



ENVIRONMENT SCRUTINY COMMITTEE

To: Scrutiny Committee Members: Gawthrope (Chair), Perry (Vice-Chair), Baigent, Gehring, Gillespie, Pitt, Ratcliffe, Robertson, C. Smart and M. Smart

Alternates: Councillors Moore, Sarris and Hipkin

Executive Councillor for Planning Policy and Transport: Councillor Blencowe

Executive Councillor for Environment and Waste: Councillor Roberts

Despatched: Thursday, 24 September 2015

Date: Tuesday, 6 October 2015

Time: 5.30 pm

Venue: Committee Room 1 & 2 - Guildhall

Contact: Claire Tunncliffe **Direct Dial:** 01223 457013

AGENDA

1 Apologies

To receive any apologies for absence.

2 Declarations of Interest

Members are asked to declare at this stage any interests that they may have in an item shown on this agenda. If any member of the Committee is unsure whether or not they should declare an interest on a particular matter, they should seek advice from the Head of Legal Services **before** the meeting.

3 Minutes (*Pages 7 - 16*)

To approve the minutes of the meetings held on 28 May & 07 July 2015 as a correct record.

4 Public Questions

Please see information at the end of the agenda.

Items for Decision by the Executive Councillor, Without Debate

These Items will already have received approval in principle from the Executive Councillor. The Executive Councillor will be asked to approve the recommendations as set out in the officer's report.

There will be no debate on these items, but members of the Scrutiny Committee and members of the public may ask questions or comment on the items if they comply with the Council's rules on Public Speaking set out below.

Items for Debate by the Committee and then Decision by the Executive Councillor

These items will require the Executive Councillor to make a decision after hearing the views of the Scrutiny Committee.

There will be a full debate on these items, and members of the public may ask questions or comment on the items if they comply with the Council's rules on Public Speaking set out below.

Decisions for the Executive Councillor for Planning Policy and Transport

Items for Debate by the Committee and then Decision by the Executive Councillor

5 Corporate Cash Collection Contract Car Parks Project Co-ordinator (Pages 17 - 28)

Decisions for the Executive Councillor for Environment and Waste

Items for Debate by the Committee and then Decision by the Executive Councillor

6 Commercial Waste Service (Pages 29 - 40)

It is recommended that the committee resolves to exclude the press and public during item 6 by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972

Information for the Public

Location The meeting is in the Guildhall on the Market Square (CB2 3QJ).

Between 9 a.m. and 5 p.m. the building is accessible via Peas Hill, Guildhall Street and the Market Square entrances.

After 5 p.m. access is via the Peas Hill entrance.

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- For questions and/or statements regarding items on the published agenda, the deadline is the start of the meeting.
- For questions and/or statements regarding items NOT on the published agenda, the deadline is 10 a.m. the day before the meeting.

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ENVIRONMENT SCRUTINY COMMITTEE

28 May 2015

1.00 - 1.15 pm

Present: Councillors Gawthrope (Chair), Perry (Vice-Chair), Baigent, Gehring, Gillespie, Pitt, Ratcliffe, Robertson, C. Smart and M. Smart

FOR THE INFORMATION OF THE COUNCIL**15/20/ENV Appointment of Development Plan Scrutiny Sub-Committee**

The Environment Scrutiny Committee agreed the membership of the Development Plan Scrutiny Sub-Committee:

Councillors Sarris, Gawthrope, Ashton, Baigent, C Smart and Tunnacliffe.

Alts: Councillors M Smart and Reid.

Chair: Councillors Sarris.

Vice Chair: Councillor Gawthrope

15/21/ENV Appointment to Outside Bodies

The committee recommended appointments to the outside bodies listed below.

The Executive Councillor for Environment and Waste and the Executive Councillor for Planning Policy and Transport agreed the appointments below:

- **Joint Strategic Transport and Spatial Planning Group (3 + 2 alternates)**

Councillors Blencowe, Herbert and C Smart

Alternates: Councillors M Smart and Gehring

- **Cambridgeshire and Peterborough Joint Strategic Planning and Transport Member Group (3 + 2 alternates)**

Councillors Blencowe, Sarris and C Smart

Alternates: Councillors M Smart and Gehring

- **Recycling in Cambridge and Peterborough (RECAP) (1)**

Councillor Roberts

- **Cambridge Future Transport - Cross Party Working Group (1)**

Councillor Blencowe

The meeting ended at 1.15 pm

CHAIR

ENVIRONMENT SCRUTINY COMMITTEE

7 July 2015
5.30 - 7.00 pm

Present: Councillors Gawthrope (Chair), Perry (Vice-Chair), Baigent, Gehring, Gillespie, Pitt, Ratcliffe, Robertson, C. Smart and M. Smart

Executive Councillor for Environment and Waste: Peter Roberts

Executive Councillor for Planning Policy and Transport: Kevin Blencowe

Officers:

Director of Environment: Simon Payne

Head of Finance: Caroline Ryba

Head of Streets and Open Spaces: Joel Carre

Committee Manager: Claire Tunncliffe

FOR THE INFORMATION OF THE COUNCIL

15/22/Env Apologies

No apologies were received.

15/23/Env Declarations of Interest

No declarations of interest were declared.

15/24/Env Minutes

The minutes of 17 March 2015 meeting were approved and signed as a correct record.

15/25/Env Public Questions

There were no public questions.

