

# **Finance and Major Contracts Management Committee**

**Monday, 18 September 2017 at 14:00**

**County Hall, County Hall, West Bridgford, Nottingham, NG2 7QP**

---

## **AGENDA**

- |   |  |         |
|---|--|---------|
| 1 | _Minutes of the last meeting 17 July 2017  | 3 - 4   |
| 2 | Apologies for Absence  |         |
| 3 | Declarations of Interests by Members and Officers:- (see note below)<br>(a) Disclosable Pecuniary Interests<br>(b) Private Interests (pecuniary and non-pecuniary) |         |
| 4 | Financial Monitoring Report Period 4 2017-18   | 5 - 20  |
| 5 | NCC PFI Waste Management Contract  | 21 - 64 |
| 6 | Spend Analysis Report In (Local Spend) and Out of County   | 65 - 68 |
| 7 | Business Reporting and Management Information Project - Next Phase   | 69 - 72 |
| 8 | Work Programme   | 73 - 78 |

None

## **Notes**

- (1) Councillors are advised to contact their Research Officer for details of any Group Meetings which are planned for this meeting.
- (2) Members of the public wishing to inspect "Background Papers" referred to in the reports on the agenda or Schedule 12A of the Local Government Act should contact:-

Customer Services Centre 0300 500 80 80

- (3) Persons making a declaration of interest should have regard to the Code of Conduct and the Council's Procedure Rules. Those declaring must indicate the nature of their interest and the reasons for the declaration.

Councillors or Officers requiring clarification on whether to make a declaration of interest are invited to contact Peter Barker (Tel. 0115 977 4416) or a colleague in Democratic Services prior to the meeting.

- (4) Councillors are reminded that Committee and Sub-Committee papers, with the exception of those which contain Exempt or Confidential Information, may be recycled.
- (5) This agenda and its associated reports are available to view online via an online calendar - <http://www.nottinghamshire.gov.uk/dms/Meetings.aspx>

Meeting FINANCE AND MAJOR CONTRACTS MANAGEMENT COMMITTEE

Date 17 July 2017 (commencing at 2pm)

**Membership**

Persons absent are marked with an 'A'

**COUNCILLORS**

Richard Jackson (Chair)  
Roger Jackson (Vice Chair)  
John Ogle (Vice Chair)

John Clarke  
Keith Girling  
Tom Hollis  
Diana Meale

Mike Pringle  
Francis Purdue-Horan  
Mike Quigley  
Andy Wetton

**OFFICERS IN ATTENDANCE**

Pete Barker	Democratic Services Officer
Nathalie Birkett	Group Manager - Public Health Commissioning
Jayne Francis-Ward	Corporate Director - Resources
Nigel Stevenson	Service Director - Finance, Procurement and Improvement
Clare Winter	Group Manager - Resources

**MINUTES OF THE LAST MEETING**

The minutes of the last meeting, held on 19 June 2017, having been circulated to all Members, were taken as read and were confirmed, and were signed by the Chair.

**APOLOGIES FOR ABSENCE**

Councillor Purdue-Horan replaced Councillor Kerry for this meeting only.

**DECLARATIONS OF INTERESTS**

No declarations of interest were made.

**FINANCIAL MONITORING REPORT: PERIOD 2 2017/2018**

**RESOLVED: 2017/007**

- 1) That the revenue budget expenditure to date and year end forecasts be noted.
- 2) That the contingency request be approved.
- 3) That the Capital Programme expenditure to date and year end forecasts be noted.
- 4) That the Council's Balance Sheet transactions be noted.

## **CONTRACT MANAGEMENT - PRESENTATION**

Clare Winter and Nathalie Birkett gave a presentation detailing the theoretical and practical aspects of contract management.

### **RESOLVED: 2017/008**

That the contents of the presentation be noted.

## **CONTRACTS IN EXCESS OF £10 MILLION OR OTHERWISE OF MAJOR SIGNIFICANCE**

### **RESOLVED: 2017/009**

- 1) That reports considering the contracts with VIA, Veolia and Adult Care – Homecare be brought to future meetings of the Committee.
- 2) That the criteria for defining contracts of major significance, as detailed in the report, be noted.

## **WORK PROGRAMME**

Reports on the Waste PFI contract and local expenditure to be brought to the September meeting of the Committee.

### **RESOLVED: 2017/010**

That the report be noted.

The meeting closed at 2.52pm

CHAIR

18 September 2017

Agenda Item: 4

## **REPORT OF THE SERVICE DIRECTOR – FINANCE, PROCUREMENT AND IMPROVEMENT**

### **FINANCIAL MONITORING REPORT: PERIOD 4 2017/2018**

#### **Purpose of the Report**

1. To provide a summary of the Committee revenue budgets for 2017/18.
2. To request approval for additional contingency requests.
3. To provide a summary of Capital Programme expenditure to date, year-end forecasts and approve variations to the capital programme.
4. To inform Members of the Council's Balance Sheet transactions.
5. To provide Members with an update from the Procurement Team.
6. To provide Members with an update from the Accounts Payable and Accounts Receivable Teams.

#### **Information and Advice**

##### **Background**

7. The Council approved the 2017/18 budget at its meeting on 23 February 2017. As with previous financial years, progress updates will be closely monitored and reported to management and Committee each month.

##### **Summary Revenue Position**

8. The table below summarises the revenue budgets for each Committee for the forthcoming financial year. A £5.7m net underspend is currently predicted. In light of the Council's continuing financial challenges, the key message to effectively manage budgets and wherever possible deliver in-year savings is being reinforced.

**Table 1 – Summary Revenue Position**

Forecast Variance as at Period 3 £'000	Committee	Annual Budget £'000	Actual to Period 4 £'000	Year-End Forecast £'000	Latest Forecast Variance £'000
(261)	Children & Young People	132,561	30,289	132,473	(88)
848	Adult Social Care & Public Health	211,301	52,151	210,823	(478)
(85)	Community & Place	113,615	28,715	113,451	(164)
134	Policy	34,779	12,731	34,905	126
(179)	Finance & Major Contracts Management	2,972	1,115	2,786	(186)
(32)	Governance & Ethics	7,209	2,370	7,090	(119)
(98)	Personnel	16,781	5,488	16,348	(433)
<b>327</b>	<b>Net Committee (under)/overspend</b>	<b>519,218</b>	<b>132,859</b>	<b>517,876</b>	<b>(1,342)</b>
(4,374)	Central items	(11,146)	(268)	(15,445)	(4,299)
	- Schools Expenditure	29	-	29	-
	- Contribution to/(from) Traders	-	958	-	-
<b>(4,047)</b>	<b>Forecast prior to use of reserves</b>	<b>508,101</b>	<b>133,549</b>	<b>502,460</b>	<b>(5,641)</b>
	- Transfer to / (from) Corporate Reserves	(15,066)	-	(15,066)	-
(625)	Transfer to / (from) Departmental Reserves	(12,256)	(229)	(12,274)	(18)
	- Transfer to / (from) General Fund	(5,500)	-	(5,500)	-
<b>(4,672)</b>	<b>Net County Council Budget Requirement</b>	<b>475,279</b>	<b>133,320</b>	<b>469,620</b>	<b>(5,659)</b>

## Committee and Central Items

The main variations that have been identified are explained in the following section.

### Adult Social Care & Public Health (forecast £0.5m underspend, 0.2% of annual budget)

9. The underlying forecast is an underspend of £0.5m. This includes the removal of £3.9m from the ASC and PH budget for additional savings proposals in 2017/18 (see paragraph 19 of this report), partly offset by an increase in Continuing Health Care income. The budgets have also been adjusted for the Improved Better Care Fund (IBCF).

10. Throughout the County, the significant variances across the service types are as follows:

- Residential and nursing care are now forecasting a £1.0m overspend primarily in Younger Adults. This is an increase in expenditure of £0.8m compared to period 3, predominantly due to a rise in Older Adults entering the services in the South.
- Supported accommodation is forecasting a reduced overspend of £0.4m primarily in Younger Adults.
- Homecare is reporting an increased overspend of £2.3m primarily in Older Adults.
- External day services are still forecasting an underspend of £0.5m across Younger and Older Adults.
- Direct payments are reporting a combined increased overspend of £2.3m across Older and Younger Adults. This is an increase of £0.4m compared to period 3 due to a combination of reduced budgets for the additional savings and new packages.

- Staffing budgets are forecasting an underspend of £0.6m across Older and Younger Adults, due to slippage in recruitment. This is a shift in month of £2.5m and is due to an increase in budget for posts from the IBCF.
  - Continuing Health Care income is forecast to be £3.2m more than budget. This is a £0.5m reduction in anticipated income, the majority of which is due to the closure of one substantial package; this is partially offset by reduced personal budget expenditure.
  - Predicted needs and transitions are forecasting an overspend of £0.1m.
  - Recharged income within the department is £1.3m less than budget due to recruitment delays on IBCF funded posts.
11. The Strategic Commissioning, Accessing and Safeguarding Division is reporting an underspend of £1.4m due to overachievement of client contribution income.
12. The Transformation Division is forecasting an underspend of £1.4m on the IBCF and Care Act, through slippage on various schemes.
13. Public Health is currently forecasting an underspend of £0.8m due to underspends on the staffing budget and less activity on health check programmes, obesity and smoking and tobacco.

#### **Central Items (forecast £4.3m underspend)**

14. Central Items primarily consists of interest on cash balances and borrowing, together with various grants, contingency and capital charges.
15. Interest payments fluctuate depending on expectations of future rates and anticipated slippage on the capital programme. Current Treasury Management forecasts suggest a net underspend on interest of £0.4m.
16. Table 1 assumes that the contingency request proposed in paragraph 19 is approved. It is forecast that this additional contingency budget will not be spent thereby resulting in a £3.9m underspend.
17. As part of the Spring Budget 2017, the Government announced that Nottinghamshire County Council would be receiving additional funding for Adult Social Care and Health. The budget has been amended to reflect this additional grant in accordance with the report that went to Adult Social Care and Public Health Committee in July 2017. This funding will be utilised to help provide high quality social care to more people and help to ease the burden on the National Health Service.

#### **Requests for contingency**

18. The Council's budget includes a permanent contingency budget of £5.1m to cover redundancy costs, slippage of savings, the November increase of the Living Wage Foundation rates paid to Authority employees, Business Rates Revaluations, the Apprenticeship Levy and unforeseen events.
19. In year savings not identified at the annual budget have been made in ASCH of £3.9m. It is proposed that this saving is incorporated into the Council's contingency budget.

20. A request to increase the contribution from contingency from £50,000 to £100,000 has been submitted by Communities and Place Committee to fund the Authority's share of the staging costs associated with Nottinghamshire hosting the fourth stage of the Tour of Britain cycling race on 6th September 2017.

### **Progress with savings and risks to the forecast**

21. Council on 23 February 2017 approved savings proposals of £1.6m for delivery over the four year period 2017-21. These proposals are in addition to those approved previously by County Council. Officers will continue to monitor the deliverability of individual schemes and targets as part of the budget monitoring process and reflect achievability in the forecast outturn.
22. Issues associated with the achievement of savings relating to Adult Social Care Transport are being reviewed. The outcome of the reviews will be reported to the Corporate Leadership Team and subsequently to Finance and Major Contracts Management Committee.

### **Balance Sheet**

#### **General Fund Balance**

23. Members were asked to approve the 2016/17 closing General Fund Balance of £27.7m at Council on 13 July 2017. The 2017/18 budget approves utilisation of £4.5m of balances which will result in a closing balance of £23.2m at the end of the current financial year. This is 4.9% of the budget requirement.
24. Following approval at Finance and Major Contracts Management in June 2017, a further £1.0m of General Fund balance is now earmarked for use to repair potholes across the County.

## Capital Programme

25. Table 2 summarises changes in the gross Capital Programme for 2017/18 since approval of the original programme in the Budget Report (Council 23/02/17):

**Table 2 – Revised Capital Programme for 2017/18**

	2017/18	
	£'000	£'000
Approved per Council (Budget Report 2017/18)		102,520
Variations funded from County Council Allocations : Net slippage from 2016/17 and financing adjustments	21,555	
		21,555
Variations funded from other sources : Net variation from 2016/17 and financing adjustments	(1,085)	
		(1,085)
<b>Revised Gross Capital Programme</b>		<b>122,990</b>

26. Table 3 shows actual capital expenditure to date against the forecast outturn at Period 4.

**Table 3 – Capital Expenditure and Forecasts as at Period 4**

Committee	Revised Capital Programme £'000	Actual Expenditure to Period 4 £'000	Forecast Outturn £'000	Expected Variance £'000
Children & Young People	42,419	5,404	37,956	(4,463)
Adult Social Care & Public Health	7,212	344	7,110	(102)
Communities & Place	48,338	4,386	45,261	(3,077)
Policy	23,506	4,998	23,351	(155)
Finance & Major Contracts Mngt	220	(161)	220	-
Personnel	295	-	295	-
Contingency	1,000	-	1,000	-
<b>Total</b>	<b>122,990</b>	<b>14,971</b>	<b>115,193</b>	<b>(7,797)</b>

## Children and Young People

27. In the Children and Young People's capital programme, an underspend of £4.5m has been identified. This is mainly due to a £4.0m forecast underspend against the Schools Capital Refurbishment Programme. Following scrutiny and challenge of final accounts by the commissioning and delivery property teams, the cost of completed projects are coming in lower than previously forecast. It is also anticipated that an element of the 2017/18 programme will slip into the next financial year as a result of the late notification of grant. A further £0.4m underspend is forecast against the Beardall Street Phase 2 project.

28. Also in the Children and Young People's Committee, a number of section 106 contributions totalling £1.4m have been secured from developers. This funding will be used to part fund capital projects that will create additional school places at the following Schools – Ernehale Junior, Kingsway Primary, Candleby Lane Primary, Manor Park Primary, College House Primary, St. Augustine's Primary, King Edward Primary and Butlers Hill Primary.

**It is proposed that the Children and Young People's Committee capital programme is varied to reflect the additional section 106 contributions.**

29. In the Communities and Place Committee capital programme an underspend of £3.1m has been identified. This is mainly due to a forecast underspend of £1.8m as a result of slippage against the Sherwood Forest Visitor Centre project which is now expected to complete in July 2018 with further remediation work to be completed in Autumn 2018. Also, delays to the start of Libraries Modernisation schemes has resulted in slippage of £0.8m against this programme.

**It is proposed that the Communities and Place capital programme is varied to reflect the slippage against the Sherwood Forest Visitor Centre and the Libraries Modernisation programme.**

30. Also in the Communities and Place Committee capital programme, a competitive bidding round has taken place during 2017 for the Highways Maintenance Challenge Fund Tranche 2. The Council has been successful in securing a £5.0m grant to carry out highway improvements along the whole of the Mansfield and Ashfield Regeneration Route. It is proposed that a variation to the capital programme will formally be approved as part of a report to Policy Committee in September 2017.

31. In the Policy Committee, an ICT Replacement Programme is already approved within the capital programme. Revenue funding of £0.4m has been identified to further this programme and ensure that the Council's IT estate maintains the appropriate specification during this year.

**It is proposed that the Policy Committee capital programme is varied to reflect the additional revenue contribution towards the IT Replacement Programme.**

## Financing the Approved Capital Programme

32. Table 4 summarises the financing of the overall approved Capital Programme for 2017/18.

**Table 4 – Financing of the Approved Capital Programme for 2017/18**

Committee	Capital Allocations £'000	Grants & Contributions £'000	Revenue £'000	Reserves £'000	Gross Programme £'000
Children & Young People	29,606	12,674	-	139	42,419
Adult Social Care & Public Health	6,165	984	-	63	7,212
Communities & Place	18,920	28,383	600	435	48,338
Policy	22,420	817	-	269	23,506
Finance & Major Contracts Mngt	-	-	-	220	220
Personnel	295	-	-	-	295
Contingency	1,000	-	-	-	1,000
<b>Total</b>	<b>78,406</b>	<b>42,858</b>	<b>600</b>	<b>1,126</b>	<b>122,990</b>

33. It is anticipated that borrowing in 2017/18 will increase by £14.7m from the forecast in the Budget Report 2017/18 (Council 23/02/2017). This increase is primarily a consequence of:

- £21.6m of net slippage from 2016/17 to 2017/18 and financing adjustments funded by capital allocations.
- Net slippage in 2017/18 of £6.9m of capital expenditure funded by capital allocation identified as part of the departmental capital monitoring exercise.

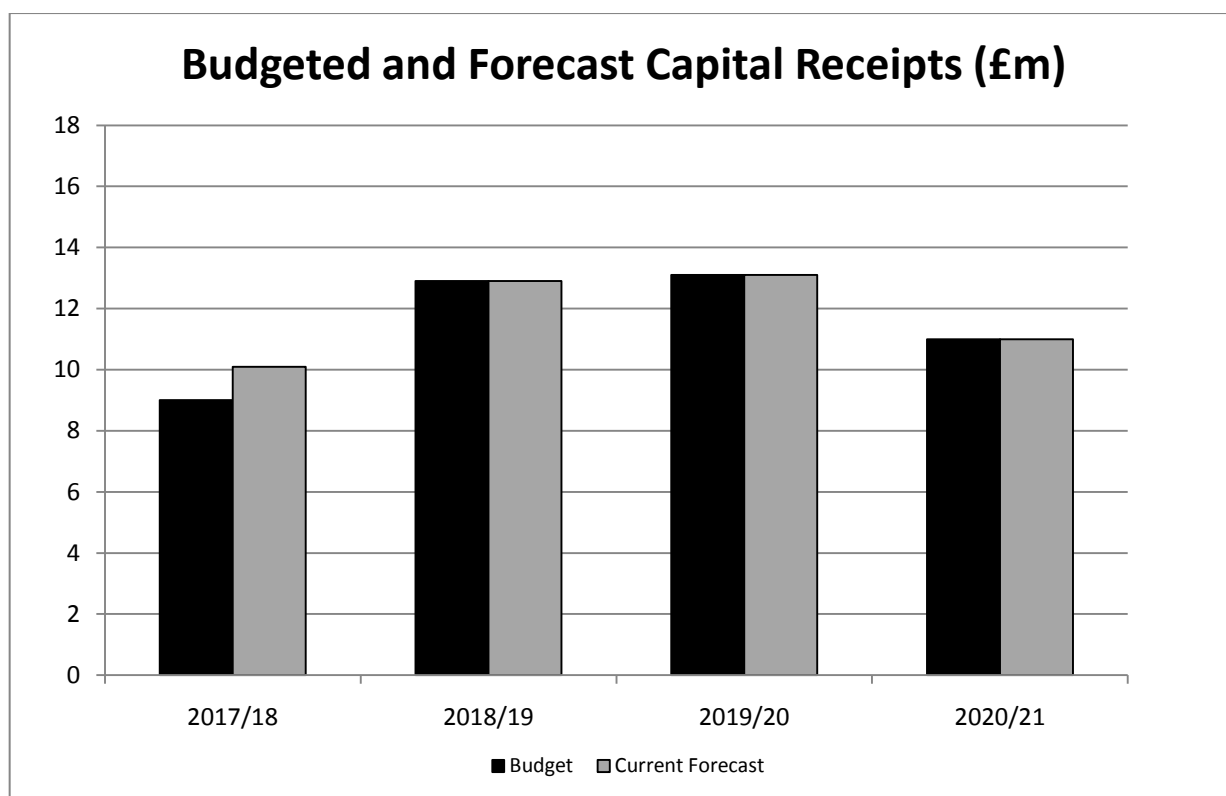
## Prudential Indicator Monitoring

34. Performance against the Council's Prudential Indicators is regularly monitored to ensure that external debt remains within both the operational boundary and the authorised limit.

## Capital Receipts Monitoring

35. Anticipated capital receipts are regularly reviewed. Forecasts are currently based on estimated sales values of identified properties and prudently assume a slippage factor based upon a review of risk associated with each property.

