



## SOUTH LONDON WASTE PARTNERSHIP

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10 June 2013

### AGENDA

A meeting of the SOUTH LONDON WASTE PARTNERSHIP JOINT COMMITTEE will be held at GUILDHALL, KINGSTON UPON THAMES KT1 1EU on TUESDAY 18 JUNE 2013 at 5:30 pm

#### Members of the Committee

Councillor Tim Pollard  
Deputy Leader (Communications) and Cabinet Member  
for Children, Families & Learning

Councillor Phil Thomas  
Cabinet Member for Highways & Environmental  
Services

Councillor Derek Osbourne      Chair  
Leader of the Council

Councillor Simon James  
Lead Member for Place, Sustainability & Sport

Councillor Mark Betteridge  
Deputy Leader and Cabinet Member for Performance &  
Implementation

Councillor Andrew Judge      Vice Chair  
Cabinet Member for Environmental Sustainability &  
Regeneration

Councillor Colin Hall  
Deputy Leader

Councillor Jill Whitehead  
Chair of Environment & Neighbourhood Committee

#### Representing

London Borough of Croydon

London Borough of Croydon

Royal Borough of Kingston  
upon Thames

Royal Borough of Kingston  
upon Thames

London Borough of Merton

London Borough of Merton

London Borough of Sutton

London Borough of Sutton

## **EMERGENCY EVACUATION ARRANGEMENTS**

On hearing the alarm please leave the building by the nearest available fire exit.

## **AGENDA**

### **APOLOGIES FOR ABSENCE AND ATTENDANCE OF ALTERNATE MEMBERS**

### **DECLARATIONS OF INTERESTS**

Members are asked to state any interests - personal or prejudicial – on items on this agenda.

#### **1. APPOINTMENT OF CHAIR AND VICE CHAIR 2013-14**

#### **2. MINUTES**

To confirm the minutes of the meeting held on 25 April 2013.

#### **3. PHASE A CONTRACT MANAGEMENT**

#### **4. BUDGET REPORTING - OUTTURN 2012/13**

#### **5. SOUTH LONDON WASTE PARTNERSHIP ACCOUNTS 2012-13**

#### **6. RESIDUAL WASTE TREATMENT PROJECT - AWARD**

The South London Waste Partnership has won a prestigious international award for its Residual Waste Treatment project in the 'best waste/energy/water project' category.

The Partnership beat a shortlist of major infrastructure projects from across the world including: Carrington Power Station (UK), The Egyptian Refining Company (Egypt), Mundaring Water Treatment Plant (Australia) and Leeds Residual Waste PFI Project (UK).

Commenting on the SLWP project, the judging panel said: "This project to treat 200,000 tonnes of waste per year is designed to achieve 92% landfill diversion, while creating up to 26MW of electricity, with a heat capacity of 20MW, which may be used to support a local district heating system. Having had its PFI [private finance initiative] credits withdrawn in the 2010 Spending Review, this project's public and private sector partners have reacted positively to the challenge and have been highly successful in delivering a new scheme."

The project has also now received planning approval from Sutton's Development Control Committee and this decision has not been called in by the London Mayor.

#### **7. ANY URGENT ITEMS AUTHORISED BY THE CHAIR**

#### **8. EXCLUSION OF PRESS AND PUBLIC**

The following matters may be considered in private if the Committee agrees that, under Section 100(A)(4) of the Local Government Act 1972, the public are excluded from the meeting on the grounds that it is likely that exempt information, as defined in Paragraphs 1 and 3 of Part I of Schedule 12A to the Act would be disclosed. These paragraphs cover information relating to the financial or business affairs of any particular person (including the authority holding that information)

#### **AGENDA - PART B**

- 9. KEY ACHIEVEMENTS AND OBJECTIVES FOR THE COMING YEAR**
- 10. PHASE A STRATEGIC REVIEW**
- 11. PHASE B CONTRACT REPORT**
- 12. RISK REGISTER**

**SOUTH LONDON WASTE PARTNERSHIP JOINT COMMITTEE****25 APRIL 2013****5:30 pm – 7:35 pm**

		<b>Representing</b>
Councillor Simon Hoar Cabinet Member for Community Safety & Public Protection		London Borough of Croydon
Councillor Phil Thomas Cabinet Member for Highways & Environmental Services		London Borough of Croydon
* Councillor Derek Osbourne Leader of the Council	Chair	Royal Borough of Kingston upon Thames
Councillor Sharon Hartley Lead Member for Sustainability & Sport		Royal Borough of Kingston upon Thames
Councillor Mark Betteridge Deputy Leader and Cabinet Member for Performance & Implementation		London Borough of Merton
Councillor Andrew Judge Chair Cabinet Member for Environmental Sustainability & Regeneration	Vice Chair in the Chair	London Borough of Merton
Councillor Colin Hall Deputy Leader		London Borough of Sutton
Councillor Roger Roberts		London Borough of Sutton

\* Absent

Apologies

Councillor Derek Osbourne

**DECLARATIONS OF INTERESTS - None****47. MINUTES**

**RESOLVED** that the minutes of the meeting held on 18 December 2012 are confirmed as a correct record.

**48. PHASE A CONTRACTS PERFORMANCE MONITORING**

The quarter 3 update on the performance of the three Phase A contracts was presented. This included a performance monitoring report linking both financial and operational areas of performance

Contract 1 Landfill and Transportation - Viridor Waste Management

This contract is operating effectively.

Contract 2 Management of Household Reuse and Recycling Centres - Environmental Waste Controls (EWC).

Over the last 6 months there have been challenges in building on previous recycling performance. EWC will be implementing real time recycling updates to enable supervisors to direct their attention where needed across the sites in order to maintain service performance targets. Health and safety issues raised in the previous quarter's monitoring report have been addressed across the contract.

Contract 3 Materials Recycling Service, composting and additional treatment service - Viridor Waste Management

The contingency arrangement for food waste processing is currently being reviewed as part of the Phase A negotiations. To date 3 long-term proposals are being evaluated which mitigate the requirement for the construction of a dedicated Anaerobic Digestion plant

**RESOLVED that the** performance monitoring report is noted.

**Reason for decision**

To confirm the Committee remains aware of the current performance of the Partnership's Phase A contracts and action being taken where appropriate.

**49. BUDGET REPORTING - MONTH 12 PROVISIONAL OUTTURN 2012/13**

The Partnership's budget covers procurement and ongoing management costs, as well as the audit fee.

The provisional outturn position for 2012/13 identifies an overspend of £6,696 against the budget to the end of March 2013. This equates to an overspend of £1,674 per Borough.

Whilst the majority of figures are confirmed, the final outturn figure will not be confirmed until May, as part of normal budget reporting processes.

In reviewing variations in the budget over the year, which had previously been reported to Committee, the benefits of 'spending to save' on fees to advisers, which extended into this financial year due to the delay on the close of the residual waste contract, was commented on. This additional input contributed to the significant £200m contract savings achieved.

**RESOLVED that**

1. the final outturn position for the 2012/13 Partnership budget is noted;
2. the positive benefits, in terms of the savings achieved from the additional work, of the overspend on advisers are noted.

**Reason for decision**

To ensure the Committee has appropriate oversight of the Partnership budget and is satisfied with ongoing budget management.

**50. RESOURCE PLAN**

A resource plan to fulfil the Partnership's Work Programme from June 2013 to 2015 was considered.

A Contract Manager post was agreed at the last meeting. The full structure is based on the creation of two new posts, a Programme Manager and Contract Data Officer together with a Project Support Officer which is a development of the previous Project Manager role.

The Programme Manager will have oversight of all areas of work being undertaken by the Partnership and will report into the Management Group on these. The Contract Data Officer will enable the Contract Manager to maximise their output by facilitating data management and analysis related to contract management work.

For the Project Officer post the job description and grade of the previous Project Manager role have been amended to reflect the change in focus to project support activities, which are a continuing demand.

This new structure is designed to ensure the Partnership meets each Borough's requirement to operate at minimum cost without affecting the Partnership's capacity to continue its successful track record in project delivery.

In considering the new structure Members were agreed upon the need for the additional posts, given the work programme the previous arrangements of additional work being picked up by existing officers across the Boroughs could not provide the capacity required.

