

VALUE FOR MONEY IMPLEMENTATION PROGRESS REPORT

Review:	Domestic Waste	Flag	GREEN (Overall)
Report Date	15 May 2018	Report Period	March – May 2018

Status Overview for the Review

On 27 February 2018 the Finance and Performance Committee considered the implementation and progress consideration for responding to the S17A – Domestic Waste Review. In response the committee resolved to:

- note that the strategic actions arising from the Domestic Waste: Value for Money (S17A) Review have been included in the draft Waste Management and Minimisation Plan 2018 and will be implemented once the plan is approved (subject to public feedback).
- note that the final Waste Management and Minimisation Plan 2018 will be presented to the Environment and Community Committee for approval by June 2018.
- approve additional budget of up to \$150,000 operational expenditure to fund an independent review of the value and options for Auckland Council's ownership of key waste assets and services.

The strategic actions include:

- Preparing a plan of actions to advance the Zero Waste objective in the growing non-domestic waste segments,
- Developing site waste management plans,
- Developing an economic evidence base to quantify the environmental and other impacts of landfills
- Undertaking market research with households and businesses.

These actions have been included in the draft Waste Management and Minimisation Plan 2018. Consultation on the draft plan finished on 28 March 2018 and the Hearing Panel has met to hear oral submissions. The final plan will be presented to the Environment and Community Committee for adoption on 12 June 2018. If approved, staff will then implement the relevant S17A actions.

As described in the key initiatives sections below, a number of the S17a operational items have already been completed or integrated into business as usual. For example, businesses cases are being developed for all major new waste initiatives and grant applications will be made to the Ministry of the Environment's Waste Minimisation Fund for any services that are eligible. A grant application has been made to the Ministry of Environment fund in May 2018 for support for the establishment costs for three sites within the Resource Recovery Network.

The scope of the business case to evaluate options for the ownership of non-strategic waste assets has been confirmed and a contractor is now being procured. An update on the outcomes of this will be provided in December 2018 to the relevant committee.

At this time the independent business case will evaluate the ownership of the non-strategic waste assets and the associated service delivery. This evaluation will inform the benefit opportunity both social and monetary, and as a result the monetary benefit is currently to be confirmed.

Benefit Realisation

Benefit opportunity \$m	Benefit forecast \$m	Variance to opportunity \$m	Benefit realised \$m	Variance to forecast \$m	Benefit realisation plan developed	RAG
TBC	TBC	-	-	-	-	

Commentary

Work on the Section 17A Value for Money Review is proceeding according to schedule. Adoption of the draft Waste Management and Minimisation Plan in June 2018 will signal a key milestone, enabling many of the Section 17A review recommendations to be implemented. There are no significant issues that need resolving.

Benefit Forecast (per period)											
2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
-	TBC	-	-	-	-	-	-	-	-	-	TBC

Benefit Realised (per period)											
2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
-	TBC	-	-	-	-	-	-	-	-	-	TBC

Key Initiatives

Initiative	Start Date	Completion Date	Flag	Work plan achievements
#1. Total waste stream focus	Nov 17	Ongoing		A proposal to expand the council's focus beyond domestic waste to the whole waste stream has been included in the draft Auckland Waste Management and Minimisation Plan 2018. Consultation on the draft plan is now complete and the final plan will be presented to Environment and Community Committee for their adoption on 12 June 2018. This will be implemented from July 2018 if approved through the plan.
#2. Non-strategic asset review	Feb 18	Dec 18		A scope for the business case to evaluate options for the ownership of non-strategic waste assets has been confirmed and a contractor is now being procured. An update on the findings will be provided to the relevant committee in December 2018.
#3. Domestic waste funding	Nov 2017	Ongoing		<p>i) <i>Recommendation to submit new services to central government Waste Minimisation Fund if they are eligible:</i> No new service has been introduced during the update period that qualifies for funding from the Ministry's grant scheme. However, an application for funding to support establishment of three sites within the Resource Recovery Network will be submitted to the May 2018 round.</p> <p>ii) <i>Recommendation to develop business cases for all new initiatives and carry out benchmarking exercise.</i> Strategic assessments are underway to inform a business case for Radio Frequency Identification tags for refuse bins. Work on the benchmarking exercise has not yet started.</p>
#4. Review of council's waste grants scheme	Nov 17	Dec 18		<p>A proposal to continue the council's Waste Minimisation and Innovation Fund has been included in the draft Auckland Waste Management and Minimisation Plan 2018. This will be implemented from July 2018 if it is approved through the plan.</p> <p>A review of the fund to identify any opportunities for improvements and efficiencies is underway. A report outlining any recommended changes will be provided to Environment and Community Committee by December 2018.</p>

#5. Promote national waste grants scheme				Staff have consulted with Ministry for the Environment staff who have confirmed that this action is not required. Government advice for applicants is already provided on the Ministry for the Environment's website and creating council resources would duplicate these.
#6. Site waste management plan	July 18	Ongoing		This has been included in the draft Auckland Waste Management and Minimisation Plan, as an action for council and council-controlled organisation's infrastructure projects. This will be implemented from July 2018 if approved through the plan.
#7. Lift economic discipline				The draft Auckland Waste Management and Minimisation Plan 2018 includes actions to undertake more evidence gathering to assess the evidence base for diverting waste from landfill and carry out household behaviour studies. These will be implemented from July 2018 if approved through the plan
#8. Landfill levy research				Research on the costs-benefits of increasing the landfill levy has been completed with reports commissioned from SLR and Eunomia. A proposal to continue council advocacy to raise the landfill levy is included in the draft Auckland Waste Management and Minimisation Plan 2018. This will be implemented from July 2018 if approved through the plan.
#9. Outcomes driven waste contracting				Implementing outcome-based contracting will be considered as part of the procurement plan being currently developed for waste collection contracts. This procurement plan has been delayed to incorporate any changes as a result of the 2018 Waste Management and Minimisation Plan and outcomes of the non –strategic assets review. It will be presented to Strategic Procurement committee by the end of 2018.

Flag information

Green - Work will progress as planned, due date will be met or if the due date has been revised it will not affect the project critical path or a dependent project.

Amber - Due date has or will possibly be missed and this may affect the project critical path or a dependent project, or an issue has arisen that may affect this project or a dependent project.

Red - Due date has or will imminently be missed and this will affect the project critical path or a dependent project, or an issue has arisen that will negatively impact this project or a dependent project.

Commentary:

Project comment is required that briefly describes progress made and any issues that have arisen.

All milestones due in the next three months require comment that briefly describes progress made and any issues that have arisen.

If the status is **Amber** or **Red** the comment must include a reason why and what action or suggested action is to be taken.

Risk

An uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives. A risk is measured by a combination of the probability of a perceived threat or opportunity occurring, and the magnitude of its impact on objectives.

Issue

A relevant event that has happened, was not planned, and requires management action. It can be any concern, query, and request for change, suggestion or off specification raised during a project. Project issues can be about anything to do with the project.