

Public Document Pack

NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

TUESDAY, 25TH SEPTEMBER, 2018

SUPPLEMENTARY AGENDA

Please find attached supplementary papers relating to the above meeting, as follows:

Agenda No Item

- a) 6A - ITEM REFERRED FROM OVERVIEW AND SCRUTINY COMMITTEE: 18 SEPTEMBER 2018 - INFORMATION NOTE: MOBILISATION OF WASTE, RECYCLING AND STREET CLEANSING CONTRACT (Pages 1 - 44)
- a) 6B - ITEM REFERRED FROM LETCHWORTH COMMITTEE: 19 SEPTEMBER 2018 - TRANSFER OF LETCHWORTH GARDEN CITY MUSEUM COLLECTIONS FROM NORTH HERTFORDSHIRE DISTRICT COUNCIL (NHDC) MUSEUM SERVICE TO THE LETCHWORTH GARDEN CITY HERITAGE FOUNDATION (LGCHF) GARDEN CITY COLLECTION (Pages 45 - 46)
- a) 6C - ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE: 24 SEPTEMBER 2018 - RISK MANAGEMENT (Pages 47 - 74)

12. **NORTH HERTFORDSHIRE MUSEUM AND HITCHIN TOWN HALL: ACQUISITION OF 14/15 BRAND STREET** (Pages 75 - 78)

REPORT OF THE DEPUTY CHIEF EXECUTIVE

The purpose of this report is to further advise Cabinet of the progress of discussions for the acquisition of 14 and 15 Brand Street from Hitchin Town Hall Ltd (HTHL).

15. **NORTH HERTFORDSHIRE MUSEUM AND HITCHIN TOWN HALL: ACQUISITION OF 14/15 BRAND STREET** (Pages 79 - 108)

REPORT OF THE DEPUTY CHIEF EXECUTIVE

To advise Cabinet on the confidential aspects of the progress of discussions for the acquisition of 14 and 15 Brand Street from Hitchin Town Hall Ltd (HTHL).

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**OVERVIEW AND SCRUTINY COMMITTEE
18 SEPTEMBER 2018**

***PART 1 – PUBLIC DOCUMENT**

ITEM 6A

TITLE OF REPORT: ITEM REFERRED FROM OVERVIEW AND SCRUTINY COMMITTEE: 18 SEPTEMBER 2018 – 37. INFORMATION NOTE: MOBILISATION OF WASTE, RECYCLING AND STREET CLEANSING CONTRACT

Extract from the draft Minutes of the Overview and Scrutiny Committee meeting held on 18 September 2018

37. INFORMATION NOTE: MOBILISATION OF WASTE, RECYCLING AND STREET CLEANSING CONTRACT

The Chairman advised that the item would be considered in the following order:

1. Referral from Hitchin Committee;
2. Referral from Southern Rural Committee;
3. Presentation of the Information Note;
4. Debate and Questions.

1. Referral from Hitchin Committee

The Chairman of Hitchin Committee presented the following referral from that Committee, made at its meeting held on 11 September 2018, in respect of The New Waste Contract.

“Members discussed the recent experiences of Hitchin residents regarding the operation of the Waste Contract and made numerous observations regarding the current operation of the new waste contract.

RECOMMENDED TO THE OVERVIEW AND SCRUTINY COMMITTEE: That the comments made by the Hitchin Committee, as noted in the Minutes, be considered when discussing the new waste contract at the meeting due to be held on 18 September 2018.”

2. Referral from Southern Rural Committee

The Chairman of the Southern Rural Committee presented the following referral from that Committee, made at its meeting held on 13 September 2018, in respect of Experiences Regarding the New Waste Contract.

“Members discussed the recent experiences of Southern Rural residents regarding the operation of the Waste Contract and made numerous observations regarding the current operation of the new waste contract.

RECOMMENDED TO THE OVERVIEW AND SCRUTINY COMMITTEE: That the comments made by the Southern Rural Committee, as noted in the Minutes, be considered when discussing the new waste contract at the meeting due to be held on 18 September 2018.”

3. Presentation of the Information Note

The Service Manager – Waste and Recycling made a PowerPoint presentation regarding the information note entitled Mobilisation of Waste, Recycling and Street Cleansing Contract

Representatives from Urbaser made a PowerPoint presentation regarding the new waste contract.

The Chairman announced a brief adjournment to enable Members to consider the information contained in the presentations.

4. Debate and Questions

The Chairman advised that she was aware that there were likely to be some issues raised by members, for example employment matters, which would need to be discussed in Part 2.

She asked Officers to indicate whether their answer to an issue would include Part 2 information and suggested that all of those points be collected for discussion once all Part 1 issues had been debated.

The Chairman advised that she would like to keep as much debate as possible in Part 1 for the benefit of the public in attendance.

Following a lengthy session of questions and a thorough debate it was:

RESOLVED:

- (1) That a Task and Finish type review of the waste contract be undertaken shortly following the publication of the SIAS review of the service;
- (2) That the following issues be referred to the Task and Finish review mentioned in (1) above:
 - (i) Why a decision was made to mobilise the contract in an unreasonable timescale;
 - (ii) Why, when there was such a short mobilisation period, was a decision made to make major changes to the service in what were already challenging circumstances, rather than delay the implementation of changes to the service for one year;
 - (iii) Why sufficient staff resources were not made available prior to implementation of the contract;
 - (iv) What happened when high volumes of calls were received in terms of systems and staff;
 - (v) Consider the differences between area where the service worked well and those where the service was poor.
- (3) That the Service Manager- Waste be requested to publish details of the statistics regarding reports of missed bins and calls made regarding this and communicate the details publicly;
- (4) That the Service Manager Waste be requested to develop a communication strategy that includes Members that ensures they are kept updated on a

regular basis and enables them to bring issues to the attention of Urbaser and/or the waste team;

RECOMMENDED TO CABINET:

- (1) That all efforts are made to ensure that staff resources within NHDC are sufficient to meet the needs of the service;
- (2) That a plan demonstrating the actions to be taken in order to bring the Waste and Recycling Service to a “business as usual” status be published and communicated publicly;
- (3) That Cabinet confirm that a contingency plan detailing what will happen should the current contract continue to underperform is in place;

REASON FOR DECISION: To enable the Overview and Scrutiny Committee to consider the information note entitled Mobilisation of Waste, Recycling and Street Cleansing Contract and make relevant resolutions and recommendations to Cabinet.

[Note: the Information Note and Appendices to which this referral relates is attached.]

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TITLE OF INFORMATION NOTE : MOBILISATION OF WASTE, RECYCLING AND STREET CLEANSING CONTRACT

INFORMATION NOTE OF THE SHARED SERVICE MANAGER, WASTE AND RECYCLING

EXECUTIVE MEMBER – WASTE MANAGEMENT, RECYCLING AND ENVIRONMENT

PRIORITY - RESPONSIVE AND EFFICIENT

1. SUMMARY

1.1 The purpose of this report is to provide information and evidence to the committee regarding the mobilisation of waste, recycling and collection services from the start of the new contract in May 2018. This report will outline the issues which have lead to service failures, identifying current risks, work undertaken to improve service standards and ongoing work and limitations.

2. INTRODUCTION

2.1 NHDC and EHC procured a joint waste, recycling and street cleansing contract which went live on 6th May 2018 and resulted in a change of contractor. The contract covers approximately 121,700 households and 220,000 collections per week across approximately 4300 streets. The waste collection service comprises of the separate collection of residual waste, dry mixed (commingled) recycling, paper, textiles, batteries, garden waste (for subscribers) and food waste.

2.2 The impact on the individual collection streams has been different. Missed collections have been higher across all services with the majority of collection issues relating to garden waste and food waste services. Residual waste collections have been least affected, followed by dry mixed recycling, albeit that we had problems with the collection of textiles and batteries on some collection rounds.

2.3 Week 1 of the new contract created some difficulties for EHC with some of the hire fleet being incompatible with landfill manoeuvres. This led to multiple breakdowns and delays to collections through the first week.

2.4 Weeks 2 and 3 saw these problems settle down for EHC but new problems arise for NHDC. The contractor Straight Ltd failed to deliver all the 23l caddies and this was not identified until the end of the delivery schedule. This led to around 900 properties beginning the food waste service without caddies.

2.5 The data load of garden waste customers into the Whitespace Powersuite system (the software package which runs and monitors collection services) was inaccurate. This was due to mismatches between addresses inputted by customers and the National Land and Property Gazetteer database and how the matching process was set up.

2.6 By the end of Tuesday in Week 2, the phone systems in North Herts were crashing due to the number of calls coming in about missed bins. Identifying the properties with missing data was pain staking and time consuming and initially we were unaware of what had caused the errors.

2.7 It was initially believed this affected 1500 properties but call volumes suggested the problem was likely greater. The decision was taken to reload the data and undertake a property matching exercise manually to correct incorrect addresses. The majority of these data issues were resolved on 7 June 2018.

2.8 By week 3 it was also clear that food waste collections were problematic with large numbers of missed streets being identified, crews worked on the Saturday of that week to catch up but collections the following Monday demonstrated that the 'collection' problems were more than just crews and agency staff getting used to new collection rounds. Some imbalance in collection rounds was identified and Urbaser put in manual round changes to improve this over the following weeks.

2.9 The use of in-cab has been temperamental mainly due to the hire fleet not always charging units effectively. As the permanent fleet has been gradually delivered, the reliability of the in-cab units has improved. All crews were issues with paper 'back up' round information should they find the in-cab stopped working. The short mobilisation period impacted the delivery of permanent vehicles. See section 4.2.3 for further details on the mobilisation period.

2.10 Additional administrative staff were brought in by Urbaser to help manage contacts in week 3 but there were additional impacts of residents using online forms to log missed bins. These currently don't automatically link to Whitespace so create an email, which then has to be manually entered into Whitespace we are finding a good percentage of these would not be entitled to have missed bins collected, either they haven't paid, weren't due a collection or were out of time reporting. By the end of week 3 the client team were informed that there was a backlog of 2000 outstanding emails.

2.11 Collection problems improved slightly, however during week 9 it was evident that unrest amongst staff was leading to further disruption to collections. Further additional resource in terms of supervision, administration and collection staff were added into the contract to try to alleviate the problems and improve resident contact.

2.12 Ongoing analysis of missed collections has identified that collection staff require more training in the in-cab systems in order to ensure that they full identify the properties requiring collections. Work is currently continuing to look at whether improvements can be made to the in-cab systems to ensure that sub streets, courtyards and flats can be viewed more simply in the system.

2.13 A lack of knowledge of rural collection locations has been a problem for some properties and the client team and Urbaser management team are continuing to work on ensuring collection staff have sufficient information about how to access and find the properties.

3. STEPS TO DATE

3.1 This information note is provided at the request of members of the Overview and Scrutiny Committee at the meeting on 12th June 2018.

3.2 Unanswered questions have been collated from the above meeting and will be answered as part of this report, giving consideration to the ongoing nature of some service failures. Answered questions are provided in Appendix A.

4. INFORMATION TO NOTE

4.1 At the meeting of overview and Scrutiny on 12 June 2018 Members requested additional information regarding the service failures being experienced by residents in particular relation to garden waste and food waste collections. Responses to questions from that meeting which were outstanding are below:-

4.2 What can the Council do to ensure that the public has faith in its ability to deliver future large scale contracts / projects?

4.2.1 The entire project has been managed by a team of experienced officers from NHDC and EHC as well as oversight being applied by the Project Board. Both the officer team and Project Board have continued to review the risks associated with the roll out of new services at the start of a new contract. In any project it is not always possible to foresee the full impact of all risks.

4.2.2 Joint contracts for major services present unique challenges that are not relevant to large scale projects where only NHDC is the commissioner. Ensuring the public has faith in large joint contracts with other Councils could mean that we risk assess the amount of time we set aside for negotiations and discussions with partnering Councils and Members and any additional delay which may result as a consequence of decisions being 'called in'.

4.2.3 The reduction in the mobilisation period of the contract from 1 year to 5 months has played a significant part in the progression of the mobilisation of the contract. The majority of this reduction was due to a change in the requirements of the specification to include garden waste charging and a change in the customer service requirements.

4.2.4 A key learning point from the procurement of this contract is ensuring that the impacts of any delay on future projects are fully explored and understood. This is particularly important for service related contracts where a seamless transition is required on a set date and where a delay can not impact on service start date.

4.2.5 SIAS will be undertaking an audit during this financial year of the contract procurement and management. The Council will review any findings from the audit and ensure these are considered for future projects.

4.2.6 Overview and Scrutiny were provided details of the procurement evaluation model in September 2017 and scrutinised the decisions surrounding the award of the contract on 9 October 2017 and 8 November 2017.

4.3 Why did the Council not spot earlier that the process of paying for brown bin services was not operating effectively?

4.3.1 Officers identified that there were elevated numbers of contacts and service problems within two days however the causes of the problems were not initially identified predominantly due to staff prioritising responding to complaints and reduced staffing levels in the client team.

4.3.2 The cause was twofold and in part related to residents providing address details in a bespoke manor, with the payment system not linking to the corporate addressing system. Mandatory fields were added to improve the address data collected but this did not help where residents misspelt words or mistyped postcodes. This was particularly problematic for the corporate system for taking payments which was used in addition to the online payment portal provided by Urbaser. The 'kiosk' was used for cash payments and card payments by residents visiting the DCO, residents were able to add a payment for the service with very little information attached regarding where the service should be provided.

4.3.3 The second problem with the data load related to how the matching was undertaken and how many address fields were used to match data. For example some errors occurred where there was more than one street of the same name in the district.

4.3.4 The short mobilisation period (which included the Christmas holiday period) significantly impacted on the amount of time available for the payment systems to be set up in time for payments to be taken from 5th February. Any delay in the implementation would have negatively impacted on the number of residents who signed up for the service.

4.3.5 It is not yet clear why the data loading errors were not sufficiently identified at the time of the load and why they were only discovered later. The client team is in ongoing discussions with Whitespace and Urbaser to identify why loading errors were not identified.

4.3.6 During the mobilisation of any contract there is a significant amount of work required for a client team in continuing to get a contract fully operational. This work was and is, still ongoing with staff having to balance the expectations of the public with their responsibilities towards managing the contract. The short mobilisation time meant that a full compliment of reports had not been set up and tested at contract start.

4.4 What might the Council do in response to complaints that payments were made for a brown bin collection service that was not delivered as advertised in the initial month?

4.4.1 Officers are responding to all complaints coming into the service, either by telephone, email or letter. The majority of residents received a service. A further proportion of residents received a service which was delayed due to missed collections caused by data problems.

4.4.2 A smaller proportion of residents (487 or 1.8% of the 27215 customers) have experienced more than one missed collection for garden waste up until the end of August, these are being investigated to determine the causes. In most instances these relate to initial data loading issues, crews unfamiliarity with collection locations, particularly in rural areas, an imbalance of work on collection rounds and some staff behavioural problems.

4.4.3 The normal process for the management of missed bins is that a resident is able to either report direct to the Urbaser helpdesk by telephoning the Freephone 0800 number, by emailing the Urbaser team or by completing an online form, which is subsequently emailed to Urbaser. The client team is aware that residents found difficulty with all of these channels of communication which was a consequence of the volume of contacts being received.

4.4.4 In addition the client team also began to receive direct contacts regarding missed bins, due to the volume of contacts being received by the waste client team, vacancies in the team and planned annual leave due to the summer holidays complaints are not being responded to within 10 days. The auto-response being sent by the Council has been adjusted to reflect this.

4.4.5 The client team are also responding to a large number of complaints regarding single missed bins. It is not usual for a single missed bin to be considered as a formal complaint however it is clear that the expectations regarding the service standards are high. In particular, regarding the charged garden waste collection services.

4.4.6 The Council took immediate steps to mitigate the disruption to residents in the initial month and one such step was to collect all brown bins until the Council had resolved the data issues between Whitespace and the garden waste payment portal. This took place over a two week cycle.

4.4.7 The Council also held additional meetings with the contractor to discuss options from improving service standards and included discussions regarding the management of missed collections. Following these discussions, the contractor increased resources to assist with catching up on missed collections. However, it is appreciated that this has not yet resulted in the whole District receiving a good service. Going forwards, the contractor is maintaining the additional resources until it is clear that a good service can be provided within the tendered resources.

4.4.8 Table of Additional Missed Collection Crews

Week Ending	Mon	Tue	Wed	Thu	Fri	Sat
13.05.18	BH-0	3	3	3	3	0
20.05.18	3	3	1	1	1	1
27.05.18	3	3	1	1	1	1
03.06.18	2	2	1	1	1	2
10.06.18	2	3	2	2	2	1
17.06.18	3	3	2	2	2	2
24.06.18	3	2	2	2	2	1
01.07.18	3	3	1	1	1	1
08.07.18	3	3	2	2	2	2
15.07.18	3	3	2	2	2	2
22.07.18	3	3	2	2	2	3
29.07.18	3	3	2	2	2	3
05.08.18	3	3	2	2	2	1
12.08.18	3	3	2	2	2	3
19.08.18	3	3	3	2	2	2
26.08.18	BH- 0	4	4	3	2	0

4.4.9 A significant proportion of staff are proactively supporting the management team by undertaking additional overtime to rectify and catch up missed collections swiftly, this has amounted to, on average, approximately 290 hours per week.

4.4.10 Recruitment of permanent staff has been undertaken by Urbaser and additional permanent staff have been in post since early September.

4.5 Could consideration be given to putting back the start of the 2019/20 payment period by perhaps a month to reflect this delay?

4.5.1 This decision remains a decision for Cabinet. The Council is aware of calls for compensation and is currently considering all options and a decision will be made once the full extent of the disruption is known.

4.5.2 2267 properties out of 27215 (8.3%) customers experienced one or more missed garden waste collections between the start of the contract and end of July 2018. The majority of missed collections were rectified before the next collection however the data is not accurate enough to provide full details on these figures.

4.5.3 There are considerable costs to the Council should an extension to the service period be considered. These relate to both administrative costs in relation to updating the IT system for any extension. Or administrative costs associated with investigating individual claims if this was considered and the loss of income for providing a free service for a period or the cost of providing refunds.

4.5.4 There would also need to be consideration of the potential for additional communication costs to inform residents of any decision regarding an extension to the initial service period.