Arrangements for the recruitment to all 4 posts, and the current market for the range of skills sought were also discussed. Whilst the structure is designed for the 2013-15 period, Partnership arrangements may change. Whilst the posts are not proposed as permanent contracts, a flexible approach on employment terms and salaries was judged to provide the greatest range of options for candidates as well as the Partnership.

**RESOLVED that**

1. the new structure is noted and recruitment to the following posts approved on a flexible salary and term basis
  - a) Project Support Officer.
  - b) Contract Data Officer.
  - c) Programme Manager
2. the Contract Manager post approved at the last meeting is recruited to on a similarly flexible basis as regards term and salary

**Reason for decision**

To provide appropriate resourcing to the Partnership to continue its necessary work throughout 2013/14 and 2014/15.

**51. DEFRA WIDP CONTRACT MANAGEMENT REVIEW OF SLWP PHASE B**

In October 2012, Defra's Waste Infrastructure Delivery Programme (WIDP) undertook a review of the Partnership's contract management for Phase B focused on six specific areas of contract management.

This was designed to consider the suitability of arrangements which the Partnership is putting in place to manage the Phase B contract. As part of the review interviews with Partnership and Contractor officers together with external advisers and two of the Joint Committee members were held.

Based on the summary findings the review report outlined ten recommendations. The findings and the progress made by the Management Group in response to the recommendations were considered as listed in paragraph 7 of the report. The Management Group had found the challenge provided by the review helpful. Substantial progress has been made in responding to the recommendations.

**RESOLVED** that the recommendations made in the report of the WIDP Contract Management Review, and the progress made to respond to these by the Management Group are noted.

**Reason for decision**

To ensure the Management Group continues to prepare to undertake effective management of the new Phase B contract.

**52. EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED** that, under Section 100(A)(4) of the Local Government Act 1972, the public are excluded from the meeting on the grounds that it is likely that exempt information, in paragraphs 1 and 3 of Part I of Schedule 12A to the Act, would be disclosed. These paragraphs cover information relating to the financial or business affairs of any particular person (including the authority holding that information).

**53. COMMUNICATIONS STRATEGY & MORI REPORT EXECUTIVE SUMMARY (APPENDIX)**

The twelve months immediately after the London Borough of Sutton's planning decision, positive or otherwise, represent perhaps the biggest communication challenge yet to the Partnership and its member authorities, in terms of waste disposal.

The 2012 MORI research commissioned by the SLWP provides a powerful insight into the views of local people. It shows that

- local people are increasingly dissatisfied with landfill as a means of disposing of waste and that they appreciate alternatives need to be explored.
- recovering energy from something that would previously have been buried in the ground, and contributed to climate change, is generally regarded as a sensible route to take
- energy recovery is not something residents want to consider in isolation.
- one in three claim to know nothing at all about this method of waste disposal and 77% of local people aren't familiar with the Beddington Energy Recovery Facility (ERF) proposal specifically.

Pending clarity on the planning outcome, it is important that the SLWP continues to signal its strong commitment to the environment and acting in people's best interests now and in the longer term, retaining the people's trust in the Phase B work and the procurement decision that has been made.

As part of this a campaign to promote behaviour change is proposed centred on recycling which offers the greatest potential for public engagement, and also introduces other aspects of the waste hierarchy. This campaign would use traditional methods of promotion, - newspaper and cinema adverts; set piece advertising, - street advertising; adverts on public transport and in high public use areas; promotional materials distributed in specific neighbourhoods across the Boroughs - social media and an element of observational research. This would require about 80% of the budget for communications and community engagement work.

The remainder of the budget would provide a flexible resource to engage with the local community on impacts and benefits following the planning decision, the outcome which remains unpredictable. It was noted that the previous evening Sutton's Development Control Committee had deferred a decision on the planning application and requested further information, primarily on air quality and traffic movements.

Members were agreed on the need to communicate the facts of the ERF proposals and the Partnership's objectives for recycling, improving the environment and sustainable living. A range of views on the approach to this were expressed and it was agreed that further consideration of a major campaign and the budget for this would be considered at the next meeting.

**RESOLVED** that:



1. the overall communications objective is agreed as support to the delivery of Phase B work;
2. a reliable, scalable and flexible resource of £25,000 is allocated to address the as yet unpredictable communication challenges of the Phase B contract following the planning decision outcome; and
3. a campaign to promote recycling in a way that helps demonstrate the SLWP's values and aims around sustainable living is considered further at the next meeting.

### **Reason for decision**

To agree the communications objective to demonstrate the Partnership's commitment to improving the environment and the careful, evidence based approach to its decision making.

### **54. INTER AUTHORITY AGREEMENT 2012/13 REVIEW**

As agreed at the last meeting further detailed work on reviewing the current IAA arrangements and drafting of a Supplemental Agreement to cover the contract management stage of the new residual waste treatment contract (Phase B contract) has been carried out. A set of proposals has been developed to establish or confirm existing principles that will ensure the partnership and the participating Authorities have appropriate arrangements in place for the ongoing management of the waste treatment and disposal contracts.

The report identified a number of matters that required resolution before the partner boroughs would be in a position to enter into a Supplemental Agreement and proposed to report back with a final draft proposal for approval to the next meeting of the Joint Waste Committee.

The key principles proposed for adoption cover

Apportionment of service costs

Haulage costs and Royalty payments

Minimum Tonnage

Third Party Income

Phase B procurement costs

Phase B contract management costs

Phase B relocations costs

Vehicle routing

**RESOLVED** that

1. the progress made on resolving all outstanding matters relating to the Supplemental Agreement is noted;
2. the principles set out in paragraph 4 of the report are agreed;
3. authority is delegated to the Chair of the Management Group, in consultation with the Management Group and Borough legal officers to finalise the details of the Supplemental Agreement and to recommend to each of the partner authorities' relevant decision making bodies that the Supplemental Agreement is approved.

#### **Reason for decision**

To ensure the governance arrangements between the partner authorities are sufficient to manage the on-going waste management and treatment contracts.

#### **55. STRATEGIC REVIEW OF PHASE A CONTRACTS**

The Partnership is undertaking a Strategic review of its Phase 'A' contracts incorporating commercial, operational and legal elements. These contracts

Contract 1	Landfill and Transportation - Viridor Waste Management
Contract 2	Management of Household Reuse and Recycling Centres - Environmental Waste Controls (EWC).
Contract 3	Materials Recycling Service, composting and additional treatment service - Viridor Waste Management

were procured in 2008 for 14 years with the option to break in 2015.

This potential break clause provides the Partnership with the opportunity to re-negotiate contracts to inform a decision to continue until 2022 or to re-procure.

The position on the ongoing negotiations, was set out in the report and updated verbally at the meeting ..

**RESOLVED that** the progress made is noted and officers continue negotiations with Viridor and EWC to achieve the best negotiated position on Contracts 1, 2 and 3.

#### **Reason for decision**

To continue negotiations to ensure that the Partnership achieves best value for money from its contracts

#### **56. PHASE B CONTRACTOR REPORT**

The Phase B contract was signed with Viridor on 5 November 2012. The planning application has yet to be determined. A level of local public opposition is apparent, with 232 letters of opposition submitted. However, this is a relatively low number, the planning consultation was circulated to 4500 addresses and it would not be uncommon for a significantly higher number of letters to be received.

The report set out the planning position and an indication of the costs to Viridor of meeting the mitigation measures requested by the Planning Authority, the risk position and legal implications in relation to the contract.

**RESOLVED** that

1. the additional delay in the determination of Viridor's planning application is noted.
2. the strategy relating to the handling of mitigation measures and costs is noted.

**Reason for decision**

To prepare for the planning decision on Viridor's facility in Sutton.

**57. PHASE B RISK REPORT**

Following the latest review by the Management Group there are four red risks. These are inter-related; one is financial and three are planning. The details and mitigating actions were set out in the report together with the complete risk register.

No red risks have been downgraded since the report to the December meeting.

**RESOLVED that** the key developments on the Risk Register and the mitigation of these risks are noted.

**Reason for decision**

To ensure that the Partnership continues to implement the most appropriate and robust method of managing risks associated with the waste disposal service contracts.

