

Dorset Waste Partnership Joint Committee



Minutes of the meeting held at Purbeck District Council,
Westport House, Wareham on Tuesday, 12 September
2017.

Present:

Anthony Alford (West Dorset District Council) (Chairman)
Michael Roake (North Dorset District Council) (Vice-Chairman)

Members Attending

Kevin Brookes (Weymouth & Portland Borough Council), Ray Bryan (East Dorset District Council), David Budd (Purbeck District Council), Tony Ferrari (Dorset County Council), Patricia Jamieson (Christchurch Borough Council), Barbara Manuel (East Dorset District Council), Margaret Phipps (Christchurch Borough Council), Daryl Turner (Dorset County Council), David Walsh (North Dorset District Council) and Peter Webb (Purbeck District Council).

Dorset Waste Partnership Officers Attending:

Matthew Boulter (Commercial Services Manager); Gemma Clinton (Head of Service (Strategy)), Michael Moon (Head of Service (Operations)), James Potten (Senior Communications Officer), Andy Smith (Treasurer) and Denise Hunt (Senior Democratic Services Officer).

Other Officers in attendance

Steve Mackenzie (Purbeck District Council); Lindsay Cass (Christchurch and East Dorset Borough Councils); Graham Duggan (Dorset Councils Partnership) and Rebecca Kirk (Purbeck District Council).

- (Notes:(1) Publication In accordance with paragraph 8.4 of Schedule 1 of the Joint Committee's Constitution the decisions set out in these minutes will come into force and may then be implemented on the expiry of five working days after the publication date. Publication Date:**Tuesday, 19 September 2017**
- (2) These minutes have been prepared by officers as a record of the meeting and of any decisions reached. They are to be considered and confirmed at the next meeting of the Joint Committee to be held on **Monday, 6 November 2017.**)

Apologies for Absence

42 Apologies for absence were received from Cllr Alan Thacker, Karyn Punchard (Director), Grace Evans (Legal Advisor) and Paul Ackrill (Commercial and Finance Manager).

Code of Conduct

43 There were no declarations by members of any disclosable pecuniary interests under the Code of Conduct.

Minutes

44 The minutes of the meeting held on 12 June 2017 were confirmed and signed subject to amendment of the following paragraph as follows:-

39 Infrastructure Review

In order to avoid the administrative costs of charging Dorset residents per visit to Somerley HRC, monitoring arrangements were being discussed with Hampshire County Council officers and an option for the DWP to contribute to Hampshire County Council continued to be pursued.

Public Participation

45 Public Speaking

There were no public questions received at the meeting in accordance with Standing Order 21(1).

There were no public statements received at the meeting in accordance with Standing Order 21(2).

Petitions

There were no petitions received in accordance with the County Council's petition scheme at this meeting.

Dorset Waste Partnership Forward Plan 2017

46 The Joint Committee considered its forward plan and was informed of the following additional items to be considered at the meeting on 6 November 2017:-

- Medium Term Financial Plan
- Capital Programme

Two budget workshops had been arranged in October 2017 to explore changes to the service to enable further savings to be made.

Noted

Minutes of Dorset Waste Partnership Joint Scrutiny Group

47 The Joint Committee received the minutes of the Joint Scrutiny Group held on 4 July 2017 and the request that the views of the Group were taken into consideration as part of the a review of Customer Services was highlighted.

Noted

Finance and Performance Report September 2017

48 The Joint Committee considered a report by the Director of the Dorset Waste Partnership (DWP) which presented the key financial performance trends and outlined the reasons for a predicted potential underspend of £957k on the revenue budget, based on data to July 2017.

The Treasurer was now able to report an underspend of £1.134M based on the August 2017 data. Referring back to the July data, he highlighted the positive variance in respect of recycle price which was currently producing an income, resulting in a £483k positive variance as the budget had assumed a cost to the DWP of £17.32 per tonne.

The forthcoming budget workshops would include discussions around the key issue of level of service versus affordability that would inform the financial papers to be considered by the Joint Committee on 6 November 2017.

A member highlighted the reference to a verbal update concerning specific risks with some current DWP disposal contracts in Appendix 6 of the report. The Chairman responded that there were some elements of risk that were difficult to forecast due to the level of volatility and that this could be discussed as part of the budget workshops.

