

NORTH HERTFORDSHIRE DISTRICT COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

**MEETING HELD IN THE LOWER HALL, ICKNIELD CENTRE, ICKNIELD WAY,
LETCWORTH GARDEN CITY ON MONDAY, 9 OCTOBER, 2017 AT 7.30 PM**

MINUTES

Present: *Councillors Cathryn Henry (Chairman), Steve Hemingway (Vice-Chairman), John Booth, Bill Davidson, Elizabeth Dennis, Steve Jarvis, Janine Paterson, Frank Radcliffe and Mike Rice (In place of Michael Muir)*

In Attendance:

Councillor Michael Weeks (Executive Member for Waste, Recycling and Environment), Vaughan Watson (Head of Leisure and Environmental Services), Chloe Hipwood (Service Manager - Waste and Recycling), Sarah Kingsley (Communications Manager), Gavin Ramtohal (Contracts Lawyer) and Hilary Dineen (Committee and Member Services Officer)

Also Present:

At the start of the meeting Councillor Julian Cunningham) and one member of the public.

49 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Ian Albert, Gerald Morris and Michael Muir.

Councillor Mike Rice substituted for Councillor Muir.

50 NOTIFICATION OF OTHER BUSINESS

There was no other business notified.

51 CHAIRMAN'S ANNOUNCEMENTS

- (1) The Chairman reminded those present that, in line with Council policy, the meeting would be audio recorded;
- (2) The Chairman informed Members that there was no sound amplification and asked Members to speak loudly and clearly;
- (3) The Chairman drew attention to the item on the agenda front pages regarding Declarations of Interest and reminded Members that, in line with the Code of Conduct, any Declarations of Interest needed to be declared immediately prior to the item in question.

52 PUBLIC PARTICIPATION

There were no presentations by members of the public.

53 **SHARED SERVICE FOR WASTE AND STREET CLEANSING - APPOINTMENT OF CONTRACTORS**

The Part 2 report on this subject (Minute 56 refers) was considered prior to any decisions being made.

The Head of Leisure and Environmental Services presented the report entitled Shared Service for Waste and Street Cleansing – Appointment of Contractors.

He advised that the report dealt with the award of the core contract, specifically Lot 1 and drew attention to the following:

Paragraph 3.2

The successful bidder was unlikely to meaningfully mobilise the contract for Lot1 until there was certainty on the outcome for Lot 2, primarily because the collection arrangement for recyclable materials must correspond with the successful Lot 2 bid.

Lot 2 dealt with the management of recyclable materials.

Paragraph 7.3

Procurement documents were jointly produced and bidders were invited to tender on 30 May 2017. Closing date for receipt of all bids was Wednesday 9 Aug 2017, followed by an evaluation process.

Paragraph 7.4

There was an Intermediate Inter Authority Agreement (IIAA) in place between NHDC and EHDC. A more detailed Inter Authority Agreement (IAA), which would set out, in a legally binding contract, the formal arrangements regarding management, finance and resources, was currently under development and would be in place prior to the contract commencing.

Paragraph 7.5

Contained details regarding the depot where both the contractor and the client team would be based.

Paragraph 7.6

Contracts were for seven years commencing May 2018, with an option to extend for a further seven years.

Paragraph 7.8

Set out that the main driver for the contract was to make financial savings whilst not adversely affecting the performance of the waste contract.

Paragraph 8.2

The table demonstrated that the bids had been scored both on quality and price.

Members asked why Lot 2 had not been determined at the same time and what would happen if there were no bids for Lot 2 received within the deadlines.

The Contracts Lawyer advised that because of the apparent complexity of Lot 2 there had been insufficient time for bidders to tender and it seemed reasonable to extend the time given.

If no bids were received for Lot 2 then discussions would take place with the Lot 1 contractor.

Members asked for an explanation of the scoring system and how quality was assessed for any contractor that did not already provide a service to us.

Monday, 9th October, 2017

The Service Manager- Waste and Recycling explained that the quality statements asked for in depth details regarding how the contractor would perform the services and to ensure that they had experience, references were taken for each and each bid consisted of approximately 7 lever arch files of data and information.

The Head of Leisure and Environmental Services advised that there was a team of evaluators from EHDC and NHDC considering the bids and a consultant had been appointed to moderate the scoring system.

The 40/60 split between quality and price was a decision made by the project board. This split ratio was a fairly common practice. It should be noted that bidders that did not meet the minimum quality threshold did not move forward in the process and that the key drive for the process was financial savings.

Members were concerned that the preferred bidder received the lowest score in terms of quality.

The Head of Leisure and Environmental Services advised that the scores on quality were fairly close for each of the bidders.

All of the bids were assessed on the core contract and the options were then discussed with the preferred bidder.

The Service Manager – Waste and Recycling reminded Members that they had been sent an information note which documented the process undertaken when assessing the bids. A minimum score had to be achieved by each bidder and she was satisfied that the quality of each of these bidders was good.

Members expressed concern that a bidder may offer best price for the evaluation criteria and then make money on the options.

The Contracts Lawyer informed Members that this would be a risky strategy as the Council did not have to take up the options.

