

EPPING FOREST DISTRICT COUNCIL CABINET MINUTES

Committee: Cabinet **Date:** 19 May 2014

Place: Council Chamber, Civic Offices, High Street, Epping **Time:** 7.00 - 8.30 pm

Members Present: C Whitbread (Chairman), Ms S Stavrou (Vice-Chairman), W Breare-Hall, Mrs A Grigg, D Stallan, H Ulkun, G Waller and Mrs E Webster

Other Councillors: Ms H Kane, Mrs J Lea, R Morgan, Mrs M Sartin and Ms G Shiell

Apologies: R Bassett

Officers Present: G Chipp (Chief Executive), D Macnab (Director of Neighbourhoods), J Gilbert (Director of Environment and Street Scene), R Palmer (Director of Resources), K Durrani (Assistant Director (Technical Services)), S G Hill (Assistant Director (Governance & Performance Management)), T Carne (Public Relations and Marketing Officer), G J Woodhall (Democratic Services Officer) and J Leither (Democratic Services Assistant)

Also in attendance: L Attrill (WYG Environmental) and L Hughes (Hughmark Continental Limited)

169. WEBCASTING INTRODUCTION

The Leader made a short address to remind all present that the meeting would be broadcast on the Internet, and that the Council had adopted a protocol for the webcasting of its meetings.

170. DECLARATIONS OF INTEREST

There were no declarations of interest pursuant to the Council's Code of Member Conduct.

171. MINUTES

Resolved:

(1) That the minutes of the meeting held on 7 April 2014 be taken as read and signed by the Chairman as a correct record.

172. APPOINTMENT OF NEW WASTE MANAGEMENT SERVICE PROVIDER

The Environment Portfolio Holder presented a report on the appointment of a new Waste Management service provider.

The Portfolio Holder stated that the contract with the Council's current service provider Sita would end on 2 November 2014. The procurement exercise to appoint a new service provider commenced in March 2013, using a Competitive Dialogue process. Eight bidding contractors were selected following the initial pre-qualification stages and these were reduced, through the dialogue process, to a final four, as listed in the report. The Competitive Dialogue process had enabled detailed discussions throughout the procurement between the Council and the bidding

contractors, and this had resulted in a specification and associated conditions of contract which fully met the Council's aspirations for the future and were within the Council's envelope of affordability. Biffa Municipal Limited had scored the highest number of points of the four contenders, being almost 400 points ahead of the next best bidder.

The Portfolio Holder added that, in addition to the overall annual saving of £416,680, the recommended provider and the new specification and contract also allowed for a raft of service improvements plus opportunities in the future for generating further savings, including:

- an early exit from Langston Road depot, facilitating the proposed redevelopment for retail use and the associated revenue benefits for the Council;
- a whole new refuse fleet from April 2015, reducing vehicle downtime and delivering reduced fuel usage and carbon emissions (reduction estimated at 120 tonnes of Carbon per annum);
- four day operations (Tuesday to Friday), avoiding the associated Bank Holiday Monday disruptions;
- a new ICT system providing real time information and opportunities for future alignment as the Council's corporate Customer Relationship Management system, ability to send text messages to residents for appointments, real time recording of missed collections, contaminated bins and associated collection data;
- improved street cleansing standards and the retention of local village/town sweepers, the removal of weeds and undergrowth;
- creation of area improvement teams, a business improvement team and annual customer satisfaction survey;
- creation of an Epping Forest Environment Investment fund;
- a commercial waste/ recycling service with an element of profit sharing;
- greater co-operation and synergies between the Street Cleaning and Grounds Maintenance services;
- the collection of additional materials for recycling at the kerbside, such as tetrapaks, batteries and small electrical items; and
- recycling sacks to be delivered annually to all residents.

The Portfolio Holder assured the Cabinet that the new service would be based upon the existing one, in that there would be no requirement for a third wheeled bin. The service would therefore be:

- a weekly collection of food and garden waste via the existing (green lidded) wheeled bin;
- an alternate weekly collection of recyclables via the blue box and clear sacks; and
- an alternate weekly collection of residual waste via the existing (black lidded) wheeled bin.

The Portfolio Holder informed the Cabinet that the changeover to the new four-day service would not commence until March 2015 at the earliest, and it would be the highest priority of the Council and contractor to make the changeover process as painless as possible for local residents. At this time, services would transfer from the depot at Langston Road to the Biffa depot at Waltham Cross for street cleaning, co-mingled food and garden waste, and residual waste operations, and to the Biffa depot at Edmonton for dry recycling operations. There was no reason to believe that services would be adversely affected by the new depots being just outside of the District. The Council's Waste Management consultants, WYG Environmental, had analysed the collection and treatment methodology proposed by Biffa Municipal Limited and were of the opinion that the proposals met the requirements of the Waste

(England and Wales) Regulations 2011 (as amended 2012). Finally, it was proposed to delegate authority to the Portfolio Holder and the Directors of Governance and Neighbourhoods to make limited final adjustments to the contract and specification to achieve the maximum efficiencies and economies.

