

North Yorkshire County Council

Transport, Economy & Environment Overview and Scrutiny Committee

23 January 2018

Allerton Waste Recovery Park – Update report

1.0 Purpose of Report

- 1.1 To update Members on current progress of the long term waste treatment project (Allerton Waste Recovery Park) prior to Planned Service Commencement (31 January 2018)

2.0 Background

- 2.1 The long term waste treatment project procurement began in 2006 and there have been a number of key decisions and project milestones since the initial tenders were invited in September 2007.
- 2.2 The project was procured with a ‘split’ approach to Commercial and Financial Close. Commercial Close is when the parties agree the commercial deal (i.e. what they want to achieve) and Financial Close is when the parties agree the finance arrangements and cost. Commercial Close took place on 26 August 2011 and Amey then achieved a Satisfactory Planning Permission before submitting a funding package for the project.
- 2.3 After extensive review by the Council team and external advisors, the final updates to the Contract were made and the decision to progress to Financial Close was presented to Full Council on 24 September 2014. This report detailed the business case and financial assessment to enable the project to progress through Financial Close within the Affordability envelope set out by the Council. The report can be accessed via the following link
<http://democracy.northyorks.gov.uk/committees.aspx?commid=17&meetid=2300>
- 2.4 Financial Close for the project took place in London on 30 October 2014 where final contractual documentation was signed and sealed, and funding for the project was drawn down. Total debt secured by Amey was just under £320m – with just under half being supplied by the European Investment Bank. The remainder was provided in equal amounts by GIB and four other commercial banks.

3.0 Project progress

- 3.1 Allerton Waste Recovery Park (AWRP) treats waste through a series of processes including mechanical separation of recyclable materials (known as “Mechanical Treatment” or “MT”), anaerobic digestion (“AD”) and thermal treatment through incineration and generation of electricity (known as “Energy from Waste” or “EfW”).
- 3.2 The MT plant will separate metals, plastics and paper and is capable of sorting up to 408,000 tonnes per annum (“tpa”), although the planning consent limits the throughput of AWRP to 320,000 tpa.
- 3.3 The MT plant will also separate approximately 40,000 tpa of organic waste for treatment through the AD plant. The AD plant uses microbes to break down the organic waste in the absence of air to produce a gas and compost like output known as digestate.

- 3.4 The gas from the AD process is used to generate renewable electricity. The digestate and remaining waste will be burnt in the EfW. The heat from the EfW is used to produce steam and drive a turbine which produces electricity for export to the national grid – enough to power around 40,000 homes – a town roughly the size of Harrogate. There is a contractual target to recycle a minimum of 5% of Contract Waste processed through AWRP.
- 3.5 Amey commenced development on 5 January 2015 and have progressed well with the construction and commissioning processes. The facility is due to commence full operations on 31 January 2018. A short video can be viewed by accessing this link <https://vimeo.com/235238044/2786aea465>
- 3.6 The AWRP project began the cold commissioning phase in April 2017 where individual systems were tested and brought online. First waste was delivered to the facility on 31 July 2017 and the first waste was processed through the energy from waste facility on 10 August 2017.
- 3.7 A visitor and education centre known as Claro House is also currently under construction. This is a key part of the AWRP facility and will host visits and site tours from schools, members of the public and interested parties. Claro House will be available from commencement of services at AWRP.
- 3.8 There is an Independent Tester who was jointly appointed by the Councils, Funders and Amey at Financial Close. They are responsible for signing off that the facility is capable of delivering the Service under the Contract and are currently in the process of certifying the Facility. Once the Take-Over Test Certificates have been issued for each part of AWRP, the 25 year Services period will commence.
- 3.9 As part of the AWRP s106 planning agreement, a Landscape and Cultural Heritage Fund was set aside to help fund projects which mitigate the visual and landscape impacts of the development within an area of benefit. The value of the fund was £839,500 and was launched in October 2015 being administered by Two Ridings Community Foundation. Since then, over £400,000 worth of project funding has been distributed in the small (up to £1000), medium (up to £10,000) and large grants scheme (up to £50,000). Information about the projects can be found on Two Ridings website www.trcf.org.uk.