The Head of Leisure and Environmental Services confirmed that the method statements ensured that bidders could deliver on the core contract, including recycling.

The Service Manager-Waste and Recycling advised that benchmarking for street cleansing would be reintroduced with this contract and that this would be a useful tool.

Members asked whether enquiries had been made of other authorities in respect of the performance of their waste contracts and queried how benchmarking would be undertaken.

The Head of Leisure and Environmental Service advised that a consultant had been used to give advice. Waste services had, over the years become more similar across different authorities and a lot of background research work had been undertaken.

The Service Manager – Waste and Recycling informed Members that benchmarking was undertaken against nearest neighbours, who were authorities that provided services similar to those at NHDC and was most like each other geographically. The bid process involved taking references regarding bidders from across the Country.

In respect of recycling rates, 10 years ago the NHDC recycling rate was 20 percent, this had been improved to a current rate of more than 60 percent. NHDC exceeded government targets regarding recycling.

Monday, 9th October, 2017

The current waste contract was signed in 2002 and this contract would definitely bring about improvements. The level of information that will be provided throughout the term of the contract would help support customer contact with real time information. It would also provide more specific information that would enable NHDC to undertake targeted campaigns.

Members asked how the existing staff base would be affected by the new contract and new client team and queried where they would be based.

The Head of Leisure and Environmental Services advised that it would be difficult to have two client teams for one contract. The staff consultation process had started and a new client team would be implemented at least three months before the commencement of the contract and this team would be based at Butingford which is the main base for the contractor. NHDC would be the administrative authority responsible for employing staff and managing the team.

In response to questions, the Contracts Lawyer advised that the Inter Authority Agreement between EHDC and NHDC was currently being developed that would include section regarding financial implications and indemnities.

There had been a lot of discussion about the content of the agreement and project board would be presented with several iterations as the agreement is developed. The final document was some way in the future and therefore the detail was not yet available, but it would include details about staffing, recharging, the contract base and financial implications including exit terms. The document would be tested in detail.

RESOLVED: That the recommendations contained in the report entitled Shared Service for Waste and Street Cleansing – Appointment of Contractors be supported.

REASON FOR DECISION: To enable the Overview and Scrutiny Committee to consider the report entitled Shared Service for Waste and Street Cleansing – Appointment of Contractors prior to consideration by Cabinet.

54 SHARED SERVICE FOR WASTE AND STREET CLEANSING - SELECTION OF OPTIONS

The Part 2 report on this subject (Minute 57 refers) was considered prior to any decisions being made.

The Head of Leisure and Environmental Service presented the report entitled Shared Service for Waste and Street Cleansing – Selection of Options.

He advised that this report related to the dependent and independent options to be provided by the contractor awarded the core contract and drew attention to the following:

Paragraph 3.3

Set out that the contract could not be signed until all of the options had been determined and that the contractor would not commit to ordering assets such as ordering vehicles until the contract was signed.

It should be noted that timescales for mobilising of the contract were tight and therefore no further delays should occur.

Paragraph 5.3

A questionnaire had been circulated to local authorities across the Country that already charged for the collection of garden waste to inform officers on the potential impacts of the service to which they received 16 responses.

Paragraph 7.6

The first depended option was to consider whether to continue source separating paper or whether to change to source separating glass.

It should be noted that paper tonnages was in decline, but the differential for glass was significant.

The key issue regarding the collection of glass was that it was quite abrasive on mechanical equipment resulting in higher maintenance costs and therefore discussion would be held with the contractor in order to see whether glass or paper collection offered the best overall price

Paragraph 8.4

The public consultation had generated 8016 responses and residents had been positive about their willingness to source separate materials.

Independent Options

NHDC independent options for consideration were:

Kerbside textile collection – this was already undertaken and it was recommended that it continue

Kerbside battery collection – this would be a new service that was recommended.

Kerbside small WEEE collection – this was not recommended at this time, as it could result in a large amount of items being left on the kerbs. However this could be introduced at a later stage if required.

Charging for Green Waste

There was a risk of increased fly tipping as a result of this proposal, however data from the “nearest neighbour in relation to fly-tipping showed no noticeable increase following the introduction of charges.

Charging for garden waste would likely have some effect on household recycling centres, although discussions had been held with Hertfordshire County Council on these matters.

It should be noted that of over 280 local authorities in the Country 54 percent now charged for the collection of green waste.

Members referred to the consultation of residents in North Herts and noted that 85 percent disagreed or strongly disagreed with the introduction of chargeable garden waste.

They expressed concern that there were many valid reasons why certain residents should not be charged for this service including those who were less able to afford the charges or those who were less able to go to the waste and recycling centres and queried what support would be put in place.

There was also concern that the survey did not include an option stating “I am not prepared to pay for garden waste collection under any circumstances”, which may have skewed the data collected and queried whether this was a purely budget led policy.

The Head of Leisure and Environmental Services advised that the Financial Strategy demonstrated that the pressure on finances was significant and that this would result in Members having to make tough decisions about what services they wanted the Council to provide and how they wished to provide them.