Signed.....Date.....  
Chair

**SOUTH LONDON WASTE PARTNERSHIP JOINT COMMITTEE**

18 June 2013

**Phase A Contracts Performance Monitoring****SUMMARY**

This report advises the Joint Waste Committee of the performance of the three Phase A contracts applicable to the South London Waste Partnership ("the Partnership"), which have been operational since September 2008.

**Recommendations****It is recommended that**

The Joint Waste Committee is asked to note the contents of this report, and to comment on any aspects of the performance of the Partnership's Phase A contracts.

**Reason for action proposed**

To ensure the Committee remain aware of and are satisfied with the current performance of the Partnership's Phase A contracts.

**Background / Introduction**

1. This paper provides a quarter 4 update on the performance of the three Phase A contracts for the financial year 2012/13. These contracts have been in place and operating since 2008.

Contract 1 Landfill and Transportation.

Contract 2 Management of House Hold Reuse and Recycling Centres.

Contract 3 Materials Recycling Service, Composting and additional Treatment Service

2. Contracts 1 & 3 are operated by Viridor Waste Management LTD.
3. Contract 2 is operated by Environmental Waste Controls (EWC).

**CONTRACT MANAGEMENT**

4. The London Borough of Sutton continued to undertake the contract management function on behalf of the Partnership up until the end of March 2013. This provided the additional resource required to manage the contracts and provides capacity to focus on commercial as well as operational management. The reviewed contract management structure has continued to develop.
5. Moving forward, the Partnership plan to recruit into this position. A job description and person specification has been finalised and the Royal Borough of Kingston undertook to evaluate the role and subsequent advertisement on behalf of the

Partnerships. Interviews were held in April, but unfortunately no suitable candidate was appointed.

6. Since April the London Borough of Croydon have resumed the responsibility on an interim basis for contract management and a considerable amount of time has initially been spent on working with EWC to resolve some significant operational issues specifically at the three Croydon sites.
7. The Phase A contract review has continued. To date this work has focused on driving down the gate fee for general waste and removing the gate fee and associated cost for the dry recycling and implementing a profit sharing paymech from the sale of material. Financial assessments and an impact analysis has been conducted in order to support management group in making informed recommendations.
8. In line with these arrangements monthly briefing notes are produced updating the Partnership on all current work streams. In addition to this a quarterly performance monitor has been produced linking both financial and operational areas of performance. (See Appendix 1).

## **DETAIL**

### **CONTRACT 1 – LANDFILL AND TRANSPORTATION (VIRIDOR WASTE MANAGEMENT LTD.)**

9. The contract is operating effectively with municipal solid waste delivered to Viridor's Beddington Farmlands Landfill facility by all Partnership boroughs.
10. Viridor continued to operate in line with the contract and there were no operational issues reported.
11. There is no performance or formal complaint issues relating to this contract.

### **CONTRACT 2 – MANAGEMENT OF HOUSEHOLD REUSE & RECYCLING CENTRES (ENVIRONMENTAL WASTE CONTROLS)**

12. EWC continues to perform well in respect of the diversion of household waste from landfill for reuse and recycling when compared to pre contract recycling rates and current contractual targets.
13. Over the last half of the year EWC have found it challenging to build on last year's recycling performance when compared to the same period last year.
14. In order to assist in the recycling performance monitoring EWC has implemented real time recycling updates. This is to enable the supervisors to direct their attention where needed across the sites in order to maintain service performance targets.
15. A breakdown of these recycling targets can be seen in Appendix 1, Section 3.
16. All complaints received by SLWP officers regarding the six HRRCs are brought to the attention of EWC management who have, on each occasion, investigated the complaints and responded.

17. A number of the HRRC sites have experienced difficulties from Travellers bringing in unauthorised commercial waste. This has had a negative impact on the overall performance and a number of compostable / garden waste loads have been contaminated. To EWC's credit they have worked with Viridor in ensuring all contamination has been removed at their cost preventing a down grading of these waste streams.

### **CONTRACT 3 – MATERIALS RECYCLING SERVICES, COMPOSTING AND ADDITIONAL TREATMENT SERVICES (VIRIDOR WASTE MANAGEMENT LTD)**

#### **Composting**

18. The green waste from the Partnership is being dealt with at Viridor's Beddington facility.
19. Food waste continues to be delivered to Bio Collectors facility (formerly Vertal) located in Willow Lane Industrial Estate, Merton. Croydon, Merton and Sutton are delivering direct to the facility whereas Kingston is bulking the food waste at Villiers Road with Viridor managing the ongoing transportation to Bio Collectors for processing. This contingency arrangement is currently being reviewed as part of the Phase A negotiations. To date 3 long term proposals are being evaluated which mitigate the requirement for the construction of a dedicated AD plant.

#### **Materials Recycling Services**

20. All co-mingled and single stream dry recyclable materials collected by Kingston, Merton and Sutton continue to be transported by Viridor to their materials recycling facility (MRF) at Crayford in Kent for processing.
21. This service is performing well, with the MRF recycling between 95 – 98% of all recyclable material received.
22. Due to the inclement weather a number of loads have had to be down grade due to the waste stream not meeting the input specification required under the contract. Viridor have supported the Partnership in minimising the impact of this by utilising storage/ drying options at Beddington prior to onward processing at Crayford.

#### **Energy from Waste (EFW)**

23. Suitable household waste from the Partnership continues to be delivered to the Lakeside energy from waste (EFW) facility.
24. In 2012/13 a total of 55,000 tonnes of waste was delivered to the Lakeside facility.
25. 10,000 tonnes of this waste was delivered under the current contractual obligation with an additional 40,000 tonnes being delivered under a separate agreement between Viridor, Suffolk County Council and the Partnership. Viridor made available an additional 5,000 tonnes of spare capacity to the Partnership at no additional cost.
26. This arrangement allows the Partnership to deliver an additional 40,000 tonnes of waste per annum to the Lakeside facility on behalf of Suffolk County Council. The full year effect of this arrangement will deliver £40,000 in savings through the reduction in combined haulage.

## **EQUALITIES IMPACT**

27. There are no equalities issues arising from this report.

## **ENVIRONMENTAL IMPACT**

28. The implications of this report are intrinsically environmental. Increased recycling and composting and diversion of waste from landfill will contribute to saving natural resources and reducing the emission of gases contributing to climate change and air pollution.

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**CONTACT OFFICER:** Matt Clubb, Head of Waste Management & Fleet Services  
(London Borough of Sutton).

**BACKGROUND DOCUMENTS:** Phase A Contract Performance Monitoring updates have been presented to the Joint Waste Committee since 22 July 2010. The most recent reports were present at the meeting on 25 April 2013.



## Quarter 4 Contract Management Report

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Performance Management	
Period	Quarter 4
Date of meeting	tbc 2013
Report Owner	Charlie Baker – Interim Contract Manager SLWP



## 1. Overview

### Introduction

This report covers operational and financial performance of the Phase A contracts in quarter 4 2012/13. Appendix 1 shows a detailed time line and work streams currently in progress by the Interim Contract Management Team

### Operations

#### Contract 1&3

The Viridor contracts are performing well with no major contractual issues. As result of the inclement wet weather the Partnership saw an increase in contaminated recycling loads. In order to minimise the impact of these down grade loads Viridor have utilised the composting tunnels and recycling pays to store this material prior to onward processing at Crayford.

See section 2 for a detailed analysis of residual waste disposed of by the Partnership through this contract.

#### Contract 2

**Recycling Performance** - In order to assist in the recycling performance monitoring EWC have implemented real time recycling updates. This is to enable the supervisors to direct their attention were needed across the sites in order to maintain service performance targets. Across the contract the overall performance is down 2% against last year's April - March level. Over this period EWC have managed in excess of 48,000 tns of household waste (excluding rubble) of which 35,000tns (73%) has been sent for re use or  
Moving forward EWC have identified outlets for carpets and have started to divert 35tn of material. On this bases if this level is maintained recycling performance will be back to expected levels and potential exceed best performance to date. These figures are still to be verified by the contract management team and as such may be subject to change. Section 3 shows a breakdown per borough of the recycling rate over the last 4 years.