15/26/Env Record of Urgent Decision by the Executive Councillor for Planning Policy & Transport

15/26a/Env Allocation of Minor Highway Improvement Budget for 2015/16
The decision was noted.

15/27/Env Oral Report from the Executive Councillor for Environment & Waste and Proposals for Lead Councillor.

The Executive Councillor for Environment and Waste gave an oral report on his portfolio priorities for the municipal year 2015/16 which were as follows:

- i. Shared waste services
- ii. Black bin review
- iii. Free compost campaign
- iv. Improving the promotion of the benefits of recycling
- v. Advance the number of women in waste services
- vi. Public toilets review (including Silver Street)
- vii. Continue with the Environment Data Reports at Area Committees
- viii. Introduction of a campaign to reduce cigarette littering in the City.
- ix. Summer bins programme
- x. Replacement bin programme

Councillor Roberts advised that the Council's Environmental Health sector was the most compliant in the County and placed 63rd in the country. He then went on to explain that Councillor Perry had been appointed as the Lead Councillor for recycling and would assist with initiatives to improve recycling promotion and performance in the City.

In response to Members' questions Councillor Roberts stated the following:

- i. Where the public had abused the use of accessible toilets, radar keys had been allocated to ensure that the toilets were only used by those who they were designed for.
- ii. Advised that information to show the location of public toilets was on the Council's website but agreed the information could be improved.
- iii. A campaign to promote kitchen caddies would be trailed in targeted wards where it was hoped it would assist in the reduction of food waste.
- iv. Technology was currently being investigated that would alert the Street Team when bins were full which could help reduce staff time and costs.
- v. Confirmed that the Principal Scientific Officer was currently working on an air quality project as referenced in the portfolio plan. A report would be brought to Committee at a later date.
- vi. Stated it was not possible to use electric vehicles for refuse lorries as the technology was not yet available to power these types of vehicles. However the new purchase of an electrical vehicle used by the Pest Control team showed commitment to green energy and it was expected there would be further changes in the future.

- vii. The cost and efficiency of the new electric vehicle would be monitored over a twelve month period.
- viii. Residents were encouraged to contact their Local Councillor to suggest new locations for bins or through an Area Committee.

The Chair thanked Councillor Roberts for his report and the Committee noted the report.

15/28/Env 2014/15 Revenue and Capital Outturn, Carry Forwards and Significant Variances - Environment and Waste Health Portfolio

Matter for Decision

The Officer's report presented a summary of the 2014/15 outturn position (actual income and expenditure) for services within the Environment and Waste portfolio, compared to the final budget for the year. The position for revenue and capital was reported and variances from budgets were highlighted, together with explanations. Requests to carry forward funding arising from certain budget underspends into 2015/16 were identified.

Decision of Executive Councillor for Environment and Waste

- i. Agreed the carry forward requests totalling £96,400 as detailed in Appendix C of the Officer's report, to be recommended to Council for approval.
- ii. Agreed to seek approval from Council to carry forward capital resources to fund rephrased net capital spending of £537,000 from 2014/15 into 2015/16, as detailed in Appendix D of the Officer's report.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Finance which noted that the outturn reports presented to the Committee cycle reflected the reporting structures in place prior to the recent changes in Executive portfolios.

In light of these changes (together with the requirement to report outturn on the basis of portfolios in place during 2014/15) members of this committee were asked to consider the proposals to carry forward budgets and make their views

known to the Executive Councillor for Finance and Resources, for consideration at Strategy & Resources Scrutiny Committee prior to the recommendations to Council.

In response to the Committee's comments Officers and the Director of Environment and the Executive Councillor for Environment and Waste made the following statements:

- i. Following a change in the process the previous year the recharges were now allocated slightly differently.
- ii. Although it appeared there were differences line by line between original budgets and final budgets, the total budget had not changed, only the way in which the overhead costs had been allocated across budget lines. The restructuring of overhead costs was deemed to be a technical adjustment.
- iii. The carry forward request of £50,000 for the new post of Contracts Manager was for a fixed twelve month contract pending further review. The recruitment process had been followed but the Director of Environment would confirm to the Committee the basis on which the decision had been made.
- iv. Confirmed that few adjustments had gone through the Mid-year Financial Review
- v. Although the overall capital for streets and open spaces had not changed significantly compared to previous years, there had been an increase in monies spent which had focused on public priorities, such as the recruitment of a dog warden, additional money on posters, bins and enforcement.
- vi. Officers were working to improve the accounting reporting process for scrutiny.
- vii. The bulk of the underspend related to the purchase of new vehicles which had been ordered in the second half of the previous year but the monies had been spent in the first quarter of this financial year.

The Committee **resolved** (6 votes to 0) to endorse the recommendations.

The Executive Councillor approved the recommendations.

15/29/Env Oral Report from the Executive Councillor for Planning Policy & Transport and Proposals for Lead Councillors

The Executive Councillor for Planning Policy & Transport gave an oral report on his portfolio priorities for the municipal year 2015/16 which were as follows:

- i. Further work on the Local Plan was required as instructed by the Planning Inspector. This meant that meetings of the Development Plan Scrutiny Sub Committee would increase.
- ii. A review of Park Street Car Park would be brought forward to committee in October.
- iii. A joint approach with Cambridgeshire County Council was required on parking issues in the City while looking at the reduction of the number of vehicles that come into the City Centre.
- iv. Work was ongoing regarding shared services with Huntingdonshire District Council and South Cambridgeshire District Council.

