cymru byddai'n adrodd os nad yw'n cydymffurfio â "Delivering Good Governance in Local Government: A Framework".

3.00 YSTYRIAETHAU

3.01 Yn unol â'r canllawiau ceir y pum adran ganlynol yn y datganiad

1. Cwmpas Cyfrifoldebau.
2. Pwrpas y Fframwaith Llywodraethu.
3. Y Fframwaith Llywodraethu.
4. Adolygiad o Effeithiolrwydd
5. Materion Llywodraethu Arwyddocaol

3.02 Bu i'r AGS i 2011/12 gynnwys ddwy fater llywdraethol arwyddocaol – yr angen i gwrdd â amserlenni adrodd ariannol a'r angen am adolygiad archwyliad mewnol. Mae'r ddau fater hon wedi'i gyfarch yn ystod 2012/13, felly nid oes unrhyw faterion arwyddocaol llywdraethol ar gyfer y prosiect.

3.03 Wrth adolygu'r AGS ddrafft, gofynnir i'r Cyd-bwyllgor i gysdro'r canlynol:-

1. Os yw'r datganiad yn adlewyrchu'r fframwaith llywodraethu mewn lle i'r prosiect yn gywir

2. Os ydyn't yn fodlon gyda'r adolgiad cyffredinol o effeithlonrwydd; ac

3. Os ydynt yn cytuno nad oes unrhyw faterion arwyddocaol llywdraethol ar gyfer y prosiect.

3.04 Dylir Aeolodau'r Cyd-bwyllgor nodi mai'r Datganiad o Gyfrifon ar gyfer 2012/13 yw atodiad 1 i'r adroddiad yma, sydd yn cynnwys y Datganiad Llywodraethu Blynyddol.

4.00 ARGYMHELLION

4.01 Gofynnir i aelodau'r Cyd-bwyllgor nodi cynnwys yr adroddiad yma, a fu gofyn iddynt gymeradwyo'r Datganiad Llywodraethu Blynyddol) yn swyddogol yng nghyfarfod nesaf y Cyd-bwyllgor.

5.00 GOBLYGIADAU ARIANNOL

Dim.

6.00 EFFAITH GWRTH DLODI

Dim.

7.00 EFFAITH AMGYLCHEDDOL

Dim.

8.00 EFFAITH CYDRADDOLDEB

Dim.

9.00 GOBLYGIADAU PERSONÉL

Dim.

10.00 ANGEN YMGYNGHORI

Nid oes angen dim.

11.00 YMGYNGHORI A WNAED

Nid oes angen dim.

12.00 ATODIADAU

Atodiad 1 - Datganiad o Gyfrifon 2012/13 (yn cynnwys y Datganiad Llywodraethu Blynyddol).

DEDDF LLYWODRAETH LEOL (MYNEDIAD AT WYBODAETH) 1985
DOGFENNAU CEFNDIR

Amrywiol Bapurau Gwaith Cyfrifon Terfynol

Swyddog Cyswllt: David Webster
Ffôn: 01352 702248
E-bost: david.webster@flintshire.gov.uk

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PTGGGC

Prosiect Trin Gwastraff Gweddilliol Gogledd Cymru

EITEM AGENDA RHIF: 12

ADRODDIAD I: **CYD BWYLLGOR PROSIECT PTGGGC**

DATE: **11 GORFFENNAF 2013**

ADRODDIAD GAN: **CYFARWYDDWR PROSIECT**

TESTUN: **ADRODDIAD AR ADNODDAU PROSIECT – GWARIANT 2012/13 A CHYLLIDEB 2013/14**

1. PWRPAS YR ADRODDIAD

1.1. I gyflwyno datganiad gwariant terfynnol ar gyfer 2012/13 (yn amodol ar archwyliad) i'r Cyd Bwyllgor er gwybodaeth yn unig ar hyn o bryd.

