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Economy, Skills and Natural Resources Group

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Llywodraeth Cymru
Welsh Government

October 2018

Procuring Residual and Food Waste Treatment Capacity

Thank you for the recommendations included in your report *Procuring Residual and Food Waste Treatment Capacity* published on 11 October 2018. Please see the Welsh Government's response to your recommendations below.

R1 *The projections for the three residual waste projects in the Programme assume that, across the 14 councils involved, the overall amount of residual waste will increase through the lifetime of the contracts. If these projections are accurate then something significant would have to occur beyond 2040 to reach zero waste across these council areas by 2050. If the projections are not accurate then there is the risk that councils will pay for capacity they do not need. We recommend that the Welsh Government:*

- *in reviewing the Towards Zero Waste strategy, considers how its ambition of there being no residual waste by 2050 aligns with current projections for residual waste treatment; and*
- *works with councils to consider the impact of changes in projections on the likely cost of residual waste projects and any mitigating action needed to manage these costs.*

The Welsh Government will consider the technical, environmental, economical and practical solutions with managing current and future residual waste treatment demand, in accordance with the Welsh Government's ambition of zero waste by 2050.

The Welsh Government will keep under review future residual waste projections, and ongoing work to minimise residual waste, and work with local authorities to efficiently manage their residual waste contracts.

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



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R2 *The Welsh Government's programme support to date has mainly focused on project development and procurement. Now that most of the projects are operational, the focus has shifted to contract management. We recommend that the Welsh Government continue its oversight of projects during the operational phase by:*

- building on its existing model of providing experienced individuals to assist with project development and procurement and making sure input is available to assist with contract management if required;*
- setting out its expectations of councils regarding contract management;*
- ensuring partnerships revisit their waste projections and associated risks periodically, for example to reflect updated population projections or economic forecasts; and*
- obtaining from partnerships basic management information on gate fees paid, amount of waste sent to facilities and quality of contractor service.*

The Welsh Government is continuing its oversight of projects during the operational phase, building on our existing model as recommended, through provision of experienced individuals to assist with contract management and operational performance.

Our support to the partnerships includes:

- Providing ongoing assistance with the proactive management of the contract
- Providing contract management training and carrying out contract management reviews re-enforcing expectations of councils regarding good contract management
- Providing the first port of call on contractual or commercial matters arising, obtaining and reviewing contract management information including gate fees paid, amount of waste processed and service quality and performance information.

As part of good contract management, the Welsh Government expects that partnerships will periodically consider their waste projections, as well as other contract risks. The Welsh Government will continue to assist partnerships in undertaking these considerations, as part of the ongoing support provided.

JASPER ROBERTS

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