

PROSIECT GWYRDD JOINT COMMITTEE MEETING	
Monday 12 December 2011 – 5.00pm	
LOCATION: Council Chamber, Vale of Glamorgan, Barry	
Present:	Initials
Elected Members:	
Councillor Mark Stephens, Cardiff City Council	MS
Councillor Margaret Jones, Cardiff City Council	MJ
Councillor Lyn Ackerman, Caerphilly County Borough Council	LA
Councillor Colin Mann, Caerphilly County Borough Council	CM
Councillor Bryan Jones, Monmouthshire County Council	BJ
Councillor Phil Murphy, Monmouthshire County Council	PM
Councillor William Routley, Newport City Council	WR
Councillor David Fouweather, Newport City Council	DF
Councillor Geoff Cox, Vale of Glamorgan CC	GC
Councillor Gordon Kemp, Vale of Glamorgan CC	GK
Officers:	
Mike Williams, Project Director, Prosiect Gwyrdd	MW
Rob Quick, Lead Officer, Vale of Glamorgan Council	BQ
Sian Humphries, Solicitor, Cardiff City Council	SH
Dave Harris, Business Advisor, Monmouthshire County Council	DH
Sheila Davies, Corporate Director, Newport City Council	SD
Marc Falconer, Finance Officer, Prosiect Gwyrdd	MF
Mark Williams, Caerphilly County Borough Council	MW
Tara King, , Cardiff City Council	TK
Elizabeth Weale, Cardiff City Council	EW
Rachel Jowitt, Monmouthshire County Council	RJ
Ian Evans, Procurement Manager, Prosiect Gwyrdd	IE
Jenna Pritchard, Legal Officer, Prosiect Gwyrdd	JP
John € D Davies, Vale of Glamorgan	JD
Andrew Williamson, Technical Officer, Prosiect Gwyrdd	AW

<p>Ian Lloyd-Davies, Communications Officer, Prosiect Gwyrdd Miriam Durkin, Democratic Services Officer, Newport City Council</p>	<p>IL MD</p>
<p>Apologies: L Lucas (Caerphilly County Borough Council)</p>	

Partnership of Councils



Supporting partner



No	Item	Action
36	Apologies for Absence	
	Apologies for Absence were received from L Lucas (Caerphilly County Borough Council)	Noted
37	Declarations of Interest	
	None received.	Noted
38	<u>Minutes</u>	
	The Minutes of 26 September, 2011 were confirmed as a true record and signed by the Chair.	Noted
39	<p>Prosiect Gwyrdd in the Context of Welsh Government Policy</p> <p>J Roberts, Welsh Government, attended the meeting and having given Members a brief overview of Welsh Government policy on energy recovery responded to Members' questions on Prosiect Gwyrdd in that context.</p> <p>Mr Roberts confirmed that Prosiect Gwyrdd was clearly moving forward in line with Welsh Government policy and this was exemplified by the grants made available.</p> <p>Members' questions related to:-</p> <p>Future review of guidance, enforcement, evaluation criteria and whether local employment opportunities could be included, length of contracts, value for money, any related health issues, the involvement of the Welsh Government in publicity and the need for a close relationship with the Welsh Government.</p> <p>J Roberts confirmed that regular contact was maintained with the Environment Agency ensuring both bodies were up to date, on enforcement nothing would change and the Environment Agency remained responsible, that given the length of the contract it was inevitable that other new technologies would emerge.</p> <p>Re value for money Mr Roberts had been informed that the prices quoted for the Project were very competitive and there appeared to be no problem with there only being two bidders remaining in this tendering process. Prosiect Gwyrdd remained highly competitive.</p> <p>Mr Roberts confirmed that the health position was very clear and based on the science; modern incinerators were safe but could understand concerns. Welsh Government representatives were more than happy to meet communities to allay any concerns and would assist Prosiect Gwyrdd with any media/communications issues and attendance at meetings in</p>	Noted

