

Present:	Councillor	Piddington (in the Chair)
	Councillors	Ames, Cummings, Dean, Fitzpatrick, Gordon, Linden, Mistry, Mitchell, Murphy, Quinn, Richards, Sherrington, Young and Zaman
	Officers	Clerk to the Authority, Treasurer & Deputy Clerk, Director of Contract Services, Director of Resources & Strategy, Solicitor to the Authority, Head of Governance, Procurement & Transparency and Deputy Treasurer
	In attendance:	Ian McAulay, Chief Executive, Viridor
Apologies:	Councillors	Hunt, Merrett, Peel and Sedgwick
	Officers	All Officers were present

**M54 Urgent Business, if any, introduced by the Chair**

There was no urgent business introduced by the Chair.

**M55 To receive Declarations of Interest in any contract or matter to be discussed at the meeting**

There were no declarations of interest received at the meeting.

**M56 European Commission (EC) Proposals - 'Towards a Circular Economy'**

Members considered the report of the Treasurer & Deputy Clerk that asked the Authority to consider a presentation made by the Chief Executive of Viridor, Ian McAulay. A verbal update would also be provided by the Chair on her recent visit to Brussels to engage directly with policy makers and to attend a Eurocities Conference (held on the 2<sup>nd</sup> and 3<sup>rd</sup> December 2014) so as to agree next steps in lobbying for final policy direction on waste matters from the European Union (EU).

The Chair suggested and Members agreed to add a number of further recommendations that a multi-channel approach be undertaken to explore the potential opportunities within the Circular Economy agenda to the report.

Mr McAulay who was in attendance at the meeting, provided Members with a presentation that set out his proposals and gave an industry perspective on moving Towards a Circular Economy. The presentation covered:

- a) a strategic Partnership approach;
- b) changes to recycling and waste related legislation;
- c) the resource crunch;
- d) megatrends;
- e) lower carbon outcomes;
- f) transition towards greater circularity;
- g) policy refocus;
- h) strengthening recyclability;

- i) cross-sector collaboration;
- j) balance of reduction, re-use and recovery;
- k) the Authority and Viridor; and
- l) final thoughts.

A question and answer session followed the presentation, which was noted as follows:

Q1 A Member asked what was meant by waste crime.

A1 In response, Mr McAulay drew Members attention to a report produced by the Environmental Services Association (ESA) entitled 'Waste Crime Britain's Dirty Secret' (and also to a number of recent Radio 4 programmes) and explained that since the increase in Landfill Tax there had been an escalation in waste crime. It was suggested that although the Landfill Tax increase had been incredibly helpful in improving landfill diversion, it had also opened up opportunities for less scrupulous bodies to dump waste and make significant profits by avoiding Landfill Tax and gate fees. It was advised that as a result there had been increased dumping in riverside ports, significant dumping in the North Sea, there had been a massive increase in theft of the black silage bales that were being used for the illegal storage of MSW (Municipal Solid Waste) and disused quarries being filled with waste material. It was reported that the ESA had estimated that the cost of waste crime was costing over £1bn per year in Treasury receipts. Members were informed that the punishment of waste crime was minuscule compared to the millions of pounds criminals were profiting and it was suggested that a combination of tougher custodial sentences and improved regulations around waste sites and exports would achieve results.

Q2 A Member asked if waste crime was being dealt with.

A2 In response, Mr McAulay reported that Scotland was leading the way by establishing a Waste Task Force, which was attacking the problem through Her Majesty's Revenue and Customs (HMRC) and the Proceeds of Crime Act rather than environmental fines. Members were notified that the Lord Advocate had announced he was investigating the set up of an Environmental Crime Court next year. It was reported that in England, the Environment Agency (EA) would set up a similar Task Force working in conjunction with the HMRC but on a smaller scale.

Q3 A Member stated that some Local Authorities were looking at changing recycling in the next couple of years and chips in bins had been considered a number of years ago. The Member asked what was meant by chips in bins.

