

1. DRAFT TERMS OF REFERENCE FOR THE REVIEW OF WASTE MINIMISATION AND DISPOSAL

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The purpose of this report is to present for approval the draft terms of reference for the review of the significant activity "Waste Minimisation and Disposal".

BACKGROUND

The Budget Scrutiny and Audit Special Committee has approved a rolling programme of reviews of significant activities (as set out in the Annual Plan) and this review is part of the rolling programme.

It is anticipated that each review will generally address the following:

- Identification of current Council resolutions and policy relating to the activity
- Analysis of three year forward budget expenditure and funding methods
- Analysis of 10 year capital programme including the status of significant capital projects, implication of programme for operating costs and key drivers of the capital programme
- Identification of statutory and discretionary activities
- Projects, programmes and outputs where duplication may exist with other public sector providers, the not-for-profit sector and the private sector.
- Realistic options for changes to services and to levels of service
- Review of service delivery arrangements, including any changes in the recent past, comparative/benchmark costs where available. Realistic options for methods of service delivery, including co-ordination with other Council services, joint service provision with other agencies.

The above to be considered in a triple bottom line framework.

The base year for comparisons will be the current financial year (2001/02).

The issues identified through the review process will be reported to the Sustainable Transport and Utilities Standing Committee as part of the consultation process and the Chair (or nominee) of the Committee is to be invited to join the Budget Scrutiny and Audit Special Committee as a non-voting member for the duration of the review.

The officer responsible for reporting review issues and outcomes to the Committee is the Principal Adviser, Director of Operations, Ken Lawn. The review team formed for each review is to be independent of the unit managing the outputs under review, much in the same way that the Budget Scrutiny and Audit Special Committee is independent of the Standing Committees. This independence will be balanced by the Unit Manager and key staff attending review team meetings and being provided with the opportunity to state their viewpoint direct to the Committee where this is different to the conclusions reached by the review team.

WASTE MINIMISATION AND DISPOSAL

Background notes covering the outputs, funding, structures and issues relating to the Waste Minimisation and Disposal business are tabled.

Council resolutions, policy and strategy relating to this business will be collated as part of the review process.

REVIEW OBJECTIVES

The review will report to the following objectives:

1. To identify the major cost (operational and capital) and revenue drivers for the previous six years and the next five financial years (operating) (including a comparison against actual and forecast CPIs for this period) and 10 years (capital) and based on these to evaluate options to reduce costs and/or increase revenues
2. To review all current contractual arrangements relating to waste minimisation, management, collection and disposal to ensure that:

3. To review management and governance structures to ensure that:
 - there is no duplication in roles and responsibilities, and therefore additional costs; and
 - they support the achievement of Council agreed waste minimisation goals and targets.
4. To review Council owned waste minimisation and disposal infrastructure to ensure that Council investment is best utilised to achieve Council agreed goals and objectives.
5. To review options for alternative levels of service.
6. To review each output to determine which are statutory and/or discretionary activities and to ensure that the most appropriate method of service delivery is in place in light of potential and actual duplications and the roles of other service providers.

The review will be undertaken within a triple bottom line framework.

PROJECT TEAM AND REVIEW TIME-FRAMES

The project team for the review is as follows:

Ken Lawn – Director of Operations, Project Sponsor
Bob Lineham – Director of Finance, Project Leader
Independent person(s) – candidates to be advanced for consideration
Chris Kerr and Lorie Jean Roff – Business Improvement
Richard Simmonds – Finance Directorate
Nick Dean – City Solutions and City Water and Waste Accountant
Representative of the New Zealand Business Council for Sustainable Development

The review is to commence in February 2002 and be completed by June 2002.

The Budget Scrutiny and Audit Special Committee resolved:

1. *That the above terms of reference for the review of Waste Minimisation and Disposal be approved.*
2. *That the report be referred to the Sustainable Transport and Utilities Committee for information.*

Recommendation: That all matters relating to the above report and to the Protocol For The Input of Standing Committees to the Budget Scrutiny Review Committee be deferred pending a meeting of the chairs of all Committees and the Chair of the Budget Scrutiny and Audit Special Committee.