The Portfolio Holder commended the Competitive Dialogue process that had been used by the Council for the first time to procure this contract and thanked all the Officers that had been involved from Environment & Street Scene, Legal Services, Finance & ICT and Democratic Services.

The Cabinet welcomed the report and especially that the option to have a third wheeled bin would not be pursued for the time being. Every household in the District utilised the waste management service and residents would appreciate that the winning bid was the best in terms of quality of service. The Cabinet also offered their thanks to all the Officers that had taken part in the process, and acknowledged that the Competitive Dialogue process was very thorough, which had been performed very effectively and had worked very well.

In response to a request for more information concerning the handover of staff from Sita to Biffa, the Portfolio Holder stated that this would be led by Senior Managers from both Biffa and the Council. The Director of Environment & Street Scene added that Biffa recognised the importance of retaining the existing staff, and Waste Management contractors were experienced in assimilating existing staff. The TUPE arrangements had been set out in the report and the TUPE process had been heavily weighted in the Method Statements.

A local member for Roydon was concerned that as the recycling sacks were being issued to residents en masse, they would be used for activities other than putting out their recycling materials for collection. It was also felt that the existing distribution network should be retained throughout the District; anecdotal evidence was put forward that the inclusion of libraries in the distribution network encouraged residents to use them. The proposed collection of tetrapaks at the kerbside was welcomed. The Portfolio Holder assured members that a certain number of sacks would still be available for collection from the current outlets throughout the District. The Director for Environment & Street Scene added that the bidders had been surprised the Council was able to achieve a recycling rate of 60% when there was no delivery of sacks to residents. It was felt that some recycling materials were lost to the Council if residents had no sacks available, and that improved performance would provide the Council with more recycling credits.

The Director of Street Scene stated that the Street Cleaning function and the Council's own Grounds Maintenance section would work closer together than hitherto. Biffa intended to place some of the Street Cleaning vehicles alongside the Grounds Maintenance fleet, and the contract allowed for the Street Cleaning Operatives to spend 6 days per annum working directly with Grounds Maintenance staff. There might be further benefits in the future, for example from discounts for bulk buying.

The Portfolio Holder stated that Biffa Municipal Limited would provide the Epping Forest Environment Investment Fund with £12,000 per annum to finance community projects which supported the Council's Safer, Greener, Cleaner initiative. It was confirmed that the Waste Transfer Station at Harlow would be available for use from the start of the new contract. Both small electrical items and batteries (not car batteries) could be put out in any suitable container for collection from the kerbside when the new contract commenced.

The Leader of the Council opined that the proposed contract would save the Council money, lead to improvements in the current service offered to residents and encourage further recycling. The Competitive Dialogue process had worked very well, although it was very intensive in terms of Officer time; the Leader thanked all the Officers involved for their efforts.

The Leader of the Council concluded by informing the Cabinet that the Director of Street Scene was shortly due to retire following many years of service to the Council. The Leader thanked the Director for this efforts on behalf of the Council over the years, and wished him a very long and prosperous retirement.

Decision:

(1) That Biffa Municipal Limited be appointed as the Council's waste management service provider for the ten year period commencing 3 November 2014 and ending on 2 November 2024 for the initial sum, subject to annual indexation, of £5,082,794.56 per annum;

(2) That, commencing at the start of March 2015, the basing of the new waste and recycling collection service upon a four day Tuesday to Friday service be noted;

(3) That the operation of the new waste management service from the Langston Road depot until the end of February 2015 and then from two depots located in Edmonton (dry recycling) and Waltham Cross (Residual, commingled food and garden and streets) from March 2015 be noted;

(4) That the service enhancements and improvements resulting from the procurement exercise and the new service to be delivered as the "as is service", with no requirement for a third wheeled bin, be noted;

(5) That the services to be provided by the appointed contractor had been assessed in accordance with the requirements of EU Waste Framework Directive as enabled in UK law by The Waste England and Wales Regulations 2011 (as amended) be agreed;

(6) That authority be delegated to the relevant Portfolio Holder and the Directors of Neighbourhoods and Governance to make limited minor adjustments to the contract and specification so as to enable the maximum efficiencies and economies to be achieved, including the determination of whether provisional sum items should remain within the contract, and to amend the contract and specification accordingly; and

(7) That the overall saving over the present contract of £416,680 per annum be noted.

Reasons for Decision:

To appoint the new Waste Management service provider for the ten year period of 3 November 2014 to 2 November 2024. Biffa Municipal Limited had scored the highest points in accordance with the declared assessment process, based upon 50% price, 40% quality and 10% Member interview.

Other Options Considered and Rejected:

To select an alternative service provider, however this ran the significant risk of a legal challenge to the appointment process due to the rigour of the Competitive

Dialogue process throughout.

173. ANY OTHER BUSINESS

It was noted that there was no other urgent business for consideration by the Cabinet.