A3 In response, Mr McAulay used an example from the water industry about wastewater modelling, the management of wastewater flow and how technology had doubled capacity at half the price year on year. It was suggested that applying that sort of metric and looking forward five years were the critical components along with asking what would technology look like in five years. It was reported that Viridor was putting microchips in bins to handle collection material so that charges could be made by weight. Viridor was also looking at dry metric recyclates and measuring moisture content to identify contaminated material. It was explained that there were also other surrogate measures that could be looked at such as chemical composition that could be analysed by chips, which would be very helpful. Mr McAulay also talked about the Thermal Power Station (TPS) at Runcorn and could see a day where the calorific balance and the economic return could be analysed in advance.

- Q4 A Member enquired about how much it would cost to move to chipped bins over the next two years.
- A4 In response, it was explained that Viridor and many other organisations such as University of Manchester Institute of Science and Technology (UMIST) and IBM were working on this and suggested that the way forward was to understand best practice in this area and use that advantageously. To find global experience, Members were informed that California had carried out work in this area and had achieved excellent results. It was recommended that connections be made with these communities to obtain examples of how this could be done cost effectively.
- Q5 A Member added that methods of metrics was one of the topics discussed at the seminar in Brussels he attended and where the EU representative for London was pushing for the CO<sup>2</sup> metric as a way forward. The Member stated that it was also very apparent there were scales of costs for the recent accession countries compared to historic EU Members. The Member believed that pay as you throw was used as a way of either incentivising or disincentivising and advised that this was a very politically hostile subject in this country. How we change attitudes was highlighted as particularly important. The Member expressed that it would be hard to lobby the packaging industry because they had a vested interest in keeping it the way it was or by being slow to adapt. Members were informed that one of the topics that was brought up at the Seminar was about reducing food waste and how reduced packaging was required or to have competing stores. How we worked with the industry and events market was identified as essential and Mr McAulay was asked for his views.
- A5 In response, it was explained that we did have to recognise they compete and awareness must be the first stage. Finding examples of good practice and with the use of social media and advertising along with working with the more enlightened industry players who recognised it would be good for their businesses would be a start. However, Mr McAulay did not have a solution to the absolute metric and shared an example from the water industry about the use of resources and technology.
- Q6 A Member raised a question regarding commercial and industrial waste and how much of it there was and that monitoring and treatment was unclear. The Member asked for Mr McAulay's thoughts on how to stop the material from going to landfill.
- A6 In response, Mr McAulay suggested that technology was the way forward and reported that tonnages could be measured automatically. However, better recording and improved data would be required. Members were informed that regulation of the sector was poor and lobbying for improved regulations would be needed.

The Chair suggested and Officers agreed to provide Members with a briefing paper to enable them to raise the awareness of waste crime at their Districts. It was also agreed that the ESA report would be circulated to Members.

Mr McAulay was thanked for his informative presentation and withdrew from the meeting.

The Chair of Authority advised that the visit to Brussels had been very positive and Greater Manchester (GM) was not alone in facing waste issues. Regarding illegal dumping, the Vice-Chair (Chair; Recycling, Waste Management and Operations Committee) reported that it was mentioned in the Deregulation Bill (specifically Section 46 Notices) and believed it could have implications for Local Authorities. In light of this, it was agreed that the issue would be discussed by Chief Officers at their next meeting on 19<sup>th</sup> December 2014.

RESOLVED: That the Authority:

- a) approves on-going lobbying on the EC initial proposal (as set out in Section 5 of the report);

- b) agrees that the PPR Committee, at its 21<sup>st</sup> January 2015 meeting, considers a further update, and approves an additional Authority response to Europe;
- c) agrees that Members be provided with a briefing paper on waste crime and that the ESA report be circulated to Members;
- d) agrees that the implications of the Deregulation Bill (specifically Section 46 Notices) be discussed by District Chief Officers at their next meeting on 19<sup>th</sup> December 2014; and
- e) requests that a multi-channel approach be undertaken to explore the potential opportunities within the EC agenda by:
  - i) working with, and through Viridor to trade associations (national and pan European) so as to align as far as possible a view on the way forward;
  - ii) engaging directly via the MEPs and Eurocities on lobbying;
  - iii) seeking to gather a Joint Waste Disposal Authority (JWDA) view, to influence the Department for Environment, Food and Rural Affairs (Defra) position, directly, and if needed use that to seek direct discussion with the Department for Environment, Food and Rural Affairs (Defra); and
  - iv) lobbying through the EU Committee of the Regions' Representatives.