36. The chart below shows the budgeted and forecast capital receipts for the four years to 2020/21.

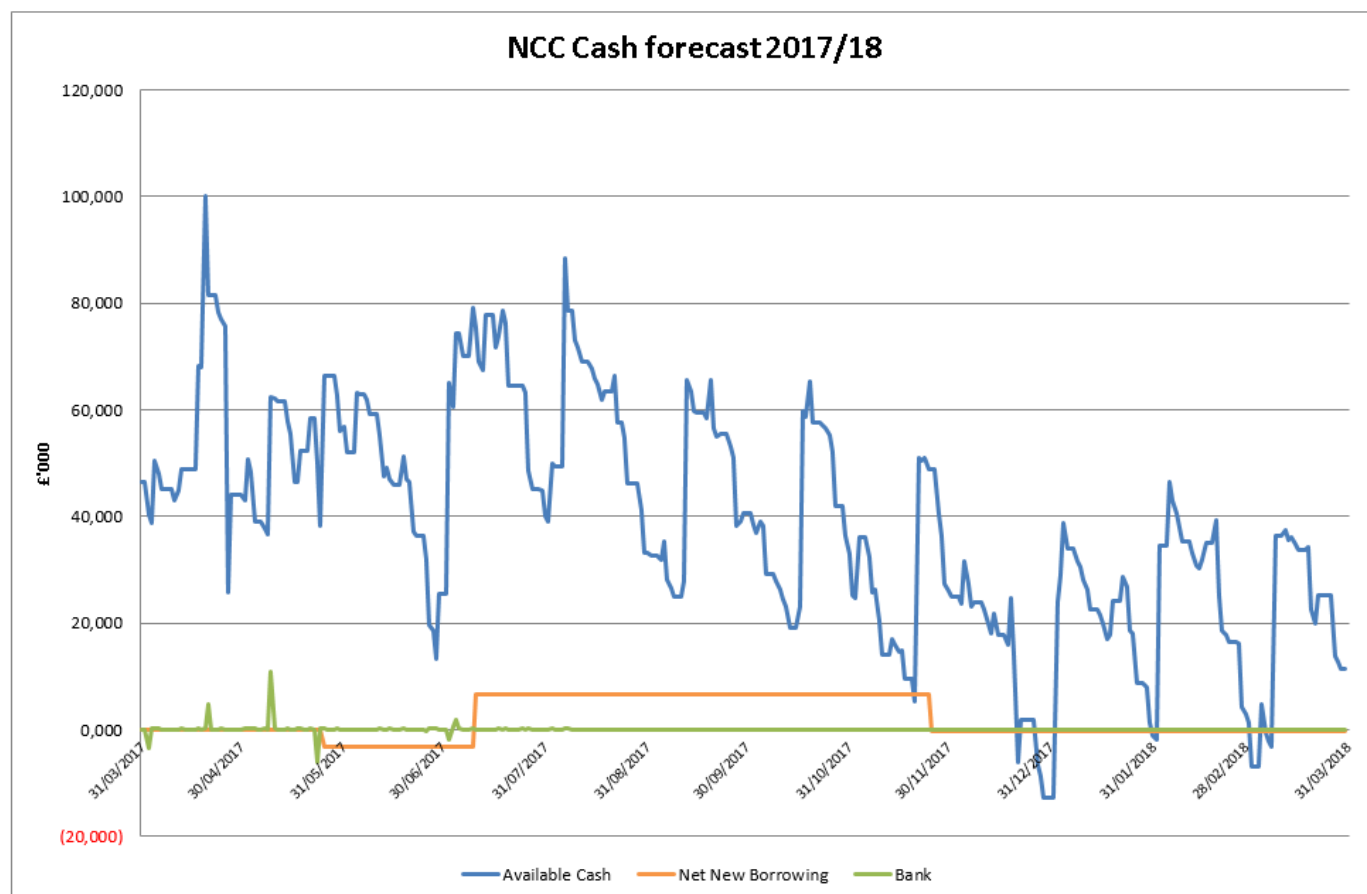


37. The dark bars in the chart show the budgeted capital receipts included in the Budget Report 2017/18 (Council 23/02/2017). These capital receipts budgets prudently incorporated slippage, giving a degree of “protection” from the risk of non-delivery.
38. The capital receipt forecast for 2017/18 is £10.1m. To date in 2017/18, capital receipts totalling £0.2m have been received.
39. The number and size of large anticipated receipts increase the risk that income from property sales will be below the revised forecasts over the next three years. Although the forecasts incorporate an element of slippage, a delay in receiving just two or three large receipts could result in sales being lower than the forecast.
40. A full review of capital receipts is currently being undertaken. The results of this review will be reported in due course and forecasts amended accordingly.
41. Current Council policy (Budget Report 2017/18) is to use the first £2.3m of capital receipts to fund in-year transformation costs. Any capital receipts in excess of this will set against the principal of previous years’ borrowing. This reduces the amount of Minimum Revenue Provision (MRP) to be set aside each year. It is important to regularly monitor capital receipt forecasts and their effect on the overall revenue impact of the Capital Programme.

## Treasury Management

42. Daily cash management aims for a closing nil balance across the Council’s pooled bank accounts with any surplus cash invested in accordance with the approved Treasury Management Policy. Cash flow is monitored by the Senior Accountant (Pensions & Treasury Management) with the overall position reviewed quarterly by the Treasury Management Group.

43. The cash forecast chart below shows the actual cash flow position for the financial year 2017/18. Cash inflows are typically higher at the start of the year due to the front loading receipt of Central Government grants and the payment profile of precepts. Cash outflows, in particular capital expenditure, tend to increase later in the year, and the chart shows a clear need for the Council to borrow during the course of the year.



44. The chart above gives the following information:

<b>Available cash</b>	Surplus cash (invested in call accounts or money market funds) or a shortfall of cash indicating a need to borrow.
<b>Net new borrowing</b>	New loans taken during the year net of principal repayments on existing borrowing.
<b>Bank</b>	That element of surplus cash held in the Council's Barclays Bank account.

45. The Treasury Management Strategy for 2017/18 identified a need to borrow approximately £30m over the course of the year to (a) fund the capital programme, (b) replenish internal balances and to (c) replace maturing debt. The first £10m tranche of this was taken from PWLB on 10<sup>th</sup> July. PWLB interest rates continue to be monitored closely to allow changes - or potential changes - in rates to feed into decisions on new borrowing. The Council remains

able to take advantage of the PWLB “certainty rate” which is 0.2% below the standard rates. The chart below shows the movement in standard PWLB maturity rates over the course of 2017 so far.



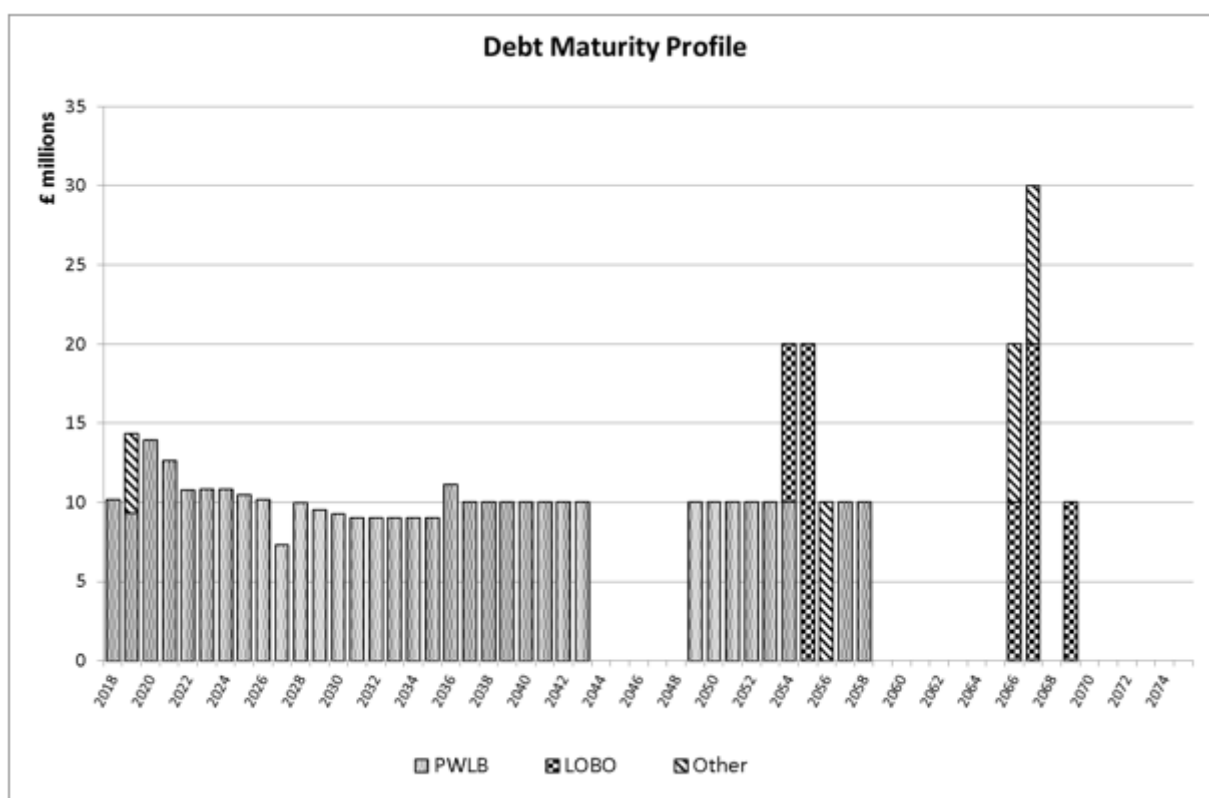
46. Borrowing decisions will take account of a number of factors including:

- expected movements in interest rates
- current maturity profile
- the impact on revenue budgets and the medium term financial strategy
- the treasury management prudential indicators.

47. The maturity profile of the Council's debt portfolio is shown in the chart below. The PWLB loans are reasonably well distributed and have a maximum duration of 41 years. When deciding on the lengths of future loans the Council will factor in any gaps in its maturity profile, with a view to minimising interest rate risk, but will consider this alongside other financial factors.

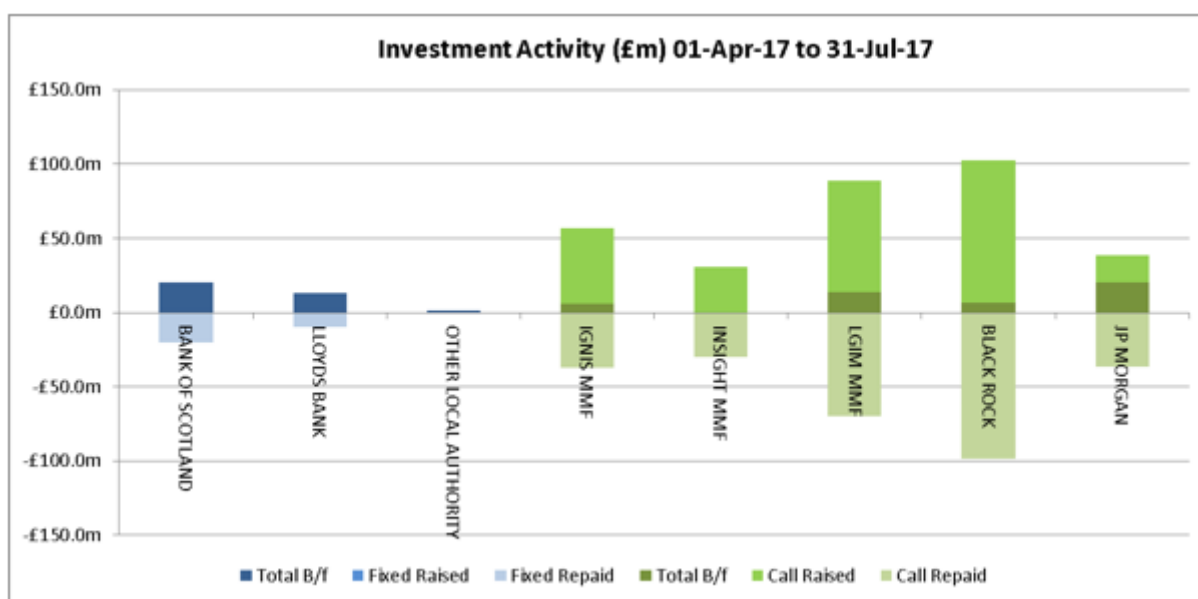
48. Longer-term borrowing (maturities up to 52 years) was obtained from the market some years ago in the form of 'Lender's Options, Borrower's Options' loans (LOBOs). These loans are treated as fixed rate loans (on the basis that, if the lender ever opts to increase the rate, the Council will repay the loan) and were all taken at rates lower than the prevailing PWLB rate at the time. However, LOBOs could actually mature at various points before then, exposing the Council to some refinancing risk.

49. The 'other' loans denote borrowing from the money markets where the main objective was to minimise interest costs, and also includes loans from Barclays Bank that were converted from LOBOs to fixed-term loans in 2016.



50. The investment activity for 2017/18 to the end of July 2017 is summarised in the chart and table below. Outstanding investment balances totalled £81m at the start of the year and £49m at the end of the period. This reduction includes the effect of making a £39m contribution to the Nottinghamshire Pension Fund in order to reduce the contributions deficit.

	Total B/F £ 000's	Raised £ 000's	Repaid £ 000's	Outstanding £ 000's
Bank of Scotland	20,000	-	(20,000)	-
Lloyds Bank	13,000	-	(10,000)	3,000
Other Local Authority	1,500	-	-	1,500
IGNIS MMF	6,000	51,050	(37,050)	20,000
Insight MMF	-	30,500	(30,250)	250
LGIM MMF	13,950	75,100	(69,800)	19,250
Black Rock	6,500	95,800	(98,750)	3,550
JP Morgan	20,000	18,750	(36,850)	1,900
<b>Total</b>	<b>80,950</b>	<b>271,200</b>	<b>(302,700)</b>	<b>49,450</b>



51. As part of the Council's risk management processes all counterparty ratings are regularly monitored and lending restrictions changed accordingly.

### Debt Recovery Performance

52. The total debt shows an overall increase of £0.6m compared to Quarter 1 2016/17, this is represented by £1.1m reduction in other debts and an increase of £1.7m in Residential and non-domiciliary debts.

53. The Residential and non-domiciliary debts debt figures continue to be influenced by full cost invoices to services users that have not yet joined the deferred payments scheme. This debt amounts to £1.8m, a direct effect of the changes brought about by the Care Act. These users are charged full costs for their care which they have no funds to make payments.

54. The write off total as at the end of Quarter 1 was £154,402.

### Invoices raised in quarter

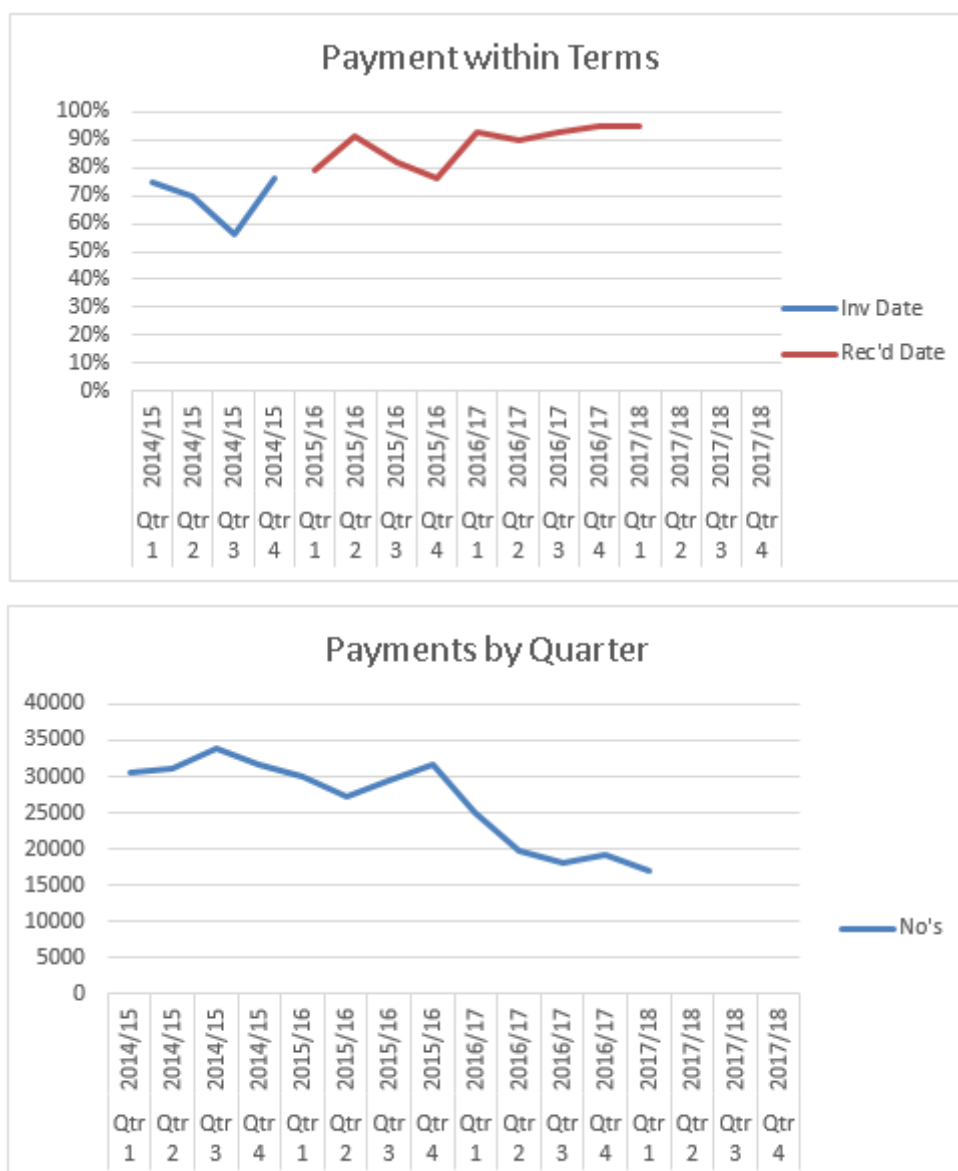
	Quarter 1	Year to date
Number	43,044	43,044
Value	£45,913,591	£45,913,591

### Debt position at 30/06/17

	Residential & Domiciliary Care	All Other	Total
Total	£9,750,428	£11,997,228	£21,747,656
Over 6 months	£5,015,280	£848,614	£5,863,894
% over 6 months	51.4%	7.1%	27.0%

## Accounts Payable (AP) Performance

55. Payment Performance for Quarter 1 was recorded as 95.1%, this trend has continued at 95% or above for the past 2 quarters. With the increased use of consolidated invoices and the shift to ASDM's during the last financial year, the volume of invoices attributed to commercial spend continues to reduce with around 17,000 processed in Quarter 1.