### Financial Performance

In 2012/13 the Partnership has spent in excess of £19.95m through contract 1 and a further c£3.7m in contract 3 on the disposal of contracted waste streams. Section 4 shows a detailed breakdown of the monthly disposal cost of all contracted waste. The partnership delivered 32,097.65 tonnes of co-mingled recyclates over the contract year 2012-13. With the current price band set at 30,000tns the additional 2,097tns of this material is in the lower tonnage band 2, resulting in a reduction of £1.14 per tn.

Inconsistencies in invoicing arrangements highlighted in last quarter's report have been rectified a full audit of the Partnerships Boroughs financial processes and reconciliations has been conducted.

**Indexation** – Contract discussion are currently ongoing with Viridor and are continuing in line with the Phase A review. In agreement with Viridor the financial impact on indexation will be finalised once the revised gate fees have been confirmed for 2013/14.

The current Baxter baskets of indices have been published .RPI currently stands at 245.6 which represent an increase of 2.7% with RPIx at 244.9 equating to an increase of 2.9%

**Work Streams**

**Suffolk swop-**

The table below shows the proportion of both C3 and Suffolk waste sent for recovery at Lakeside. Under the current agreement Suffolk have requested that the Partnership make available to them the 40k LATs permits. This will need to be actioned by the individual boroughs in proportion to the volume of waste sent. This arrangement has delivered £40k in revenue to the Partnership through savings achieved by Viridor in reduced haulage. RBK finance will need to raise an invoice to Viridor for £40k

	<b>Croydon</b>		<b>Kingston</b>		<b>Merton</b>		<b>Sutton</b>	
	C3	Suffolk	C3	Suffolk	C3	Suffolk	C3	Suffolk
Tng	2,500	6,448	2,500	20,780	2,500	6,452	2,500	6,635
%	25%	16%	25%	52%	25%	16%	25%	16%

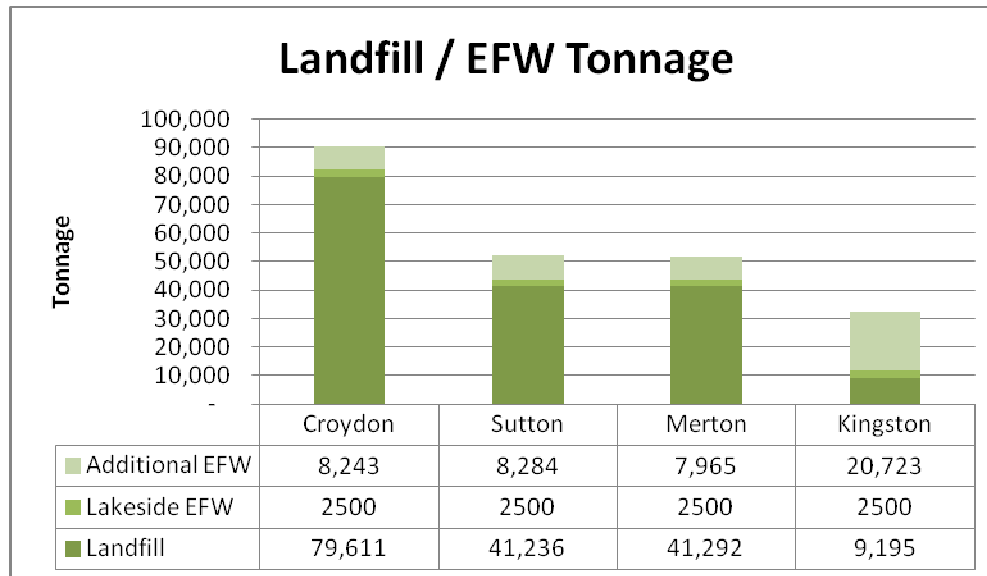
	<b>SLWP</b>	
	C3	Suffolk
Tng	10,000	40,315

Please note that this tonnage does not include the additional C1 tonnage that was diverted from landfill as a result of spare capacity at the ERF at Lakeside.

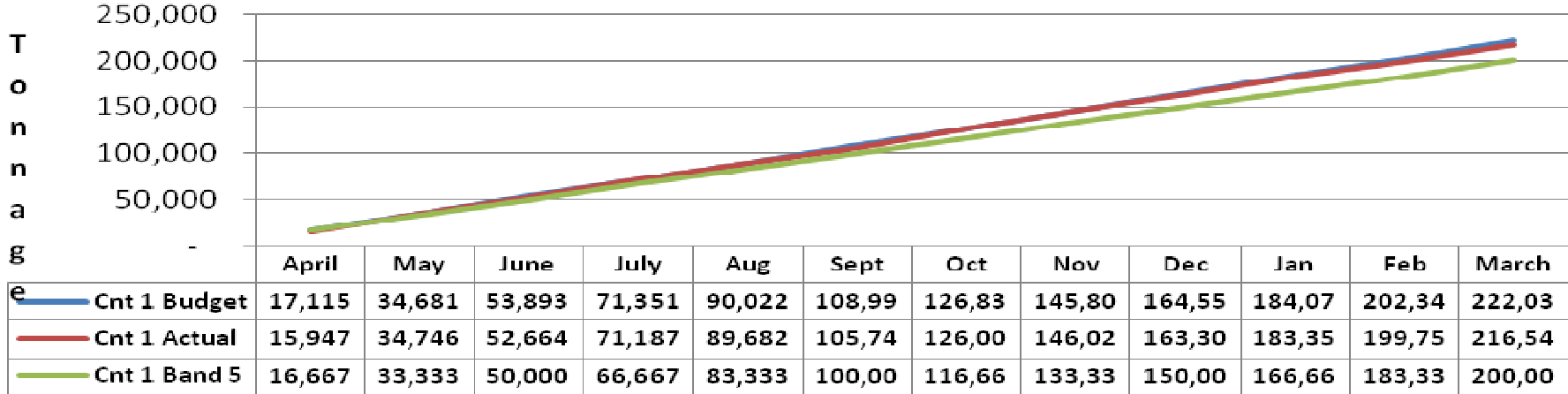
**Food waste** – Viridor are continuing to use the contingency arrangement with Bio-Collectors (formerly Vertal) for the disposal of the partnerships food waste. In line with the Phase A review the Partnership have acknowledge a 2 tonne minimum gate fee imposed by Bio Collectors. This additional cost is short term and new long term agreements are currently being negotiated with Viridor.

## 2.Tonnage Profile Contract 1 & 3

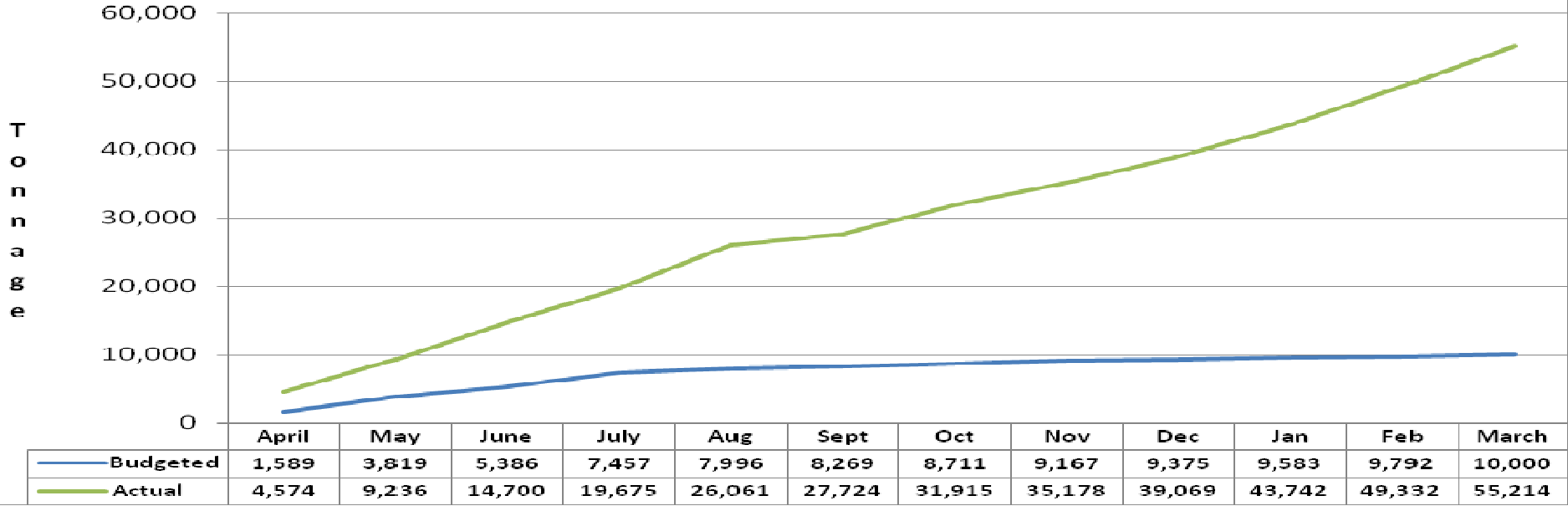
Band	Tonnage Range		Base	2012/13
1	0	50,000	£44.63	£52.12
2	50,001	100,000	£42.32	£49.43
3	100,001	150,000	£40.02	£46.74
4	150,001	200,000	£37.72	£44.05
5	200,001	250,000	£36.04	£42.09
6	250,001	300,000	£34.85	£40.70
7	300,001	350,000	£34.11	£39.84
8	350,001	400,000	£33.62	£39.27
9	400,001	450,000	£33.33	£38.93
10	450,001	500,000	£33.16	£38.73



