

ARC21 JOINT COMMITTEE
Virtual Meeting No 83
MINUTES
Tuesday 5 December 2023

Members Present:

Councillor M Goodman (<i>Chair</i>)	Antrim & Newtownabbey Borough Council
Councillor A Cathcart	Ards & North Down Borough Council
Councillor T Kelly	Belfast City Council
Councillor A Givan	Lisburn & Castlereagh City Council
Alderman S Skillen	Lisburn & Castlereagh City Council
Councillor P Kennedy	Lisburn & Castlereagh City Council
Councillor G McKeen (<i>Deputy Chair</i>)	Mid & East Antrim Borough Council
Councillor C Enright	Newry, Mourne & Down District Council
Councillor T Andrews	Newry, Mourne & Down District Council

Members' Apologies:

Councillor E McLaughlin	Antrim & Newtownabbey Borough Council
Alderman P Michael	Antrim & Newtownabbey Borough Council
Councillor C Blaney	Ards & North Down Borough Council
Councillor J Cochrane	Ards & North Down Borough Council
Councillor B Smyth	Belfast City Council
Councillor E McDonough-Brown	Belfast City Council
Councillor R Quigley	Mid & East Antrim Borough Council
Councillor A Wilson	Mid & East Antrim Borough Council
Councillor K Murphy	Newry, Mourne & Down District Council

Officers Present:

T Walker	arc21
H Campbell	arc21
K Boal	arc21
B McKeown	arc21
J Green	arc21
M Lavery	Antrim & Newtownabbey Borough Council
L Daly	Antrim & Newtownabbey Borough Council
C Matthews	Belfast City Council
J McConnell	Belfast City Council
B Murray	Belfast City Council
J Knox	Lisburn & Castlereagh City Council
D Carey	Mid & East Antrim Borough Council

Officers' Apologies:

D Lindsay	Ards & North Down Borough Council
N Martin	Ards & North Down Borough Council
R Harvey	Lisburn & Castlereagh City Council
P Thompson	Mid & East Antrim Borough Council
A Cassells	Newry, Mourne & Down District Council

In attendance for Items 9-11

Ms Nicola Coles and Mr John Martin, Audit Governance & Risk Services Belfast City Council (AGRS)
Mr Nigel Rainey, Northern Ireland Audit Office (NIAO)

Mr Walker advised that there was a new addition to the Conflicts of Interest statement to be read at the beginning of the meeting which explicitly requested that Members register Gifts and Hospitality.

Action: Noted

He further advised that the next meeting of the Joint Committee would take the form of a hybrid meeting, and was scheduled to be held on Thursday 25 January, hosted by Antrim & Newtownabbey Borough Council at Antrim Civic Centre. He requested if Members could advise of their “*in-person*” attendance to Ms Heather Campbell by 11 January in order for her to confirm numbers and to permit the Council to make appropriate arrangements. However, should only six Members or less be able to confirm their ability to attend in person, Mr Walker highlighted that the meeting would then revert to online only and Members would be notified accordingly.

Action: ALL

Item 1 - Conflicts of Interest, Gifts and Hospitality Statement

The Chair read out the Conflicts of Interest, Gifts and Hospitality Statement, and none were noted.

Item 2 - Apologies

Apologies were noted.

Action: Noted

Item 3 - Minutes of Joint Committee Meeting 082 held on 26 October 2023

The Joint Committee approved the minutes. Proposed by Councillor Enright and seconded by Councillor McKee.

Action: Agreed

Item 4 - Matters Arising

There were no specific matters arising, and updates on relevant issues were provided during the meeting.

Action: Noted

IN COMMITTEE

The Chair recommended that the meeting would now move “*in committee*” which was agreed. Proposed by Councillor Enright, seconded by Councillor Givan.

Matters of a confidential and commercially sensitive nature were discussed under these agenda items.

Following discussion on the commercially sensitive matters, the Chair recommended that the meeting would now return to the main agenda, which was approved, but whilst “*In Committee*” during this section of the meeting, there were seven matters discussed.