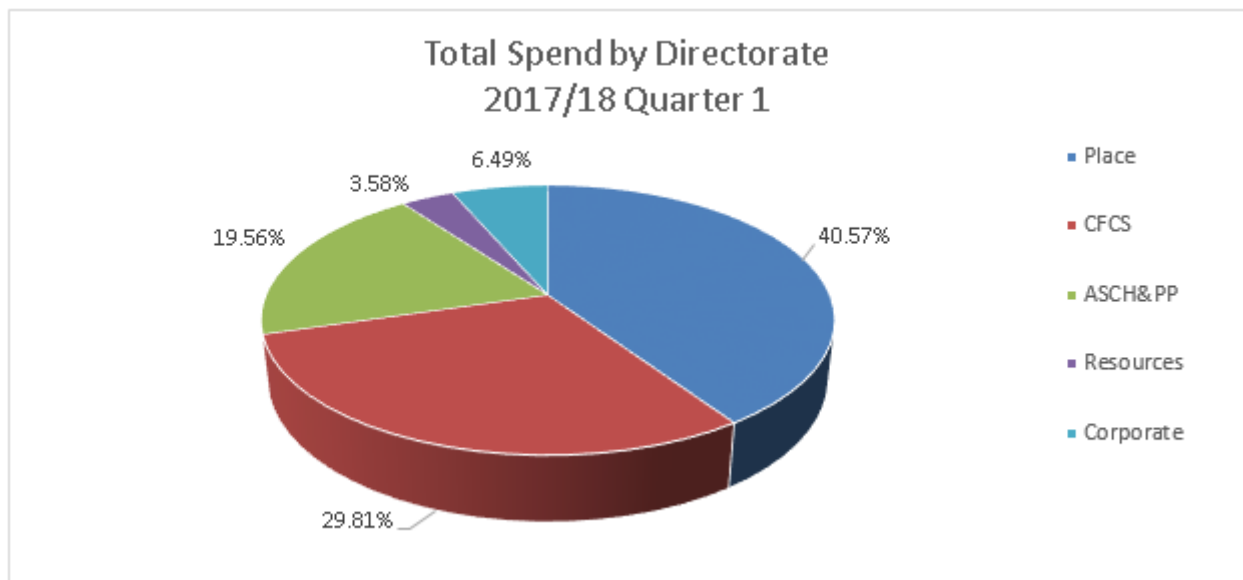
56. The debt recovery and accounts payable performance information will continue to be reviewed at an operational level on a fortnightly basis. The strategic performance information will be compiled for this report to Committee on a quarterly basis.

## Procurement Performance

57. As an organisation, NCC has spent £122m in the first quarter of the financial year 2017/18 with external suppliers. This represents a decrease of £24m when compared with the same

period of the previous financial year. The top 5% (118) of suppliers account for 80% (98m) of the total supplier spend. The remaining 95% (2,560) have a total expenditure of £24m with an average spend of £9,400.

58. The chart below shows the total amount spent in the period, by Directorate. Place has the highest level of expenditure at almost 41%, whilst collectively the care related Directorates (ASCH&PP, CFCS) account for almost 50% of all spend.



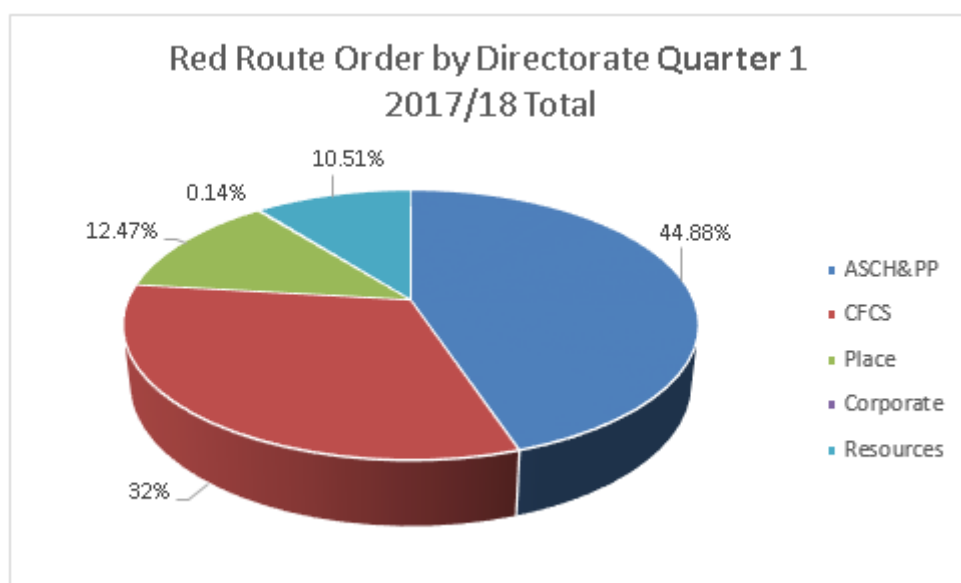
59. The Council's primary ordering route is through BMS. Orders that are processed through BMS are classified as 'Compliant', whilst purchases made outside of the Council's systems are deemed to be 'Non-Compliant'.

Retrospective orders are also classified as Non-Compliant, as they are typically raised after delivery of goods/services. Services commissioned and managed through other Corporate Systems, for example Frameworki/Mosaic, are out of scope. Purchase Orders are beneficial to the organisation as they provide visibility of what we spend.

60. When compared with the same period of the previous financial year compliant ordering (BMS Purchase Orders) remains at 63% of the total spend for both quarters, Non-Compliant (Non PO) ordering remains at 37%. The table below shows the number of retrospective orders by month and by Directorate. The total volume of retrospective orders has reduced overall when compared with Quarter 1 of the previous financial year.

Directorate	PO Volume Apr 2017	PO Volume May 2017	PO Volume Jun 2017	Total Q1 2017/18	Total Q1 2016/17
ASCH & PH	240	187	141	568	780
CFCS	300	332	249	881	1,409
Place	260	234	249	743	1,439
Corporate	4	-	9	13	7
Resources	81	81	100	262	335
<b>Total</b>	<b>885</b>	<b>834</b>	<b>748</b>	<b>2,467</b>	<b>3,970</b>

61. Purchase orders themselves are split into Green and Red orders. Green orders are those which are raised with the Procurement Centre's pre-arranged agreements or contracted suppliers. Red orders are those that do not have approved suppliers or contracts set up on BMS, and require additional work. When compared with the same period in the previous financial year the volume of 'Red' orders have reduced from 9,446 to 8,698. The chart below illustrates Red Route orders by Directorate as a percentage for Quarter 1 2017/18. The Procurement Team are working with stakeholders to improve these figures.



62. A full list of ongoing developments within the Procurement Team is included in Appendix A.

## Statutory and Policy Implications

63. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **RECOMMENDATIONS**

- 1) To comment on the revenue budget expenditure to date and year-end forecasts.
- 2) To approve the contingency requests.
- 3) To comment on the Capital Programme expenditure to date, year-end forecasts and approve variations to the Capital Programme.
- 4) To comment on the Council's Balance Sheet transactions.
- 5) To comment on the performance of the Procurement Team.
- 6) To comment on the performance of the Accounts Payable and Accounts Receivable Teams.

### **Nigel Stevenson Service Director – Finance, Procurement and Improvement**

For any enquiries about this report please contact:

Keith Palframan, Group Manager, Financial Strategy and Compliance

Tamsin Rabbitts - Senior Accountant, Pensions and Treasury Management

### **Constitutional Comments (KK 30/08/2017)**

64. The proposals in this report are within the remit of the Finance and Major Contracts Management Committee.

### **Financial Comments (KP 23/08/2017)**

65. The financial implications are stated within the report.

### **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None

### **Electoral Division(s) and Member(s) Affected**

All

**18<sup>th</sup> September 2017****Agenda Item: 5****REPORT OF THE SERVICE DIRECTOR FOR ENVIRONMENT, TRANSPORT  
AND PROPERTY****Nottinghamshire County Council PFI Waste Management Contract****Purpose of the Report**

1. To inform the Committee of the current status of the Council's Private Finance Initiative (PFI) Contract for Waste Management and allow members to consider whether there are any actions they require in relation to the issues contained within the report.

**Information and Advice****PFI Contract Basics**

2. PFI contracts are generally long term arrangements for the private sector to Design, Build, Finance and Operate (DBFO) assets which might not be affordable to the public sector in other circumstances due to the large capital costs involved in developing the contract facilities.
3. The basic principle of PFI is to ensure value for money is secured by ensuring that the risks and costs of a project are allocated to the people most able to manage them effectively through the lifetime of the scheme.
4. Hundreds of PFI contracts have been let across the UK to deliver new hospitals, prisons and other accommodation projects, roads, schools and waste facilities by various central and regional government bodies and the health sector with varying degrees of success, and not without public controversy.
5. The costs of the construction of the new or refurbished contract facilities, and any ongoing maintenance or renewals costs, are met by the private sector, and are either corporately (from the balance sheet of the companies involved) or project (bank) financed with the public sector meeting the ongoing cost of the operation and payback of the capital over an extended concession period, often 25 years plus. The assets then transfer back to the public sector at the end of the contract.
6. The PFI Waste Management Contract with Veolia ES Nottinghamshire Ltd was signed on 26 June 2006 and runs until 31 March 2033, and is corporately financed by Veolia with no bank involvement. Details of the contract coverage and cost are included in Appendix 1.

## **Special Purpose Vehicles (SPV's)**

7. Most contracts are operated by Special Purpose Vehicles (SPV's) which are companies specifically established to develop and operate the facilities comprising a number of specialist partners usually including construction contractors facilities management (FM) providers (for accommodation projects), funders, and other specialists companies experienced in specific areas of work (such as waste) or in pulling together all of the partners to provide a seamless service to the local authority.
8. In respect of the PFI Waste Contract the SPV is not a partnership, but is a wholly owned subsidiary of Veolia Environmental Services (UK) plc - Veolia ES Nottinghamshire Ltd.

## **Funding Arrangements**

9. Her Majesty's Treasury (HMT) through sponsoring departments (the Department for Environment, Food and Rural Affairs (DEFRA) in this case) provide fixed (non-inflating) ring fenced grant payments, generically known as PFI credits (although on waste projects they are actually "Waste Infrastructure Credits"), to the client organisations to offset some of the costs associated with this private sector finance based on the submission of a detailed business case to support the proposals. This leads to two anomalies;
  - i. No two projects receive the same level of PFI credit payments as they are not based on a fixed formula or calculation;
  - ii. There is an ever widening gap between the fixed level of funding through the PFI credits and the escalating (inflated using a suitable index such as Retail Price Index (RPI)) operational costs.
10. Councils normally therefore establish a "PFI reserve" at the start of a project to build up a sum of money (before the facilities are operational and the unitary charge payments commence or ramp up) to offset these costs through the life of the project, based on expected budgets, modelled costs and inflation assumptions assessed in an affordability model.
11. Unfortunately in some circumstances these assumptions can prove wrong, particularly in turbulent financial times as have affected the UK since 2007. A number of PFI projects are therefore currently proving to be unaffordable to the client organisations (particularly in the health sector).
12. The overall reserves held by the County Council to support the Nottinghamshire PFI Waste Management project are around £28m, and are currently deemed sufficient to cover potential costs for the rest of the contract term.

## **Contract Metrics and Monitoring**

13. PFI Contracts are usually output based, with significant freedom allowed to the contractors to meet the agreed specification within the confines of an agreed cost and quality envelope.
14. Various service elements such as waste treatment and Recycling Centre operation or additional waste disposal arrangements are subject to regular benchmarking (cost/quality comparison) or market testing (tendering) by the contractor to ensure they continue to offer value for money.
15. Payments to Veolia are made monthly through a "Unitary Charge" which covers all of the service elements provided, offset by any deductions made for performance failures or lack of availability. That way the contractors are incentivised to ensure services are provided effectively and any defects or service failures are rectified promptly.

16. Contracts are often referred to as self-monitoring as the contractor provides the performance data to support the payments requested each month, although a degree of oversight from the client is always required to ensure continued contract compliance.
17. Deductions can be for items as simple as failure to have a waste facility open due to a breakdown or not providing accurate billing or performance data or can be more significant such as failing to achieve annual landfill diversion targets. Obviously the timescales for rectification, or any financial penalties applied reflect the impact of the failure on the service provided to the Council and or the public.
18. An outline of the performance measures and metrics are included at Appendix 2, with detailed information for 2015-16 contained within the Veolia Annual Report at Appendix 3. The 2016-17 Veolia Annual Report has not yet been finalised.

### **General PFI Contract Issues**

19. The major concerns in many PFI deals are the level of ongoing charges levied by the contractors leading to elevated “super profits” and affordability issues. “Gold Plating” where assets well above the standards required to operate effectively were procured during times when funding was plentiful and are now therefore unaffordable. And the perceived inflexibility of the contracts and therefore the assets and services provided, including the inability of the client authorities to renegotiate deals to remove any now unaffordable “Gold Plating”.
20. Additionally financial windfalls achieved by the providers from “refinancing” projects post construction, when the majority of the risk has been removed and much more favourable financial terms can be achieved, has allowed some providers in early projects to reduce the baseline costs without offering a corresponding financial benefit to the public sector clients.
21. Many of the issues identified above are significantly reduced or removed altogether in later deals concluded under Standardisation of PFI Contract (SoPC) terms, however poor perceptions of private finance deals still exist and few contracts are currently being procured under the latest Private Finance 2 (PF2) process despite it being much more robust for the client authorities.
22. As the PFI Waste contract follows the appropriate standard (SoPC Version 3) contract terms (in fact the project was used as a DEFRA “Pathfinder” project in helping to finalise the national guidance) it has the appropriate protections in place.

### **Other Nottinghamshire County Council PFI Projects**

23. Members will be aware that the County Council is party to two further PFI contracts for the provision of schools and leisure centres (on behalf of the relevant Borough and District Councils) in East Leake and Bassetlaw signed in 2002 and 2005 respectively.
24. All the contracts follow slightly different standard PFI contract formats as the PFI market developed significantly between the signing of the East Leake contract, and the Waste contract.
25. The County Council was also at one time involved as a partner in the PFI Nottingham Express Transit (NET) line one tram project (the City Council hold the contract) although the Council subsequently withdrew from those arrangements.
26. Additionally the PFI funded “Building Schools for the Future” (BSF) project, through which the Council had proposed a number of further school renewals, was abandoned by the government in 2010 in response to the austerity conditions prevalent at the time.

## **Change Management**

27. Despite perceptions to the contrary well developed PFI contracts offer a significant degree of flexibility in the way services are provided, and can deliver adaptable services which can be changed to meet ongoing pressures and developing aspirations.
28. All of the Council's projects incorporate change mechanisms which allow for minor variations which do not require approval from the sponsoring departments. These mechanisms are used constantly to review what facilities are provided and how the waste service operates.
29. It is important however that where these minor variations are made the capital and lifecycle impacts are identified, and revenue streams secured to ensure the changes do not have a significant cumulative impact on budgets. The need to ensure the contractor is placed in a no better/no worse financial position can also impact on the value for money of any changes.
30. Changes to a contract beyond the scope of the original procurement could also potentially open the Council up to the risk of a procurement challenge if the changes are significant enough for the variation to be deemed a new contract. Specialist technical, financial and legal advice is therefore usually sought for major variations, often from outside of the Council.
31. In addition DEFRA has to be consulted on any more significant contractual changes, and may require the submission of a Variation Business Case (VBC) prior to agreeing to any amendments. This can also lead to reassessment of the PFI Credits payable in certain circumstances. It is unlikely that any reassessment would lead to anything other than a reduction in the level of grant payable.

## **PFI Waste Contract Changes**

32. The waste contract has previously been varied using the existing Revised Project Plan (RPP) process included in the contract, and submission and approval of a VBC, to change the residual waste treatment solution proposed in the original deal in response to the failure of Veolia Environmental Services (the SPV) to obtain planning permission for the major contract facility, an Energy Recovery Facility (ERF) at the former Rufford Colliery in Rainworth.
33. The RPP provided for the waste which was to be sent to the Rufford ERF by Bassetlaw District Council, and Newark and Sherwood District Council via their contract Waste Transfer Stations (WTS) to be delivered to an existing Veolia ERF in Sheffield instead, and also allowed the council to renegotiate a number of other key contractual terms to deliver a significant financial benefit to the Council in excess of £1m pa, and even more flexibility going forward.
34. A further variation to deliver part two of the RPP, and construct a further WTS in Kirkby in Ashfield, and conclude long term contracts for the treatment of the waste delivered to that site by Ashfield and Mansfield District Councils, was concluded in November 2016 and delivered a further financial saving to the Council of around £400kpa. This WTS became operational on 31 March 2017.
35. Failure to develop the Rufford ERF has however led to DEFRA reassessing the level of PFI credits payable to the Council, reducing them by around 1/3<sup>rd</sup> to £2m per annum, since the capital spend on the project has also reduced. Overall affordability has still been improved as a result of the wider renegotiation with Veolia.

36. The waste contract is achieving unprecedented levels of customer satisfaction at the Recycling Centres, which also reach class leading recycling performance, and the contract as a whole is delivering significant landfill diversion performance for the Council.
37. Overall county wide recycling levels are generally static at around the national average of 44%, but since  $\frac{3}{4}$  of the tonnage managed is collected from the kerbside they are very much dependent on the service provided at borough and district council level. In Nottinghamshire this varies between around 20% in Bassetlaw and almost 50% in Rushcliffe.
38. An outline of the performance measures and metrics are included at Appendix 2, with detailed information for 2015-16 contained within the Veolia Annual Report at Appendix 3. The 2016-17 Veolia Annual Report has not yet been finalised. Further information is available through the background papers.
39. Despite judicious application of the payment and performance mechanisms contract deductions on the project have generally been minimal, with all output targets met to date, indicating the diligence of Veolia and the quality of the facilities and services provided.

### **Current Factors Affecting the Project**

40. Common issues affecting all of the PFI projects include the lack of suitably skilled and experienced staff able to manage the detailed operational and commercial issues behind the contracts and the complex interfaces between the partners involved. Resourcing to effectively manage the risk and cost of these (and other) major projects is a key issue for the County Council if it is to ensure that the contracts continue to offer value for money.
41. Economic fluctuations affect the level of inflation paid on contract rates, which can widen the affordability gap by increasing the difference between the fixed payments made by HMT and the monies paid to the contractors. Specifically in the waste arena the state of the economy is directly reflected in the growth of waste tonnages, increasing contract costs, and historically significant year on year increase in landfill tax rates have driven similar increases across all treatment solutions.
42. Although contractual disputes do not occur often, when they do they are usually complex to resolve, and where they involve national government or local authority partners may have a significant political dimension.
43. Going forward, ensuring continued robust contract management and appropriate financial planning is in place to ensure the various arrangements remain affordable will be essential to their continued sustainability.

### **Contract Management Resources**

44. The waste project is valued at around £30m per annum, and is currently managed by the Group Manager, Waste and Energy Management within the Environment, Transport and Property Division of the Place Department, although the department itself is in the process of being restructured.
45. The waste management team (including the non PFI element) is operated by a small group of specialist staff with strong project management and commercial skills, acting as the retained intelligent client function of the Waste Disposal Authority (WDA) for Nottinghamshire. This includes providing waste treatment and disposal arrangements, and strategy and policy guidance in respect to the management of all Local Authority Collected Municipal Waste (LACMW) in the County.

## **Other Options Considered**

46. None at this stage although in considering this report Members will identify whether there are any actions they require in relation to the issues contained.

## **Reason/s for Recommendation/s**

47. Members of the Committee will no doubt appreciate the high value and complex nature of the PFI Waste Management Contract.

48. In considering this report they will identify whether there are any actions they require in relation to the issues contained, however it is considered that Members can at this point be satisfied that, with appropriate staff and financial resource allocation, the PFI Waste Contract will continue to deliver affordable and high quality waste management services for the County Council until the end of the relevant contract term.

## **Statutory and Policy Implications**

49. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **Financial Implications**

50. Although this report is for information only the PFI Waste Management contract represents a significant financial commitment for the County Council and continues to offer a value for money mechanism for delivering the relevant services. The PFI Financial model is updated annually to accommodate changes in tonnage levels and inflationary increases, current forecasts are that the predicted costs will be contained within the PFI Reserve and annual revenue budget.

## **Legal Implications**

51. PFI contracts are complex contractual arrangements for the delivery and long term management of high value projects and as such are subject to significant scrutiny and oversight by the County Council, HMT, and sponsoring Government departments. Contracts have to be managed, and where appropriate varied, within tight guidelines and best practice standards, and therefore both schools contracts, and the waste contract, have been suitably supported by both internal and external legal advice.