**M57 To approve the minutes of the last meeting held on 3<sup>rd</sup> October 2014 and Action Plan resulting from that meeting**

RESOLVED: The minutes of the previous meeting dated 3<sup>rd</sup> October 2014 and the Action Plan are approved as an accurate record.

**M58 To note the draft minutes of the Strategy & Behavioural Change Committee dated 14<sup>th</sup> October 2014**

The Chair of the Strategy & Behavioural Change (SABC) Committee encouraged Members, who were not Members of the SABC Committee, to come forward with ideas for changing behaviour and improving performance.

At the last SABC meeting on 14<sup>th</sup> October 2014, a Member explained that the Communications Team was looking to increase hits on the R4GM Facebook page and asked Members to 'like' the page.

Following a suggestion by the Chair of the Authority, it was agreed that the term illegal dumping and how it would be tackled would be considered at the next SABC Committee on 20<sup>th</sup> January 2015.

A Member suggested that it would be useful if the Authority wrote to Districts about using the term illegal dumping instead of fly-tipping. In response, the Chair advised that the work would come through the Committee in conjunction with District Chief Officers.

A discussion took place about enforcement and how Districts had different approaches, which Members felt was totally inadequate and a uniform approach was required. A Member suggested that the Authority had its own by-laws. In response, the Solicitor to the Authority explained that because there was an existing legal framework in place then by-laws could not be implemented and agreed that the best way forward was an agreed GM approach to enforcement. The Treasurer & Deputy Clerk explained that the Association of Greater Manchester Authority (AGMA) Leaders Waste Task Group was looking at this area and that he would report back on their deliberations to a future meeting of the Authority.

A Member stated that the Waste Task Group had been mentioned several times throughout the meeting and asked what it was. In response, it was explained that the Group was an informal Group established by the AGMA to review current arrangements for dealing with the conurbation's municipal waste (both collection and disposal), with a view to rapidly increasing recycling and minimising costs, which reported to AGMA Informal Leaders. It was noted that the next report would be considered by AGMA Informal Leaders on 19<sup>th</sup> December 2014 and the Authority would receive a full update report at a future meeting.

RESOLVED: The Authority:

- a) notes the draft minutes of the SABC Committee dated 14<sup>th</sup> October 2014;
- b) the term 'illegal dumping' and how it will be tackled will be considered at the next SABC Committee meeting on 20<sup>th</sup> January 2015; and
- c) Members will 'like' the R4GM Facebook page.

**M59 To note the draft minutes of the Performance, Policy & Resources Committee dated 22<sup>nd</sup> October 2014**

A Member asked what the outcome of the LIFE+ mid term report was. The Head of Governance, Procurement & Transparency (GPT) explained that the European Union (EU) had visited the LIFE+ Team on 25<sup>th</sup> November 2015 and was given a clean bill of health; furthermore they expressed satisfaction with the Project. However, there was a shortage of EU funds and payment would not be made to the Authority until January 2015. It was envisaged that the letter approving the mid-term report would be received by the end of December 2014.

The Chair asked when the results of the LIFE+ Project would be available. In response, the Head of GPT advised that the results would be reported to the Authority at its meeting on 20<sup>th</sup> March 2015, but if they were available could be considered at the 13<sup>th</sup> February 2014 Budget Setting meeting. It was noted that there would also be a LIFE+ final seminar, which would be held in March 2015.