- | | |
|---------------|---|
| Item 5 | Minutes of Joint Committee Meeting 082 held on 26 October 2023 ‘in committee’ (approved) |
| Item 6 | Matters Arising |
| Item 7 | Residual Waste Treatment Project (approved) |

Item 8	Commercially Sensitive Contract & Procurement Issues (<i>approved</i>)
Item 9	Audit Committee Report: Internal Audit progress report (<i>noted</i>)
Item 10	Audit Committee Report: Update on the corporate risk register (<i>noted</i>)
Item 11	Audit Committee Report: NI Audit Office reports (<i>noted</i>)

OUT OF COMMITTEE

Proposed by Councillor Andrews, seconded by Councillor Givan, and agreed by all.

Item 12 - Governance Report

(i) Belfast Castle Offices

Mr Walker advised that the lease for the arc21 offices at Belfast Castle expired on 30 Nov 2023 but, following an exchange of emails with the Council regarding delays in the issuance of the new lease agreement, this had temporarily been extended until 31 Mar 2024 on the present terms.

He noted that the new lease agreement offer was again for 5 years, with an annual cost of £25,400, which includes a break at year 3 at the discretion of either party. There was also a separate annual service charge which covers costs such as electricity, heating, security, cleaning etc, at an annual cost of circa £10,000.

The Joint Committee approved the lease renewal. Proposed by Councillor Kennedy and seconded by Councillor Enright.

Action: Agreed

(ii) Corporate Plan Update

Mr Walker reported on the development of the new Corporate Plan 2024-2028 and presented a paper on the skeleton Corporate Plan, along with the consultant's draft findings from the internal staff workshop and stakeholder interviews for Members' consideration. He advised that it was hoped to present a first draft Corporate Plan early in the New Year in order to allow Members to review the initial work and ensure that delivery of the Plan is completed in a reasonable timescale to permit its issuance for consultation with the constituent councils.

The Joint Committee noted the development of the skeleton Corporate Plan and the proposed timetable. Proposed by Councillor Enright and seconded by Councillor Givan.

Action: Noted

Mr Walker was asked to leave the meeting for this discussion.

(iii) Extension of Acting Chief Executive Secondment Term

The Chair presented a report in regard to the proposed extension of the Acting Chief Executive's secondment term.

Discussion ensued regarding the length of extension, the Belfast City Council terms of secondment, the SIB/SoLACE paper on future waste management arrangements and the direction of the constituent councils.

Following discussion, it was agreed to extend Mr Walker's extension for two years to December 2025, subject to approval by Belfast City Council, and the Chair and Deputy Chair would continue to review the situation. Proposed by Councillor McKeen and seconded by Councillor Givan.

Action: Agreed

Mr Walker returned, along with other officers who had left the meeting.

Item 13 - Contracts & Operations Briefing Report

Service Status

Ms Boal reported that all services were operational during the month of October 2023. She advised that one contractor had to use contingency arrangements for the organics contract as there was a weighbridge failure.

Performance

She reported that turnaround times had been reviewed for October and in nearly all cases, the contractors provided adequate reasons where the contract service level has been exceeded.

She noted that number of loads going into the organics was beginning to fall, but this was seasonal and as expected.

She advised that there had been no reporting issues this month.

In terms of the bottle banks, in October she noted that there were 2 x Bottle Bank sites, 1 x Textile Bank (LCCC) and 1 x Paper Skip (ANBC) that did not have the specified capacity available. The contractors were notified, these banks were serviced as soon as possible and no Service Credits had been applied this month.

Health and Safety Incidents

During October she noted that there were 2 x Health & Safety incidents reported to arc21 by contractors and these related to landfill services provided to arc21 by a contractor. She advised that arc21 had contacted NWP and asked for them to liaise with their staff and sub-contractors to ensure that these incidents do not re-occur and for an assurance that they abide by site rules at all times.

Rejected Loads

Ms Boal reported that there had been no contaminated loads delivered into the MRFs, however there had been 2 rejected loads into the Organics delivery sites in October. Again, officers were asked to continue to review their protocols to ensure that systems are in place so that vehicles are fully emptied before collecting another material stream.

arc21 Contract Tonnages

The contract tonnages for October 2023 were presented as follows:

- an increase of 13.6% for MDR material delivered into Bryson;
- a 0.8% increase for MRF Lot 2 for MDR material delivered to ReGen;
- a 13.5% increase for Type 1 material for the Organics Contract;
- an increase of 20.9% for type 2 material for the Organics Contract; and

- a 25.6% decrease for the Landfill Residual Waste Contract. No residual waste was sent direct to landfill by BCC in October 2023.