## **Implications for Service Users**

52. The waste service is well liked by the public with high customer satisfaction scores, achieves high levels of landfill diversion, and all at a cost which puts the Council in the bottom quartile of all Waste Disposal Authorities in England.

53. The contract continues to provide a value for money solution to meet the requirements of the residents of Nottinghamshire.

## **Implications for Sustainability and the Environment**

54. The PFI Waste Contract has delivered significant investment into the County in order to help improve recycling performance and reduce reliance on the use of landfill for waste disposal.

## **Recommendation**

1. That members consider whether there are any actions they require in relation to the issues contained within the report.

**Mick Allen**

**Group Manager, Waste and Energy Management**

For any enquiries about this report please contact:

Mick Allen, Group Manager, Waste and Energy Management

## **Constitutional Comments (SLB 25/08/2017)**

Finance and Major Contracts Committee is the appropriate body to consider the content of the report. If Committee resolves that any actions are required it must be satisfied that such actions are within the Committee's terms of reference.

## **Financial Comments (SES 29.08.2017)**

There are no specific financial implications arising directly from this report.

## **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

The following Reports to Environment and Sustainability Committee;

3 November 2016 - Performance Report – Waste Management – 2015/16 outturn

21 July 2016 - Waste Management PFI Contract – Mansfield and Ashfield Residual Waste Treatment Solution

4th September 2014 - Waste Management PFI Contract - Revised Project Plan

30th January 2014 - Waste Management Contracts

## **Electoral Divisions**

All



## **Appendix 1**

### **Nottinghamshire PFI Waste Contract - Project Details**

1. The Nottinghamshire semi-integrated waste management contract covers the treatment and disposal of the majority of the municipal waste generated in Nottinghamshire through the County Councils role as Waste Disposal Authority (WDA) for Nottinghamshire.
2. This includes the funding, construction/renovation and operation of;
  - I. 12 Recycling Centres
  - II. A Material Recovery Facility (MRF) at Mansfield to separate and consolidate all of the mixed recyclable waste collected by the seven borough and district councils in the County (known as Waste Collection Authorities - WCA),
  - III. A facility for the treatment of green garden waste collected at the kerbside and the Recycling Centres;
  - IV. Waste Transfer Stations (WTS) as delivery points for the WCA;
  - V. The haulage to and treatment of this WCA waste at a number of Energy Recovery Facilities (ERF) outside of the County.

The new facilities delivered through the contract will revert to the Council at the end of the contract period.

It should be noted that the Green Waste treatment facility currently being utilised through the contract "Veolia Oxton" does not form part of the PFI infrastructure since it is a 3<sup>rd</sup> party facility "Simpro Oxton" recently acquired by Veolia. Discussions continue with Veolia as to how this site could be incorporated within the PFI arrangements in due course in lieu of the contract facility noted above.

3. The Contract is operated by a SPV "Veolia ES Nottinghamshire Ltd" (VES) part of Veolia Environmental Services (UK) plc, the French owned multinational. VES subcontract the majority of the Recycling Centre operations to individual site licensees and composting services to another Veolia subsidiary, but operate the MRF directly. Energy Recovery is provided through a range of subcontractors including "Veolia Sheffield" and "EEW Energy from Waste" (EEW) in Germany.
4. The contract originally included the funding and construction of a new ERF at the former Rufford Colliery at Rainworth to process 180,000 tonnes per annum of residual waste through incineration, which failed to gain planning permission after a protracted Public Inquiry process.
5. Following the rejection of the Rufford ERF planning in 2011 a number of consequential variations have now been made to the 2006 contract including the incorporation of a long term sub contract for the treatment of residual waste collected in Bassetlaw and Newark and Sherwood, and most recently Mansfield and Ashfield, and the construction of new WTS in Worksop, Newark and Kirkby in Ashfield to serve the areas.

## **Appendix 1**

### **Nottinghamshire PFI Waste Contract - Project Details**

6. The PFI Waste Contract currently handles around 340,000 tpa of waste and achieves nearly 80% recycling and composting at the Recycling Centres, and helps the County achieve around 44% recycling and composting on average, and has reduce reliance on landfill disposal in the County to less than 10%.

#### **Financial Matters**

7. The Waste Contract had an original capital cost of £180m, and an overall value of £850m, and attracted PFI credits of £38m at contract close in 2006.
8. The failure to secure planning for the Rufford ERF has reduced the capital value substantially and led to a reassessment of the PFI credits payable to the authority by the Department for the Environment, Food, and Rural Affairs (DEFRA) and HMT. The details were covered in a report presented to Environment and Sustainability Committee on 30 January 2014.
9. The council however currently receives a revenue payment of £2.0m per annum to support the contract, which was recently increased from £1.6m upon completion of the Welshcroft Close WTS.
10. Contract Payments to Veolia amount to around £26m per annum, with further payments of around £6m pa to other contractors for waste services outside of the PFI arrangements (68,000 tpa of waste treatment through the Eastcroft Energy from Waste plant, and 100tpa of medical waste requiring specialist processing), plus payment of statutory Recycling Credits to the WCA.
11. A detailed financial model underpins the project, alongside a complex affordability model which allows the Council to predict long term financial costs for the service based on a number of complex and interrelated assumptions around waste growth and inflation rates.
12. The project currently has a financial reserve of £27.8m which based on the affordability model and present assumptions is deemed sufficient to meet the financial requirements of the service until the end of the PFI arrangements in 2033.

## **Appendix 2**

### **Nottinghamshire PFI Waste Contract - Value for Money Mechanisms**

#### **Contract Key Performance Indicators (KPI's)**

The following KPI's are reported monthly or annually by Veolia;

##### ***Monthly performance:***

- WCA vehicle turnaround time at Delivery Points;
- Facility capacity for Contract Waste delivery vehicles;
- Accuracy, completeness and timeliness of reporting;
- Contract Interface Obligations.

##### ***Annual performance:***

- HWRC Service User satisfaction;
- Performance Standards for Recycling and Composting;
- Performance Standards for Contract Waste Landfill Diversion;
- Greenhouse Gas emissions;
- Operational and environmental performance;
- Sustainability performance;

2015-16 KPI information is shown in the Veolia Annual Report at Appendix 3.

## **Appendix 2**

### **Nottinghamshire PFI Waste Contract - Value for Money Mechanisms**

#### ***Benchmarking and Market Testing***

The following services are subject to Benchmarking and/or Market Testing by Veolia throughout the Service Period;

- The HWRC Services (last completed April 2016, every 5 years);
- Residual Waste Treatment and/or Landfill Services of Market Tested Residual Waste (subject to certain exclusions – last completed April 2017, every 5 years);
- Management of Ad Hoc Waste (as required);
- Plasterboard, Chipboard and Asbestos (annually).

2015-16 Performance data (2016-17 not available until November) against Departmental and Corporate Targets is available as a background paper through the Environment and Sustainability Committee Report dated 3 November 2016 - Performance Report – Waste Management – 2015/16 outturn. The performance tables from that report are reproduced below;

It should be noted that a number of service changes have recently been implemented which will have an impact on both performance and costs in 2016-17 and 2017-18 including the free green waste collection service introduced in Ashfield, chargeable green waste services introduced in Bassetlaw and expanded in Newark and Sherwood, the commencement of operations at the Welshcroft Close Transfer Station in Kirkby in Ashfield (and associated new treatment subcontracts), the recently completed market testing of other residual waste disposal, and service changes at the Recycling Centre network.

## Appendix 2

### Nottinghamshire PFI Waste Contract - Value for Money Mechanisms


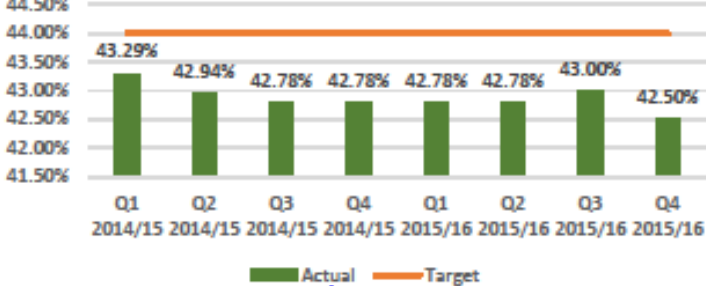
#### Waste Management Performance Information 2015-16



##### FINANCIAL

Indicator	Maximise or Minimise	Actual Versus Target	Trend Chart	Improvements																
Municipal waste disposal costs	Aim to Minimise	<div><div>Actual</div><div>£74.21</div><div>Target</div><div>None</div><div></div></div>	<div><div>Municipal waste disposal costs</div><table><thead><tr><th>Fiscal Year</th><th>Cost (£)</th></tr></thead><tbody><tr><td>2009/10</td><td>71.00</td></tr><tr><td>2010/11</td><td>62.00</td></tr><tr><td>2011/12</td><td>65.80</td></tr><tr><td>2012/13</td><td>68.66</td></tr><tr><td>2013/14</td><td>72.78</td></tr><tr><td>2014/15</td><td>76.84</td></tr><tr><td>2015/16</td><td>74.21</td></tr></tbody></table></div>	Fiscal Year	Cost (£)	2009/10	71.00	2010/11	62.00	2011/12	65.80	2012/13	68.66	2013/14	72.78	2014/15	76.84	2015/16	74.21	Overall costs fell due to budget savings
Fiscal Year	Cost (£)																			
2009/10	71.00																			
2010/11	62.00																			
2011/12	65.80																			
2012/13	68.66																			
2013/14	72.78																			
2014/15	76.84																			
2015/16	74.21																			

##### PERFORMANCE

Indicator	Maximise or Minimise	Actual Versus Target	Trend Chart	Improvements																		
Percentage of household waste sent for reuse, recycling and composting	Aim to Maximise	<p><b>Actual</b> 42.50%</p> <p><b>Target</b> 44.00%</p> <p></p>	<p>Percentage of household waste sent for reuse, recycling and composting</p>  <table><thead><tr><th>Quarter</th><th>Percentage (%)</th></tr></thead><tbody><tr><td>Q1 2014/15</td><td>43.29%</td></tr><tr><td>Q2 2014/15</td><td>42.94%</td></tr><tr><td>Q3 2014/15</td><td>42.78%</td></tr><tr><td>Q4 2014/15</td><td>42.78%</td></tr><tr><td>Q1 2015/16</td><td>42.78%</td></tr><tr><td>Q2 2015/16</td><td>42.78%</td></tr><tr><td>Q3 2015/16</td><td>43.00%</td></tr><tr><td>Q4 2015/16</td><td>42.50%</td></tr></tbody></table> <p>Actual Target</p>	Quarter	Percentage (%)	Q1 2014/15	43.29%	Q2 2014/15	42.94%	Q3 2014/15	42.78%	Q4 2014/15	42.78%	Q1 2015/16	42.78%	Q2 2015/16	42.78%	Q3 2015/16	43.00%	Q4 2015/16	42.50%	<p>Performance is below the target due to the removal of statutory targets for district councils, the economic situation and light-weighting of recyclable materials and the transition from printed media to digital media. Measures have been taken to incentivise Newark &amp; Sherwood District Council to collect kerbside green waste collections and that Bassetlaw will start their new scheme in April 2017.</p>
Quarter	Percentage (%)																					
Q1 2014/15	43.29%																					
Q2 2014/15	42.94%																					
Q3 2014/15	42.78%																					
Q4 2014/15	42.78%																					
Q1 2015/16	42.78%																					
Q2 2015/16	42.78%																					
Q3 2015/16	43.00%																					
Q4 2015/16	42.50%																					

Page 33 of 78

## Appendix 2


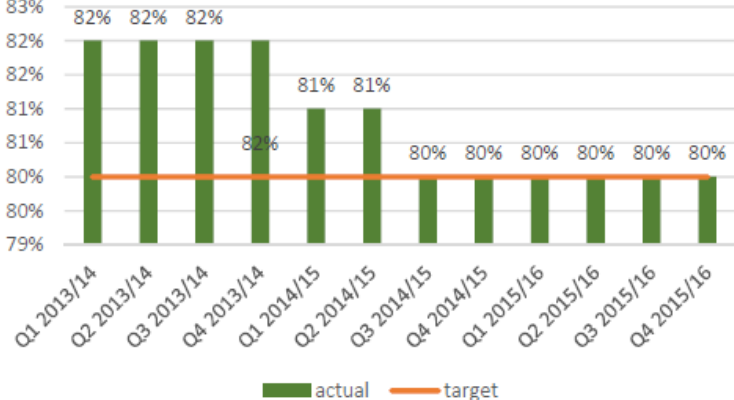
### Nottinghamshire PFI Waste Contract - Value for Money Mechanisms

Indicator	Maximise or Minimise	Actual Versus Target	Trend Chart	Improvements																								
Residual household waste (per household)	Aim to Minimise	<p><b>Actual</b> 604.6kg</p> <p><b>Target</b> 590.0kg</p> <p></p>	<p>Residual Household Waste (per household)</p>  <table><thead><tr><th>Year</th><th>Actual (kg)</th><th>Target (kg)</th></tr></thead><tbody><tr><td>2009/10</td><td>628.0</td><td>628.0</td></tr><tr><td>2010/11</td><td>613.9</td><td>613.9</td></tr><tr><td>2011/12</td><td>588.0</td><td>600.0</td></tr><tr><td>2012/13</td><td>583.7</td><td>583.7</td></tr><tr><td>2013/14</td><td>583.7</td><td>583.7</td></tr><tr><td>2014/15</td><td>596.0</td><td>580.0</td></tr><tr><td>2015/16</td><td>604.6</td><td>590.0</td></tr></tbody></table>	Year	Actual (kg)	Target (kg)	2009/10	628.0	628.0	2010/11	613.9	613.9	2011/12	588.0	600.0	2012/13	583.7	583.7	2013/14	583.7	583.7	2014/15	596.0	580.0	2015/16	604.6	590.0	Figure was higher than target due to the economic recovery and the lack of statutory recycling targets on district councils
Year	Actual (kg)	Target (kg)																										
2009/10	628.0	628.0																										
2010/11	613.9	613.9																										
2011/12	588.0	600.0																										
2012/13	583.7	583.7																										
2013/14	583.7	583.7																										
2014/15	596.0	580.0																										
2015/16	604.6	590.0																										

Indicator	Maximise or Minimise	Actual Versus Target	Trend Chart	Improvements																											
Municipal waste land filled	Aim to Minimise	<p><b>Actual</b> 8.4%</p> <p><b>Target</b> 15.0%</p> <p></p>	<p>Municipal waste land filled</p>  <table><thead><tr><th>Quarter</th><th>Actual (%)</th><th>Target (%)</th></tr></thead><tbody><tr><td>Q1 2014/15</td><td>37.90%</td><td>37.90%</td></tr><tr><td>Q2 2014/15</td><td>36.80%</td><td>36.80%</td></tr><tr><td>Q3 2014/15</td><td>32.73%</td><td>32.73%</td></tr><tr><td>Q4 2014/15</td><td>26.00%</td><td>32.73%</td></tr><tr><td>Q1 2015/16</td><td>12.87%</td><td>12.87%</td></tr><tr><td>Q2 2015/16</td><td>26.00%</td><td>12.87%</td></tr><tr><td>Q3 2015/16</td><td>15.00%</td><td>15.00%</td></tr><tr><td>Q4 2015/16</td><td>8.40%</td><td>15.00%</td></tr></tbody></table>	Quarter	Actual (%)	Target (%)	Q1 2014/15	37.90%	37.90%	Q2 2014/15	36.80%	36.80%	Q3 2014/15	32.73%	32.73%	Q4 2014/15	26.00%	32.73%	Q1 2015/16	12.87%	12.87%	Q2 2015/16	26.00%	12.87%	Q3 2015/16	15.00%	15.00%	Q4 2015/16	8.40%	15.00%	Performance is good due to the increased use of Eastcroft ERF the use of Sheffield ERF as a result of the Newark and Worksop Transfer Stations coming on line and waste from Ashfield and Mansfield being sent for RDF production.
Quarter	Actual (%)	Target (%)																													
Q1 2014/15	37.90%	37.90%																													
Q2 2014/15	36.80%	36.80%																													
Q3 2014/15	32.73%	32.73%																													
Q4 2014/15	26.00%	32.73%																													
Q1 2015/16	12.87%	12.87%																													
Q2 2015/16	26.00%	12.87%																													
Q3 2015/16	15.00%	15.00%																													
Q4 2015/16	8.40%	15.00%																													

## Appendix 2


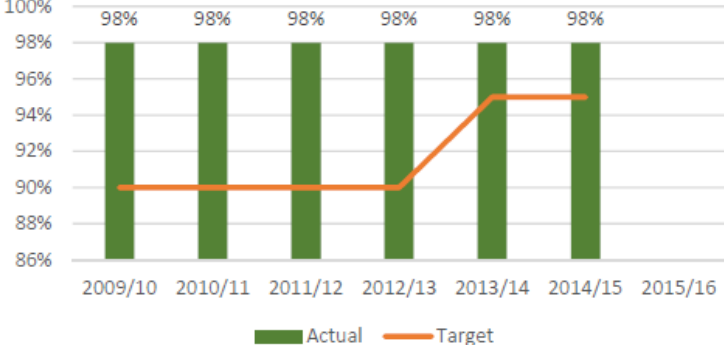
### Nottinghamshire PFI Waste Contract - Value for Money Mechanisms

Indicator	Maximise or Minimise	Actual Versus Target	Trend Chart	Improvements																																							
% composted and recycled at HWRC	Aim to Maximise	<div><div>Actual</div><div>80%</div><div>Target</div><div>80%</div><div></div></div>	<div><div>% composted and recycled at HWRC</div><table><thead><tr><th>Quarter</th><th>Actual (%)</th><th>Target (%)</th></tr></thead><tbody><tr><td>Q1 2013/14</td><td>82%</td><td>80%</td></tr><tr><td>Q2 2013/14</td><td>82%</td><td>80%</td></tr><tr><td>Q3 2013/14</td><td>82%</td><td>80%</td></tr><tr><td>Q4 2013/14</td><td>82%</td><td>80%</td></tr><tr><td>Q1 2014/15</td><td>81%</td><td>80%</td></tr><tr><td>Q2 2014/15</td><td>81%</td><td>80%</td></tr><tr><td>Q3 2014/15</td><td>80%</td><td>80%</td></tr><tr><td>Q4 2014/15</td><td>80%</td><td>80%</td></tr><tr><td>Q1 2015/16</td><td>80%</td><td>80%</td></tr><tr><td>Q2 2015/16</td><td>80%</td><td>80%</td></tr><tr><td>Q3 2015/16</td><td>80%</td><td>80%</td></tr><tr><td>Q4 2015/16</td><td>80%</td><td>80%</td></tr></tbody></table><div><div>actual</div><div>target</div></div></div>	Quarter	Actual (%)	Target (%)	Q1 2013/14	82%	80%	Q2 2013/14	82%	80%	Q3 2013/14	82%	80%	Q4 2013/14	82%	80%	Q1 2014/15	81%	80%	Q2 2014/15	81%	80%	Q3 2014/15	80%	80%	Q4 2014/15	80%	80%	Q1 2015/16	80%	80%	Q2 2015/16	80%	80%	Q3 2015/16	80%	80%	Q4 2015/16	80%	80%	<div>Performance remains constant however recycling market instability and high costs of processing mean that at present opportunities for increasing performance remain limited.</div>
Quarter	Actual (%)	Target (%)																																									
Q1 2013/14	82%	80%																																									
Q2 2013/14	82%	80%																																									
Q3 2013/14	82%	80%																																									
Q4 2013/14	82%	80%																																									
Q1 2014/15	81%	80%																																									
Q2 2014/15	81%	80%																																									
Q3 2014/15	80%	80%																																									
Q4 2014/15	80%	80%																																									
Q1 2015/16	80%	80%																																									
Q2 2015/16	80%	80%																																									
Q3 2015/16	80%	80%																																									
Q4 2015/16	80%	80%																																									

