

Public Document Pack



RUSHMOOR BOROUGH COUNCIL

CABINET

*at the Council Offices, Farnborough on
Tuesday, 14th July, 2015 at 4.30 pm
in the Concorde Room, Council Offices, Farnborough*

To:
Councillor P.J. Moyle
Councillor K.H. Muschamp, Deputy Leader and Business, Safety and Regulation
Portfolio Holder

Councillor Hughes, Health and Housing Portfolio
Councillor Sue Carter
Councillor P.G. Taylor, Corporate Services Portfolio Holder
Councillor R.L.G. Dibbs
Councillor A. Jackman

Enquiries regarding this agenda should be referred to Chris Todd, Democratic Services, Democratic and Customer Services on 01252 398825 or e-mail: chris.todd@rushmoor.gov.uk

A G E N D A

1. **MINUTES** – (Pages 1 - 10)
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To confirm the Minutes of the Meeting held on 30th June, 2017 (copy attached).

2. **FUTURE PROVISION OF REFUSE AND RECYCLING SERVICES** – (Pages 11 - 22)
(Environment and Service Delivery)

To consider the Corporate Director's Report No. CD1508 (copy attached), which addresses the options around the specification for refuse and recycling services to enable the improvement of the Council's recycling rate and to reduce costs. This Report is in the context of the major re-procurement of a basket of direct services, which was considered by the Cabinet on 30th June, 2015.

3. **DEVOLUTION: PROPOSALS FOR A HAMPSHIRE WIDE COMBINED AUTHORITY** – (Pages 23 - 32)
(Leader of the Council)

To consider the Chief Executive's Report No. CEX1502 (copy attached), which seeks approval from the Council to develop a proposal, with other Hampshire and Isle of Wight authorities, to bring about devolution of powers and responsibilities from central Government to the wider Hampshire area.



RUSHMOOR BOROUGH COUNCIL

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Councillor K.H. Muschamp, Deputy Leader and Business, Safety and
Regulation Portfolio Holder

Councillor Hughes, Health and Housing Portfolio
Councillor Sue Carter
* Councillor P.G. Taylor, Corporate Services Portfolio Holder
Councillor R.L.G. Dibbs
Councillor A. Jackman

Apologies for absence were submitted on behalf of Councillor Paul Taylor.

The Cabinet considered the following matters at the above-mentioned meeting. All executive decisions of the Cabinet shall become effective, subject to the call-in procedure, from **date**.

16. **MINUTES** –

The Minutes of the meeting of the Cabinet held on ??th ???, 2017 were confirmed and signed by the Chairman.

17. **FUTURE SERVICE PROVISION FOR REFUSE, RECYCLING, STREET CLEANSING, GROUNDS MAINTENANCE AND TOILET CLEANSING –**
(Environment Service and Delivery)

The Cabinet considered the Corporate Director's Report No. CD1507, which set out the next stages of the procurement process and sought approval of various matters.

The Cabinet was reminded that the Council's current environmental services contract with Veolia ES (UK) Limited was ending in March 2017 and that the Future Contracts Member Working Group had been set up to make recommendations on how to deliver services after this date. It was reported that the Group had met eight times and had explored a number of areas relating to the delivery of services, including:

- The Council's financial position
- Recycling performance
- Innovation in contract letting
- Other models of service delivery including joint venture
- Views of Rushmoor residents
- Social Value
- Service specifications

The Group had agreed three objectives of the procurement process:

- Reduce costs in line with the Council's 8-Point Plan
- Maintain or improve service quality
- Improve recycling performance

It was explained that a timetable had been established and this would lead to a final contract award taking place by September 2016. In order to meet this deadline, it was necessary for the procurement to progress in line with the outline timetable set out in Appendix 1 of the Report. The Group had considered whether the services should be let in an integrated contract or split into separate lots and had recommended that the most suitable procurement method would be to split the services into smaller lots comprising waste collection and street cleansing as lot one, grounds maintenance and toilet cleaning as lot two, with the third lot being a combination of the two.

It was explained that the current service specifications for grounds maintenance would remain largely unchanged but, taking on board feedback from soft market testing, would include the use of newer technology and incorporate a place based approach to parks management. The proposed street cleansing specifications had been altered to place more onus on the contractor to keep the Borough clean rather than to keep to a specific schedule. Regarding the specifications for the waste and recycling contract, the Working Group had considered ways to improve recycling performance and had concluded that, whilst some measures could lead to a modest improvement in the recycling rate, the most significant improvement would

be brought about by the restriction in the volume of residual waste collection by either the provision of smaller refuse bins or a switch to alternate weekly collections. It was reported that, of these options, only a switch to alternate weekly collections would provide a financial saving to the Council. The Cabinet decided that this particular issue would require further consideration and it was, therefore, agreed to defer this element of the overall decision, so that it might be fully debated at an additional meeting of the Cabinet, which would be set up for Tuesday 14th July, 2015 at 4.30 p.m..

During discussion, Members discussed the concept of Competitive Dialogue and the circumstances under which this process would be considered to be appropriate, when procuring services.

The Cabinet RESOLVED that

- (i) the contract procurement structure for the procurement to be carried out in three lots, as set out in paragraph 5.4 of the Corporate Director's Report No. CD1507, be approved;
- (ii) the contract conditions, as set out in the Report, be approved;
- (iii) the approach to the specifications for grounds maintenance and street cleansing for stage one of the procurement process, with authority to finalise these documents for use in the process being delegated to the Corporate Director, in consultation with the Cabinet Member for Environment and Service Delivery, be approved;
- (iv) consideration of the options for the future specifications for refuse and recycling be deferred to an additional meeting of the Cabinet, to be arranged for Tuesday 14th July, 2015;
- (v) authority to agree documentation describing the requirements and to make amendments as necessary to ensure that the Council's needs and requirements were clearly described at the commencement of the procurement be delegated to the Corporate Director, in consultation with the Cabinet Member for Environment and Service Delivery; and
- (vi) authority to advertise the opportunity, select bidders to be invited to participate in the dialogue process, in accordance with the selection evaluation model, and, generally, to do everything necessary, through the multi-stage dialogue and submission of solutions process (including making amendments to the draft specifications and draft conditions of the contract as may be required to better reflect the Council's requirements and / or may be commercially appropriate), to identify solutions that best meet the requirements of the Council, such that contract(s) could be awarded to the successful bidder(s) be delegated to the Corporate Director, in consultation with the Cabinet Member for Environment and Service Delivery.

18. **PROJECT INTEGRATION PLAN 2015 - 2018 –**
(Environment and Service Delivery)

The Cabinet considered the Head of Community and Environmental Services' Report No. COMM1506, which set out the Project Integra Action Plan for the period 2015-18 and some minor changes to the partnership's constitution. It was noted that the partnership had, for many years, been split into three main work streams:

- The Project Integra Executive, which included the employed staff that delivered the bulk of the actions in the plan
- The Materials Analysis Facility (MAF), which provided compositional analysis for waste across the county and helped to apportion income
- Recycle for Hampshire, which was the countywide communications programme

It was now proposed to discontinue most of the Recycle for Hampshire campaign to allow authorities to focus communications at a local level. It was further proposed to move to a true three-year action plan to replace the three-year rolling action plan that had been in place previously. This would mean that the action plan would only need to be approved every three years as opposed to every year as at present. Update reports would still be produced on an annual basis. The action plan focused on nine key projects and those of particular interest to Rushmoor were the activity to increase the quality and quantity of recycling collected, the delivery of the schools education programme and the implementation of the Waste Prevention Plan.

Rushmoor's financial contribution for 2015/16 would be £13,373. This represented a reduction in the payment for the previous financial year. It was proposed to make minor changes to the partnership's constitution to reflect the move away from the three-year rolling action plan and also to clarify the implications for partner authorities not wishing to take part in any of the actions contained in the action plan.

In addition to the projects in the Project Integra Action Plan, the main focus for the Council would be the re-letting of the contract for direct services.