The Treasurer concurred that the reference to the verbal update had been made in a general sense to ensure that the Joint Committee was made aware of any risks that might arise in future, such as an issue with a contractor, however, it was confirmed that there were no issues at the present time.

Given the predicted underspend, a member asked whether the Budget Equalisation Reserve (BER) of £1M was sufficient and whether this year's underspend would be returned to the partner councils.

The Treasurer informed the Joint Committee that a decision on whether the underspend was returned to the partner authorities or added to the budget equalisation reserve would be taken by the Joint Committee at the end of the financial year. He confirmed that the BER did not accrue interest.

The Chairman added that a judgement on the amount contained in the budget equalisation reserve had been made using a risk based assessment rather than any financial formula. He suggested that there could be a greater need to draw on a reserve fund if there was a more aggressive approach by the partner councils in finding savings in the revenue budget in 2018/19.

A member asked how much of the proposed budget increase in 2018/19 was due to household growth and was informed that detailed information could be provided as part of the budget workshop.

The Chairman stated that it would also be useful to have an estimate of Council Tax growth which could bring in a significant sum of money that exceeded the growth in the DWP budget.

Noted

Vehicle Replacement Programme

49 The Joint Committee considered an update on the annual vehicle procurement programme which was outlined by the Head of Service (Operations).

A member drew attention to the increase in number of some types of spare vehicles. The Head of Service (Operations) explained that the service had struggled with two spare vehicles and that these would be used across 8 depots and during periods when vehicles were out of service due to routine maintenance checks.

Members asked whether alternative fuels and single operative vehicles had been explored as an area where costs might be reduced in future.

It was confirmed that these were not being considered at the present time. Single operative vehicles were used in some rural areas in the UK and the vehicle fleet would need to be increased in order to accommodate single operative vehicles. However, the largest issue for the area served by the DWP concerned parked vehicles which would prohibit the use of this type of vehicle.

The Vice-Chairman expressed his long held view that options to extend the working day to encourage wider use of the vehicle fleet and to overcome problems with accessing properties should continue to be explored.

The Chairman commented that this option had been researched in the past, and it was found that extending the working day relied on the capability of sites that the waste was transported to staying open later. He also drew attention to the increase in the number of parked cars after 5pm.

The Head of Service (Operations) confirmed that parking issues were experienced by operatives throughout the day and that the service was largely governed by the opening hours of tipping facilities.

The Chairman asked whether revenue costs were in line with the Medium Term Financial Plan, given the impact of the capital programme. He wanted an assurance

that a decision to proceed with the vehicle replacement programme could be implemented.

The Treasurer explained that a judgement on whether the vehicle replacement programme was affordable would be made during the budget setting process and he referenced the likely debate around the cost of the DWP versus the amount that the partners authorities could afford to pay.

Members noted that revenue costs would reduce as a result of a newer fleet, with more environmentally friendly engines.

Resolved

That the revised procurement programme be agreed.

Reason for Decision

Approval of expenditure greater than £500,000 was required by Joint Committee.

Garden Waste Service and Price Setting

50 The Joint Committee considered a report by the Finance and Commercial Manager of the DWP that provided an update on aspects of the service including the viability of incentivising to boost take up of the scheme and sought approval to delegate the annual price setting within defined parameters.

In response to a question regarding a discount of £1 for payment by direct debit as a way of both increasing the number of customers and efficiency of the fleet, the Commercial Services Manager explained that capacity for collection of an additional 7000 bins had been created through the round optimisation exercise. However, the difficulty lay in forecasting the level of growth and the geographical areas from which this was derived.

He further clarified the reason for the recommendation to delegate authority to set the service price annually, explaining that by setting the price against inflation officers could ensure that the service did not make a surplus.

The Chairman stated that pricing was an operational issue that was difficult for the Joint Committee to undertake. Although the pricing was currently at the correct level, it needed to remain at a threshold that would not create a surplus and the proposed delegation would ensure that this happened.

Members asked about the cost of collecting the bins when customers stopped using the service and were informed that this was in the region of £10-£12k and that bins were collected during routine bin deliveries when vehicles were already in the area.

Members discussed the restrictions posed by DCC as the host authority in that commercial and garden waste services were not legally able to make a profit.

