



**MEETING** : ENVIRONMENT SCRUTINY COMMITTEE  
**VENUE** : COUNCIL CHAMBER, WALLFIELDS, HERTFORD  
**DATE** : TUESDAY 21 JUNE 2016  
**TIME** : 7.00 PM

**PLEASE NOTE TIME AND VENUE**

**MEMBERS OF THE COMMITTEE**

Councillor J Wyllie (Chairman)

Councillors J Cartwright, Mrs R Cheswright, K Crofton, G Cutting, H Drake (Vice-Chairman), M Freeman, R Henson, M McMullen and S Reed

**Substitutes**

Conservative Group: Councillors D Andrews, I Devonshire,  
D Oldridge, R Standley and C Woodward

**CONTACT OFFICER: LORRAINE  
BLACKBURN**

## DISCLOSABLE PECUNIARY INTERESTS

1. A Member, present at a meeting of the Authority, or any committee, sub-committee, joint committee or joint sub-committee of the Authority, with a Disclosable Pecuniary Interest (DPI) in any matter to be considered or being considered at a meeting:
  - must not participate in any discussion of the matter at the meeting;
  - must not participate in any vote taken on the matter at the meeting;
  - must disclose the interest to the meeting, whether registered or not, subject to the provisions of section 32 of the Localism Act 2011;
  - if the interest is not registered and is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days;
  - must leave the room while any discussion or voting takes place.
  
2. A DPI is an interest of a Member or their partner (which means spouse or civil partner, a person with whom they are living as husband or wife, or a person with whom they are living as if they were civil partners) within the descriptions as defined in the Localism Act 2011.
  
3. The Authority may grant a Member dispensation, but only in limited circumstances, to enable him/her to participate and vote on a matter in which they have a DPI.

4. It is a criminal offence to:

- fail to disclose a disclosable pecuniary interest at a meeting if it is not on the register;
- fail to notify the Monitoring Officer, within 28 days, of a DPI that is not on the register that a Member disclosed to a meeting;
- participate in any discussion or vote on a matter in which a Member has a DPI;
- knowingly or recklessly provide information that is false or misleading in notifying the Monitoring Officer of a DPI or in disclosing such interest to a meeting.

(Note: The criminal penalties available to a court are to impose a fine not exceeding level 5 on the standard scale and disqualification from being a councillor for up to 5 years.)

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**Audio/Visual Recording of meetings**

Everyone is welcome to record meetings of the Council and its Committees using whatever, non-disruptive, methods you think are suitable, which may include social media of any kind, such as tweeting, blogging or Facebook. However, oral reporting or commentary is prohibited. If you have any questions about this please contact Democratic Services (members of the press should contact the Press Office). Please note that the Chairman of the meeting has the discretion to halt any recording for a number of reasons, including disruption caused by the filming or the nature of the business being conducted. Anyone filming a meeting should focus only on those actively participating and be sensitive to the rights of minors, vulnerable adults and those members of the public who have not consented to being filmed.

## AGENDA

1. Appointment of Vice-Chairman

2. Apologies

To receive apologies for absence.

3. Minutes – 23 February 2016 (Pages 5 - 12)

To confirm the Minutes of the meeting held on 23 February 2016

4. Chairman's Announcements

5. Declarations of Interest

To receive any Member's Declarations of Interest and Party Whip arrangements.

6. Work Programme 2016/17 (Pages 13 - 18)

7. Performance Reporting – Contract Performance 2015/16 (Pages 19 - 40)

8. Waste and Street Cleansing Contract – Future Service Design Considerations (Pages 41 - 64)

9. Shared Waste Service Arrangements with North Herts (Pages 65 - 154)

10. Urgent Business

To consider such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration and is not likely to involve the disclosure of exempt information.

MINUTES OF A MEETING OF THE  
ENVIRONMENT SCRUTINY COMMITTEE  
HELD IN THE COUNCIL CHAMBER,  
WALLFIELDS, HERTFORD ON TUESDAY  
23 FEBRUARY 2016, AT 7.00 PM

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PRESENT: Councillor J Wyllie (Chairman)  
Councillors K Crofton, H Drake, M Freeman  
and T Page.

ALSO PRESENT:

Councillors D Andrews, G Jones, L Haysey,  
G McAndrew, P Moore, P Ruffles, S Rutland-  
Barsby and G Williamson

OFFICERS IN ATTENDANCE:

David Allen	- Waste Services Manager
Lorraine Blackburn	- Democratic Services Officer
Cliff Cardoza	- Head of Environmental Services and Leisure
Karl Chui	- Performance Monitoring Officer
Marian Langley	- Scrutiny Officer
Sally Millett	- NGDP Graduate Trainee
Andrew Pulham	- Parking Manager
Kevin Steptoe	- Head of Planning and Building Control Services
Liz Watts	- Chief Executive

588 APOLOGIES

Apologies for absence were submitted from Councillors P Ballam, K Brush, P Phillips and S Reed.

589 MINUTES

RESOLVED – that the Minutes of the meeting held on 10 November 2015 be confirmed as a correct record and signed by the Chairman.

590 CHAIRMAN'S ANNOUNCEMENTS

The Chairman stated that this was the last meeting of Environment Scrutiny Committee for this civic year. He thanked Officers and Members for their continuing support and hoped that the experience had been enjoyable.

591 ENVIRONMENT SCRUTINY HEALTHCHECK OCTOBER TO DECEMBER 2015

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The Director of Finance and Support Services submitted a report on the performance of key indicators for Environment Scrutiny Committee for the period October to December 2015.

The Performance Monitoring Officer summarised the report and explained that 10 out of the 15 Environment Scrutiny Committee performance indicators were either on target or had exceeded their targets as at December 2015. The remaining five performance indicators were trends only. Additionally, in terms of the short term trend, six indicators out of 15 indicators had shown an improvement in performance compared to the previous period. Two indicators had maintained the same level of performance and seven had declined but were still within target.

Councillor H Drake sought clarification on the timescales around issuing Penalty Charge Notices (PCN). The Parking Manager explained the process and confirmed that no motorist was disadvantaged for challenging a PCN.

Councillor Drake sought and was provided with clarification on the impact of performance indicators on incidences such as fly tipping and how this was monitored.

Councillor K Crofton raised the issue of fly tipping on private land and asked whether fly tips occurred on certain days and whether there was any connection between this and the change in opening times of household waste recycling centres. The Head of Environmental Services and Leisure explained that some caution needed to be exercised on drawing conclusions on this as fly tips occurred for a range of reasons. Officers were currently analysing trends by day and geographical location to see if there was a link. He stated that Officers would report back on this issue as part of a report to the June meeting of Environment Scrutiny Committee.

Councillor K Crofton sought and was provided with clarification on declining trends in relation to EHPI 2.6 (Percentage of residual waste (refuse) sent for disposal). In relation to a question about EHPI204, the Head of Planning and Building Control explained the volatility of planning appeals and how these affected declining trends.

The Committee received the report.

RESOLVED – that the reported performance for the period October to December 2015 be approved.

592 FOOTWAY AND GRASSED VERGE PARKING ENFORCEMENT POLICY

The Executive Member for Economic Development submitted a report on the possible implementation and enforcement of a footway and grassed verge parking ban in East Herts. The Parking Manager provided a summary of the report and the options available to the Council and the separate role of the Police, to prevent obstruction by cars parked illegally.

Members thanked the Officers for the research undertaken in providing a clear and concise report and vigorously debated the advantages and disadvantages of each of the options

contained within the report as detailed.

The list of criteria for identifying priorities was discussed and specifically, whether bullet point four within paragraph 2.8 should be included. The Chief Executive explained that the rationale behind the criteria, as detailed, was for Members to identify “hot spots” as the “eyes” of their respective wards so that resources could be more appropriately targeted. Having been put to the vote, the Committee agreed that bullet point four should stand as it would only be used by Officers to prioritise and target “hot spots” nominated by Members

The Committee supported a targeted local ban approach for the control of footway and grassed verge parking and the criteria for the evaluation of requests for footway and grassed verge controls as detailed. The Committee also agreed that this be promoted on the basis of an experimental Traffic Regulation Order.

Councillor K Crofton did not support the approach being implemented on the basis of an experimental Traffic Regulation Order and requested that his contrary view be recorded.

RESOLVED – that the Executive be advised that (A) a targeted local ban for the implementation of footway and grassed verge parking be supported;

(B) the criteria for evaluating requests for footway and grassed verge controls, as detailed, be supported; and

(C) the targeted ban for the implementation of footway and grassed verge parking be promoted on the basis of an experimental Traffic Regulation Order.

## 593 CAR PARKING FEES AND CHARGES 2016/17

The Executive Member for Economic Development submitted a report on the results of the two year trial of new car park charges which had begun in September 2014. In response to a query from the Chairman regarding the implications of



motorists being offered a free parking hour, the Parking Manager explained that no modelling had been carried out on that option. Councillor M Freeman suggested that this should be reviewed again in another year.

The Committee noted the outcomes of the trial car park charges and agreed that the current charges be extended until the end of March 2017.

RESOLVED – that (A) that the outcome of the trial of new car park charges be noted; and

(B) current trial charges be extended until the end of March 2017.

#### 594 PLANNING AND ENFORCEMENT REVIEW

The Chairman of the Planning Enforcement Review Task and Finish Group submitted a report following the outcome of their review of Planning Enforcement Policy. The Head of Planning and Building Control summarised the report.

In response to a query from Councillor K Crofton regarding monitoring the service of enforcement and related notices, the Head of Planning and Building Control explained how the process would work. Councillors L Haysey and S Rutland-Barsby thanked the Chairman of the Panel, Councillor T Page and Officers for their thorough and helpful review of the process.

Councillor K Crofton queried how matters reported anonymously were treated and suggested deleting Parish/Town Councils from the process. Councillor D Andrews also expressed concern regarding the inclusion of Parish Councils in the process on the basis that they might be “too close” to the case and some, were not duly elected. The Head of Planning and Building Control explained that such situations occurred infrequently and why it was important to include Parish/Town Councils when matters of concern were reported anonymously.

The Committee received the report and supported the

recommendation now detailed.

RESOLVED – that the Executive be advised that (A) the revised Planning Enforcement Policy be supported;

(B) Officers' delegated powers in relation to the service of enforcement and related notices be changed;

(C) performance indicators dealing with initial site inspections be changed so that 100% of all urgent cases should be dealt with within two days and 90% of all other cases should be dealt with within 15 working days; and

(D) a business case be submitted to the Executive if necessary, to enable the implementation of pro-active site monitoring.

#### 595 WASTE AND STREET CLEANSING CONTRACT – FUTURE SERVICE CONSIDERATIONS

The Executive Member for Environment and the Public Space submitted a report seeking the establishment of a Task and Finish Group which would advise on the future objectives and outcomes expected from the Waste and Street Cleansing Contract. The Head of Environmental Services and Leisure provided a summary of the report.

The Chairman explained the composition of the Task and Finish Group and asked that expressions of interest be forwarded to the Scrutiny Officer who would co-ordinate matters.

The Committee agreed the recommendation, as detailed.

RESOLVED – that a Task and Finish Group comprising of 5 or 6 Members be set up to consider the future objectives and strategic outcomes for the next waste and street cleansing contract.

596 EVALUATION OF SCRUTINY AND WORK PROGRAMME FOR 2016/17

The Chairman of Environment Scrutiny Committee submitted a report evaluating the progress made in relation to the work programme over 2015/16 and detailed what actions needed to be carried forward to the 2016/17 Environment Scrutiny Work Programme.

The Scrutiny Officer stated that she would be forwarding to Members an evaluation sheet for their individual comments on work achieved during the past civic year. She asked Members to return the document by the deadline specified.

The Committee received the report and supported the recommendation, as now detailed.

RESOLVED – that (A) Members’ comments be collated as part of the evaluation exercise and used to frame the draft 2015/16 Overview and Scrutiny Annual report; and

(B) the work programme be approved.

The meeting closed at 8.35 pm

Chairman	.....
Date	.....

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## EAST HERTS COUNCIL

### ENVIRONMENT SCRUTINY COMMITTEE - 21 JUNE 2016

#### REPORT BY CHAIRMAN OF ENVIRONMENT SCRUTINY

#### ENVIRONMENT SCRUTINY WORK PROGRAMME

WARD(S) AFFECTED: *none*

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### **Purpose/Summary of Report**

- To review and determine Environment Scrutiny Committee's future work programme

### **RECOMMENDATION FOR ENVIRONMENT SCRUTINY COMMITTEE:**

**That:**

<b>(A)</b>	the work programme shown in this report be agreed
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#### 1.0 Background

1.1 Items previously required, identified or suggested for the Environment Scrutiny work programme are set out in **Essential Reference Paper 'B'**.

#### 2.0 Report

2.1 The draft agenda for 2016/17 meetings of Environment Scrutiny Committee is shown in **Essential Reference Paper 'B'**. The timing of some items shown may have to change depending on availability of essential data (eg from central government).

2.2 Members are asked whether there is any additional topic they wish to put forward for inclusion on any future agenda. The remit of the committee can be found on the back page of **Essential Reference Paper 'B'**.

2.3 Members are also asked whether they wish to extend an invitation to one or more of the Executive members to attend a particular meeting or for a specific agenda item.

2.4 Members are asked whether there is any training relevant to scrutiny or to the function/remit of Environment Scrutiny as a committee which they would like to have arranged. This could be done as a separate session open to all scrutiny members or as an item on a future Environment Scrutiny agenda (as appropriate).