It was noted that Rushmoor's recycling performance stood at around 26%, which was slightly lower than previous years. This was partly due to a national downturn in performance since the recession. The current performance fell short of the 50% target in the Waste Strategy for England 2007. To reach this level of performance, Rushmoor would need to bring about a step change in recycling performance. Options to improve performance were being explored by the Future Contracts Member Working Group as part of the project to re-let the contract.

The Cabinet RESOLVED that

- (i) the Project Integra Action Plan for 2015-18 be endorsed; and
- (ii) the changes to the partnership's constitution, as set out in the Head of Community and Environmental Services' Report No. COMM1506, be approved.

19. ADMINISTRATION AND MONITORING FEES FOR SECTION 106 AGREEMENTS

–
(Environment and Service Delivery)

The Cabinet considered the Head of Planning's Report No. PLN1529, which set out a proposal to amend the Council's scheme for charging for the administering, monitoring and enforcing of clauses in Section 106 agreements.

Members were informed that a recent court case, Oxfordshire CC v. Secretary of State and others, had held that local planning authorities should not be routinely making such charges. It was concluded that the cost of essential administration, monitoring and enforcement should be met out of an authority's own budget. It was accepted, however, that fees could be levied from developers in exceptional cases, such as where the development involved was particularly large or complex. It was considered that, on this basis, the Wellesley development would continue to qualify for the imposition of such fees.

The Cabinet RESOLVED that the proposal to cease charging administration and monitoring fees on Section 106 Agreements, other than in exceptional and justifiable circumstances, be approved

20. FARNBOROUGH AIRPORT COMMUNITY ENVIRONMENTAL FUND –

(Environment and Service Delivery)

The Cabinet considered the Head of Community and Environmental Services' Report No. COMM1512, which sought approval to award grants from the Farnborough Airport Community Environmental Fund to assist local projects.

The Cabinet Member for Environment and Service Delivery had considered eight applications and had recommended that six awards should be made.

It was noted that two further awards had not been recommended. Firstly, to the Cove Junior School, where the applicants had been advised to re-apply for the sensory garden element of the project. Secondly, to the Cove Brook Greenway Group, where the benefits of the proposal to create a grazing area for cattle at Southwood Meadows, were not deemed to be sufficient to warrant an award.

The Cabinet RESOLVED that grants be awarded from the Farnborough Airport Community Environmental Fund to the following organisations:

Bechkwin Community Cycling Club	£4,800
Farnborough Lawn Tennis Club	£3,921

The Farnborough Society	£5,000
The Species Recovery Trust	£2,500
Tweseldown Infant School PTFA	£5,000
The Vine Day Centre	£15,000

NOTE: Cr. K.H. Muschamp declared a personal interest in this item in respect of his involvement with the Bechkwin Community Cycling Club and, in accordance with the Members' Code of Conduct, remained in the meeting during the discussion and voting thereon.

21. **GRANTS TO VOLUNTARY ORGANISATIONS –**
(Concessions and Community Support)

The Cabinet received the Head of Community and Environmental Services' Report No. COMM1513, which set out details of applications for grants from voluntary organisations. In accordance with the agreed procedure for the allocation of grants, the Cabinet Member for Concessions and Community Support had approved twelve grants for £1,000 or less. The Cabinet Member also recommended that the Aldershot Garrison should receive an award of £2,000 towards the cost of putting on the Aldershot Military Festival 2015.

The Cabinet

(i) **NOTED** the following grants totalling £8,930 had been approved by the Cabinet Member for Concessions and Community Support:

Farnborough Football in the Community	£400
Aldershot Library	£250
Blackwater Valley Scouts	£250
Sixth Form College Farnborough	£1,000
Cove Football Club	£1,000
Creating Futures Charity (The Gaming Zone)	£1,000
Coppers Project (Farnborough Sixth Form College)	£600
Fernhill Primary School	£995
Parkside (Aldershot and District Learning Disability)	£500
Hampshire Cultural Trust	£1,000
Let's Crochet UK	£935
The Vine Day Centre	£1,000

(ii) **RESOLVED** that a grant of £2,000 to the Aldershot Garrison be approved.

22. **RENT RELIEF TO VOLUNTARY ORGANISATIONS –**
(Concessions and Community Support)

The Cabinet considered the Head of Community and Environmental Services' Report No. COMM1510, which set out details of applications received from voluntary organisations for rent relief.

Members heard that all 27 applicants represented organisations that leased land and / or buildings from the Council and all were, currently, in receipt of rent relief. In carrying out a review of the rent relief currently granted, the Cabinet Member for Concessions and Community Support proposed that, given the considerable benefits these organisations and their volunteers provided for local residents, the current level of rent relief should be extended to 31st March, 2017.

In discussing this, the Cabinet felt that, over time, the level of relief granted should be reviewed, especially in cases where organisations were performing particularly well.

The Cabinet RESOLVED that rent relief be awarded to the 27 organisations set out in Appendix A of the Head of Community and Environmental Services' Report No. COMM1510.

23. ALDERSHOT LIDO - REVISED FINANCIAL ARRANGEMENT FOR 2015 –
(Leisure and Youth)

The Cabinet considered the Head of Community and Environmental Services' Report No. COMM1511, which set out a revised financial arrangement for 2015 in respect of the Aldershot Lido.

It was reported that the Council and Places for People had been working closely with the Friends of Aldershot Lido (FOAL) and were promoting a new range of family season tickets, discounted books of tickets and a loyalty card. Places for People had also promoted the Lido through a military magazine. Members heard that the Council would be redecorating the changing rooms and toilets prior to the summer holiday period and Places for People were about to install additional seating close to the café area and had installed Wi-Fi around the grounds. It was hoped that all these activities would help to increase attendances at the Lido.

In light of the additional work carried out by FOAL and the Council, through discussions with Places for People, it was proposed to share equally any surpluses or deficits from Places for People's budgeted profit figure of £21,000, with a maximum risk or return to the Council capped at £20,000. This would help to ensure that any increased support from local residents would have the potential to reduce the Council's subsidy rather than solely improve the profit to the contractor.

The Cabinet expressed its support of the innovative approaches that had been introduced this year with the aim of increasing attendances at the Aldershot Lido.

The Cabinet RESOLVED that the revised financial arrangements for the 2015 Aldershot Lido season, as set out in the Head of Community and Environmental Services' Report No. COMM1511, be approved.

24. BUDGET STRATEGY WORKING GROUP –
(Corporate Services)

The Cabinet considered the Corporate Director's Report No. CD1504 which proposed changes to the current Budget Working Group. Members were reminded that this Group had been set up in 2008 by the Corporate Services Policy and

Review Panel. Its aim had been to consider issues in relation to Member involvement in the budget process and the overall scrutiny of the Council's strategic approach to its budget. Whilst much valuable work had been carried out, Members of the group had recently queried the current scope of the group and its future role especially in light of the financial challenges facing the Council and the development of a strategic approach through the 8-Point Plan. This was why these changes were being proposed.

It was proposed that the Group's role should be expanded to cover the Council's 8-Point Plan and the themes within it. The Cabinet Member for Corporate Services had recently joined the Group and for this reason and with its more strategic role, it was felt that it should be renamed the Budget Strategy Working Group and that it should become a Cabinet working group. The proposed Terms of Reference for the new Group were set out in an appendix to the Report and it was suggested that the initial membership should include all of the Members that were on the Budget Working Group in 2014/15, together with the Cabinet Member for Corporate Services and one other Cabinet Member. The new Group would meet on a regular basis and would make recommendations to the Cabinet directly and through the officer reports it would receive on budget and finance issues. The revised approach had been discussed and endorsed at the meeting of the Corporate Services Policy and Review Panel on the 4th June 2015.