1.2. I gyflwyno cyllideb y prosiect ar gyfer y flwyddyn ariannol 2013/14 i'r Cyd-Bwyllgor i'w gymeradwyo.

2. CEFNDIR

2.1. Fu i'r Bwrdd Prosiect ystyried yr adroddiad hwn yn ei gyfarfod o 6 Mehefin 2013 a cytunwyd iddo gael ei gymeradwyo i'w ystyried gan Aeolodau'r Cyd Bwyllgor.

2.2. Ystyrir y dylai'r Cyd Bwyllgor cael ei gyflwyno gyda gwariant terfynnol ar gyfer 2012/13 a chyllideb y prosiect ar gyfer y flwyddyn ariannol 2013/14.

2.3. Nodir hefyd y bod rhai eitemau o wariant yn mynd ymhellach na flwyddyn ariannol 2013/14, a dangosir rhain mewn colofn eu hunain yn atodiad 2 isod.

3. YSTYRIAETHAU

3.1. Mae'r tabl yn Atodiad 1 isod yn dangos gwariant terfynnol ar gyfer 2012/13 (fe adroddwyd gwariant ddrafft i'r Bwrdd Prosiect ym mis Chwefror 2013). Mae hwn yn dangos tanwariant yn erbyn y gwariant ddrafft o £59.8k. Y prif maesydd o arbedion yw rheoli prosiect o £35k a swm cyfwng heb ei ddefnyddio o £28k.

3.2. Mae cyfanswm y gost i'r prosiect (yn amodol i'r tybiaethau isod) yn £3,000,367 fel a nodir yn atodiad 2. Mae'r arolwg ariannol i'r prosiect crynhoi'r rhagamcaniad presennol (ym Mis Mehefin) yn erbyn yr IAA, cyfraniad pob awdurdod a proffil gwariant dros flynyddoedd 2008/09 i 2014/15.

3.3. Mae'r papur cefnogol i atodiad 2 yn dangos dadansoddiad manwl dros y blynyddoedd hyn. Mae'r cyllideb a gynnigwyd ar gyfer 2013/14 yn cael ei ddangos wedi liwio mewn melyn yn atodiad 2. Mae cyllideb 2013/14 yn ystyried gwariant terfynnol ar gyfer 2012/13. Mae'r tanwariant wedi ei gario

ymlaen i 2013/14 yn ogystal i chynnydd mewn adnoddau i ymdrin a chostayu staff hyd at Mehefin 2014.

3.4. Dylid nodi mai'r rhagdybiaeth a wnaed ar gyfer amserlen y gyllideb yw bod angen i'r gyllideb gynnwys gwariant hyd at benodi'r Cynigydd a Ffefrir (CaFf), sydd wedi'i raglennu ar hyn o bryd ar gyfer mis Chwefror 2014. Mae rhai penawdau gwariant wedi cael eu rhagamcanu ymhellach na hyn (e.e. costau'r Rheolwr Prosiect a Chymorth Gweinyddol). Mae'r cyllideb hefyd wedi'i seilio ar y rhaglen a roddir oflaen y Bwrdd Prosiect ym mis Ebrill 2013, ac nid yw'n ystyried unrhyw newid i'r rhaglen honno.

3.5. Gan fod y prosiect yn agosáu at ei gamau olaf, mae rhai tybiaethau wedi gorfod cael eu gwneud i sicrhau bod y prosiect yn cwblhau o fewn ei gyllideb heb fod angen arian ychwanegol gan yr awdurdodau partner. Mae'r tybiaethau allweddol yn cael eu hamlinellu yn y tabl isod:-

