

CABINET AGENDA



TUESDAY 26 APRIL 2016 AT 7.30 PM
DBC DACORUM ROOM - CIVIC CENTRE

The Councillors listed below are requested to attend the above meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Membership

Councillor Williams (Leader)	Councillor Harden
Councillor Griffiths (Deputy Leader)	Councillor Marshall
Councillor Elliot	Councillor G Sutton

For further information, please contact Michelle Anderson

AGENDA

1. MINUTES (Pages 3 - 8)

To confirm the minutes of the meeting held on 22 March 2016 (circulated separately to Cabinet members).

2. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

3. DECLARATIONS OF INTEREST

To receive any declarations of interest

A member with a disclosable pecuniary interest or a personal interest in a matter who attends a meeting of the authority at which the matter is considered -

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent

and, if the interest is a disclosable pecuniary interest, or a personal interest which is also prejudicial

- (ii) may not participate in any discussion or vote on the matter (and must withdraw to the public seating area) unless they have been granted a dispensation.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Members' Register of Interests, or is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal and prejudicial interests are defined in Part 2 of the Code of Conduct for Members

[If a member is in any doubt as to whether they have an interest which should be declared they should seek the advice of the Monitoring Officer before the start of the meeting]

4. PUBLIC PARTICIPATION

An opportunity for members of the public to make statements and ask questions in accordance with the rules as to Public Participation.

5. REFERRALS TO CABINET

There were no referrals to Cabinet

6. CABINET FORWARD PLAN (Pages 9 - 10)

That the Cabinet Forward Plan be noted.

7. RECYCLING CONTRACT (Pages 11 - 16)

MINUTES

CABINET

22 MARCH 2016

Present:

Members:

Councillors: Williams (Leader)
Griffiths (Deputy
Leader)
Elliot
Harden
Marshall
G Sutton

Officers:	Sally Marshall	Chief Executive
	James Deane	Corporate Director - Finance and Operations
	David Skinner	Assistant Director - Finance & Resources
	James Doe	Assistant Director - Planning and Regeneration
	Mark Brookes	Group Manager - Legal Governance
	Jim Doyle	Group Manager - Democratic Services
	Matt Rawdon	Group Manager - People
	Anne Stunell	Human Resources Team Leader

The meeting began at 7.30 pm

CA/29/15 **MINUTES**

The minutes of the meeting held on 24 February 2016 were agreed by the members present and signed by the Chairman.

CA/30/15 **APOLOGIES FOR ABSENCE**

None received.

CA/31/15 **DECLARATIONS OF INTEREST**

None received.

CA/32/15 **PUBLIC PARTICIPATION**

None received.

CA/33/15 **REFERRALS TO CABINET**

None received.

CA/34/15 CABINET FORWARD PLAN

That the Cabinet Forward Plan be noted.

CA/35/15 BUDGET MONITORING QUARTER 3 2015/16

Decision

1. the budget monitoring position for each of the accounts shown in the report were noted

Reason for Decision

To provide details of the projected outturn for 2015/16 as at Quarter 3 for the:

- ***General Fund***
- ***Housing Revenue Account***
- ***Capital Programme***

Implications

Financial and Value for Money implications are included within the body of the report.

Risk Implications

Risk implications are included within the body of the report

Equality Implications

There are no equality implications.

Health & Safety Implications

There are no health and safety implications.

Corporate Objectives
Dacorum Delivers

Monitoring Officer/S.151 Officer Comments

Deputy Monitoring Officer

No further comments to add to the report.

S.151 Officer

This is a Section 151 Officer report.

Advice

The Portfolio Holder for Finance & Resources explained that there was currently an £225k overspend but this would balance by the end of the year and there was a £7m underspend of the capital budget.

The Portfolio Holder for Housing asked that the term 'void properties', used within the report, is replaced with 'empty homes'.

The Portfolio Holder for Environmental, Sustainability & Regulatory Services asked for an explanation of the £40k pressure in the public conveniences service.

The Assistant Director (Finance & Resources) explained that there was now more detail available on the budget produced at the start of the year. He would need to report back to councillors on specific conveniences affected.