RESOLVED: The Authority:

- a) notes the draft minutes of the Performance Policy & Resources (PPR) Committee dated 22<sup>nd</sup> October 2014; and
- b) the results of the LIFE+ Project will be considered at the Authority meeting on 20<sup>th</sup> March 2014, or if they are available will be considered at the 13<sup>th</sup> February 2015 Budget Setting meeting.

**M60 To note the draft minutes of the Recycling, Waste Management & Operations Committee dated 5<sup>th</sup> November 2014**

The Chair of the Recycling, Waste Management & Operations (RWMO) Committee reported that Defra had attended the last RWMO meeting on 5<sup>th</sup> November 2014 to provide an update on their Waste Review, which would feed into the Mechanical and Biological Treatment (MBT) Group when it was set up by Defra.

RESOLVED: The Authority notes the draft minutes of RWMO Committee dated 5<sup>th</sup> November 2014.

**M61 To note the draft minutes of the Audit Committee dated 29<sup>th</sup> October 2014**

A Member asked for clarification about the breach of the Treasury Management Strategy Statement (TMSS) reported to Members on 24<sup>th</sup> November 2014. In response, the Treasurer & Deputy Clerk advised that it was a one off error due to two districts and HMRC not actioning the change of the Authority's bank account from the Co-operative Bank to the NatWest Bank. It was noted that the Co-operative account had now been closed and no further issues were envisaged.

RESOLVED: The Authority notes the draft minutes of the Audit Committee dated 29<sup>th</sup> October 2014.

**M62 Meeting of the Chair of the Authority and the Independent Chair of the Audit Committee on 19<sup>th</sup> November 2014**

Members considered the report of the Head of GPT that advised the Authority of the matters discussed at the meeting of the Chair of the Authority, the Independent Chair of the Audit Committee and the Independent Vice-Chair of the Audit Committee, which took place on 19<sup>th</sup> November 2014, and made proposals to action.

The Treasurer & Deputy Clerk advised that an Independent Member had resigned and the Independent Vice-Chair of the Audit Committee also advised of her intention to stand down at the end of the Municipal year after five years, and emphasized the importance of the challenge role they played. It was noted that new Independent Members would be recruited for the 2016/17 Municipal Year.

RESOLVED: The Authority:

- a) notes the report; and
- b) approves the actions proposed in the Action Plan as set out in Appendix A of the report.

**M63 Delegated Decisions Taken Since the Last Meeting**

In relation to Delegation Decision number 135 Compliance with the Waste Framework Directive, the Director of Contract Services provided Members with a brief update and explained that the Environment Agency (EA) would shortly be writing to Leaders and Chief Executives about their obligations to respond and inform them of the deadlines involved. Members were requested to remind the relevant Officers within their Districts that a response was required.

RESOLVED: That the Authority notes the delegated decisions taken since the last meeting.

#### **M64 Member and Public Question Time**

There were no questions raised at the meeting.

#### **M65 Authority and Committee Work Programme for 2014/15 Municipal Year**

Consideration was given to the report of the Head of GPT, which presented the Work Programme for the Authority and its Committees for the 2014/15 Municipal Year for approval. Members were informed that new items added to the Work Programme were highlighted in yellow in Appendix A of the report.

RESOLVED: The Authority:

- a) notes the report; and
- b) approves that the following items be added to the Work Programme:
  - i. that the PPR Committee meeting on 21<sup>st</sup> January 2015 considers a further update, and approved an additional Authority response to Europe (Towards a Circular Economy);
  - ii. that Chief Officers at their next meeting on 19<sup>th</sup> December 2014 consider the potential implications of the Deregulation Bill;
  - iii. that the SABC Committee meeting on 20<sup>th</sup> January 2015 considers the term illegal dumping and how it should be tackled;
  - iv. the results of the LIFE+ Project will be considered at the Authority meeting on 20<sup>th</sup> March 2015 but if they were available will be considered at the 13<sup>th</sup> February 2015 Budget Setting meeting;
  - v. final proposals on the 2020 Vision/associated targets, together with delivery plans (roadmaps) be presented to the 20<sup>th</sup> March 2015 Authority meeting;
  - vi. defers a report on a business case for the future treatment of residues from the Runcorn Thermal Power Station (TPSCo) Facility to a future meeting of the Authority; and
  - vii. that the Authority at its 13<sup>th</sup> February 2015 meeting considers a report that sets out the progress of Viridor Laing (Greater Manchester) Limited (VLGM) negotiations with the insurance providers.