Supplies

Ms Boal provided a summary of the aspects pertinent to the supplies contract and noted that there had been no non-compliances.

Persistent Organic Pollutants – Working Group

Ms Boal provided an update on the Persistent Organic Pollutants (POPs) which she advised was currently focused on domestic soft seating and that arc21, along with councils across Northern Ireland, were waiting on the Regulatory Position Statement (RPS) to be issued by DAERA.

She advised that the first meeting of a working group looking into POPs had taken place on 18 Oct. The group was comprised of representatives from DAERA, NIEA Regulatory Enforcement Division and councils. She advised that no representatives from NIEA were present at the first meeting.

The key discussion points and actions arising were noted in her report and she highlighted the following:

- It is clear that councils would have no input in terms of the design of the RPS but, in terms of fact finding, DAERA was keen to understand what impacts it was likely to have on councils. Also, in terms of the way DAERA was talking about managing the materials, it was likely there would be an impact on councils, the financial impact is still to be determined on how councils would be allowed to treat them at the end.
- It is likely when the RPS is issued, DAERA would move relatively quickly to avoid the material continuing to go to landfill.
- The issue for arc21 will be to see whether any materials like this which are currently going through residual interim processes could still be treated in this manner and, if not, then the cost impact for the constituent councils could be significant. There are also issues in the way councils collect their materials and the way they store materials when they come into their HRCs.

As an outworking of the meeting, she advised that it had been agreed that a survey would be completed by councils, and DAERA took away a number of points particularly on how councils were currently handling the material from the meeting to consider. DAERA emphasised that even if new “*New Burdens*” funding was available, it would be unlikely to make its way to councils.

She noted that it had been anticipated that the group would meet on a six-weekly basis, but no further meeting date had been set. An update was sought regarding the issue of the RPS but to date no clarity had been provided.

Following discussion, the Joint Committee noted the report. Proposed by Councillor Enright and seconded by Councillor Givan.

Action: Noted

Item 14 - Waste Tonnage Trends

Ms Boal presented a report showing the waste tonnage trends for waste delivered into the arc21 contracts and highlighted the following:

- Combined landfill - not a lot of change when compared to last year considering the BCC tonnage has now been taken out.
- Organics - November was the end of the contract year and shows that the amount of material coming out of the HRCs (Type 1) was up by 5.7% on the previous year and the mixed food and garden waste, or separately collected food waste, (Type 2) was up 3.17%, but neither at the levels that they were in the two years prior to that which was a bumper year.

She noted that there was an enhancement in the contract for giving a rebate back for all the material that has been collected through the kerbside collections over and above the 100k, and that this calculation would be completed over the next couple of weeks. It was anticipated that once this was complete, it would quantify whether the tonnage thresholds had been reached which could mean there would be a rebate issuable to the councils. She noted that arc21 is also considering the mass balance share to see whether any third-party revenue share is due to be rebated and will report back accordingly, along with providing an update on the MRF revenue share position.

- MRF – Lot 1 higher when compared to the last 4 years and Lot 2 on lower end but when combined arc21 tonnages are in a similar position as to that of 2020/21.

The other contracts were also presented in graph form for information.

She reported that the NI waste statistics for 2023/23 had just been released by NIEA and advised that these were gathered through the information councils input quarterly into WasteDataFlow. She noted that at a high level, the report shows that recycling percentages have remained static, whilst landfill tonnages had fallen slightly and energy from waste tonnages had increased slightly. She advised that the arc21 recycling rate was deemed to be 48.9% which was just slightly below the NI average of 49.7%.

She highlighted two headline figures from the tables presented in the report as follows:

- looking at the total municipal waste it fell regionally from just over a million to 971k, and in arc21 it fell 6% from 610k to 574k which is encouraging but she noted that arc21 still needed to consider the other recycling and landfill rates presented for the constituent councils against the rest of NI as a whole.
- arc21 was still landfilling over 29% of the material overall and the collective recycling rate was 48.9% - slightly below the NI rate, and that could be a particular challenge for councils to increase these figures.

She advised that arc21 continues to wait for DAERA to issue the consultation paper on future waste collections guidance for NI.

Following discussion, the Joint Committee noted the report. Proposed by Councillor Givan and seconded by Councillor Enright.