Pennawd gwariant	Rhagdybiaeth ar gyfer cyllideb 2013/14
Cost Cyfarwyddwr Prosiect	Yn rhagdybio 3 diwrnod yr wythnos hyd at fis Tachwedd 2013, ac yna 2 ddiwrnod yr wythnos tan Chwefror 2014 tan benodiad CaFf ym mis Chwefror 2014.
Cost Rheolwr Prosiect	Wedi'i gostio hyd at Fehefin 2014 (yn ôl y contract)
Cymorth Gweinyddol	Wedi'i gostio hyd at Fehefin 2014 (yn ôl y contract)
Cyllid Arweiniol	Wedi'i gostio hyd at Gymeradwyaeth y CB o'r CaFf ym Medi (yn dod yn swyddogion awdurdod ar y pwynt hwn)
Cyfreithiol Arweiniol	Wedi'i gostio hyd at Gymeradwyaeth y CB o'r CaFf ym Medi (yn dod yn swyddogion awdurdod ar y pwynt hwn)
Technegol Arweiniol	Wedi'i gostio hyd at Gymeradwyaeth y CB o'r CaFf ym Medi (yn dod yn swyddogion awdurdod ar y pwynt hwn)
Ymgynghorwyr Technegol - Entec / Amec	Monitro ansawdd aer i Chwefror 2014 £1250/mis + Ebrill 2013 bilio £7,400+deialog pellach ac adolygiad MS £30k + Gwerthuso £18k + Cymeradwyaethau £6k + FBC £10k + £20k wrth gefn
Cynghorwyr Cyfreithiol - Pinsent Mason	Rhan fwyaf o'r gwaith cyfreithiol i gael ei gwblhau erbyn mis Mehefin 2013.
Ymgynghorwyr Ariannol - Grant Thornton	Amcangyfrif GT i gyfnod CaFf yn cael ei addasu ar gyfer sesiynau briffio i aelodau yn cynnwys 5 diwrnod ar gyfer MR + SR 1 diwrnod
Ymgynghorwyr Yswiriant - Jardine Lloyd Thompson	Lwfans ar gyfer gwerthuso CFT ac yn agos ariannol o £5k

3.6. Gofynnir i'r Cyd Bwyllgor nodi bod rhagdybiaeth allweddol yn y rhagamcanion cyllideb yn ymwneud â'r adnoddau sydd eu hangen mewn perthynas â phrosesau cymeradwyo'r cynigydd a ffefrir, a fydd yn cael eu cynnal gan bob un o'r pum awdurdod partner unigol. Mae'r proffil yn caniatáu presenoldeb o 1 diwrnod gan yr ymgynghorwyr allanol a'r Cyfarwyddwr Prosiect mewn cyfarfodydd cymeradwyo'r partneriaid unigol. Oherwydd cyfyngiadau cyllideb, ni ellir cyflenwi presenoldeb pellach mewn cyfarfodydd awdurdodau partner unigol o fewn y gyllideb bresennol. Fodd bynnag, gofynnir i'r Bwrdd Prosiect ystyried a fyddai'n cefnogi gallu'r

ymgynghorwyr allanol, a'r Cyfarwyddwr Prosiect pe byddai angen, i fynychu mwy o gyfarfodydd awdurdodau unigol os gofynnir iddynt gan yr awdurdod hwnnw, ond y byddai'n cael ei gydnabod y byddai angen i'r awdurdod hwnnw dalu'r costau ychwanegol hyn.

