

Supplementary Council Agenda



**Epping Forest
District Council**

Council Tuesday, 25th July, 2006

Place: Civic Offices, Epping
Room: Council Chamber
Time: 7.30 pm
Committee Secretary: Council Secretary: Ian Willett
Tel: 01992 564243 Email: iwillett@eppingforestdc.gov.uk

5. REPORTS OF THE CABINET (Pages 3 - 6)

To consider the following reports of the Cabinet:

- (3) Waste Management Service (attached).

9. EXCLUSION OF PUBLIC AND PRESS

Exclusion: To consider whether, under Section 100(A)(4) of the Local Government Act 1972, the public and press should be excluded from the meeting for the items of business set out below on grounds that they will involve the likely disclosure of exempt information as defined in the following paragraph(s) of Part 1 of Schedule 12A of the Act (as amended) or are confidential under Section 100(A)(2):

Agenda Item No	Subject	Exempt Information Paragraph Number
10	Waste Management Service – Supplementary Estimate	3 and 4

The Local Government (Access to Information) (Variation) Order 2006, which came into effect on 1 March 2006, requires the Council to consider whether maintaining the exemption listed above outweighs the potential public interest in disclosing the information. Any member who considers that this test should be applied to any currently exempted matter on this agenda should contact the proper officer at least 24 hours prior to the meeting.

Confidential Items Commencement: Paragraph 9 of the Council Procedure Rules contained in the Constitution require:

- (1) All business of the Council requiring to be transacted in the presence of the press and public to be completed by 10.00 p.m. at the latest.
- (2) At the time appointed under (1) above, the Chairman shall permit the completion of debate on any item still under consideration, and at his or her discretion, any other remaining business whereupon the Council shall proceed to exclude the public and press.
- (3) Any public business remaining to be dealt with shall be deferred until after the completion of the private part of the meeting, including items submitted for report rather than decision.

Background Papers: Paragraph 8 of the Access to Information Procedure Rules of the Constitution define background papers as being documents relating to the subject matter of the report which in the Proper Officer's opinion:

- (a) disclose any facts or matters on which the report or an important part of the report is based; and
- (b) have been relied on to a material extent in preparing the report and does not include published works or those which disclose exempt or confidential information (as defined in Rule 10) and in respect of executive reports, the advice of any political advisor.

Inspection of background papers may be arranged by contacting the officer responsible for the item.

Report to the Council

Committee: Cabinet

Date: 25 July 2006

Portfolio Holder: Councillor S Metcalfe

Item: 5

3. WASTE MANAGEMENT SERVICE

Recommending:

- (1) That the receipt of notice from Cory Environmental bringing to an end the "Interim Provisions" phase of the Novation Agreement be noted and that consideration be given to a report in private session setting out the consequences of this action;
 - (2) That a formal procurement exercise be commenced in respect of the waste management service and as part of that exercise a review of the alternate weekly collection of residual waste be undertaken;
 - (3) That a Portfolio Holder Advisory Group be established to advise the Customer Services, Media, Communications and ICT Portfolio Holder on the procurement arrangements and the service levels to be included in the contract specification;
 - (4) That the Group Leaders of each political group represented on the Council be invited to nominate a representative to serve on the Portfolio Holder Advisory Group; and
 - (5) That the agreement of the Chairman of the Overview and Scrutiny Committee under paragraph 17 of the Council's Access to Information Rules to the taking of the key decision set out in (2) above on grounds of special urgency in order to continue refuse collection arrangements without interruption be noted.
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The Novation Agreement with Cory Environmental

3.1 Following South Herts Waste Management (SHWM) going into administration in April 2006, the Council negotiated temporary arrangements with Cory Environmental which came into effect, through a Novation Agreement, on 15 May 2006. That Agreement provided two distinct payment methodologies:

- (a) for the first three months Cory would be paid the same contract sum as SHWM plus a further amount for managerial and related overheads; that three month period was intended to enable the Council and Cory to negotiate a longer term contractual arrangement this was known as the "Interim Provisions" phase;
- (b) in the event that the negotiation could not be satisfactorily concluded the agreement enabled either party to serve one week's notice bringing the "Interim

Provisions” phase to an end, following which Cory would be paid on an open book basis the actual audited cost of providing the service plus a lesser managerial fee; this is known as “Cost Plus”.

3.2 Unfortunately it has not been possible to conclude satisfactorily negotiations and Cory have served notice upon the Council in accordance with the Novation Agreement and the “Cost Plus” provisions will commence with effect from Tuesday 25 July 2006.

3.3 Two consequences follow from this action:

- (a) the need to commence a formal procurement process for the provision of the waste management service; and
- (b) the need to seek a supplementary estimate to meet the additional costs of the “Cost Plus” arrangements.

3.4 In view of the nature of the need to maintain contractual confidentiality and to ensure that the future procurement exercise is not compromised, the details and recommendations relating to the procurement and supplementary estimate are dealt with in a further report to be considered in private session.

Current service issues

3.5 The current spell of very hot weather has brought with it considerable resident disquiet regarding the alternate weekly collection of residual waste. Whilst there remain concerns regarding the capacity of the standard size wheeled bin, the primary concern at present, reflected either in calls and visits to Environmental Services or via the Portfolio Holder’s help line, is in respect of problems relating to smells, maggots and flies. It must be stated that this was not wholly unexpected. All councils which have adopted alternate weekly residual collection as their approach to achieving high levels of recycling have had similar experiences. All have adopted the same approach in providing advice and guidance on how to avoid these problems, but it remains the case that despite the availability of this advice, the problem still remains.

3.6 Consideration has been given to reinstating a weekly residual collection service for the remainder of the summer (say until the end of September). However, it became clear that the costs of such an arrangement were prohibitive and alongside Cory serving notice it was not a practical or cost effective proposition. It is important, however, that the Council recognises these public concerns and commits itself to reviewing the nature of the alternate weekly service provision as part of the procurement process. Options may include:

- (a) a reversion to all year round weekly collections;
- (b) the provision of a summer only weekly collection; or
- (c) the provision of a weekly collection of food waste;

all of which will inevitably add to the costs of the waste management service.

3.7 Given the need to commence a formal procurement process, Members may wish to consider including each of these options, alongside the current base service, when seeking competitive bids.

Portfolio Holder Advisory Group

3.8 It is proposed that a Portfolio Holder Advisory Group be established to advise the Portfolio Holder on the procurement arrangements and the service levels to be included in the contract specification.

Key Decision

3.9 This matter constitutes a key decision. Paragraph 17 of the Council's Access to Information Rules provides for the waiving of the normal procedure before taking a key decision. In accordance with that paragraph, the Chairman of the Overview and Scrutiny Committee has agreed to the taking of the decision set out in recommendation (2) above on grounds of special urgency in order to continue refuse collection arrangements without interruption.

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