Other authorities had introduced charging for the collection of garden waste and research had taken place regarding the impact of that.

The Service Manager – Waste and Recycling advised that the Council had employed consultants to produce and assess the questions included in the survey.

Monday, 9th October, 2017

It was inevitable that residents would not want to pay for a service that they had previously received free of charge, but the survey was about exploring whether there was an appetite to pay for the service.

Members were concerned that the Council had asked people whether they wanted to pay and then appeared to take no notice of the response, which had made the perception of the Council worse and were also concerned about the impacts of the introduction of charges on other services within the Council.

The Service Manager – Waste and Recycling advised that the Council had a duty to consult regarding major service change.

The Head of Leisure and Environmental Services advised that they had undertaken research regarding nearest neighbour authorities and this had demonstrated that take up would likely be higher than the survey results suggested, with Three Rivers District Council reporting a 74 percent take up. He confirmed that the level of take up would have an effect on the Alternative Financial Model,

Members stated that confidence in the Council was currently low and that going ahead with charges, when such a large response had been received against the proposals would reduce that confidence further.

A Member referred to the reasons for recommendation and queried whether the Council should be more ambitious when setting targets regarding recycling.

Questions were also asked regarding whether any research had been undertaken on the possible effects of this policy on the eco system, in that people may choose to cover their garden with concrete or decking rather than pay for the collection of the garden waste

The Head of Leisure and Environmental Services advised that NHDC was consistently in the upper quartile regarding recycling and that as higher target are achieved, it became more difficult to increase the percentage collected.

The Service Manager – Waste and Recycling advised that she was unaware of any research undertaken regarding effects on the eco system.

Members asked whether introduction of charges would result in an increase in the amount of waste going to land fill.

The Head of Leisure and Environmental Services advised that there was no evidence of this from those Council's that had already introduced charges.

The Service Manager – Waste and Recycling advised that, as part of their research they had contacted many local authorities to ask what they felt were the positive and negative impacts of charging for this service were and the response had been that residents had taken up the service as it was the cheapest and most convenient was to dispose of garden waste.

She noted that, although residents may well put some garden waste in the bin, the amount would be limited due to the size of that bin.

In respect of consultation, Members commented that questions could have been phrased in a different way in order to set the financial context and that to go ahead with charging for garden waste collection despite the response from the consultation opened the Council up to criticism.

The Service Manager – Waste and Recycling advised that the Council would likely have been criticised if the question regarding whether residents wished to pay or not had not been included in the survey and that this question had encouraged people to complete the survey resulting in further information being gathered.

The Communications Manager reminded Members that the Council had a duty to consult and to listen, but may choose not to agree with the responses for various reasons.

Following consideration of the Part 2 report, Members debated that Cabinet should consider very carefully and give due weight to the negative responses received to the consultation regarding charging for garden waste collections.

They were also concerned that the public be kept fully informed and therefore Cabinet, if minded to charge for the collection of garden waste, be asked to make every effort to communicate to the public the reasons for doing so.

RESOLVED: That, apart from the implementation of a chargeable garden waste collection, the recommendation contained in the report entitled Shared Service for Waste and Street Cleansing – Selection of Options be supported.

RECOMMENDED TO CABNET:

- (1) That Cabinet be requested to give due weight to the feedback from the public consultation that 85 percent of residents disagreed or strongly disagreed with introducing a chargeable garden waste service alongside weekly food waste collections;
- (2) That, if minded to charge for the collection of garden waste, every effort be made to communicate to the public the reasons for doing so.

REASON FOR DECISION: To enable the Overview and Scrutiny Committee to comment on the report entitled Shared Service for Waste and Street Cleansing – Selection of Options prior to consideration by Cabinet

55 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That under Section 100A of the Local Government Act 1972, the Press and Public be excluded from the meeting on the grounds that the following reports would involve the likely disclosure of exempt information as defined in the relevant Paragraph of Part 1 of Schedule 12A of the said Act. The relevant Paragraph is set out in the first page of each report.

56 SHARED SERVICE FOR WASTE AND STREET CLEANSING - APPOINTMENT OF CONTRACTORS

The Head of Leisure and Environmental Services presented the report entitled Shared Service for Waste and Street Cleansing – Appointment of Contractors.

Following a detailed debate it was

RESOLVED: That the financial and legal implications of accepting the Lot 1 bid as set out in the report be noted

REASON FOR DECISION: To enable the Overview and Scrutiny Committee to consider the report entitled Shared Service for Waste and Street Cleansing – Appointment of Contractors prior to consideration by Cabinet.

57 SHARED SERVICE FOR WASTE AND STREET CLEANSING - SELECTION OF OPTIONS

The Head of Leisure and Environmental Services presented the report entitled Shared Service for Waste and Street Cleansing – Selection of Options.

Following a detailed debate it was

Monday, 9th October, 2017

RESOLVED: That the content of the report be noted.

REASON FOR DECISION: To enable the Overview and Scrutiny Committee to comment on the report entitled Shared Service for Waste and Street Cleansing – Selection of Options prior to consideration by Cabinet

The meeting closed at 9.25 pm

Chairman