25. EXCLUSION OF THE PUBLIC –

RESOLVED: That, taking into account the public interest test, the public be excluded from the meeting during the discussion of the under mentioned items to avoid the disclosure of exempt information within the paragraph of Schedule 12A to the Local Government Act, 1972 indicated against the items:

Minute Nos.	Schedule 12A Para. Nos.	Categories
64	3	Information relating to financial or business affairs

THE FOLLOWING ITEM WAS CONSIDERED IN THE ABSENCE OF THE PUBLIC

26. PURCHASE OF PLOT NO. 10A WELLESLEY HOUSE, FARNBOROUGH INDUSTRIAL ESTATE, FARNBOROUGH – (Corporate Services)

The Cabinet considered the Solicitor to the Council's Exempt Report No. LEG1512, which sought approval for the purchase of the leasehold interest in Plot No. 10A Wellesley House, Farnborough Industrial Estate, Farnborough as an investment asset.

Members heard how the current leaseholders had entered administration on 10th November, 2014. There was, currently, a sub-tenant on part of the ground floor and it was anticipated that they would remain occupiers if the purchase were to proceed. The remainder of the property was vacant and the Council had sought advice from Hollis Hockley as to the probable market rent that the Council would be

likely to achieve for this premises. It was anticipated that this would attract a rent in the region of between £10 and £12 per square foot. The property had been inspected and was considered to be in good repair and condition. A survey would be carried out should the purchase proceed. Members were informed that demand for office accommodation in Farnborough had increased over the past two years, with a number of other sites having been converted to domestic accommodation or with consent for such a conversion. Comparisons had been made with other office accommodation available in the Farnborough and Aldershot areas and this was considered to offer best value. The purchase price had been recommended by the Council's professional valuer.

The Cabinet RESOLVED that

- (i) a variation to the 2015/16 Capital Programme, in the sum of the purchase price of Plot No. 10A Wellesley House, as set out in the Solicitor to the Council's Exempt Report No. LEG1512, be approved;
- (ii) the Solicitor to the Council be authorised to purchase Plot No. 10A Wellesley House on the terms stated in the Solicitor to the Council's Exempt Report No. LEG1512 and to take other related action to secure tenants for the vacant floor space and to agree the rental terms and lease provisions in connection with such lettings; and
- (iii) the establishment of a sinking fund towards future repairs and maintenance be approved.

The Meeting closed at 5.09 pm.

D.E. CLIFFORD
LEADER OF THE COUNCIL

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CABINET
14th July 2015

CORPORATE DIRECTOR
Report: CD1508

Future Provision of Refuse and Recycling Services

1 Introduction

- 1.1 The purpose of this report is to seek a decision from the Cabinet on the future specification for the waste and recycling services provided by the Council.

2 Background

- 2.1 At its meeting on the 30th June 2015, Cabinet considered a report on the future service provision for refuse, recycling, street cleansing, grounds maintenance and toilet cleansing (Report: CD 1507).

- 2.2 The Cabinet approved the report, with the exception of the specification for refuse and recycling services. In this respect, Cabinet were asked to consider the service specification and specifically decide whether to:

- Retain the existing frequency of collection for residual waste
- Recommend to the full Council to change to alternate weekly collections (AWC) for residual waste
- Reduce the size of the residual waste bin and maintain existing collection frequencies

- 2.3 Following a proposal from the Leader of the Council, the Cabinet agreed that, given the significance of the matter:

- It was appropriate to defer a decision to give Cabinet an opportunity to more fully consider the matter, and
- To make it the principal agenda item at a special Cabinet meeting on the 14th July

- 2.4 Against this background, this report builds on the previous one and specifically addresses the issue of waste and recycling in the context of the Council's financial position and the need to address our poor recycling rate.

- 2.5 To assist the Cabinet in considering the matter, this report repeats much of the detail contained in the previous report, thus avoiding the need for cross-referencing between two reports.

3 Context for the Service

- 3.1 Waste collected from households in Hampshire must be delivered to Hampshire County Council (HCC) as the waste disposal contractor. HCC has the power to direct which materials district authorities collect and how they are collected. This prevents the Council from altering the range of materials collected in the blue bins. This topic has been discussed a number of times

across Hampshire through the Project Integra Partnership and is currently under review again.

- 3.2 Waste management operations are governed by a comprehensive legislative framework that dictates the method by which waste is collected, the minimum range of materials to be collected, charges that are permitted and minimum quality standards that must apply to recyclables. This framework is largely driven centrally from the European Union and member states are set stretching targets for recycling and also for recovery operations. The current targets are summarised in the table below:

Year	Recycling & Composting Target
2020	50%
2030	70% (under consideration)
2030	80% of packaging waste (under consideration)

- 3.3 The implication of the UK missing any of these targets is unclear, but there is a risk that the EU could levy significant fines for any breach. These fines could be devolved at a local level to local authorities.

4 Current Service Specification for Refuse and Recycling

- 4.1 The waste and recycling contract with Veolia has performed very well since the outset in 2002. Missed collections are extremely low in number at around 20 / 100,000 collections. Additionally, the contractor has performed very well during severe weather to ensure continuity of service for residents. Public satisfaction with the waste and recycling collection service reflects this performance and is consistently high. However, the service is costly and recycling performance is poor. These two issues will be explored in further detail below. (Paragraphs 5 and 6.)

- 4.2 The service has evolved over many years, largely driven by:

- The introduction of wheeled bins, and
- The drive to reduce waste and recycle more

- 4.3 The Council introduced wheeled bin collections in around 1988. Prior to this, the Council collected waste in 90L bins, subsequently superseded by sacks. The new-wheeled bins were popular with residents providing 240L of capacity with added benefits in terms of minimising manual handling of bins and reducing littering.

- 4.4 At this time, recycling was in its infancy and catered for by a skip system where residents would bring their glass. Over the intervening years (as recycling began to become more popular), other material skips were added. In the early 90's, the proportion of waste recycled by this approach was in the region of 1% by weight.

- 4.5 In the mid-nineties, to meet the need to provide a better recycling service, the Council introduced the separate collection of recycling through using carrier

bags hung on hooks on the side of the wheeled bins. This material (along with that from Hart) was processed at the Council depot in Eelmoor Road. At this time, Rushmoor was viewed as one of the authorities leading the recycling drive in Hampshire.

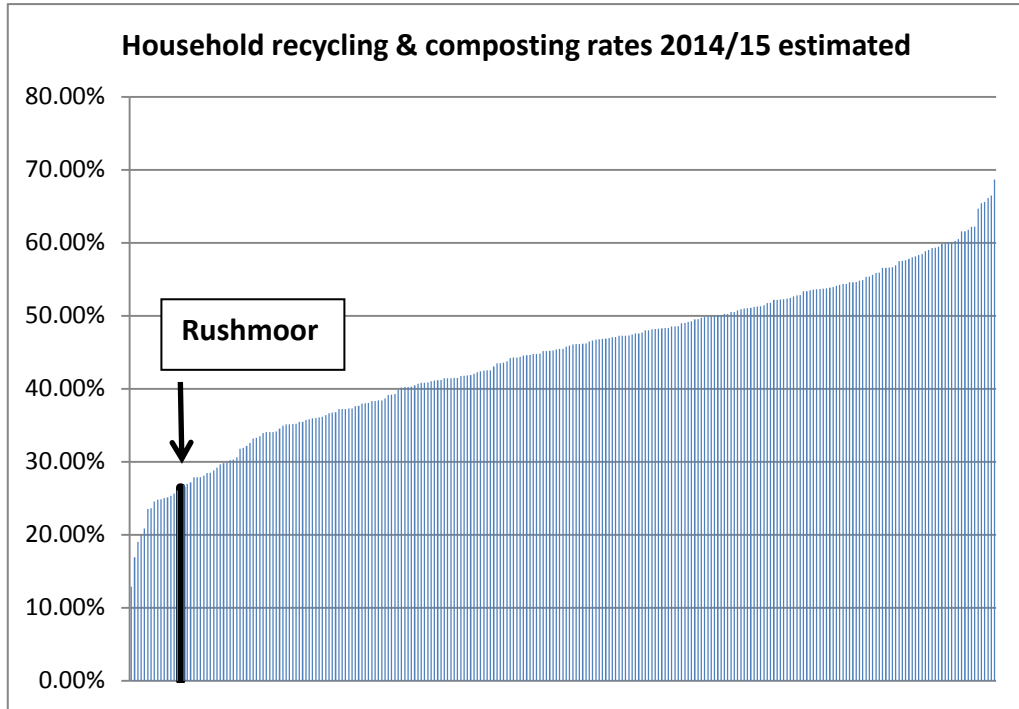
- 4.6 The bag and hook system was quickly superseded by second wheeled bins for recycling. These blue bins proved very popular with residents and provided them with a further 240L capacity, collected fortnightly. At this point, the weekly equivalent capacity for waste and recycling was 360L – some 270L greater than the “old” 90L refuse bin. The introduction of the blue bin saw a step change in the Council’s recycling performance, which rapidly climbed to around 20%. At this time, the Council was in the top quartile of authorities in terms of recycling rate and as part of Project Integra, was seen as one of the leaders in recycling.
- 4.7 As recycling became more popular, the demand by residents to be able to conveniently recycle more lead to the Council introducing its fortnightly kerbside glass collection service through the provision of 45L baskets, increasing the weekly equivalent capacity to 380L, more than four times that of the old dustbin.
- 4.8 These services have been supplemented by:
- A chargeable garden waste collection service, initially using bags, but the wheeled bin option is now by far more popular
 - A waste battery collection service

