

AGENDA ITEM NO. 8(5)

PROSIECT GWYRDD JOINT SCRUTINY PANEL

**MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON
MONDAY 30TH JANUARY 2012 AT 2.00PM**

Present:

Councillor C. J. Williams - Chairman (Vale of Glamorgan Council)

Councillors:

Councillors M. G. Parker and D.V. Poole (Caerphilly County Borough Council)

Councillor R. McKerlich (Cardiff County Council)

Councillor S. Howarth and Ms. V. Smith (Monmouthshire County Council)

Together with:

D. Perkins, J. Jones, and C. Forbes-Thompson (Caerphilly County Borough Council), R Bowen (Cardiff County Council), J. Wyatt (Vale of Glamorgan Council) and H. Ilett (Monmouthshire County Council)

Prosiect Gwyrdd Officers:

M. Williams (Project Director), I. Lloyd-Davies (Communications Officer), M Falconer (Accountancy Manager), J Pritchard (Legal Officer) and M.S. Williams (Caerphilly County Borough Council)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from, R. Quick (Vale of Glamorgan), S. Wakefield (Cardiff County Council), B. Bright, S. Jones and D. Collins (Newport City Council) and Mrs. M. Kelly-Owen (Vale of Glamorgan Council)

2. DECLARATIONS OF INTEREST

There were no declarations of interest received at the commencement or during the course of the meeting.

3. MINUTES – 5TH DECEMBER 2011

It was agreed that the minutes of the meeting held on 5th December 2011 be approved as a correct record.

4. TO ELECT CHAIR FOR THE JOINT SCRUTINY PANEL FOR 2012/13

Councillor Williams asked for nominations for the Chair for 2012/13. Councillor Poole proposed that Cllr Williams continue in the role until the May 2012 election, this was seconded by Cllr Parker and moved by the Panel.

5. FEEDBACK FROM SITE VISIT

Members were invited to give feedback on the recent site visits carried out by JSP. Members made comments on the following areas;

General

Both sites were new and appeared to be managed professionally. Members found the opportunity to ask questions about the operation of the sites very helpful. There were no obvious odours at either site.

Community Liaison

It was interesting to see the sites' locations, in particular one was located in a business park, close to a housing development. Both companies reported that they had well established community liaison arrangements in place, however, one company reported that local interest has now reduced and local community groups have agreed to meet less frequently. A Member stated that there is a lot of information available to the public on the companies' websites. Mr Lloyd-Davies stated that the PG project requires the successful bidder to set up a community liaison panel

Monitoring

A Member commented that the plants constantly monitored their emissions. The Environment Agency and the public had online access to 'real time' emissions output data. In addition, each plant monitors reference points within the locality to measure air quality. Each plant is required to shutdown if Environment Agency emission standards are exceeded for more than 4 hours. It was noted that from the information provided during the visit to the Viridor Plant, emission levels were around $\frac{1}{3}$ to $\frac{1}{4}$ of the statutory maximum.

Further Information

A Member asked if there would be any follow up information from the two plants. Mr Jones stated that copies of the presentation made at one site would be circulated. In addition Mr Mike Williams stated that if there were any follow up questions the PG Team would ask bidders to provide a response. Members queried what information on monitoring and any concerns could be obtained from the local authorities where the two sites are located.

Further Clarification

A Member asked officers what would happen if a system to sort plastics is developed thereby allowing more to be recycled. The reduction in plastic waste sent to incineration would reduce the calorific value of residual waste. The Member queried whether the successful bidder or PG Partners would carry this risk. Mr Mike Williams agreed to confirm and report back to Members.

Action: Mike Williams to confirm whose risk was the change in waste composition and its impact on CV.

6. CALL FOR EVIDENCE

Mr J Jones summarised the report and reminded Members that the JSP agreed at the end of 2011 to make a call for evidence. He stated that the call for evidence was both open and targeted and the consultation ended on 3 January 2012. In total 21 responses were received from individuals, organisations and key stakeholders. Members had been supplied with copies of Individual replies and a summary of responses.