Councillor Blencowe advised that Councillor M Smart had been appointed as the Lead Councillor for cycling who would assist in the review of the planned projects for cycling including the City Deal, and work on joint initiatives with the County Council Cycling Champion.

Councillor C Smart acknowledged it was important for the Council to work with the County Council on the issue of parking and vehicle movement in the City. She also expressed disappointment that the scrutiny of all the proposed shared services would be going to Strategy and Resources Scrutiny Committee and rather than by the Environment Committee.

The Chairman thanked Councillor Blencowe for his report and the Committee noted the report.

15/30/Env 2014/15 Revenue and Capital Outturn, Carry Forwards and Significant Variances - Planning Policy and Transport Portfolio

Matter for Decision

The Officer's report presented a summary of the 2014/15 outturn position (actual income and expenditure) for services within the Planning Policy and Transport portfolio, compared to the final budget for the year. The position for revenue and capital was reported and variances from budgets highlighted, together with explanations. Requests to carry forward funding arising from certain budget underspends into 2015/16 and future years where relevant were identified.

Decision of Executive Councillor for Environment and Waste

- i. Agreed the carry forward requests totalling £81,500 as detailed in Appendix C, to be recommended to Council for approval.

- ii. Agreed to seek approval from Council to carry forward capital resources to fund rephased net capital spending of £6,414,000 from 2014/15 into 2015/16, as detailed in Appendix D.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Finance which noted that the outturn reports presented to the Committee cycle reflected the reporting structures in place prior to the recent changes in Executive portfolios.

In light of these changes (together with the requirement to report outturn on the basis of portfolios in place during 2014/15) members of this committee were asked to consider the proposals to carry forward budgets and make their views known to The Executive Councillor for Finance and Resources, for consideration at Strategy & Resources Scrutiny Committee prior to the recommendations to Council.

In response to the Committee's comments Officers and the Director of Environment and the Executive Councillor for Planning Policy and Transport made the following statements:

- i. Agreed that all abbreviations in future documents would be written in full in the first instance.
- ii. Confirmed there had been an increase in the number of cars in the city which had brought a rise in the income collected from parking. However this meant an increase in traffic pollution which needed to be addressed.
- iii. Work to the 20mph City Zones should be completed by July 2016. With all of the statutory obligations needing to be met and the desire to consult properly the overall process had been slower than expected.
- iv. Advised that a report would be made to the Cambridge City Joint Area Committee to consider the increase of traffic into the City, the impact in the rise of the park and ride charges, flow of traffic movement and parking.
- v. The end date for the Green Deal had been extended to March 2016.

The Committee **resolved** (6 votes to 0) to endorse the recommendations.

The Executive Councillor approved the recommendations.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

The meeting ended at 7.00 pm

CHAIR

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To: Executive Councillor for Planning Policy and Transport: Councillor Kevin Blencowe

Report by: Sean Cleary, Commercial Operations Manager

Relevant scrutiny committee: Environment Scrutiny Committee
6/10/2015

Wards affected: All wards

Corporate Cash Collection Contract

Key Decision

1. Executive summary

The Executive Councillor is asked to approve a project to procure and award a contract to provide a cash collection service for the Council's car parks and other Council departments

2. Recommendations

The Executive Councillor is recommended:

- 2.1 To approve the carrying out and completion of the procurement of a corporate cash collection contract to Cambridge City Council car parks and other Council departments.
- 2.2 The new contract will be for a 3 years with a 2 year optional extension period.
The value of the new contract will be approximately £375,000 over five years.
 - There are no capital costs arising from this scheme.
 - The revenue costs associated with this contract will be paid from existing revenue budgets

2.3 Subject to:

If the quotation or tender sum exceeds the estimated contract value by more than 15% then the permission of the Executive

Councilor and Director of Business Transformation will be sought prior to proceeding.

3. Background

- 3.1 Cambridge City Council Parking Services is responsible for running Council owned car parks throughout Cambridge. Parking Services also manages a cash collection contract for a number of other service areas within the council such as the cashiers, city homes, public toilets and community centres.
- 3.2 Under the present contract the County Council 's cash collections made from Park & Ride, Busway and the on-street pay & display machines are included. However the County Council have chosen not to be included in this procurement.
- 3.3 The current contract for cash collection expires on 31 March 2016. There is an option to extend this for up to a further year. The Parking Service may decide to extend the contract for such time as is sufficient to enable it to manage the tendering process effectively, whilst working on other related projects.
- 3.4 The existing contract includes cash collections from the off street car parks and from several Council departments. These departments have been consulted with and have all indicated that they wish to be included within the new cash collection contract
- 3.5 Discussions are to take place between Parking Services and a neighbouring authority to see if a joint procurement is suitable. A joint procurement could be advantageous for both parties as an increased number and value of cash collections could reduce the cost per collection.
- 3.4 Parking Services will be engaging with ESPO (Eastern Shires Purchasing Organisation) and LGSS (Local Government Shared Services) to establish if we can utilise an existing cash collection framework.
- 3.5 Parking services intend to manage the tender process for this contract with the assistance of the Council's Procurement officer and Legal Services.
- 3.6 The council will be charged by the contractor on a per cash collection basis. Therefore all services are being encouraged to

look at reducing the number of cash collections in order to minimise the ongoing costs incurred under this contract. Other projects are being pursued including the introduction of contactless payments for parking that will further reduce the volume of cash collections.

4. Implications

(a) **Financial Implications**

The approximate value of this contract, based on current costs, is £375,000 over 5 years.