4.5.5 The cost of an extension per month to the 19/20 budget would be £90,700 based on current membership of the scheme.

4.5.6 The provision of the garden waste service is regulated by Chapter 4 of the Consumer Rights Act 2015. In particular, section 56 sets out a consumer's right to an appropriate price reduction. This right arises where the provider has failed to perform the services with reasonable skill and care and within a reasonable time. A right to a reduction is only available where a consumer cannot require repeat performance or there is a failure to provide repeat performance within a reasonable time.

4.5.7 Section 52 (3) of the Act confirms that a reasonable time is a question of fact. Unfortunately there is no further detail on what facts may be taken into account and the weightings for relevant factors. There are many relevant factors which have impacted the frequency of collection including, but not limited to, weather, staff absence and data issues. The Council has dedicated significant time and resources to ensure that bins are collected as quickly as possible and that hotspots are given specific attention. Given this background, it is not clear that any refunds are due under the legislation but there are no legal barriers to extending the current payment period in recognition of the disruption to residents.

4.6 Given that there was a known risk of Veolia employees not transferring to Urbaser, what steps did the Council take to ensure that significant local knowledge had been captured should this risk materialise and operatives no longer turn up for work?

4.6.1 Vacancies within the transferring team were in part as a result of a lack of recruitment by Veolia rather than staff not transferring. Access to staff was extremely limited prior to the contract start. Under TUPE legislation Veolia were required to provide a list of employees 21 days prior to the contract start. A training day was held on 5th May 2018 for North Herts staff, this was the clearest picture that Urbaser had of the staff likely to transfer to their employment on 6th May 2018. 19 employees did not transfer from the original list provided by Veolia, however 5 additional staff turned who were not on the original list. These vacancies were managed by contingency resource planned at the start of the contract. It should also be noted that the North Herts Contract Manager did not transfer from Veolia.

4.6.2 All paper copies of existing work were provided by Veolia and the IT system operated by Veolia containing all contractual work and round data was transferred to the Council.

4.6.3 The client team undertook partial random checks of the data provided to ensure paper copies and IT systems matched.

4.6.4 Some of the Veolia management team transferred and all of the customer service/administrative team transferred all of whom had a vested interest in ensuring that the transfer of data was provided.

4.6.5 The local knowledge of individual crew members can never be fully accounted for. Experienced staff have been spread across services in an attempt to ensure as much local knowledge is shared as possible.

4.6.6 An IT system will never fully capture local knowledge and where collection custom and practice is outside of our collection policies the client team will be working with Urbaser to change these. For example where collection staff undertake collections which are not close to the access points for vehicles and staff are performing unnecessary manual handling of bins and where vehicle movements pose a health and safety risk.

4.6.7 With a change in service it was necessary to employ new staff and agency staff to cover the new collection services and although existing staff have helped to provide an understanding of collection routes and locations it has not been possible to fully capture this for all areas, by swapping staff between services. This meant the newer garden and food waste rounds suffered the most from this lack of knowledge.

4.7 What arrangements were in place to ensure that those who did not get the brown bin information leaflet were able to avail themselves of the early bird rate for brown bin collection?

4.7.1 We only have anecdotal information regarding residents who did not receive the early bird leaflet. The majority of complaints of the nature were found to have received a delivery to the street, which was demonstrated through the distribution company providing satellite tracking trails. Where the tracking from the delivery company demonstrated a delivery error these residents were offered the early bird discount up to the start of the service.

4.7.2 There is always the risk that unaddressed mail will be treated as junk mail by residents and consequently additional information was provided through the local press, social media and Outlook magazine.

4.8 Does the Council know how many properties did not receive the initial information leaflet regarding brown bin collection changes?

4.8.1 No, all properties where we confirmed delivery was not made were either provided with a delivery of the leaflet or later offered the early bird discount. The letters delivered were not addressed individually and unfortunately it is likely that some households treated the letter as junk mail.

4.8.2 The delivery company used, D2D, is the same company used to deliver Outlook to the residents of North Herts. They are therefore experienced in delivering to the district and recall rates of residents receiving Outlook are high. In addition the company uses tracking devices to monitor the progress of deliveries, this enabled checks to be undertaken across the district to ensure delivery was undertaken in all areas.

4.8.3 In addition to the leaflet to every household, residents also received information to the door in Outlook magazine. Extensive publicity was undertaken on Facebook and Twitter as well as related articles in the local press.

4.9 When the Council tenders for work, where is the tipping point between efficiencies needed and the contractor negatively impacting on terms and conditions of staff?

4.9.1 Social Value is assessed in every tender, so far there have been no terms and condition changes for staff. An entire method statement was dedicated to the provision of information regarding staff resources and this was considered and scored in accordance with the published evaluation model. This evaluation model was provided to Overview and Scrutiny in September 2017.

4.9.2 Section 17 (5) (a) of Local Government Act 1988 states clearly that staff terms and conditions may not be evaluated or considered in the tender process. Essentially, this means that the Council could not include any award criteria in the tender regarding staff terms and conditions. The Council was also unable to include any specific requirements regarding staff terms and conditions in the contract or the service specification.

4.9.3 At contract commencement, it should be considered that there is usually no trade off between efficiencies and impact on terms and conditions because TUPE requires staff to transfer on the same terms and conditions. Rather; efficiencies are generated through economies of scale, procurement strategy and careful consideration of our requirements i.e. what services are suitable for output based specifications and giving bidders appropriate levels of freedom to innovate. I.e. not prescribing the number of vehicles and hence more freedom for route planning.

4.9.4 'Custom and Practice' of staff finishing earlier than their contracted hours is a historical inevitability of practices which have not been evolved since the Veolia contract was let in 2002. Changes in some custom and practice is an inevitable part of seeking working practice efficiencies and modernisation of collection services, for example the requirement for staff to use in-cab technology rather than paper based recording systems. However the lengthening of the working day has not been as a result of changes in staff resourcing levels but changes to the collection services required by the Council.

4.10 When the Council logs missed bins, where are they logged?

4.10.1 The majority of waste calls have historically been managed by an outsourced call centre provided by the waste collection contractor. However when a missed bin report is logged by a Customer Service Operative at NHDC they have been logged on the Councils Achieve Service customer relationship management (CRM) system, this auto-generates an email to Urbaser (and previously did to Veolia).

4.10.2 In recent weeks the Customer Service team at NHDC have been logging missed bins direct into Whitespace the waste management IT system to speed up the response times for missed bins. This is a temporary measure, long term Urbaser are required to fully manage call handling on behalf of the Council for waste, recycling and street cleansing.

4.11 What is being done to ensure that individuals' expectations are met in the future?

4.11.1 It is important that the Council is clear on whether resident expectations are reasonable in all instances. For example if Council policy regarding reporting timeframes or contamination in bins is not adhered to this can have financial implications for the Council.

4.11.2 The number of unjustified missed collections logged has significantly reduced in the Urbaser contract and this is as a direct consequence of having insufficient capacity to check all reports made.

4.11.3 The client team are proactively responding to complaints and are using the Performance Management Regime built into the contract to encourage improved performance from the contract.

4.11.4 The client team have had limited resource available to proactively monitor collection services but have been undertaking additional audit sampling on a random basis of certain aspects of the service to determine if improvements are being seen.

4.11.5 Information is being passed to the public via the press, our website and social media when this has been agreed. However where services are not showing signs of improvement we have not provided more updates.

4.11.6 The complaint handling timescales have been removed from the auto generated responses as we are unable to provide confidence to residents about when these will be responded to. Details of formal complaint numbers are provided in Appendix D.

4.12 What percentage of issues experienced was related to rectification?

4.12.1 The data held by the Council is unreliable in this respect. A rectification is raised at the request of a resident or a client officer. We are aware that in many cases multiple missed bins reports have been made for the same missed bin. There is no way to differentiate this in the IT system, without a manual check of each individual record. There is no resource to undertake this level of detailed work.

4.12.2 Where the client team are made aware of rectifications which are not completed there are mechanisms to manage this within the Performance Management Regime.

4.13 Should and how might the Council have been more hands on in managing the transition from Veolia to Urbaser?

4.13.1 A significant issue with this procurement was the time contractors were given to mobilise the contract. The longer the mobilisation period the more checks can be undertaken by both the contractor and the Council. In addition a longer mobilisation period would have ensured the fleet was ready for day 1.

4.13.2 The contractor was restricted in it's access to staff whilst not in their employment and the Council intervened to encourage better communication and access to staff by the outgoing contractor.

4.13.3 The Council receives a detailed method statement from the contractor regarding mobilisation which is assessed as part of the quality assessment. The Council would need to ensure that it does not assume the roles and responsibilities of the contractor during mobilisation as that could potentially absolve the contractor of liability and/or cause confusion. Therefore there is limited scope for the Council to be hands on particularly regarding the transfer of staff which is exclusively a matter between the outgoing contractor and the new contractor.

4.13.4 Given the restructure and resources in the client team there is little that the Council could have done to manage the transition. Councillors should be aware that we had a number of staff leave the client team during mobilisation which also impacted on the available resource to support Urbaser.

4.13.5 The transfer and management of staff is solely the responsibility of the contractor and not something that the client team would involve themselves with. Other than to understand how the management of the transition would be handled which was presented as part of the bid information.

4.13.6 Officers from the client team did attend the welcome meetings for staff to ensure there was an understanding of the training and the introduction being provided to staff.

4.13.7 All collection round data held in the existing Whitespace IT system was transferred as part of mobilisation of the contract and consequently the same round set up has been the basis of the new collection rounds for food and garden waste. The maintenance of this data was the responsibility of Veolia and subsequently is the responsibility of Urbaser.

4.13.8 As stated in 4.6.3 above the client also undertook independent checks of the data provided by Veolia to Urbaser to provide some assurance of the accuracy. Given the size of North and East Hertfordshire these data checks were samples only, focusing on areas of known risk.

4.14 There was a significant issue with communication to the public. Can the Council ensure that effective methods of communication using as wide a range of methods as possible are used to reach the maximum number of residents when future communications are required?

4.14.1 Extensive resident communication took place prior to the roll out of the garden waste service, this is demonstrated by the number of residents participating in the scheme over and above the indicated numbers expected from the public consultation.

4.14.2 With regards communication since the contract has started, whenever the Communications team received information regarding missed streets, this was posted on to the website and linked to via social media with updates whenever we became aware that streets had been recollected. However, we are reliant on the information given to us and sometimes we were not consistently made aware of missed streets and / or where recollections had taken place. The communications team did however post statements and general advice to residents regarding missed collections on the website and on social media at every available opportunity.

4.14.3 Where collection service failures relate to individual properties or where information on areas which have not been completed has not been fully communicated between collection staff and the Urbaser management team we cannot be fully sure of services which do not complete and the client team rely on further checks the next working day with Urbaser Supervisors checking streets where data is not completed on in-cab systems.

4.14.4 Updates were provided to Members and parish Councils via MIS and will continue to be provided when new information is available.

4.14.5 The Waste Awareness Officer role has been removed from the client team structure with some of these responsibilities being covered by the Service Development and Support Officer roles. During mobilisation two of these posts were vacant, leading to communication pressures. The final vacancy in this job role was only filled on 3 September 2018.

4.14.6 The voluntary redundancy of the Service Development Manager as part of the client team restructure prior to contract start also impacted on the capacity of the team to provide timely and effective communication. However support has been provided and continues to be provided by the Communications team in this respect.

4.14.7 Officers will continue to respond to contacts they receive, however the volume of contacts currently being received is not manageable or sustainable with the vacancies in the team. Additional support has been drafted in from MSU and agency staff however the volume of contacts not being responded to within 10 working days remains high.

4.15 What steps can the Council take to mitigate the blocking of the Council's and Urbaser's switchboards in the immediate future and in the longer term?

4.15.1 In order to track the number of calls coming into Veolia and Urbaser the longstanding 0800 has been routed through the Councils corporate telephone system since mid 2017. as call traffic data was never provided or made available by Veolia. The intention was to redirect this number to Urbaser from the start of the new contract as all customer contact handling would be the responsibility of the contractor under the new contract. The transfer didn't take place immediately as Veolia had disconnected the local number that the 0800 number was due to redirect to, while the number was being reinstated with BT the NHDC customer Service team agreed to continue with the call handling temporarily.

4.15.2 The operational service issues that occurred led to an unprecedented increase in phone calls causing the phone system to become overloaded and intermittently failed to play announcements and queue calls correctly. This problem had not been encountered before so a number of remedial steps were taken which included;

- Increasing the capacity of the telephones IVR system to allow more calls to queue at any one time.
- Reducing the length of IVR messages played (which are used to signpost / direct callers appropriately) to free up some additional queuing capacity. This was monitored and tweaked on an ongoing basis as it was a dynamically changing situation and it was important to use the IVR to get key messages out to residents at key times.
- Contingency phone routing was also put in place to redistribute some calls to Urbaser staff.

As it became apparent that the call volumes were not decreasing the IVR capacity of the NHDC telephone system was increased at a cost of £2,970.00.

4.15.3 The continued increased call volume meant that residents continued to call NHDC as well as and / or instead of Urbaser. The Urbaser telephone number had an answerphone facility which was filling up very quickly and once full not allowing callers to leave messages or speak to anyone in person. This facility was unmanageable and was changed on 26 June 2018

4.15.4 Urbaser introduced a new telephone system which had a call queuing facility, allowing callers to wait in a queue rather than divert to voicemail, whilst this resolved the voicemail issue it continued to cause frustration amongst callers who were held in a queue for long periods of time due to insufficient call handling staff at Urbaser. This in turn led to a continuing increase in calls the Council directly and resulted in all lines reaching capacity and intermittently being unavailable impacting on calls in and out and affecting other homeworking staff and other service users. The decision was taken to completely remove the 0800 from the Councils phone system, with the number going direct to Urbaser. This means we no longer have detailed call related data for this number. Residents have continued to call the Council directly but the volumes have significantly decreased.

4.15.5 The call answering staff at Urbaser have been increased from 3 to 6 with an additional operative dedicated to emails, the delay in this happening was due to the fact that Veolia left the office at the depot in a condition that required refurbishment which had to be completed before the infrastructure could be put in place to support additional call handling staff. In addition the NHDC Customer Service Team are also continuing to provide telephone and email support within the existing Customer Service Centre resources.

4.15.6 In addition the NHDC Customer Service also added additional temporary staff to help assist in the logging of contacts, in particular garden waste related contacts. This additional resource was in place for a four week period during May and June.

4.15.7 New online Whitespace linked web reporting forms are in development. They were not implemented prior to the start of the contract due to the reduced mobilisation timeframe. It is currently expected that these will be functioning from late September. The new forms will not require the manual inputting of online reports as a log will automatically be made in the Whitespace IT system. This will significantly reduce the administrative burden of managing contacts and will become the quickest and most efficient way of residents reporting collection problems.

4.16 Additional Information Regarding Contact Handling

4.16.1 A large proportion of contacts were identified relating to missed collections or other requests which had not been rectified or actioned. Further investigation by the client team identified that these has not been logged on the Whitespace waste management IT system by Urbaser. The largest proportion of these related to calls taken by the NH Customer Service Team or requests logged online. Both of these contact types were being logged on the Councils corporate CRM system which generated an automatic email report directly to Urbaser.

4.16.2 Initial investigations involved both the Council Customer Service Team confirming that the email reports were being generated and the Urbaser management team assuring that these emails were being actioned and logged, albeit the Urbaser management team confirmed that due to the volume the logging of the contacts would often take a few days which would also often result in a further repeat contact.

4.16.3 More in depth investigations have identified that the volume of emails sent to the 'northhertsenquiries' email address from NHDC email accounts amounted to just over 19,000 emails from the start of the contract until 9th August 2018. Approximately 8000 of these were encrypted which caused significant delay in getting these initial reports logged. The encryption requirement was removed on put in place to comply with Data Protection rules regarding the secure transmission of personal data. Due to the high volumes of traffic and impact on processing time a decision was taken to remove the automatic encryption on 12 July, on the basis that Urbasers IT team worked with the NHDC IT team to establish a secure end to end encrypted connection.

4.16.4 Approximately 10,300 of the 19,000 were reports of missed collections logged either by the Customer Service Team or residents online. A further 1400 missed collection emails related to those referred by NHDC officers. 130 related to food caddy deliveries. A significant proportion of these were duplicate reports of the same missed collection. There is no way to determine what this proportion is.

4.16.5 This volume of emails equates to a period of 70 working days requiring on average 270 emails to be processed each working day. The highest numbers being received on the 17th and 18th May with 820 and 860 emails respectively. These figures indicate a volume which is totally unachievable for processing with the resources available.

4.16.6 The backlog of email correspondence was not fully appreciated by either Urbaser management or the client team until the scale of the service failures had escalated to unmanageable proportions. This was in part due to additional missed bin collection resources revisiting streets on multiple occasions where reports of problems were not being logged sufficiently quickly onto the Whitespace system by Urbaser. Further detail on collection resources is provided in 4.4.8 above.

4.16.7 When collection issues occur on the scale experienced over recent months. It is not possible to provide sufficient resource to fully manage all contacts within expected timeframes. The volume of contacts generated from a service which provides at least two collections to every household every week is significant when service disruption occurs. Channel shift to more online reporting in the longer term will provide more resilience once the new web forms are capable of linking and sending information direct to the Whitespace IT waste management system.

4.17 Additional Information Regarding Historic and Current Service Standards

4.17.1 Collection services in East Herts are continuing to run smoothly. Predominantly because services in the East did not change and collection staff are therefore established in their working rounds. East Herts collection staff have also used in-cab systems as part of the previous Veolia contract and although they are now using a different system their knowledge and use of the system is therefore more advanced.

4.17.2 Collection services have been affected over the summer months by the unusually prolonged high temperatures and consequently tough working conditions.

4.17.3 The highest number of missed collections was recorded in the week beginning 21 May 2018 at 1579. In comparison in the two months preceding the service change on average 94 missed bins were recorded per week. There are known peaks in missed collections, initially as a consequence of data loading issues on the garden waste collection rounds and in July as a consequence of crew disruption.