Action: Noted

Item 15 - Update On Digital Waste Tracking

Ms Boal provided a report to update the Committee in relation to Mandatory Digital Waste Tracking. She advised that the Government response to the consultation, which took place in 2022, had been published in Oct and the aim of the system is to track waste and resources in real time throughout the economy. The tracking system is intended to replace the existing requirements to complete waste transfer notes and hazardous waste consignment notes.

She noted that this is due to be introduced from 2025 and will:

- *provide a comprehensive way to see what is happening to the waste produced in the UK;*
- *help support more effective regulation of waste;*
- *help businesses comply with their duty of care with regards to waste;*
- *help us move towards a more circular economy by enabling us to maximise the value we extract from our resources; and*
- *reduce the ability for waste criminals to operate and undercut legitimate businesses through their systemic mishandling of waste, illegal exports, and fly tipping.*

She noted that, whilst most of waste policy is a devolved matter, Government and the devolved administrations have agreed to work together to develop a UK-wide waste tracking service to provide a seamless system across the whole of the UK. As such, Government's and environmental regulators across the UK have reviewed the responses provided and worked together to agree the positions set out in this document. The final decision for Northern Ireland will be made by a future DAERA minister.

The key implications of the consultation response from a council perspective were presented in the report. Other key general aspects were also noted in the report.

She advised that a discussion had been held at the last Steering Group meeting following which it was agreed that contact would be made with the DAERA to develop greater understanding of the proposals and the associated resource implications for councils. As it was unclear what aspects would be subject to final Ministerial decision and what the timescale for implementation would be, it was anticipated that any correspondence would also seek to clarify these points.

Following discussion, the Joint Committee noted the report. Proposed by Councillor Enright and seconded by Councillor Givan.

Action: Noted

Item 16 - Benchmarking Report 2021-22

Mr Walker presented Members with the outcome from the final benchmarking exercise undertaken for the 2021/22 year comparing its cost and performance against similar local government waste management partnerships in GB year-on-year.

The aim of the benchmarking review was to identify good practice, to take advantage of opportunities to improve its services to its constituent councils (and others) and to provide the Joint Committee with an assurance in terms of arc21's performance.

He advised that this was the fourth review using the same methodology as in prior years to compare arc21 with five other waste management organisations which had similar governance models to arc21, typically with a number of Members appointed to the governing body on behalf of each representative council including: North London Waste Authority; East London Waste Authority; West London Waste Authority; Merseyside Recycling and Waste Authority; and Somerset Waste Partnership.

He reported that arc21 had a lower cost base than the benchmarked collaborations and noted:

- *total cost per head of population is £30.35, compared to an average of £59.10 for the other partnerships; and*
- *there is also a lower contract cost per tonne of £89.09, compared to £122.89 for the other partnerships.*

He advised that this performance had been consistent throughout each of the four survey years.

He reported that this was the last of the planned annual benchmarking reviews as arc21 was approaching the end of the current Corporate Plan. Once the new Corporate Plan was finalised, arc21 would consider if further benchmarking exercises would be relevant, appropriate and economical.

Councillor Enright inquired if arc21 had considered other partnerships which may be more comparable and outside the London area (e.g. Scotland), however Mr Walker advised that there were few that served more than one council area and neither Scotland or Wales formed similar partnerships. As there were few similar council groupings in GB, this is why Somerset and Merseyside had also been included which would also permit greater consideration of the issues between rural and urban settings. He offered to provide further details for any Member who might be interested.

He added that there was an issue with regard to the reserves position which had been highlighted in the report, where it shows that arc21's reserves as 4.1% of turnover, was much lower compared to 17.55% for the other partnerships. He added that as a consequence of this situation arc21 was operating in a high-risk litigious market to support activities on behalf of its constituent councils, but with lower level of reserves. The Chair suggested that this could be discussed in more depth at the next meeting.

Following discussion the Joint Committee noted the report, proposed by Councillor Givan and seconded by the Chair.

Action: Noted

Item 17 - AOB

There was no further business discussed.

Item 18 - Next Meeting Thursday 25 January 2024 (hybrid) to be hosted by Antrim and Newtownabbey Borough Council in the Antrim Civic Centre.

The Chair thanked everyone for attending, the officers for their reports and cooperation in completing the agenda and wished everyone a Happy Christmas. He concluded saying that he looked forward to seeing everyone again in the New Year.

Date: 25 January 2024

Acting Chair: Councillor Alan Givan