4.0 Approach to Contract Management

- 4.1 The waste management team is preparing for the operational phase of the contract by developing key procedures, plans and a Contract Management Manual. This suite of documents will be used to enable delivery of routine and reactive contractual obligations over the life of the contract.
- 4.2 A specialist advisor has been brought in to assist with the development of the Contract Management Manual and interpretation of key contract schedules. An action plan and process documents have been produced identifying time bound activities for key areas such as payments and performance management. An example of the performance section of the Contract Management Manual has been included at Appendix 1. The overall Manual will include a wide range of processes and procedures covering all key areas of the contract including routine and reactive elements.
- 4.3 The team also has procured an intelligent document management system called Affinitext. Affinitext has a powerful search function and provides pop up definitions, clause to clause linkages and interactive clauses showing previous contractual amendments.

- 4.4 The work developing the Contract Management Manual and other documents has enabled the team to produce a comprehensive list of contractual obligations and tasks. This information has been inputted into Affinitext and the system sets email alerts for time bound actions. Screen shots are included at Appendix 2 showing the task list, library and an example of a document. The system allows notes, tasks and key information to be pinned to specific clauses and all members of the team who have access can view this information.
- 4.5 The team employed dedicated resources to monitor the construction and commissioning phases of AWRP to ensure the Contractor complies with the Authority Requirements and Contractors Proposals schedules when delivering the AWRP facility. The role compliments the work of the Independent Tester and has a regular presence on site. An extract from the compliance matrices are shown in Appendix 3. This shows a small portion of the overall compliance work – there are over 2000 individual compliance records. Evidence of contractual compliance is being uploaded to the Affinitext system for other team members to view.
- 4.6 There is a large amount of data for the AWRP project primarily relating to payments and performance measurement. A project is currently nearing completion to produce a Management Information System. This system will take information collected by Amey (primarily from their weighbridge) and produce invoices including any performance deductions that may occur in each contract month.
- 4.7 The system will provide more resilience in the team and robust contract management arrangements. Screenshots have been included at Appendix 4. This system will be extended to other areas of work undertaken by the waste team including managing the Yorwaste and Waste Transfer Station contracts.
- 4.8 North Yorkshire County Council has a joint contractual arrangement in place with City of York Council to deliver the AWRP contract. Both Councils will provide waste to the facility and share contractual payments. A Joint Waste Management Agreement was put in place at Commercial Close in 2011 and is now in the process of being amended and restated for the operational phase of AWRP.

5.0 Recommendation

- 5.1 To note the contents of this report updating Members on progress of the AWRP project and preparation for Contract Management of the Operational phase.