In addition, the local household waste and recycling sites provide residents with further recycling facilities, albeit on a bring basis.

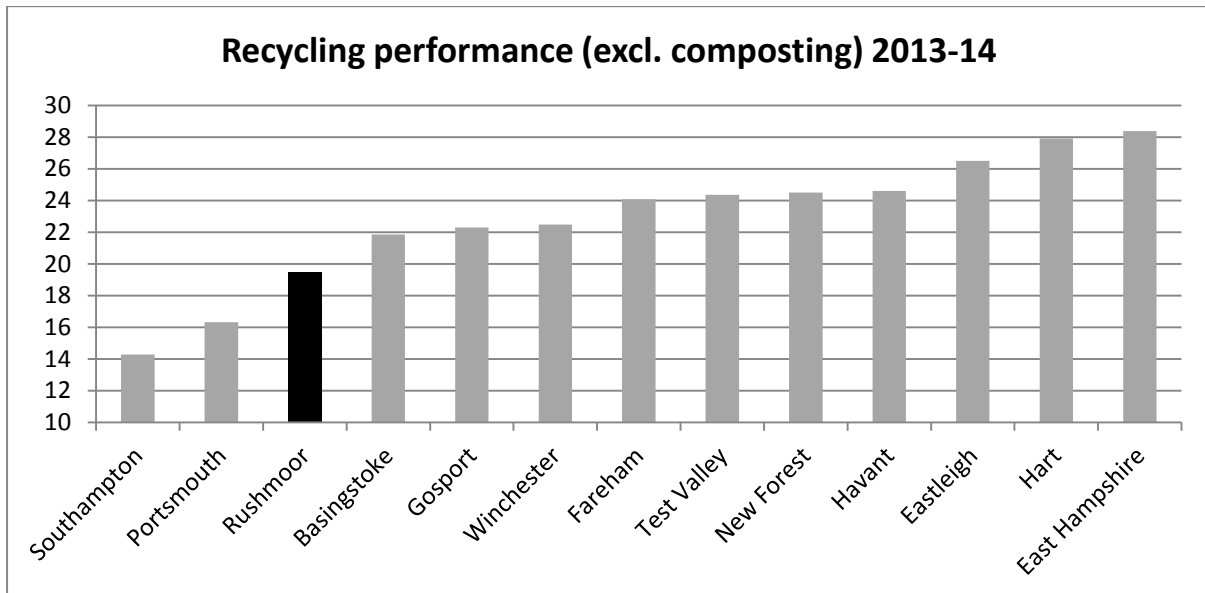
- 4.9 Since 2008, the Council has been providing all new and replacement bins as 140L capacity (except for large families) and this remains the current policy.

5 Recycling Performance

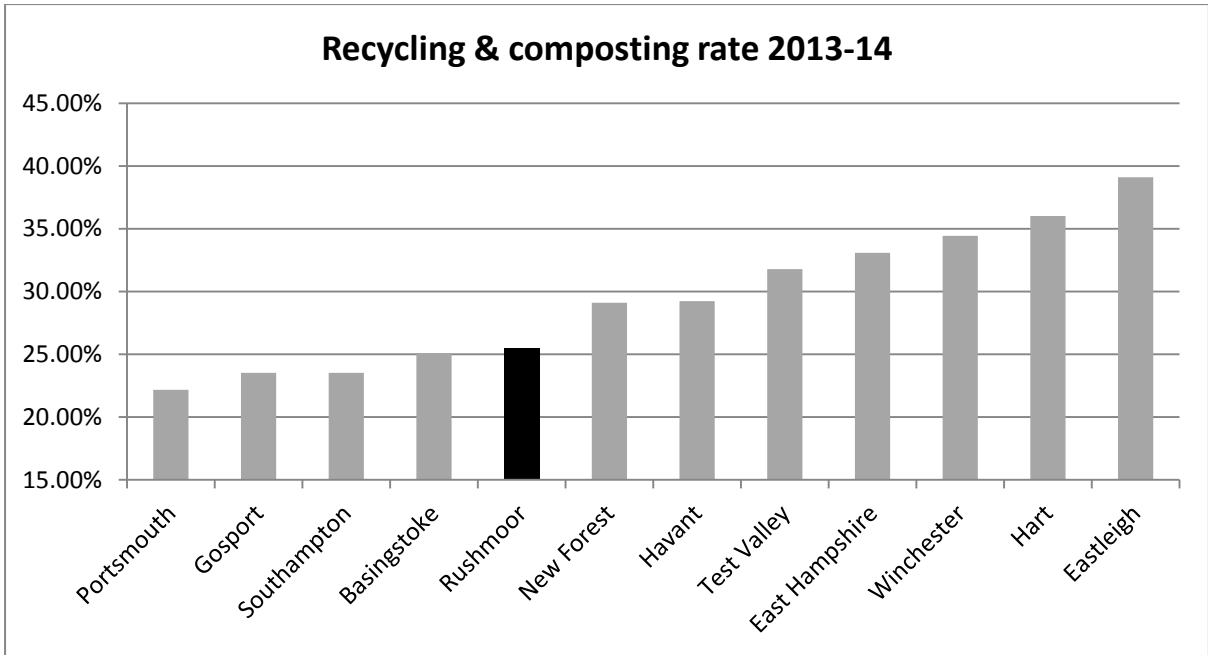
- 5.1 Despite these endeavours, the Council’s current recycling performance currently stands at around 26%, which falls well short of the UK target to recycle or compost 50% by 2020. The graph below shows Rushmoor in a national context. On investigation, most of the authorities with recycling rates lower than Rushmoor have challenging circumstances such as large areas of extremely high density housing which make waste and recycling collections more difficult.



5.2 Turning to the local Hampshire picture, in terms of recycling performance, the Council is the worst performing District Council in the County as shown below.