#### **M66 Strategic Partnership Board 14<sup>th</sup> November 2014 - Briefing note of the Vice-Chair (Chair of the RWMO Committee)**

Consideration was given to the report of the Chair of the Authority, which provided Members with a briefing regarding the issues discussed at the last meeting of the Strategic Partnership Board (SPB) held on the 14<sup>th</sup> November 2014.

RESOLVED: That the Authority noted the report.

## **M67 Corporate Plan - Half Year Review 2014/15**

The Authority considered a Joint Officers' report on the high level progress and performance for the first six months, up to 30<sup>th</sup> September 2014, against the Authority's key objectives in the Corporate Plan.

RESOLVED: That the Authority notes the progress being made against the key corporate objectives for April to September 2014.

## **M68 2020 Partnership Vision**

The Joint Officers' report sought Member input into the options for inclusion in the 2020 Partnership Vision, so that these could inform the development of the 2015/16 to 2017/18 Corporate Plan (due for adoption at the 20<sup>th</sup> March 2015 Authority meeting), allow financial matters to be considered in the budget (due for consideration at the Authority's Budget and Levy setting meeting on the 13<sup>th</sup> February 2015) and to facilitate the final Partnership Vision for 2020 to be formally adopted at the 20<sup>th</sup> March 2015 Authority meeting (which would be after partner Board consideration had taken place).

RESOLVED: That the Authority:

- a) considers the draft partnership Vision set out in paragraph 6.1, and initial targets (Appendix A of the report);
- b) approves these be widely consulted upon; and
- c) requires final proposals on Vision/associated targets, together with delivery plans (roadmaps) be presented to the 20<sup>th</sup> March 2015 Authority meeting.

## **M69 Budget 2015/16 and Beyond**

Consideration was given to the Joint Officers Budget 2015/16 and Beyond Report which updated the Authority on budget and Levy prospects for the next financial year (2015/16) and five further years. The report was supplemented by a second paper, considered in the closed section of the agenda, which considered matters of commercial sensitivity.

The report also set out the further budget refinements to be undertaken which in turn would allow the Authority to formally set its' budget and Levy for 2015/16 at the 13<sup>th</sup> February 2015 meeting.

The Treasurer & Deputy Clerk provided an update on the suggestions from the meeting of the GM Treasurers in respect of the potential additional charges (£2.1m), and their view that if possible an in-year refund be made.

RESOLVED: That the Authority:

- a) notes an unexpected £4.389m underspend in the current year, caused mainly by facility delay and an expected subsequent missing of contractual targets;
- b) notes the potential for a further £2.1m of charges to Districts, in respect of changes between tonnage declarations (December 2014 Inter-Authority Agreement (IAA) submission), and projected outturn and agrees the principle of the suggestion by GM Treasurers that an in-year refund be made;



- c) approves revised utilisation of balances to support a minus 3% increase in Levy in 2015/16 and a zero increase in 2016/17, in accordance with the AGMA January 2014 agreement; and
- d) notes potential further updates to forecasts, as set out in paragraph 6.3 and the process for scrutiny and challenge to be undertaken prior to the 13<sup>th</sup> February 2015 Authority meeting.

#### **M70 Exclusion of Press and Public**

RESOLVED: That, in accordance with Section 100(4) of the Local Government Act 1972, the public and press are excluded from the meeting at this juncture for the following business on the grounds that it involves the disclosure of exempt information as defined in the respectively indicated paragraph(s) of Part 1 of Schedule 12A of the Act. It would not be, on balance, in the public interest to disclose this information to the public and press for the reasons indicated within the report(s).