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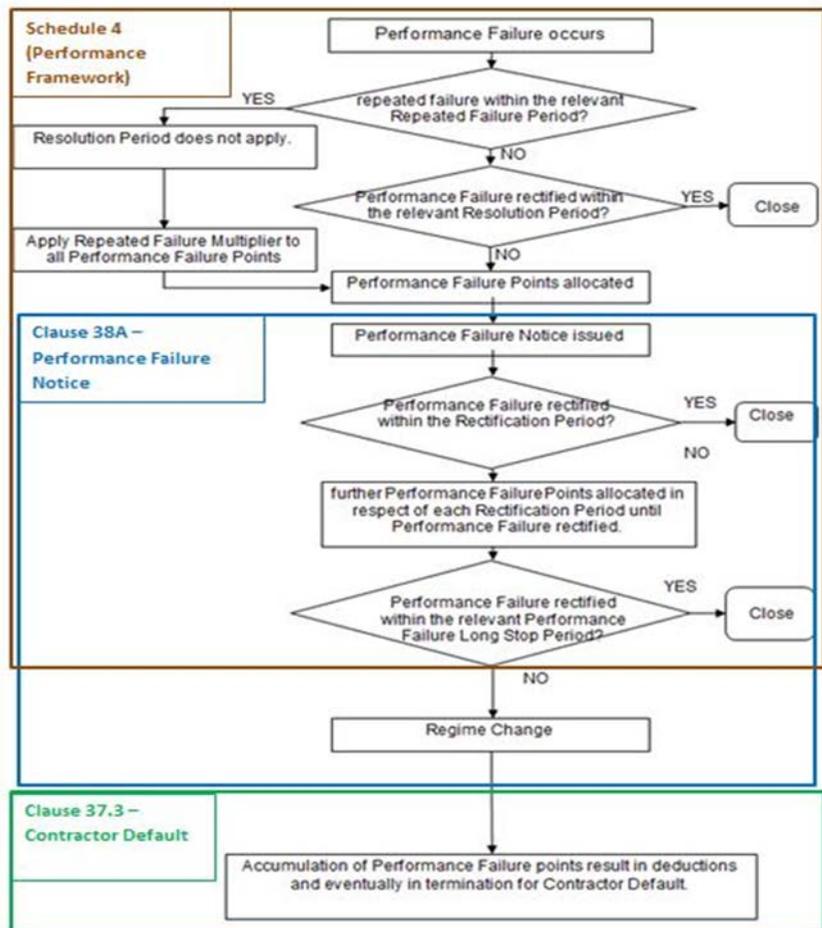
Background documents: None

Appendices:

- Appendix 1 – Example of an element of the performance monitoring section of the Contract Management Manual
- Appendix 2 – Affinitext screenshots of task list, library and example of a schedule
- Appendix 3 – Compliance Matrices screen shot of small element of monitoring sheet
- Appendix 4 – Management Information System excerpts

Appendix 1 – Example of an element of the performance monitoring section of the Contract Management Manual

Schematic of Performance Monitoring Regime Appendix 1
Schedule 4 – Figure 1



Performance Failure Log (complete one form per Performance Failure)

KPI Number	Description		
Detected by	Contractor/Authority*		
Repeated Performance Failure? (Ref Table 1 + Table 2; Column 11)	Y/N*	No. Performance Failures for KPI	Repeated Failure Multiplier
Explain why Performance Failure occurred			
Remedial action initiated	Date	Time	
Remedial action taken and outcome			
Remedial action effected	Date	Time	
Performance Failure Points (Refer to Schedule 4 (Performance Framework))	Use detail/formula Table 2; Column 8 to calculate Performance Failure Points		Points
	Detail:		
	Apply Repeated Failure Multipliers in Table 1 (if applicable)		
	Detail:		
PERFORMANCE FAILURE POINTS TOTAL			

* Delete as appropriate

Appendix 2 – Affinix screenshots of task list, library and example of a schedule.

D	Subject	Description	Status	Priority	Project	Category	Target Date	Book	Location
3946	Authority may extend Service Period by 5 years	Authority to provide Contractor 12 months notice in writing	Open	Low	Allerton Waste R...	Contract Mo...	31 Jan, 2042 8817 days remain	Project Agreement	PART 1 - Preliminary 3 Commencement and Du 3.2 Extension of the Ser
3971	Contractor will deliver an executed transfer deed etc	Contractor to provide executed transfer deed together with relevant title deeds and releases from any financial charges	Open	Low	Allerton Waste R...	Contract Mo...	31 Jan, 2043 9182 days remain	Project Agreement	PART 2 - Land Issues 8 Property provisions 8.1 Lease Transfer on L
3972	Services will be available on or before PSCD	Contractor shall carry out the design and the construction, completion, commissioning and testing of the works so the Services are available	Open	High	Allerton Waste R...	Contract Mo...	31 Jan, 2018 51 days remain	Project Agreement	PART 3 - The Works 9 The Works 9.1 Obligation to Carry

This screenshot shows the Affinix software interface for a project library. The main window displays a grid of icons representing different schedules under the heading 'Project Agreement (37 items)'. The icons are arranged in three rows and ten columns, with the last row containing only two icons. A left-hand sidebar shows a hierarchical tree view of the project structure, including folders for 'Project Agreement' and 'Schedules'. The top navigation bar includes options like 'Add', 'Edit', 'Copy', and 'Export To Excel'.