### 3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers: none

Contact Member: Cllr John Wyllie – Chairman Environment Scrutiny Committee  
[john.wyllie@eastherts.gov.uk](mailto:john.wyllie@eastherts.gov.uk)

Contact Officer: Catherine Whitehead – interim Head of Democratic and Legal Support Services  
Extn 1514

Report Author: Marian Langley – Scrutiny Officer  
[marian.langley@eastherts.gov.uk](mailto:marian.langley@eastherts.gov.uk)

## ESSENTIAL REFERENCE PAPER 'A'

### IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives:  2016/17 wording	Priority 1 – Improve the health and wellbeing of our communities  Priority 2 – Enhance the quality of people's lives  Priority 3 – Enable a flourishing local economy  Effective use of the scrutiny process contributes to the Council's ability to meet one or more of its corporate objectives.
Consultation:	Potential topics for scrutiny are always invited from the Executive and all Members and the public are asked through an annual item in the 'council tax' edition of LINK magazine which is delivered to every household. Members of each scrutiny committee are consulted at every meeting as their work programme is a standing item on the agenda.
Legal:	According to the Council's constitution, the scrutiny committees are responsible for the setting of their own work programme in consultation with the Executive and in doing so they shall take into account wishes of members on that committee who are not members of the largest political group on the Council.
Financial:	Any additional meetings and every task and finish group has resource needs linked to officer support activity and time for officers from the services to make the required input.
Human Resource:	None
Risk Management:	Matters which may benefit from scrutiny may be overlooked. The selection of inappropriate topics for review would risk inefficient use of resources. Where this involved partners, it could risk damaging the reputation of the council and relations with partners.
Health and wellbeing – issues and impacts:	The broad remit of scrutiny is to review topics which are of concern to the public, many of which have an indirect impact on the general wellbeing of residents of East Herts. The Health and Wellbeing Scrutiny Committee is set up to specifically focus in on issues and topics which have a direct and immediate impact on the health and wellbeing of all those who live, work or study in the district.

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## Environment Scrutiny Committee work programme DRAFT 2016/17

2016/17	CIVIC YEAR			
meeting	date	topic	Contact officer/lead	Next Exec
2 in 2016/17	13 Sept 2016  Report deadline 31 Aug	Review, rationalize and refresh Climate Change action plan – terms of reference for commissioning a T&F group	Requested at ENV 10 Nov 2015 – Lead Officer with Head of Service	25 Oct 2016
		Report from the Conservation Champion Reference Groups on progress and problems relating to Conservation Area management plans.	Trial group agreed and has met. <b>TBC</b>	
		Update on Waste Services Shared Service with North Herts DC	Head of Service	
		Work Programme	Scrutiny Officer	
3 in 2016/17	08 Nov 2016  Report deadline 26 Oct	Report back from Climate Change action plan T&F group – <b>AND</b> report on progress against (old) action plan with data on savings from 2015/16 year	Chair of T&F group, Lead Officer with Head of Service NOTE: – cannot report earlier as Gov don't release carbon data until August	06 Dec 2016 07 Feb 2017
		?		
		?		
		Work Programme	Scrutiny Officer	
<b>JOINT SCRUTINY</b>	17 Jan 2017	<b>2017/18 Budget items</b>		
<b>JOINT SCRUTINY</b>	14 Feb 2017	<b>2017/18 – 2020/21 Service Plans NEW STYLE Q3 Performance Report (Nov - Dec 2016)</b>		
4 in 2016/17	07 Mar 2017  Report deadline	Background report and terms of ref to set up 'Priorities for Parking Enforcement' T&F group (to work Mar-May 2017)	Head of Service and Parking Service Manager (T&F group would report back 13 June 2017)	04 April 2017

	22 Feb	?		
		?		
		Work Programme – planning for 2017/18	Scrutiny Officer	

**The four principles of good public scrutiny:**

- ***provides ‘critical friend’ challenge to executive policy-makers and decision-makers***
- ***enables the voice and concerns of the public and its communities***
- ***is carried out by ‘independent-minded governors’ who lead and own the scrutiny role***
- ***drives improvement in public services***

<b>Environment Scrutiny</b>	<ol style="list-style-type: none"> <li>1. To develop policy options and to review and scrutinise the policies of the Council relating to planning policy, local development framework, Building Control, Planning Enforcement, Development Management, Transport, parking, economic development, waste and recycling management, environmental standards, parks and open spaces, historic buildings and conservation, street scene, Climate Change and East Herts Strategic Partnership.</li> <li>2. To make recommendations to the Executive on matters within the remit of the Committee.</li> <li>3. To take evidence from interested groups and individuals and make recommendations to the Executive and Council for policy change on matters within the remit of the Committee.</li> <li>4. To consider issues referred by the Executive, or members of the Committee and where the views of outsiders may contribute, take evidence and report to the Executive and Council on matters within the remit of the Committee.</li> <li>5. To consider any item referred to the Committee by any Member of the Council who is not a member of this Committee and decide whether that item should be pursued on matters within the remit of the Committee.</li> <li>6. To appoint annually Standing Panels as may be determined which shall be given a brief to consider a specified service area relating to matters within the remit of the Committee and report back to the Committee on a regular basis as determined by the Committee.</li> <li>7. To consider, should it choose to do so, any item within the remit of the Committee to be considered by the Executive (except items of urgent business). The relevant report to the Executive will be made available to the Scrutiny Committee. The Executive shall consider any report and recommendations on the item submitted by the Scrutiny Committee.</li> <li>8. To consider matters referred to the Committee by the Executive/ Portfolio Holder on matters within the remit of the Committee and refer the matter to the Executive following consideration of the matter.</li> </ol>
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EAST HERTS COUNCIL

ENVIRONMENTAL SCRUTINY COMMITTEE - 21 JUNE 2016

REPORT BY HEAD OF ENVIRONMENTAL SERVICES AND LEISURE

CONTRACT PERFORMANCE – ENVIRONMENTAL OPERATIONS

WARD(S) AFFECTED: ALL

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**Purpose/Summary of Report**

- To advise Members on the current performance of the Council's two main environmental management term contracts – Waste Services (Refuse and Recycling, Street Cleansing Contract May 2011 to April 2018) and Grounds Maintenance (Grounds Maintenance Contract April 2008 to December 2019), and other environmental management initiatives that have been undertaken.

**RECOMMENDATION FOR ENVIRONMENT SCRUTINY COMMITTEE**

**That:**

- |     |  |
|-----|--|
| (A) | the current performance of the Council's main environmental management term contract be noted and the management initiatives undertaken be endorsed. |
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1.0 **Background**

1.1 The Council delivers environmental management services through a range of contracts in addition to using in-house staff. The primary objective of this report is to provide members with an annual update of the performance of the main environmental operations term contracts, which make up a significant proportion of the Council's net budget.

1.2 The combined Refuse, Recycling and Street Cleansing contract was awarded to Veolia for a period of seven years, with a possible extension of up to seven years, in November 2010 and

commenced on the 9th May 2011. This report covers the fifth year of the contract.

- 1.3 The services provided under this contract are currently under review and are the subject of a report to this committee on the same agenda.
- 1.4 The Grounds Maintenance Contract was re-tendered in 2007 and awarded to John O Connor Ltd from April 2008 for six years and nine months and with an extension of up to five years.
- 1.5 The Council agreed to extend the contract for a five year period following an extensive review and the extension began in January 2015.

## 2.0 **Report**

- 2.1 This section of the report details contract and contractor performance over the last twelve months for the Waste Services contract and the Grounds Maintenance contract, and compares this with the previous year. It also provides an update on some of the key initiatives undertaken as a whole on associated environmental maintenance and enforcement activities.

### **Waste Services Contract Update - Refuse & Recycling (SPARC)**

- 2.2 The introduction of SPARC (Separate Paper And Recycling Collections) has been very successful overall and the quality of the material collected was attracting a good level of income for the council. The material was however downgraded to a lower level at the beginning of 2015. The Council had to intervene to improve the quality of the material, working with the collection contractor and through an extended media campaign. This has been successful and the quality of the material improved significantly, resulting in the Council maintaining a positive price while many local authorities are having to pay to have material taken away.
- 2.3 The price of oil continues to effect material prices as the cost of virgin material is lower than it has been. China has also changed the way it accepts recycle and this continues to affect the value of the material collected. This particularly affects the value of recycled plastics and metals.

- 2.4 The Council continues to receive a good price for paper which is recycled for news print, but market prices are falling. The amount of material collected continues to fall which reflects residents switch from paper to electronic media and this has a corresponding effect on recycling rates.
- 2.5 The total amount of waste collected at during 2015/16 was 54,326 tonnes of which 26,453 tonnes was recycled or reused.
- 2.6 The amount of co-mingled material and paper collected at the kerbside during 2015/16 was 12,216 tonnes.
- 2.7 The amount of material sent to be composted during 2015/16 was 14,021 tonnes.
- 2.8 The percentage of household waste recycled and composted was 48.75% for 2015/16. This compares with a figure of 49.62% in 2014/15. There has been an increase in the volume of waste being presented which follows a national trend believed to be the result of increasing public confidence in an upturn in the economy.
- 2.9 The amount of waste collected and disposed of from domestic properties rose last year by 13.02 Kgs per household, from 455.64 Kgs recorded at the end of March 2015 to 468.66 Kgs at the end of March 2016. More focused publicity will be used to encourage the removal of food waste from the black bin into the brown. A bin analysis undertaken in October 2015 (see para. 2.19) identified that 20% of the black bin is food waste. Food waste diversion will be the main campaign focus for 2016/17, but began with an article in the councils Link magazine and on the back on bin hangers for Spring. Textile capture and the appropriate disposal of WEEE (waste electric and electronic equipment) will also be tackled.
- 2.10 The number of missed bins for the year ending in April 2016 was 22.47, per 100,000 collections compared to 29.18 year ending April 2015. The overall performance is lower than target, a result of effective performance management. (See Ess Ref B)
- 2.11 Rectification Notices are issued to contractors to require them to correct a service failure. Default Notices, which attract a financial charge, are issued if it is more serious or where a minor problem is not resolved in the time allowed. Rectification Notices are not issued for a 'missed bin' as although the crew can be sent back,

the failure to collect first time cannot be corrected. In these situations a 'Warning' is logged. Repeated Warnings for failure to collect from the same property attract Defaults and other financial charges.

- 2.12 The contractor has in-cab electrical devices, which, along with a vehicle tracker system provide information on collection services and proof of attendance. The devices are also able to provide proof of contamination as a picture of the contamination can be sent electronically to the council. This has proved to be very helpful when residents have contaminated their bins.
- 2.13 The number of Rectification Notices issued for container deliveries was 97 in 2014/15 and 107 in 2015/16. These are issued where the contractor fails to deliver a replacement bin or box to a customer within five working days. In context, the contractor delivers 5904 containers per annum and therefore this is a reasonable level of performance.
- 2.14 The level of Defaults decreased from 97 in 2014/15 to 77 in 2015/16, these defaults were for the collection part of the contract. There was 1 default for not delivering containers within the required 5 days during 2015/16. Defaults are issued when rectifications have not been resolved satisfactorily or where the breach has been more serious.
- 2.15 The commercial refuse collection service currently has a customer base of 764 (recorded at the end of March 2016) which is an increase of 65 customers, primarily small local businesses and schools. Gross income from this service increased from £581,777 to £634,447.
- 2.16 During 2015/16, 205 of the 216 apparently Abandoned Vehicles reported were inspected within the target time of 24 hours, 17 of these vehicles had to be removed by our contractor. This compares with 6 removed in the previous year and 104 reports. Most vehicles turn out to have an owner and are not removed. The fall in steel prices could be having an impact upon the value of scrap vehicles resulting in an increase in abandonment. However, the numbers removed remain extremely low in East Herts.

## **Refuse & Recycling Initiatives for 2015/16**

2.17 In October 2015 the Council commissioned a compositional study of domestic kerbside collected residual (black bin) waste from a sample of households. The purpose was to ascertain how much (and the types) of waste being put in the black bin that could have been recycled or composted. Waste in the black bin goes to landfill. This is bad for the environment and costs tax payers £105 per tonne. The information obtained is used to target publicity and media campaigns to help reduce the amount going to landfill and push up recycling and composting performance. The key findings were:

- Households are estimated to be producing 5.98kg/hh/wk for each presented bin of residual waste at the kerbside.
- On average, 28.5% could have been recycled at the kerbside.
- Waste food made up 70% of the recyclable material present and formed 19.8% of the residual (black bin) waste.
- Over three quarters of the food waste in residual bins was avoidable.
- Almost half (47%) of all the food waste in residual bins was still contained within its original packaging.
- 20.1% (1.02kg/hh/wk) of residual waste could have been recycled in brown bins.
- 8.4% (0.50kg/hh/wk) of residual waste could have been recycled in the blue lidded bin.

2.18 Although these levels are lower than many local authorities it still is of concern and presents an opportunity to improve.

2.19 The main focus for our communications for 2016/17 will be around food waste minimisation and diversion to the brown bins. As well as trying to educate residents on how to recycle food waste a communications plan with several initiatives will be created with the aim of reducing waste in the black bins and a subsequent increase in composting tonnages. An example activity is giving away sample food waste liners at roadshows on the completion of a food waste attitude survey.