### Contract 1 Waste

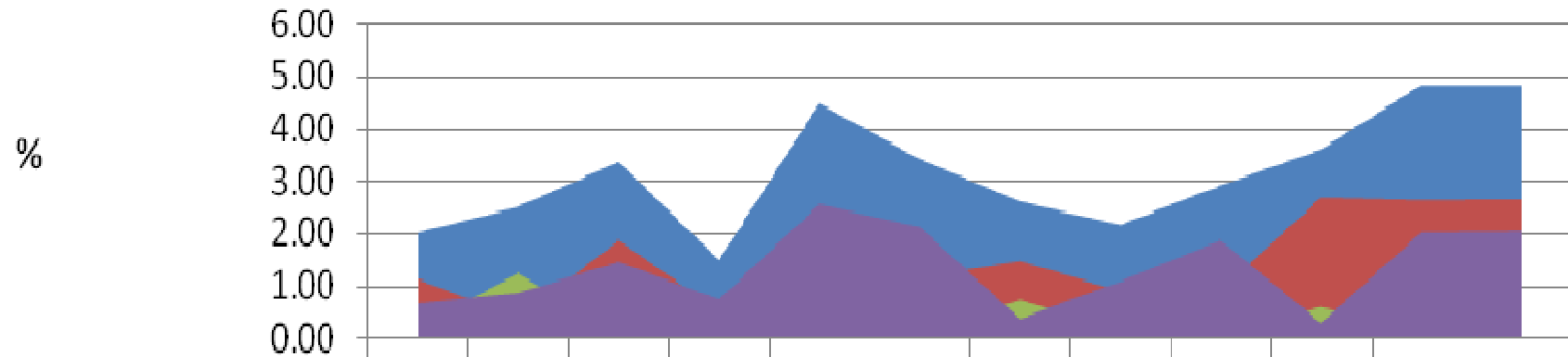


### EFW Lakeside



6

## Rejection Rate Co Mingled Crayford 2012 / 13



	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan-13	Feb	March
Total Contamination	2.03	2.52	3.38	1.51	4.49	3.43	2.62	2.18	2.93	3.61	4.84	4.83
Textiles	1.15	0.39	1.89	0.53	1.93	1.18	1.49	0.92	0.93	2.7	2.65	2.67
Food	0.20	1.25	0.02	0.22	0.00	0.12	0.74	0.16	0.12	0.6	0.16	0.11
Other	0.68	0.88	1.47	0.76	2.56	2.13	0.39	1.1	1.88	0.31	2.03	2.05

**Kingston - SLWP - Villiers Road HWRC  
Recycling Performance (excl  
Diversion)**

Month	Year				
	2009	2010	2011	2012	2013
Jan	64%	66%	69%	74%	70%
Feb	72%	71%	72%	75%	71%
Mar	79%	72%	75%	77%	72%
Apr	76%	72%	78%	76%	
May	78%	78%	76%	80%	
Jun	78%	79%	76%	79%	
Jul	76%	75%	75%	78%	
Aug	77%	76%	74%	74%	
Sep	78%	77%	77%	76%	
Oct	77%	78%	75%	75%	
Nov	74%	75%	76%	75%	
Dec	67%	65%	72%	65%	

**Sutton - SLWP - Kimpton Park Way HWRC  
Recycling Performance (excl Diversion)**

Month	Year				
	2009	2010	2011	2012	2013
Jan		74%	69%	75%	68%
Feb	66%	74%	72%	73%	74%
Mar	76%	77%	71%	77%	74%
Apr	74%	76%	71%	76%	
May	74%	76%	74%	77%	
Jun	73%	78%	75%	74%	
Jul	75%	74%	73%	74%	
Aug	76%	75%	73%	72%	
Sep	77%	75%	73%	75%	
Oct	77%	74%	79%	74%	
Nov	77%	74%	75%	69%	
Dec	72%	67%	71%	72%	

**Merton - SLWP - Garth Road  
HWRC  
Recycling Performance (excl  
Diversion)**

Month	Year				
	2009	2010	2011	2012	2013
Jan	61%	68%	68%	72%	68%
Feb	67%	66%	67%	76%	71%
Mar	74%	75%	69%	72%	71%
Apr	71%	67%	69%	73%	
May	72%	72%	74%	76%	
Jun	73%	76%	75%	73%	
Jul	71%	72%	77%	74%	
Aug	71%	73%	74%	69%	
Sep	74%	73%	76%	76%	
Oct	75%	74%	75%	71%	
Nov	73%	73%	76%	73%	
Dec	65%	60%	72%	65%	

**Croydon - SLWP - Factory lane  
HWRC  
Recycling Performance (excl  
Diversion)**

Month	Year				
	2009	2010	2011	2012	2013
Jan	71%	68%	72%	70%	67%
Feb	78%	71%	71%	72%	69%
Mar	76%	78%	74%	71%	71%
Apr	79%	72%	72%	73%	
May	78%	73%	72%	69%	
Jun	75%	78%	71%	73%	
Jul	74%	72%	74%	72%	
Aug	75%	72%	74%	71%	
Sep	76%	74%	71%	69%	
Oct	75%	70%	74%	67%	
Nov	74%	69%	77%	66%	
Dec	73%	66%	67%	67%	

**Croydon - SLWP - Fishers Farm  
HWRC  
Recycling Performance (excl  
Diversion)**

Month	Year				
	2009	2010	2011	2012	2013
Jan	66%	75%	71%	70%	66%
Feb	73%	70%	67%	60%	71%
Mar	79%	75%	73%	80%	74%
Apr	77%	70%	75%	74%	
May	77%	75%	72%	76%	
Jun	73%	74%	71%	74%	
Jul	74%	75%	75%	71%	
Aug	75%	72%	72%	75%	
Sep	76%	73%	72%	75%	
Oct	78%	72%	79%	71%	
Nov	74%	73%	76%	69%	
Dec	71%	57%	72%	71%	

**Croydon - SLWP - Purley Oaks HWRC  
Recycling Performance (excl  
Diversion)**

Month	Year				
	2009	2010	2011	2012	2013
Jan	75%	78%	79%	77%	72%
Feb	84%	83%	83%	73%	77%
Mar	87%	84%	84%	82%	76%
Apr	85%	81%	80%	79%	
May	85%	80%	83%	80%	
Jun	84%	84%	78%	81%	
Jul	83%	82%	81%	78%	
Aug	84%	81%	80%	77%	
Sep	86%	81%	82%	76%	
Oct	84%	82%	84%	75%	
Nov	86%	83%	83%	78%	
Dec	77%	73%	78%	73%	

**EWC / SLWP HRRC Recycling Performance**

	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>Aug</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>March</b>
2011/12	74%	75%	74%	75%	74%	75%	77%	77%	71%	73%	72%	76%
2012/13	75%	76%	76%	75%	72%	74%	72%	72%	69%	69%	72%	73%

**2012 / 13      April - March**

Recycled	35,300.57	73%
Landfill	12,812.22	27%
<b>Total</b>	<b>48,112.79</b>	

**2011/12      April - March**

Recycled	37,629.10	75%
Landfill	12,731.42	25%
<b>Total</b>	<b>50,360.52</b>	



## 4. Finance

The tables below illustrate the financial spend over the last 12 months (2012/13) on waste disposal including Bulking and Haulage.