(b) **Staffing Implications** (if not covered in Consultations Section)

Parking services will manage the tender process for this contract with the assistance of the Procurement officer and Legal Services.

There are no TUPE implications for this tender

(c) **Equality and Poverty Implications**

An equality impact assessment has been conducted, no adverse implications have been identified

(d) **Environmental Implications**

As part of this section, assign a climate change rating to your recommendation(s) or proposals. You should rate the impact as either:

- +L: The continuation of a single city wide cash collection contract will enable a more efficient collection and delivery from a variety of different locations through optimum route planning. It is intended to review route collection schedules/ frequencies throughout the contract period to strive to minimise vehicle mileage / use

(e) **Procurement**

A tendering procedure will be carried out within a cash collection framework provided by ESPO or LGSS. The procurement will be carried out in full compliance with the Council's procurement guidelines and the EU regulations. Discussions are to take place with a neighbouring authority to see if a joint procurement will be beneficial for both parties.

(f) **Consultation and communication**

Consultation with other Council departments will take place. As security measures the details of a cash collection contract and collection schedule cannot be made public

(g) **Community Safety**

A cash collection contract reduces the risk to Council staff of the need to transport cash around the city. It will also reduce cash volumes within car park pay machines reducing the risk of city centre parking equipment being a target for theft and vandalism

5. Background papers

An Equality Impact Assessment is available separately

6. Appendices

N/A

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Author's Name: Sean Cleary
Author's Phone Number: 01223 - 458287
Author's Email: sean.cleary@cambridge.gov.uk

Cambridge City Council Equality Impact Assessment



Completing an Equality Impact Assessment will help you to think about what impact your strategy, policy, plan, project, contract or major change to your service may have on people that live in, work in or visit Cambridge, as well as on City Council staff.

The template is easy to use. You do not need to have specialist equalities knowledge to complete it. It asks you to make judgements based on evidence and experience. There are guidance notes on the intranet to help you. You can also get advice from David Kidston, Strategy and Partnerships Manager on 01223 457043 or email david.kidston@cambridge.gov.uk or from any member of the Joint Equalities Group.

1. Title of strategy, policy, plan, project, contract or major change to your service:

Cash Collection Service for car parks and other council departments

2. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?

Cambridge City Council Parking Services manages an existing cash collection contract which expires on 31st March 2016. The car park and all Council departments who currently utilise this contract still have a need for a cash collection service and therefore wish to commence a procurement process resulting in the appointment of a new cash collection contractor. The contract will effectively be a continuation of the existing service.

3. Who will be affected by this strategy, policy, plan, project, contract or major change to your service? (Please tick those that apply)

- Residents
- Visitors
- Staff

A specific client group or groups (please state):

4. What type of strategy, policy, plan, project, contract or major change to your service is this? (Please tick)

- New
- Revised
- Existing

5. Responsible directorate and service

Directorate: Environment

Service: Parking Services (Specialist Services)

6. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service?

No

Yes (please give details):

Parking services are leading on this procurement in liaison with other Council departments who will be joining this contract.

Discussions are booked to take place with a neighbouring authority to see if a joint/shared procurement would be advantageous for both parties.

Advice and contract design by Legal Services.

Advice from Procurement dept.

7. Potential impact

Please list and explain how this strategy, policy, plan, project, contract or major change to your service could **positively** or **negatively** affect individuals from the following equalities groups.

When answering this question, please think about:

- The results of relevant consultation that you or others have completed (for example with residents, people that work in or visit Cambridge, service users, staff or partner organisations).
- Complaints information.
- Performance information.
- Information about people using your service (for example whether people from certain equalities groups use the service more or less than others).
- Inspection results.
- Comparisons with other organisations.
- The implementation of your piece of work (don't just assess what you think the impact will be after you have completed your work, but also think about what steps you might have to take to make sure that the implementation of your work does not negatively impact on people from a particular equality group).
- The relevant premises involved.
- Your communications.
- National research (local information is not always available, particularly for some equalities groups, so use national research to provide evidence for your conclusions).

(a) Age (any group of people of a particular age, including younger and older people)

No specific issues have emerged

(b) Disability (including people with a physical impairment, sensory impairment, learning disability, mental health problem or other condition which has an impact on their daily life)

No specific issues have emerged

(c) Gender

No specific issues have emerged

(d) Pregnancy and maternity

No specific issues have emerged

(e) Transgender (including gender re-assignment)

No specific issues have emerged

(f) Marriage and Civil Partnership

No specific issues have emerged

(g) Race or Ethnicity

No specific issues have emerged

(h) Religion or Belief

No specific issues have emerged

(i) Sexual Orientation

No specific issues have emerged

(j) Other factor that may lead to inequality (please state):

No specific issues have emerged

8. If you have any additional comments please add them here

9. Conclusions and Next Steps

- If you have not identified any negative impacts, please sign off this form.
- If you have identified potential negative actions, you must complete the action plan at the end of this document to set out how you propose to mitigate the impact. If you do not feel that the potential negative impact can be mitigated, you must complete question 8 to explain why that is the case.
- If there is insufficient evidence to say whether or not there is likely to be a negative impact, please complete the action plan setting out what additional information you need to gather to complete the assessment.