	<p>localities.</p> <p>MW indicated that the weightings contained within the evaluation could not be changed at this stage and SW confirmed that Prosiect Gwyrdd was restricted on the issue of local employment.</p> <p>In conclusion, the Chair made the point that Prosiect Gwyrdd and the Welsh Government would work together more closely in 2012 and particularly to give assurances regarding people's concerns/fears over the safety of the proposals.</p>	
40	<p><u>Month 7 Update and 2012-13 Budget Report</u></p>	
	<p>Consideration was given to a report (a) updating Members on the financial monitoring position and projected out-turn for the Prosiect Gwyrdd budgets based on the first seven months of this financial year and (b) proposing the 2012-13 Revenue Budget to the end of the procurement phase and early, indicative estimates of contract monitoring costs from 2012-13 onwards.</p> <p>At Month 7 the projected gross expenditure overspend had increased from that reported at Month 5 by £23,988 from £58,000 to £82,788. The main reasons for the current overspend related to additional expenditure on External Advisors which was partly offset by savings with the Project Team, other Procurement budgets and site related budgets. – The additional projected expenditure was principally a reflection of the complexity of the project and was to be funded by an additional drawdown of £82,788 from the Joint Committee Reserve Account.</p> <p>The previous budget report presented to Members in December, 2010 assumed a Financial Close date of September, 2012 but this was now revised to December, 2012. The proposed 2012-13 Revenue Budget was now based on this revised date and assumed nine months of Procurement expenditure in 2012-13 compared to five months assumed in December, 2010. A comparison of the December 2010 Indicative 2012-13 Budget with that now proposed was detailed in Appendix 1 of the Report with Table 2.0 showing the proposed budget for 2012-13.</p> <p>The projected balance of the Joint Committee Reserve Account at start of 2012-13 financial year was £506,337 and a further drawdown of this reserve of £447,713 for 2012-13 would result in a projected balance on the Reserve Account of</p>	<p>That the Joint Committee</p> <ol style="list-style-type: none"> Note the actual spend to date and projected out-turn based on the projections for the first seven months of this financial year including the additional drawdown from the Joint Committee Reserve Account of £82,788. Note and agree the arrangements for the proposed 2012-13 budget to the end of the procurement process, including the use of the Joint Committee Reserve Account and its projected balance at the end of the procurement process. Recommends

	<p>£58,624 at Financial Close.</p> <p>The report detailed the more significant changes in the 2012-13 Budget and included an initial assessment of post procurement monitoring expenditure which would cover the transitional period from the end of the procurement until the facility became operational and the contract commenced (expected to be 1 April, 2016), these costs being shared equally between the Partner Authorities.</p> <p>The financial and legal implications were also detailed and considered.</p> <p>MF responded to Members' questions on the report.</p>	<p>the budgets to Partnering Councils for consideration as part of their respective budget planning frameworks for 2012-13. In addition, asks the Partnering Councils to note and approve the additional drawdown of the Reserve Account in 2011-12 to fully fund expenditure in that year to allow contributions from the Partners to remain unchanged.</p> <p>4. Notes the indicative budget provision for post-procurement monitoring costs commencing part way through 2012-13 and asks the Partnering Councils to approve the additional contributions required to fund this expenditure going forward from 2012-13.</p> <p>5. Recommends to each Partner Authority Council that, as part of the Joint Working Agreement 2, any</p>
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		<p>balance on the Reserve Account remaining at the end of the Procurement is to be carried forward and used to offset Contract Monitoring costs. This projected balance on the Reserve Account will be subject to further detailed monitoring to ensure that the Joint Committee and Partnering Councils can be informed of any expected balance at the earliest opportunity.</p>
<p>41</p>	<p>Prosiect Gwyrdd Joint Scrutiny Panel: Shortlisting to the Final Two Bidders</p> <p>Prior to Members' consideration of the report on the ISDS and ISFT (Minute 42 below refers), the Chair referred to a letter from Councillor Chris Williams, Chair, Project Gwyrdd Joint Scrutiny Panel, copies of which were circulated. The letter informed the Joint Committee of the Scrutiny Panel's main concerns following a presentation by the Project Team. These referred to the pricing structure, financial model, evaluation criteria and waste flows. The Chair asked whether these concerns would have a bearing on the next report being considered.</p> <p>MW reported that the pricing structure had been discussed in detail by the Joint Committee and was an area which would require further work, the Welsh Government shadow financial model had been scrutinised, with the evaluation criteria these aspects would be picked up with the remaining two participants during the next stage and with waste flows the Joint Committee might want to give further consideration to any increases in tonnage relating to local government reorganisation.</p> <p>MW considered that these concerns of the Joint Scrutiny Panel</p>	<p>Chair to respond on the basis of the information reported by MW</p>