### SLWP Contract 1 Disposal Cost

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March
Gate fee	£549,103	£665,266	£592,994	£638,421	£579,414	£675,139	£676,698	£702,617	£563,281	£646,038	£454,821	£459,345
Tax	£834,904	£1,011,528	£901,639	£970,710	£880,992	£1,026,540	£1,028,911	£1,068,321	£856,462	£982,293	£691,550	£698,428
Haulage & Bulking	£140,800	£161,548	£171,853	£151,809	£149,587	£138,449	£153,820	£151,861	£144,710	£173,623	£144,929	£107,046
<b>Total</b>	<b>£1,524,807</b>	<b>£1,838,343</b>	<b>£1,666,486</b>	<b>£1,760,940</b>	<b>£1,609,994</b>	<b>£1,840,128</b>	<b>£1,859,429</b>	<b>£1,922,800</b>	<b>£1,564,454</b>	<b>£1,801,954</b>	<b>£1,291,300</b>	<b>£1,264,819</b>

### SLWP Contract 3 Disposal cost

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March
Dry Recycling	£54,593	£59,793	£56,648	£64,421	£67,215	£62,774	£85,744	£84,534	£79,712	£83,741	£62,821	£62,643
Green & Kitchen	£100,608	£132,644	£221,034	£225,528	£221,587	£170,418	£174,416	£179,796	£109,830	£129,605	£97,150	£110,065
Residual	£83,817	£100,778	£124,789	£83,569	£83,447	£82,870	£83,817	£83,817	£88,496	£112,409	£123,128	£0
<b>Total</b>	<b>£239,018</b>	<b>£293,215</b>	<b>£402,471</b>	<b>£373,518</b>	<b>£372,249</b>	<b>£316,062</b>	<b>£343,977</b>	<b>£348,147</b>	<b>£278,038</b>	<b>£325,755</b>	<b>£283,099</b>	<b>£172,708</b>

<b>Total CNT 1</b>	£19,945,452
<b>Total CNT 3</b>	£3,748,257
<b>Total</b>	<b>£23,693,709</b>

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**Appendix 1 -Contract Management Revised Time line 2012/13**

Tasks	Officers	Aug	Sept	Oct	Nov	Dec	Jan-13	Feb	March
Contract management handover from RBK	CB, RL	CB /RL to meet 22 <sup>nd</sup> Aug to update and handover current in progress work streams.							
EWC contractual position of £500k charge for disposal cost	FS, CB, MC	On going	Contract Negotiations / Dialogue	Completed EWC formally removed their claim for £500k					
Phase A contract Performance Reports	MC, CB			Quarterly Performance report to MG				Quarterly Performance report to MG	15
Phase A contract Management	CB, MC		Monthly contract management meetings with Contractors	Monthly contract management meetings with Contractors	Monthly contract management meetings with Contractors	Monthly contract management meetings with Contractors	Monthly contract management meetings with Contractors	Monthly contract management meetings with Contractors	Monthly contract management meetings with Contractors
Phase A Indexation	CB				Forecast position assessed Prep work undertaken	MG advised on forecast and financial impact	Awaiting final agreement from Phase A review.		
Automated Weighbridge (Viridor)	CB, MC		Follow up discussion with Viridor	Recommendation / sign of by MG	Work stream on hold bending financial impact and budget restraints				

Tasks	Officers	Aug	Sept	Oct	Nov	Dec	Jan-13	Feb	March
Alternative disposal options	CB, MC				Investigative work	Progress update to MG	Work stream to form part of Phase A Review		
Addition EFW tonnage	CB, MC		Formalise Suffolk arrangement with Viridor	Financial savings assessed and paymech options sign of by MG			Work stream to form part of Phase A Review		
Explore Income opportunities from Recycling	MC, CB					Market research	Work stream to form part of Phase A Review		
Strategic Vision of Phase A Contracts	MC,CB,FS MK CS				Asses impact of Phase B procurement on Contracts 1&3	Phase A review meeting - Identifying areas of opportunity against contractual obligations	Contractual dialogue meetings with Contractors	Contractual dialogue meetings with Contractors	Contractual dialogue meetings with Contractors
Phase A Contract Management JD	M Group		Draft JD for Contract manger role	Recommend contract management Structure and roles		JWC approval of structure and for recruitment			
Handover	CB,MC								On Hold Awaiting appointment of New CM

## SOUTH LONDON WASTE PARTNERSHIP JOINT COMMITTEE

18 JUNE 2013

PARTNERSHIP BUDGET REPORTING –  
MONTH 12 OUTTURN REPORT 2012/13**SUMMARY**

This paper advises the Committee of the final outturn position of the Partnership's budget for 2012/13. The Partnership's budget covers procurement and ongoing management costs, as well as the audit fee.

The current position identifies an overspend of £7,208 against the budget to the end of March 2013. This equates to an overspend of £1,802 per Borough.

**Recommendations****It is recommended that**

1. The Joint Waste Committee notes the confirmed final outturn position for the 2012/13 Partnership budget.

**Reason for action proposed**

To ensure the Committee has appropriate oversight of the Partnership budget and is satisfied with ongoing budget management.

**BACKGROUND/INTRODUCTION**

1. This paper refers to the Partnership's budget for procurement, project management, administration, contract management and communications. The 2012/13 outturn budget position is shown in Table 1 below.

Item	Budget 2012/13 £	Outturn Spend £	Variance against budget £
Adviser Consortium	155,000	230,999	75,999
Project Management & Procurement Costs	319,000	387,409	68,409
Audit	13,000	2,500	(10,500)
Communications	200,000	56,562	(143,437)
Transition Costs	200,000	216,738	16,738
<b>TOTAL</b>	<b>887,000</b>	<b>894,208</b>	<b>7,208</b>
<b>COST PER BOROUGH</b>	<b>221,750</b>	<b>223,552</b>	<b>1,802</b>

Table 1. Budget position as at April 2013

2. Detailed budget monitoring is undertaken on a monthly basis by the Management Group. Forecast over and underspends were noted and managed as appropriate throughout 2012/13.
3. The overspend of £76K against the Adviser Consortium budget was created by the delay to close of the residual waste contract. This meant that the resource intensive period of finalisation and checking of documents moved from the 2011/12 financial year into 2012/13. This work required significant input from advisers and contributed to the achievement of significant savings on the contract in the final stages of negotiation, as previously noted to the Committee.
4. In response to this budget pressure, the Partnership closely monitored spend against each task undertaken by the advisers. Spend was minimised without affecting the advisers' ability to complete crucial work; this minimised the overspend against this budget.
5. The Procurement and Project Management Costs overspend of £68,409 is a result of the in-year requirement for additional resource for contract management and additional spend against project administration. This has enabled identification of significant spend and avoided costs on the contracts, as previously described.
6. In response to this overspend, throughout the year the budgets available for Project Management & Procurement, Communication and Transition were reviewed in order to identify savings that could be made without adversely affecting the Partnership's work.
7. The review of Project Management & Procurement identified a saving of £25K against the Partnership's Legal Lead costs, which has been included in the final budget position.
8. In addition, a significant saving of £143K was created against the Partnership's Communication budget for 2012/13. This saving meant the Partnership did not undertake all planned Communication activity for 2012/13, but resources were still available to complete crucial communications. A cross-borough communications campaign on metal recycling was also completed with additional financial support from Viridor.
9. The £17K overspend against Transition Costs is a result of additional in-year spend and the requirement for Viridor to submit revisions in January 2013. This required further public consultation and the planning committee date was moved to April.
10. The procurement budget will continue to be carefully managed and monitored by the Management Group throughout 2013/14, with regular reporting to the Joint Waste Committee.