All completed Equality Impact Assessments must be emailed to David Kidston, Strategy and Partnerships Manager, who will arrange for it to be published on the City Council's website. Email david.kidston@cambridge.gov.uk

10. Sign off

Name and job title of assessment lead officer:
Sean Cleary, Commercial Operations Manager

Names and job titles of other assessment team members and people consulted:
Parking Services
Kevin Blencowe - Exc Cllr , Planning Policy and Transport
John Bridgwater - Procurement department
Legal Department

Date of completion: 25/08/15

Date of next review of the assessment:

Action Plan

Equality Impact Assessment title:

Date of completion:

Equality Group	Age
Details of possible disadvantage or negative impact	n/a
Action to be taken to address the disadvantage or negative impact	n/a
Officer responsible for progressing the action	n/a
Date action to be completed by	n/a

Equality Group	Disability
Details of possible disadvantage or negative impact	n/a
Action to be taken to address the disadvantage or negative impact	n/a
Officer responsible for progressing the action	n/a
Date action to be completed by	n/a

Equality Group	Gender
Details of possible disadvantage or negative impact	n/a
Action to be taken to address the disadvantage or negative impact	n/a
Officer responsible for progressing the action	n/a
Date action to be completed by	n/a

Equality Group	Pregnancy and Maternity
Details of possible disadvantage or negative impact	n/a
Action to be taken to address the disadvantage or negative impact	n/a
Officer responsible for progressing the action	n/a
Date action to be completed by	n/a

Equality Group	Transgender
Details of possible disadvantage or negative impact	n/a
Action to be taken to address the disadvantage or negative impact	n/a
Officer responsible for progressing the action	n/a
Date action to be completed by	n/a

Equality Group	Marriage and Civil Partnership
Details of possible disadvantage or negative impact	n/a
Action to be taken to address the disadvantage or negative impact	n/a
Officer responsible for progressing the action	n/a
Date action to be completed by	n/a

Equality Group	Race or Ethnicity
Details of possible disadvantage or negative impact	n/a
Action to be taken to address the disadvantage or negative impact	n/a
Officer responsible for progressing the action	n/a
Date action to be completed by	n/a

Equality Group	Religion or Belief
Details of possible disadvantage or negative impact	n/a
Action to be taken to address the disadvantage or negative impact	n/a
Officer responsible for progressing the action	n/a
Date action to be completed by	n/a

Equality Group	Sexual Orientation
Details of possible disadvantage or negative impact	n/a
Action to be taken to address the disadvantage or negative impact	n/a
Officer responsible for progressing the action	n/a
Date action to be completed by	n/a

Other factors that may lead to inequality	
Details of possible disadvantage or negative impact	n/a
Action to be taken to address the disadvantage or negative impact	n/a
Officer responsible for progressing the action	n/a
Date action to be completed by	n/a

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To: Executive Councillor for Environment and Waste – City Council

Cabinet – South Cambridgeshire District Council

Report by: Simon Payne, Director of Environment – City Council

Mike Hill, Director, Health & Environmental Services-
South Cambridgeshire DC

Relevant Committees: Environment Scrutiny Committee 6/10/2015

South Cambridgeshire DC Cabinet 12/11/2015

Wards affected: All

Proposed Single Shared Commercial Waste Service – Business Case Principles

Key Decision

APPENDIX NOT FOR PUBLICATION: The appendix of this report relates to an item during which the public is likely to be excluded from the meeting by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

1. Executive summary

1.1 The report considers the case for creating a Single, Shared Commercial Waste Service between the City Council and South Cambridgeshire District Council.

2. Recommendations

The Executive Councillor and the Cabinet are recommended:

1. **To agree in principle to form a Single, Shared Commercial Waste Service business account and operation by combining the Commercial Waste Services of Cambridge City Council and South Cambridgeshire District Council as part of the Single Shared Waste Service, located at the Waterbeach Depot, with the Shared Waste Board overseeing the delivery and performance of the Single Shared Waste Service, within the budget and policy framework set by both Councils and subject to the provisions set out in the foregoing report and to undertake full consultation with the staff and unions to deliver these changes.**
2. **To delegate the implementation of the proposal set out in 1 above to the Cambridge City Director of Environment and South Cambridgeshire DC Director of Health & Environmental Services, in consultation with the South Cambridgeshire DC Cabinet Member, and the Cambridge City Executive Member, Chair of Environment Scrutiny Committee and Opposition Spokespersons.**
3. **To instruct officers to prepare a detailed implementation plan with financial implications to be agreed with the Shared Waste Board to inform the future budget setting work of the two Councils.**

3. Background and Proposed Vision and Objectives

- 3.1 A report on a proposed Shared Waste Service was considered by both Environment Scrutiny Committee of Cambridge City Council and Cabinet of South Cambridgeshire District Council in October 2014 when it was resolved to create:

‘A Single Waste Service, wholly owned and run by the local authorities, with a single management structure and workforce, located at the Waterbeach Depot using a single pool of vehicles.’

- 3.2 The Shared Waste Service covers the areas of policy and strategy development and the operational delivery of both commercial and domestic waste collections. The objectives of creating a Shared Waste Service are as follows:

- lower operational costs, particularly in the areas of premises, management, administration, fleet and equipment costs;
- maintaining and improving service quality that residents/customers can see and appreciate;
- increased opportunities to market and compete for additional business, for instance in relation to commercial waste;

- new opportunities to reduce net costs in relation to fleet procurement and maintenance;
- achievement of service improvements, greater resilience and better performance, through shared knowledge and experience; and
- enhanced opportunities to work with other Cambridgeshire local authorities via the RECAP Waste Partnership to reduce waste collection and disposal costs, improve income and secure service improvements.