	<p>should not impact on Members' consideration of the next item.</p>	
<p>42</p>	<p><u>Outcome of Invitation to submit detailed solutions (ISDS) Stage and Evaluation and Invitation to submit Final Tenders (ISFT) Stage and Documentation</u></p> <p>Members considered a report updating Members on the ISDS stage and evaluation process, the resulting ISDS evaluation scores, the selection of participants to proceed to the ISFT stage and an update on the ISFT documentation development, the approval for the ISFT documentation and the issue documentation to the two selected Participants and the delegation to close Competitive Dialogue Procedure and issue the Call for Final Tenders to the Project Board.</p> <p>The report was divided into two main sections – Part A – evaluation of Detailed Solutions Stage and Part B – Invitation to Submit Final Tenders (ISFT) Stage and Documentation.</p> <p>Part A summarised the objectives and history of the ISDS stage before focusing on the evaluation of the Detailed Solutions submitted in August, 2011. The general evaluation process was outlined.</p> <p>Part B introduced the ISFT stage in the context of the whole procurement and particularly the ISFT documentation.</p> <p>Members asked a range of questions including:-</p> <ul style="list-style-type: none"> • The debate surrounding the health aspects of EfW facilities and Health Protection Agency reports • How local employment associated with the potential developments would be evaluated • Whether such a facility would in any way hinder recycling efforts • The importance of attaining and maintaining “R1” efficiency levels • The feasibility of recycling 100% of the ash • The amount of energy likely to be produced from the facilities • Ensuring value for money • Reassurance that the team will negotiate effectively with the two remaining bidders <p>The Project Team members gave detailed responses.</p> <p>The Joint Committee took the decisions on these matters having considered the report presented in Part 2 of the</p>	<p>That the Joint Committee:-</p> <ol style="list-style-type: none"> 1. Note the Project Board's decision to approve the ISDS evaluation process and the selection of Veolia ES Aurora Ltd and Viridor Ltd to be invited to proceed to the Final Tender stage. 2. Approve the Invitation to Submit Final Tenders (ISFT) suite of documents and its issue to the 2 Participants on the understanding that the Senior Responsible Officer in consultation with the Project Team may make amendments to the documents referred to above, in order to:- <ul style="list-style-type: none"> - complete/update those areas such as but not limited to the Waste Flow Model and to correct any typographical or formatting errors - reflect advice received <p>provided always that the substance of the</p>

	Agenda (Minute 44 below refers).	documents does not alter. 3. Delegate the decision to close Competitive Dialogue Procedure and issue the Call for Final Tenders, once the outstanding dialogue issues (set in the ISFT) are resolved, to the Project Board 4. Approve the Communications Plan as outlined in the Report in accordance with Appendix E- Communications Plan
43	Exclusion of Press and Public The press and public were excluded during consideration of the following item (Minute 44) on the grounds that it contained exempt information as defined in Paragraphs 14 and 21 of Schedule 12A, Part 4 of the Local Government Act 1972.	
44	Outcome of Invitation to submit detailed solutions (ISDS) Stage and Evaluation and Invitation to submit Final Tenders (ISFT) Stage and Documentation The Joint Committee considered the Appendices of the Report considered in Part 1 of the Agenda (Minute 42 refers), namely:- A – ISDS/ISFT Key Commercial Considerations B – ISDS Evaluation methodology Summary C – ISFT Suite of Documents D- ISFT Evaluation Criteria and Weightings E – Communication Plan	Noted
46	Date of Next Meeting	
	23 January, 2012 – 5.00 p.m. Council Chamber, Civic Offices, Vale of Glamorgan	Noted