4.17.4 We are aware that missed bin data is not wholly accurate for the reporting period and is likely under reported this is for a number of reason:-

- Some residents made multiple reports relating to the same bin
- Some reports made via the Council CSC or web were not logged on the Whitespace waste management IT system
- Some residents were unable to get through on the phone so did not report
- Some residents were not bothered by an initial missed collection and did not report
- Whole streets were initially not logged as such within the waste management IT system

4.17.5 The inaccuracy of the data means that the Council can not be confident that the missed bin statistics are an accurate reflection of the scale of the service problems experienced by residents during the first few months of the contract. Additional resources have been put in place by Urbaser to ensure that all emails and web reports are logged and the NHDC CSC is also supporting Urbaser by logging additional calls which come through to them.

4.17.6 During August Urbaser have endeavoured to log some of the backlog of contacts but it still felt that this will not fully reflect the true extent of disruption. Data from September onwards will be more reliable and the client team are reviewing missed bin contacts daily to identify if collection services are improving.

4.17.7 Data for the first week of September indicates that the district is still experiencing missed collections in significantly higher numbers than pre contract with over 870 reported of which 38 were missed streets.

4.17.8 Members are increasingly being contacted regarding missed collections. In particular recurring missed collections where residents are yet to see improvements in the services. The client team are investigating the causes of recurring missed collections and feeding information back to the Urbaser management team. It is however vital that residents continue to report each specific missed collection to the Urbaser helpdesk either by using the dedicated Freephone number, the dedicated email address or by using the online reporting forms, to ensure we continue to receive accurate reports of problems within the waste management IT system.

4.17.7 As part of the performance monitoring regime additional consideration is given to any property which has experienced 2 or more missed collections from the same service in a 3 month preceding period. These properties will be receiving additional monitoring from both the client team and the Urbaser management team to help prevent recurring problems and identify problematic collection crews or other patterns to the recurring missed collections. In August there were 975 hotspot properties.

4.17.8 Reasons for Non Collection Logged by Crews

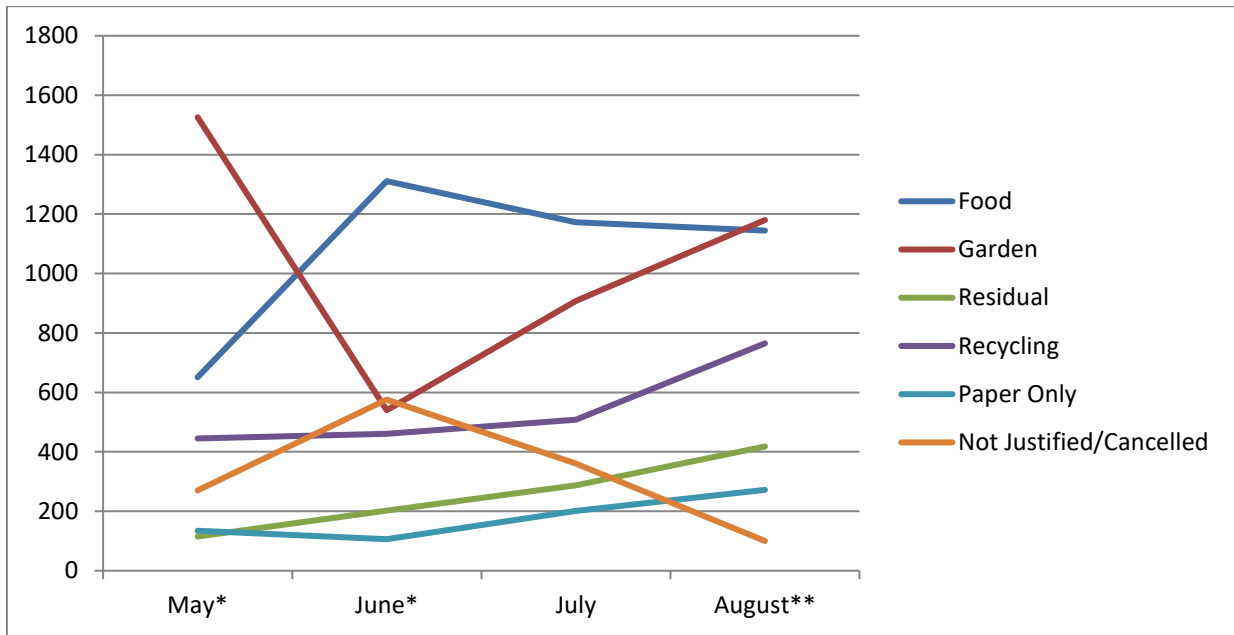
Missed collections logged as unjustified can be for a number of reasons. Some of these will have been reported by residents after the 48 hour reporting window. Others will be unjustified due to a log made by the collection crews regarding their collection via the in-cab system.

4.17.9 The table below shows in cab logged from the contract start to 29 August 2018.

Reported by Crew	Food	Garden	Recycling	Residual
Commercial Waste Presented as domestic	85	3	29	
Container Tipped into Vehicle	63	11	23	1
Contamination of container	130	28	1429	1
Damaged container-during after emptying	63	2		11
Damaged container-prior to emptying	69	4	1	5
Frozen/ Stuck in Container	63		1	
No access partial/full street	84	111	1009	113
Not presented for collection	17972	6634	5373	2661
Overweight Bin	63	33	47	26
Report of incident/confrontation/threats made	81	1	1	
Side Waste/Lid not closing	82		22	72
Totals	18755	6827	7935	2890

4.17.10 The proportions of collections represented in the above table are small in comparison to the number of collections performed on a weekly basis for each service however Members should note that the higher number of 'Not presented' food waste bins is likely to be representative of residents choosing not to participate in the collection service. As the use of in-cab develops over the coming months the client will be able to more accurately assess participation and target areas of low participation.

4.17.11 Graph to show Missed Collection Trends by Service Type



* Not adjusted for missed streets

** Not fully reconciled

4.17.12 From the 9 July 2018 IT systems were changed to enable us to track whole streets of missed collections separately. Prior to this logs were only made of individual reports a review of the individual records prior to this indicates that approximately 460 missed streets were reported prior them being logged separately.

4.17.13 An additional 3 Supervisors have been employed on the contract since early August to support the monitoring of collection services and attempt to monitor the properties experiencing repeated collection problems known as 'hotspots'.

4.17.14 In addition agency staff have been employed to support call and email handling and approximately 17 agency staff are currently employed each day on collection rounds. .

4.17.15 Willing collection staff are undertaking overtime each day to catch up missed collections.

4.17.16 Additional Missed Bin Crews have been going out each day to catch up missed collections.

4.17.17 Overtime has been offered to staff willing to work on Saturdays and the table in 4.4.8 summaries the additional resource provided on Saturdays.

4.18 Additional Information regarding Contractual Mechanisms

4.18.1 Details of the Performance Management Regime (PMR) are provided in Appendix C. A review of the PMR will be undertaken by the Service Manager in line with the contract to ensure that it fit for purpose and functions as it was intended.

4.18.2 Additional provision is made within the contract terms and conditions outlining the mechanisms available to the Council to require a remediation plan for poor performance amounting to a persistent breach. The Council may also consider the ability to 'step in' and undertake the provision of services until such a time as the Council can be satisfied that the performance of the contractor can be in accordance with the contract.

5. NEXT STEPS

5.1 The Performance Management Regime was enacted on 1st August following a bedding in period for the contract. A bedding in period is usual practice for a contract of this type as a transition of wholesale services from one provider to another including a service change is complex. The client team are currently reviewing the service data for August and the Executive Member will be provided with this detail once the August calculations are completed and level of service failures agreed with Urbaser.

5.2 The PMR will then be reviewed by the Service Manager in line with the terms of the contract in consultation with legal services, the Director for Place and the Executive Member for Waste Management, Recycling and Environment.

5.3 The contract is under close review in liaison with Legal Services within the context of the whole contract. It should be noted by Members of Overview and Scrutiny that collection services in East Herts are operating to a satisfactory standard. Street cleansing operations in East and North Herts are operating to a satisfactory standard. Clinical waste collection services are operating to a satisfactory standard in East and North Herts.

5.4 Maternity cover for the Service Manager has been recruited early to enable a sufficient handover period whilst the contract is still experiencing service failures at levels which are not acceptable. The Interim Service Manager will also wholly undertake responsibility for the roll out of the route optimisation project for East Hertfordshire in November 2018 and North Hertfordshire in May 2019.

5.5 In addition additional temporary support has been recruited until mid October to assist in the management of complaints.

5.6 The Contract Officers posts which the service has been unable to recruit to will have the job descriptions reviewed and a career graded post is proposed, to aid recruitment of less experienced staff members, who can be trained in the service requirements.

6. APPENDICES

Appendix A - Questions answered at Overview and Scrutiny – June 2018

Appendix B - Call Handling Statistics

Appendix C - Performance Management Regime.

Appendix D – Formal Complaints numbers – Waste Management

7. CONTACT OFFICERS

Chloe Hipwood

Shared Service Manager

Tel: 01462 474304

Chloe.hipwood@north-herts.gov.uk

Gavin Ramtohal

Contracts Solicitor

Tel: 01462 474578

Gavin.ramtohal@north-herts.gov.uk

Jo Dufficy

Customer Service Manager

Tel: 01462 474555

Johanne.dufficy@north-herts.gov.uk

8. BACKGROUND PAPERS

None

QUESTIONS RAISED DURING JUNE OVERVIEW & SCRUTINY COMMITTEE

Respondents

SM: Service Manager Waste and Recycling

Cllr MW: Councillor Michael Weeks

Questions raised by member of the public

Answered in June's O&S

- **How much planning did the Council do and why did it go so wrong?**
SM: A lot of planning work had taken place; first meeting regarding procurement started in 2014; the procurement itself took just under a year, but development of specifications and service requirements took significantly longer. The bids received during this process were examined and evaluated by officers from East Herts and North Herts as well as consultants WYG. Under the published evaluation model Urbaser were the winning bidder for performance and value for money.
- **Why weren't enough food caddies ordered for all the properties in the district?**
SM: The Council ordered enough caddies. The caddies were delivered to a storage facility, this process was managed by a sub-contractor of Urbaser; as a consequence it was found out late in the day that not all of the caddies had been delivered. New stock had since been delivered; East Herts stock had been used in the interim. Most properties had now been delivered to.
- **Why were routes not documented and shared with Urbaser?**
SM: The old contract ran on a paper based system; they had been working to try to update this to a 21st century system. A lot of information was known by the operatives, but had not been recorded, therefore this data was difficult to transfer to the new system. Existing staff had spent a lot of time updating the information. All existing data and round sheets had been transferred where it physically existed.
- **What were the issues with the data transfer?**
SM: Urbaser ran two systems, a payment system and a waste management system and the data needed to be transferred from the payments system to the waste management system; one issue identified was that residents were allowed in the early stages to input data into address fields and spelling errors had not been picked up. Some people had signed up who were not residents of the District. There had been some issues regarding boundary streets.

Questions raised by member of the public

Answer Pending

- **What can the Council do to ensure that the public has faith in its ability to deliver future large scale contracts / projects?**

Questions raised by Members

Answered in June's O&S

- **What arrangements are in place to ensure that special collection services operate effectively going forwards as there is evidence that this was not initially done? e.g. batteries, textiles.**
Cllr MW: advised that textiles and batteries should be collected and any non collection was down to the staff on the rounds and this was being managed by Urbaser. Residents are encourage to report non collection.
- **Do the Council know what length of time individuals needed to wait to have their food caddy and or bins emptied?**

SM: She had spoken to Urbaser who had reassured her that the majority of missed bins were being collected with 48 hours. The client team will continue to review this data. Urbaser had tried to provide as many rectifications as possible and would be looking at why some rectifications had not happened and improve processes. Because of delays in reporting, missed bins were not identified as a problem until day 3 by which time there were a lot of outstanding missed bins requiring significant additional resource to rectified.

- **Could NHDC learn anything from the way EHDC managed the mobilisation of the new contract?**

Cllr MW: advised that the transition in East Herts had gone fairly smoothly, however they did not opt for a chargeable garden waste service and they did not have any change in services, therefore the local knowledge was retained as collection routes did not change. The Garden Waste and food waste collections were new services for North Herts hence being affected more adversely.

- **Are staffing levels at the required level and are these staff permanent?**

Cllr MW: advised Urbaser had the right levels of staff since day one of the contract, however a number of those had been agency staff.

The Waste Team had been understaffed and this had an impact and they were still operating with some agency staff. A lot of staff were employed to cleanse data, but with the quantity of data across both contracts checks were risk based and undertaken in samples.

- **Is the Council looking to have a more high-tech way (than residents numbering their bin) of identifying properties that have bought into the brown bin service?**

Cllr MW: advised In-cab technology was the way that crews would identify bins for collection in future, and but putting the house number on the bins was the simplest way for staff to identify which bins to collect. This is particularly important where residents do not place bins out directly in front of their property or where property numbers can not be seen from the road. High tech solutions would delay collections and be costly.

- **Is there a formal, documented recovery plan in place to get the contract to delivery of the expected service?**

Cllr MW: advised there was not a fundamental fault with the service and the teams were currently in a rolling recovery phase.

- **What is the Council going to do to ensure that going forwards there are robust payment collection methods in place?**

SM: in respect of payments, Urbaser collected the payments, although the money was transferred to NHDC and the contract with the customer was with NHDC. The payment system was now fully functional with a fully functioning API transfer system to the waste collection system. There had only been 3 months to mobilise the payment service, which was not long enough. Next year, in respect of payments, they would focus on existing users, who would get a direct communication that payment was due and there would be some marketing, although not direct communication with residents who had not signed up for the service.

- **A significant issue was that vehicles were not available on day one. Why was there no contingency plan to cover this?**

SM: advised that the contingency for the purchased vehicles was the hire fleet. A full fleet was available on day 1. The problem with the hire fleet was that a lot of vehicles had been sent to landfill, where they received damage to the mud flaps and wheel arches and it was illegal to travel on the road without these.

Cllr MW: advised that they were under the impression that the vehicles, which had been ordered, would arrive on time, but that did not happen and was out of Urbasers hands.

- **A significant issue was that staff did not turn up on day one and beyond. How did the Council not predict this and consequently not know until after the event?**

SM: In respect of staff, TUPE transfers were always difficult, but they had held training days, which had been the last day to determine who would turn up for work, Urbaser also needed additional staff to manage the additional rounds.

- **Did the Council order the right number of food caddies and are there enough to cover replacements and provision of service to new properties?**

Cllr MW: advised that the correct number of caddies had been ordered, but a smaller number had been delivered by the supplier. The manufacturer had admitted this mistake and would be delivering the missing caddies.

In future caddies would be ordered jointly with East Herts to ensure value for money.

- **Given that there has been a change in custom and practice ways of working, could the Council not have reasonably expected staff to leave?**

SM: advised that there had been no changes to terms and conditions for staff and that there was ongoing discussion between management and trade unions regarding collection routes and working hours. Staff may be upset at round changes, but staff were expected to work their contracted hours. It should be noted that the majority of staff were on the same rounds, doing the same job. There were some staff doing different jobs because we have new different services.

- **When will the service stabilise and collection be within normal tolerances?**

SM: It is hoped that the service should be running as "business as usual" by the beginning of August 2018.

Raised by Members

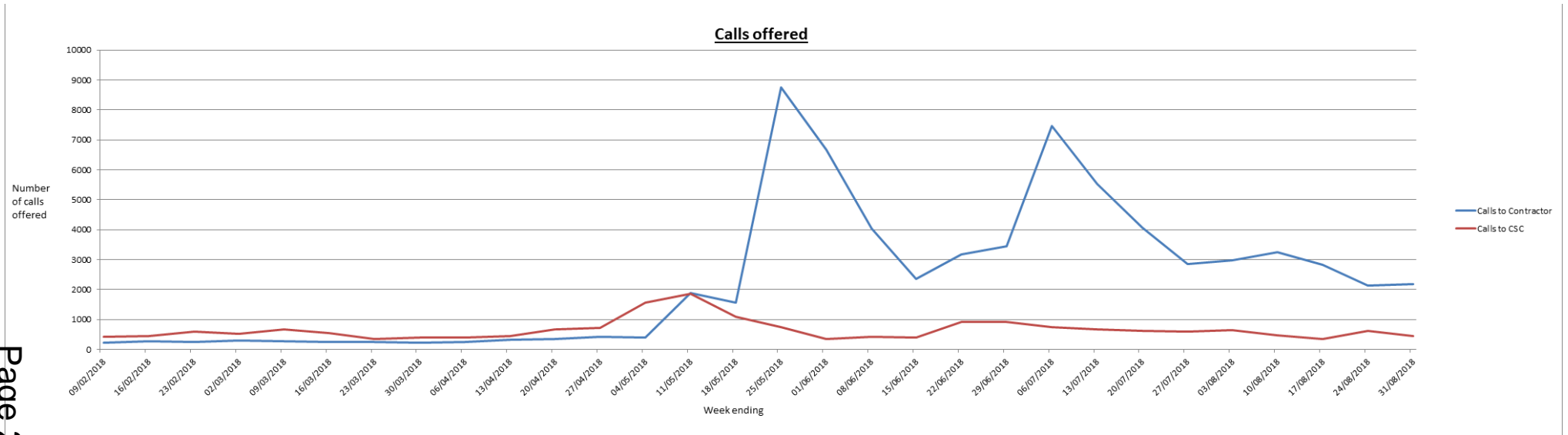
Answer Pending

- **Why did the Council not spot earlier that the process of paying for brown bin services was not operating effectively?**
- **What might the Council do in response to complaints that payments were made for a brown bin collection service that was not delivered as advertised in the initial month?**
- **Could consideration be given to putting back the start of the 2019/20 payment period by perhaps a month to reflect this delay?**
- **Given that there was a known risk of Veolia employees not transferring to Urbaser, what steps did the Council take to ensure that significant local knowledge had been captured should this risk materialise and operatives no longer turn up for work?**
- **What arrangements were in place to ensure that those who did not get the brown bin information leaflet were able to avail themselves of the early bird rate for brown bin collection?**
- **Does the Council know how many properties did not receive the initial information leaflet regarding brown bin collection changes?**
- **When the Council tenders for work, where is the tipping point between efficiencies needed and the contractor negatively impacting on terms and conditions of staff?**
- **When the Council logs missed bins, where are they logged?**