The Portfolio Holder for Housing asked if this figure was a projected outturn or would the situation get any worse.

The Assistant Director (Finance & Resources) replied that the situation wouldn't get any worse.

He requested that recommendation 2 be retracted as they could deal with that as part of the year end and closing down figures. The financial situation was getting better and they may not have to draw down from reserves at the end of the year.

Voting

None.

CA/36/15 REVIEW OF ABSENCE MANAGEMENT POLICY AND PROCEDURES

Decision

Resolved to recommend:

1. **the amendments to the Council's Sickness Absence Management Policy and Procedures as summarised in the Cabinet report and set out in full within Annex A of the report to Cabinet.**

Reason for Decision

To seek Cabinet's approval of the recommended amendments to the Council's Sickness Absence Management Policy and Procedures

Implications

Implications

Financial

There are no financial implications linked to the revisions in the sickness absence management policy and procedures.

Value for Money

Reducing sickness absence contributes to the Council ensuring that the services represent 'value for money'.

Risk Implications

None

Equalities Implications

Community Impact Assessment carried out in March 2016, which did not highlight any implications.

Health And Safety Implications

None identified.

Corporate Objectives

Having an effective and robust sickness absence management policy and procedures will support all of the Council objectives. We need staff to feel valued and supported whether they are at work or absent due to sickness. If we can support them to remain in work it will ensure their behaviours and performance reflect the High Performance Environment.

Monitoring Officer/S.151 Officer Comments

Monitoring Officer:

No comments to add to the report.

S.151 Officer:

There are no budgetary implications arising directly from the recommendations in this report.

Advice

The Portfolio Holder for Residents & Corporate Services referred members to the report and summarised the main amendments. He added that they continued to work closely with the Trade Unions.

The report received lots of discussion at the recent OSC meeting and issues and concerns were resolved.

Voting

None.

CA/37/15 **HEMEL EVOLUTION: BUS INTERCHANGE PROJECT - TRAFFIC REGULATION ORDER (TRO) PROPOSAL FOR WATERHOUSE STREET**

Decision

1. That Cabinet approves the Council seeking delegated authority from Hertfordshire County Council to make the Traffic Regulation Order noted in 2 below.
2. That, subject to (1) above, the making of a Traffic Regulation Order to implement a loading/unloading ban along Waterhouse Street as set out in the draft order at Appendix 1 of the report to Cabinet be approved.
3. That authority is delegated to the Assistant Director (Planning, Development and Regeneration) in consultation with the Portfolio Holder, Planning and Regeneration, to authorise the sealing of the Traffic Regulation Order following the consultation period and consideration/resolution of any objections received

Reason for Decision

Hemel Hempstead Town Centre Bus Interchange Project; To seek approval for the making of a new Traffic Regulation Order within Waterhouse Street, to enable the further enforcement of parking on double yellow lines in order to protect the works carried out to Waterhouse Street as part of the Bus Interchange project.

Bus Interchange – Traffic Regulation Order

1. To approve the making of a Traffic Regulation Order associated with the Bus Interchange project, within Waterhouse Street, Hemel Hempstead.
2. To seek delegated authority from Hertfordshire County Council to make a Traffic Regulation Order in Waterhouse Street, Hemel Hempstead.

Risk Implications

The area of Waterhouse Street risk assessment is included as part of the PID for Market Square and Bus Station Regeneration Project.

Equalities Implications

Equality Impact Assessment carried out as part of each design processes.

Health And Safety Implications

The Stage 3 safety audit refers to this TRO parking enforcement option that would protect the area, and HCC confirm that no further safety audit is required to carry out these works

Corporate Objectives

The Hemel Hempstead Masterplan supports the Council's vision and in particular the corporate objective of Regeneration.

Monitoring Officer/S.151 Officer Comments

Deputy Monitoring Officer:

The Council requires delegated authority from Hertfordshire County Council as the relevant Highway Authority before it can exercise delegated powers to make the TRO and this authorisation must be secured before the order is formally advertised.

Regulations made under the Road Traffic Regulation Act 1984 set out the rules for formal consultation under the Act and these must be followed to ensure that the process is completed lawfully.