174. EXCLUSION OF PUBLIC AND PRESS

Resolved:

(1) That the public and press be excluded from the meeting for the items of business set out below on the grounds they would involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A of the Local Government Act 1972:

| <u>Agenda Item</u> | <u>Subject</u> | <u>Paragraph Number</u> |
|--------------------|------------------------------------|-------------------------|
| 9 | Licence Fee for North Weald Market | 3 |

175. LICENCE FEE FOR NORTH WEALD MARKET

The Portfolio Holder for Finance & Technology presented a report regarding the licence fee for North Weald Market.

The Portfolio Holder reminded the Cabinet that a licence to operate a market at North Weald Airfield was granted to Hughmark Continental Ltd in September 2010 for the period until 2017. In view of the difficult trading conditions, the Cabinet decided to reduce the licence fee and infrastructure charge, with the charge for the car boot sale remaining, for a period of one year from 1 January 2012.

The Portfolio Holder reported that trading conditions had not improved during 2012 and the Cabinet agreed to a further reduction in fees on January 2013. Under this agreement, the infrastructure charge and car boot sale fee were suspended and a fixed fee per market was payable instead. The agreement also included an income share arrangement such that if the weekly income exceeded a certain level in any one week then the Council would receive 50% of the excess. There had been no benefit from the income share as the trigger level had not been reached in any particular week.

The Portfolio Holder stated that the Cabinet decision in January 2013 was for the amended fee to be in place for one year with effect from 1 January. This was extended by a further year by the Cabinet in February 2014, and as part of this decision it was agreed that there would be a review after the end of the financial year. If the rental payable was adjusted to reflect the reduction in income from the market between 2013 and 2014 then a refund of approximately £30,000 would be due to the market operator.

The Director of Hughmark Continental Limited provided the Cabinet with an update of current trading conditions since 9 April; this being the date of the previous correspondence that had been included in the report. Conditions were currently very difficult for out-of-town markets generally, and the market at North Weald Airfield was becoming increasingly localised due to the continual increase in fuel costs. Consequently, an effort was being made to attract more local stallholders, such as small businesses, charities, and sports clubs through the "Maid in Essex" initiative. The recent good weather had seen an increase in the number of stalls at the market,

which had returned to the levels previously experienced in 2013. The company was doing all it could to improve the trading situation at the Market, through initiatives such as “Maid in Essex”.

The Director of Hughmark Continental answered a number of questions from the Members present. Some of the traders that used to use the Market went out of business, whilst others had forsaken physical stalls for internet sites such as e-Bay. It was highlighted that the Market was very weather dependant and if the Market had more stalls then the public would attend. A discount could be offered to any traders attracted to the market through the “Maid in Essex” initiative if the Council so desired. The Director thanked the Cabinet for the opportunity to address them and left the Chamber.

The Cabinet acknowledged that the success of the Market was very weather dependant and that the Market had provided a good source of income for the Council in the past. Other out-of-town markets in the general vicinity were also struggling and it was apparent that Hughmark Continental Limited were trying to improve the situation of the Market.

The Portfolio for Finance & Technology felt that a reduction of £35,459 should be given against the rent payable for the last quarter of 2013/14, and that hopefully the weather would be favourable over the summer period for the Market to provide some income for the Council. The situation could then be reviewed in September 2014 after the summer trading period had finished. In addition, the Council should enter into discussions with Hughmark Continental Limited about the “Maid in Essex” initiative, and other plans to improve the financial viability of the Market. The Cabinet was happy to agree these proposals, provided that it was also noted that the suggested reduction in the rent payable did not set a precedent for future rent reductions by the Council.

The Director of Resources advised that the Market had provided the Council with a high level of income over the years, which would be difficult to replicate from other sources. The proposed rebate would make the business more sustainable and send a positive message of support to Hughmark Continental Limited.

The Leader of the Council opined that he had been very concerned about the decline of the Market over several years and this situation had indicated the importance of examining alternative sources of income from the Airfield. Thus, it was proposed that further reports on this matter be submitted to the Asset Management & Economic Development Cabinet Committee for consideration.

Decision:

- (1) That a reduction be made to the rent payable by Hughmark Continental Ltd for the last quarter of 2013/14 in the sum of £35,459;
- (2) That a fresh review of the situation be undertaken after the summer trading period has finished in September 2014 and that the rent reduction agreed above did not set a precedent for future rent reductions by the Council;
- (3) That further discussions be entered into with Hughmark Continental Ltd regarding the “Maid in Essex” initiative and other plans to improve the viability of the Market; and

(4) That further reports be submitted to the Asset Management & Economic Development Cabinet Committee during 2014/15 to consider alternative sources of income from North Weald Airfield for the Council.

Reasons for Decision:

To comply with the previous Cabinet decision to conduct a review.

Other Options Considered and Rejected:

To not grant a reduction in the rent and enforce the full terms of the licence or grant a reduction of a different amount. However, if no reduction was granted then this could place the current general fund and non-domestic rate income at risk.

CHAIRMAN