## Appendix 2

### Nottinghamshire PFI Waste Contract - Value for Money Mechanisms

#### CUSTOMER SATISFACTION

Indicator	Maximise or Minimise	Actual Versus Target	Trend Chart	Improvements																								
% satisfied with local tips/Household Waste Recycling Centres (HWRCs)	Aim to Maximise	<div><div>Actual</div><div>98%</div><div>Target</div><div>95%</div><div></div></div>	<div><div>Residual Household Waste (per household)</div><table><thead><tr><th>Year</th><th>Actual (%)</th><th>Target (%)</th></tr></thead><tbody><tr><td>2009/10</td><td>98%</td><td>90%</td></tr><tr><td>2010/11</td><td>98%</td><td>90%</td></tr><tr><td>2011/12</td><td>98%</td><td>90%</td></tr><tr><td>2012/13</td><td>98%</td><td>90%</td></tr><tr><td>2013/14</td><td>98%</td><td>95%</td></tr><tr><td>2014/15</td><td>98%</td><td>95%</td></tr><tr><td>2015/16</td><td>98%</td><td>95%</td></tr></tbody></table></div>	Year	Actual (%)	Target (%)	2009/10	98%	90%	2010/11	98%	90%	2011/12	98%	90%	2012/13	98%	90%	2013/14	98%	95%	2014/15	98%	95%	2015/16	98%	95%	<div>This measure has been deferred during the introduction of the Recycling Centre Registration Scheme and will be carried out early next year.</div>
Year	Actual (%)	Target (%)																										
2009/10	98%	90%																										
2010/11	98%	90%																										
2011/12	98%	90%																										
2012/13	98%	90%																										
2013/14	98%	95%																										
2014/15	98%	95%																										
2015/16	98%	95%																										

#### MEDIA COVERAGE





Indicator	Maximise or Minimise	Actual Versus Target	Trend Chart	Improvements																																																			
Number of composters sold - cumulative	Aim to Maximise	Actual 461	<p>Number of units sold</p> <table><thead><tr><th>Quarter</th><th>Actual</th><th>Target</th></tr></thead><tbody><tr><td>Q1 2012/13</td><td>260</td><td>260</td></tr><tr><td>Q2 2012/13</td><td>457</td><td>457</td></tr><tr><td>Q3 2012/13</td><td>668</td><td>668</td></tr><tr><td>Q4 2012/13</td><td>960</td><td>960</td></tr><tr><td>Q1 2013/14</td><td>145</td><td>145</td></tr><tr><td>Q2 2013/14</td><td>443</td><td>443</td></tr><tr><td>Q3 2013/14</td><td>574</td><td>574</td></tr><tr><td>Q4 2013/14</td><td>736</td><td>736</td></tr><tr><td>Q1 2014/15</td><td>200</td><td>200</td></tr><tr><td>Q2 2014/15</td><td>350</td><td>350</td></tr><tr><td>Q3 2014/15</td><td>471</td><td>471</td></tr><tr><td>Q4 2014/15</td><td>662</td><td>662</td></tr><tr><td>Q1 2015/16</td><td>141</td><td>141</td></tr><tr><td>Q2 2015/16</td><td>257</td><td>257</td></tr><tr><td>Q3 2015/16</td><td>347</td><td>347</td></tr><tr><td>Q4 2015/16</td><td>461</td><td>461</td></tr></tbody></table>	Quarter	Actual	Target	Q1 2012/13	260	260	Q2 2012/13	457	457	Q3 2012/13	668	668	Q4 2012/13	960	960	Q1 2013/14	145	145	Q2 2013/14	443	443	Q3 2013/14	574	574	Q4 2013/14	736	736	Q1 2014/15	200	200	Q2 2014/15	350	350	Q3 2014/15	471	471	Q4 2014/15	662	662	Q1 2015/16	141	141	Q2 2015/16	257	257	Q3 2015/16	347	347	Q4 2015/16	461	461	
		Quarter		Actual	Target																																																		
Q1 2012/13	260	260																																																					
Q2 2012/13	457	457																																																					
Q3 2012/13	668	668																																																					
Q4 2012/13	960	960																																																					
Q1 2013/14	145	145																																																					
Q2 2013/14	443	443																																																					
Q3 2013/14	574	574																																																					
Q4 2013/14	736	736																																																					
Q1 2014/15	200	200																																																					
Q2 2014/15	350	350																																																					
Q3 2014/15	471	471																																																					
Q4 2014/15	662	662																																																					
Q1 2015/16	141	141																																																					
Q2 2015/16	257	257																																																					
Q3 2015/16	347	347																																																					
Q4 2015/16	461	461																																																					
		Target 1000																																																					

Page 36 of 78

## Appendix 2

### Nottinghamshire PFI Waste Contract - Value for Money Mechanisms

Key symbols table:

Status	Indicators
	Below target by more than 10%
	Below target by up to 10%
	On or above target
	No reported data or no target





**43.3%**

Nottinghamshire County  
Council  
recycling  
rate



# Annual Report

April 2015 – March 2016

**323,014**

tonnes of household  
waste handled



**796,216**

Nottinghamshire Residents

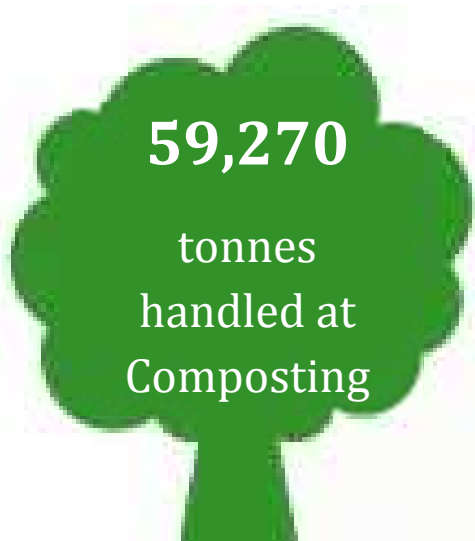
**29,605**

tonnes to Landfill



**59,270**

tonnes  
handled at  
Composting



**98** Visitors had  
Educational Tours

**52,923** tonnes  
processed at Materials  
Recovery Facility



**REUSE  
REDUCE  
RECYCLE**

## Executive Summary

This is the tenth annual report published by Veolia Environmental Services Nottinghamshire Ltd (Veolia), the company operating waste and recycling services on behalf of Nottinghamshire County Council (NCC) as part of a long term PFI Contract.

This report covers the period from April 2015 through to March 2016. As part of its contractual requirements Veolia produces a report each year. Each report reviews the previous Contract Year and contains a section which explains the proposed service plan for the following contract year.

The tenth Contract year was a year of activity and consolidation. Two new modern waste transfer stations at Newark and Worksop were constructed and opened for service at the beginning of June 2015 to receive kerbside collections from Newark and Sherwood and Bassetlaw District Councils. The new transfer stations saw the recruitment of 16 additional employees in the County to support the new residual waste service. An opening ceremony for both facilities took place on 26<sup>th</sup> June 2015 and was attended by local Councillors and representatives from the County Council and Veolia.

From 1<sup>st</sup> June 2015 the non-recyclable waste received from Newark & Sherwood and Bassetlaw District Councils has been transferred to Veolia's Sheffield Energy Recovery Facility (ERF), delivering a significant movement away from reliance on disposal to landfill.

During this contract year Veolia and Nottinghamshire County Council considered the options available to treat the non-recyclable waste generated by Ashfield and Mansfield District Councils. An outline proposal was submitted by Veolia to Nottinghamshire County Council to develop a waste transfer station in Kirkby in Ashfield which would be able to accept and treat the non-recyclable waste collected by both districts. This proposal is still being refined and is due for submission during April 2016.

Veolia Nottinghamshire has invoiced Nottinghamshire County Council £25.5 million before VAT for waste management services for the contract year April 2015 to March 2016.

New for this contract year 'Recycle for Nottinghamshire education' was launched as a vehicle to jointly promote all the activities that are independently going on across the county to increase the recognition, sign up and participation of all the schemes and projects, this includes:

- Tours of the MRF for Schools, Community Groups, Adult education and general public visits
- The Food Waste Reduction cookery Club
- The play in the day in school theatre activities
- The Good Wood programme
- Get Crafty with Recycling sessions at the MRF
- Attendance at a school celebration event with info stands and activities
- The Schools Waste Action Club which is led by NCC

The aim of Recycle for Nottinghamshire Education is to share resources and create a resources hub for the County and District Councils along with Veolia and community groups that promote waste reduction, recycling and re-use.

# Annual Service Report

## Part A Composting Services

A compostable green waste service is provided by Nottinghamshire Waste Collection Authorities (WCAs); the service is operated as a chargeable kerbside collection service by 6 of the 7 Districts and Boroughs. Bassetlaw District Council does not currently offer a kerbside green waste collection service. Residents can also deliver compostable green waste to all 12 recycling centres operated by Veolia.

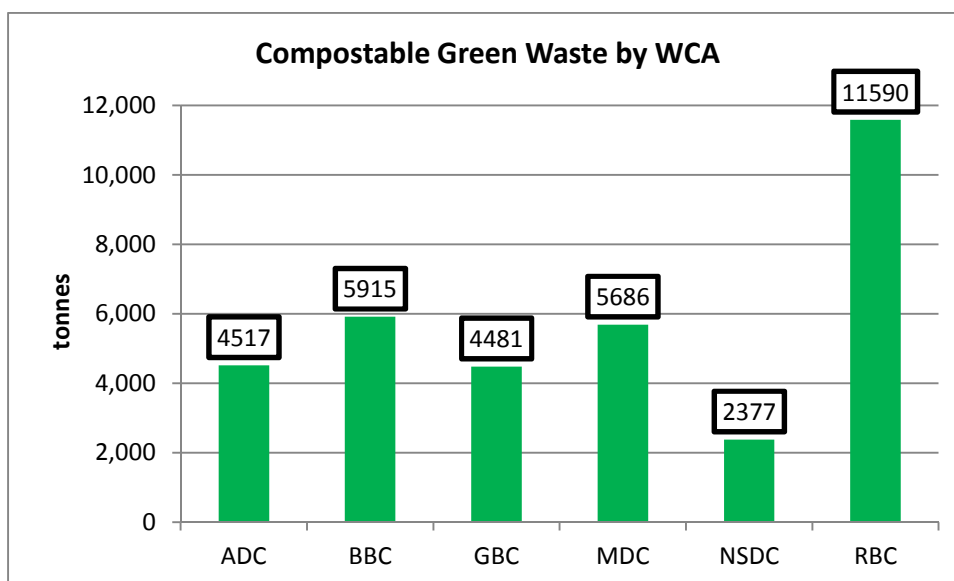
During the review period 59,270 tonnes of compostable green waste was handled through the Contract.

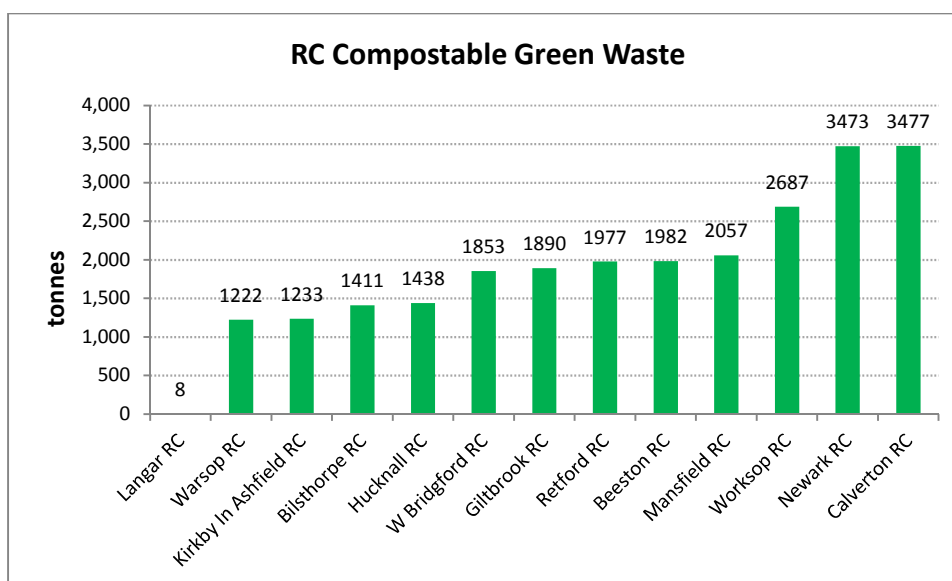
This waste stream is accepted for processing at the following facilities:-

- Veolia, Oxtun
- Sherwood Farms, Holme Pierrepont
- FCC's Alfreton transfer station, Alfreton, Derbyshire
- Colson Transport Ltd, Basford

There have been no problems with delivery points for compostable green waste. Liaison meetings have taken place with the service providers to ensure a high quality service is maintained for both the Waste Collection Authorities and the Recycling Centre Network.

Newark and Sherwood District Council continued to develop its green waste collection service in partnership with Mansfield District Council and Rushcliffe Borough Council. A total of 2,035 tonnes of compostable green waste has been collected through this partnership. In the review period Newark and Sherwood District Council commenced collections from residents in Newark, Balderton and Fernwood and Newark town centre.





## Initiatives to Support Composting

### Treecycle – Christmas Tree Recycling



The annual Christmas Tree recycling campaign started with a twinkle on the 1<sup>st</sup> December as the lights on the sponsored 40ft Christmas Tree were switched on by the Chair of the County Council, a Nottinghamshire primary school choir and the Nottinghamshire County Council staff choir sang 'O Christmas Tree' at the event. The Tree-cycling campaign asks Nottinghamshire residents to recycle their real Christmas trees at any of the County's Recycling Centres throughout January, to make Nottinghamshire a greener county and at the same time supports the Chairman's chosen charity which was The British Royal Legion. For every 50 tonnes of Christmas trees and other green waste received, £100 was donated. A massive 567 tonnes of green waste was taken to the recycling centres generating a donation of £1,150.

### 'Nottinghamshire Gets Composting' At home - Composting at the County Show

To celebrate International Compost Awareness Week (1st May -7th May 2015); a home composting information stand and interactive children's plant pot making and growing activity was held at the County Show at Newark Showground. Nottinghamshire residents were offered the chance to win one of 100 free compost bins. The information stand and prize draw feedback form was used to encourage more residents to take up home composting and learn how their garden waste alongside some of their food waste could be composted at home.

## Part B: Residual Waste Management and Disposal Services

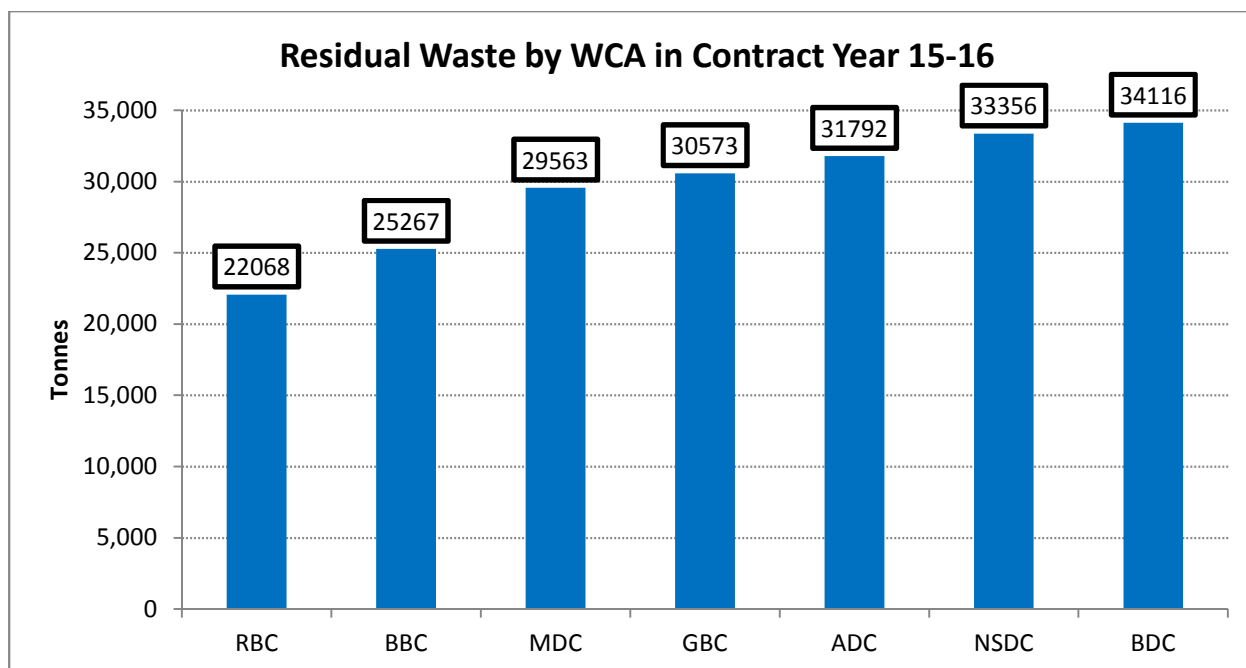
During the review period the management of residual waste utilised a range of treatment options; energy recovery, treatment to a refuse derived fuel (RDF) and disposal to landfill.

Residual waste collected by Waste Collection Authorities was handled at the following facilities

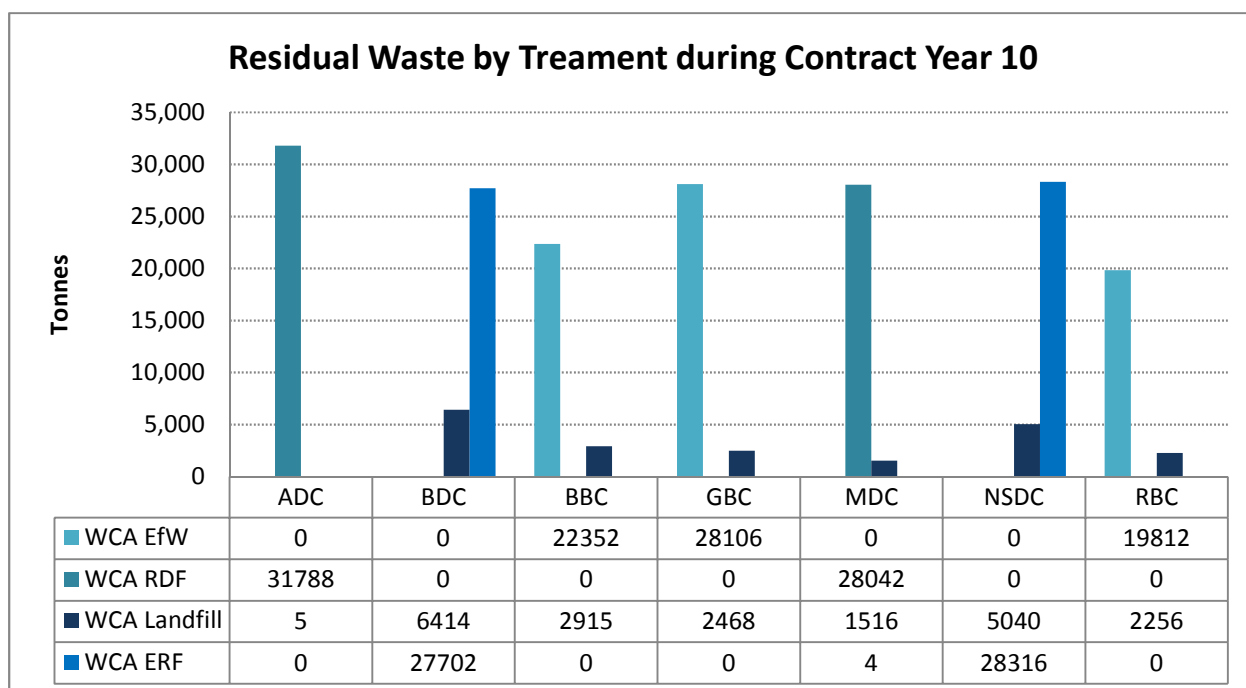
District	Delivery Point	Treatment or Disposal
Ashfield District Council	FCC Alfreton Transfer Station	Treatment to rdf
Bassetlaw District Council	FCC Daneshill/ Worksop TS	Disposal to landfill and treatment with energy recovery
Broxtowe Borough Council	Eastcroft EfW	Treatment with energy recovery
Gedling Borough Council	Eastcroft EfW	Treatment with energy recovery
Mansfield District Council	FCC Alfreton Transfer Station	Treatment to rdf
Newark District Council	FCC Staples Quarry landfill/Newark TS	Disposal to landfill and treatment with energy recovery
Rushcliffe Borough Council	Eastcroft EfW	Treatment with energy recovery

The Waste Collection Authorities direct delivered 136,466 tonnes of residual waste to treatment or disposal facilities. During April and May this waste was handled through the sub contract arrangement with FCC Environment which accepts waste from Ashfield, Bassetlaw, Newark & Sherwood and Mansfield District Councils. The arrangement for Bassetlaw and Newark & Sherwood District Councils changed in June 2015 when Veolia's new waste transfer stations commenced operations. From June onwards their waste was transferred to Veolia's Sheffield ERF for treatment.