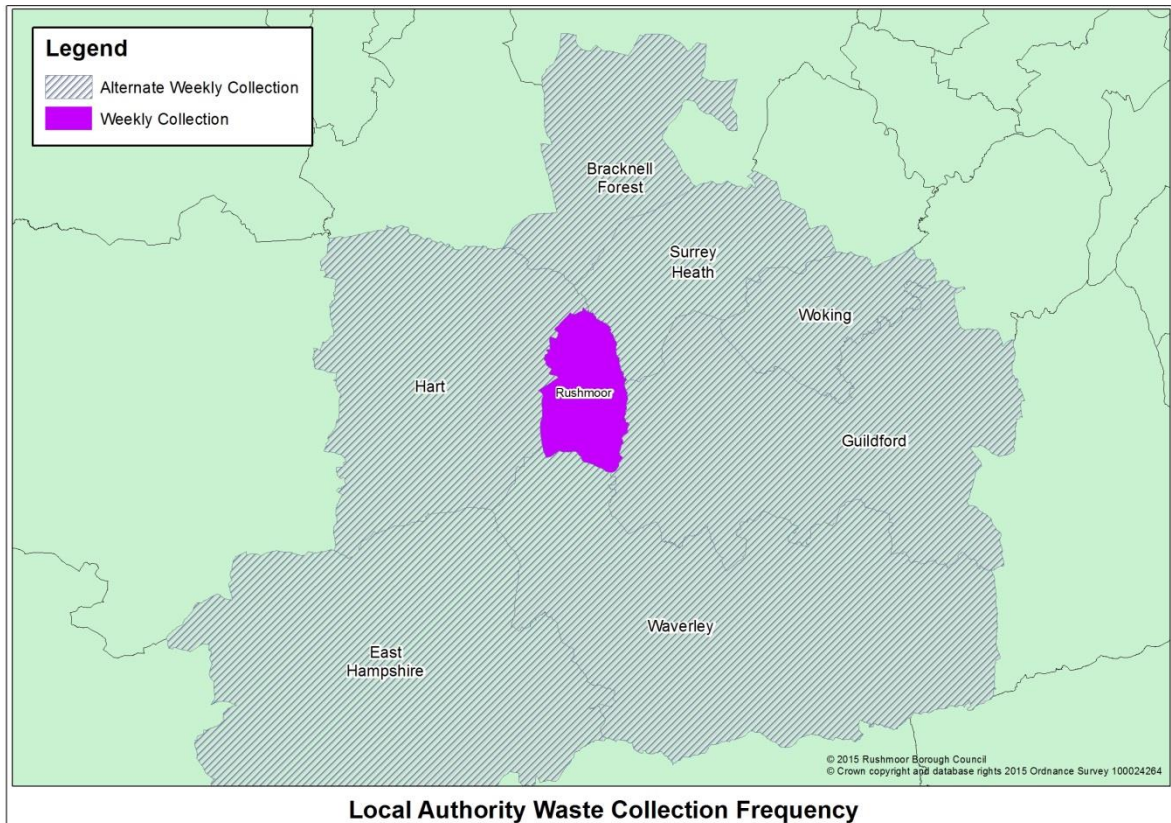


5.3 If composting is included, then the Councils position improves slightly, reflecting the success of our garden waste collection service.



5.4 Comparing waste collection methodology across Hampshire shows that eight out of the 13 authorities collect residual waste on a fortnightly basis and that the top six performers for recycling and composting across the County have adopted AWC.

5.5 Turning to our neighbouring councils, AWC is the preferred approach in Hart, Bracknell Forest, Surrey Heath, Woking, Guildford, Waverley and East Hampshire – as shown in the map below.



5.5 There are other options to improve recycling rates other than AWC. These include:

- ❑ Free garden waste collections - this would significantly increase the composting rate (by around 7%) but would, at the same time, significantly increase our costs (by around £500k per year)
- ❑ Incentive schemes – these have been introduced by a few councils, usually in conjunction with a service change making it difficult to assess their effectiveness alone, but is estimated to be quite marginal. Schemes are expensive involving the introduction of weighing equipment on board the freighters. An example where this approach is used is the London Borough of Ealing, with costs around £380k per year.
- ❑ Increasing the range of materials collected – at present we are unable to extend the range of materials collected to include for example tetrapaks, aluminium foil, yoghurt pots, as these fall outside the input specification for the Hampshire facilities. This is being reviewed but even with changes, would not increase the recycling rate significantly owing to the materials being lightweight in nature.
- ❑ Education – education programmes alone would not (based on experience in Hampshire) make a significant improvement in the recycling rate (likely to be around 1%). This is not to undermine the importance of education in terms of encouraging behavioural change and any recycling system change is best supported by an education campaign. A typical campaign for a Borough such as Rushmoor would involve employing four recycling advisors at a total cost of around £100k. We estimate this would reduce contamination by about 2% with an overall impact on the recycling rate of around 1%
- ❑ Volume restriction – restricting the volume of residual waste capacity has been shown to drive up recycling performance. This can be achieved in two ways:
 - reducing the frequency of collection (AWC), and for
 - reducing the volume of the residual waste bin

6 Cost of Service

6.1 The refuse and recycling element of the contracted services costs in the region of £2.1m. This followed a procurement process undertaken in 2001. The contract was subsequently extended by eight years in 2009, following soft market testing carried out by our consultants White Young Green (WYG).

6.2 Notwithstanding, we recently (2014) participated in a countywide benchmarking exercise. Rushmoor's service at £53.80 per household was the most expensive of the six contracting authorities, with the average being £41.11 per household and the lowest £32.09 per household. Based on the knowledge of our consultants about the current state of the market, we anticipate being able to make a substantial saving on the like for like basis on the existing service standard of around £100k.

- 6.3 Additional to the Council's cost of collection, the County Council spends approximately £4m per year in disposing of Rushmoor's waste. As the costs of processing recyclables are far less than for incineration and landfill, then any increase in the amount recycled reduces overall costs to them and therefore the Hampshire taxpayer. A large proportion of HCC's costs are fixed, but a 7-8% improvement in Rushmoor's recycling could save approximately £90k for HCC in terms of their variable costs.

7 Alternate Week Collection Trial

- 7.1 For a number of years elected members have expressed the desire to improve recycling performance. As a result, the Council operated a trial of AWC across around one fifth of the Borough (6,500 properties) in 2007. The trial operated over a six-month period starting at the end of January and finishing in July accounting for both summer and winter months. The trial was successful in generating a step change in recycling performance from 23% to 36% in the trial area. Complaints were also low in number with 125 substantive complaints over the 6-month period of the trial and in the mobilisation period beforehand. To put this in context, in the trial area, the Council made over 170,000 collections over the 6-month period. Significantly, there was no evidence of increase in fly tipping or complaints about vermin.
- 7.2 The Council was able to learn a great deal about the service during the trial, including the impact of a reduced collection frequency on larger families (particularly those with children in nappies). Officers worked with such families to ensure that they were able to cope with the capacity of their bins and to ensure they were recycling all that they could. If residents found that whilst recycling correctly, they still had too much refuse, the Council committed to taking away what was left. This commitment was called the Rushmoor Pledge. Additionally, there are some blocks of flats that cannot accommodate sufficient bins to cope with a reduced collection frequency, therefore those in the trial area retained a weekly service. The Council also delivered a comprehensive communications campaign to support residents in the trial area. This included a number of letter and leaflet drops, press releases and dedicated recycling advisors to help advise residents on waste management issues.
- 7.3 At the conclusion of the trial in 2007, the Council surveyed all participating households to establish their views about the trial. With nearly 3,000 returned surveys, the response rate was 45% and sufficient to have confidence in the data. Overall satisfaction with the service was high with 84% of respondents satisfied with the recycling service and 72% satisfied with the refuse service. When asked if residents would prefer to adopt AWC permanently, or to retain a weekly collection with smaller bins (at higher cost), 51% opted to permanently switch to AWC.
- 7.4 At the time, the Council chose not to proceed with an extension of AWC across the Borough.