3.7. Gofynnir i'r Cyd Bwyllgor nodi bod y gyllideb wreiddiol wedi ei chymeradwyo gan yr holl awdurdodau partner fel y nodir yn y Cytundeb Rhyng-Awdurdod yn £3.20m. Adolygodd y Cyfarwyddwr Prosiect y gyllideb ym mis Hydref 2010 a nododd na fyddai o bosibl angen y gwariant cyllideb lawn ac ar yr adeg honno, cafodd y gyllideb arfaethedig ei diwygio i lawr i £2.83m. Mae dadansoddiad o'r gyllideb a gwariant a ragwelir hyd at ddyfarnu'r contract yn nodi ei bod yn bosibl y bydd angen y gyllideb lawn wreiddiol (fel y'i cymeradwywyd gan yr holl awdurdodau partner) i fynd â'r prosiect drwyddo hyd at ddyfarnu'r contract. Fodd bynnag, fel arall, bydd y gyllideb ddiwygiedig yn ddigonol i gefnogi'r gwaith o gyflenwi'r prosiect hyd nes dyfarnu'r cynigydd a ffefrir ffurfiol (CaFf). Gellid gofyn i'r broses gymeradwyo CaFf a fyddai'n cael eu hystyried yn gyntaf gan y Cyd-bwyllgor a'i hystyried wedi hynny gan bob awdurdod partner unigol hefyd gytuno ar y gyllideb o'r CaFf hyd at ddyfarnu contract. Dylid nodi, yn ystod cyfnod cymeradwyo'r CaFf, y ceisir cymeradwyaeth beth bynnag ar gyfer cyllideb ôl-ddyfarnu contract i dalu am y cyfnod o ddyfarnu'r contract hyd at ddechrau'r gwasanaeth. Gofynnir i'r Cyd Bwyllgor am arweiniad ynglŷn â'i ddewis o ran sut y dylid ymdrin â'r mater hwn.

3.8. Darperir adroddiadau monitro cyllideb i gyfarfodydd Bwrdd Prosiect a Chyd Bwyllgor yn y dyfodol, ynghyd ac unrhyw newidiadau i'r rhagdybiaethau fel mae'r prosiect yn datblygu trwy'r camau nesaf.

4. ARGYMHELLION

4.1. I'r Cyd-bwyllgor nodi datganiad gwariant terfynnol ar gyfer 2012/13 (yn amodol ar archwyliad) ac i hwn cael ei gysidro yng nghyfarfod nesaf y Cyd-bwyllgor.

4.2. I'r Cyd-bwyllgor gymeradwyo'r gyllideb a gynnigir ar gyfer 2013/14 (yn seiliedig ar y rhagdybiaethau fel a nodir yn yr adroddiad hwn).

5. GOBLYGIADAU ARIANNOL

5.1. Gweler adrannau 3.1- 3.3 uchod

6. EFFAITH GWRTH-DLODI

6.1. Dim yn berthnasol.

7. EFFAITH AMGYLCHEDDOL

7.1. Dim yn berthnasol.

8. EFFAITH CYDRADDOLDEB

8.1. Dim yn berthnasol.

9. GOBLYGIADAU PERSONÉL

9.1. Dim yn berthnasol.

10. ANGEN YMGYNGHORI

10.1. Gweler uchod.

11. YMGYNGORI A WNAED

11.1. Dim yn berthnasol.

DEDDF MYNEDIAD I WYBODAETH LLYWODRAETH LEOL 1985

Dogfennau Cefndir:

Dim

Swyddog Cyswllt: Stephen Penny NWRWTP Cyfarwyddwr Prosiect

Atodiad 1 – Gwariant terfynnol ar gyfer 2012/13

NORTH WALES RESIDUAL WASTE TREATMENT PROJECT							
BUDGET MONITORING REPORT as at 31 March 2013 (FINAL)							
	YEAR TO DATE 2012/13				CUMULATIVE PROJECT TO DATE		
EXPENDITURE HEADING	Provisional Outturn Feb 2013	ACTUAL	VARIANCE - =OVER ; + =UNDER	Projected TOTAL PROJECT	Actual + Provisional Outturn	ACTUAL	VARIANCE
	£	£	£	£	£	£	£
Project Director	121,663	123,263	-1,600	651,881	589,481	591,081	-1,600
Project Director Travel etc	1,200		+1,200	3,095	2,495	1,295	+1,200
Project Manager	56,651	56,970	-319	229,440	201,594	201,913	-319
Project Manager and other travel	6,000	998	+5,002	13,958	9,458	4,456	+5,002
Administrative assistance	27,762	27,761	+1	104,254	90,371	90,371	+1
Lead finance	48,005	42,543	+5,462	110,611	83,740	78,278	+5,462
Interim finance	0		+0	38,000	38,000	38,000	+0
Lead Technical	35,506	26,998	+8,507	113,898	102,938	94,431	+8,507
IT/ Telephones	1,800	738	+1,062	7,296	5,796	4,734	+1,062
Software	780		+780	13,030	11,470	10,690	+780
Stationery/Printing/Subscriptions	306	2,048	-1,742	3,871	3,718	5,460	-1,742
Translation	2,981	2,977	+4	13,597	12,107	12,103	+4
Status enquiries	127		+127	419	355	228	+127
Remote document managements system	2,600	2,440	+160	15,611	14,111	13,951	+160
Advertising	12,000	3,997	+8,003	49,243	40,243	32,240	+8,003
Joint Working	0		+0	4,000	4,000	4,000	+0
Procurement recharge	1,500		+1,500	3,405	1,905	405	+1,500
Finance recharge	0		+0	0	0	0	+0
Legal recharge	27,142	29,466	-2,324	126,180	109,395	111,719	-2,324
Office accommodation recharge	5,000		+5,000	11,879	9,379	4,379	+5,000
Venues	13,000	7,768	+5,232	71,126	63,626	58,394	+5,232
Audit fees	10,787	11,787	-1,000	13,787	10,787	11,787	-1,000
TOTAL PROJECT MANAGEMENT COSTS	**374,810**	**339,755**	**+35,056**	**1,598,582**	**1,404,971**	**1,369,916**	**+35,056**
Technical advisors - Entec/Amec/Cofley	223,280	227,230	-3,951	1,066,795	996,795	1,000,746	-3,951
Tech advisors - Entec/Amec Sauce/Comms	69,908	47,912	+21,996	164,119	104,119	82,123	+21,996
Legal advisors - Pinsent Mason	130,137	146,303	-16,166	636,443	551,443	567,609	-16,166
Financial advisors - Grant Thornton	73,690	82,243	-8,552	373,821	340,821	349,373	-8,552
Other advisors - AEA Technology	1,190	1,190	+0	97,926	97,926	97,926	+0
Insurance advisors - Jardine Lloyd Thompson	8,000	9,500	-1,500	13,105	11,105	12,605	-1,500
TOTAL ADVISOR COSTS	**506,205**	**514,379**	**-8,173**	**2,352,208**	**2,102,208**	**2,110,381**	**-8,173**
Potential site survey costs				55,000	0		
Contingency - comms		0	+0	45,000	0	0	+0
Contingency - general (10%)	28,294		+28,294	72,655	28,294	0	+28,294
TOTAL COSTS	**909,309**	**854,134**	**+55,176**	**4,123,445**	**3,535,473**	**3,480,297**	**+55,176**
WAG Contribution	310,000	310,000	+0	1,130,000	930,000	930,000	+0
Other Income	25,000	29,656	-4,656	25,000	25,000	29,656	-4,656
TOTAL INCOME	**335,000**	**339,656**	**-4,656**	**1,155,000**	**955,000**	**959,656**	**-4,656**
NET COST	**574,309**	**514,477**	**+59,832**	**2,968,445**	**2,580,473**	**2,520,641**	**+59,832**

Atodiad 2 – Arolwg ariannol i'r prosiect
NWRWTP Budget Review June 2013

PROJECTED SPEND	included in IAA	June 2013 Projection
Project Management costs	£816,814	£1,654,868
Advisor costs (core)	£787,343	
Additional /time and cost works	£1,420,000	
	£2,207,343	£2,395,531
Potential site option/ lease payment)	£500,000	
Total costs	£3,524,157	£4,050,400
Project Contingency (10%)	£344,516	£109,624
WAG RCAF contribution & Other Income	-£670,000	-£1,159,656
net	**£3,198,673**	**£3,000,367**
Per authority	**£639,735**	**£600,073**

PROFILED NET EXPENDITURE		Year	
	£4,000	2008/09	£4,316
	£902,806	2009/10	£60,928
	£1,285,680	2010/11	£867,414
	£1,006,187	2011/12	£1,073,506
		2012/13	£514,477
		2013/14	£455,862
		2014/15	£23,864
	£3,198,673		**£3,000,367**