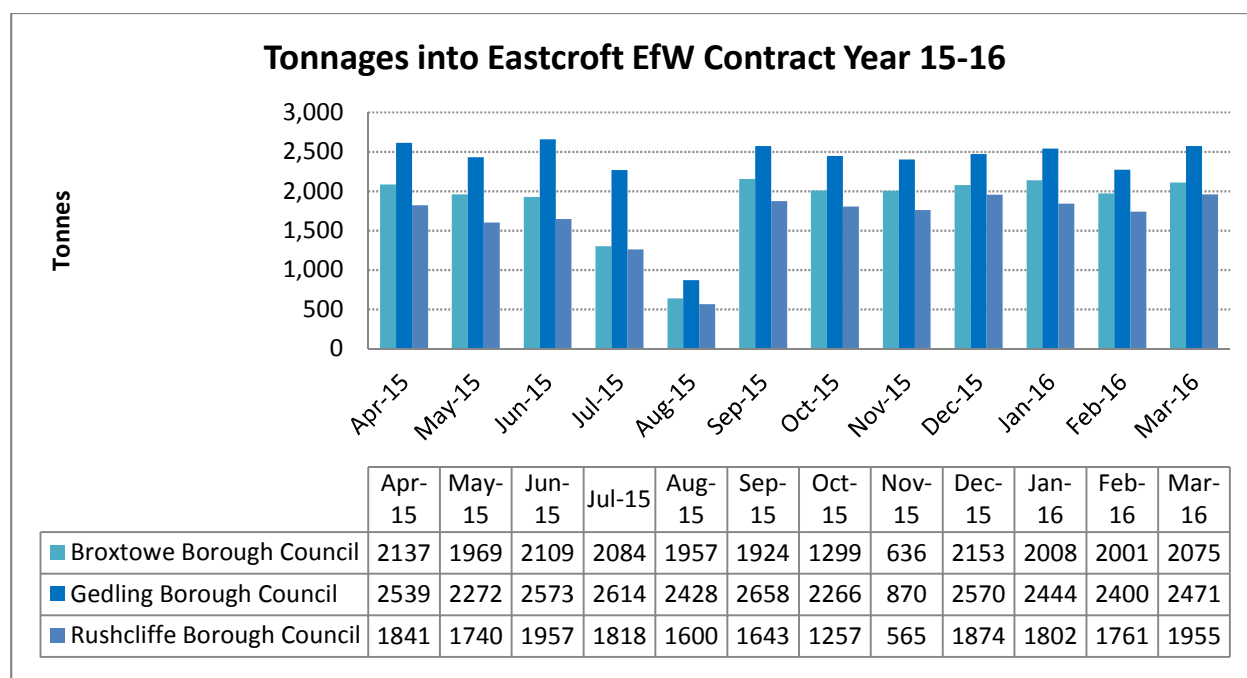
Eastcroft shutdown waste from Broxtowe, Gedling and Rushcliffe Borough Councils was managed by Veolia through the transfer stations at Freeth Street and Derby and then transferred to landfill for disposal.



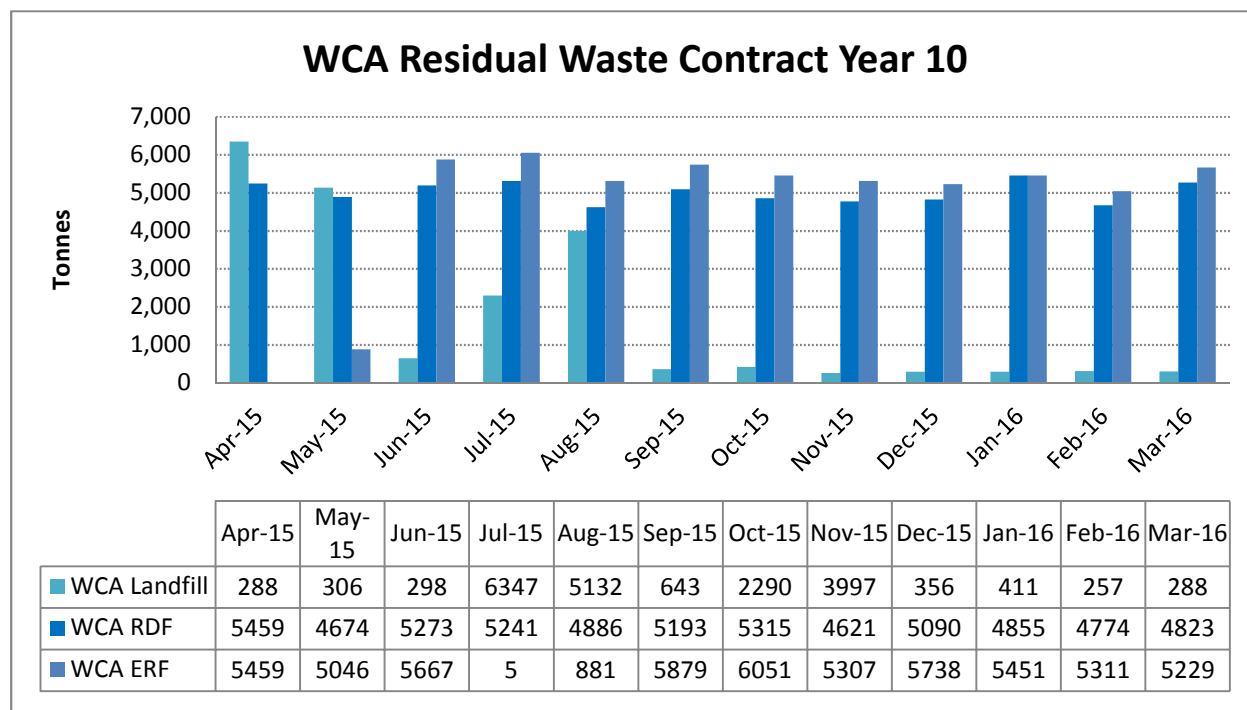
The introduction of the new waste transfer stations and the subsequent transfer of waste to Veolia's Sheffield ERF has seen a significant reduction in waste disposed to landfill in Nottinghamshire.



The Eastcoft EfW facility received 70,269 tonnes of residual waste direct delivered by Broxtowe, Gedling and Rushcliffe Boroughs in the review period.

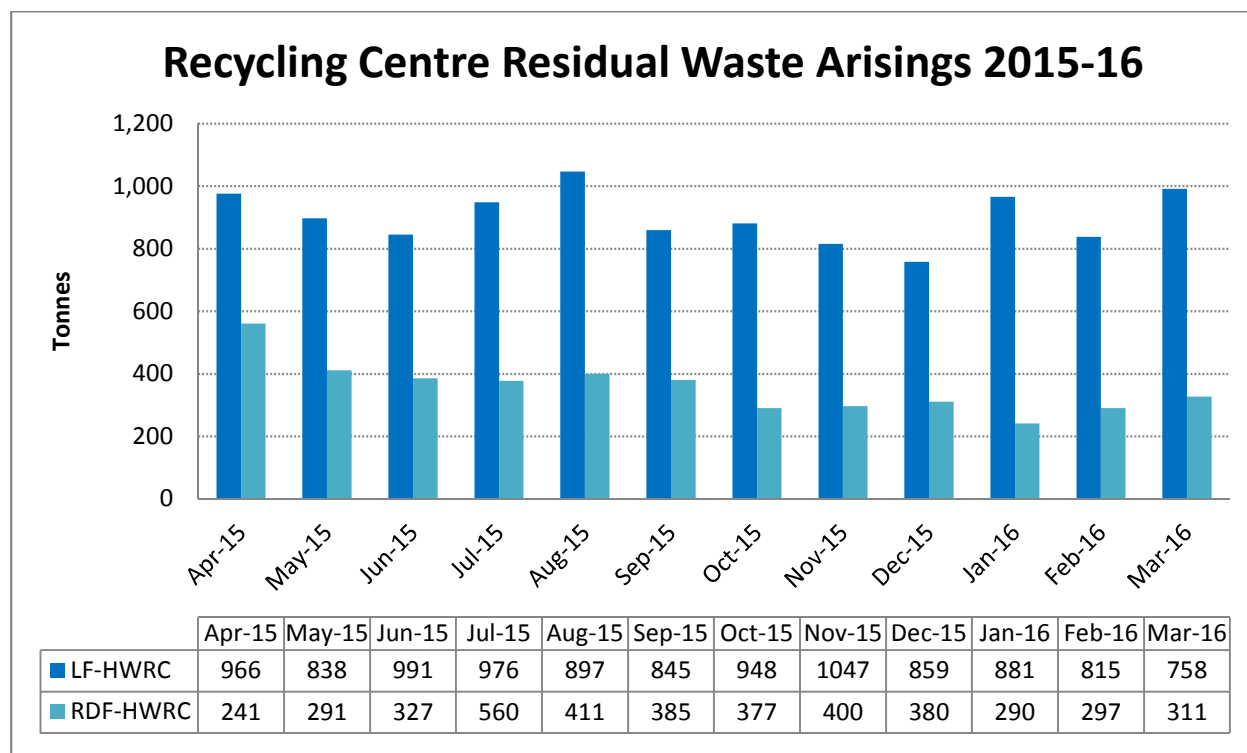


Total residual waste arisings from Nottinghamshire WCAs are shown in the graph below.



All residual waste from the districts of Ashfield and Mansfield was transferred to Alfreton transfer station where the waste is processed into a refuse derived fuel (RDF).

During the review period 15,089 tonnes of Recycling Centre residual waste was transported by Veolia for either treatment at FCC's Alfreton Transfer station or disposal to Veolia or FCC landfill facilities in the East Midlands.



Nottinghamshire County Council continued to provide a chargeable service for the disposal of asbestos which is received at Freeth Street transfer station. A total of 54 tonnes of asbestos was received and disposed of at appropriately licenced landfill sites during the review period.

Regular liaison meetings have taken place with FCC Environment to ensure that a high quality service is maintained for the Waste Collection Authorities. There have been few operational issues.



Newark Waste Transfer Station

Two new dedicated waste transfer stations (WTS) located at Newark and Worksop were constructed and completed for commencement of operations on 1<sup>st</sup> June 2015. During the summer a formal opening ceremony was attended by Local Councillors, representatives from Nottinghamshire County Council and Veolia.

Worksop Waste Transfer Station



## Part C: Household Waste Recycling Centre Services

12 recycling centre sites across Nottinghamshire were operated by Veolia during the review period. The recycling sites are designed to ensure that they are easy for residents to use and maximise recycling of wastes. Each site adheres to a corporate style and accepts a wide range of household waste types. Veolia's site staff uphold and manage the Council's permit system and waste acceptance policies. The 12 facilities are located across the County as shown in the table below:-

Waste Collection Authority	Recycling Centre Provision
Ashfield DC	Hucknall Kirkby
Bassetlaw DC	Retford Worksop
Broxtowe BC	Beeston Giltbrook
Gedling BC	Calverton
Mansfield DC	Mansfield Warsop
Newark & Sherwood DC	Bilsthorpe Newark
Rushcliffe	West Bridgford

Veolia's site staff at all Recycling Centres actively encourage residents to maximise recycling of wastes brought to sites, these efforts are rewarded by high recycling rates as shown in the table below:-

Contract Year April 2015 to March 2016	
<b>Calverton</b>	85.58%
<b>Worksop</b>	84.48%
<b>Beeston</b>	82.64%
<b>West Bridgford</b>	81.65%
<b>Newark</b>	80.13%
<b>Giltbrook</b>	78.37%
<b>Bilsthorpe</b>	78.00%
<b>Mansfield</b>	77.60%
<b>Retford</b>	75.94%
<b>Hucknall</b>	74.75%
<b>Kirkby</b>	71.84%
<b>Warsop</b>	71.19%
<b>County Average</b>	<b>79.09%</b>

### **Initiatives to Support the Recycling Centre Service**

The County's paint recycling scheme continued to be a success and stimulated significant interest. public open paint evenings ran between April and October 2015, these were held at the four Community RePaint Nottinghamshire sites; Beeston, Warsop, Newark and Calverton Recycling Centres. Over 377 residents made appointments for the evenings and together with visits by Community Groups and Charities approximately 5,570 litres of paint was re-used and diverted from disposal.

During the review period the carpet recycling trial continued at Giltbrook, Newark and Worksop Recycling Centres. A total of 157 tonnes of carpet has been collected for treatment at a third party facility. The trial was suspended during the review period due to a long term operational issue at the third party treatment plant.

## Contract Logistics

Dedicated Contract vehicles are based at Freeth Street, Newark and Worksop Transfer Stations and Mansfield MRF. The front line fleet comprises of 8 Roll on / Roll off vehicles and 8 articulated vehicles. Veolia also retains spare vehicles to supplement the service provision, during busy periods additional vehicles based at Freeth Street are deployed (2 Roll on / Roll off vehicles plus 1 articulated vehicle) if further resources are required then these are provided through Veolia's commercial depot in Derby or by short term hire.

The Roll on / Roll off vehicles collected and transferred in the region of 90,000 tonnes of Recycling Centre waste to recycling, composting or treatment /disposal facilities; this waste comprises of the following waste types

- Compostable waste
- Ferrous metal
- Glass
- Paper and card
- Plastic bottles
- WEEE
- Wood and Chipboard
- Non-recyclable waste
- Inert waste

Additionally Third party collections are arranged for the following wastes

- Batteries - household & lead acid
- CRTs
- Fluorescent tubes
- Fridges and freezers
- Paint – at 4 sites only
- Oil – vegetable and mineral
- Textiles



The articulated vehicles transfer dry recyclable waste from Freeth Street, Giltbrook, Newark and Worksop Transfer stations to the Contract MRF. Additionally they also remove residual waste from Freeth Street, Newark and Worksop Transfer Stations to treatment and disposal sites.



## Part D: Recyclable Waste and Street Cleansing Waste

Co-mingled dry recyclables and mechanical street sweepings are received at the Contract Materials Recovery Facility (MRF) in Mansfield.

The facility accepts plastic bottles, paper, cardboard, cans and tins that are placed into Nottinghamshire residents recycling bins.



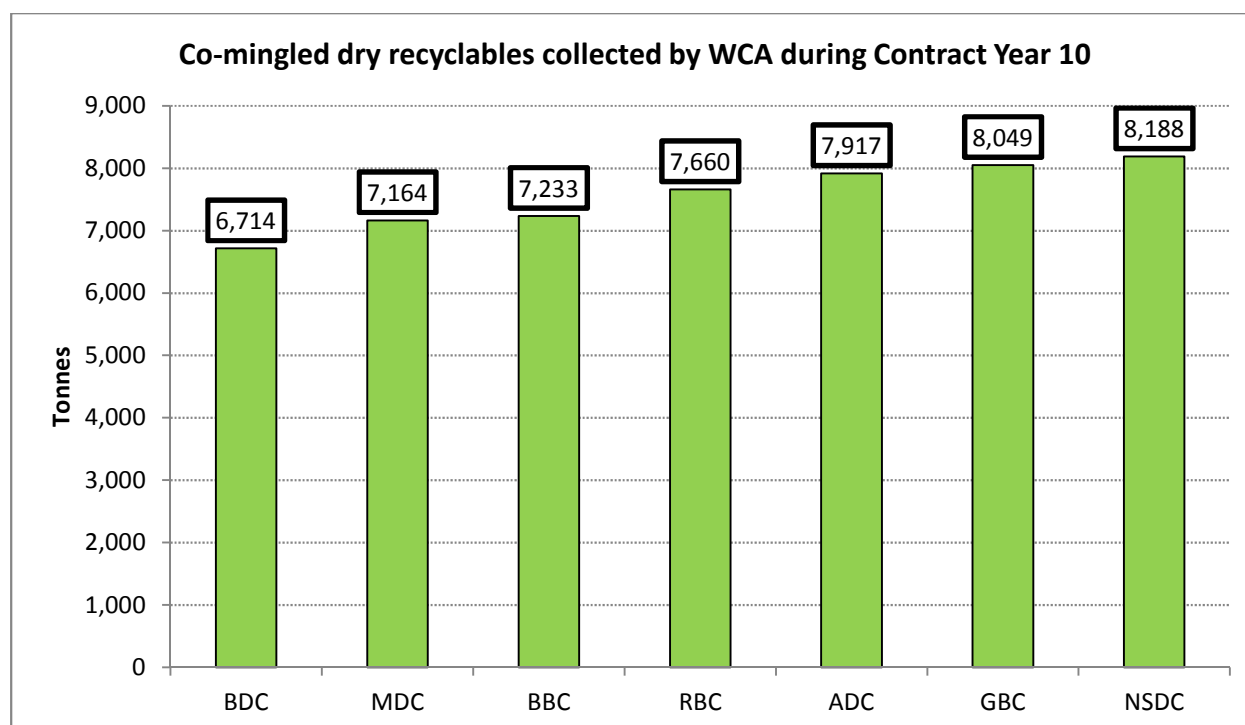
The Contract MRF receives direct delivered co-mingled dry recyclables from

- Ashfield District Council
- Bassetlaw District Council
- Gedling Borough Council
- Newark & Sherwood District Council
- Mansfield District Council

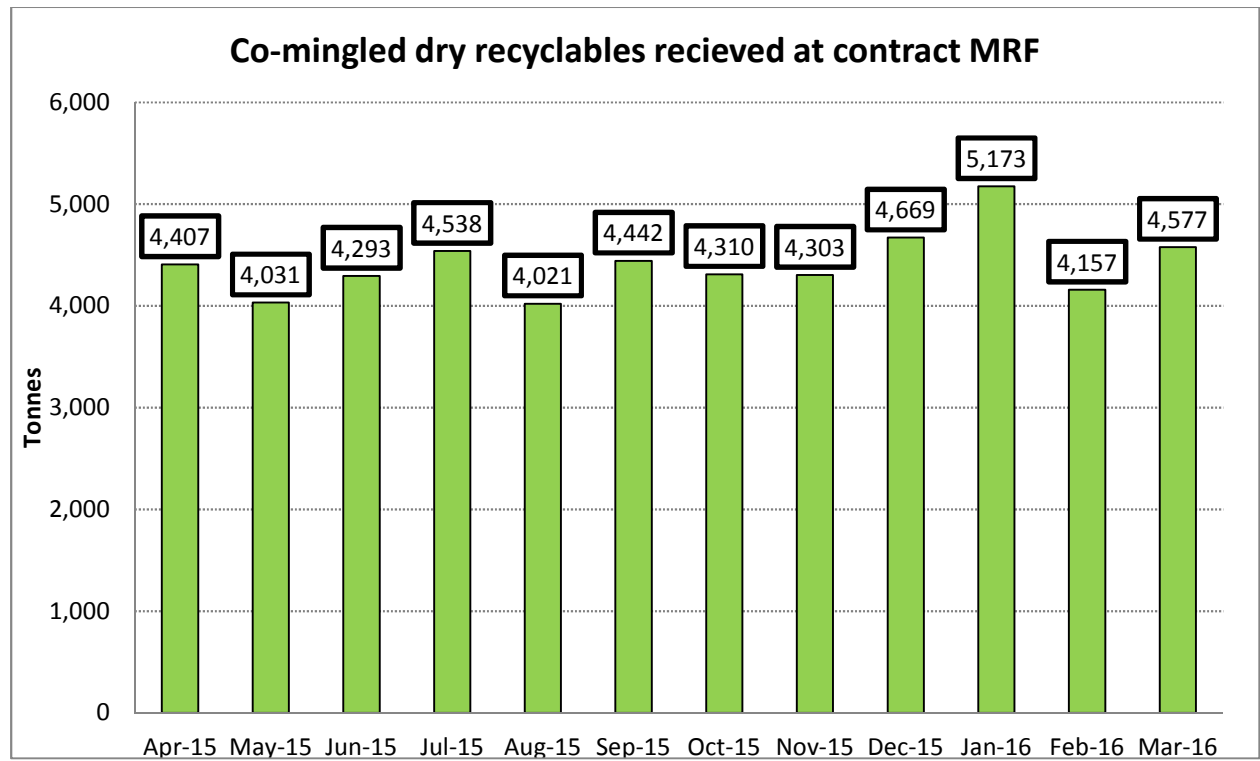
Co-mingled dry recyclables are also received via transfer stations at Freeth Street, Giltbrook, Newark and Worksop from

- Gedling Borough Council – Freeth Street TS
- Rushcliffe Borough Council – Freeth Street TS
- Broxtowe Borough Council – Giltbrook TS
- Newark and Sherwood District Council – Newark TS
- Bassetlaw District Council – Worksop TS

During the review period 52,923 tonnes of co-mingled dry recyclables were received from the seven districts and boroughs in Nottinghamshire.