8 Residents Feedback 2014

- 8.1 To enable the Council to get a better understanding of the public's attitude towards waste and recycling, the Council commissioned a series of focus groups that were held in October last year. Eight focus groups were held in total, with eight respondents in each taken from across the Borough and representative of the demographic. In each group, residents explored a range of topics relating to the waste service including motivations and barriers to recycling, recycling performance and residents views of system change.
- 8.2 Most respondents were actually surprised by the Council's low recycling performance, as residents believed that performance was much higher. Residents were also aware that performance in neighbouring areas is significantly better and articulated a desire to catch up. Most respondents felt that reducing the waste collection frequency would drive better recycling outcomes through increased awareness and necessity to recycle. Some, particularly those with children in nappies, were concerned about how to cope with a reduced frequency citing concerns about bin capacity, flies and vermin.
- 8.3 Overall, some residents were supportive of retaining a weekly collection service, but others felt that they would be content with a reduced collection frequency if they were to understand the benefits to them. Particularly, respondents felt there should be some form of benefit returned to the community in return for an improved recycling performance and this will be addressed through the member group and the contract negotiations.

9 Cabinet Working Group

- 9.1 To assist the Cabinet in understanding the detail of the services to be procured, it established a working group. The group, which met on eight occasions, comprised of Councillors Roland Dibbs, Adam Jackman, John Marsh, David Clifford, Clive Grattan and Mark Staplehurst.
- 9.2 This group agreed the objectives of the procurement process as follows:
- Reduce costs in line with the 8-point plan
 - Maintain or improve service quality
 - Improve recycling performance
- 9.3 Given the requirement to generate savings and improve recycling performance through the contract procurement, the Working Group were presented with three options for the waste collection specification. These are listed below with likely impact on costs and recycling performance attributed to each:
- Retain weekly collections with current policy of rolling replacements of 140L bins:
 - very gradual improvement in recycling performance
 - no savings generated

- Retain weekly collections with Borough-wide 140L bins:
 - some improvement in recycling performance
 - no revenue savings
 - approximately £700k capital expenditure for new bins
- Move to AWC
 - step-change in recycling performance (expected performance in the region of 33-35%)
 - likely £400k per annum revenue saving

9.4 The working group discussed the above options and were divided in their opinion. Some members felt that savings should be explored through other areas such as changes to working patterns and times, better use of technology and any other innovative ideas that contractors can suggest. Other members of the group felt that the only way to achieve the procurement objectives was a move to AWC.

9.5 The working group's conclusion on the waste collection specification is set out below:

“Three members of the group preferred the following option, whereas two members wished to see fortnightly collection of residual waste introduced:

- Dry mixed recycling (blue bins) – fortnightly
- Glass (blue box) – fortnightly
- Residual waste (green bin) – weekly
- Garden waste (chargeable service) – fortnightly.

It was recognised that this option would not realise the £400k per year projected potential estimated saving from introducing AWC, nor would it meet the Council's requirement to improve the recycling rate. There was consensus that AWC would need to be introduced if it were deemed a financial imperative by the Cabinet.

Additionally, members were keen to explore other areas of saving that did not include reducing weekly household waste collection, such as reducing collection days and using technology to improve routes etc, although, as stated, this would not come close to the £400k savings. However, these issues would be picked up as part of the dialogue phase of the procurement process.”

10 Financial Implications

10.1 The overall cost of the waste service is currently £2.1m per year including routine and additional work, representing around one sixth of the Council's net spend.

10.2 The Council continues to face significant financial risk over the medium-term through the continuing deficit reduction programme of Central Government, uncertainty over future funding streams, general economic pressures and increasing demand for services. The Medium Term Financial Forecast,

presented to Cabinet in January 2015, indicated a requirement to save approximately £2.5m over the next three years. The Council plans to address this shortfall and move to a sustainable financial position by implementing its 8-Point Plan. The Plan consists of eight work-streams with key projects sitting within each stream, all of which contribute to reducing our net cost of services. The re-provision of this major contract is a key project under the 'Better Procurement' work-stream and has the ability to secure significant financial savings through:

- The procurement process, and
- Changes to the specification

10.3 In terms of local government finance, the planned budget statement by the Chancellor to be made on the 8th July 2015 may provide more information on the likely future financial position of the Council. As this detail is not available at the time of preparing this report, a verbal update will be given by the Head of Financial Services at the meeting.

10.4 Whilst it is not presently entirely clear, it would be remiss not to mention again in this section of the report, the possibility of EU fines being imposed on the Government for potential failure to reach the recycling targets set nationally. It is believed that if such fines were applied, the Government would legislate to pass these through to the waste collection authorities whose performance was deemed unsatisfactory. This would inevitably, on current performance, include Rushmoor.

11 Conclusions

11.1 Rushmoor's costs for dealing with waste and recycling are high compared to other Councils and our recycling rate is one of the lowest nationally.

11.2 The working group established three objectives for this procurement:

- Reduce costs in line with the 8-Point Plan
- Maintain or improve service quality
- Improve recycling performance

11.3 This is in reality, a once in 10-year opportunity to review the services, as any significant changes during the contract period will be costly to make. As the contract is relatively long term the Council needs to have regard to the future, especially in terms of its finances over the medium term.

11.4 A key issue in meeting the current objectives is the approach to waste collection and recycling. Reducing the frequency of the residual waste collection presents an opportunity to meet the objectives of cost reduction (£400k) and improved recycling performance through the introduction of AWC. The scheme has been shown to work across the country with over 76% of UK authorities now operating the scheme. Indeed this was reflected in Rushmoor during the 2007 trial.

- 11.5 During the trial in 2007, the Rushmoor Pledge was successfully used to help people who continued to struggle with refuse capacity despite recycling correctly and if AWC were to be introduced, this could continue.
- 11.6 During the recent focus groups, residents expressed surprise at the Council's low recycling performance and were keen to see improvements. AWC were considered by the groups and whilst some residents expressed a desire to retain weekly collections of residual waste, most felt that they could cope. The concept of returning a benefit to the community for residents recycling efforts was popular.
- 11.7 It is recognised that there will be some opposition to any change to the residual waste collection frequency, but experience elsewhere has shown that this soon dies down and can be mitigated by intensive education and support for residents.

12 Recommendations

- 12.1 Cabinet are recommended to consider the options for the future specification for refuse and recycling and specifically, to decide whether to:
- a) Retain the existing frequency of collection for residual waste, or
 - b) Change to AWC for residual waste. If agreed, this option would represent a significant change in service, and constitutionally, the matter needs the consideration of full Council
 - c) Reduce the size of the residual waste bin and maintain existing collection frequencies

David Quirk
Corporate Director

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**DEVOLUTION: PROPOSALS FOR A HAMPSHIRE WIDE COMBINED
AUTHORITY**

1.0 Summary

- 1.1 Prior to the General Election there was a significant national debate about the devolution of power, funding and responsibilities from Whitehall to local government. The creation of a Combined Authority for Greater Manchester has been the flagship example of how this might work.
- 1.2 With the return of a majority Conservative Government, there is a political commitment to further devolution, based on the model of a Combined Authority, but with much scope for local flexibility.
- 1.3 This report outlines the discussion which has taken place across Hampshire, Southampton, Portsmouth and the Isle of Wight, and seeks authority for the Leader and Chief Executive to work with other local authorities to develop a model for devolution which meets our needs as well as the aims of Government.

2.0 Introduction

- 2.1 The concept of devolution, whether to the nations of the UK or to local authorities, has attracted much debate in recent months, within local government circles and in the national press. The Coalition Government took steps to devolve powers, responsibilities and control over funding to the Scottish and Welsh Assemblies, and to some of England's larger cities. The new majority Conservative Government has shown renewed enthusiasm for devolution, with Greg Clark MP's appointment to DCLG providing added impetus.
- 2.2 The Manchester City Region, made up of ten unitary councils, has been the flagship for devolution to English regions. Those authorities made a formal commitment to closer working, underpinned by a joint governance and decision making structure and, at the Government's insistence, an Elected Mayor. In return, they have been given direct control over aspects of local transport, skills and economic development, including funding streams previously managed from Whitehall. Most notably, and building on a strong partnership with the NHS in the region, they have been given direct control over significant health budgets, facilitating greater integration between health and all aspects of social care.