**Background papers:** Held by Rachel Lewis, [rachel.lewis@rbk.kingston.gov.uk](mailto:rachel.lewis@rbk.kingston.gov.uk)  
Partnership Budget Reporting – **presented to the Joint Waste Committee 25 April 2013**  
South London Waste Partnership Draft 3 year Budget 2012/13-2014/15 –  
**presented to the Joint Waste Committee 22 September 2011**

**SOUTH LONDON WASTE PARTNERSHIP JOINT COMMITTEE****18 JUNE 2013****FINAL ACCOUNTS 2012/13****Report by the Director of Finance – Royal Borough of Kingston upon Thames****SUMMARY**

The Accounts and Audit Regulations require the South London Waste Partnership Accounts to be signed off for 2012/13 before they are subject to audit. The Joint Committee's functions include the scrutiny and approval of the 2012/13 Accounts and Annual Governance Statement. This report provides information to assist the Committee in this function.

**Recommendations****It is recommended that the Joint Waste Committee**

1. scrutinise and approve the draft 2012/13 accounts for audit
2. scrutinise and approve the draft 2012/13 Annual Governance Statement

**BACKGROUND**

1. Under Section 3 of the Audit Commission Act 1998, the Audit Commission is required to commission the audit of the accounts of local government bodies, including Joint Committees of two or more local authorities.
2. Up until 2010/11, the Partnership has been considered to be a larger relevant body and audited as such and in the same way as local authorities.
3. From 2011/12, following discussions with the Royal Borough of Kingston, the Auditor Appointments arm of the Audit Commission has agreed that the Partnership should in fact be audited as a smaller relevant body due to the materiality of amounts transacted in its accounts. This position has continued for the 2012/13 accounts.
4. For smaller relevant bodies, the protocols require that the accounts should be:
  - Approved by Committee for audit on or before 30 June
  - Be subject to a limited assurance audit
  - Be amended (if necessary) and published before 30 September

## ACCOUNTS FOR 2012/13

5. The change to the limited assurance audit came about in 2011/12 due to further work conducted as to what transactions should and should not be included in the Partnership's accounts. In accounting terms, the Partnership is effectively acting as an agent to its four constituent boroughs. In essence this means that the only figures that should be included in the Partnership's Comprehensive Income & Expenditure Statement should be those costs that the Partnership accrues as an entity rather than those costs of waste treatment and disposal which are incurred on behalf of the four boroughs where the Partnership is acting as an agent.

6. In detail this means that the costs of:

- Contract 1 – Waste Transport and Disposal to Landfill
- Contract 2 – Manage Household Reuse and Recycling Centres
- Contract 3 – Materials Recycling Services, Composting and Additional Treatment Services

are considered to be costs of the Partnership acting as an agent, whereas the following costs are those considered to be that of the Partnership acting as an entity and are therefore included in the Partnership accounts:

- Procurement costs
- Audit fee costs

7. With this in mind the accounts are presented in Enclosure 1, Section 1, in the format required by the limited assurance audit for smaller relevant bodies:

- Section 1 – the Accounting Statements
- Section 2 – Annual Governance Statement
- Section 3 – External Auditor's Certificate and Opinion
- Section 4 – Annual Internal Audit report

8. The accounts have been prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom 2012/13* and the *Service Reporting Code of Practice (SeRCOP) 2012/13*.

9. Along with the accounts themselves the accounting return to the auditors also requires an Annual Governance Statement (Enclosure 1, Section 2). This section details nine items that have been completed as agreed as follows:

- 1 – “We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit regulations and proper practices” – evidenced by the agenda items of this meeting.
- 2 – “We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness” – evidenced by Section 3 of the annual return and RBKs annual governance statement which outlines its approach to prevention and detection of fraud and corruption.
- 3 – “We have taken reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice and could have significant financial effect on the ability of the council

to conduct its business or on its finances.” – evidenced by the conduct of the joint committee and its officers.

- 4 – “We provided proper opportunity during the year of the exercise of elector’s rights in accordance with the Accounts and Audit Regulations” – evidenced by the posting of a notice of the right to inspection of the accounts on the Partnership’s website.
- 5 – “We carried out an assessment of the risks facing the body and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.” – evidenced by the Partnership’s risk register and minutes of meetings where risks have been discussed.
- 6 – “We maintained throughout the year an adequate and effective system of internal audit of the council accounting records and control systems” – evidenced by section 3 of this return.
- 7 – “We took appropriate action on all matters raised in reports from internal and external audit.” – evidenced by minutes of meetings discussing audit findings.
- 8 – “We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after year end, have a financial impact on the body and, where appropriate have included them in the accounting statements” – evidenced by year end accounting procedures in identifying possible provisions or contingent liabilities.

10. The Annual Governance Statement is required to be signed by the Chair of the SLWP Joint Committee and the Chair of the SLWP Management Group.

11. The final section (4) of the return requires a statement from the internal auditors concerning the internal control environment of the Partnership. The items have been addressed in the return as follows:

- A – “Appropriate books of account have been kept properly throughout the year” – covered by recent Partnership internal audit report
- B – “The body’s financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for” – covered by recent Partnership internal audit report
- C – “The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these” – covered by recent Partnership internal audit report and Partnership risk register
- D – “The annual taxation or levy or funding requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate” – covered by RBKs internal key financial audits.
- E – “Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.” – covered by recent Partnership internal audit report
- F – “Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for” – Not covered as the Partnership does not hold any petty cash or use petty cash in its transactions.
- G – “Salaries to employees and allowances to members paid in accordance with council approvals, and PAYE and NI requirements were properly applied” – Not covered as the Partnership does not directly employ staff. Host boroughs incur costs and charge the Partnership through a management fee



- H – “Assets and investments registers were complete and accurate and properly maintained” – Not covered as the Partnership does not hold any assets or investments.
- I – “Periodic and year-end bank account reconciliations were properly carried out” – covered by RBKs internal key financial audits.
- J – “Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded” – covered by RBKs internal key financial audits.

12. The internal audit section is signed by the RBK auditor who conducted the work.
13. The Accounts and the Annual Governance Statement (Enclosure 1, sections 1 and 3) are required to be approved by the Committee through a formal approval in the meeting minutes.

### **AUDIT OF THE ACCOUNTS 2012/13**

14. The auditors appointed by the Audit Commission to carry out the 2012/13 audit are Littlejohn LLP at a fee of £2,500
15. The accounts will be subject to audit and published with any amendments before 30 September. The Committee will be updated at its next meeting.

### **EQUALITY IMPACT ASSESSMENT IMPLICATIONS**

16. None

### **ENVIRONMENTAL IMPLICATIONS**

17. None

### **Background papers held by:**

Toby Clarke,  
Capability Lead – Finance Accounting,  
Royal Borough of Kingston upon Thames  
Tel: 020 8547 5668  
Email: [toby.clarke@rbk.kingston.gov.uk](mailto:toby.clarke@rbk.kingston.gov.uk)

1. Accounts and Audit Regulations
2. SeRCOP & Code of Practice

## **Small Bodies** in England

# **Annual return for the year ended 31 March 2013**

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**Small relevant bodies in England with an annual turnover of £6.5 million or less must complete an annual return in accordance with proper practices summarising their annual activities at the end of each financial year.**

The annual return on pages 2 to 5 is made up of four sections:

- **Sections 1 and 2** are completed by the person nominated by the body.
- **Section 3** is completed by the external auditor appointed by the Audit Commission.
- **Section 4** is completed by the body's internal audit provider.

**Each body must approve this annual return no later than 30 June 2013.**

### **Completing your annual return**

Guidance notes, including a completion checklist, are provided on page 6 and at relevant points in the annual return.

Complete all sections highlighted in red. Do **not** leave any red box blank. Incomplete or incorrect returns require additional external audit work and may incur additional costs.

Send the annual return, together with your bank reconciliation as at 31 March 2013, an explanation of any significant year on year variances in the accounting statements and any additional information requested, to your external auditor by the due date.