## **WEEE Events**

- 2.20 Waste Electrical and Electronic Equipment (WEEE) events were held in Hertford and Bishop's Stortford at the beginning of May in partnership with WasteAware and funded by the Department for Business Innovation and Skills (BIS) after a successful bid by the partnership for funding. The aim was to encourage residents to dispose of their small electrical items in a way that allows them to be reused and recycled.
- 2.21 The events attracted just over 250 residents and 9.5 tonnes of material was collected by East Herts. All the items will be assessed and those that can be reused will be fully tested and then donated to local charities. The rest will be processed to conserve their raw materials and recycled into new products.
- 2.22 Following the success of these events and the positive feedback from those residents that attended East Herts plan to host more events, this time bringing them to Ware, Sawbridgeworth and Buntingford.

## **Roadshows and events**

- 2.23 During 2015 officers attended a number of events including the Bishops Stortford Carnival, Ware Carnival and 'Love Parks Week' promoting recycling and reuse. A new recycling game proved very popular amongst people attending and was a fun way of getting across the message of which bins should be used for which item of waste. Events continue to be a great way of engaging with the public about the services available and encouraging waste minimisation and recycling.

## **Waste Offences**

- 2.24 Contamination of recycling containers, unauthorised double bins and side waste are monitored. This is necessary to minimise waste, maintain the quality and value of material collected and avoid rejection by re-processors, leading to a loss of income and additional costs of collection and disposal to landfill.
- 2.25 Residents are given a series of three advisory letters, which if not responded to, and occur within a six month period, may result in a formal Notice being issued under Section 46 of the Environmental Protection Act (1990). From 15 June 2015, legislation changed the process for issuing fines for waste



receptacle offences for householders. It made this a civil offence; introduced a requirement for a formal written warning to be issued and an additional test before a Fixed Penalty Notice (FPN) could be issued. The offence must now 'cause a nuisance or be detrimental to the local amenities' so FPNs can still be issued for offences such as side waste or bins on the highway but not for contamination as this doesn't meet the new test. Therefore where there is persistent contamination of recycling containers the container will be permanently removed.

- 2.26 In 2015/16 - 687 letters were sent to people for their second offence, (crews sticker contaminated bins and boxes initially to advise residents of the issue and encourage them to put items in the correct bin). 155 letters were sent following a third offence and 39 letters were sent following a fourth offence. The letters are considered to be effective as can be seen above that the number of people being written to more than once declines sharply, therefore the service rarely has to resort to more formal action.

### **Street Cleansing**

- 2.27 The Environmental Protection Act (1990) determines the standards that must be met and the inspection criteria to be used in determining the performance of the street cleansing operation. Contractor performance is measured by the Council's Environmental Inspection Team, which conducts both programmed and complaint led inspections, grading streets accordingly.
- 2.28 In addition, the previous Government required additional inspections to be conducted against specific criteria and these were used to calculate statutory national indicator NI 195. From April 2011 this was no longer a Government required indicator; however in accordance with the decision of the Executive Committee in March 2011 these inspections continue in this format as a 'local' performance indicator to track service standards.
- 2.29 This indicator is based upon sample surveys conducted three times a year, totalling 900 inspections. The format and sample size were previously set by Government. It calculates the percentage of inspections that identify significant levels of litter and detritus (road dirt). The lower the percentage, the higher the

performance. East Herts performance against this indicator was 2% for litter and 5% for detritus in 2014/15. In 2015/16, litter increased to 3% and detritus increased to 8%.

- 2.30 Litter levels during the first 8 months were better than target, but rose sharply in the last 4 months due to this being the worst time of year for litter when the vegetation dies back. In particular levels of litter were higher in industrial & warehousing areas and on main roads. The latter was due to continuing access restrictions to the central reservations of dual carriageways and using traffic management as road space was not granted by The Highways Authority during the winter period. This is because The A10 and the A414 are permanent diversion routes for the motorways around East Herts. During busy times they must be kept fully operational and restrictions kept to a minimum. During the summer period our Contractors' operatives are able to litter pick these roads when the Highways grass cutting takes place. Following a successful trial last year, this operation now takes place during the evening and into the night.
- 2.31 Detritus levels were slightly higher than the previous year due to a combination of a few problems on industrial roads and difficulty in getting access to road channels on main roads where traffic management is required. However detritus levels in areas which have difficult access (ie. where there are parked cars due to commuters) are improving due to a targeted program being carried out by the contractor.
- 2.32 East Herts continues to have a very low level of litter problems compared to many local authority areas and the low percentage reflects this. This is substantiated by a decrease in the number of complaints made regarding cleansing issues. However where inspection of the district's streets have identified areas in need of additional cleansing and litter picking the operational frequencies have been increased to improve standards in the future, for example in some industrial areas and on main roads.
- 2.33 There were 474 street cleansing complaints in 2015/16 compared with 558 in 2014/15 – a decrease of 15%. Of the complaints received last year, only 22 were 'validated complaints' against the contractor's performance, compared with 27 the previous year. **(Essential Reference Paper 'B')** remainder were regarding areas which are not part of the scheduled contract work and therefore not a contract

performance failure. Analysis is also carried out to determine, which roads feature more frequently, enabling changes to be made in the frequency of cleansing, litterbins to be added if required, and any contractor performance issues to be addressed.

- 2.34 Rectification Notices for Street Cleansing were 68 in 2015/16 compared to 112 in 2014/15. The level of Defaults, where Rectifications have not been resolved satisfactorily or where the breach has been more serious, has remained low with 18 category defaults being issued in 2015/16 compared to 17 in 2014/15.

### **Fly tipping & Enforcement**

- 2.35 The average time to clear fly tips increased from 1.41 days in 2013/14 to 1.7 days in 2014/15. This remains well within the target of 2 days. The number of recorded fly tips has increased 29% from 774 Fly tips in 2014/15 to 1003 in 2015/16. Household waste was the most common type of waste fly tipped and has increased by 38% since the previous year.
- 2.36 Further analysis of the locations and type of waste show an increase in number of fly tips the rural areas surrounding the household waste recycling centres (HWRC's). Fly tips in the rural lanes around Cole Green HWRC increased by 85% and around the Westmill site, Ware by 81% compared to the previous year. Household waste (including furniture and black sacks) was the most common type of waste dumped in both locations. It is thought that this increase could be linked to the changes in opening hours of the HWRC's which commenced in January 2015.
- 2.37 The upward trend of an increase in fly tipping incidents is however both a nationwide and a countywide issue and therefore this is being tackled through the Hertfordshire Fly Tipping Group where councils and other agencies meet regularly to share intelligence and best practice with regards to tackling fly tipping.
- 2.38 In addition the following actions have been agreed:
- Monthly fly tipping data from Districts submitted to Hertfordshire Waste Partnership in order so both the types and overall numbers of incidents can be tracked.

- The County Community Safety Unit is to provide a mapped analysis of fly tipping incidents .
- Improved co-ordination of the group at a strategic county wide level. This has included that the Strategic Fly Tipping Group will now report to the Member Board of the Herts Waste Partnership and will be chaired by the Partnership Manager. The Member Board is made up of Executive Councillors from the 11 Herts authorities ensuring that there will be continuing political oversight and quarterly monitoring.
- At both County and local level encourage greater integration with Community Safety Partnerships and joint working with the Police.
- Information sharing agreements with private landowners to better map the fly tipping problem.

2.39 The Council also continues to work in partnership with local landowners in both encouraging them to restrict access to potential fly tipping hot spot areas and by investigating fly tipping incidents on their land. A new guide for landowners provided by the National fly tipping Prevention Group will be provided both on our website and at suitable events.

2.40 A programme of educating the public on fly tipping has continued this year. This has included a presentation at the rural parish conference and publicising householders duty of care on the August bank holiday bin hangers. In 'hot spot' areas we continue to install anti fly tipping signs to warn potential offenders that the area is under surveillance.

### **Environmental Crime Enforcement**

2.41 In 2015/16 - 55 environmental crime offences were investigated, with 5 Fixed Penalty Notices issued (4 for littering, 1 for carrying out vehicle repairs on the highway). These investigations break down to, (previous year in brackets):

- Fly tipping offences – 32 (19)
- Waste offences – 10 (6)
- Litter offences – 5 (6)
- Dog Fouling – 2 (8)
- Issuing of free literature without permission – 5 (7)

- 2.42 Due to the increase in fly tipping, investigations increased from 19 in 2014/15 to 32 in 2015/16. The result of this has been two successful prosecutions with totals fines and costs of more than £2,600 and 1 formal caution for another person. Catching fly tippers remains challenging in East Herts due to its rural nature and the ability of offenders to dispose of waste unobserved.
- 2.43 The Council's approach to tackling environmental crime remains robust, through both raising awareness of the issues at roadshows and in council literature and publicising successful prosecutions in the local press.

### **Other initiatives – environmental management**

- 2.44 In the last 12 months, the service has continued with the following initiatives connected to environmental management:

#### Dog Micro chipping

- 2.45 East Herts continues to work in conjunction with its contracted kennelling service to microchip dogs within their care, in line with the new legislation requiring all dogs to be micro chipped from 6 April 2016.
- 2.46 Our Dog Warden service has been awarded a 'Gold Footprint' under the RSPCA's Community Animal Welfare Footprint award scheme.
- 2.47 The award is given to local authorities that have clear procedures in place to ensure both the welfare of stray dogs and a clear consistency of service. It also recognises the importance of information, education and rewards authorities who actively promote schemes and services that may reduce the number of stray dogs.
- 2.48 Roadshows were also held in March 2015 offering free microchipping across the district and 174 dogs were microchipped. .
- 2.49 East Herts is working in conjunction with the Police to provide education to the public with regards to control of dogs.
- 2.50 Over the winter period a consultation was carried out regarding a proposed Public Spaces Protection Order (PSPO). The new

powers replace and add to previous powers for dog control and antisocial behaviour.

- 2.51 Among other measures the new powers include: Dog fouling - residents must clear up after their dog on any land in the District.
- 2.52 Residents must put their dog on a lead when requested to do so by an authorised officer.
- 2.53 The Order, which took effect from the 1 March, also reconfirmed a range of existing dog control measures under the new legislative powers and introduce the new offence of “failing to produce a receptacle for picking up dog faeces” – when requested.

### **Community Litter Picking**

- 2.54 The Council regularly support volunteer community groups with litter picking events by providing advice, litter picking tools, high-vis tabards and bags as well as collecting the waste at the end. This year the Council promoted the Keep Britain Tidy national event “Clean for the Queen” as part of the Queen’s 90<sup>th</sup> birthday celebrations. Over 500 people took part in 21 litter picks including councillors, volunteers from parish councils, schools, businesses and voluntary groups.

### **Grounds Maintenance**

- 2.55 Services include parks and open spaces, County Council highways grounds maintenance (excluding A roads) and East Herts Council estate verge grass cutting, shrub and hedge maintenance, seasonal bedding displays, cleansing services including litter collection in open spaces, summer and winter sports pitches and fine turf, the upkeep of grounds on behalf of Network Housing (formerly Riversmead Housing Association), play area maintenance & inspections and woodland management.
- 2.56 Performance in 2015/16 has continued at a good standard in this second year of the agreed contract extension.
- 2.57 The contract improvements offered as part of the agreement to extend have delivered some interesting benefits. For instance, the vehicle tracking system allowing officers to monitor activity has enabled the Council to deal more effectively with customer

complaints. Where there are alleged incidents with vehicles, plant this can be used to confirm or reassure customers that the Council is not involved. The team is able to monitor progress more accurately in relation to enquiries about grass cutting or winter pruning. The continued establishment of wildflower swathes at prominent locations such as the A414 Mercedes roundabout has made a good impact. The type of seed and method of establishment is being refined.

- 2.58 New training initiatives have been introduced by the contractor to meet their target of ensuring at least 40% of the workforce has achieved a level 2 NVQ/WBD qualification. Regular toolbox training supports employee's development. One of the contract supervisors achieved a 'Train the Trainer' award which enables him to carry out all internal training on the contract. This ensures that equipment training is efficiently delivered with the minimum of downtime and that it is always directly relevant to contract delivery and specific safety issues.
- 2.59 The company's Operations Director, was awarded the prestigious City & Guilds Award for Apprenticeship Champion of the Year. The National Apprenticeship Awards, now in their 12th year, celebrate the success of the country's most exceptional Apprentices and Apprenticeship employers. The scheme promotes opportunities for not only new young applicants, but existing employees as well.
- 2.60 The company is now a member of the '5% Club' – an industry led initiative focussed on driving momentum into the recruitment of apprentices, graduates and sponsored students.
- 2.61 Permanent staff levels have increased from 19 to 24. This reduces the reliance on seasonal staff which can result in performance issues at the start of the growing season. This has also meant that there can be more than one experienced operative trained in key roles such as the tractor driver who leads the grass cutting regime on our large open spaces.
- 2.62 The contractor commits to an active machinery replacement programme which contributes significantly to high standards and minimises downtime. Five new ride-on cylinder mowers and 1 new rotary mower were purchased. The vehicle fleet has also been replaced this year.