- 2.3 This model, termed a Combined Authority, sets up new governance arrangements whereby certain local authority responsibilities are taken on by a joint body, with councils working together. It is not, however, an additional tier of government, it is simply a vehicle for taking decisions on certain matters in partnership. It also offers a mechanism by which the Government are comfortable in devolving powers and funding.
- 2.4 Combined Authorities have a statutory basis in the Local Democracy, Economic Development & Construction Act 2009. The Coalition Government also developed City Deals, which provide a basis for enhanced powers for urban areas, with those areas in return making a commitment to Government to deliver certain outcomes. Portsmouth and Southampton, for example, have a City Deal which focuses on skills and economic development. A key element of all these arrangements is the two-way commitment from central to local and vice-versa.
- 2.5 Whilst there are a variety of approaches to devolution, the notion of a Combined Authority is becoming the preferred option for many, and the approach which the Government is committed to. The Cities & Local Government Devolution Bill, one of the first pieces of legislation brought before the new Parliament, strengthens the basis for this form of devolution, including, for example, provisions on Elected Mayors. Others across the Country are following the example of Manchester in establishing new arrangements, and there are already combined authorities for the Sheffield and Leeds City Regions.
- 2.6 Whilst much of the press and political coverage has focused on the idea of these authorities creating a 'Northern Powerhouse', the Bill and the political narrative around it make clear that this opportunity is open to all areas who wish to have access to wider powers. Cornwall, for example, seems likely to become a model of a largely rural unitary which goes down this route, and Derbyshire and Suffolk are exploring how the approach can work for counties and districts in two-tier areas.
- 2.7 Each solution will entail some form of pooled resources, shared governance and decision-making. The extent to which that happens is, of course, a judgement to be made locally. However, as the Bill makes clear, that will be the minimum the Government will expect if there is to be a meaningful devolution of powers and funding.
- 3.0 Opportunity for a Combined Authority for Hampshire, Southampton, Portsmouth and the Isle of Wight**
- 3.1 The area covered by the Hampshire and Isle of Wight Local Government Association (HLOWLA) is complex in governance terms, with one County, eleven District Councils, two Unitary Cities and the Isle of Wight – a unitary County Council. We have a good track record of joint working, ranging from all parties working on waste management through Project Integra through to bi-, tri- or multi-lateral partnerships to deliver a range of services. The area includes many examples of our local Councils working jointly with colleagues in other parts of the public and private sectors.

- 3.2 Notwithstanding that co-operation, we also recognise the diversity of Hampshire and the Island, and do not seek to impose a “one-size-fits-all” model where different solutions would better serve a diversity of need. As Council’s we are also anxious to protect our individual democratic identity and ensure a genuinely local voice is heard.
- 3.3 There is no doubt that the Government’s commitment to devolution offers an opportunity for the HIOWLA Councils to gain greater local control over services and, potentially, budgets in a number of key areas. The Cities & Local Government Devolution Bill outlines a menu of options, with wider powers available to areas who opt for an Elected Mayor – although it is for the area to decide whether they wish to adopt a mayoral form of governance. There does appear to be a good deal of flexibility and local choice in the governance model brought forward, and the devolution package sought. It is crucial that any proposal put to Government is supported by all councils in the area. It also seems clear that any proposals would need the backing of the Local Enterprise Partnerships operating in an area.

4.0 Developing a Combined Authority

- 4.1 In response to this opportunity, the HIOWLA Leaders have recently agreed in principle to developing a proposal to create a new governance structure that will create a devolved administration that covers the boundaries of Hampshire County Council, the district councils within that area, Southampton City Council, Portsmouth City Council and the Isle of Wight Council.
- 4.2 It will be important that our proposal concentrates on the policy issues that we would wish to see devolved and why this will be better for local people whilst also helping Central Government deliver their priorities. To this end, there are a broad range of matters which may be included in the “ask” we make of Government and the HIOWLA Leaders discussed, amongst other things:
- Local control over funding for skills, post-sixteen education, apprenticeships and lifelong learning;
 - More local control over national infrastructure spending on transport and housing;
 - A HIOWLA wide “Better Care Fund” to better integrate health and social care across local government and the NHS;
 - Freedom to borrow against the forecast proceeds of local growth (to support enabling infrastructure);
 - A comprehensive public sector land bank, making surplus NHS and MOD land available for housing;
 - Ability to use public procurement and national business support budgets to support local business growth; and
 - Greater retention of growth in business rates.
- 4.3 The aim is to make a submission regarding our intent for the wider Hampshire area, so that an initial submission can be made to Government around the end of July. Experience from others suggests that the negotiations around any proposal will lead to an iterative process with further submissions required before we end up with a potential deal. We will keep Members

informed as this process develops. It is also worth stressing that any deal does not have to signify the end of the journey or the final "destination". The widely acclaimed Manchester devolution deal was actually the result of a series of negotiations and deals and is still on-going.

- 4.4 There will be in return commitments the Government will expect us to deliver, for example around skills, economic growth and housing delivery. These are matters that will need to be discussed with Whitehall.
- 4.5 Leaders made clear that they will not just seek to see responsibilities and funding devolved to upper tier authorities. Their letter to the Secretary of State (Appendix 1) indicates they would expect to see further devolution and delegation where matters are better address through district services and/or at a more local level. County colleagues have made clear they are open to exploring greater integration and the potential for devolution in all areas of their responsibility.
- 4.6 Alongside the opportunities for devolution are the wider discussions surrounding a new governance structure and what that might offer HIOWLA Councils to explore opportunities for closer working, shared service or service integration. Whilst no decisions have yet been made, to assist members understanding, an illustrative diagram is attached at Appendix 2 which shows how the governance of this might work.

5.0 Developing Joint Working

- 5.1 As suggested above, discussions about the Combined Authority will also enable HIOWLA Councils to explore future opportunities for closer working, shared service or service integration. We all face the challenges posed by the ongoing pressures on our budgets and, whilst we have a good record for sharing to drive efficiencies, we all recognise we could do better. Developing further our partnerships through a Combined Authority will reinvigorate that work.
- 5.2 There is already a rich mix of partnerships across the HIOWA area, and the formal governance structures which come with a Combined Authority will provide an umbrella for those partnerships to grow and develop. We would want to see those partnerships and joint initiatives grow organically, and not be shoe-horned into a one-size-fits-all model. Continuation and development of less formal joint working between clusters of districts or bi-lateral relationships with County or Unitary colleagues should also be encouraged alongside the formal governance structures set up should a Combined Authority be established.
- 5.3 A central feature of HIOWA has been its willingness to work alongside non-council partners: from the Police, the voluntary and community sector to the business community and Armed Forces. It is clear that Leaders do not want to see a Combined Authority lead to the loss of those relationships. As we seek to develop an appropriate local response to the devolution agenda we will want to maintain those links. Equally important will be to ensure the two LEPs which cover the HIOWA area can be part of this evolving partnership.

6.0 Conclusions and Next Steps

- 6.1 There is no doubt that the Government are seeking to use the Combined Authority model to devolve power and responsibilities. Whilst this comes with strings, and of course a recognition that accountability would also lie locally, it is nevertheless an opportunity Rushmoor and other HIOWLA Councils should not ignore. There are real opportunities for devolution to a local level of funding which would support our priorities on skills and the economy, and the potential for our closer involvement in matters such as health and social care.
- 6.2 Beyond the question of a Combined Authority, we should also encourage the discussions to consider how local partnerships and collaborative arrangements can develop to offer service improvements and greater efficiency.
- 6.3 Over the next few weeks Leaders and Chief Executives will be developing a model for devolution under the umbrella of a Combined Authority across the HIOWLA area, and ensuring that is seen as a basis for wider co-operation and collaboration. Leaders have committed to a formal submission of proposals to the Government by the end of July, although no doubt that will be the beginning of a negotiation.
- 6.4 Beyond that a clear timetable is yet to be established. This report for now simply brings members up to date with the current situation seeks agreement to the Leader and Chief Executive taking an active part in these discussions, with authority for the initial submission to be endorsed. As matters develop so there will be further reports to Members. Any decision as to whether to formally be part of a Combined Authority, or indeed any other model which emerges, will be one for Council.