The facility operates under a permit issued by the Environment Agency and is permitted to accept up to 85,000 tonnes of waste per annum.



The quality of deliveries is referenced against the input specification and is measured by a defined sampling schedule. This sampling schedule which complies with the MRF Code of Practice continued in the review period. Regular meetings take place with the Waste Collection Authorities to review the results of the analysis.

Veolia has actively sourced opportunities with companies offering a reprocessing service for material that is not suitable for the sorting process at the contract MRF; during the review period all the processing waste was transferred for secondary processing with a minimal amount being disposed of to landfill.

Approximately 95% of the staff who work at the Contract MRF live within a few miles of the Facility.

The Contract MRF site staff undertake regular litter picking on Crown Farm Industrial Estate, they have also volunteered their time to litter pick with the Oak Tree Conservation Group.

The maintenance team undertook a review of all the critical elements of the facility to determine the correct level of spares which should be stocked at all times. This exercise has been undertaken to maintain operating availability as the facility's capacity becomes closer to full operational tonnages.

The maintenance team has also expanded its remit to cover the Recycling Centres. The experience and knowledge of the MRF engineering team has been applied to this work allowing the completion of a wider range of tasks in-house.

## Recycle for Nottinghamshire Education



This year the educational activities have expanded to cover a wider range of activities at both the MRF tours and in schools.

Educational visits to the Materials Recovery Facility ran throughout the year and included visits for school groups, with specific weeks being supported by the County's Schools Waste Education Officer. Alongside educational tours of the facility pupils tried their hand at sorting the clean waste to learn which bins they should go in and finished the sessions with a creative craft activity, STEM, or a seasonally themed activity.

There has been an increase in the number of community group visits, and we have introduced a range of adult creative craft days to refresh the public open days and allow more frequent opportunities for individual members of the public to visit and learn about recycling in Nottinghamshire.

### Bin Smart Campaign

To continue the contamination reduction campaign 'Are You Bin Smart' a focus was put on undertaking local research to enhance the communication methods for residents. This involves an intensive sampling process of both recycling and residual waste from a target and control round and a range of information has been developed for the target round during the start of the next contract year. Evaluation will take place after follow up sampling once the information material has been distributed. Alongside this, plans are in place to ensure regular reminders about correct recycling methods and contamination reduction are featured across the County throughout the year.

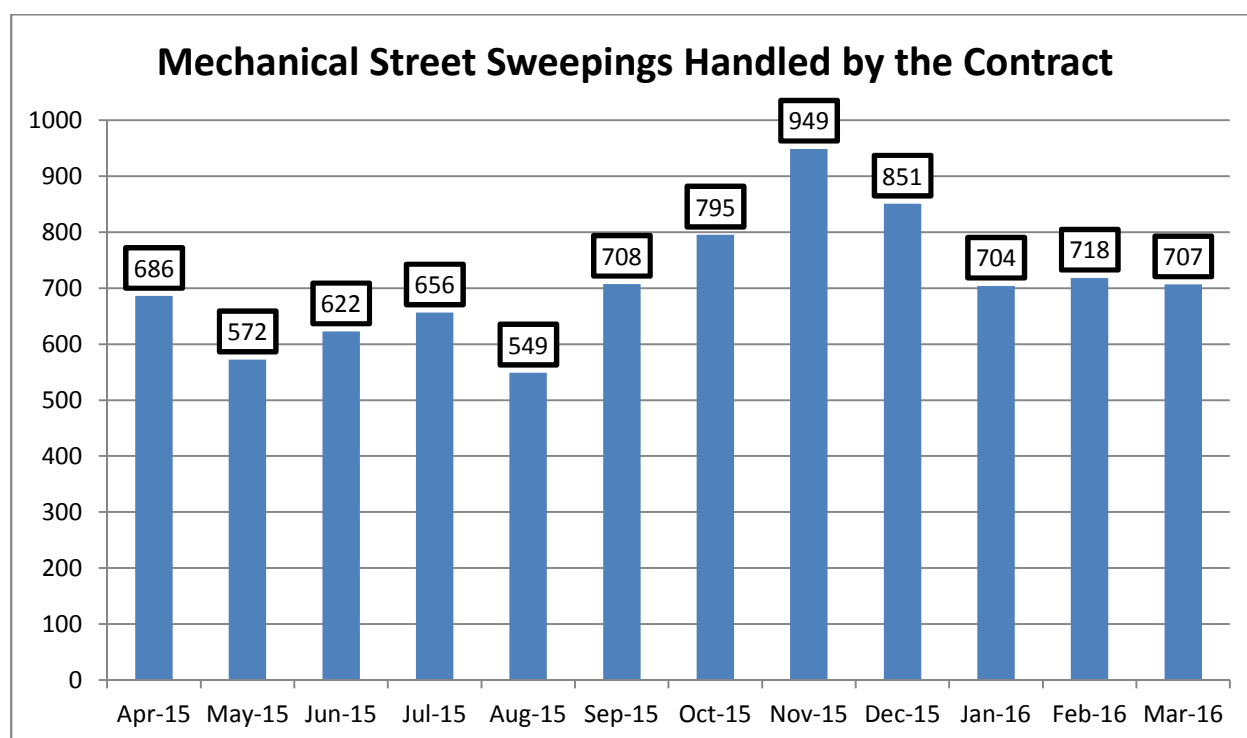
### WCA recyclables

- Household batteries  
Veolia's Compliance Scheme supports the kerbside collection of household batteries by providing the collection and recycling from the Local Authority depots in Ashfield, Gedling, and Rushcliffe.
- Small WEEE bring banks  
Veolia's Compliance Scheme provides four bring banks and a collection and recycling service for Gedling Borough Council. During the review period 8.94 tonnes of small waste electrical items were collected for recycling.
- Broxtowe Borough Council textile collections  
Veolia continued to support Broxtowe Borough Council's kerbside textile recycling service to residents which commenced in November 2014. Textiles are collected by Broxtowe Borough Council and delivered to Giltbrook transfer station from which Veolia makes arrangements for the collection and onward recycling. During the review period 7.7 tonnes of textiles were recycled.

## Mechanical Street Sweepings

The WCAs deliver Mechanical Street Sweepings to Freeth Street, Giltbook, Newark and Worksop Transfer stations and Mansfield MRF and these are stored and then transferred to Veolia's Treatment facility at Ling Hall landfill site where the material is processed into materials suitable for landfill restoration.

During the review period 8,518 tonnes of mechanical street sweepings were transferred for processing and recycling.



## Contract Communications

A Communications Plan was agreed with the Authority which supported specific activities to promote waste minimisation, recycling, community sector integration, public awareness and education.

- Educational Visits to Facilities

80 educational visits were hosted at the Contract MRF in the Review Period

A food waste reduction schools cookery club has been trialled and is being offered to schools across the county.

A Reduce, Reuse and Recycle theatre 'play in a day' was trialled for a week in June 2015 and a further week in March 2016 was booked for a variety of schools from across the County.

- Food Waste Reduction

Using information from the Love Food Hate Waste initiative various activities including roadshow and event cookery demonstrations and a schools cookery club took place to tackle the food waste problem through the creation of delicious food from leftovers and by giving people hints, tips and ideas for planning meals, storing food and measuring out portions.

- EnviroGrant

The EnviroGrant funding system continues to support suitable projects, groups and schools across the County. The application process went under revision with the decision dates becoming quarterly. Successful applications included, a wildlife garden, bee hive, greenhouse and school pond.

The Communications team continued to generate interest in Nottinghamshire's local media promoting a wide range of waste themed articles. During the review period 116 articles were published on wide ranging topics including:-

- 'Recycling Centres in Nottinghamshire open over the Bank Holiday'
- 'Recycling staff volunteer to help Clean Up Mansfield'
- 'Opening of two new recycling facilities for Nottinghamshire'
- 'Win a compost Bin!'
- 'Get crafty with recycling'
- 'Christmas Tree Festival helps spread the Recycling message'
- 'Remember to recycle your Christmas tree and raise money for charity'
- 'Local recycling company gets litter-picking in Mansfield to Clean for the Queen'
- 'Go the 'Eggstra' mile for Easter and upcycle or recycle your Easter packaging'

## Contract KPI Performance

The PFI Contract is configured to be self-monitoring and to ensure that Veolia supplies information to the Council so that its performance can be measured against a number of Key Performance Indicators (KPIs).

The Contract has 10 KPIs. These cover a wide variety of activities, ranging from District Council vehicle turnaround times at waste management delivery points; the provision and management of a website; reporting accuracy and calculating the recycling and composting performance of the services. The following section provides information on the KPI performance, where appropriate, during the tenth contract year.

Monthly Contract KPIs													
		Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
KPI 1	<b>WCA Collection Vehicle Turnaround Times at Veolia Delivery Points</b> This KPI monitors deliveries by the WCAs into Veolia's facilities at Freeth Street and Giltbrook Transfer Stations and the Contract MRF												
	KPI 1a Average < 15 minutes	07:31	07:08	06:34	06:23	06:27	06:19	06:12	06:07	06:10	06:27	06:28	06:22
	KPI 1b No one vehicle > 30 minutes	0 > 30	0 > 30	0 > 30	0 > 30	0 > 30	0 > 30	0 > 30	0 > 30	0 > 30	0 > 30	0 > 30	0 > 30
KPI 2	<b>Delivery Point Capacity at Veolia Facilities</b> This KPI measures the available capacity for vehicles delivering Contract Waste to Veolia facilities	Contract MRF - 3			Freeth Street TS - 3		Giltbrook TS - 3		Newark TS - 4		Worksop TS - 4		
		No recorded incidents of non-performance during contract year 10											
KPI 3	<b>Accuracy, completeness and timeliness of reporting</b> This KPI measures the submission of monthly reports to the Authority which are to be submitted within 28 days of the end of each payment period	28-May	26-Jun	23-Jul	27-Aug	28-Sep	26-Oct	26-Nov	21-Dec	22-Jan	25-Feb	24-Mar	28-Apr
	Reporting deductions	£ 1,200	£ 1,200	£ 1,200	£ 1,200	£ 1,200	£ 1,200	£ 1,200	£ 1,200	£ 1,200	£ -	£ 1,200	£ 1,200
KPI 10	<b>Interface Plan</b> Annual Interface Plan	28-May	26-Jun	23-Jul	27-Aug	28-Sep	26-Oct	26-Nov	21-Dec	22-Jan	25-Feb	24-Mar	28-Apr

Annual Contract KPIs		Contract Year 8	Contract Year 9	Contract Year 10
<b>KPI 4</b>	<b>HWRC Service User Satisfaction</b> This KPI measures user satisfaction at Recycling Centres undertaken by an independent market research company. The survey takes place during March each year.	98%	98%	Survey postponed
<b>KPI 5</b>	<b>Performance Standards for Recycling and Composting (t)</b> This KPI measures the recycling performance for each of the four elements of the Contract; Composting of garden waste; WCA collected mixed recyclables; Recycling Centres and WCA Mechanical Street Sweepings			
	Contract Standard (tonnes)	126,426	128,464	132,133
	Contract Performance (tonnes)	141,334	141,715	142,400
	Over performance	14,908	13,251	10,267
	Recycling Centre Performance	80.78%	77.66%	79.09%
<b>KPI 6</b>	<b>Performance Standards for BMW Landfill Diversion</b> This KPI measures the amount of Biodegradable Municipal Waste (BMW) diverted from landfill disposal			
	Contract Standard (tonnes)	113,756	109,758	145,693
	Contract Performance (tonnes)	129,472	128,394	154,035
	Over performance	15,716	18,636	8,342
<b>KPI 7</b>	<b>Greenhouse Gas Emissions</b> This KPI measures the carbon dioxide equivalent of emissions from Contract facilities, Contract plant and vehicles and compost, landfill and recycling activities			
	CO <sub>2</sub> e per tonne of Contract Waste	0.15	0.10	0.055
<b>KPI 8</b>	<b>Operational and Environmental Performance</b> This KPI measures a range of aspects related to Veolia's management of operational activities			
	<b>Water Use</b> m <sup>3</sup>	2,584	3,119	4,217
	<b>EA Compliance</b> EA Inspections	14	0	11
	<b>Office Waste Recycling at Contract Offices</b> Total waste per employee (tonnes)	0.05	0.03	0.01
	Total recycling per employee (tonnes)	0.03	0.01	0.004
	<b>Quality, Health, Safety and Environment</b> RIDDOR (The reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995)	8	0	2
	<b>Customer Care</b> Justified complaints per thousand tonnes of Contract Waste.	0.04	0.04	0.02
	<b>Contract Employment</b> Veolia's recruitment policy is compliant with all current Employment Law			
<b>KPI 9</b>	<b>Sustainability Performance</b>			
	MRF Open Day - number of attendees	60	41	23
	Educational Visits to Contract MRF	22	53	98
	Events	1	3	13
	Waste themed articles in local media	85	62	116
	Community RePaint Litres re-used			15,203
	Community Groups - Litres re-used	7,228	4,012	
	Public Open Evenings - Litres re-used	8,417	11,172	

## Annual Service Plan

### Part A - Composting Services

Veolia continues to work with the Authority to identify a suitable location for the Contract Compost Facility.

Following the acquisition of Simpro Oxton by Veolia ES UK Ltd from the TEG Group in December 2014, the site will be re-branded with Veolia corporate signage; the weighbridge upgrade was delayed last year but is now due to take place during the next contract year.

Newark and Sherwood District Council continue to develop and extend their green compostable waste kerbside collection service in partnership with Mansfield District Council and Rushcliffe Borough Council. Newark and Sherwood District Council also now collect from the remaining areas of the district providing a service to all residents in the District.

Ashfield District Council are planning to implement a service change on 1<sup>st</sup> April 2016. All residents are to be provided with a 'free of charge' green waste collection service for two years; this service will also see the introduction of a smaller 180 litre residual waste bin to all residents.

Bassetlaw District Council continues to express an interest in commencing a kerbside compostable green waste service to its residents. Veolia will be working with the Authority and Bassetlaw DC to assist this process.

### Part B: Residual Waste Management and Disposal Services

Contract year 11 will see a consolidation of the residual waste service. All WCAs will now normally deliver to modern waste transfer stations; very little residual waste will be delivered to landfill.

Ashfield and Mansfield will continue to deliver to Alfreton transfer station until the expiry of the current FCC agreement. The waste is subject to a shredding and sorting process which produces a refuse derived fuel.

Veolia will be making a proposal to the Authority to deliver a long term solution for residual waste arisings from Ashfield and Mansfield District Councils. To facilitate this proposal Veolia has submitted a planning application for a waste transfer station in Kirkby in Ashfield which is to be considered by the Waste Planning Authority during April 2016.

## **Part C – Household Waste Recycling Centre Services**

- Community Re-Paint Nottinghamshire

The paint reuse scheme will continue to be promoted at Beeston, Calverton, Newark and Warsop Recycling Centres during 2016. Community Groups and Charities can make appointments through the County Council to collect paint.

- Recycling Centre User Survey

Due to the planned introduction of the new recycling access system for all residents the Authority requested that this survey should be postponed until later in the year. Veolia is working with the Authority to decide when the survey should be undertaken; a decision is anticipated once the new access system is in operation in Autumn.

- Recycling Centre New Registration Scheme

The Council's Elected Members have approved the implementation of a permit scheme for Nottinghamshire Residents to use the Recycling Centres. This proposal is a replacement of the current permitting system for cars with trailers, vans, pick-ups and sign written vehicles. An information campaign was commenced in March 2016 to encourage residents to register on-line if they wished to continue to use the recycling centre service. Enforcement is planned for the autumn. Veolia's site staff will be supporting the introduction of the new scheme.

- Recycling and Recovery of additional waste streams

Veolia continues to research opportunities for additional recycling where the end markets are developed, reliable and consistent.

## **Part D – Recyclable Waste and Street Cleansing Waste**

- Input Quality

Veolia will be changing the current sampling schedule with an increased sample size and frequency in line with the MRF Code Of Practice Regulations throughout the next contract year. The sampling data will continue to be provided every month to the Waste Collection Authorities to assist them with improving input quality.

Consideration will be given to whether the MRF input specification could be extended to capture other items that are not currently accepted in order to increase the capture rates through the MRF.

Compositional analysis of non-recyclable and recyclable waste will continue to take place from the trial area in Mansfield District Council, to identify uncaptured recyclable material in the residual waste stream.

- Reduction of MRF process waste to landfill

Veolia will continue to develop opportunities to reduce the outputs from the Contract MRF to landfill. Where possible the material that cannot be sorted at the facility will be re-processed for recovery.

- MRF input analysis

The research project will continue during 2016 to determine and reduce the quantity of non-recyclables in the recycling bin, and also to reduce the quantity of recyclables in the non-recyclable waste bin.

- LED lighting

Veolia will be investigating the benefits of LED lighting within the welfare facility and external flood lights following the successful installation in the recycling plant.

- WCA Recyclables

Veolia will continue to evaluate the success of the current supported schemes with the Waste Collection Authorities; household batteries, textiles and small mixed WEEE to understand if there is value in extending these services to Waste Collection Authorities not currently participating.

## Communications

- Increase recycling and reduce contamination

Communications will continue throughout the year and include event information stands, festival goody bag inserts and using the research from the pilot project a revised version of the Are You Bin Smart, MRF Guide and potentially bin stickers will be produced. Alongside this plans are in place to ensure regular reminders about correct recycling methods and contamination reduction are featured across the County throughout the year.

- Recycle for Nottinghamshire Education

Schools Week Visits to the Contract MRF will continue to run each term and along with community group bookings are booking up months in advance. The visits will continue to include the recycling sorting game and tour together with a closing the loop, creative reuse activity or time for questions.