- 2.63 Performance has been good despite weather conditions which created vigorous plant growth. 2015, similarly to 2014 was unusually wet. The total rainfall figure for 2015 was 780.5mm; the annual average is 733 mm. July was the wettest month and March the driest. The overall mean temperature for the year was above average at 10.44°C (The average is 9.80).
- 2.64 Despite this, the contractor has utilised resources well and adapted to cope with the conditions. Customer enquiries peaked in June, but were even throughout the summer months dropping off sharply in November and December, showing an overall decrease of 8.9% from last year (491 down from 539).
- 2.65 The total level of complaints has increased slightly from 274 in 2014 to 295 for 2015 but this still reflects a good level of performance, considerably lower than the level of 520 in 2013. Complaints peaked in the summer months of July – September due, in part, to the high levels of rain in July and August during which the grass grew rapidly and the opportunity to cut effectively was reduced.
- 2.66 Approximately 37% of all complaints were ‘valid’ this year which is an increase on previous years and an area which will be monitored closely in the forthcoming year **Essential Reference Paper ‘B’**. A valid complaint is where there is a failure by the contractor to meet contract standards. It is not contractually valid if it relates to a service which the Council does not offer to provide. For example vegetation overhanging a footpath from a privately owned property may be an understandable concern but is not something for which the contractor is responsible and is therefore not a valid complaint for contract monitoring purposes. The number of validated grass complaints this year was 38 out of a total of 98. In the context of the size of East Herts and the amount of work carried out by the contractor this is a low number.
- 2.67 Monitoring of the contract has been consistently vigorous. It reflects good compliance and minimal intervention required by customers. Of the 256 rectification notices issued in 2015, 169 (66% - up on the 64% from 2014) came from the Area Environmental Inspectors and 75 (29% - down on the 32% from 2014) from the public. This indicates that contract monitoring remains at a robust level. The Council is aim is to deal with



minor maintenance issues before they reach the attention of the public.

- 2.68 The service carries out a sample of 50 “compliance audit” inspections per week against five elements of performance. These include areas and activities carried out under the contract, effectiveness of the contractor's work programme and the accuracy of its own supervision reports. These tests revealed a consistent near faultless performance in these areas of 3.2% for 2015.
- 2.69 Sports pitch maintenance regimes have been improved this year. The combination of regular verti-draining, better quality grass seed, regular sanding and fertilising has improved the condition of the football pitches which have come through a very wet winter with very little damage. Cutting regimes and match programming have been linked together more effectively to ensure play is evenly spread across pitches.
- 2.70 A revised approach to weed control in shrub beds has proved very successful, minimising the level of complaints in this area. A specially selected residual herbicide is applied once per year and has drastically removed the need for follow up spraying of non-selective systemic herbicide. Follow on applications have in the past been required up to three or four times as the year progresses to keep shrub beds weed free. This change has resulted in only needing to follow up once or in some locations not at all. As well as releasing operative resources to other areas of the contract this improvement also reduces the amount of chemical used, an important contribution to the Council's commitment to protecting the environment.
- 2.71 Overall, the contract has been delivered to a good standard. Further adaption to wet and warm weather conditions will need to be established as this places more pressure on grass cutting during seasonal periods which previously have required lower resource levels. The contractor has arranged more permanent staff earlier in the year and upgraded machinery to better cope with cutting in wet conditions. As this trend seems to be continuing, the challenge will be to maintain good standards cost effectively throughout the year.

### 3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**,

Background Papers

None

Contact Member: Graham Mc Andrew – Executive Member for Environment and Public Space  
[graham.mcandrew@eastherts.gov.uk](mailto:graham.mcandrew@eastherts.gov.uk)

Contact Officer: Cliff Cardoza – Head of Environmental Services and Leisure ext. 1527.  
[cliff.cardoza@eastherts.gov.uk](mailto:cliff.cardoza@eastherts.gov.uk)

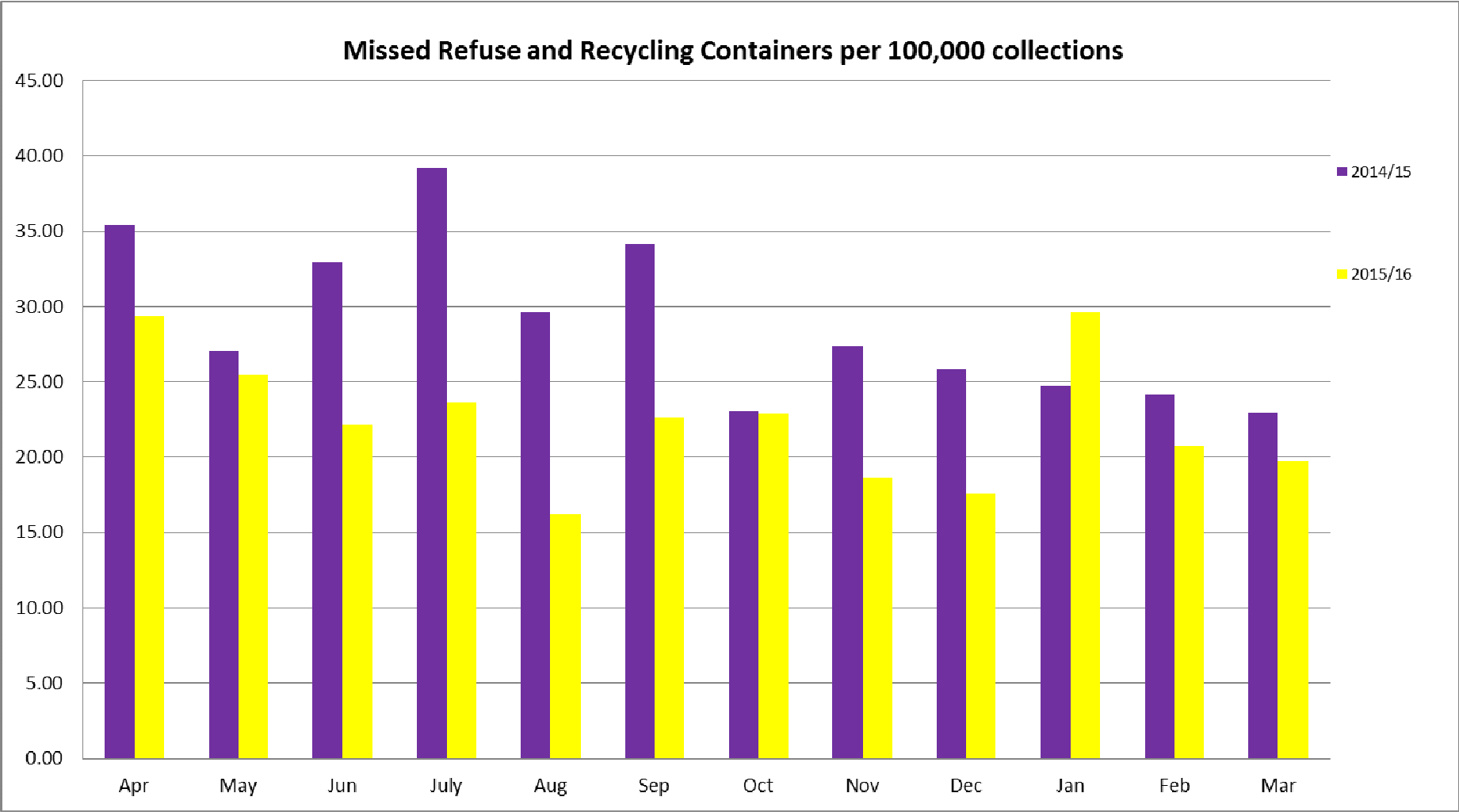
Report Author: Louise Overington – Assistant Waste Services Manager ext.1692  
[Louise.overington@eastherts.gov.uk](mailto:Louise.overington@eastherts.gov.uk)

## ESSENTIAL REFERENCE PAPER 'A'

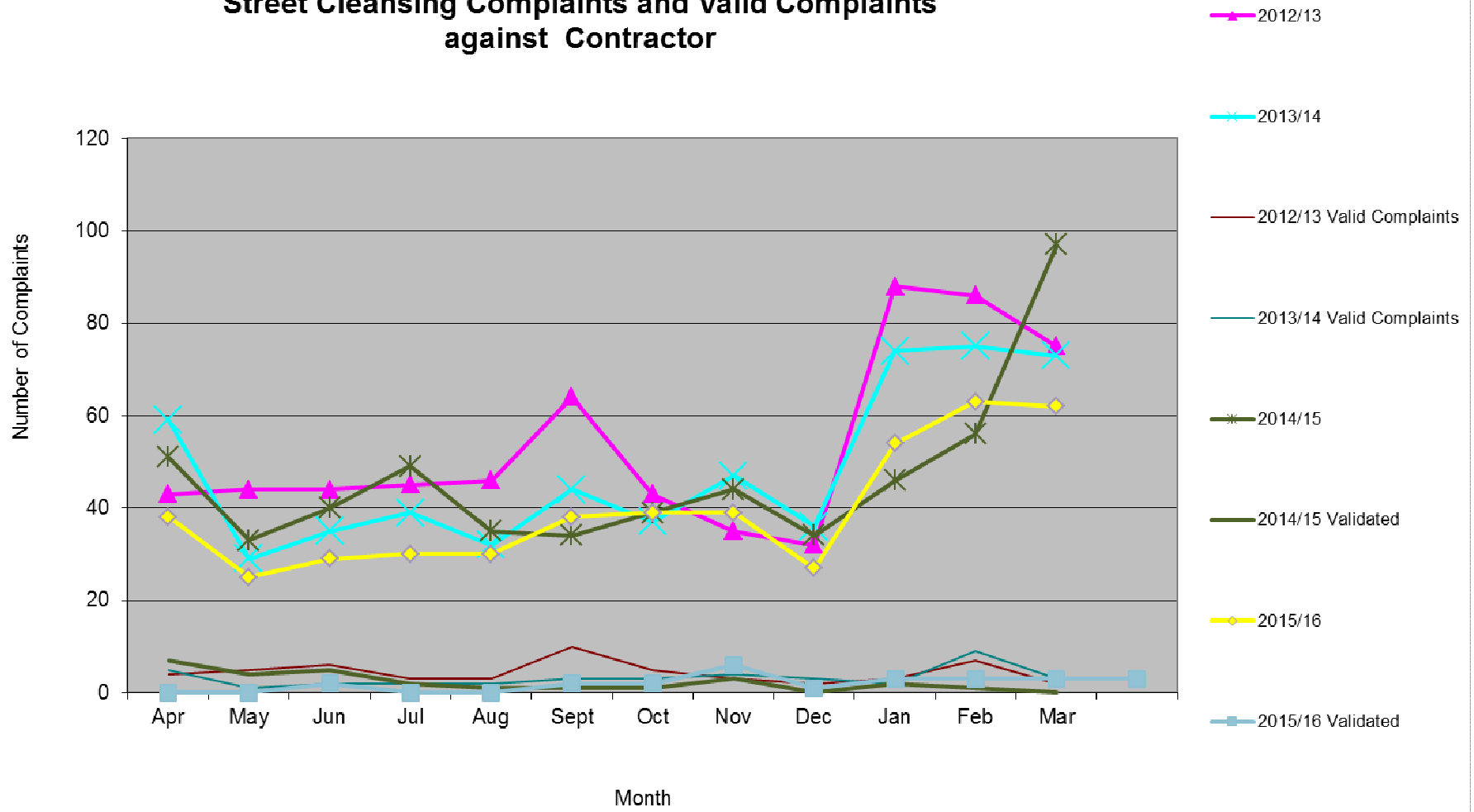
### IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i>	Priority 2 – Enhance the quality of people's lives
Consultation:	<i>There has been no specific consultation for this report.</i>
Legal:	<i>There are none for this report</i>
Financial:	<i>There are none for this report</i>  <i>The Council has a statutory duty to provide domestic waste collection of refuse and recycling; to meet the street cleansing standards detailed in the Environmental Protection Act (1990); removal of fly tips (on public land under its control); abandoned vehicles and stray dogs.</i>
Human Resource:	<i>There are none for this report</i>
Risk Management:	<i>There are none for this report</i>
Health and wellbeing – issues and impacts:	<i>In addition to the statutory duties associated with environment management and protecting public health, peoples feeling of wellbeing can be linked to the state and appearance of the local environment and their overall satisfaction with public services.</i>