Mr Jones asked Members to consider the following points:

- Which respondents should be invited to give oral evidence from the list provided, bearing in mind the need to ensure balance.
- Where should the oral evidence sessions be held? Cardiff was the most central location, however, Ty Penallta has the advantage of modern facilities, parking and neutrality.
- Arrangements would need to be considered for media management, a public gallery and video conferencing.
- It was essential that members were supported and fully prepared and it was suggested a planning meeting is arranged to discuss lines of enquiry.
- The number of meeting days and timings. It was suggested that the Panel met for 2 days with a gap in between. This would allow 1 hour per organisation, consisting of 10-15 minutes of free speech followed by questions by Members.

Members discussed the points raised and agreed the following:

- The list of 12 respondents detailed in the report are to be invited to give oral evidence and a mix of views should be heard on each day.
- The oral evidence meetings to be held at Ty Penallta.
- Officers to develop arrangements for media management, servicing of meetings and managing the gallery.
- Two meetings to be held with JSP members beforehand to prepare lines of questioning.
- The oral evidence meetings to be held over two days with a brief wash-up session at end of each day and a gap between the two days.
- Officers to summarise evidence following hearings.
- Views of JSP to be fed back to Joint Committee.

It was stated that Members are not experts and must rely on advice and proven evidence. Should accepted evidence be challenged during the question and answer session, Members could ask for proof of evidence to be submitted to them. Members also have the opportunity to ask statutory bodies for their opinion

Members discussed the impact of the Petitions Committee of the National Assembly's call for evidence. It was clarified that the terms of reference are different.

Action: Officers to make arrangements in line with Member's views and Mr J Jones to contact Members with suggested dates for the oral evidence meetings.

PUBLIC INTEREST TEST (PIT)

5. The JSP were advised that the PIT set out the reason for the presentation on the Gate Fee Structure being recommended as an exempt item.

Members considered the Public Interest Test and concluded that on balance the public interest in maintaining the exemption outweighed the public interest in disclosing the information and it was:-

RESOLVED that in accordance with Section 100A(4) of the Local Government Act 1972 the public be excluded for this item because of the likely disclosure to them of exempt information. as defined in paragraph 14 part 4 of schedule 12A of the Local Government Act 1972.

GATE FEE STRUCTURE - PRESENTATION

6. Mr Mike Williams stated that at a previous meeting of the JSP Members asked for further clarification on the 3rd Party Gate Fee structure.

Mr M Falconer gave a presentation of the benefits of the Prosiect Gwyrdd contract compared to the short term Spot Market which included the following points:

- Financial Model Overview.
 - Visibility of costs and income.
 - Parent Company Guarantee.
- Long-term contractual obligations.
 - Performance Guarantees – Landfill Diversion and Recycling.
 - Guaranteed Capacity and access to the facility.
 - Eligible for Welsh Government funding.
 - Price Certainty with below inflation rate increases.
 - Agreed Risk Profile with potential Gain share of additional income.

- Current ISDS bid evidence.
- Why drop price & consequences.
 - Short-term measure as financial viability of company threatened.
 - Competition for waste.
 - Maximise energy income by filling plant.
 - Prosiect Gwyrdd Substitute Waste requirement.
- ISFT early discussions.

Members raised the following issues:

- The partner authorities' financial liabilities to be clarified should energy from waste incineration be banned during the lifetime of the contract.
- The successful bidder should inform partner authorities of gate fee prices paid by third party organisations.
- The contract should contain protection for partners' authorities in the event that the local market price of waste for incineration significantly reduces.
- Partner authorities should enjoy a more favourable price than short term or 'spot price' contracts offered by the successful bidder given the commitment of a 25 year contract and a minimum tonnage guarantee. Members recognised that as 'waste authorities' the requirements of Councils are different to other organisations. Therefore, at an absolute minimum, another local authority should not be able to enjoy a better price than the partner authorities regardless of waste quantities or contract period

Action: Mr J Jones to draft letter outlining the issues raised by the JSP to send to the PG Joint Committee.

Meeting Closed at 16:39pm