PROFILED PROJECT PROJECTION v5

EXPENDITURE HEADING	A2008/9	A2009/10	A2010/11	A2011/12	A2012/13	PROPOSED BUDGET P2013/14	P2014/15	PTotal
Project Director	57,706	106,622	142,000	161,490	123,263	100,533	0	**691,615**
Project Director Travel etc	45	8	1,183	60	0	0	0	**1,295**
Project Manager	0	35,051	54,197	55,695	56,970	55,692	13,923	**271,528**
Project Manager travel and other expenses	0	0	2,161	1,298	998	2,500	0	**6,956**
Administrative assistance	1,237	0	33,599	27,773	27,761	27,764	6,941	**125,076**
Lead finance	0	0	0	35,735	42,543	26,871	0	**105,149**
Interim finance	0	0	38,000	0	0	0	0	**38,000**
Lead Technical	0	0	30,432	37,000	26,998	10,960	0	**105,390**
IT/ Telephones	0	1,077	1,290	1,630	738	1,000	0	**5,734**
Software	0	6,670	0	4,020	0	0	0	**10,690**
Stationery/Printing	0	630	161	2,622	2,048	683	0	**6,143**
Translation	0	3,928	2,687	2,511	2,977	2,500	0	**14,603**
Status enquiries	0	101	127	0	0	0	0	**228**
Remote document managements system	0	0	11,511	0	2,440	1,500	0	**15,451**
Advertising	18,981	0	3,000	6,261	3,997	5,500	0	**37,740**
Joint Working	0	0	4,000	0	0	0	0	**4,000**
Procurement recharge	0	0	405	0	0	300	0	**705**
Finance recharge	0	0	0	0	0	0	0	**0**
Legal recharge	0	29,797	23,472	28,984	29,466	16,785	0	**128,504**
Office accommodation recharge	0	0	4,379	0	0	0	0	**4,379**
Venues	1,348	5,668	14,865	28,745	7,768	1,500	0	**59,894**
Audit fees	0	0	0	0	11,787	7,000	3,000	**21,787**
TOTAL PROJECT MANAGEMENT COSTS	**79,316**	**189,553**	**367,468**	**393,823**	**339,755**	**261,088**	**23,864**	**1,654,868**
Technical advisors - Entec/Amec	0	149,824	350,862	272,830	227,230	105,150	0	**1,105,896**
Technical advisors - Entec/Amec Sauce	0	0	0	34,210	47,912	60,000	0	**142,123**
Legal advisors - Pinsent Mason	0	33,850	151,792	235,664	146,303	80,000	0	**647,609**
Financial advisors - Grant Thornton	0	32,701	111,523	122,907	82,243	35,000	0	**384,373**
Other advisors - AECOM/Acer	0	0	83,786	12,950	1,190	0	0	**97,926**
Insurance advisors - Jardine Lloyd Thompson	0	0	1,984	1,121	9,500	5,000	0	**17,605**
TOTAL ADVISOR COSTS	**0**	**216,374**	**699,946**	**679,682**	**514,379**	**285,150**	**0**	**2,395,531**
Potential site survey costs	0	0	0	0	0	55,000	0	55,000
Contingency - general (10%)	0	0	0	0	0	54,624	0	54,624
TOTAL COSTS	**79,316**	**405,928**	**1,067,414**	**1,073,506**	**854,134**	**655,862**	**23,864**	**4,160,023**
WAG Contribution	75,000	345,000	200,000	0	310,000	200,000	0	1,130,000
Other Income	**0**	**0**	**0**	**0**	29,656	0	0	29,656
TOTAL INCOME	**75,000**	**345,000**	**200,000**	**0**	**339,656**	**200,000**	**0**	**1,159,656**
NET COST	**£4,316**	**£60,928**	**£867,414**	**£1,073,506**	**£514,477**	**£455,862**	**£23,864**	**£3,000,367**

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