- **What is being done to ensure that individuals' expectations are met in the future?**
- **What percentage of issues experienced was related to rectification?**
- **Should and how might the Council have been more hands on in managing the transition from Veolia to Urbaser.**
- **There was a significant issue with communication to the public. Can the Council ensure that effective methods of communication using as wide a range of methods as possible are used to reach the maximum number of residents when future communications are required?**
- **What steps can the Council take to mitigate the blocking of the Council's and Urbaser's switchboards in the immediate future and in the longer term?**

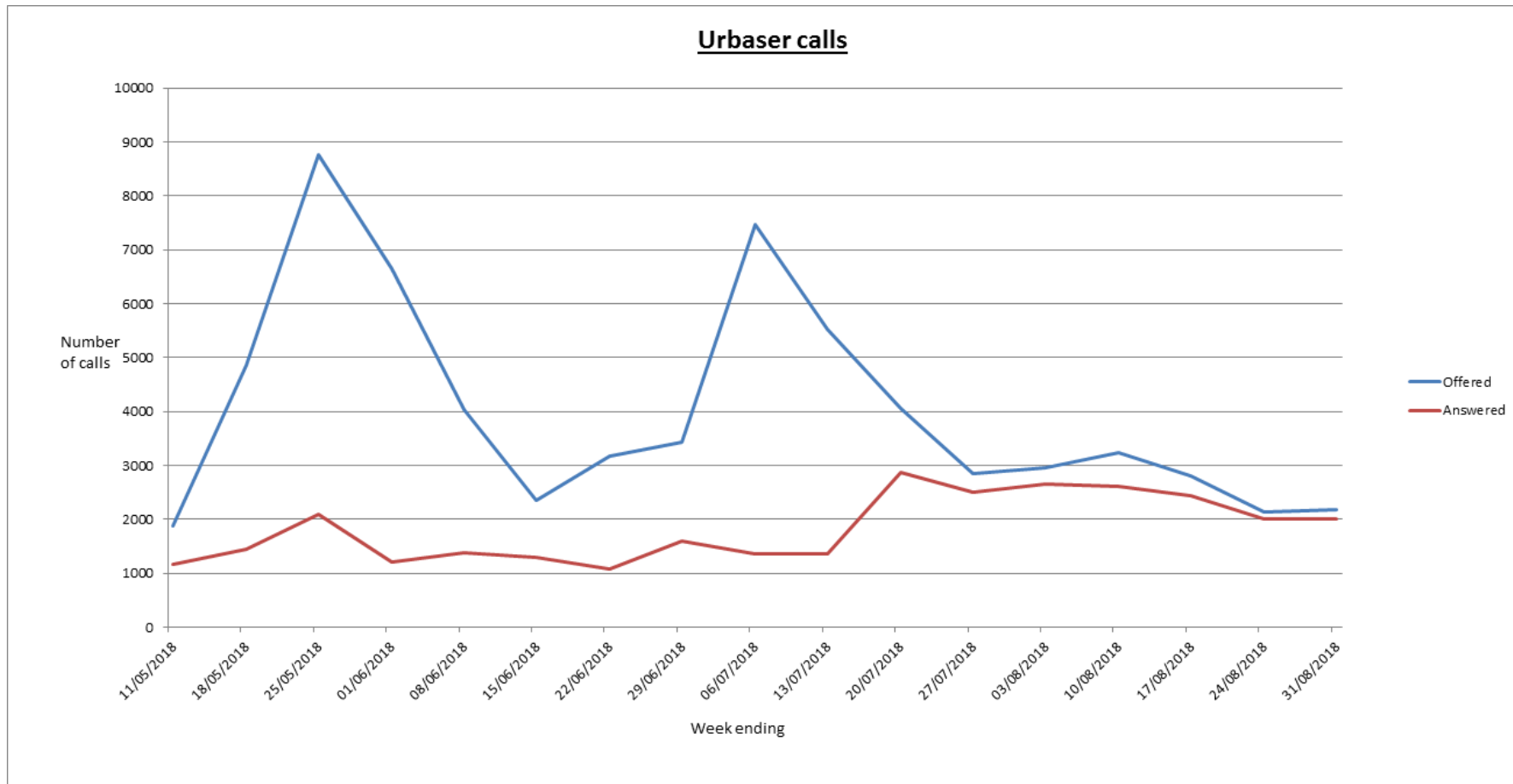
Appendix B - Call Handling Statistics

Calls offered per week



- Volume is of calls per week through the 0800 and 4000 numbers to the waste contractor and NHDC's Customer Service Centre (CSC)
- Blue line showing calls to the Waste contractor and red showing calls to CSC
- Volume for the contractor is calls that have been offered to the contractor phone system.
- Volume for the CSC team between 09/02/2018 to 18/05/2018 is calls that have been offered to the CSC team.
- Volume for the CSC team between 25/05/2018 to 31/08/2018 is contact logged by CSC on the CRM system Achieve Service for Waste. It includes phone, email and face to face contacts.
- Dates shown are for the Friday of that week.
- Waste contractor started taking calls on the 8th May, however there were issues with their phone system in the beginning

Urbaser Calls



- Volume is of calls per week through the 0800 and 4000 numbers to Urbaser
- Blue line shows calls offered to Urbaser's phone system and red line shows calls answered by their agents but will include more that have been answered by their voicemail system
- It is difficult to get statistics for Urbaser's answer rate due to the system they use and a call minder being in effect.
- Remaining calls will be abandoned or answered by voicemail.

Performance Management Regime

1. Introduction

1.1 The Council recognises that the relationship with the Provider is intended to be a long-term partnership and does not seek to introduce punitive mechanisms. This Schedule outlines a range of abatements of the Contract Sum based on the expectations of the Council laid out in the Specification.

1.2 The quality of the Services is of primary importance to the Council as these services are delivered directly to all residents of the districts to whom the Council are accountable.

1.3 Service Failures are minor deficiencies or are those elements of Service which do not fully meet the requirements of the Specification, or where any method or resource has been stated in the Method Statements, Conditions of Contract or any other Contract instruction such as a Variation Order has not been delivered. For the avoidance of doubt Service Failure is used to describe minor defects only, examples are described in Appendix 1 to this Schedule.

1.4 The Council therefore requires a Performance Management Regime (PMR). Targets will be set and reviewed annually by the Council with the aim of providing continuous improvement in Service delivery.

1.5 In addition the PMR seeks to support the development of the Services and consequently any agreed actions will be included from the Service Delivery Plan.

1.5 The performance of the Contract will be measured:-

- i. on the basis of self-monitoring
- ii. by inspections identifying Service Failures
- iii. by contacts from Customers identifying Service Failures
- iv. by monitoring of contractual requirements and resources
- v. any other additional work reasonably required by the Council in managing poor performance

1.6 The Council set annual targets and Key Performance Indicators (KPI's) for Waste Collection Services and street Cleansing. The Provider is expected to achieve the targets set for our KPI's which are identified in Appendix 2 to this Schedule.

1.7 Poor performance generates high levels of public dissatisfaction which impacts upon the reputation of the Council, and its assessed performance by Government bodies. In turn this can limit the freedoms of the Council to act, increase the burden of reporting statutory information and reduce its ability to attract grant funding, either directly or in partnership. These Services rank among the highest in

importance to the public and poor performance causes significant media and social media activity generating press enquiries and performance reports to the Council, further increasing the Council's costs and potentially affecting the reputation of the Provider.

2. Monitoring

2.1 The following is the framework for monitoring and managing the delivery of the services outlined in the Specification and Method Statements to the Council under the Contract by the Provider.

2.2 The Performance Management Regime will be reported on and actions will be taken based on performance in each month of the Contract.

2.3 Contract progress will be measured by the Supervising Officer through:

- i. Joint inspections
- ii. Client team inspections
- iii. Customer contacts
- iv. Self-monitoring performance reports
- v. A formal monthly Contract meeting
- vi. Annual review of the Service Development Plan
- vii. Minutes and meeting records

2.4 A review meeting three months following the Contract Commencement will use data and information provided by the Provider and the Council and contained within contract management IT systems to review the thresholds and improvement targets set out in the Specification and this Schedule. At the Supervising Officers discretion the thresholds and targets may be modified or changed to ensure they reasonably reflect the expected Service standards. The initial review will be held on 1st August 2018 or as soon after this date as is practicable.

2.5 Every meeting and joint inspection will be recorded, minutes will be produced and agreed, along with any necessary action plan and programme of works.

2.6 In the event of any difference or dispute whether or not particular work has been carried out by the Provider, the decision of the Supervising Officer shall be final and binding on all Parties.

2.7 The Provider will undertake self-monitoring of its performance and make regular reports to the Council as required in the Specification.

2.8 The Council will carry out random inspections to verify the self-monitoring information and gather a range of performance data which may be used at the monthly Contract meeting.

2.9 The Council commits to undertaking 1000 random inspections on a monthly basis.

2.10 Overall compliance with the standards set out in the Contract documents will be assessed on the basis of inspection (without prior notice to the Provider) of all sites and work carried out by the Provider. Throughout each month the Council will

2.11 check that the tasks to be carried out in the provision of the Services have been completed to the satisfaction of the Supervising Officer and that the standards provided for in the Specification have been complied with.

2.12 The Provider shall provide at no extra cost to the Council, all necessary assistance to the Supervising Officer to enable the Council to carry out inspections. The Provider shall remedy all Service Failures at its own expense.

2.13 The Supervising Officer shall also be entitled to request any information relating to the performance of the Services and such information shall be supplied by the Provider within two (2) working days when request.

2.14 For the avoidance of doubt, the Council may undertake its review of performance by way of any method it considers appropriate. Such review may form part of a random process, a planned inspection or in response to Complaints.

2.15 The opinion of the Supervising Officer in assessing the satisfactory performance or otherwise of the Provider in the provision of the Services and in its application to valuing the Provider's accounts submitted shall be final and binding. All disputes will be managed in accordance with the Conditions of Contract.

3. Inspection

3.1 Overall compliance with the standards set out in the Contract will be assessed in part on the basis of inspections (without prior notice to the Provider). Inspections of work will be carried out by the Supervising Officer within one (1) working days of the Scheduled work completion.

3.2 An unlimited number of additional inspections may be programmed as a result of specific Customer contacts regarding Service Failure or deficiency.

3.3 In addition to reporting requirements outlined in the Specification, the Supervising Officer shall be entitled to request other information or data relating to the day to day performance of the Services. This information shall be provided within one working day or a Service Failure will be assumed for the purpose of the Performance Management Regime.

4. Customer Service

4.1 The Provider will ensure that at all times their employees observe high standards of Customer Service to residents of the districts, the general public and Council staff in order to promote and enhance the Council's image and reputation.

4.2 The Council will monitor the number of validated Complaints received about the Services or Provider on a monthly basis. Validated Complaints will be calculated by the Supervising Officer and validation of the Complaint shall be at the Supervising Officers discretion. A validated Complaint is defined as a Complaint as a direct result of performance, behaviour or Service Failure by the Provider which, has been determined by the Supervising Officer to have been verified or where no reasonable reason can justify the performance, behaviour or Service Failure.

4.3 The reasonable standard for validated Complaints will be deemed to be the same as the six months preceding the Contract Commencement. This figure will be reviewed on 1st August 2018. This shall form a Key Performance Indicator (KPI) throughout the life of the contract. Failure to achieve the agreed standard shall be dealt with under the Default procedure.

4.4 Validated Complaints will be monitored using the contract management system and any corporate Complaint management system operated by either NHDC and EHC and; will be reported at the Contract meeting for the preceding month.

4.5 Following a Complaint, the Supervising Officer will require the Provider to undertake a formal investigation to their satisfaction. The Supervising Officer may also undertake their own investigation to supplement information provided by the Provider. The Provider may, at the Supervising Officer's discretion, be required to provide a written report where the Complaint is:-

- i. Deemed by the Supervising Officer to be of a serious nature
- ii. About the Provider's failure to respond to notifications
- iii. About persistent failures
- iv. About inappropriate staff conduct or behaviour
- v. About breaches in health and safety 'safe systems of work'.

5. Rectifications, Default and Irremediable Default Notices

5.1 The Provider is required to rectify or remedy all deficiencies in service provision or performance at its own expense.

5.2 The Council requires a high quality service in line with the Specification. The Supervising Officer shall monitor and supervise the quality of the works in three categories of performance:-

5.3 Resources

This being the level and quality of resources used to perform the Services. Monitoring will ensure that any resources which the Provider committed to allocate to the Services (as agreed and included within the Method Statement) are actually used in its performance. Or suitable alternatives are in place and Services are performing to the required standard in the opinion of the Supervising Officer.

5.4 Management Practice and Delivery

This being the management, 'safe systems of work' and other practices which the Provider has agreed to use in performing the Services as agreed and included within the Method Statements. These may be updated as required in the interests of improving performance or safety with agreement from the Supervising Officer.

5.5 Output

This being the standard of the completed works as defined in the Specification, Method Statements or other Contract instruction such as a Variation order or, other Contract documentation and as referenced in this document (PMR).

5.6 Where the Provider fails to maintain the resource levels, or fails to follow the management practice and delivery, or fails to achieve the standards of output required, then it shall be in breach of Contract.

5.7 The Council shall be entitled to issue a:

- i. Rectification Notice (RN) or;
- ii. Default Notice (DN) or;
- iii. Irremediable Default Notice (IDN)

for each breach of whatever nature. Any notice issued shall specify the breach complained of and if appropriate, the time period within which the Council requires the breach to be remedied.

5.8 The Provider shall immediately act on any Notice by taking the steps required to either remedy the breach complained of within the time specified, together with such other steps as are necessary to minimise the impact of such breach on the overall quality of the Works. Or review and alter working practice to prevent a recurrence.

5.9 Rectification Notices

5.9.1 Minor Service Failures (normally Output failures, examples of which are listed in Appendix 1 to this Schedule) will be dealt with through the issue of a Rectification Notice detailing the location of the breach and timescales to remedy the breach. Rectification Notices will not attract a financial deduction by way of liquidated and ascertained damages, other than in the circumstances described in Paragraph 6.3.

5.10 Default Notices

5.10.1 Where the Provider fails to remedy a Rectification Notice within the specified timescale or it is not possible to rectify the Rectification Notice owing to the time elapse between the Service Failure and its identification by the Council, then the Supervising Officer will consider this a Default and will issue a Default Notice.

5.10.2 Where the Supervising Officer deems the breach to be other than minor this will be considered a Default and a Default Notice will be issued. Such breaches may be identified where:

- i. the level and quality of resources falls below that level detailed in the Method Statement and consequently the standards of Service are likely to/or have fallen.
- ii. the Provider fails to follow those processes which have been designed to control the performance of the Services and which have been included as part of the Contract by way of the Specification or Method Statement. In particular those which impact on 'Safe Systems of Work'
- iii. any Services provided by the Provider which fail to meet the standards required by the Specification and/or other Contract Documentation or Variation Order.

5.10.3 Where the Specification does not provide timescales for remedy of the Default the Supervising Officer will liaise with the Provider to agree in writing an acceptable timescale for remedy. Where there is further failure to remedy the Service Failure or deficiency or Default within the agreed timescale a second Default Notice will be issued and thereafter a further Default Notice shall be issued every twenty four (24) hours until the Supervising Officer is satisfied that the Default has been remedied.

5.11 If any deficient works are discovered as a result of the Provider's own supervision of its work, then the Provider shall rectify its breach (if necessary by performing or re-performing the deficient works) without delay and to the full satisfaction of the Council. In these circumstances, provided there is no loss or damage to the Council, then the Provider shall be entitled to be paid for the Works as if they were properly performed the first time and a Notice will not be issued. For the avoidance of doubt, the Provider agrees to notify the Council of any deficient works of this nature of which it is aware, even where re-performance is not practicable or possible, and irrespective of whether a Rectification Notice, Default Notice or Irremediable Default Notice has been issued, the Provider shall use its best endeavours to resolve the situation.

5.12 Any Service Failure or Default must be logged on the contract management system. Failure to log a Service Failure or Default will in itself be considered a Default.

5.13 Any deficiencies or Service Failures notified to; or discovered by the Provider by 12 noon will be rectified, to the satisfaction of the Supervising Officer, by the timescales set out in the Specification or, if no timescales are identified, by 10:00 the next day.

5.14 Any deficiencies or Service Failures notified to; or discovered by the Provider between 12 noon and midnight will be rectified, to the satisfaction of the Supervising Officer, by the timescales set out in the Specification or, if no timescales are

identified, by 17:00 the following day. For the avoidance of doubt, deficiencies or Service Failures notified to the Provider after 12 noon on Friday would need to be rectified by 17:00 the next day, being Saturday.

5.15 Irremediable Default Notices

5.15.1 Where the Supervising Officer deems the breach to be other than minor and it is not possible to remedy the deficiency or failure to the Satisfaction of the Supervising Officer then an Irremediable Default Notice will be served. An IDN will have the same consequence to the Provider as a Category C Default Notice.

5.16 Default and Irremediable Default Procedure

5.16.1 As a guide, the PMR operates a three stage Default model. Failure to rectify a Service Failure within the required timescales or where a breach is deemed to be other than minor, this results in a first stage Category "A" Notice.

5.16.2 Should the Category A Default Notice not be remedied within the timescales specified or should a similar reoccur within 6 months this results in the issue of a Category "B" Default Notice. Failure to rectify the same breach within 24hrs or if the issue reoccurs within a further 6 months, this will result in the issue of a Category "C" Default Notice. Further failures of the same will result in a Category C Default Notice being issued every 24 hours until the Supervising Officer is satisfied, that the Default has been remedied or alternatively that the Default is no longer relevant or present.

5.16.3 Each stage /category reflects the additional administrative and re-inspection costs incurred by the Council, such sums shall be deducted from the Provider's monthly statement following the review of performance at the monthly Contract meeting.

5.16.4 CATEGORY A - The Supervising Officer, or any other Council Officer responsible for monitoring, will have expended administration and inspection time or resource, investigating, reporting or organising the remedying of any Default therefore the deduction from the Contract Sum shall be:-

- i. £75.00 (Seventy Five Pounds Sterling) per Default. This is classified as a Category 'A' Default Deduction.