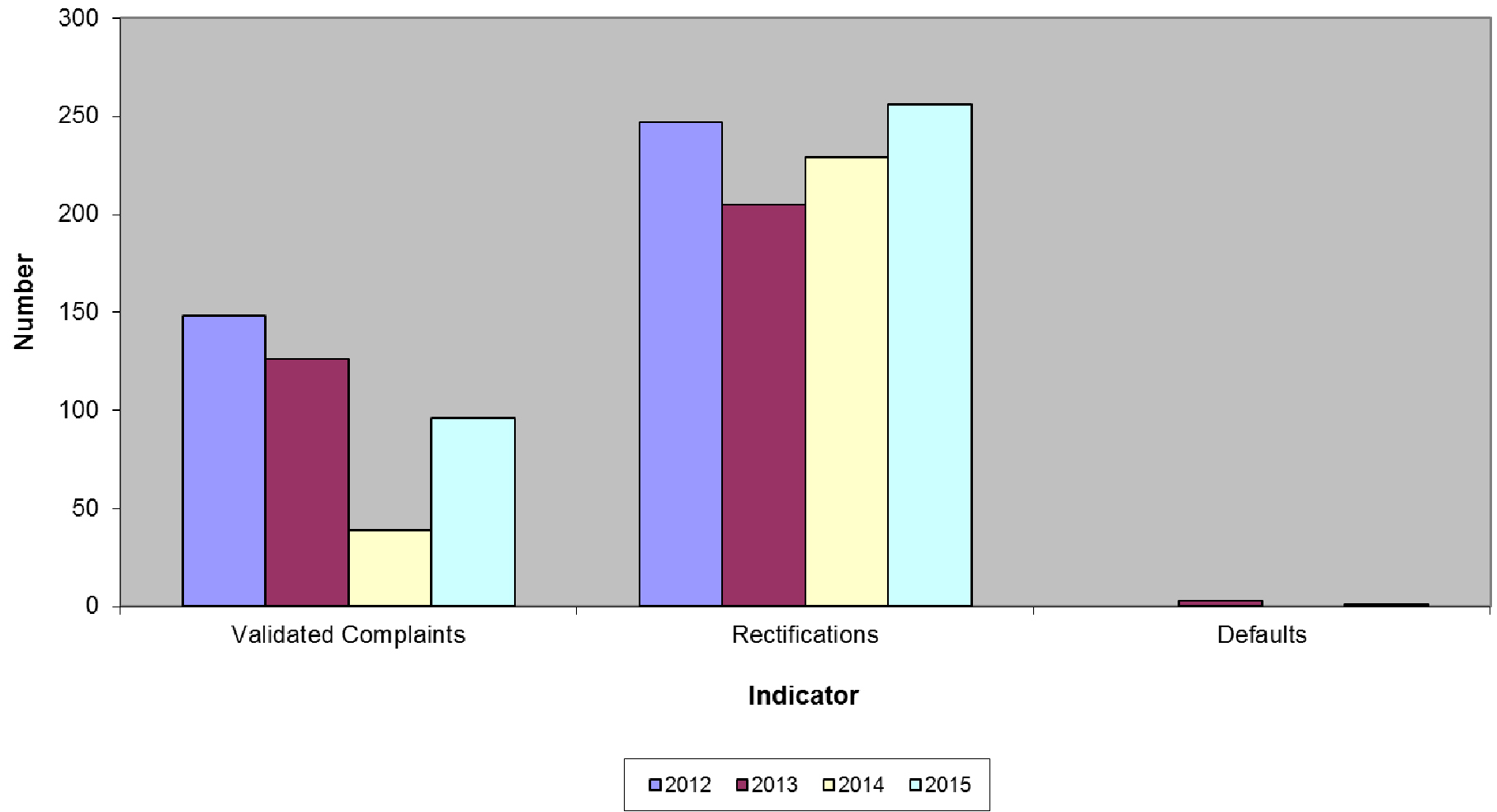
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### Street Cleansing Complaints and Valid Complaints against Contractor



### Grounds Performance Comparison



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## EAST HERTS COUNCIL

### ENVIRONMENT SCRUTINY COMMITTEE – 21 JUNE 2016

#### REPORT BY CHAIRMAN OF THE TASK AND FINISH GROUP

#### WASTE AND STREET CLEANSING CONTRACT – FUTURE SERVICE DESIGN CONSIDERATIONS

WARD(S) AFFECTED: ALL

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#### **Purpose/Summary of Report**

- To report the results of the Task and Finish Group's review of waste and street cleansing services and recommendations for the future design of services for incorporation into the next service contract.

<b><u>RECOMMENDATION FOR ENVIRONMENT SCRUTINY COMMITTEE</u></b>	
<b>That:</b>	
<b>(A)</b>	<b>Members be asked to support the design considerations as detailed in the report (and summarised in para 2.52) for incorporation into the next Waste and Street Cleansing Contract and recommend approval to the Executive.</b>

#### 1.0 Background

1.1 On 23 February the Environment Scrutiny Committee agreed to set up a Task and Finish Group to review the Council's Waste and Street Cleansing service with the objective of informing the design of the next contract, due to commence in May 2018.

1.2 The Group, supported by officers, comprised the following:

Cllr Michael Freeman (chairman)

Cllr Jeff Jones

Cllr Mark Pope

Cllr Mari Stevenson

Cllr John Wyllie

- 1.3 The combined Refuse, Recycling and Street Cleansing contract was awarded to Veolia Environmental Services for a period of seven years, with a possible extension of up to seven years, in November 2010 and commenced on the 9th May 2011. The contract value is approximately £4m per annum.
- 1.4 The contract delivers the following functions:
- Domestic refuse, recycling and organic waste kerbside collection, totalling 4.7 million collections and 54,000 tonnes of waste per annum.
  - Commercial waste collection services to over 700 customers generating over £600,000 gross income per annum.
  - Clinical (healthcare) waste collections (domestic and commercial)
  - Street cleansing of around 9,000 km roads and 5000 km channels per annum.
  - Public convenience cleaning (3 sites)
  - Minor services e.g. graffiti removal; smaller fly tips; market stall erection; pavement washing; management of recyclable materials; bulky waste collections.
- 1.5 It should be noted that there are a number of other waste related in-house and external functions and contracts performed outside the main waste services contract, including customer services; contract and environmental inspection; environmental crime enforcement; promotion and media; recyclable material re-processing; bring site banks collection; abandoned vehicles removal; specialist fly tips and graffiti removal. These are performed by in-house staff; through specialist or local contractors; or through Hertfordshire consortium contracts.
- 1.6 The initial seven year period of the contract comes to an end on 8<sup>th</sup> May 2018. It is usual for the Council to conduct a review of the service at the 5 year point in order to determine whether to extend or tender the contract and if the current objectives for the service should be retained or modified.
- 1.7 Waste management is a highly regulated activity and an important public service. It costs local government more than £50m per annum in Hertfordshire as a whole. Statutory duties for household waste management are divided between the district councils, as 'collection authorities' and the County Council as the 'disposal

authority'. The 11 authorities in Hertfordshire make up the 'Herts Waste Partnership', a formal body made up of Executive Councillors and senior managers. Partners work together to develop strategy, co-ordinate operations, share intelligence and let consortium contracts. The councils, including East Herts have signed up to the 'Herts Waste Partnership Agreement', a contract which governs how we work together in the best interests of council tax payers and to deliver environmental objectives.

- 1.8 As noted at the February Environment Scrutiny meeting this review is complicated by the fact that the Council has been developing a business case for a Shared Service with North Herts District Council. A high level 'strategic' case was agreed last July and a full 'Outline Business Case' has now been completed and is presented for consideration as a separate item on the agenda.
- 1.9 Whether or not the two authorities agree to a shared service, there is still a requirement for East Herts Council to consider and set strategic objectives for the new contract which will inform the design of contract documentation and the procurement process.
- 1.10 North Herts District Council has also carried out a similar process of workshops with their Members and will be considering these at its 14 June Cabinet meeting. Both authorities have similar services at the moment. Should a shared service be agreed there will be further joint discussion on service design, however, there is no reason for services provided to each authority to be exactly the same and contractors can accommodate reasonable differences. This issue is discussed further in the report on the Shared Service Business Case.

## 2.0 Report

- 2.1 The Task and Finish Group has had five meetings and has now completed its review. The terms of reference and approach taken are summarised at **Essential Reference Paper B**. The objective was to understand the current services, consider the legislative and policy requirements on waste services and then consider the options available to the Council to provide services in a different way.
- 2.2 Reference was made to the experiences of other local authorities in the UK and Hertfordshire and how their service design impacted upon performance and cost.

2.3 These services support all three of the Council's Corporate Priorities, but particularly to *'Enhance the quality of people's lives – Attractive Places'*. The specific strategic objectives of the service are to:

- Encourage the minimisation of waste and improve recycling
- Work in partnership with other local authorities and the Herts Waste Partnership to deliver high quality and cost effective services for our communities.
- Maintain a clean and attractive environment through effective street cleansing services that meet statutory requirements.
- Design and operate services and contracts efficiently and contribute to corporate financial targets and objectives.

In evaluating the options available to the Council the Group considered the following criteria:

- Impact upon residents / public satisfaction
- Cost of change and operating costs
- Impact on recycling rates (and therefore waste reduction).

2.4 The Task and Finish Group was at all times conscious that the Council is facing significant financial pressures and a potential ongoing budget shortfall of £3.75m over the next four years. This has to be balanced against the desire to improve the quality and environmental benefits.

2.5 It was noted that the Council is current achieving a recycling rate of around 49% which is not unreasonable. Some authorities are achieving higher recycling rates by providing extra or more frequent collections of recycling but at a higher cost.

2.6 It is difficult to directly compare costs between local authorities for these services as geography, demography and the location of depots and disposal sites are the primary drivers of the resources required. More compact urban areas need significantly less waste collection resources to achieve the same result, whilst rural areas generate less waste but require involve more travel. In Hertfordshire there is a good understanding of the performance, services provided and resources employed as this data is shared through the Herts Waste Partnership.

## Domestic Waste Collection Services

2.7 The core collection service provided to residents is as follows:

Fortnightly collection of:

- Refuse (also known as residual waste) in 240 litre bins
- Organic (mixed garden and food waste) in 240 litre bins
- Dry recycling (consisting of mixed cans, plastics, glass and card) in a 240 litre wheeled bin and separate paper in a 55 litre box. When the service was implemented residents had the choice to retain a separate paper box or opt for an 'inner paper box' which slots into the top of the wheeled bin.

2.8 In the interests of waste minimisation and keeping costs down each household is limited to one wheeled bin although there are special arrangements for larger families and people with special needs.

2.9 Most of the flats in the district have a different collection system using communal bins for refuse and recycling. The Council does not currently provide organic waste collection for flats.

2.10 The Task and Finish Group considered the following options for future domestic waste collection services.

- No change
- Three weekly refuse collection
- Return to separate collection of recyclables in kerbside boxes
- Reduce refuse bin size to 180 litres
- Weekly recycling collection
- Increase organic (garden and food) collection to weekly
- Separate food waste collection
- Separate weekly food waste collection (new container) chargeable fortnightly garden waste collection (existing brown bin).
- Additional (chargeable) Brown Bin provided upon request
- Fully co-mingled collection (all recyclables in a single bin)

- Textiles collection at the kerbside
- Batteries/small electrical items collection at the kerbside
- Contractor 4 day working
- Food collection from flats

The Task and Finish Group considered each of these at an initial stage and agreed to recommend ruling out the following options:

#### No Change

- 2.11 The Council currently delivers good services and the Group found that there were no fundamental or failing areas that needed to be addressed. Residents are generally happy with the services they receive and this is reflected in public satisfaction survey results and falling complaints. It would be reasonable to procure a new contract along current lines. However, it was felt that there were potential opportunities to generate financial efficiencies, increase recycling rates or provide additional services subject to cost. These are explored below and summarised in section 2.52.

#### Three weekly collections of the refuse bin

- 2.12 A few local authorities in the UK are considering implementing this. It has the advantage of reducing the number of vehicles and crews used for refuse collection, resulting in a cost saving and increasing the amount that residents would recycle (due to shortage of bin capacity). While some residents are not currently filling the black bin on a fortnightly basis and would be able to cope with this change, the Task and Finish Group felt that it would cause a serious capacity problem for many residents and would be highly unpopular. In addition, leaving food waste in the black bin for three weeks would be likely to cause concern.

#### Return to collecting recyclables separately at the kerbside

- 2.13 The Council operated a 'source separated' service, using different vehicles prior to 2013, but was compelled to change to allow cardboard to be collected as this could no longer be put in the Brown Bin due to changes in composting regulations. It was noted that changing to 'co-mingled' collections using a wheeled bin and box had resulting in a significant increase in recycling and residents preferred the new service. It had also delivered service efficiencies and savings to the Council. East Herts is producing good quality mixed recyclables. Accordingly, there were no benefits in returning

to this option.

### Kerbside collection of batteries/small electrical items

- 2.14 The Group considered whether to provide a kerbside collection service for batteries and small waste electrical appliances. Legislation prevents these items from being put in the black bin and they cannot be successfully processed if added to the recycling bin. It is possible to provide separate collections for these items but this would require an extra compartment on vehicles or separate collection round at additional costs.
- 2.15 Members felt that there would be some confusion over what met the criteria for collection and that something designed for hairdryers, radios, irons etc would lead to TVs, fridges and washing machines being left outside. They also saw problems in the presentation of items with no separate designated container to keep them in – and this applied particularly to small batteries.
- 2.16 Members felt that there were enough shops offering readily available battery recycling containers and the difficulty of implementing and offering this at the kerbside could easily lead to contamination of the co-mingled collection as people just threw batteries into the (blue lidded) bin or left large electrical items on the pavement. Accordingly this option is not recommended.

### **Options considered in more detail**

- 2.17 The Task and Finish Group carried out a more detailed appraisal of the following options to consider potential costs, income and impact on recycling rates. **Details can be found at Essential Reference Paper C:**

#### Change black refuse bin to a smaller 180 litre size

- 2.18 The Group noted that a number of councils including North Herts had replaced 240 litre refuse bins with smaller 180 litre bins, collecting them fortnightly. This option results in an increase in recycling by residents due to a lower black bin capacity. It would be acceptable to many residents, who are not currently filling their bins in the 2 weekly collection cycle. However, some residents would find it more difficult and would be compelled to recycle more. After initial implementation ongoing costs would be neutral or slightly positive due to the additional recycling credits received from the County Council. However, the change requires a one off

Capital investment of c.£925,000 and the 'payback' in terms of the additional income from extra recyclables would be minimal. It would, however, be a step in the right direction in terms of increasing recycling and would bring East Herts into line with neighbouring North Herts.

- 2.19 The Group considered whether the investment could be avoided by providing the smaller bins upon request or supplying only 180 's in future as broken bins were replaced and to new build properties. The former would result in additional costs of delivery as some residents would simply make the change to get a smaller bin and not recycle any more. There will be some chopping and changing of bins as residents moved home. The latter option would result in additional complaints as some residents would be issued with a smaller bin while neighbours retained their older, larger bin, which could be seen as unfair. It could also result in disputes between residents as bins were 'swapped' with their neighbours.
- 2.20 On balance the Group felt that, if the Council wished to move to 180 litre refuse bins, the 'big bang' approach was best and a strong and extensive media campaign would be required to explain the environmental benefits of the change to residents. However, the benefits were outweighed by the initial capital cost and therefore this option is not recommended.