Your auditor will identify and ask for any additional documents needed for audit. Therefore, unless requested, do **not** send any original financial records to the external auditor.

Audited and certified annual returns will be returned to the body for publication or public display of sections 1, 2 and 3. You must publish or display the audited annual return by 30 September 2013.

It should not be necessary for you to contact the external auditor or the Audit Commission directly for guidance.

More guidance on completing this annual return is available in the Practitioners' Guides for either local councils or internal drainage boards. These publications may be downloaded from the National Association of Local Councils (NALC) or Society of Local Council Clerks (SLCC) websites ([www.nalc.gov.uk](http://www.nalc.gov.uk) or [www.slcc.co.uk](http://www.slcc.co.uk)) or from the members area of the Association of Drainage Authorities website ([www.ada.org.uk](http://www.ada.org.uk)).

## Section 1 – Accounting statements 2012/13 for:

Enter name of reporting body here: South London Waste Partnership

	Year ending		Notes and guidance Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.
	31 March 2012 £	31 March 2013 £	
1 Balances brought forward	0	0	Total balances and reserves at the beginning of the year as recorded in the body's financial records. Value must agree to Box 7 of previous year.
2 (+) Income from local taxation and/or levy	0	0	Total amount of local tax and/or levy received or receivable in the year including funding from a sponsoring body.
3 (+) Total other receipts	829,432	962,720	Total income or receipts as recorded in the cashbook less income from taxation and/or levy (line 2). Include any grants received here.
4 (-) Staff costs	0	0	Total expenditure or payments made to and on behalf of all body employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5 (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the body's borrowings (if any).
6 (-) All other payments	-829,432	-962,720	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7 (-) Balances carried forward	0	0	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)
8 Total cash and short term investments	0	0	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – to agree with bank reconciliation.
9 Total fixed assets plus other long term investments and assets	0	0	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the body as at 31 March
10 Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

I certify that for the year ended 31 March 2013 the accounting statements in this annual return present fairly the financial position of the body and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

SIGNATURE REQUIRED

Date DD/MM/YYYY

I confirm that these accounting statements were approved by the body on:

DD/MM/YYYY

and recorded as minute reference:

MINUTE REFERENCE

Signed by Chair of meeting approving these accounting statements:

SIGNATURE REQUIRED

Date DD/MM/YYYY

## Section 2 – Annual governance statement 2012/13

We acknowledge as the members of    our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2013, that:

	Agreed –		'Yes' means that the body:
	Yes	No*	
1 We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.	✓		prepared its accounting statements in the way prescribed by law.
2 We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3 We taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice that could have a significant financial effect on the ability of the body to conduct its business or on its finances.	✓		has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.
4 We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		during the year has given all persons interested the opportunity to inspect and ask questions about the body's accounts.
5 We carried out an assessment of the risks facing the body and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered the financial and other risks it faces and has dealt with them properly.
6 We maintained throughout the year an adequate and effective system of internal audit of the body's accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of the body.
7 We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
8 We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the body and where appropriate have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.

This annual governance statement is approved by the body and recorded as minute reference

dated

Signed by:

Chair

dated

Signed by:

Clerk

dated

**\*Note:** Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how the body will address the weaknesses identified.

## Section 3 – External auditor certificate and opinion 2012/13

### Certificate

We certify that we have completed the audit of the annual return for the year ended 31 March 2013 of:

South London Waste Partnership ENTER REPORTING BODY NAME HERE

### Respective responsibilities of the body and the auditor

The body is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The body prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2013; and
- confirms and provides assurance on those matters that are important to our audit responsibilities.

our responsibility is to conduct an audit in accordance with guidance issued by the Audit Commission and, on the basis of our review of the annual return and supporting information, to report whether any matters that come to our attention give cause for concern that relevant legislation and regulatory requirements have not been met.

### External auditor report

(Except for the matters reported below)\* on the basis of our review, in our opinion the information in the annual return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (\*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the body:

(continue on a separate sheet if required)

External auditor signature

External auditor name  Date

**Note:** The auditor signing this page has been appointed by the Audit Commission and is reporting to you that they have carried out and completed all the work that is required of them by law. For further information please refer to the Audit Commission's publication entitled *Statement of Responsibilities of Auditors and of Audited Small Bodies*.

# Section 4 – Annual internal audit report 2012/13 to <sup>9</sup>

ENTER REPORTING BODY NAME HERE

The body's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2013.

Internal audit has been carried out in accordance with the body's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the body.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A Appropriate accounting records have been kept properly throughout the year.	✓		
B The body's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D The annual taxation or levy or funding requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F Petty cash payments were properly supported by receipts, all expenditure was approved and VAT appropriately accounted for.			✓
G Salaries to employees and allowances to members were paid in accordance with body approvals, and PAYE and NI requirements were properly applied.			✓
H Asset and investments registers were complete and accurate and properly maintained.			✓
I Periodic and year-end bank account reconciliations were properly carried out.	✓		
J Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and, where appropriate, debtors and creditors were properly recorded.	✓		

For any other risk areas identified by the body (list any other risk areas below or on separate sheets if needed) adequate controls existed:

No other risks identified

Name of person who carried out the internal audit: JILL PAIN (PRINT NAME)

Signature of person who carried out the internal audit: JMP (SIGNATURE REQUIRED) Date: 07/06/13

**\*Note:** If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**\*\*Note:** If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).

## Guidance notes on completing the 2012/13 annual return

- 1 You must apply proper practices for preparing this annual return. Proper practices are found in the *Practitioners' Guides\** which are updated from time to time and contain everything you should need to prepare successfully for your financial year-end and the subsequent audit. Both NALC and SLCC have helplines if you want to talk through any problem you may encounter.
- 2 Make sure that your annual return is complete (i.e. no empty red boxes), and is properly signed and dated. Avoid making any amendments to the completed return. But, if this is unavoidable, make sure the amendments are drawn to the attention of and approved by the body, properly initialled and an explanation is provided to the external auditor. Annual returns containing unapproved or unexplained amendments will be returned unaudited and may incur additional costs.
- 3 Use the checklist provided below. Use a second pair of eyes, perhaps a member or the Chair, to review your annual return for completeness before sending it to the external auditor.
- 4 Do not send the external auditor any information not specifically asked for. Doing so is not helpful. However, you must notify the external auditor of any change of Clerk, Responsible Financial Officer or Chair.
- 5 Make sure that the copy of the bank reconciliation which you send to your external auditor with the annual return covers **all** your bank accounts. If your body holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree your bank reconciliation to Box 8 on the Accounting statements. **You must provide an explanation for any difference between Box 7 and Box 8.** More help on bank reconciliation is available in the *Practitioners' Guides\**.
- 6 **Explain fully** significant variances in the accounting statements on page 2. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that **you** understand the reasons for all variances. Include a complete analysis to support your explanation. There are a number of examples provided in the *Practitioners' Guides\** to assist you.
- 7 If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which the auditor will make a charge.
- 8 Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2012) equals the balance brought forward in the current year (Box 1 of 2013).
- 9 **Do not complete section 3.** The external auditor will complete it at the conclusion of their audit.

Completion checklist – 'No' answers mean you may not have met requirements		Done?
All sections	All red boxes have been completed?	
	All information requested by the external auditor has been sent with this annual return? Please refer to your notice of audit.	
Section 1	Approval by the body confirmed by signature of Chair of meeting approving the accounting statements?	
	An explanation of significant variations from last year to this year is provided?	
	Bank reconciliation as at 31 March 2013 agreed to Box 8?	
	An explanation of any difference between Box 7 and Box 8 is provided?	
Section 2	For any statement to which the response is 'no', an explanation is provided?	
Section 4	All red boxes completed by internal audit and explanations provided?	

**\*Note:** *Governance and Accountability for Local Councils in England – A Practitioners' Guides*, is available from NALC and SLCC representatives or *Governance and Accountability for Internal Drainage Boards in England – A Practitioners' Guides*, is available from the ADA at The Association of Drainage Authorities, 12 Cranes Drive, Surbiton, Surrey, KT5 8AL or from the NALC, SLCC or ADA websites - see page 1 for addresses.