3.3 The commercial waste operations of both Councils (vehicles and staff) are due to co-locate at the Waterbeach Depot from November 2015 as part of the creation of the Single Shred Waste Service. However, on the matter of Commercial Waste business accounts, it was agreed to report back to members before a decision is made about a transfer of those financial budgets, management, and marketing from the two Councils into the Shared Waste Service. This report provides that further consideration.

4 Update on Shared Waste Service

4.1 Work is well advanced on the establishment of the Shared Waste Service. The two senior managers for the operational and policy activities of the Service have been appointed and taken up their roles. The recruitment process for the Head of Service is underway. Building work on site at Waterbeach is nearing completion and City Waste trucks are due to relocate by the second week in November 2015

5 Opportunities for the Commercial Waste Service

5.1 The two authorities operate a broadly similar range of Commercial Waste services in substantially adjacent geography, facing the same market competitors. There is a corresponding potential to increase operating efficiency and secure, then grow, market share over time building upon the infrastructure platform created through the wider waste shared service.

5.2 A comparison of the scale and resources of the two businesses is presented in the confidential appendix attached to this report.

5.3 In terms of efficiency gains, the following would arise in combination as a consequence of including the activity within the shared service:

- improved routing of the combined vehicle fleet (so reducing operating cost and/or releasing capacity to support future growth);
- more efficient use of assets leading to a reduction in fleet size and also lower future capital investment requirement and maintenance costs;
- consistency of commercial approach in relation to such issues as the management of over-weight containers;
- reduced operating costs associated with premises and support services / administration; and
- reduced management costs.

- 5.4 In terms of assuring and improving the service delivered to customers, this is expected as a consequence of:
- greater service resilience arising from increased available resources;
 - consistency in customer management with an enhanced ability to offer the widest possible service offer to all customers; and
 - better performance through shared knowledge and experience.
- 5.5 In terms of growing the business, it is expected that the shared service will be able to compete more effectively in the commercial market through a combination of:
- improved cost efficiency supporting competitive pricing to secure new work;
 - increased sales opportunities arising from broader operating geography and service offer;
 - ability to offer a joined up service across traditional borders to multi-site customers; and (ultimately)
 - enhanced opportunities to work with other Cambridgeshire local authorities via the RECAP Waste Partnership to mutual advantage.
- 5.6 Specific delivery plans to realise the targeted gains identified above would be developed in the detailed business and implementation planning to follow should Members' agree to approve this proposal.
- 5.7 In the meantime, to provide assurance to Members, the two authorities have jointly engaged waste experts from the East of England LGA to act as critical friends in the preparation of this report and to validate the savings potential (building upon a detailed operational and commercial review previously conducted by the East of England LGA of South Cambridgeshire's commercial waste business as well as a prior review of commercial waste collaboration opportunities through the RECAP partnership).
- 5.8 The East of England LGA experts' view is that the shared commercial waste service would, if fully implemented, deliver against the benefits identified above and in so doing increase the surplus derived by the two authorities by a minimum of 15% within a twelve month period at a low level of associated risk (leading on to further substantive gains thereafter).

6 Proposed Principles for creating a Shared Commercial Waste Service

- 6.1 The objectives underlying the creation for a single shared Commercial Waste service are set out in Section 3 and the maximum benefit will be derived by the Councils if that single shared service is fully integrated in both operational and commercial terms. The statutory functions will remain the responsibility of each

Council, for instance exercising any enforcement powers will be carried out by the relevant Council.

- 6.2 Achieving that optimum outcome for both authorities requires that principles are established in such areas as preserving current surpluses for each authority, sharing future efficiencies and growing additional income, managing risk around the loss of contracts, future pricing policy and corporate identity. In turn, Members are duly asked to agree to the following core principles.

Preserved Surpluses

- 6.3 Each Council's existing, stand-alone, Commercial Waste business currently generates a positive contribution to help support the General Fund through the operating surplus that helps to meet wider organisational costs. Inevitably, those surpluses have a different quantum and associated commercial risk profiles as each authority currently operates a different service delivery model and has a different market position.
- 6.4 Over time it is expected that this position will normalise through a combination of natural customer churn (including in the worst case loss of key contracts), new sales gains based on common business development endeavour and efficiency savings from integration of the operating and back office operations.
- 6.5 In reality, after a period of years, the shared service will be fully integrated and because of the change in commercial profile all equity should be treated as being an equal joint venture with surpluses and risks shared on a 50:50 basis in the true spirit of partnership and joint venture. In the interim period, it is proposed that operational surpluses currently generated from the existing customer base ("Preserved Surplus") are preserved before moving over to the full 50:50 arrangement.
- 6.6 In discussion with East of England LGA, it is considered that this state of affairs is likely to be reached after three - five years ("Preserved Period"). At the conclusion of the Preserved Period, it is expected that the overall surplus derived from the shared service will have risen significantly above that at the entry point. Further, for the reasons set out in the report, that overall surplus is expected to be materially greater than could have been achieved should the two operations have remained separate.
- 6.7 Initial business modelling indicates that substantial gains are deliverable over time through efficiency and increased growth as a direct consequence of pursuing the shared trade waste service. The specific quantum of those gains and the apportionment of costs and surpluses will be substantiated in detail in the implementation planning process and then signed off by the Shared Waste Board. At this stage, the minimum expectation is that gains equivalent to 15% of the current Operational Surplus will be secured within the first twelve months

of shared operation, equating to a minimum direct, recurring financial benefit of £70k per annum.