#### Increase recycling collections to 'weekly'

- 2.21 A number of the higher performing local authorities have achieved better recycling rates by introducing a weekly recycling collection. The convenience of such a service tends to deliver higher recycling rates, particularly for authorities still using kerbside boxes. While there are environmental benefits from recycling more, in a rural area like East Herts the additional collection rounds required would result in a high additional operating cost estimated at c. £289,000 per annum. Also, the extra trucks generate more emissions, partially offsetting the environmental gain. The Task and Finish Group felt that this was unaffordable.

#### Separate weekly food collections / chargeable garden waste options

- 2.22 A key challenge for local authorities in reducing the amount of waste going to landfill is the amount of food waste in the refuse bin. The European Union and members states have all enacted laws to minimise organic waste in landfill due to the significant contribution this makes to greenhouse gas emissions and other negative



environmental impacts. A number of local authorities in the UK have introduced separate *weekly* food waste collections, seeking to reduce environmental impacts and the high cost of landfilling waste. The Group considered how this could be done in a rural district like East Herts.

- 2.23 Such a service requires either separate collection vehicles and rounds or new vehicles that incorporate a separate compartment (food pod) on the vehicles. Either option would result in a significant increase in operating costs of c.£375,000 per annum. The Group felt that implementing this option in isolation would be unaffordable for the Council.
- 2.24 Legislation requires that local authorities cannot make a separate charge for collection of domestic waste that it has a statutory duty to collect. This includes food waste. Accordingly many local authorities have, or are considering, collecting food separately on a weekly basis and charging for separate fortnightly garden waste collection.
- 2.25 While this results in an increase in collection costs for food waste; garden waste collection attracts an income and reduced costs which can pay for or more than offset the additional food collection service.
- 2.26 The charges for garden waste collections in the UK, where applied, range from £25 to £96 per annum, with an average of £41. While this income may initially seem attractive, the administrative costs of operating a chargeable scheme including processing payments, monitoring and enforcement are likely to eat up most of the income at the average charge.
- 2.27 The real saving from such a scheme comes from the fact that many residents would give up their Brown Bin if a charge were introduced. Based on national trends, we could expect to see a take up of between a quarter and a third of residents in East Herts. The separate garden waste service could also be suspended in the peak winter months. This would result in a reduction in the number of vehicles and crews needed to operate the service. It has been estimated that this could generate a net saving to the Council of c. £107,000 per annum.
- 2.28 In theory, separate processing arrangement could also result in a saving to the County Council. However, both parties are tied into a contract with the reprocessing facility until 2025. This contract includes a 'guaranteed minimum tonnage' to protect the re-

processor from a fall in income which is necessary to sustain their capital investment. A chargeable garden waste service would result in less material being delivered but at a higher cost and this would be passed on to the Council, effectively wiping out or exceeding savings in the collection service.

- 2.29 Having considered the issues, the Task and Finish Group recommend that this option is not incorporated into the next contract but is reviewed in 2023 in preparation for the following contract and the County Council be advised accordingly.

Increasing Organic (Brown Bin) collections to weekly

- 2.30 There are many residents in East Herts that have larger gardens and would like to be able to dispose of more garden waste at the kerbside. Currently these residents have to home compost their additional garden waste or take it to a Household Waste Recycling Centre. While this option would be popular and increase recycling rates, it would result in additional collection rounds and crews and a significantly greater cost and much higher processing costs. The Group felt that this was unaffordable.

Additional (chargeable) Brown Bin provided upon request

- 2.31 Some local authorities chose to offer residents an additional brown bin but at a charge. This is not uncommon and Neighbouring Dacorum Borough Council is about to introduce an additional brown bin that accepts green waste only and will charge £25 delivery with an annual cost of £50 for 20 alternate week collections.
- 2.32 However, in order for such a service to cover its costs it is necessary to factor in both the additional collection costs and the treatment cost for the extra organic waste. The outline calculations shown in ESS REF C indicate a small saving to the Council if a change of £70 per annum, were introduced for a second bin, assuming the service were taken up by 5,000 residents. The 'break even' point would be an annual charge of £63 per annum with an up front charge to cover delivery costs.
- 2.33 This option is potentially attractive from a public satisfaction perspective but has some negative environmental implications as some waste that would otherwise be home composted would be transported. There are also potentially significant admin costs, if a second bin is optional, from frequent changes as people move in/out of homes or residents change their mind.

2.34 A fundamental principle of the Herts Waste Partnership Agreement is that local authorities do not take unilateral actions that increase the amount of waste collected or result in additional costs to partners and if the Council were to take up this option it would be against that principle. There is as yet no indication of the attractiveness of such a proposal to residents at a charge that would fully cover costs. It was noted that this additional service could be implemented at any time (and did not need to tie in with the start of the next contract). The Task and Finish Group therefore felt that the Council should wait and see the results of Dacorum Council's imminent scheme before deciding whether to implement this at East Herts.

Fully co-mingled collection (all recyclables in a single bin)

- 2.35 When the new co-mingled collection service was introduced in 2013, the market price of paper for recycling into newsprint was very high and it made sense to collect this material separately to maximise income from material sales. This type of collection system is known as 'part co-mingled'. Since that time the value of both the co-mingled material (cans, plastics, glass, card) has fallen substantially to the extent that many authorities are having to pay for its removal rather than receive an income. Paper prices remain high due to a Hertfordshire consortium fixed price contract, but these are expected fall when this ends later this year.
- 2.36 Research evidence shows that having all material in the same bin (i.e. fully co-mingled) increases recycling as residents find this more convenient. In introducing such a system it is necessary to calculate the potentially lower collection cost with the likely increase in recycling against a lower paper price from mixing it with other materials. A fully co-mingled system can also result in a higher level of contamination, which must be managed carefully to ensure legislative standards are met.
- 2.37 As collection costs are not known until tender bids are received and market prices for materials vary considerably, it is proposed that this be included as an option at contract procurement so that a decision on its financial viability can be taken at contract award in Spring 2017.
- 2.38 UK legislation requires local authorities that choose to operate a co-mingled recycling collection to demonstrate that the results are no worse than separate material collection from a 'technical, environmental, economic and practicability' perspective. This is usually referred to as the 'TEEP' principle. A risk of fully co-

mingled collection is that materials, especially paper, can become more contaminated and if this resulted in an increase in waste sent to landfill could be non-compliant with legislation. However, many local authorities are operating a fully co-mingled system without issue. In order to mitigate this risk, bidders would need to demonstrate that their proposed collection arrangements would be compliant.

#### Textiles collection at the kerbside

- 2.39 The Task and Finish Group noted that North Herts Council currently operate a separate kerbside collection service for textiles (clothing) and have dispensed with bring banks. Investigation of this option showed that this material is collected in cages under the vehicles and quality can be affected by bad weather. There is also a risk of residents placing textiles in the recycling bin where they are not wanted and this can cause increased contamination and a lower material price.
- 2.40 However, the cost of this extra service is not currently available and it was felt that this should be included as an option at contract procurement so that a decision on its viability can be taken at award.

#### Contractor 4 day working

- 2.41 It was noted that some local authorities had achieved efficiencies through 4 day shift systems for collection staff. This improves vehicle utilisation through extending the length of the operating day. However, it is dependent to some extent on the licenced opening hours of disposal sites.
- 2.42 It is recommended that tenderers be asked to evaluate whether this option will deliver operational and financial efficiencies as part of the procurement process.

#### Food waste collection from flats

- 2.43 In East Herts there is no organic waste collection from communal properties and generally they do not have separate gardens. Communal gardens are usually the responsibility of the managing agent and the waste arising is classified as commercial, to be removed by their grounds contractors.
- 2.44 The Group noted that North Herts Council currently operates a food waste collection from 6,000 flats with a grant received from the Department of Communities and Local Government. This is

currently being reviewed, but it is likely that NHDC will wish to include this as an option in tender documents. EHC can also obtain a price for a food waste service to its flats and then determine whether it wishes to take this option up at contract award. Evidence from North Herts suggests that this service is valued by some residents but take up is relatively low and the cost per collection is likely to be high.

### Commercial Waste Collection

- 2.45 This service competes directly with the private sector, is discretionary, but must meet the statutory requirement to be the 'provider of last resort'. The service currently operates a refuse collection service only and does not provide organic or recycling services to businesses. Unlike domestic collections which are solely the responsibility of the local authority commercial waste collection is also provided by the private sector and therefore business can procure a recycling service from whoever they wish. The Council must take care not to enter into services that will operate at a loss as this would effectively result in businesses being subsidised by Council Tax payers, which is not appropriate. The Task and Finish Group noted that a recent feasibility study had been conducted that proposed further investigation into commercial waste recycling and this will be considered over the next few months. If it is financially viable, prices for collection would be asked for as part of the tender process.

### Clinical Waste Collection

- 2.46 This service is provided to both businesses (e.g. dentists, doctors' surgeries) and domestic residents with specific infectious healthcare needs, usually funded by the health service. It is highly regulated and there are very few opportunities to vary the service.

### Street Cleansing

- 2.47 Street cleansing mainly involves litter picking, channel (gutter) sweeping and litter bin emptying. The Task and Finish Group considered how the service is provided to ensure the legislative standards within the Environmental Protection Act (1990) are met. These involve continuous cleansing in town centres 7 days a week and scheduled cleansing in all other areas. East Herts has a particularly detailed schedule that specifies the frequency of cleansing down to the individual street level. This can be varied to meet changing needs and has a direct correlation with cost. The Group considered alternative options including 'output based'

approaches, where the contractor is required to keep the streets cleaned to the required standard at all times. There are pros and cons with both options and the conclusion was that both approaches can deliver good standards. North Hertfordshire District Council currently has a more output based specification. Work will continue to determine the most cost effective service design whilst maintaining service standards.

- 2.48 A key challenge is keeping high speed A roads and dual carriage ways clean. However, this relates less to contract design and more to the ability to work in partnership with the Highways Authority (HCC) to share and obtain authorisation to use traffic management allowing works to be completed in a safe and timely manner.
- 2.49 It was noted that East Herts has a high standard of measured street cleansing and complaints have been steadily falling for some years. Accordingly the Task and Finish Group are not recommending any major design changes to the contract specification but recognised the need to ensure that contract management is effective in ensuring contractors deliver the specified results.

Contract Length

- 2.50 The Group considered the factors influencing contract length and noted that for waste contracts this was driven by the operating life of vehicles which is nominally 7 years. Shorter contracts result in vehicles being depreciated over a shorter period resulting in a higher annual cost and vehicles having a residual life but low value at the end of the contract. Longer contracts result in the risk of vehicles being unreliable if operated beyond their working life resulting in an increased risk of breakdowns or service disruption. Accordingly it is recommended that the next contract length be for 7 years with an extension period of 7 years. This also ties in with the timescales to review organic waste processing contracts with the County Council.

Summary

- 2.51 The options considered by the Task and Finish Group and associated recommendations are summarised as follows:

	<u>Option under consideration</u>	<u>Recommendation by T&amp;F group</u>

1	Change black refuse bin to a smaller 180 litre size	Not recommended due to Capital cost
2	Increase recycling collection to weekly	Not recommended due to cost
3	Separate weekly food collections / chargeable fortnightly garden waste	Separate weekly food collection alone not recommended due to cost.  Weekly food + chargeable garden to be reviewed in 2023 in line with new contract for organic waste treatment.
4	Increasing brown bin collection to weekly	Not recommended due to cost.
5	Additional chargeable brown bin provided on request	Hold to observe results and take up of other councils (review Autumn 2016)
6	Fully co-mingled collection (all recycling mixed in a single bin)	Obtain prices at procurement and evaluate alongside market prices for materials
7	Textiles collected at the kerbside	Obtain prices at procurement
8	Contractor 4 day working	Option for contractor to demonstrate added value at procurement
9	Food waste collection from flats	Obtain prices at procurement
10	Commercial waste recycling	Progress feasibility study to the next stage to

		assess the market for these services and obtain prices at procurement to confirm financial viability of offering this service.
11	Clinical waste collection	No changes to current approach proposed.
12	Street cleansing approach	No changes to current approach proposed
13	Contract Length	Proposed for 7 years with an extension of up to 7 years.

## 2.52 Next Steps

2.53 The Environment Scrutiny Committee is asked to consider the proposals for contract design and recommend them to the Executive. Should the Council also approve proceeding with a Shared Service with North Herts, Officers of both authorities will use these proposals, together with those of NHDC Members to develop a specification for a joint contract.

2.54 A progress report will submitted to the Executive reporting the successful bidder for the contract in Spring 2017 and to advise of tender prices for the options highlighted in the table in 2.52 for decision on whether to proceed with them.