Deputy S.151 Officer

All of the costs associated with the consultation and delivery and enforcement of the Traffic Regulation Order will need to be from within the approved project budgets.

Advice

The Portfolio Holder Planning & Regeneration noted that the bus interchange had now been completed and was working well. The map shown as appendix 1 illustrated where the regulations would be enforced.

The Leader of the Council added that the photos showed some of the issues regarding loading bays.

The Assistant Director (Planning, Development & Regeneration) explained that the time to confirm a Traffic Regulation Order (TRO) was dictated by any objections received. It was hoped that this one for Waterhouse Street would be concluded by July/August 2016.

The Portfolio Holder for Planning and Regeneration hoped that any taxi driver issues, relating to the rank and parking, would be resolved.

The Portfolio Holder for Residents & Corporate Services supported the TRO and asked if the consultation had been open to everyone or would specific groups need to be consulted separately, e.g. disabled groups.

The Assistant Director (Planning, Development & Regeneration) noted that there had been wide consultation, and not targeted to specific groups, however they would have been consulted on the original plans.

The Group Manager (Legal Governance) added that there was no requirement to consult disabled groups specifically and the newspaper publication would suffice.

Voting

None.

The Meeting ended at 7.44 pm

CABINET FORWARD PLAN

	DATE	MATTERS FOR CONSIDERATION	Decision Making Process	Reports to Monitoring Officer/S.151 Officer	CONTACT DETAILS	BACKGROUND INFORMATION
1.	26/04/16	Contract for Co-mingled Recycling		07/04/16	David Austin, Assistant Director Neighbourhood Delivery 01442 228355 david.austin@dacorum.gov.uk	To consider arrangements for the sale of comingled recyclables as part of a consortium with neighbouring Authorities
2.	24/05/16	Performance Reports – Quarter 4		05/05/16	James Deane, Corporate Director Finance and Operations 01442 228278 james.deane@dacorum.gov.uk	To review the Council's forecast outturn position at the end of the fourth quarter.
3.	24/05/16	Constitution update		05/05/16	Mark Brookes, Group Manager, Legal Governance, 01442 228236 mark.brookes@dacorum.gov.uk	To seek approval to amend the constitution to reflect changes in legislation and staffing structures
4.	24/05/16	Provisional Outturn		05/05/16	David Skinner, Assistant Director Finance & Resources, 01442 228662 david.skinner@dacorum.gov.uk	To be provided
5.	28/06/16	Housing Asset Management Strategy		09/06/16	Elliott Brooks, Assistant Director (Housing) 01442 228615 elliott.brooks@dacorum.gov.uk Fiona Williamson, Group Manager (Property & Place) 01442 228855 fiona.williamson@dacorum.gov.uk	To set out the strategic approach as to how the Council will maintain and invest in its housing stock
6.	28/06/16	Hemel Hempstead Town Centre Parking Access and Movement Strategy		09/06/16	James Doe, Assistant Director Planning, Development & Regeneration 01442 228583 James.doe@dacorum.gov.uk Chris Taylor, Group Manager Strategic Planning and Regeneration 01442 228405 chris.taylor@dacorum.gov.uk Nathalie Bateman, Strategic Planning & Regeneration Team Leader 01442 228592 nathalie.batemen@dacorum.gov.uk	To consider arrangements for taking forward the next stages of the parking access and movement strategy for Hemel Hempstead Town Centre
7.	28/06/16	Statement of Community Involvement		09/06/16	James Doe, Assistant Director Planning, Development & Regeneration 01442 228583 James.doe@dacorum.gov.uk Chris Taylor, Group Manager Strategic Planning and Regeneration 01442 228405 chris.taylor@dacorum.gov.uk	to agree a refresh of the Council's approach and policy for engaging with the public and other stakeholders on planning applications and the setting of planning strategy and policy.
8.	28/06/16	Enterprise Zone		09/06/16	James Doe, Assistant Director Planning, Development & Regeneration 01442 228583 James.doe@dacorum.gov.uk	To seek Council's agreement to sign off proposals
9.	28/06/16	Town Centre Asset Management Strategy		09/06/16	James Doe, Assistant Director Planning, Development & Regeneration 01442 228583 James.doe@dacorum.gov.uk Chris Taylor, Group Manager Strategic Planning and Regeneration	to agree operational arrangements and responsibilities for the ongoing management of assets held by the Borough Council in