#### **M71 Budget 2015/16 and Beyond - Commercial Considerations**

Consideration was given to the report of the Treasurer & Deputy Clerk which provided detailed information concerning commercial matters, to support the complementary open budget report considered elsewhere on the agenda. The information was provided separately so as to enable Members to consider some of the major assumptions and anticipate the potential impact of future changes. The report also considered proposals to deliver the £200k Authority Own Cost budget option from 2016/17.

The Treasurer & Deputy Clerk provided a verbal summary to accompany the report and updated Members about the GM Treasurers meeting that took place earlier that morning in relation to alternative profiles for Levy increases. Members, in light of the views expressed, agreed that this matter not be pursued.

In relation to paragraph 7.3 of the report in respect of future accommodation requirements, the Authority appointed Councillor Nigel Murphy and Councillor Brian Ames (and two substitute Members Councillor Tony Cummings and Councillor Elaine Sherrington) to sit on the Programme Board.

RESOLVED: That the Authority:

- a) notes the potential further savings which could accrue by improving District recycling performance (Section 5 of the report);
- b) endorses the critical judgments on facility availability and performance (paragraph 6.1 of the report);
- c) notes further work being undertaken to improve performance/financial matters and its timings (paragraphs 6.2 to 6.4 of the report);
- d) approves the strategy set out in paragraph 7.3 of the report in respect of future accommodation requirements and appoints Councillor Nigel Murphy and Councillor Brian Ames (and two substitute Members Councillor Tony Cummings and Councillor Elaine Sherrington) to sit on the Programme Board;

- e) agrees the inclusion of £52k in the Capital Programme to facilitate the Information and Communications Technology (ICT) business change programme and the consequential annual funding proposals, outlined in paragraph 7.4.4 of the report;
- f) approves staffing proposals as set out in paragraph 7.4.5 of the report, and confirmed that the existing Scheme of Delegation be used to finalise details; and
- g) agreed, in the light of advice from GM Treasurers, that the alternative Levy strategy as set out in Section 8 of the report not be pursued.

## **M72 The Recycling & Waste Management Contract Update**

Members considered the report of the Director of Contract Services, which provided Members with an update on the Recycling & Waste Management Contract (the Contract) terms as identified as 'red' in the Risk Register and provided an assessment of landfill diversion and budget impact for 2014/15.

A discussion took place about recent filming at the TPS and the resulting Granada reports television programme. Members suggested and Officers agreed, that in future, Members should be informed in advance about upcoming television broadcasts.

RESOLVED: That the Authority:

- a) notes the report;
- b) notes the potential need to exercise a delegated decision, as set out in paragraph 5.1.2.8 of the report and approves that the decision be exempted from the referral process;
- c) notes the requirement to defer a report on a business case for the future treatment of residues from the Runcorn TPS facility to a future meeting, as set out in 5.1.2.10 of the report;
- d) VLGW retains the optimisation fund for a further 12 months to 31<sup>st</sup> March 2016\*, subject to the achievement of 85% landfill diversion at that date;
- e) approves the £50k expenditure, from the contingency revenue budget, for the improvements to the Hardy Farm pumping station; and
- f) agrees that Members be informed about upcoming television broadcasts.

\*should read 2017 and not 2016 (Typographical error). Members are requested to approve this change.

### **M73 Insurance Update**

The Authority considered the report from the Director of Contract Services which provided Members with an update on progress to develop a strategy for insurance renewals by VLGW in 2015/16 that minimised the risk of additional cost to the Authority.

RESOLVED: That the Authority notes the progress made to date and request a further report to the 13<sup>th</sup> February 2015 meeting of the Authority that sets out progress with VLGW negotiations with the insurance providers.

### **M74 High Level Risks**

Members considered the report of the Director of Resources & Strategy that provided the Authority with a report on the high level risks within the Risk Register.

RESOLVED: That the Authority notes the report and the Risk Register attached at Appendix A.

The meeting opened at 11.00 am and closed at 12.40 pm.

GMWDA