## 3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

### Background Papers

Report to Environment Scrutiny – Waste and Street Cleansing Contract – Future Service Design Considerations – February 2016



Contact Member: Councillor Michael Freeman – Chairman of the Task and Finish Group  
[Michael.freeman@eastherts.gov.uk](mailto:Michael.freeman@eastherts.gov.uk)

Contact Officer: Cliff Cardoza – Head of Environmental Services and Leisure  
Contact Tel: No x1527  
[Cliff.cardoza@eastherts.gov.uk](mailto:Cliff.cardoza@eastherts.gov.uk)

Report Author: Cliff Cardoza – Head of Environmental Services and Leisure

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## ESSENTIAL REFERENCE PAPER 'A'

### IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i>	Priority 2 – Enhance the quality of people's lives
Consultation:	<p><i>There has been no external public consultation as part of this review. Public satisfaction for waste collection services is captured as part of the biannual resident's survey and is generally high. Officers have consulted with the Herts Waste Partnership and the County Council on options that have implications for them and other Hertfordshire authorities on specific initiatives for comparative purposes.</i></p> <p><i>The County Council has asked that it be noted that under the Herts Waste Partnership Agreement all partners have agreed to the joint objective not taking actions that result in an increase in the amount of waste collected. Introducing resident's capacity for organic waste, for example, by offering additional bins at a charge could be incompatible with this objective if it generated significant levels of additional waste that were not already in the waste stream.</i></p>
Legal:	<p><i>There are no specific legal implications from this report. Waste services is a highly regulated area and local authorities must ensure that the collection of waste meets EU and UK legislative requirements for the materials collected, quality of recyclables and procurement regulations. These matters will be addressed as part of the procurement process and included as a requirement of the successful contractor.</i></p>
Financial:	<p><i>There are no specific financial implications for this report. However, Ess Ref C indicates the range of revenue and capital implications from the options considered.</i></p>
Human Resource:	<p><i>There are none for this report</i></p>

<p>Risk Management:</p>	<p><i>There are no specific risks associated with this report. Material prices for recyclables are highly volatile and have been falling in recent years. Accordingly, in calculating costs and income it has been assumed that there are no financial benefits from sales when recycling levels change. Indicative changes in income from Recycling Credits (a statutory payment received from the County Council) have been included. Implications on income from the Herts Waste Partnership 'Alternative Financial Model' (non-statutory payments from the County Council) have not been included due to their volatility and future uncertainty.</i></p> <p><i>Costs of options are indicative only and actual costs are subject to tender prices and the extent to which residents take up chargeable services.</i></p>
<p>Health and wellbeing – issues and impacts:</p>	<p><i>There are none for this report.</i></p>

## Essential Reference Paper B

### Draft Terms of Reference

The terms of reference for the Task and Finish Group were as follows:

- a) Review the current objectives for waste and street cleansing operations. Consider and recommend whether these meet the long term objectives of the Council.
- b) Review the performance of the current services and contract.
- c) Consider changing trends; legislative ; service and financial pressures; partnership objectives and constraints and how this will affect service design and the need for flexibility to meet future needs.
- d) Take evidence and examples of best practice in waste management.
- e) Consider service design options for the Council and how these can be used to deliver objectives
- f) Inform the development and design of the specification and tender options for the next contract.

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## Options on Future Waste Services

Option	Option Title	Element	Cost (£)	Income (£)	Net (£)	Capital (£)	Recycling	Implication
0	No change	Contract					48.69%	Recycling rate remains the same.
1	Introduce 180 containers	Start up cost customer contact	80,000				50.87%	Extra contact staff advertising and publications.
		Income for bins		-60,000				Income for old 240 bins.
		Transport for disposal	?					To transport bins to disposal site.
		Container purchase				925,000		Substantial capital cost.
		Additional recycling income		-10,750				Co-mingled material diversion 250 tonnes
		Net cost first year			9,250			
		Net cost ongoing			-10,750			
2	Weekly co-mingled	Additional collection cost	375,000				52.30%	Positive resident response.
		Start up cost customer contact	40,000					
		Additional recycling income		-86,000				Recycling Credits - assumes no additional income from sales.
		Net cost first year			329,000			
		Net cost ongoing			289,000			
3b	Weekly garden and food (in existing Brown Bin)	Additional collection cost	375,000				53.47%	
		Start up cost customer contact	40,000					Media, advertising and publications.
		Net cost first year			415,000			
		Net cost ongoing			375,000			
3b	Fortnightly paid green and weekly food	Additional collection cost	0				46.61%	Neutral due to less green vehicles, but weekly food vehicles.
		Start up cost customer contact	80,000					Extra contact staff advertising and publications.
		Administration @ £30 per trans	510,000					Admin for service, invoice order and payment chasing.
		Inspection of service	80,000					Cost of inspection service.
		Income		-697,000				£41.00 FOR 17,000 Residents.
		Container purchase and delivery				200,000		Food caddy and kitchen caddy.
		Remove 33,000 bins	100,000					
		Income for bins		-40,000				
		Net cost first year			-33,000			
		Net cost ongoing			-107,000			
4	Weekly food waste	Additional collection cost	375,000				53.41%	Vehicles, staff, fuel.
		Start up cost customer contact	40,000					Media, advertising and publications.
		Net cost first year						
		Net cost ongoing						
		Container purchase and delivery				200,000		
		Net cost first year			415,000			
		Net cost ongoing			375,000			
5	Additional green waste container	Additional collection cost	61,000					5,000 residents receive 20 weeks collections.
		Administration @ £30 per trans	150,000					Admin for service, invoice order and payment chasing.
		Delivery additional container	88,500					Provide and deliver container @ £15.50 + £2.20.
		Income at £70.00		-350,000				Assumes pricing second bin @ £70.00.
		HCC disposal cost	100,550					HCC cost passed back through AFM.
		Net cost first year			50,050			
		Net cost ongoing			-38,450			
6	Fully co-mingled	Contract cost	-125,000				51.69%	Positive resident response TEEP implications.
		Start up cost customer contact	40,000					Media, advertising and publications.
		Additional recycling income		-65,000				Recycling Credits - assumes no add. income from sales.
		Net cost first year			-150,000			
		Net cost ongoing			-190,000			

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## EAST HERTS COUNCIL

### ENVIRONMENTAL SCRUTINY COMMITTEE - 21 JUNE 2016

#### REPORT BY AMBASSADOR AND EXECUTIVE MEMBER FOR SHARED SERVICES

#### SHARED SERVICE FOR WASTE AND STREET CLEANSING

WARD(S) AFFECTED: ALL

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#### **Purpose/Summary of Report**

- For members to consider proposals for a Shared Waste and Street Cleansing Service with North Herts District Council detailed in the Outline Business Case, presented at Essential Reference Paper B.

#### **RECOMMENDATIONS FOR ENVIRONMENT SCRUTINY**

##### **COMMITTEE: That:**

<b>(A)</b>	<b>The Committee recommends to the Executive, the implementation of a Shared Waste and Street Cleansing Service with North Herts District Council (NHDC) and to procure a joint contract for these services.</b>

#### 1.0 Background

1.1 In December 2014 NHDC and EHC's decision making bodies (Cabinet and Executive respectively) agreed that both authorities jointly undertake a project to consider whether there were benefits in developing a joint contract and shared service for waste collection and street cleansing services.

1.2 In July 2015, the Environment Scrutiny Committee and Executive considered a high level business case (the Strategic Outline Case). This initial appraisal showed that there were clear benefits from a shared service and it was agreed to develop a more detailed business case to confirm the approach and take a final decision to

proceed. This work has now been completed and **Essential Reference Paper B** provides the results of that detailed work. The business case has been conducted in accordance with the UK Government's best practice guidance for preparing business cases (Treasury Green Book: A Guide to Investment Appraisal in the Public Sector). Accordingly, this stage is known as the 'Outline Business Case'. However, this is a detailed assessment and the point at which a final decision must be taken on whether to proceed with a Shared Service and procure a joint contract, as described below. Detailed budget implications will be available at contract award and are subject to tendered prices.

- 1.3 The contracts for both Councils terminate on the same day in May 2018 and, if agreed, the formal procurement process will commence at the end of September 2016, with a joint contract being awarded in the Spring 2017.
- 1.4 The strategic driver for the project is that both Councils will have increasing financial pressures on their budgets in future years. The Medium Term Financial Plan for East Herts indicates the need to make savings of £3.75m over the next 4 years. New ways of working therefore need to be explored to determine what improvements and efficiencies can be achieved.
- 1.5 Continued environmental and legislative requirements and significant changes to our domestic waste stream over the past decade have led to more harmonisation of services provided by local authorities. East and North Herts have similar policies and operational approaches to providing these services and deliver successful results and high levels of public satisfaction.
- 1.6 At commencement a Project Board was set up to represent both authorities, made up of Senior Officers and Executive Councillors and this has met regularly to oversee and give direction.
- 1.7 The Project Board supports the proposals contained within the report.

## 2.0 Report

- 2.1 The 'Strategic Outline Case' (SOC), considered by the Committee last year provided a high level assessment of likely risks, costs, savings and outcomes and short-listed options for further evaluation. This showed that there were potentially significant savings to be made from a shared service totalling £404,000 per annum for both authorities, of which £143,000 would accrue to

East Herts Council. There were no policy or operational reasons identified that would be an impediment to a joint contract. It showed that efficiency savings could be achieved without a reduction in the quality of service arising from:

- Contractor economies of scale
- Client efficiencies and resilience
- Depot rationalisation and efficiencies

2.2 However, further work was required to firm up on some elements of the business case and confirm costs and savings in more detail. This included:

- Advice from specialist waste management consultants on benchmark costs, savings and opportunities for efficiencies from shared services; and the attractiveness of a East and North Herts joint contract to potential bidders.
- Modelling of both authorities collection rounds for domestic houses to identify whether there are potential efficiencies from a joint contract. This has been carried out with the support of the Herts Waste Partnership using specialist 'round optimisation' software.
- An assessment of the logistical implications of operating from different sites (i.e. how vehicle travel time and costs compare with depot operating costs).
- Quantification of existing depot costs and options for site sharing.
- Costs and benefits of bringing staff together from the two existing contracts into a new combined contract, including differences in contractor staff terms and conditions and the potential impact on future contract costs.
- Review of service policies and operations to confirm similarities and differences of the approaches to service delivery taken by the two authorities and whether these would impact on the viability of a shared service.
- Legal and governance issues and design of future management arrangements.

2.3 The findings from the results of this work have been included in the Business Case. The Business Case has been developed on an 'As-Is' basis. Current costs for separate services are compared with those same services if provided jointly. This was to ensure that the savings calculated were solely those from a shared service and not affected by other operational changes that the authorities may wish to make in a future contract.

2.4 As a separate exercise, both authorities have carried out reviews to consider how services should be delivered in the future and whether the current service policies should be modified so that these can be incorporated into the next contract (considered elsewhere on this agenda).

Outline Business Case (OBC)

2.5 The ‘Outline Business Case’ indicates that with the ‘Preferred Option’ revenue savings of £707,000 per annum can be achieved from a shared service and contract with £213,000 per annum to East Herts Council. The table below shows a greater saving to North Herts District Council is due to there being more opportunities to rationalise collection rounds than at East Herts and this benefit accrues solely to NHDC.

<b>NHDC Annual Revenue Savings</b>	<b>EHC Annual Revenue Savings</b>	<b>Total Annual Revenue Savings</b>
<b>£494,000</b>	<b>£213,000</b>	<b>£707,000</b>

2.6 The OBC also contains an alternative, less ambitious option that excludes integration of depot infrastructure, but delivers lower savings.

2.7 Savings from the shared service result from:

- Estimated contractor efficiencies expected from the next contract resulting from a reduction in collection rounds and spare vehicles, contractor management and support staff. Officers have worked with the current contractor, Veolia, to quantify these.
- A reduction in the number of depot sites. NHDC currently operates from two sites at Works Road, Letchworth, with the bulking of recyclable material at its site at Radwell. The proposal is that bulking for both authorities would be at Buntingford Depot, which is located on the East Herts/North Herts boarder. This generates efficiencies in rent and operational costs.

- Client staff reductions due to efficiency gains from managing a single rather than two separate contracts. These include savings in management; contractor performance monitoring / meetings; promotion and media. There are also opportunities for efficiencies in customer contact and IT systems and data processing.

2.8 It is proposed to move to a single client team covering both authorities' waste and cleansing services. The aggregate number of staff employed by both councils in managing the current contracts is approximately 16 Full Time Equivalents (FTE). The business case assumes an approximate reduction of up to 25% in total client staff. The precise nature of the staffing structure however needs further consideration and this will be developed if a shared service is approved. Timing needs careful consideration to minimise risks associated with the transition to and implementation of a new contract.

#### Governance and management arrangements

2.9 A key issue for the Project Board was how to ensure that both authorities could be assured that they would retain full influence and control over the strategic direction and operational performance of a shared service. The recommended approach is that there are joint governance and management arrangements where both authorities have equal involvement in the direction of the service, but with one partner taking the role of 'Administrative Authority'. This is necessary as for legal reasons as one authority must act as the employer, procuring body, and hold funds to pay staff and contractors.

2.10 As previously reported, under a shared service and joint contract there is no need for both authorities to have exactly the same services provided in their authority area and each has discretion over delivery. Greater benefits, in terms of economies of scale are achieved through closer co-ordination. Where one partner decided to have enhanced/reduced services it would be liable for the additional costs/savings incurred by the partnership.

#### Administrative Authority

- 2.11 The Project Board considered whether EHC or NHDC should act as the Administrative Authority for the Shared Service. It concluded that, in the context of both partners having joint control, there was no particular reason why one or other authority would be better placed to take this role. Both councils have a strong track record in delivering waste and street cleansing services; have a high level of political commitment to managing the environment and street scene; and wish to deliver high quality, value for money services. It was therefore agreed to recommend that NHDC takes the Administrative Authority role for this service. EHC has experience of both being the Administrative Authority and having it delivered by a partner for its Revenue and Benefits Service and IT Service and has not found there to be a difference in control or outcomes.