7.0 Recommendations

That Cabinet recommend the Council to:

- 1) Note the local discussions on the devolution of powers and responsibilities from Whitehall and endorse the action taken by the Leader, through the Hampshire and Isle of Wight Local Government Association, in supporting the principle of a Combined Hampshire Authority as a basis for developing a devolution deal for the area;
- 2) Agree to the Leader and Chief Executive working alongside colleagues in Hampshire and the Isle of Wight to develop a model for devolution which meets local needs; and
- 3) Authorise the Chief Executive, in consultation with the Leader, to approve the initial proposal for submission to Government.

Andrew Lloyd
Chief Executive

Contact Karen Edwards, Head of Strategy

Background Documents: The Cities & Local Government Devolution Bill



Hampshire County Council

DI.1/pf/0268

24 June 2015

The Rt Hon Greg Clark MP
Secretary of State for
Communities and Local Government
2nd Floor NW, Fry Building
2 Marsham Street
LONDON SW1P 4DF

Councillor Roy Perry
Leader of the Council

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Dear Greg

I am pleased to tell you that The Hampshire and Isle of Wight Local Government Association (HIOWLGA) unanimously agreed at its meeting on the 19 June to support a proposal for a Hampshire-wide Combined Authority covering the County Council, the 11 Districts and the three Unitary Councils of Portsmouth, Southampton, and the Isle of Wight as the basis for developing a devolution deal for this area. Whilst we are predominantly Conservative Councils this had support from the Labour, Liberal Democrat and Independent Council Leaders who were all present or represented. Our intention would be that the two Local Enterprise Partnerships (Solent and M3) for the area will form integral parts of the arrangements.

At the same time it was agreed that future governance arrangements would be designed to take account of the functional responsibilities of the Combined Authority and reflect the economic, social, and environmental variations across the area. In addition, the County Council committed itself to "double devolution" with district councils, where they wished and where appropriate, for such functions to be delegated from the County Council.

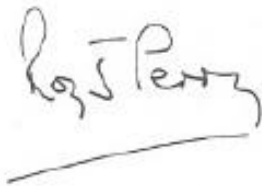
We agreed the broad outline of our offer to Government, to achieve administrative efficiencies and economies for the public sector and drive economic growth in line with the areas key sectoral strengths. We will now work on this and consider how this can be achieved with a view to submitting devolution proposals to you by the end of July 2015. These proposals would be built upon the existing powers and responsibilities and current boundaries of the local authorities. I believe this to be a very significant set of decisions for the economic wellbeing of the people who live in this key area in Southern England, and offers potentially enormous benefits to Government and the authorities over how public services are run and transformed. I hope in due course you will support our proposals when we have fleshed out more of the detail.

/continued.....

Each of the local authorities committed to put to their Councils a resolution to this effect so that we have each Council's full agreement to the above proposals. On this occasion as Chairman of HIOWLGA I have written to you on behalf of the local authorities and with the full agreement of each Leader, namely:

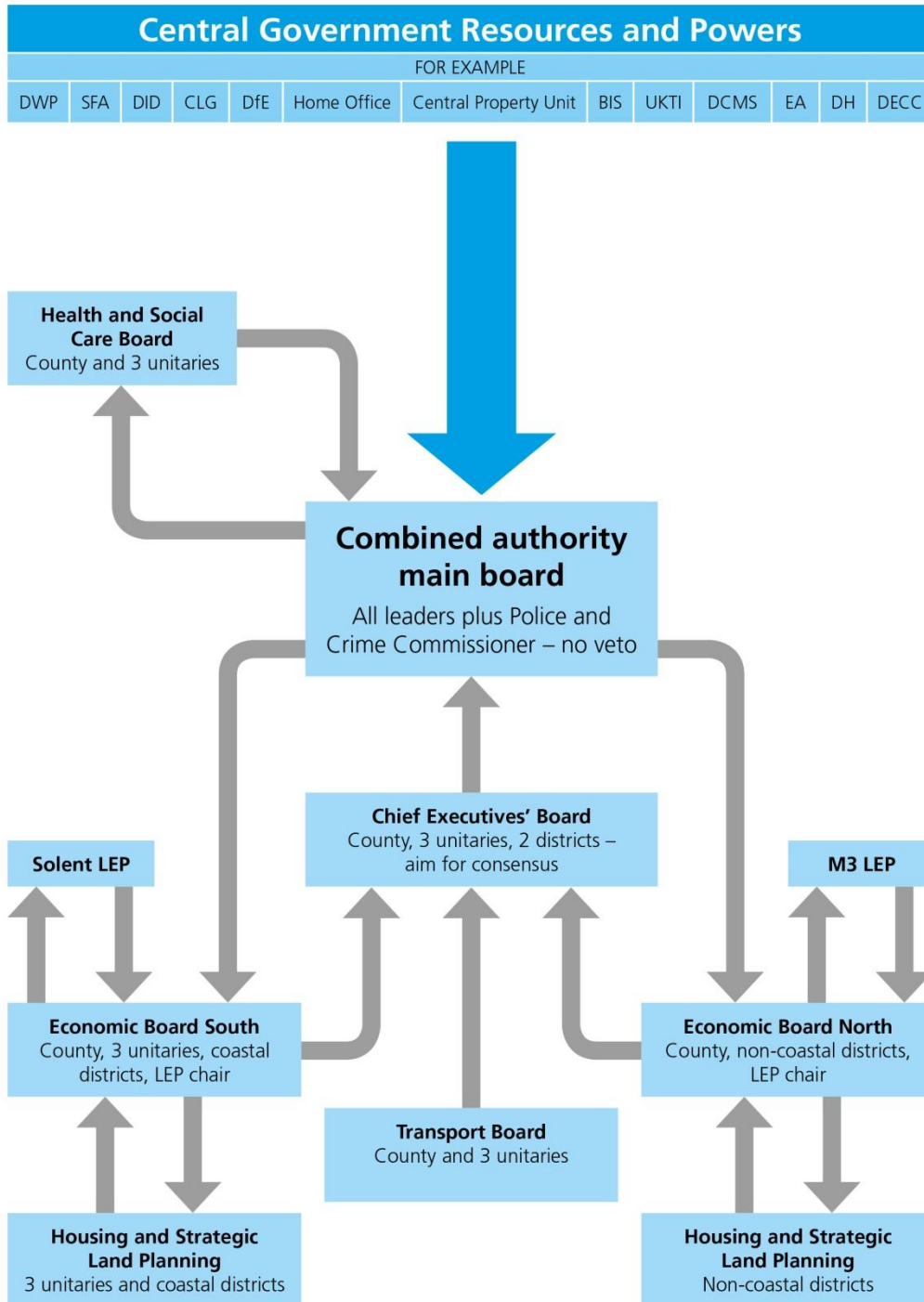
Councillor Simon Letts	Leader Southampton City Council
Councillor Stephen Godfrey	Leader Winchester City Council
Councillor Ferris Cowper	Leader East Hampshire District Council
Councillor Clive Sanders	Leader Basingstoke & Deane Borough Council
Councillor Peter Moyle	Leader Rushmoor Borough Council
Councillor Sean Woodward	Leader Fareham Borough Council
Councillor Donna Jones	Leader Portsmouth City Council
Councillor Barry Rickman	Leader New Forest District Council
Councillor Stephen Parker	Leader Hart District Council
Councillor Mark Hook	Leader Gosport Borough Council
Councillor Jonathan Bacon	Leader Isle of Wight Council
Councillor Ian Carr	Leader Test Valley Borough Council
Councillor Michael Cheshire	Leader Havant Borough Council
Councillor Keith House	Leader Eastleigh Borough Council

Yours sincerely



Councillor Roy Perry
Leader of Hampshire County Council
Chairman of Hampshire and Isle of Wight Local Government Association

Appendix 2 – Illustrative Governance Arrangement



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