	DATE	MATTERS FOR CONSIDERATION	Decision Making Process	Reports to Monitoring Officer/S.151 Officer	CONTACT DETAILS	BACKGROUND INFORMATION
					01442 228405 chris.taylor@dacorum.gov.uk	Hemel Hempstead Town Centre
10.	28/06/16	Park Bye Laws		09/06/16	David Austin, Assistant Director Neighbourhood Delivery 01442 228355 david.austin@dacorum.gov.uk Mark Brookes, Group Manager, Legal Governance, 01442 228236 mark.brookes@dacorum.gov.uk	To consider the introduction of new bye laws for the parks in the Borough.
11.	26/07/16	Risk Management Q4		07/07/16	James Deane, Corporate Director Finance and Operations 01442 228278 james.deane@dacorum.gov.uk	To review the updated Strategic Risk Register.
12.	26/07/16	Housing Acquisition Policy		07/07/16	Elliott Brooks, Assistant Director (Housing) 01442 228615 elliott.brooks@dacorum.gov.uk Simon Smith, Assets and Business Improvement Team Leader Property & Place, 01442 228464 simon.smith@dacorum.gov.uk	To set out the principles by which the Council's Housing Revenue Account will acquire assets including buying back properties previously sold under Right to Buy
13.	26/07/16	Medium Term Financial Strategy		07/07/16	David Skinner, Assistant Director Finance & Resources, 01442 228662 david.skinner@dacorum.gov.uk	To be provided
14.	20/09/16	Performance report Quarter 1		01/09/16	David Skinner, Assistant Director Finance & Resources, 01442 228662 david.skinner@dacorum.gov.uk	To be provided
15.	20/09/16	Treasury Management Strategy – Sept – D Skinner		01/09/16	David Skinner, Assistant Director Finance & Resources, 01442 228662 david.skinner@dacorum.gov.uk	To be provided

- Future Cabinet Dates 2016:**
- 18th October:
 - Homelessness Strategy Review (E Brooks / N Braithwaite)
 - Q1 Strategic Risk Report (D Skinner)
 - 29th November
 - 13th December:
 - Tax Base 2017/18 (D Skinner)
 - Treasury Management mid-year performance (D Skinner)
 - Q2 Strategic Risk Report (D Skinner)
- Dates to be confirmed:** Planning Legislation Update (M Gaynor) HRA Business Plan Review (E Brooks)



Report for:	Cabinet
Date of meeting:	26 April 2016
Part:	1
If Part II, reason:	

Title of report:	Recycling Contract
Contact:	Cllr Janice Marshall, Portfolio Holder for Environmental and Regulatory Services. Author/Responsible Officer : David Austin , Assistant Director Neighbourhood Delivery
Purpose of report:	To seek authority to enter into a consortium arrangement with selected members of the Hertfordshire Waste Partnership (HWP) for a joint procurement of a MRF processor for the bulk receipt and processing of mixed dry recyclables.
Recommendations	1. That Cabinet agree to Dacorum Borough Council joining the new consortium arrangement for the procurement of a MRF processor for the processing of mixed recyclables commencing in 2017.
Corporate Objectives:	<ul style="list-style-type: none"> • Safe and Clean Environment • Dacorum Delivers
Financial Implications:	<u>Financial</u> As detailed in this report, there has been a significant decline in market values for recyclables over recent years which has resulted in the Council currently incurring a gate fee for the processing of mixed recyclables. Clearly with either a consortium or individual approach to securing a new contract the Council will be subject to the same market conditions and possible cost volatility.
'Value For Money Implications'	<u>Value for Money</u> The approach to collecting mixed recyclables as opposed to the material being collected separately at the kerbside has previously demonstrated that the current approach with wheeled bins provides the best value for money for the residents of Dacorum.
Risk Implications	Dacorum Borough Council has to sell its collected recycling material in a free market. It is not possible to predict the future value of the material at the time of the tender or how