### Member Governance Arrangements

- 2.12 Executive responsibility for the service would be shared and delivered through a Joint Member Board (**Essential Reference Paper C**). This would meet regularly as required to oversee the strategic management of the service, consider change management requests and options for future service design and delivery. The Board would consist (as a minimum) of the Portfolio Holder and senior client officers from both authorities. A jointly appointed post of Shared Waste and Street Cleansing Services Manager would report performance to this body. Additional partnership meetings would also be held with the main contractor's senior representative in attendance. This is to ensure that there is high level oversight and Member contact with the main contractor's senior representative.
- 2.13 Decisions about the allocation of resources would be made by the Joint Member Board or referred to the authorities' executive bodies as required by respective constitutions.
- 2.14 For operational requests Ward Councillors would access the Shared Service 'Commissioning Team' through agreed contact protocols as at present. Both authorities' Members would receive the same level of support that they currently get from separate services. Formal complaints about service delivery or policy issues would be dealt with by the Shared Services Manager in the first instance, with escalation to the Senior Client Officer of the respective Council.

### Service Structure and Reporting

- 2.15 The Service will be managed by a Shared Waste and Street Cleansing Manager (“the Service Manager”). This person will work with the Senior Client Officers from the two authorities to agree the structure and recruit to the new joint service. Posts will initially be ring fenced to existing staff from both authorities in line with best HR practice and employment law. Cost of recruitment shall be borne equally by both authorities.
- 2.16 NHDC as the Administrative Authority will be the employer of the Shared Service Manager and Client Commissioning Team.
- 2.17 The Shared Waste Services Manager will report to both authorities’ Senior Client Officers, the Head of Leisure and Environment (NHDC) and the Head of Operations (EHC), representing the interests of both authorities fairly and equally. An Inter-Authority Agreement (IAA) between the authorities will set out how the Shared Service will operate, roles and responsibilities, sharing of costs and how any disagreements will be dealt with.
- 2.18 The Shared Service Manager will provide regular performance information and service updates to the Executive / Cabinet bodies and Scrutiny Committees of both authorities as required by their constitutions and internal reporting processes.
- 2.19 The Shared Service Manager shall be responsible for the financial management and budgetary control of the Shared Service with financial advice from NHDC (as the Administrative Authority and holder of the Service budgets). Financial accounts for the Service will be open and transparent and reported to each authority on a monthly basis and as required. Service budgets will be agreed annually by the Senior Client Officers of the authorities. Monthly payment for the services would be based on the services provided to each authority area on a fair and equitable basis. For contracts this will be on a unit basis (e.g. per bin collected, per household, per linear metre cleansed). For staff and facilities this will be on an equal basis. Where tendered prices are different between the two authority areas these will be the basis for the charge. The Shared Service accounts would be subject to annual audit and results reported to both authorities appropriate oversight bodies.

#### Front and Back Office Support

- 2.20 Front line customer contact, back office support and administration would be provided to the Shared Service through a service level agreement by whichever authority is best placed to provide them, as agreed by the authorities. It is expected that support services such as finance, Human Resources and legal will be provided by NHDC as the Administrative authority and the 'banker', employer, and legal entity for contracting purposes.
- 2.21 A common IT system will be implemented to an agreed specification to be detailed in the IAA.
- 2.22 Customer correspondence handling will be managed in an 'authority neutral' manner in order that each authority's customers feel that they are receiving a response from their own council. This is common practice in the private sector and EHC has experience of this approach with its shared service for Parking Services with Stevenage and Welwyn and Hatfield councils.

#### Client and Contractor Location

- 2.23 It is proposed that the location of the Shared Service (Client Commissioning Team) will be Buntingford Service Centre (depot) utilising existing unused office space at marginal cost. This being an existing central location on the border of East and North Herts from which to undertake contract inspections and site visits within both authority areas and close to contractor operations for bulking materials.
- 2.24 Contractor operations are envisaged to be based at both Buntingford and another location in North Herts to minimise collection vehicle travel and provide local bases for street cleansing operations. However, as part of the procurement process, potential contractors will have the opportunity to propose alternative locations provided these deliver better value for money for the shared service and both councils agree.

#### Branding and Livery

- 2.25 Vehicles and staff would be shared across authority areas and all livery will contain partnership branding (e.g. "North and East Herts Waste Services") with joint logos. Communications sent to residents on an individual (address) basis can be either joint or on behalf of the individual authority according to preference.

#### Inter-Authority Agreement (IAA)



- 2.26 As described in para 2.17 above the service standards, approach and financial and governance arrangement to be delivered by the Shared Service will be described in the Joint Contract (for the operational contracted services) and an Inter-Authority Agreement for the 'in-house' functions. This document will be for the life of the main service contract (7 years) and will be completed once the Shared Service has been approved.
- 2.27 An Interim Inter-Authority Agreement has been developed by the Project Board to protect both authorities from financial liabilities and risks in the event of one partner unilaterally ending the partnership prior to procurement.

### Conclusion

- 2.28 Members are asked to approve the approach described in this report and on the basis of the Outline Business Case at **Essential Reference Paper B**. If approved, a further report will be submitted to the Executive in the Autumn, advising of progress and recommending award criteria for procurement of the next contract.
- 2.29 If the Council is minded to agree to a shared service it may be necessary to make minor adjustments to service scope as a result of further consultation with NHDC on service design in order to let a joint contract that is clear and unambiguous. It is therefore proposed that the Portfolio Holder be given delegated authority to make such changes as necessary as part of the contract preparation process.

### 3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

### Background Papers

Report to Executive - 2 December 2014 - Possible Joint Working on Waste and Street Cleansing with North Herts District Council.

Report to Environment Scrutiny Committee (9 June 2015) and Executive (7 July 2015) - Strategic Outline Case for Joint Waste And Street

## Cleaning Services For North And East Hertfordshire District Councils

Contact Member: Councillor Anthony Jackson – Ambassador and Executive Member for Shared Services  
[tony.jackson@eastherts.gov.uk](mailto:tony.jackson@eastherts.gov.uk)

Contact Officer: Cliff Cardoza – Head of Environmental Services and Leisure ext. 1527.  
[Cliff.cardoza@eastherts.gov.uk](mailto:Cliff.cardoza@eastherts.gov.uk)

Report Author: Cliff Cardoza – Head of Environmental Services and Leisure ext. 1527.

## ESSENTIAL REFERENCE PAPER 'A'

### IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i>	Priority 2 – Enhance the quality of people's lives
Consultation:	<p><i>There has been close working between officers of the two authorities throughout the development of this report including technical advice and support from Senior Finance Officers.</i></p> <p><i>Project oversight and direction has been carried out by a Project Board, involving both authority's Portfolio Holders and Senior Managers</i></p> <p><i>Member Briefing Sessions were held at both authorities in 2015 to which all Councillors were invited.</i></p> <p><i>Initial discussions have been held with Unison and staff and this will continue as the shared service is developed, if approved.</i></p>
Legal:	<p><i>The legal implications are described within the report.</i></p> <p><i>It is proposed that North Herts District Council will be the 'Administrative Authority' for the Shared Service and be the legal entity leading the procurement. However, officers from both authorities will ensure that the procurement and services meet legislative requirements. Both authorities will be named partners in contracts for goods and services tendered on behalf of the partnership.</i></p> <p><i>The governance arrangements described in the report will ensure that East Herts continues to meet its statutory duties.</i></p> <p><i>Bidders submitting tenders will be required to confirm that their proposal meet the requirements of UK and EU legislation, including in particular the Waste Framework Directive (2008), which was transposed into law through</i></p>

	<p><i>the Waste (England and Wales) Regulations 2011. This relates to the requirement to comply with 'TEEP' regulations ensuring the quality of recyclable materials collected and re-processed. This will form part of an independent moderation of bids carried out by external advisors.</i></p>
Financial:	<p><i>Financial implications of this report and estimated future savings are contained within the 'Outline Business Case' (OBC) document attached as Essential Reference Paper B.</i></p> <p><i>This details the approach taken, the options considered and the 'Preferred Option' in terms of financial benefits expected to be delivered by a shared service.</i></p> <p><i>It indicates undiscounted savings to East Herts Council of 213k per annum, totalling 1.44m over the life of a 7 year contract</i></p> <p><i>Savings will be delivered from 2019 onwards.</i></p> <p><i>There are no additional Capital financing implications arising from specifically from a shared service. Options to consider whether the recycling fleet should be funded/provided by the contractor or the councils will form part of the procurement process and be determined on a value added basis.</i></p> <p><i>To date, East and North Herts councils have committed £30,000 each to the development of this project and this is being utilised to procure specialist external advice as described in the report and to fund project management. This is currently considered to be adequate for 2016/17. If there are any additional funds required to support the development of the shared service, these will be reported through the Council's usual financial management processes.</i></p>
Human Resource:	<p><i>The business case assumes a saving in client staff resources of between 2.25 and 4.25 FTE shared between the two authorities.</i></p> <p><i>This will be deliverable from 2019. Given the length of the project it is believed that any staff reductions can be achieved through natural wastage. Where necessary and appropriate, vacancies have and will continue to be filled</i></p>

	<p><i>through temporary contracts in order to avoid the risk of redundancy.</i></p> <p><i>Staff within the Operations service who are involved in waste related functions have been fully briefed on the project to date.</i></p> <p><i>Informal discussions have been undertaken with UNISON and this will continue should Members agree to proceed to the next stage.</i></p>
<p><b>Risk Management:</b></p>	<p>The key risks from a shared service arise from the following:</p> <p><u>Unsuccessful or abortive procurement</u></p> <p>This could result if there were insufficient bidders and therefore reduced competition for the contract resulting in higher prices. Soft market testing by specialist waste industry consultants indicates that there is significant interest in a joint contract for North and East Herts from the waste industry. The procurement will be designed to make the contract as attractive as possible by minimising risks and volatility to suppliers and adopting a shared approach to managing areas of uncertainty.</p> <p><u>Loss of key staff</u></p> <p>Transition to the new shared service will recognise the value and importance of staff skills and knowledge and will be managed in a way that retains key people during the implementation of the new contract. A key benefit of forming a single client team is the increase in resilience and ability to retain and develop people skills in a larger team.</p>
<p><b>Health and wellbeing – issues and impacts:</b></p>	<p><i>There are none for this report.</i></p>

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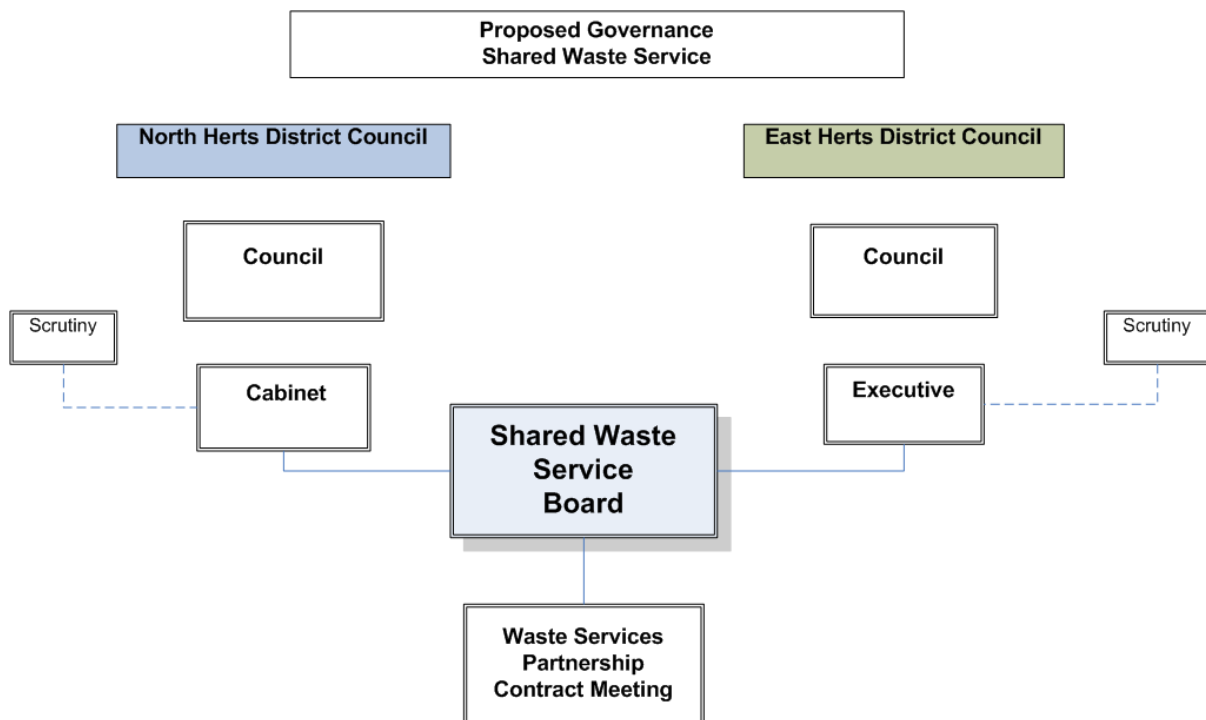
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**ESSENTIAL REFERENCE PAPER C**

**WASTE AND STREET CLEANSING SHARED SERVICE – PROPOSED  
MEMBER AND OFFICER GOVERNANCE ARRANGEMENTS**

**Proposed Member Governance Arrangements**



**ESSENTIAL REFERENCE PAPER C**

**WASTE AND STREET CLEANSING SHARED SERVICE – PROPOSED MEMBER AND OFFICER GOVERNANCE ARRANGEMENTS**

**Proposed Officer Governance Arrangements**