- 6.8 The intention of the two authorities is that this shared service is pursued in a spirit of collaboration to mutual benefit, meaning it is envisaged that the benefits so derived are ultimately shared on an equal basis. At this stage, whilst the 'size of the prize' has been established (so providing a robust commercial rationale for pursuing the shared service), the specific mechanism for sharing those benefits will require more detailed consideration before being submitted to the Shared Waste Board for approval (on the basis that Members accept the basic principle of equitable gain share).
- 6.9 Whilst it is considered appropriate that surpluses should be shared equally at the conclusion of the Preserved Period; it is appropriate, given the current differential in surplus levels, that the process of equalisation does not disadvantage Cambridge City Council or South Cambridgeshire DC compared to their entry position. The precise definition, mechanism and timing of the Preserved Surplus will be agreed through the Shared Waste Board.

Customer Gains and Losses

- 6.10 The benefit of new business gains to be shared by the Councils on an equal profit sharing basis after an initial period of three months to allow for acceptance of quotes in process at the time that the Shared Commercial Waste Service is created.
- 6.11 The profit associated with such quotes accepted by customers in the initial three months period be to the account of the originating Council and so credited to their Preserved Surplus.
- 6.12 Any customer losses in the Preserved Period to be allocated to the account of the originating Council and so debited to their Preserved Surplus. It is recognised that major contract losses may have a material impact on the overall business. In that circumstance, having to that date enjoyed the full financial benefit, the full associated financial impact of that loss will be borne by the originating authority insofar as it cannot be mitigated within the service by fleet re-profiling and other resource re-allocation.
- 6.13 As part of the commercial business planning process in the next stage, an agreed methodology will be developed with expert external input from the East of England LGA to ensure that the arrangements are transparent and equitably risk balanced in commercial terms.

Sharing of future cost efficiencies and productivity gains

- 6.14 As established in the arrangements underpinning the wider Shared Waste service, further cost efficiencies and productivity gains will be shared by the

Councils on an equal basis as they arise from collaboration and the benefits of a single operational service.

Future Pricing Policies

- 6.15 Future pricing policy is a key commercial issue that will have an impact upon both Preserved Surplus levels and the success of the future business development programme.
- 6.16 An initial review of current pricing policies indicates a number of opportunities to rationalise a shared approach over time as the shared service becomes fully integrated.
- 6.17 Whilst working towards this end, in relation to current business underpinning the Preserved Surplus, future pricing policy will remain the responsibility of the relevant Council who will carry any associated risk.
- 6.18 In terms of new business gains the allocation of where the benefit will be shared is a commercially sensitive matter whereby the venture policy will be overseen by the Shared Waste Board in consultation with both of the parent Councils to ensure that the overall market approach is rational and that the benefits are fairly apportioned.

Corporate Identity

- 6.19 The shared service business requires a coherent presentation of identity to existing customers and to the broader marketplace. It is considered important that the business branding is explicitly linked with the participating Councils. It should also be consistent with the associated positive values of public service and trust-worthiness that underpin the current service and market presentation which need to be retained and used as a key defining characteristic of the future business plan.
- 6.20 Mindful of this issue, the corporate branding of the shared Commercial Waste service will need to be determined in consultation with Members as a priority action for consensus within the Implementation Plan

Exit Strategy / Sale of the Business

- 6.21 This shared service arrangement, like the wider Shared Waste service, requires a long term commitment from both Councils and the business planning for the organisation will be based upon that premise. However, consideration will need to be given to the potential scenario that one or both Councils decide in future to leave the single shared service either of their own account or if there is a desire to pursue the sale of the service.
- 6.22 Should one council unilaterally wish to leave the shared service, the same principles of cost compensation to the remaining council that underpin the wider

arrangement will apply. In turn, should both Councils mutually agree to end the shared Commercial Waste service then as a principle any associated costs will be shared equally.

- 6.23 The shared Commercial Waste service will be a strong competitor in the local market and it is foreseeable that a commercial operator may seek to acquire the business. Given the collaborative nature of the shared Commercial Waste service it is recommended that such a sale of the business (either in part as a whole) will require Member agreement from both Councils including seeking impartial advice from an expert third party in valuing the business.

7 Staffing Implications

- 7.1 The proposals in this report may have implications for the small number of staff from both authorities who currently operate in this service area. However, these cannot be quantified at this time.
- 7.2 The absorption of the Commercial Waste activity into the wider shared waste service provides an immediate opportunity to deliver savings and efficiencies and to drive this project forward and further detailed work is yet to be undertaken on the detailed structures for the future.
- 7.3 The combination of the two Commercial Waste businesses is effected to generate substantive efficiency gains over time. Whilst further detailed work is required to quantify the associated impact, it is intended that operational capacity so released would in the first instance be utilised to support future business growth and flexibly support the wider shared waste service. This means that there are no implications for direct labour employees in the short term and a longer term review will identify opportunities and any weaknesses to be addressed.
- 7.4 Aligned to the wider shared service arrangements, it is proposed that all Commercial Waste staff across the two Councils are subject to the same considerations as the other Shared Waste staff. Initially the management team is employed by SCDC, as the employing authority, with other staff remaining with their current Council employer. The situation will be reviewed when the case for creating a local delivery organisation, wholly owned and run by the two Councils will be considered further by both Councils. This consideration is likely to be undertaken early in 2016 .