5.16.5 CATEGORY B - Where a Default has not been remedied or has recurred within 6 months the Council determines that a Category B Default Deduction will be made from the Contract Sum. The additional expended administration and inspection time or resource, investigating, reporting or organising the remedying of any Category B Default is deemed to be:

- i. £100.00 (One Hundred Pounds Sterling). This is classified as a Category 'B' Default Deduction.

5.16.6 CATEGORY C - Where the Supervising Officer determines that a Default continues to recur at the expense of the required performance of the Services, identified in any Contract documents, the Specification, or Variation Order. Then this will be deemed a Category C Default. The additional expended administration and inspection time or resource, investigating, reporting or organising the remedying of any Category C Default is deemed to be:

- i. £150.00 (One Hundred and Fifty Pounds Sterling) per 24 hours. This is classified as a Category 'C' Default Deduction.

5.16.7 The calculation of the reduction in the value of the Services to the Council under this PMR shall be final. The 3 stage model and associated deductions are summarised in Table 1

Table 1

Category	Reasons for Default	Default Deduction
A	<ul style="list-style-type: none"> • Rectification not remedied within specified timescales • Service failure deemed other than minor, first default notice • Re-occurrence within 6 months 	£75
B	<ul style="list-style-type: none"> • Category A Default not remedied within specified timescales of the Category A Default Notice • Further re-occurrence within 6 months 	£100
C	<ul style="list-style-type: none"> • Category B Default not remedied within 24hrs of the issue of the Category B Default Notice. • 24 hour failure to remedy. • Further re-occurrence within 6 months • An Irremediable Default 	£150

6. Hotspot List

6.1 Where deficient Service or a Service Failure occurs more than twice at one address or location in any period of six (6) months or where a higher level Default has previously arisen the Supervising Officer shall be entitled, at their discretion to place an address(es) or locations on the 'Hotspot List'. Address(es) will remain on the 'Hotspot List' at least until the required Service standard has been achieved for a period as defined by the Supervising Officer.

6.2 The Provider's supervisory staff will be required to visit the addresses on the 'Hotspot List' following a scheduled service and sign a declaration to the effect that the Service has been provided to the standard required. Subsequent Service Failures at addresses on the 'Hotspot List' will automatically be deemed to be a Category 'C' Default.

6.3 The Council recognises that excessive numbers of Rectification and Default Notices often go hand in hand with high levels of public dissatisfaction and Complaints and these impact upon the reputation of the Council generating additional administration costs and senior officer input. Accordingly, the following additional amounts will be deducted in relation to Rectification Notices:

Rectification Notice Thresholds

i.	0 - 99 Rectification Notices in 1 week	No deduction
ii.	100 - 199 Rectification Notices in 1 week	£5 per Notice
iii.	200 - 249 Rectification Notices in 1 week	£10 per Notice
iv.	250 - 299 Rectification Notices in 1 week	£15 per Notice
v.	300 or more Rectification Notices in 1 week	£20 per Notice

6.4 In each case the Rectification Notice shall be deemed to arise in the week in which the act/omission resulting in the Rectification Notice occurred. A week being Monday to Sunday. The administration charge per notice will apply to all notices occurring in that week once the threshold is reached.

6.5 Remediation

6.5.1 Should the accumulation of deductions accumulate to a value of 2% of the monthly Contract Sum in two consecutive months or three months in any six month period. This will be deemed a Persistent Breach. The Council will serve a Remediation Notice where the following will occur:-

- i. The Supervising Officer may require the Provider's senior manager responsible for this Contract (Director level or above) to attend a 'Performance Failure Meeting'. Such meeting will be held within ten working days of written notification by the Supervising Officer. At this meeting the Provider will be required to account for the performance failure and provide a Remediation Plan to be completed within one (1) month detailing the Providers actions that will return the Service to the required Contract Specification and standard and;
- ii. The Supervising Officer will increase monitoring at the Councils' discretion for a period of twelve (12) weeks. Additional expenses will be at the cost of the Provider and/or;
- iii. Failure to provide either a satisfactory Remediation Plan or to complete the actions in the Remediation Plan may result in the Council invoking the termination provisions under the Conditions of Contract, Clause 15.2.1.

6.5.2 The Provider will be liable for the costs of all activities undertaken by the Council in inspecting, collecting information, attending meetings and any other costs the Supervising Officer deems relevant with respect to this performance review, by way of liquidated and ascertained damages. This sum will be notified to the Provider and deducted from the Provider's next monthly invoice.

6.5.3 Failure of the Provider to provide a senior manager to attend the meeting will not be accepted as a valid reason for delay and the meeting may be held in their absence. The Supervising Officer may then schedule a further meeting at the Council's discretion and at further cost to the Provider.

7. Substituted Performance

7.1 If the Provider for whatever reason regularly fails to perform the works in whole or in part strictly in accordance with the terms of the Contract, or in performing the Services there is an unacceptable level of deficient works, then without prejudice to any other remedy available to the Council, the Supervising Officer may upon prior written notice to the Provider, make arrangements for the Council to provide and perform, by its own staff or the staff of another Provider, such works which the Provider fails to perform or performs deficiently.

7.2 The Supervising Officer will initiate 'Step In Rights', where appropriate and the possibility of utilising alternative contractors at the Providers expense. The cost of providing 'Step In Rights' Services will be deducted from the payments to the Provider, including any additional Council administrative or legal costs.

7.3 In the event of a performance failure and the initiation of 'Step In Rights' the Council shall be permitted to use any of the Provider's equipment in addition to any equipment owned by the Council, to complete deficient works or works that have not been completed by the Provider.

7.4 Where the failure to provide and perform the Services is in the opinion of the Supervising Officer due to the failure of the Provider's management or supervisory staff to perform their work adequately or at all, or is due to the absence of or insufficiency of such staff, the Supervising Officer may effect that part of the Services be managed and supervised by the Council's own staff, or the staff of another professional organisation. In the event that the Council's own staff are used, the Provider shall be charged the hourly rate for those staff including any reasonable on costs or overheads.

7.5 Where another professional organisation is used to perform such part of the Services, the full costs thereof, together with any administration costs, shall be charged to the Provider. The Provider shall ensure that all of its staff utilised in the performance of the Contract co-operate fully with persons appointed to manage or supervise the Services under this Condition.

7.6 Where the failure to provide or perform the Services is in the opinion of the Supervising Officer due to the failure of the Provider to provide adequate equipment, materials and consumables to perform the work properly (including but not limited to insufficiency of equipment, or materials of an inferior quality), the Supervising Officer may provide adequate equipment, materials and consumables to be used by the Provider's staff in the performance of the works.

7.7 In the event that the Council supplies equipment, materials and consumables for the performance of the works, the Provider shall be charged the full cost of that equipment (either the purchase price or hire charge as appropriate) and/or the full cost of those materials and consumables (including, if necessary, the whole of the bulk purchase if it is common to obtain such materials and consumables in this manner), together with any administration and management costs.

8. Payment Mechanism

8.1 Any performance related Deductions will be presented at the monthly Contract meeting and taken from the monthly Contract Sum due in accordance with the payment terms set out in the Conditions of Contract.

8.2 No payment will be made for variable or ad-hoc works which are not completed to the satisfaction of the Supervising Officer.

8.3 The Council agreed to not unduly withhold moneys due to the Provider in the event of a dispute regarding performance Deductions. In this instance the due Contract Sum will be paid minus the deemed Deductions, until a final figure is agreed.

8.4 The Council and the Provider agree that payment for the Services outlined in the Specification will be adjusted throughout the Contract Period to reflect the performance of the Provider in accordance with the Performance Management Regime Deductions.

8.5 All Deductions will be subject to inflation using the indexation as described in the Conditions of Contract.

9. Other Financial Deductions

9.1 The Council has determined that some requirements set out in the Specification have sufficient impact on Service delivery to be managed outside of the Performance Management Regime. This is to ensure there is no material financial benefit to the Provider by not providing the relevant element of the Specification.

9.2 This may include withholding of any sum due for those Services, and the additional costs to the Council of providing or administering those elements of the Service.

10. Continuous Improvement

10.1 The Council wishes to see a continuous improvement in performance where the performance of the Provider leads to Deductions. It is expected that the Provider will outline at the monthly Contract meeting steps which they intend to put in place to reduce occurrences of Service Failure or improve on unsatisfactory or deficient work.

10.2 The KPI's outlined in Appendix 2 to this Schedule will be monitored and reviewed annually and will identify areas of stable performance, continuous improvement or drops in performance. The Service Delivery Plan will be used by the Provider as a mechanism for outlining proposals and actions which will support Service improvement.

10.3 Any action agreed as part of the annual Service Delivery Plan review will be subject to this PMR,

Appendix D – Formal Complaints Waste and Recycling Services

Jan				
01/01/2018 - 05/01/2018	08/01/2018 - 12/01/2018	15/01/2018 - 19/01/2018	22/01/2018 - 26/01/2018	29/01/2018 - 02/02/2018
0	1	1	0	0
Feb				
05/02/2018 - 09/02/2018	12/02/2018 - 16/02/2018	19/02/2018 - 23/02/2018	26/02/2018 - 02/03/2018	
1	0	0	2	
Mar				
05/03/2018 - 09/03/2018	12/03/2018 - 16/03/2018	19/03/2018 - 23/03/2018	26/02/2018 - 30/03/2018	
1	1	1	2	
Apr				
02/04/2018 - 06/04/2018	09/04/2018 - 13/04/2018	16/04/2018 - 20/04/2018	23/04/2018 - 27/04/2018	
1	1	1	3	
May				
30/05/2018 - 04/06/2018	07/05/2018 - 11/05/2018	14/05/2018 - 18/05/2018	21/05/2018 - 25/05/2018	28/05/2018 - 01/06/2018
2	1	6	25	25
June				
04/06/2018 - 08/06/2018	11/06/2018 - 15/06/2018	18/06/2018 - 22/06/2018	25/06/2018 - 29/06/2018	
16	7	9	14	
July				
02/07/2018 - 06/07/2018	09/07/2018 - 13/07/2018	16/07/2018 - 20/07/2018	23/07/2018 - 27/07/2018	
32	48	47	54	
Aug				
30/07/2018 - 03/08/2018	06/08/2018 - 10/08/2018	13/08/2018 - 17/08/2018	20/08/2018 - 24/08/2018	27/08/2018 - 31/08/2018
59	49	54	46	15

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CABINET
25 SEPTEMBER 2018

***PART 1 – PUBLIC DOCUMENT**

ITEM 6B

TITLE OF REPORT: ITEM REFERRED FROM LETCHWORTH COMMITTEE: 19 SEPTEMBER 2018 – TRANSFER OF LETCHWORTH GARDEN CITY MUSEUM COLLECTIONS FROM NORTH HERTFORDSHIRE DISTRICT COUNCIL (NHDC) MUSEUM SERVICE TO THE LETCHWORTH GARDEN CITY HERITAGE FOUNDATION (LGCHF) GARDEN CITY COLLECTION

Extract from the draft Minutes of the Letchworth Committee meeting held on 19 September 2018

TRANSFER OF LETCHWORTH GARDEN CITY MUSEUM COLLECTIONS FROM NORTH HERTFORDSHIRE DISTRICT COUNCIL (NHDC) MUSEUM SERVICE TO THE LETCHWORTH GARDEN CITY HERITAGE FOUNDATION (LGCHF) GARDEN CITY COLLECTION

The Committee received an Information note entitled Transfer of Letchworth Garden City Museum Collections from North Hertfordshire District Council (NHDC) Museum Service to the Letchworth Garden City Heritage Foundation (LGHF) Garden City Collection.

Members noted that the collections had been in the custody of Letchworth Heritage Foundation for some time and were on display in their museum.

Members were fully supportive of the transfer of the collection.

It was proposed, seconded and:

RECOMMENDED TO CABINET: That the Letchworth Committee was unanimously in support of the proposal to transfer the Letchworth Garden City Museum Collections to Letchworth Garden City Heritage Foundation Garden City Collection.

REASON FOR DECISION: To enable the Letchworth Committee to comment on the transfer of the Letchworth Garden City Museum Collections to Letchworth Garden City Heritage Foundation Garden City Collection prior to consideration by Cabinet.

[Note: the item to which this referral relates is item 10 on the agenda.]

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**CABINET
25 SEPTEMBER 2018**

***PART 1 – PUBLIC DOCUMENT**

ITEM 6C

TITLE OF REPORT: ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE: 24 SEPTEMBER 2018 – RISK MANAGEMENT

Extract from the draft Minutes of the Finance, Audit and Risk Committee meeting held on 24 September 2018

RISK MANAGEMENT

The Service Director – Resources presented the report entitled Risk Management and the associated Appendix A entitled New, Deleted and Changed Corporate Risks.

The Service Director – Resources advised that the changes to the Risk Management Matrix were detailed at Paragraph 8.2 and 8.3.

The proposals were subject to discussion at Risk Management Group and were to be considered by the Committee for recommendation to Cabinet.

Paragraph 8.3 gave details of the proposed deletion of the Office Accommodation risk as the Office Accommodation project was now complete and the Project Board closure had taken place.

There were proposed changes to the Waste risks with the parent risk proposed to change from 8 to 9.

There had been a number of changes to the presentation of risks which now showed a parent risk with an overall score with the important sub risks, which contributed to the overall risk, being flagged.

This had led to the deletion of a number of sub risks and the re-assessment and redrafting of others.

In response to questions the Service Director - Resources confirmed that Members will still have access to information about the parent risk and the sub risks, but that the Risk Matrix only included the score for the parent risk.

Members asked that they be informed at all stages about risks and sub risks as well as details of any re-assessments that had taken place.

In response to questions the Service Director - Resources confirmed that the management of corporate risks was the responsibility of Cabinet and the Senior Management Team and that, if deemed appropriate, additional resources would be allocated to areas of high risk.

There was detailed discussion about the part that mitigation plays in assessing risk and that it would be useful for Members of this Committee to be advised of and understand those mitigations.

The Service Director - Resources advised that the role of the Committee was to monitor the effective operation of risk management and therefore it was appropriate for the Committee to comment on the detail of the risk and request that more detail regarding the work completed and the work to do would be provided when risks were reviewed in future reports.

RECOMMENDED TO CABINET:

- (1) That the Office Accommodation (TR51) risk be deleted;
- (2) That the new Waste parent risk (RRNEW1) be created, with a score of 9;
- (3) That nine Waste sub-risks (RR287, RR424, RR455, TR59, TR59.001, TR59.002, TR59.004, TR59.005 and TR59.006) be deleted;
- (4) That the Waste sub-risk for Sale of Recyclable Materials (TR59.007) be amended, to include an increase in the risk score from a 8 to a 9;
- (5) That the new Waste sub-risk for Route Optimisation of Collection Rounds (RRNEW2) be created, with a score of 7;
- (6) That in order to enable the Finance, Audit and Risk Committee and Cabinet to monitor the effective development and operation of risk management, all future reports and discussions regarding all Corporate risks should include more detail of ongoing work associated so that any the detail of any mitigation can be taken in to account when assessing risk.

[Note: the Report and Appendix to which this referral relates is attached.]

TITLE OF REPORT: RISK MANAGEMENT UPDATE

REPORT OF: THE SERVICE DIRECTOR: RESOURCES

EXECUTIVE MEMBER: COUNCILLOR JULIAN CUNNINGHAM

COUNCIL PRIORITY: PROSPER AND PROTECT / RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

To provide the Committee with an update on the Corporate risks.

- The deletion of the Office Accommodation risk TR51
- The creation of a new Waste Parent risk RRNEW 1 with a risk score of 9.
- The deletion of Waste Sub risks RR287 / RR424 / RR455 / TR59 / TR59.001/ TR59.002 / TR59.004 / TR59.005 / TR59.006
- The amendments to Waste sub risk TR59.007 Sale of Recyclable Materials, to include an increase in the risk score from an 8 to a 9.
- The creation of a new Waste risk – RRNEW2 Route Optimisation of Collection Rounds with a risk score of 7.

2. RECOMMENDATIONS

- 2.1 That the Committee notes and refers the changes in the Corporate risks to Cabinet

3. REASONS FOR RECOMMENDATIONS

- 3.1 The responsibility for ensuring the management of the risks is that of Cabinet.
- 3.2 This Committee has responsibility to monitor the effective development and operation of risk management.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 There are no alternative options that are applicable

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 Consultation has been undertaken with SMT and the Risk Management Group (this includes Councillor Cunningham as Risk Management Member 'champion') and these recommendations were supported. Lead Officers discuss these risks with the relevant Executive Member.

6. FORWARD PLAN

- 6.1 This report does not contain a recommendation on a key decision and has not been referred to in the Forward Plan.

7. BACKGROUND

- 7.1 At the June meeting of the Finance, Audit and Risk Committee the following changes to the Corporate risks were approved and referred on to Cabinet. These were subsequently approved by Cabinet.

- Waste sub risk for Depot / Transfer station increase in score to a 9.
- New Waste sub risk for Food and Garden Waste with a score of 5.
- The overall score for Waste and Street Cleansing Contract renewal has increased from an 8 to a 9.

8. RELEVANT CONSIDERATIONS

8.1 Corporate Risks

- 8.1.1 The Corporate Risks summarised in Table 1 have been reviewed and agreed by SMT. Members are able to view the current risk descriptions on Pentana (was Covalent), the Council's performance and risk management software. The changes to the assessment of the current Corporate risks & opportunities are outlined in sections 8.2 and 8.3. Table 1 shows the last date that the risk was reviewed by the risk owner. Appendix A gives a detailed description of each of the Corporate Risks and Opportunities with changed assessments.