	<p>commodity markets will act to market conditions in the future, so there is a potential risk of higher costs or lower revenue streams to the Council. A shared risk/reward approach with the MRF processor will need to be built into the specification and contract to ensure we mitigate the impact of these potential risks.</p> <p>The other main risk could have been around the quality of material. Dacorum Borough Council has traditionally supplied material of high quality which is clearly important in a market which is often in a state of oversupply. The risk therefore could have been that our recyclables may have been ‘contaminated’ by the other consortium partners leading to potential financial implications. This however has been prevented by writing the specification and the contract so that each Authority is responsible for the quality of the material collected in their respective areas.</p>
Community Impact Assessment	This has not been carried out as the proposals set out in this report will not require a policy or service change.
Health And Safety Implications	There are no health and safety implications to this report.
Monitoring Officer/S.151 Officer Comments	<p>Monitoring Officer: No comments to add to the report.</p> <p>S.151 Officer No comments to add to the report.</p>
Consultees:	Ben Hosier , Group Manager for Procurement James Deane, Corporate Director (Finance & Operations) Duncan Jones , Hertfordshire Waste Partnership Development Manager
Background papers:	Cabinet Report – Waste Strategy (11 th Feb 2014)
Glossary of acronyms and any other abbreviations used in this report:	MRF – Material Recycling Facility, a facility that separates and processes recycling collected at the kerbside.

1. Background

- 1.1 The Authority’s current contract for dry recycling is with Viridor Waste Management based at Crayford in East London and involves the bulk receipt and processing of approximately 15,000 tonnes of mixed recyclables per annum. The location of the Viridor MRF necessitates that Dacorum’s recyclables are bulked at Cupid Green before delivery to the reprocessing facility at Crayford. The processing value of the current contract is circa £75,000 in addition the associated haulage costs are currently in the region of £200,000 per year.
- 1.2 The mixed recyclables contract expires in October 2017 which means a new procurement process to secure arrangements from November 2017 onwards needs to commence in 2016.
- 1.3 As part of an early review of options, it became apparent that the contracts of neighbouring authorities were also coming to an end in 2017. Given the

changes in market conditions over recent years it was sensible to investigate whether the option of entering into a consortium arrangement with Three Rivers, Welwyn Hatfield and Watford Councils would result in a stronger negotiating position for Dacorum.

- 1.4 With regards to market conditions, there have been significant changes in recent years, with an over-supply of recycled materials leading to a global drop in selling prices. This shift has impacted on a number of local authority contracts, including Dacorum, causing the disposal of recyclates to stop being an income generator (i.e. through the sale of materials) and to start becoming an actual cost in the form of a gate fee (i.e. paying for the disposal of the materials).

The risks of entering a group contract rather than lone contract

- 1.5 As referred to in paragraph 1.2, the Council's contract for commingled recycling expires in October 2017. Whether the Council lets the next contract jointly or individually it will face market risk determined by the market conditions at the time of the procurement exercise. As a result, this section focuses on addressing only the additional risks that arise purely as a result of entering into a *joint* contract.

2. Financial Risk

- 2.1 The obvious potential benefit of a consortium contract is that the combined tonnage of the consortium enables it to influence the market in a way that each individual member would be unable to do on the basis of their own, lower tonnage.
- 2.2 Dacorum currently generates around 15,000 tonnes per annum of commingled recyclates, whereas the proposed consortium would generate a combined 40,000 tonnes per annum.
- 2.3 Dacorum Waste and Procurement officers carried out soft market testing to specifically address the key question of whether 40,000 tonnes would achieve the critical mass needed to influence the market and therefore drive price benefits for individual consortium members.
- 2.4 Feedback from operators within the market was that a combined tonnage of around 80,000 tonnes would be required to drive material pricing benefits for the Council. On this basis, Dacorum is likely to attain the same pricing when going out as part of a group, as it would if going to tender individually.
- 2.5 However, the market testing did indicate that the rationale of forming a consortium to increase tonnages and reduce pricing was sound. Given that the total available recycling tonnage across Hertfordshire is currently around 100,000 tonnes per annum, i.e. in excess of the market influencing amount suggested through market-testing, there could be a longer-term benefit for Dacorum of laying the foundations for a larger county-wide consortium that will deliver savings in the future.
- 2.6 On this basis, Dacorum will not be financially worse off by increasing its tonnage as part of the proposed consortium and there could be some longer-term benefits that would not accrue from a lone tender.