8 Governance Arrangements

- 8.1 The shared Commercial Waste service would be governed on the same basis as the wider Shared Waste service, In practical terms, the Shared Head of Service for Waste will be responsible for day to day management, service

delivery and development of the business, reporting into the Shared Waste Board.

- 8.2 In turn, the Shared Waste Board will oversee Commercial Waste performance within the budget and policy frameworks set by both Councils, providing advice and recommendations on related matters to both Councils, so as to deliver the Councils' objectives and financial targets.

9 Service Delivery Operational Implications

- 9.1 There will be a range of detailed operational implications arising from the creation and delivery of a single shared Commercial Waste service. Should Councillors agree these proposals, specifically the proposed under-pinning principles (as specified in Section 6), then the Shared Waste Board will be responsible for compiling and monitoring a risk and issues register to ensure changes and the operations are effectively managed.

10 Financial Implications

- 10.1 Whilst further detailed work is required to substantiate the aspiration, a desk top review supported by expert input from the East of England Local Government Association confirms that potential annual savings, efficiencies and an increased income of at least 15% of current surplus generation within the first 12 months years to help meet the Medium Term Financial Strategy commitments of both Councils is achievable.

- 10.2 From the initial financial analysis undertaken, substantial annual gains (i.e. the combination of cost savings and net income growth) are being targeted within the three year period based upon a combination of:

- operational efficiency including collection route optimisation;
- use of on-board weighing to ensure costs are fully recovered on all work and that the services provided by the joint venture are not those of the operator of last choice;
- overhead reduction in the management structure;
- rationalisation of support service activities; and
- optimisation of income opportunities.

- 10.3 It is expected that these gains will amount to £77k p.a. (an increase of around 15% of the current surplus) within the first 12 months and it is anticipated that these savings will be reinvested to support the development of the service. In the longer term savings and additional income that arise from the creation of the Shared Commercial Service will be shared equally between the two Councils as the benefits arise from working together (in line with the principles set out in more detail in Section 6).

10.4 There may be future opportunities associated with other local authorities (specifically other members of the RECAP Waste Partnership) joining the Shared Commercial Waste Service, either as clients or full partners. Such opportunities will be considered on a case-by-case basis as they arise through the Shared Waste Board in the first instance and will be confirmed by both Councils. Finance officers will provide help in preparing the detailed proposals for the Shared service.

11. Implementation Timescales & Costs

11.1 Should Members agree to these proposals then a detailed project delivery plan will be drawn up including transition and implementation milestones and costs for delivery under the oversight of the Shared Waste Board.

11.2 At this stage it is expected that the Shared Commercial Waste service could be fully operational by 31st March 2016. Full consultation will take place with staff and commercial unions as appropriate in the interim period and the key milestones along the path include:

- i. Council approvals to the proposals – early October – November 2015
- ii. Completion of the commercial business and implementation planning including branding identity sign off by Shared Waste Board – end November 2015
- iii. Confirmation of staff roles and preparatory measures to implement – end December 2015
- iv. External communication of business launch (customers, suppliers etc) and commencement of new arrangements - January 2016
- v. Delivery of early savings by 31st March 2016
- vi. Delivery of targeted operational savings based upon optimisation of rounds, weight cost recovery by September 2016
- vii. Full delivery of targeted gains – by end March 2017

11.3 As far as practicable, to mitigate costs, implementation will be led by existing in-house resources available through the wider shared service, meaning implementation costs anticipated at this time will be limited to:

- i. Expert critical friend – support from East of England LGA to support effective commercial business planning and delivery.
- ii. Transitional costs – it is assumed that wherever possible posts will be reduced via the careful management of the vacancies due to natural staff turn-over and retirements. All efforts will be made to minimise compulsory redundancies.

12. Legal Considerations

12.1 Each Council will remain under a statutory duty to provide potential customers with a Commercial Waste service option. Legal officers will provide help in preparing the detailed proposals for the Shared Service. The ongoing legal considerations will include procurement issues. Legal advice is that in principle the proposed arrangements are consistent with the overall Shared Waste Service arrangements concept and do not add any additional complications considerations to the establishment of the Shared Service from a legal procurement point of view.

13. Risks

13.1 Section 6 above recognises that there are a range of commercial risks that will be managed based upon the principles set out therein.

13.2 Section 9 above recognises that there will be a range of operational risks that will be managed.

14. Equality and Poverty Implications

14.1 An Equality Impact Assessment has been completed and at this stage of the proposals no anticipated impact has been identified. If members agree to support the proposal then the EQiA will be updated as work proceeds.

15 Environmental Implications

15.1 Environmental implications will be assessed at the Implementation Plan stage given that detailed round modelling work will inform the assessment work.

16 Consultation

16.1 As part of the process, it will be important to ensure full engagement and consultation with both staff and trade unions moving forward. The lead HR officers from both Councils are currently working together to ensure a co-ordinated approach.

16.2 Regular joint communications have been put in place with staff in the areas directly affected by the proposals and will continue with the aim of keeping staff informed and updated.

16.3 Officers from the recognised trade unions will continue to attend workplace briefings as well as meetings with management to discuss the proposals.

17. Community Safety

There are no community safety implications.

18. Background Papers

There are no background papers.

19. Appendices

There is one appendix. The appendix relates to an item during which the public is likely to be excluded from the meeting by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

20. Inspection of Papers

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