School pupils are offered the opportunity to enter the MRF welcome sign competition in April and development is underway for an educational workbook to accompany the visits from September.

A series of adult creative craft activity sessions are arranged throughout the year to open up recycling information to a new group of individuals MDC's Royal Yarn Bombing for the Queen's Birthday street party has been given via 6 knit and natter afternoons where knitters also receive a recycling education tour.

Additional education activities planned include further cookery club sessions and two further play in a day weeks.

- Food Waste Reduction

Love Food Hate Waste cookery demonstrations are planned at the County Show in May and the Bramley Apple Festival in October and the popular cookbook 'Love Your Leftovers' is being updated with recipes, hints and tips open for submission until mid-July.

- Community RePaint Nottinghamshire

The County's paint reuse scheme will continue to be promoted at Beeston, Calverton, Newark and Warsop Recycling Centres.

Residents will be encouraged to take tins containing liquid paint to Beeston, Calverton, Newark and Warsop Recycling Centres. Paint donated in this way is placed in designated containers and trained site staff sort through each tin of paint to check whether it is suitable for the reuse scheme. Tins of paint suitable for reuse are labelled and displayed on shelves in the Community RePaint container according to colour and type. Community and voluntary groups registered on the scheme make an appointment to visit the site and can take the donated paint away free of charge. Tins of paint that cannot be reused will not be put into the reuse scheme but will be sent for specialist treatment.

- EnviroGrant

The EnviroGrant will continue to support suitable projects, groups and schools across the County. Applications are reviewed at the quarterly communications meeting and a display plaque is given to successful applicants when appropriate.

**September 2017**

**Agenda Item: 6**

## **REPORT OF SERVICE DIRECTOR – FINANCE, PROCUREMENT & IMPROVEMENT**

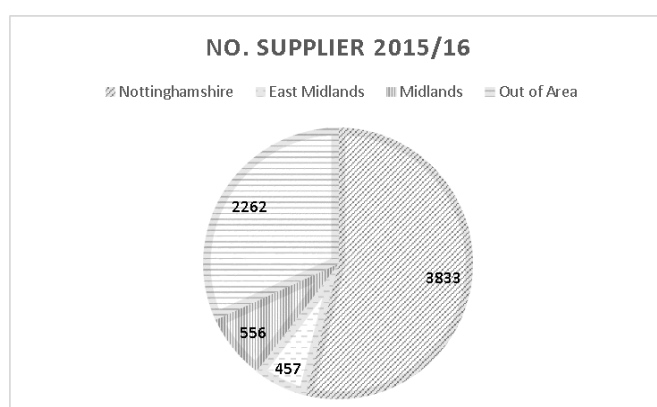
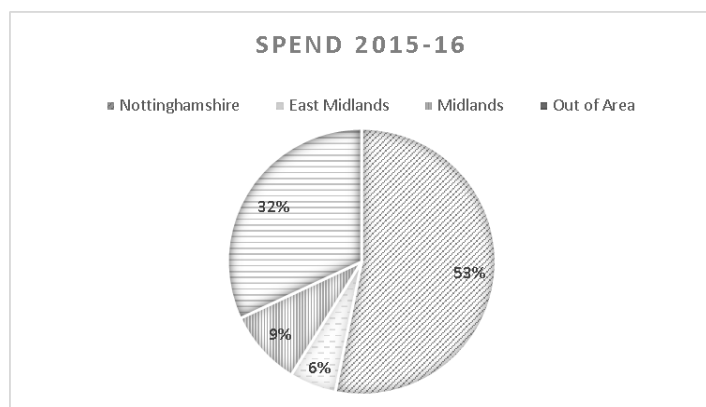
### **SPEND ANALYSIS REPORT IN (LOCAL SPEND) AND OUT OF COUNTY**

#### **Purpose of the Report**

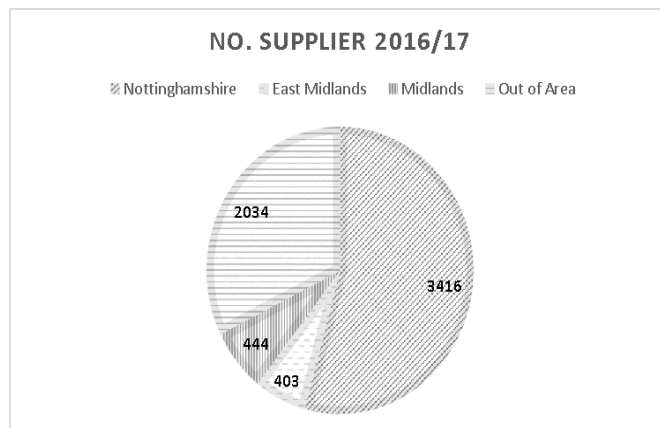
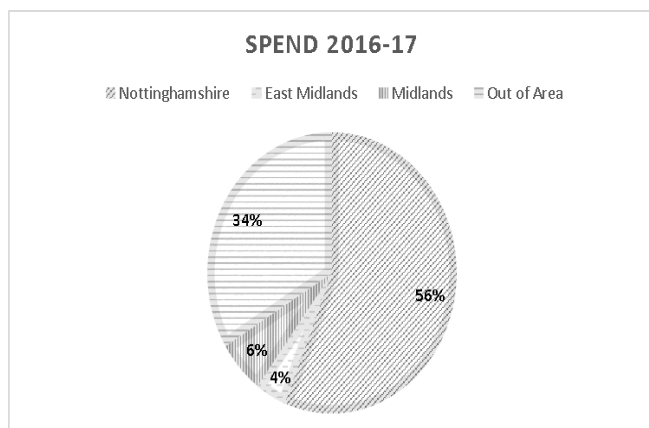
1. To provide Members with information relating to supplier spend both within and outside of the County boundary.

#### **Information and Advice**

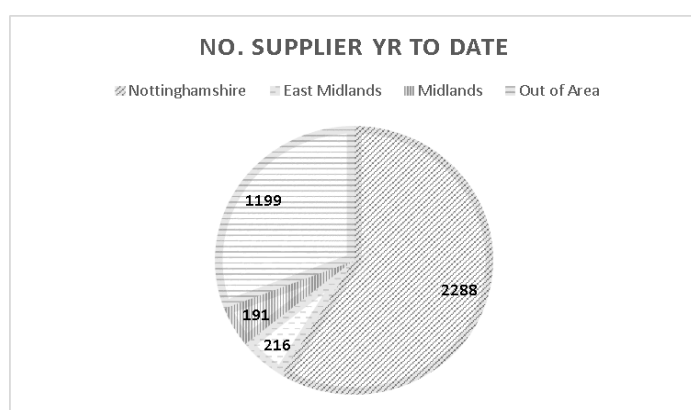
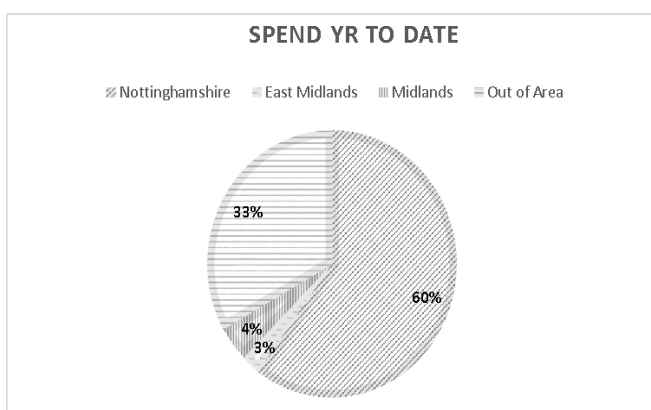
2. This report is based on supplier invoice spend recorded in BMS, by postcode. Analysis of spend covers the two year period, 2015/2016, 2016/2017, and year to date data from April to August 2017. The data used excludes, Individuals & Service Users, Foster Carers & Adoption Parents and Employees. The spend figures have been rounded and the percentages quoted are based on those adjusted figures.
3. The information presented has been divided into four categories, Nottinghamshire Spend (inc Nottingham City), East Midlands, Midlands, and Out of Area, and is illustrated in two formats by value and by supplier numbers.
4. The overall spend in 2015/16 was £615.244m the pie chart below illustrates the percentage split of this spend by category. 53% of spend was in Nottinghamshire, and the number of suppliers transacted within the year was 7,108, of this number 3,833 were Nottinghamshire based.



5. In comparison the overall spend in 2016/17 was slightly higher at £622.188m, and we see an increase in the local spend (56%) compared to the previous year. The number of suppliers transacted with in the year was lower than the previous, 6,297 however the percentage of these being locally based remains in line with the previous year.



6. Current year analysis from 1<sup>st</sup> April to 1<sup>st</sup> August 2017 show that based on the year to date spend of £264.655m the council is forecast to continue the trends of the previous two years averaging between 50–60% spend within Nottinghamshire.



7. It has to be noted that the data is based on postcode location and invoice payment, out of area spend does not necessarily mean that the suppliers are operating and providing their services out of Nottinghamshire, they may have a local delivery office and in some cases the payment address is likely to be a head office location.
8. Any care services delivered locally to Nottinghamshire residents has to have a registered office in Nottinghamshire and will employ local people to deliver the service, for example Agincare UK Ltd and Mears both provide Home Based Care services locally but their head offices are out of area.
9. We are working to increase the use of the local supply market. We undertake this through pre-market engagement events prior to commencing individual procurement projects. These events are aimed at those suppliers that may be able to deliver our requirements, and work with us in developing the service.

10. We also undertake wider generic Meet the Buyer events, these focus on public procurement processes, and seek to enable more organisations to feel empowered about tendering for locally-available work. We have two events planned for this year, one with a focus on Social Care providers in September and a wider open event in October. The October event will be a joint approach with East Midlands Chamber and other public sector partners.

## **Statutory and Policy Implications**

11. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **RECOMMENDATION/S**

- 1) Members to endorse the approach to engaging the local supply market.
- 2) Members to comment upon the information presented and advise if any additional analysis work is required.

**Nigel Stevenson**

**Service Director – Finance, Procurement & Improvement**

**For any enquiries about this report please contact:**

Clare Winter - Group Manager, Procurement

## **Constitutional Comments (KK 06/07/2017)**

12. The proposals in this report are within the remit of the Finance & Major Contracts Management Committee

## **Financial Comments (RWK 07/09/2017)**

13. There are no specific financial implications arising directly from this report.

## **Background Papers and Published Documents**

14. Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

## **Electoral Division(s) and Member(s) Affected**

- All



**18 September 2017****Agenda Item: 7****REPORT OF THE SERVICE DIRECTOR FINANCE, PROCUREMENT AND  
IMPROVEMENT****BUSINESS REPORTING AND MANAGEMENT INFORMATION PROJECT –  
NEXT PHASE****Purpose of the Report**

1. The purpose of this report is to seek approval for funding of £0.5 m to be included in the Finance and Major Contracts Management Capital Programme for phase 3 of the Business Reporting and Management Information Project (BRMI).

**Information and Advice****Background**

2. The challenges of austerity along with a drive towards improved efficiency and transparency has necessitated the creation of a more reliable evidence base from which decisions can be taken and the need to embed data and analytics in council services and decision making.
3. The BRMI project has been established to:
  - ensure that there was the capability for the Council to provide accurate and relevant business information from its systems to the people that need it to assist them in making good business and transformational decisions and for the information to be made easily available for Members, managers and services to access
  - deliver a data warehouse that would ultimately contain all key data from Council systems; where appropriate data from external partners; and from which all Council reporting (statutory, management, operational) would be run
4. A range of benefits will be delivered through the project including:
  - a more systematic, structured and sustainable approach to business intelligence
  - bringing together data from multiple systems
  - data to be collected once and used multiple times providing a single version of the truth
  - real time data to be available
  - ability to undertake detailed analysis more readily
  - a Business Intelligence Hub to be established to provide management information through one site that is easy to understand, access and interpret

- data to be presented through Dashboards and reports that are easier to interpret and use
5. Increasingly it is also important that we have a common understanding of the data we use and everyone can see the same view eg; on population; that we are able to forecast future demand and model change; have graphical analysis and show information easily on maps and dashboards; undertake ad hoc analysis more quickly; data share and data mine to use technology to identify issues that otherwise may not have been apparent.
  6. Phase one of the project has delivered the establishment of the data warehouse populated with data from the council's social care recording system – Mosaic. In addition 200 business intelligence reports were produced as part of the Mosaic upgrade for children's and adults social care services.
  7. A Business Intelligence Hub has also been established as part of phase one bringing together in one place the Council's data, analysis, business intelligence reports and dashboards providing an overview of performance and service delivery for the Council.
  8. Phase two of the BRMI project started in June 2017 and will complete at the end of October 2017. It is delivering additional business intelligence reports including those required due to the decommissioning of systems in Adult Social Care and Health; additional statutory return reports; and commencing work on the management information reporting requirements for the Integrated Children's Disability Service. It is also undertaking the requirements analysis and technical design for the inclusion of financial data in the data warehouse. The cost of phases one and two of the project have been met from within the capital programme.

### **Phase 3 – Proposed Scope**

9. The third phase deliverables are to address the substantial backlog of data and reporting requirements arising from the change freeze that was imposed because of the Mosaic Upgrade; further developments to the Business Intelligence Hub including improving access and presentation of data through dashboards; as well as requirements gathering; prioritisation, costing and agreement of all additional data from council systems to be included in the data warehouse. It is proposed that this phase of the project runs from November 2017 to April 2018. The cost of delivering this work will be £500k.

### **Development of a Business Intelligence Strategy**

10. During the autumn a Business Intelligence Strategy is to be prepared setting out the Council's future approach and roadmap for business intelligence; the key activities required and the cost of the implementation of this Strategy for members' consideration. This will consider future developments and deliverables for the BRMI project.

## **Other Options Considered**

11. The option not to proceed with phase 3 of the project was discounted as this would not address business intelligence reporting requirements or enable the appropriate identification of future work.

## **Reason for Recommendation**

12. To provide accurate and relevant business information for the Council's services to assist good business decisions and to enable appropriate planning for further developments to the Council's data warehouse.

## **Statutory and Policy Implications**

13. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **RECOMMENDATION/S**

- 1) It is recommended that £0.5m, funded from capital contingency, is included in the Finance and Property capital programme to fund phase 3 of the BRMI project.

**Nigel Stevenson**

**Service Director - Finance, Procurement and Improvement**

**For any enquiries about this report please contact:**

Celia Morris, Group Manager Performance and Improvement

0115 9772043

[celia.morris@nottsc.gov.uk](mailto:celia.morris@nottsc.gov.uk)

### **Constitutional Comments [SLB 05/09/2017]**

Finance and Major Contracts Management Committee is the appropriate body to consider the content of this report.

### **Financial Comments [GB 06/09/2017]**

The financial implications are stated within the report.

### **Background Papers and Published Documents**

None

### **Electoral Division(s) and Member(s) Affected**

All.



**18 September 2017****Agenda Item: 8****REPORT OF CORPORATE DIRECTOR, RESOURCES****WORK PROGRAMME****Purpose of the Report**

1. To consider the Committee's work programme for 2017/18.

**Information and Advice**

2. The County Council requires each committee to maintain a work programme. The work programme will assist the management of the committee's agenda, the scheduling of the committee's business and forward planning. The work programme will be updated and reviewed at each pre-agenda meeting and committee meeting. Any member of the committee is able to suggest items for possible inclusion.
3. The attached work programme has been drafted in consultation with the Chair and Vice-Chairs, and includes items which can be anticipated at the present time. Other items will be added to the programme as they are identified.
4. As part of the transparency introduced by the revised committee arrangements from 2012, committees are expected to review day to day operational decisions made by officers using their delegated powers. It is anticipated that the committee will wish to commission periodic reports on such decisions. The committee is therefore requested to identify activities on which it would like to receive reports for inclusion in the work programme.

**Other Options Considered**

5. None.

**Reason/s for Recommendation/s**

6. To assist the committee in preparing its work programme.

## **Statutory and Policy Implications**

7. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required

## **RECOMMENDATION/S**

- 1) That the committee's work programme be noted, and consideration be given to any changes which the committee wishes to make.

**Jayne Francis-Ward**  
**Corporate Director, Resources**

**For any enquiries about this report please contact: Pete Barker, x 74416**

## **Constitutional Comments (HD)**

8. The Committee has authority to consider the matters set out in this report by virtue of its terms of reference.

## **Financial Comments (NS)**

9. There are no direct financial implications arising from the contents of this report. Any future reports to Committee on operational activities and officer working groups, will contain relevant financial information and comments.

## **Background Papers**

None.

## **Electoral Division(s) and Member(s) Affected**

All

## **FINANCE & MAJOR CONTRACTS MANAGEMENT COMMITTEE – WORK PROGRAMME**

<b><u>Report Title</u></b>	<b><u>Brief summary of agenda item</u></b>	<b><u>Lead Officer</u></b>	<b><u>Report Author</u></b>
<b>16 October 2017</b>			
Monthly Budget & Capital Monitoring Report 2017/18	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
Risk and Insurance	Performance report	Nigel Stevenson	Anne Hunt
BCF Q1 Reconciliation (TBC)		Joanna Cooper	Joanna Cooper
<b>20 November 2017</b>			
Monthly Budget & Capital Monitoring Report 2017/18	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
BCF Q2 Reconciliation (TBC)		Joanna Cooper	Joanna Cooper
Schools PFI	Review of Schools PFI project and contracts	Mick Allen	Mick Allen
<b>18 December 2017</b>			
Monthly Budget & Capital Monitoring Report 2017/18	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell

## **FINANCE & MAJOR CONTRACTS MANAGEMENT COMMITTEE – WORK PROGRAMME**

<b>15 January 2018</b>			
Monthly Budget & Capital Monitoring Report 2017/18	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
Contract Update(>£10m)	Standard item	Various	Various
<b>5 February 2018</b>			
Annual Budget Meeting	To recommend to Full Council the financial strategy, annual revenue budget, annual capital budget, and precept on billing authorities	Nigel Stevenson	Glen Bicknell
<b>26 February 2018</b>			
Monthly Budget & Capital Monitoring Report 2017/18	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
BCF Q3 Reconciliation (TBC)		Joanna Cooper	Joanna Cooper
Contract Update(>£10m)	Standard item	Various	Various
<b>19 March 2018</b>			
Monthly Budget & Capital Monitoring Report 2017/18	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
Contract Update(>£10m)	Standard item	Various	Various

## **FINANCE & MAJOR CONTRACTS MANAGEMENT COMMITTEE – WORK PROGRAMME**

<b>23 April 2018</b>			
Monthly Budget & Capital Monitoring Report 2017/18	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
Contract Update(>£10m)	Standard item	Various	Various
General Data Protection Regulation (GDPR)	Implications for contracts	Jayne Francis-Ward	Clare Winter / Heather Dickinson
<b>21 May 2018</b>			
Monthly Budget & Capital Monitoring Report 2017/18	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
BCF Q4 Reconciliation (TBC)		Joanna Cooper	Joanna Cooper
Contract Update(>£10m)	Standard item	Various	Various
<b>18 June 2018</b>			
Monthly Budget & Capital Monitoring Report 2017/18	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
Contract Update(>£10m)	Standard item	Various	Various

**FINANCE & MAJOR CONTRACTS MANAGEMENT COMMITTEE – WORK PROGRAMME**

<b>16 July 2018</b>			
Monthly Budget & Capital Monitoring Report 2017/18	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
Contract Update(>£10m)	Standard item	Various	Various
<b>TO BE PLACED</b>			
Local Government Finance	Overview report	Nigel Stevenson	Nigel Stevenson
Commercial Development Unit	Details of Commercial Strategy	Martin Done	Martin Done
Trading Organisations	Update report	Jas Hundal / Ian Hardy	Jas Hundal / Ian Hardy