Table 1: Risk and Opportunities Matrix – Proposed Changes

Likelihood	3 High	4	7 <ul style="list-style-type: none"> • Income Generation (23.08.18) • Sustainable Development (16.05.18) 	9 <ul style="list-style-type: none"> • Local Plan (13.04.18) • Managing the Council's Finances (30.04.18) • North Hertfordshire Museum and Hitchin Town Hall Project (12.06.18) • Waste Management, Recycling and Street Cleansing (23.08.18)
	2 Medium	2	5 <ul style="list-style-type: none"> • Increased Homelessness (23.07.18) • Workforce Planning (27.03.18) 	8 <ul style="list-style-type: none"> • Cyber Risks (19.03.18)
	1 Low	1	3	6
		1 Low	2 Medium	3 High
		Impact		

- 8.2 Waste Risks.** In August 2018, Officers carried out a major review of the Waste Parent risk and all the associated sub risks. The proposed new Waste risks have been streamlined, with the creation of a new Parent Waste risk and the deletion of 9 sub risks, which have either been incorporated into the remaining 6 risks, or have been identified as no longer required.
- 8.2.1 New Waste Parent Risk RRNEW 1 – Waste Management, Recycling and Street Cleansing Contracts** – Incorporating both delivery of the high profile service and the wider service risks, this gives an overview of the risk, with 5 sub risks supporting the Parent risk. The overall risk score has been increased from an 8 to a 9.
- 8.2.2 Deleted Waste sub Risk RR287 – Waste Management and Recycling Contracts** – Officers propose that this is deleted as it will be covered by the new Parent risk RRNEW1.
- 8.2.3 Amended Waste sub Risk TR59.003 – Northern Transfer station and ancillary facilities** – Risk wording has been updated to include the risks associated with the Hertfordshire Waste Partnership. The risk score remains unchanged.
- 8.2.4 Deleted Waste sub risk RR424 – Hertfordshire Waste Partnership** – now incorporated into an updated TR59.003.
- 8.2.5 Deleted Waste sub risk RR455 – Snow and Ice Clearance** – now covered under RRNEW 1.
- 8.2.6 Deleted Waste sub risk TR59 – Waste and Street Cleansing Contract Renewal** – now covered by the new Parent risk RRNEW 1.
- 8.2.7 Deleted Waste sub risk TR59.001 – Trade Waste** – now covered by the new Parent risk RRNEW 1.
- 8.2.8 Deleted Waste sub risk TR59.002 – Waste and Recycling Service for Flats** – The funding that previously came from the Department for Communities and Local Government has now stopped and the specific issue has been covered with the commencement of the new contract.
- 8.2.9 Deleted Waste sub risk TR59.004 – Commingled Waste** – now covered by updated risk TR59.007 (Sale of Materials)
- 8.2.10 Deleted Waste sub risk TR59.005 – Street Cleansing** – now covered by the new risk RRNEW 1.

- 8.2.11 **Deleted Waste sub risk TR59.006 - Shared Procurement Opportunity** – no longer required as the opportunity has been realised.
- 8.2.12 **Amended Waste sub risk – TR59.007 – Sale of Recyclable Materials** – risk has been updated to incorporate Commingled Waste. The risk score has been increased from an 8 to a 9.
- 8.2.13 **New Waste sub risk – RRNEW 2 – Route optimisation of Collection rounds** – new risk introduced to cover the transition period when collection rounds are changed. Proposed risk score is 7.
- 8.3 **Office Accommodation Project.** In July 2018, Officers agreed that the Office Accommodation risk should be deleted following the project being signed off as complete.

9. LEGAL IMPLICATIONS

- 9.1 The Committee's Terms of Reference include "to monitor the effective development and operation of risk management and corporate governance, agree actions (where appropriate) and make recommendations to Cabinet." This report gives the Committee the opportunity to review and comment on the high level Risks and how they are proposed to be managed.

10. FINANCIAL IMPLICATIONS

- 10.1 There are no direct financial implications from this report.

11. RISK IMPLICATIONS

- 11.1 The Risk & Opportunities Management Strategy requires the Finance Audit & Risk Committee to consider regular reports on the Council's Corporate Risks. Failure to provide the Committee with regular updates would be in conflict with the agreed Strategy and would mean that this Committee could not provide assurances to Cabinet that the Council's identified Corporate Risks are being managed.

12. EQUALITIES IMPLICATIONS

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

- 12.2 Reporting on the management of risk provides a means to monitor whether the council are meeting the stated outcomes of the district priorities, its targets or delivering accessible and appropriate services to the community to meet different people's needs. The risks of NHDC failing in its Public Sector Equality Duty are recorded on the Risk Register. The Council's risk management approach is holistic, taking account of commercial and physical risks. It should also consider the risks of not delivering a service in an equitable, accessible manner, and especially to its most vulnerable residents such as those who are homeless

13. SOCIAL VALUE IMPLICATIONS

- 13.1 The Social Value Act and "go local" policy do not apply to this report.

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 There are no direct Human Resource implications arising from this report, but it should be noted that there is a separate Corporate Risk relating to Workforce Planning.

15. APPENDICES

- 15.1 Appendix A – the Corporate Risks & Opportunities with changed assessments.

16. CONTACT OFFICERS

Rachel Cooper
Controls, Risk & Performance Manager
rachel.cooper@north-herts.gov.uk
01462 474606

Ian Couper
Service Director- Resources
ian.couper@north-herts.gov.uk
01462 474243

17. BACKGROUND PAPERS

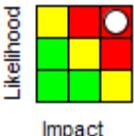
- 17.1 The risks held on Pentana the Council's Performance and Risk Management IT system.



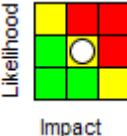
Risk Code	TR51 - Deleted	Risk Title	Office Accommodation
Risk Description	<p>As a result of failure to:</p> <ul style="list-style-type: none"> - Create more open plan space - Minimise disturbance caused by refurbishment works - Have suitable and safe temporary accommodation - Fully anticipate all the costs of the project - Fully engage all staff and Members - Reduce physical storage requirements - Provide sufficient IT and telephony requirements and a suitable public reception in Town Lodge - Have sufficient capacity to deliver the project - Ensure the financial health and competence of the manufacturer/contractor <p>There is a risk that there is:</p> <ul style="list-style-type: none"> - Failure to complete the project on time, to cost and within the specification - Failure to refurbish the offices as outlined in the original Business Case - Failure to make additional revenue savings/gains from letting - Inability to repair the exterior of the DCO in the long term - Deterioration in services provided to the public - Failure to moderate internal temperatures - Difficult working conditions leading to a deterioration in officers performance - Failure to attract other partners to share the building that could lead to underutilised office space - Failure to manage expectations 		
Recent Notes	19-Jul-2018 Project documentation is now available on the intranet, including Project Closure Report, Benefits Realisation, Lessons Learned, Issues Log and Risk Log.		

Risk Code	RR NEW1 - New	Risk Title	Waste Management, Recycling and Street Cleansing
Risk Owner	Vaughan Watson	Updated By	Chloe Hipwood
Year Identified	2018	Corporate Priority	Responsive and Efficient
Risk Description	<p>Waste management and recycling is a high profile service that affects every resident of the district. It is the most significant service delivered by NHDC and as such, the associated risks relating to delivery of the contracts and the wider disposal and sale of materials need to be managed effectively.</p> <p>The effective day-to-day delivery of the waste management and recycling contracts has the following key risk areas:</p> <ol style="list-style-type: none"> 1. Staffing (Impact – High, Likelihood – High) Staffing levels of the NHDC client team, due to restructure and maternity leave Ability to monitor and manage the contract effectively 2. Management and Monitoring Arrangements (Impact – High, Likelihood – High) Lack of an agreed and signed Inter Authority Agreement Clarification and understanding of NHDC, EHDC and contractor responsibilities Formalisation of contractual arrangements 		


	<p>3. Trade Waste (Impact – High, Likelihood – Medium) Financial viability due to increasing costs (e.g. disposal and transfer) Competition with other providers who have a lower cost base</p> <p>4. Route Optimisation of Collection Rounds (Impact – Medium, Likelihood – High) – Separate Sub Risk Failure to deliver the changes effectively Residents unaware of or unhappy about the changes</p> <p>5. Contact Handling (Impact – Medium, Likelihood – High) Ability of contractor’s contact centre (systems/staff) to manage the volume of customer contacts effectively</p> <p>6. Food and Garden Waste (Impact – Medium, Likelihood – Medium) – Separate Sub Risk The contractor has problems delivering the new service Residents not using the service expect their bins to be removed immediately NHDC fails to maintain the required number of paying customers</p> <p>7. Street Cleansing (Impact – Low, Likelihood – Low) Lower performance levels not achieving value for money and related reputational issues</p> <p>8. Snow and Ice (Impact – Low, Likelihood – Low) Ability to fulfil relevant duties, i.e. on our own land (e.g. car parks and council offices) and in line with the partnership agreement with HCC (e.g. town centres), although HCC retains responsibility for the relevant areas Claims for personal injury/property damage</p> <p>The disposal and sale of materials has the following key risk areas:</p> <p>9. Depot/Transfer Station (Impact – High, Likelihood – High) – Separate Sub Risk Operational use of the site is not possible or its use is severely restricted Environment Agency closes the site</p> <p>10. Sale of Recyclable Materials (Impact – High, Likelihood – High) – Separate Sub Risk Increased cost of processing materials Increased contamination and stockpiling of plastic waste</p> <p>11. Disposal Arrangements for Waste (Impact – High, Likelihood – Medium) – Separate Sub Risk Reliance on close working relationship with HCC Failure to secure an alternative Northern Transfer Station by 2024</p>		
Opportunities	- Ensuring minimal public complaints and value for money through the effective management and operation of the waste management contract		
Consequences	<ul style="list-style-type: none"> - Additional workload and pressures for officers - Standard of service delivered decreases - Increased number of complaints and poor public perception of service - Increased need for remedial activities - Performance deteriorates and relevant targets are not achieved - Incorrect or late contract payments - Incomplete or inaccurate data being received from the contractor - Increased costs or decreased income/funding (e.g. AFM) - Damage to the reputation of the Council 		
Work Completed	- Financial risk identified for 2018/19, "Unforeseen issues arising relating to the mobilisation of the new Waste, Recycling and Street Cleansing contract require additional staffing resource to resolve"		
Ongoing Work	<ul style="list-style-type: none"> - NHDC and EHC are in a joint contract with Urbaser that is contractually binding. However, officers are in the process of finalising the various agreements between the parties. - Additional resources have been implemented by both Urbaser and NHDC to assist in resolving the current issues. - Reporting to Overview and Scrutiny on the 18 September 2018 on the performance of the new joint waste contract. 		
Current Impact Score	3	Current Likelihood Score	3

Overall Risk Score	9	Current Risk Matrix	
Date Reviewed	03-Jul-2018	Next Review Date	03-Oct-2018
Notes			

Risk Code	RR287 - Deleted	Risk Title	Waste Management and Recycling Contracts
Risk Owner	Vaughan Watson	Updated By	Chloe Hipwood
Year Identified	2004	Corporate Priority	Responsive and Efficient
Risk Description	<p>As a result of:</p> <ul style="list-style-type: none"> - Inadequate management arrangements in place to ensure the current contracts are monitored and reported according to existing contract spec' and performance management system - Lack of staff to monitor the contract adequately - Failure to link specification adequately to the recycling contract with Pearce - Contract with Pearce expiring in 2017 (to be extended or re-procured) - Poor custom and practice making contract enforcement difficult <p>There is a risk of:</p> <ul style="list-style-type: none"> - Deteriorating standards of contractual obligation - Contractual defaulting mechanism is not used correctly to ensure contract spec' is maintained and achieved - Corporate loss of reputation / satisfaction - Reduced performance within corporate and governmental performance indicators - Decrease in customer satisfaction and increased complaints and contacts to NHDC - When the contracts are tendered or extended, there is a risk of increased costs and challenge from unsuccessful bidders - Due to age of waste contract, some contract terms may be unenforceable - Due to re-tendering, contractor may become complacent and service standards may drop 		
Opportunities	<ul style="list-style-type: none"> - Ensuring minimal public complaints and value for money through the effective operation of the waste management contract 		
Consequences	<p>The consequences of failing to ensure the waste contract is managed and monitored sufficiently:</p> <ul style="list-style-type: none"> - Public health adversely affected due to build up of waste on the streets - Incorrect payments being made (overpayments mean NHDC does not achieve best value) - Payments not made by due date (NHDC can incur charges) - Incomplete or inaccurate data being received from the contractor - Inadequate resources available to enable the Council to monitor the contract - Data held by the contractor not available to NHDC officers - Contractor/partner does not manage contamination affecting income - Our outgoings increase - Performance slipping (not hitting targets) - Increased service requests, complaints and call contacts to NHDC direct - Poor AFM - Lack of flexibility to change services and resource implications - Public perception of street cleansing - HWP targets and performance schedules not met - Increase in repeat complaints 		
Work Completed	<ul style="list-style-type: none"> - Can issue defaults, which can lead to contract termination (high risk to Authority) - Monitoring process in place - New monitoring regime now in place to ensure service provision is adequate - All Waste Services Inspectors have been trained upon the correct procedures for inspections and contractual monitoring 		

	<ul style="list-style-type: none"> - Extension to the existing waste management contract has been approved to May 2018 - New disposal arrangements have been agreed upon between NHDC and HCC; from 1st October 2014, all waste to be delivered to FCC in Hitchin for bulking and haulage to a disposal site - Revised clinical waste collection introduced in 2016 – new pricing agreed with Veolia - New commingled contract awarded - Specification for new contract now completed and published - Renegotiated minor aspects of waste contract, e.g. duplication with cleaning of amenity areas with grounds maintenance contractor - New contract procured for start May 2018 - New PMR developed for new contract - Restructuring of the client team 		
Ongoing Work	<ul style="list-style-type: none"> - Claims for payment are scrutinised prior to payment - Payments are made once a month - Monthly contract meetings are held - Quarterly Partnership Board meetings - Mobilisation of the new contract is ongoing - Recruitment ongoing to fully resource client team 		
Current Impact Score	2	Current Likelihood Score	2
Overall Risk Score	5	Current Risk Matrix	
Date Reviewed	04-Jan-2018	Next Review Date	04-Jun-2018
Notes	04-Jan-2018 Risk score not adjusted. Resourcing of the client team is fundamental to the management of this risk.		

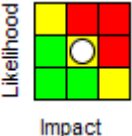
Risk Code	TR59.003 - Amended	Risk Title	Disposal Arrangements for Waste
Risk Owner	Vaughan Watson	Updated By	Chloe Hipwood
Year Identified	2012	Corporate Priority	Responsive and Efficient
Risk Description	<p>NHDC is reliant on a close working relationship with HCC, the disposal authority, in order to dispose of waste using the most efficient and effective methods. There are medium-term and long-term risks to both parties relating to the relevant sites. NHDC owns the Bury Mead, Hitchin Transfer Station and HCC operate a residual waste transfer solution for NHDC collected waste from this site, via a private sector contract, until 2024. After 2024, an alternative Northern Transfer Station is required to prevent additional transport costs for NHDC, should refuse collection vehicles need to travel outside the district and tip directly at the landfill site, of up to £280,000 (gross of HCC transport subsidy of £100,000). There would also be a related increase in vehicle emissions.</p> <p>The risks associated with a Northern Transfer Station project are:</p> <ul style="list-style-type: none"> - Failure to agree a suitable site along the A1 corridor and to develop a financially viable business case for all parties - Failure to obtain planning permission - Failure to gain required permits - Diversion of NHDC resources to support the project - Failure to develop a site in time, leading to significant increased financial and environmental risks - Potentially developing a site that fails to meet future alternative disposal sites 		

	<p>These risks could lead to the site not being built, which would lead to increased transport costs to transfer to alternative transfer or disposal sites and a failure to capture all savings from having one dedicated waste and recycling site/depot.</p> <p>Currently, there is separate risk entry (TR59.008) relating to the transfer and disposal arrangements for recyclable waste.</p>		
Opportunities	<ul style="list-style-type: none"> - Reduction in transportation costs for NHDC and HCC and minimising the impact on the environment - Consolidation of existing facilities (depot, transfer stations for recycling and residual waste, and HWRC) and dependent on location, working with other partners for other services (shared costs and economies of scale) - To improve operational efficiencies by providing one site for household waste (HCC), a depot and waste and dry recyclates transfer station - Work with East Herts, Stevenage and HCC on the transfer station - Potential to relocate the Letchworth HWRC to a larger purpose built site and co-locate with depot and waste transfer 		
Consequences	<p>The consequences of this risk are:</p> <ul style="list-style-type: none"> - Transportation costs to ultimate disposal site continue to increase - Detrimental impact on the environment 		
Work Completed	<ul style="list-style-type: none"> - Feedback to HCC strategic site allocation planning - Worked with HCC waste services in identifying suitable locations for a Northern Transfer Station - Stevenage/North Herts location aborted due to planning restrictions - Contract let by HCC for continuation of transfer until March 2024 - NHDC accepting a Royalty payment based on commercial activity at the site, to ensure the medium-term availability of the site - Preliminary discussion held between HCC and NHDC on viability of sites within the Waste Allocations Document for combined depot and Northern Transfer Station - Consultant's report received for Northern Transfer location; site identified owned by HCC - Consultants commissioned to undertake feasibility work and outline designs for identified site - Agreement for use of Buntingford for the transfer of dry recycling for the new waste collection contract 		
Ongoing Work	<ul style="list-style-type: none"> - Bury Mead contaminated land investigations ongoing with new contractor - Work in progress to resolve risk re Northern Transfer Station - Consider developing a transfer station in North Herts - To review feasibility and outline designs for identified site in conjunction with HCC and linked to Local Plan 		
Current Impact Score	3	Current Likelihood Score	2
Overall Risk Score	8	Current Risk Matrix	
Date Reviewed	03-Jul-2018	Next Review Date	03-Oct-2018
Notes	04-Jan-2018 Likelihood increased due to the re-letting of the residual waste transfer contract by HCC and need for depot to be secured for new waste contract.		