Contamination Risk

- 2.7 The primary risk to Dacorum of entering into the consortium is around the quality of the combined recyclates, and whether Dacorum would face financial penalties if the quality of other members' recycling was below that of our own, effectively contaminating our materials.
- 2.8 The quality of the material collected in Dacorum is currently very good for a variety of factors. These include socio-economic reasons; our previous source separated collection system for recyclables and because we operate our own licensed waste transfer facility. With this new contract, there will still be individual checking of recyclates by Authority so we cannot be adversely affected if there are poorer quality loads delivered by Partner Authorities.
- 2.9 On this basis, the contamination risk to Dacorum is eliminated and does not therefore offset the benefits of joint procurement identified in the previous section.

Procurement Risk

- 2.10 Potential bidders for a tender will only undertake detailed work on a contract as part of their bid submission once the procurement exercise has formally begun. Consequently, although soft market testing has already been undertaken by the Council, there is a risk that on further, more detailed work the bidders' final submissions will have identified a previously unforeseen complication of entering into a joint contract.
- 2.11 Members should note that the Council is not contractually committed to a joint approach merely by virtue of a joint procurement exercise. As a result, if final bid submissions were to identify new, unacceptable risks each of the councils involved retains the right to withdraw from the process without penalty.
- 2.12 Given the due diligence already undertaken, this outcome is considered low risk. Withdrawal from the process should be considered a last resort as it may necessitate a further procurement exercise for any councils that wished to remain within the consortium.
- 2.13 The procurement exercise will be designed, and all submissions evaluated, jointly and equally by Procurement and Waste Officers from the four councils. This will ensure that all risks and rewards are accrued equally by all members.

Lead Authority Risk

- 2.14 It is currently proposed that Welwyn Hatfield will act as the lead authority on this procurement exercise and on the subsequent management of the contract.
- 2.15 This lead partner arrangement has worked well with previous consortia, and the fee for doing this is already included in the HWP annual subscription and so will not result in an additional cost to Dacorum.

2.16 In effect, the contractual relationship will be between Welwyn Hatfield and the winning bidder. There will be separate, formal agreements between Welwyn Hatfield and each of the other three Authorities. The agreement between Dacorum and Welwyn Hatfield will be subject to due diligence by Procurement and Statutory Officers from both parties.

3. Timescales for procurement and new arrangements

3.1 Taking into account current arrangements, and subject to Member approval, the intention is to let a joint contract covering Dacorum, Three Rivers, Welwyn Hatfield and Watford Councils. Officers are recommending that the contract be let for a period of 7 years with an option, by mutual agreement, to extend for 3 years subject to market testing at the time. The contract will be awarded and managed by Welwyn Hatfield on behalf of all consortium members.

3.2 The anticipated timeline for the procurement of the new contract is noted below and has been structured to allow maximum time for tender submission, tender evaluation and internal reporting:

Table 1 – Anticipated Procurement timetable	
STAGE	Date
Tender (OJEU) Advert	April/May 2016
Last date / time for questions relating to the tender	TBC
Tender Return	Mid July 2016
Assessment and agreement by Partner Authorities	End of August 2016
Partner Authority Approvals process	End of September 2016
Lead Authority Cabinet – tender decision	Early Nov 2016
Standstill period	Mid Nov 2016
Contract(s) award	End Nov 2016
Contract start (intended)	1st February 2017
(Dacorum Joins)	1st November 2017

4. Summary

4.1 The contract for the processing of comingled recyclate has to be tendered as our current agreement expires next year. In retendering, the Council has a choice as to whether to go to the market 'alone' or as part of a consortium.

4.2 As highlighted in this report, there are no potential disadvantages of retendering as part of a consortium – given we retain control of any issues

with contamination of recyclable material collected in the Borough – so it would be sensible to proceed on this basis. This could set a foundation for further benefits from future joint working on a larger scale as part of the Hertfordshire Waste Partnership.