This screenshot shows a detailed view of a specific schedule within the Affinix software. The title is 'Schedule 1 - Authority's Requirements (Project Agreement)'. The main content area displays the text of the schedule, which is organized into sections: '3 SCOPE OF THE SERVICE', '4 QUALITY ASSURANCE', and '5 ENVIRONMENTAL PROTECTION AND MANAGEMENT'. The text includes specific requirements for performance levels, waste management, and reporting. The interface includes a top navigation bar with options like 'Web view', 'Zoom in', and 'Copy link', and a right-hand sidebar with a search and filter function.

Appendix 3 – Compliance Matrices screen shot of small element of monitoring sheet

Allerton Waste Recovery Park - MT & AD Contractual Compliance										
	Summary of compliance items for MT and AD	No of items in section that require info	Action or drawings	Procurement	Specification	Visual	Working as intended	Complete	Required	% complete
	Schedule 2 part 1		1	2	3	4	5			
30	Mechanical Treatment	1	1	1	1	1	0	4	5	80.00
31	MT Facility Unavailability	7	7	7	7	7	6	34	35	97.14
32	Ferrous Metal	3	3	3	3	3	3	15	15	100.00
33	Non-Ferrous Metal	2	2	2	2	2	2	10	10	100.00
34	Plastic	2	2	2	2	2	0	8	10	80.00
35	Paper and Card	2	2	2	2	2	0	8	10	80.00
38	Anaerobic Digestion Facility	9	9	9	9	6	0	33	45	73.33
39	Anaerobic Digestion Plant Unavailability	3	3	3	3	3	2	14	15	93.33
49	Partial Unavailability	1	1	1	1	1	0	4	5	80.00
76	Fire Safety	7	7	7	7	7	4	32	35	91.43
	Total items identified in Sch 2 Part 1	37	37	37	37	34	17	162	185	87.57
	Schedule 2 part 2									
4	Mechanical Treatment and AD process area	2	2	2	2	2	2	10	10	100.00
8	Supply	1	1	1	1	1	0	4	5	80.00
9	Services	1	1	1	1	1	0	4	5	80.00
15	Fire Protection	3	3	3	3	3	1	13	15	86.67
16	Civil Engineering	1	1	1	1	1	0	4	5	80.00
19	Bunkers	10	10	10	10	10	10	50	50	100.00
20	Waste Feed Cranes	3	3	3	3	3	1	13	15	86.67
21	MT facilities	7	7	7	7	7	5	33	35	94.29
22	AD Facility	5	5	5	5	5	3	23	25	92.00
35	Ventilation System	5	5	5	5	5	0	20	25	80.00
37	Lighting Systems	6	6	6	6	3	0	21	30	70.00
38	Telephone and Internet connection	3	3	3	3	1	0	10	15	66.67
39	Mechanical Treatment Plant Equipment's	22	22	22	22	22	3	91	110	82.73
40	AD Plant	11	11	11	9	5	0	36	55	65.45
42	Noise Performance	1	1	1	1	1	0	4	5	80.00
43	Design Life	4	4	4	4	3	0	15	20	75.00
50	Fire Protection	18	18	18	18	15	8	77	90	85.56
51	Standards and Regulations	3	3	3	3	2	0	11	15	73.33
	Total items identified in in Sch 2 Part 2									82.83
	Schedule 2 Total no of items currently identified for compliance	143	143	143	141	124	50	601	715	84.06

Appendix 4 – Management Information System excerpts