Risk Code	RR424 - Deleted	Risk Title	Hertfordshire Waste Partnership
Risk Owner	Vaughan Watson	Updated By	Chloe Hipwood

Year Identified	2008	Corporate Priority	Responsive and Efficient
Risk Description	<p>As a result of:</p> <ul style="list-style-type: none"> - Lack of buy-in from all districts - Conflicting district agendas/aims - Failure of PFI New Barnfield residual waste solution - Failure to combine collection and disposal services to provide economies of scale and savings for all authorities <p>There is a risk to:</p> <ul style="list-style-type: none"> - Achieving the objectives of the Hertfordshire Waste Partnership 		
Opportunities	<ul style="list-style-type: none"> - Joint working / procurement - Meeting waste diversion and recycling targets 		
Consequences	<p>Leads to:</p> <ul style="list-style-type: none"> - Splintering of partnership - Loss of joint procurement opportunities - Inability to meet targets - Redundancies - Potential loss of facilities - Higher council tax - Contract costs increasing - Loss of AFM funding 		
Work Completed	<ul style="list-style-type: none"> - Strategy in place - New Barnfield project not approved, contingency currently being developed - Joint procurement of commingled MRF contract in 2013 completed - Development of publicity materials to inform the whole of Hertfordshire regarding contamination issues within the organic waste streams and issues surrounding the PAS100;2011 legislation - Joint textiles contract procured - Peer review of HWP completed in 2014 - Joint collection contract with East Herts Council agreed 		
Ongoing Work	<ul style="list-style-type: none"> - Delivery of strategy - Delivery of group work programmes contained within the strategy - Delivery of strategy to achieve 60% diversion rates for the County by 2020 - Contingency for residual waste developed for Bury Mead until 2021 - Ongoing review of strategy - Assistance being provided to HCC for continued use of Bury Mead road to secure residual waste transfer 		
Current Impact Score	2	Current Likelihood Score	2
Overall Risk Score	5	Current Risk Matrix	
Date Reviewed	04-Jan-2018	Next Review Date	04-Jun-2018
Notes	04-Jan-2018 Risk score adjusted to reflect the reduced influence the HWP has over contracts for waste related services. Waste contract risks are managed under a separate risk.		

Risk Code	RR455 - Deleted	Risk Title	Snow and Ice Clearance
Risk Owner	Vaughan Watson	Updated By	Chloe Hipwood
Year Identified	2011	Corporate Priority	Responsive and Efficient

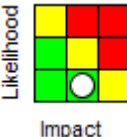
Risk Description	<p>The risks arising from the treatment of or failure to treat snow and ice by NHDC. The snow and ice can be either on NHDC land (primarily Pay & Display car parks) or in the town centres (on behalf of HCC).</p> <p>The risks are:</p> <ul style="list-style-type: none"> - Snow and ice is not treated - Snow and ice not treated properly creating more of a hazard - There is insufficient supply of salt/grit to carry out the treatment - There is increased liability on NHDC for treating the snow and ice on adopted highway as this is a County function 		
Opportunities	<ul style="list-style-type: none"> - Town centres and NHDC pay and display car parks remain safe in the event of snow and ice fall - The public can continue to visit businesses and shops in the district 		
Consequences	<p>The consequences of this risk are:</p> <ul style="list-style-type: none"> - Breach of duties under the Occupiers Liability Act 1957 - Members of the public or staff fall and injure themselves - Downturn in car park income (due to lack of accessibility) - Claims for compensation made for injuries - Increase in complaints - Loss of reputation as unable to treat the snow and ice adequately 		
Work Completed	<ul style="list-style-type: none"> - Snow and Ice procedures agreed by Risk Management Group for NHDC land - Operational procedures for applying the treatment in place in Leisure & Environment - Gritting routes agreed by NHDC and HCC 		
Ongoing Work	<ul style="list-style-type: none"> - Purchased our own salt to treat NHDC land, as outlined in the Snow and Ice procedures - NHDC has now provided HCC a complete list of the footpaths it is willing to grit on behalf of HCC - However, NHDC will only grit if / once all street cleansing services have been suspended; until this point all gritting regardless is still the responsibility of HCC, and all claims / insurance cases are the sole responsibility of HCC regardless of which body gritted the footpaths - New arrangements for new contract to be confirmed during contract mobilisation 		
Current Impact Score	2	Current Likelihood Score	2
Overall Risk Score	5	Current Risk Matrix	
Date Reviewed	04-Jan-2018	Next Review Date	04-Oct-2018
Notes	04-Jan-2018 No update to risk score, new arrangements require agreement with new contractor for winter 2018.		

Risk Code	TR59 - Deleted	Risk Title	Waste & street cleansing contract renewal
Risk Owner	Vaughan Watson	Updated By	Chloe Hipwood
Year Identified	2014	Corporate Priority	
Risk Description	<p>The waste and street cleansing contract is due for renewal in May 2018 There are number of risks to this procurement that have been identified on a project risk log.</p> <p>As a result of</p> <ul style="list-style-type: none"> - unavailability of key staff - a poorly worded/unclear specification - lack of tenders/collaboration - the complex and evolving statutory environment 		

	<ul style="list-style-type: none"> - Uncertainty and changes in disposal infrastructure - extensive lead in time for any new supplier - new procurement legislation - Veolia's software not producing data in a usable format to provide clarity to bidders - other corporate projects calling upon key Officer resource - opportunities for collaborative working - health and safety risks arising from use of HGV's and manual handling - lack of up to date information held by NHDC - key staff being involved in the procurement - age of existing contract - lack of NHDC ownership of a depot or transfer station - Delays in taking a political decision <p>There is a risk that</p> <ul style="list-style-type: none"> - there will be insufficient staff skills and experience leading to a poor quality tender specification/contract terms - lack of staff resources to develop ITT - the contract fails to deliver expectations - the contract costs increase - procurement will not be delivered on time - the procurement does not follow latest legislation - errors and omissions are made in the evaluation and award of contract - incorrect information is provided in the tender documents - the procurement will be delayed due to conflicts with other projects/support service availability - the procurement is delayed due to negotiation and decision making time frames with stakeholders/partners/staff/politicians - there is a breach of health and safety legislation by the contractor - there is a decline in business as usual - current service standards may prove more costly - potential bidders may not find suitable depot sites which may increase operational costs - Existing contractor may become complacent and service standards may drop during re-tendering
Opportunities	To provide a modern cost-effective waste and street cleansing service with a contract that is easily performance managed.
Consequences	<p>The consequences of this risk include</p> <ul style="list-style-type: none"> - a poor quality tender specification/contract terms - a legal challenge that would be costly and possibly delay the letting of the contract - the cost of the new contract exceeds budget - incorrect tender pricing by a contractor due to poor data - missed collections/deterioration in street cleansing leading to increased customer complaints and a possible negative impact on public health - injuries, HSE investigations and insurance claims/HSE fines - lack of bids, transferring waste outside the district and/or high contract price - Non-compliance with the Waste Regulations
Work Completed	<p>Employment of experienced Contracts Manager for Waste & Street Cleansing Project identified as a key project in 2016/17 Existing service standards in some areas are below that specified in the contract so any decline in service standards may not be noticed. Bury Mead Road to be used as transfer station in the short/medium term Project team established Joint working business case agreed. Short series of soft market testing was conducted to inform development of the contract specification Benchmarked contract specification with other authorities as part of the joint working business case Agreement reached this is to be a joint procurement Consultant employed to act as a critical friend Pricing schedule reviews written into the T & C's of the contract. Adoption of the Intend procurement tool to provide a transparent audit trail</p>
Ongoing Work	Procurement advice aided by external support from WYG and AEA Consultants

	<p>As a contingency in the event of staff unavailability, support could be obtained from HCC/HWP NHDC legal support has been utilised and there is some limited support from EHC procurement Invite dialogue and engage with potential suppliers at a pre procurement stage. Project plan and timeline established, with regular review, presented to the joint Project Board of NH and EH Councils. Also reviewed by HoS Validation and review of all data currently held is being completed to ensure that data available to bidders is as accurate as possible. Specification and T&C's of the contract will be developed to stipulate in contract that NHDC has more control over the data held by the contractor. H & S to be asked for at PQQ stage and to be key areas in spec. Specification, contract T&C's and contract management will be applied to identify any H & S risk areas or breaches. The evidencing of bidders approach to H&S will be supported in the Method Statements requests as part of tender submissions which will be contractually binding on the bidder. Ongoing work with IT to transpose current data and is fundamental to the development of the Customer Service Centre component of the contract. Produce mapped data with inspectors to audit information. Data and supporting information has been developed and will form part of the contract management To review CRM information and IT integration. Members/public/CSC to direct enquiries to others in waste team not involved in procurement Identify sites for potential Northern Transfer Station and depot site in conjunction with Local Plan Purchase site and obtain planning permission.</p>		
Current Impact Score		Current Likelihood Score	
Overall Risk Score		Current Risk Matrix	
Date Reviewed		Next Review Date	
Notes	13-Feb-2017 Risk updated with Oliver Furbur		

Risk Code	TR59.001 - Deleted	Risk Title	Trade Waste
Risk Owner	Vaughan Watson	Updated By	Chloe Hipwood
Year Identified	2007	Corporate Priority	Attractive and Thriving
Risk Description	<p>The impact of legislative changes to trade waste collections and loss of business to other providers. Trade waste and recycling service does not meet the current needs of the business community by not providing value for money and services as required. Landfill tax increases by RPI. Loss of revenue due to financial climate. Costs of waste transfer make our collections cost prohibitive for businesses. Recycling service does not facilitate businesses to reduce costs sufficiently. The risks are: - Not offering recycling collections will result in loss of market share - Loss of customers to other providers due to poor/expensive services - Loss of income to NHDC and potential costs to the general fund</p>		
Opportunities	To maximise profitability and demand for our trade waste service, which currently makes a contribution to revenue, to develop and provide a full trade waste recycling service to all existing and potential new customers.		

Consequences	Leads to: - Trade waste service loses profitability - Loss of income for NHDC general fund - Reduces the viability of the trade waste service for sale - Services offered do not meet needs of businesses in the district		
Work Completed	- New service costs for 2016/17 developed - majority of costs have increased by contract rises - Changes to HMRC guidance means our customers are exempt from VAT - competitors required to charge (currently being challenged) - Trade waste sales drive has increased profitability of the service substantially - Commingled recycling option introduced for existing commercial customers - Recycling service continues but it will be reviewed to determine if it can be self-sustaining - New commingled recycling charges introduced in April 2016 - Cardboard round review undertaken		
Ongoing Work	- Ongoing work to manage the capacity of the recycling services - Review of pricing structure for April each year - Implementation of new module on Whitespace IT system to manage trade waste contracts due for completion January 2018 - Work required to determine IT management for new contract - Mobilisation of new contract to determine working arrangements and administration responsibilities - New Duty of Care processes being considered for the new contract		
Current Impact Score	2	Current Likelihood Score	1
Overall Risk Score	3	Current Risk Matrix	
Date Reviewed	04-Jan-2018	Next Review Date	04-Jun-2018
Notes	04-Jan-2018 Risk score not updated, work required to harmonise services with East Herts and determine IT system management and service set up for new waste contract		


Risk Code	TR59.002 - Deleted	Risk Title	Waste and Recycling Services for Flats
Risk Owner	Vaughan Watson	Updated By	Chloe Hipwood
Year Identified	2013	Corporate Priority	Attractive and Thriving
Risk Description	A new commingled recycling, weekly food waste and weekly residual waste collection service was introduced in the summer of 2013 for flats. There are a number of risks arising from and to this service: - There is a risk that the AFM payment received from HCC will stop .This would lead to a loss of income to the revenue account. - A sum of £853,000 was provided by the DCLG to introduce a recycling service to flats in North Herts. Liners have to be provided to flats or there will be a risk that the Council is in breach of the funding agreement with the DCLG. -Decision on the continued viability of weekly services is required in line with the new waste and street cleansing contract procurement.		
Opportunities	- Increased recycling - Reduced waste to landfill - Reduced waste arisings		
Consequences	The consequences of this risk include: - Failure to meet residents' expectations if bins overflow or recycling is contaminated, resulting in		

	increased complaints - Contamination of food waste or recycling, resulting in more waste going to landfill - Overflowing bins and waste accumulations if resident and managing agents fail to engage in recycling		
Work Completed	- New service rolled out in the summer of 2013, resulting in an increase in recycling rate and less waste going to landfill - Further caddy liner delivery completed - Waste composition analysis undertaken for flats to inform decision of future service provision - New contract let, flats will continue food waste collections with residual waste changing from weekly to fortnightly for most flat blocks - LARAC recycling award won for work with managing agents to increase recycling and tackle dumping		
Ongoing Work	- Problem flats reviewed on a case-by-case basis - Public engagement and education to deal with flats with known contamination issues - Ongoing liaison with managing agents - Assessments of flat blocks with insufficient capacity to go to fortnightly residual waste collections - New collections schedules being devised for new contract		
Current Impact Score	2	Current Likelihood Score	1
Overall Risk Score	3	Current Risk Matrix	
Date Reviewed	12-Feb-2018	Next Review Date	04-Jun-2018
Notes	15-Feb-2018 At the Risk Management Group meeting on 12 February 2018, Vaughan Watson stated that the Likelihood score should be reduced to 1-Low, as he considered the change to fortnightly residual waste collections to be relatively low risk.		

Risk Code	TR59.004 - Deleted	Risk Title	Commingled Waste
Risk Owner	Vaughan Watson	Updated By	Chloe Hipwood
Year Identified	2013	Corporate Priority	Responsive and Efficient
Risk Description	<p>As a result of:</p> <ul style="list-style-type: none"> - Challenges being made at a national level by environmentalists and by companies involved in source separated materials, such as glass, who are using the requirements set out in the Waste Regulations around TEEP (Technically, Environmentally and Economically Practicable) to argue that MRFs (Material Recycling Facilities) do not perform as well and are less environmentally friendly in terms of processing glass and other such material than a source separated at kerbside - Cross contamination of commingled recycling - The quality of glass in commingled recycling - Failure of the contractor for commingled waste - The limited capacity at Radwell - Reduced income from material sale <p>There is a risk of:</p> <ul style="list-style-type: none"> - Contaminated loads going to the MRF - Negative impact on recycling performance and diversion of contaminated recycling material being sent to landfill - Failure to make best use of glass collected for recycling - A decrease in the price received for commingled recycling - Material not going to closed loop recycling - Legal challenge from 2015 on the quality of material being recycled via commingled recycling compared to kerbside sorted material. The Environment Agency is the enforcing authority and it will 		

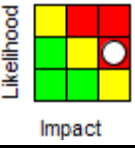
	<p>review local authority positions in 2015.</p> <ul style="list-style-type: none"> - Failure of the Radwell site to be able to accommodate any increase in recycling - Reduction in income due to changes in waste composition and a fall in the markets for material sale 		
Opportunities	<ul style="list-style-type: none"> - To ensure our commingled material is within defined limits (less than 5%) of contamination at source, to prevent legal and financial challenges - To argue our case if challenged that our commingled material and the MRF that it is sent to is "Fit for Purpose" and the challenges made under TEEP demonstrate we have improved on performance and is more efficient and effective than our previous source separated service 		
Consequences	<p>As a result of these risks:</p> <ul style="list-style-type: none"> - High levels of contamination may result in downgrading our material and significant increased costs; this then may lead to higher risk of challenge on quality and performance under TEEP - Glass may have to be removed from commingled recycling if sufficient quality cannot be achieved at the MRF - Textiles may need to be reviewed if contamination persists in the commingled waste stream - Increased costs if the Council has to use an alternative MRF - Negative impact on our residents and potentially on the performance, reducing our recycling performance if glass is sent to landfill - Option of going back to kerbside sort for glass, this would have financial implications to the revenue budget for waste - Defending any legal challenges made may have additional revenue or opportunity costs - Reputational issues - Successful challenge would result in whole scale service change costs - Continued increases in processing costs may be incurred - Reprocessors may halt receipt of material if quality is not suitable for onward sale or if the global economic market drives the price of recycling too low 		
Work Completed	<ul style="list-style-type: none"> - Cardboard now removed from compost improving the quality of the compost - Commingled contract implemented - Change in publicity in relation to textiles, now in a bag outside of the bin, to help prevent contamination - Staff resource at Radwell to assist in removing contamination - Waste composition reviewed for year 2 of contract - TEEP assessment received finding was that after taking into account the higher level of recycling and the relative costs the current system has been chosen by NHDC because it is seen as more technically practicable, environmental and economic than collecting the four materials separately - New contract let for 7 years 		
Ongoing Work	<ul style="list-style-type: none"> - Waste and recycling contractor removes as much contamination as possible before the recycling is transported to the MRF - AFM payments help to compensate for the cost of processing recyclates - Communication with our residents to assist us in minimising contamination in the commingled waste stream - Herts Waste Partnership have agreed that they will support any district/borough that has a legal challenge about the quality of their commingled recycling - In the event of failure of the contractor, the Council would seek an alternative provider but may have to send some potentially recyclable materials to landfill in the interim - Ongoing communication programme with residents to reduce contamination has been successful overall - Paper recycling contract being considered for extension 		
Current Impact Score	2	Current Likelihood Score	3
Overall Risk Score	7	Current Risk Matrix	
Date Reviewed	04-Jan-2018	Next Review	04-Jun-2018

		Date	
Notes	04-Jan-2018 Risk score likelihood updated to reflect global economic climate and impacts of China restrictions on plastics for recycling and new contract re-letting.		

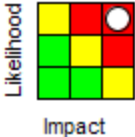
Risk Code	TR59.005 - Deleted	Risk Title	Street Cleansing
Risk Owner	Vaughan Watson	Updated By	Chloe Hipwood
Year Identified	2014	Corporate Priority	Attractive and Thriving
Risk Description	<p>The district is divided into "zones" with different cleaning standards associated with different zones.</p> <p>As a result of:</p> <ul style="list-style-type: none"> - Having allocated different types of location to different zones and having a different level of cleansing for different zones there is a risk that there will be no parity with East Herts Council (EHC) - Increasing the cleaning of high speed roads there is a risk that the cost of the contract would increase substantially - Maintaining the current level of cleaning of high speed roads there is a risk that the appearance of the district will not improve and/or there will be a negative environmental impact - Reducing the number of litter bins there is a risk that more litter will be dropped - Deciding not to clear leaf fall there is a risk of increased complaints and the possibility of more people falling and being injured - Zoning of streets, which is outdated and requires a review <p>There is a risk that:</p> <ul style="list-style-type: none"> - Street cleansing standards will fall - There is failure to obtain value for money 		
Opportunities	<ul style="list-style-type: none"> - Streets are clean and safe - Contract delivers best value for the Council 		
Consequences	<p>These risks can lead to:</p> <ul style="list-style-type: none"> - Increased contract costs - Increased complaints from the public - Increased dissatisfaction with the level of street cleanliness - Possible claims for injury (e.g. as a result of falling on wet leaves/detritus) 		
Work Completed	<ul style="list-style-type: none"> - Programme of high speed road cleaning arranged annually - Recruited temporary post to update data for new contract - Consulted with members and other stakeholders for new contract minimum standards - New contract specification drafted and contract let 		
Ongoing Work	<ul style="list-style-type: none"> - To communicate any changes in standards to the public with an explanation as to why the decision has been taken (e.g. savings) - Mobilisation of new cleansing schedules ongoing - Review of re-zoning 		
Current Impact Score	2	Current Likelihood Score	2
Overall Risk Score	5	Current Risk Matrix	
Date Reviewed	12-Feb-2018	Next Review Date	04-Jun-2018
Notes	15-Feb-2018 At the Risk Management Group meeting on 12 February 2018, Vaughan Watson stated that the revised contract specification was built into the new contract and that the risk would be reviewed comprehensively following commencement of the contract. Vaughan's proposal was to		

	reduce the Likelihood score from '3-High' to '2-Medium' and the RMG agreed with his proposal.
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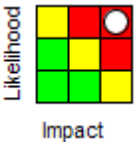
Risk Code	TR59.006 - Deleted	Risk Title	Shared Procurement Opportunity
Risk Owner	Vaughan Watson	Updated By	Chloe Hipwood
Year Identified	2014	Corporate Priority	Responsive and Efficient
Risk Description	<p>There is an opportunity to share the procurement of the waste and street cleansing contract with East Herts District Council.</p> <p>As a result of:</p> <ul style="list-style-type: none"> - A lack of staff resources to support the project - A lack of ability to influence the design, delivery and performance of services in the future - Including too many options in the ITT - Lack of interest in the market for a NHDC only contract - Lack of interest in the market for a joint contract - The large number of options and optional services being sought from bidders to accommodate each council's requirements <p>There is a risk that:</p> <ul style="list-style-type: none"> - The future contract is not suitable for the needs of NHDC - There will be slight modifications to the service delivered to residents - One or both parties decide not to continue with a joint procurement, impacting on the timescale for the procurement - The Business Case benefits are not realised - There are very few tenders received for the contract 		
Opportunities	<ul style="list-style-type: none"> - Improving the cost effectiveness and resilience of the waste collection and street cleansing contract 		
Consequences	<p>If the risks materialise, the consequences might be:</p> <ul style="list-style-type: none"> - Loss of ability to make savings through a joint procurement - Continuing capacity problems at current transfer locations - Contract costs increase - Lack of satisfaction with the service from residents leading to an increase in complaints - Deterioration in the level of recycling and an increase in the use of landfill - Deterioration in the levels of street cleanliness and increased public complaints 		
Work Completed	<ul style="list-style-type: none"> - December 2014 Cabinet approved the development of a Business Case - Current contract extended to 8 May 2018 to align with EHDC contract - Cabinet approved Strategic Outline Case - Consultant employed to support the project - Outline Business Case approved by Cabinet in July 2016 - Full contract scope and financial implications determined - AFM funds used to fund the costs involved in joint procurement - Governance arrangements for contract agreed - Interim Inter-Authority Agreement in place to protect both authorities from financial liabilities and risks in the event of one partner unilaterally ending the partnership prior to procurement - Workshops held with Members to ensure a better understanding of jointly agreed policies - Developed joint contract documentation between EHDC and NHDC - Developed joint contract specification for Waste, Recycling and Street Cleansing - ITT published and procurement process commenced - SQ process conducted and successful bidders invited to full ITT process - Bidder open day held jointly between EHDC and NHDC on 12 June 2017 at the Buntingford Depot for bidders progressed from SQ stage - Procurement exercise completed contract being prepared for signing - Joint policies agreed - Public consultation completed - Client team restructuring completed to be in place February 2018 		
Ongoing Work	<ul style="list-style-type: none"> - Agree composition of a final management board for contract management and determine Member 		

	involvement - To finalise arrangements for the Customer Service Centre for the contract due to a differing approach between NHDC contractor delivered and EHDC internally delivered - Recruitment to client team ongoing - Mobilisation of the contract ongoing and success dependent on staff resource		
Current Impact Score	3	Current Likelihood Score	2
Overall Risk Score	8	Current Risk Matrix	
Date Reviewed	04-Jan-2018	Next Review Date	04-Jun-2018
Notes	04-Jan-2018 No update to risk score. To be reviewed once contract signed and mobilised.		

Risk Code	TR59.007 - Amended	Risk Title	Sale of Recyclable Materials
Risk Owner	Vaughan Watson	Updated By	Chloe Hipwood
Year Identified	2015	Corporate Priority	Responsive and Efficient
Risk Description	<p>As a result of:</p> <ul style="list-style-type: none"> - Increasing supply and lack of demand for materials - Lack of competition - The downturn in the market for materials and the impact of China's restrictions on plastics for recycling - Reduction in price for commingled material and/or waste paper - Lack of direct management of contractor - Loss of contractor - Contamination of materials - A change in the composition of the materials collected <p>There is a risk that:</p> <ul style="list-style-type: none"> - There is an increase in the cost for processing the materials - There is a significant financial loss to NHDC - There is lack of control over contract - There is a need to find an alternative contractor at short/no notice - The contractor will reject loads that are considered contaminated - There is a stockpile of plastic waste 		
Opportunities	- NHDC obtains maximum income for the materials it has collected that can be recycled		
Consequences	<p>As a consequence of the risk occurring:</p> <ul style="list-style-type: none"> - There is a negative impact on the Council's General Fund - Services may have to be cut to meet the shortfall - Material that could be recycled goes to landfill or it is incinerated 		
Work Completed	<ul style="list-style-type: none"> - NHDC is part of a consortium for recycling materials with other Hertfordshire authorities - Site visits to monitor contamination - Requests for data on material composition - Promotional campaigns to reduce contamination and increase the quality of materials - New paper contract procured as HWP started in January 2017 - New contract procured jointly with EHC started in May 2018 - Financial risk identified for 2018/19, " Increase in the net cost of recycling services due to either or all of ; adverse changes in the market prices for commodities; a reduction in the volume of recyclates collected; a change in the material composition of the recyclates collected" 		

Ongoing Work	- Budgets adjusted to reflect impact - Monthly review of market price fluctuations		
Current Impact Score	3	Current Likelihood Score	3
Overall Risk Score	9	Current Risk Matrix	
Date Reviewed	03-Jul-2018	Next Review Date	03-Oct-2018
Notes	04-Jan-2018 No update to score required.		


Risk Code	TR59.008 - Unchanged	Risk Title	Depot/Transfer Station
Risk Owner	Vaughan Watson	Updated By	Chloe Hipwood
Year Identified	2016	Corporate Priority	Responsive and Efficient
Risk Description	<p>As a result of:</p> <ul style="list-style-type: none"> - The Buntingford Depot/Transfer Station failing to meet Environment Agency requirements, e.g. installation of a fire suppression system - The Environment Agency not issuing the required operating licence - The Environment Agency not agreeing to a further extension to the temporary agreement, which expires in August 2018, to continue operating from the site on the existing basis - Foreclosure on the tenancy agreement, a fire or serious Health & Safety concerns/incident <p>There is a risk that:</p> <ul style="list-style-type: none"> - The Environment Agency closes the site - Operational use of the site is not possible or its use is severely restricted <p>This could lead to:</p> <ul style="list-style-type: none"> - Service delivery and the management of dry recyclates being significantly affected, e.g. waste collections being suspended/reduced - Dry recyclates being sent directly to the recycling facility - Dry recyclates being sent to landfill - Use of alternative transfer sites (either as a formal Business Continuity arrangement or as an emergency reactive solution) 		
Opportunities	- A joint depot/recycling transfer station with EHDC providing economies of scale		
Consequences	<p>As a result of the risks arising:</p> <ul style="list-style-type: none"> - NHDC could require additional unbudgeted resources - NHDC's reputation could be damaged - NHDC could receive an increased number of complaints from residents - NHDC's performance could deteriorate - NHDC's income/identified savings could reduce 		
Work Completed	<ul style="list-style-type: none"> - Initial risks associated with the contract tendering process managed effectively, e.g. IT, telephone and parking issues all resolved - Urbaser submitted application for the operator licence 		
Ongoing Work	<ul style="list-style-type: none"> - EHDC responsible for financing and managing the installation of a fire suppression system - NHDC/EHDC representatives undertaking updated risk assessments and Business Continuity planning - Investigating options for third party providers to provide alternative transfer sites for dry recyclates and for direct delivery to Pearce 		
Current Impact	3	Current	3

Score		Likelihood Score	
Overall Risk Score	9	Current Risk Matrix	
Date Reviewed	03-Jul-2018	Next Review Date	03-Oct-2018
Notes	23-May-2018 Following the Risk Management Group meeting on 23 May 2018, the risk entry was updated so that it accurately reflects both the current risks and the recent increase to the overall risk score. The original risks associated with the contract tendering process have been removed from the Risk Description, as these were managed effectively and resolved.		

Risk Code	TR59.009 - Amended	Risk Title	Food and Garden Waste
Risk Owner	Vaughan Watson	Updated By	Chloe Hipwood
Year Identified	2018	Corporate Priority	Responsive and Efficient
Risk Description	<p>On 16 October 2017, Cabinet approved the introduction of weekly food waste collections and a chargeable garden waste collection service for the new contract, commencing on 9 May 2018.</p> <p>As a result of:</p> <ul style="list-style-type: none"> - NHDC not providing food waste caddy liners, apart from a limited number when the service is introduced - Residents being unwilling to pay the £40 per year charge (initial £35 early bird offer) - Residents being unhappy with the changes, especially in light of consultation feedback - Problems with the payment process and transfer of data to the operating system <p>There is a risk that:</p> <ul style="list-style-type: none"> - The contractor has problems delivering the garden waste collection service, i.e. ensuring residents that have paid have their waste collected and that residents that have not paid do not - Residents fail to utilise the food waste caddies and dispose of food waste in their purple bins - NHDC fails to maintain the required number of residents paying for the chargeable garden waste collection service - Residents dispose of garden waste by alternative (e.g. Household Waste Recycling Centres) or inappropriate (fly-tipping) means - Residents not buying in to the service might expect their bins to be removed immediately <p>This could lead to:</p> <ul style="list-style-type: none"> - NHDC not achieving the income figures specified in the budget - Reduced performance (increased residual waste and decreased recycling rate) - Increased incidents of fly-tipping - A high number of complaints and negative press coverage - Customer contact centres being unable to cope with a high volume of calls - Increased costs and negative impact on future AFM payments 		
Opportunities	<ul style="list-style-type: none"> - NHDC maximises take up of the chargeable garden waste collection service and the associated income - The amount of food waste collected increases (and offsets any reduction in garden waste) 		
Consequences	<ul style="list-style-type: none"> - Recycling performance reduces closer to the legislative requirement of 50% - Anticipated savings are not realised - Negative impact on NHDC's finances - Damage to NHDC's reputation 		
Work Completed	<ul style="list-style-type: none"> - Cabinet approval for service changes (October 2017) - Contract mobilised - Over 40% take up of the garden waste collection service at contract commencement, which has now increased to 47% (May 2018) 		

Ongoing Work	<ul style="list-style-type: none"> - Implementing Communication Plan relating to service changes/implementation issues - Urbaser conducting a data cleansing exercise to resolve the issues with data transfer to the operating system (they have indicated that the system is currently 99% clean), which resulted in problematic collection issues and a high number of complaints - To address short-term implementation issues, Urbaser has doubled the size of its contact centre and operated additional services/hours to "catch up" - No early indications of an increase in fly-tipping or a detrimental impact on HWRCs 		
Current Impact Score	2	Current Likelihood Score	2
Overall Risk Score	5	Current Risk Matrix	
Date Reviewed	03-Jul-2018	Next Review Date	03-Oct-2018
Notes	23-May-2018 Following the Risk Management Group meeting on 23 May 2018, the risk entry was updated so that it accurately reflects the current risks and recent developments associated with the commencement of the new service. Take up of the garden waste service was approximately 40% at contract commencement and has now increased to 47%. This has exceeded initial expectations.		

Risk Code	RR NEW2 - New	Risk Title	Route Optimisation of Collection Rounds
Risk Owner	Vaughan Watson	Updated By	Chloe Hipwood
Year Identified	2018	Corporate Priority	Responsive and Efficient
Risk Description	<p>In line with the contractor's contract bid, NHDC is required to implement changes to collection rounds. This will include the transition to fortnightly residual waste collections for flats.</p> <p>As a result of:</p> <ul style="list-style-type: none"> - Urbaser not planning in detail for the changes to collection schedules and associated working hours, including disposal arrangements - NHDC failing to communicate the changes effectively <p>There is a risk that:</p> <ul style="list-style-type: none"> - There are issues delivering the changes, e.g. due to possible industrial action or staff shortages - The public are unaware of and unhappy about the changes <p>This could lead to:</p> <ul style="list-style-type: none"> - A further high demand on the client team/phone system to deal with complaints/issues - Further negative press coverage 		
Opportunities	- Ensuring a smooth transition to the new service, in line with the waste management contract		
Consequences	<ul style="list-style-type: none"> - Additional workload and pressures for officers - Standard of service delivered decreases - Increased number of complaints and poor public perception of service - Increased need for remedial activities - Performance deteriorates and relevant targets are not achieved 		
Work Completed			
Ongoing Work			
Current Impact Score	2	Current Likelihood Score	3

Overall Risk Score	7	Current Risk Matrix	 <p>Likelihood</p> <p>Impact</p>
Date Reviewed	03-Jul-2018	Next Review Date	03-Oct-2018
Notes			

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**CABINET
25 SEPTEMBER 2018**

***PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: NORTH HERTFORDSHIRE MUSEUM & HITCHIN TOWN HALL:
ACQUISITION OF 14/15 BRAND STREET (ADDENDUM)**

REPORT OF : THE DEPUTY CHIEF EXECUTIVE
EXECUTIVE MEMBER : COMMUNITY ENGAGEMENT & RURAL AFFAIRS
COUNCIL PRIORITY : RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

A response was received from Hitchin Town Hall Ltd (HTHL)/ Hitchin Town Hall Finance Ltd (HTHF) on 20th September 2018. A lot of the draft agreement is similar to what was expected, but it does omit an important change that had been indicated as agreed and also introduces some significant changes to clauses and definitions. There are also some further changes that had not been agreed, but in the interests of trying to get to an agreement it is considered that they could be agreed to.

2. RECOMMENDATIONS

Subject to consideration of the Part 2 report:

- 2.1 That Cabinet notes the content of this report.
- 2.2 That Cabinet agrees that the Settlement Agreement appended to the Part 2 report will be provided as a final offer to HTHL/HTHF. HTHL would be required to fully accept the Settlement Agreement by holding an Extraordinary General Meeting (EGM) by the 31st October 2018. Subject to agreement in principle and HTHL having set a date for their EGM, a date would then be arranged for mid-November for an extraordinary Cabinet meeting and a Cabinet Sub-Committee (Council Charities) meeting to consider the final Settlement Agreement.
- 2.3 Cabinet agrees that in the event that:
 - HTHL/HTHF do not agree to the Settlement Agreement; or
 - HTHL does not agree to take the Settlement Agreement to an EGM by the 31st October 2018; or
 - the Settlement Agreement is not approved at an EGM of HTHL by 31st October 2018;

the Settlement Agreement and current Purchase Price offer will be withdrawn by the Council. A date for an extraordinary meeting of Full Council will be set to consider the use of Compulsory Purchase powers in relation to 14/15 Brand Street.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To avoid any further extension to the period of negotiation. If required to move to the use of Compulsory Purchase powers as quickly as possible. All with the ultimate aim of being able to fully open the District Museum and Hitchin Town Hall as soon as possible, whilst still protecting the interests of the Council.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 As main report.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 As main report.

6. FORWARD PLAN

- 6.1 As main report.

7. BACKGROUND

- 7.1. As main report.

8. RELEVANT CONSIDERATIONS

- 8.1 Further to the Council's correspondence of 27 July 2018, a response was finally received from Hitchin Town Hall Ltd (HTHL)/ Hitchin Town Hall Finance Ltd (HTHF) on 20th September 2018. A lot of the draft agreement is similar to what was expected, but it does omit an important change that had been indicated as agreed and also introduces some significant changes to clauses and definitions. There are also some further changes that had not been agreed, but in the interests of trying to get to an agreement it is considered that they could be agreed to. HTHL/HTHF had asked for a response to this within 24 hours. Given the timing of this Cabinet, a response has not yet been given, and instead a full response will be provided that reflects the resolutions made at this meeting.

- 8.2 As detailed in the main report, part of the Town Hall site is situated on land owned by the Council as sole trustee of the Hitchin Town Hall Gymnasium and Workmans Hall Trust (the Trust). In anticipation that there could be agreement with HTHL/ HTHF on the terms of the settlement agreement, the process of referring the document to the Trust has been considered. The original Development Agreement specified that the document was signed by the Council both on its own behalf and on behalf of the Trust. The Development Agreement also contained a clause confirming that the liability of the Trust under the agreement was limited to the assets of the Trust from time to time. For this reason the same clauses have been inserted into the settlement agreement along with a definition of the Trust. It is considered that these are minor changes and merely confirm that the Trust (as distinct from the Council) is bound by the agreement.
- 8.3 Whilst HTHL and HTHF have asserted in correspondence that they now have no objections to negotiations taking place in public, the fiduciary duty placed upon the Council means that where matters are commercially or legally confidential then they are treated in such a manner. Accordingly the full details of the response received from HTHL/HTHF are contained within an addendum to the part 2 report.

9. LEGAL IMPLICATIONS

- 9.1 As main report.

10. FINANCIAL IMPLICATIONS

- 10.1 As main report.

11. RISK IMPLICATIONS

- 11.1 As main report.

12. EQUALITIES IMPLICATIONS

- 12.1 As main report.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 As main report.

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 As main report.

15. APPENDICES

None.

16. CONTACT OFFICERS

Anthony Roche
Deputy Chief Executive
Tel: 01462 474588
anthony.roche@north-herts.gov.uk

Ian Couper
Service Director- Resources
Tel: 01462 474297
ian.couper@north-herts.gov.uk

Marie Searle
Solicitor
Tel: 01462 474315
Marie.searle@north-herts.gov.uk

17. BACKGROUND PAPERS

As main report.

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