The Chairman reflected that the question should be what was the right structure for that service to be delivered. This was presently within a conventional local authority approach with restrictions, however, it would be helpful for the Joint Committee to have an understanding of the opportunities and risks that a different structure would present which could be discussed further as part of the budget workshop.

Resolved

1. That authority be delegated to the Director of the DWP and to the Chairman of Joint Committee to set the Garden Waste Service price annually, subject to the performance of the service being reported to the Joint Committee via the finance reports. The increase should be no more than the CPI inflation forecast + 1% for that year (with appropriate evidence provided), rounded up to the nearest 50p.

2. That the position with regard to incentivising sign up be noted; and
3. That no changes to the Garden Waste service in respect of winter months, and that DWP continue to provide a 12-month service be agreed.

Reason for Decisions

To offer a garden waste service at a price that would remain attractive and affordable to customers whilst maintaining a contribution to overheads.

Internal Audit Progress Report - September 2017

- 51 The Joint Committee considered a report by the Internal Audit South West Audit Partnership (SWAP) that provided an update on progress and significant findings of audit work.

Noted

Strategic Waste Partnership Board

- 52 The Joint Committee considered a report by the Director of the DWP which proposed the formation of a new Strategic Waste Partnership Board covering the DWP, Bournemouth Borough Council (BBC) and Borough of Poole (BoP).

The Head of Service (Strategy) outlined the history of the DCLG funding and the proposed way forward to use this money, both of which had been outlined in the report.

Referring to the improvements identified at the 3 sites at Hurn Waste Transfer Station, Millhams Household Recycling Centre (HRC) and the Blandford Strategic Waste Facility, she highlighted the following points:-

- Hurn Waste Transfer Station was jointly owned by DCC and BBC and enhancement of this site would allow BBC to use this facility for recycling. A waste transfer site would also be added to take black bag waste;
- Millhams HRC was a BBC site frequently used by East Dorset residents and its development would enable commercial waste to be taken to this site;
- Blandford Strategic Waste facility currently had £7.1M allocated funding for a waste transfer station and HRC, however, it was anticipated that the costs could rise further. Use of the DCLG funding could be used to enhance this centre and ensure businesses could use the HRC.

The formation of the Strategic Waste Partnership Board would be an overarching body to demonstrate that BBC, BoP and DWP were working together in order that the private market had confidence going forward. This was a recommendation that came from the recent residual waste soft market testing exercise. In addition, there would be other projects that would benefit from working together to achieve best value from future contracts, such as food waste. The Board would have no formal delegations or responsibility.

Councillor Margaret Phipps felt that the Hurn Waste Transfer Station had been chosen for its publicly owned status rather than its location. She commented that no account had been taken of the draft Minerals and Waste Plan in respect of a centre for black bag waste close by at Eco Composting which would impact on the proposal at Hurn. Whilst understanding the need to retain the funding from the DCLG, she considered that any decisions going forward would need to be based on satisfactory business cases for each of the 3 projects and proposed an amendment to the first recommendation on that basis.

Officers explained that the proposal at Eco Composting for black bag waste did not guarantee a favourable gate fee for Dorset waste. The development of the Hurn site was primarily to improve the recycle intake to incorporate the BBC area and also

build a waste transfer station to take in multiple materials to make the most competitive and flexible arrangement as possible going forward. This would provide a vital contingency option for the East of the County.

Seconding the amendment, Councillor Barbara Manuel considered that if the Eco Composting proposal went ahead this would have a significant impact on the Hurn facility that could be supported or discounted through a thorough business case.

The Chairman advised that the submission to the DCLG had already been delayed in order that the report could be considered by the Joint Committee. It was paramount to make the right submission to DCLG, whilst appreciating that business cases and plans had to be satisfactorily produced in the medium term. It was his view that, in order to move forward with a degree of pace, the need for business cases should be clearly understood before any project could be implemented, although not necessarily included in the recommendations at this point in time.

Some debate took place on how to incorporate the need for business cases within the existing recommendations and members enquired about the timescale for these to be produced. They were informed that the most advanced related to the Millhams HRC, however, business cases for the Hurn and Blandford sites were still in their infancy and would take longer to produce. It was confirmed that approval by the DCLG would make provision for a substitute "in like" proposal if any of the proposals were unviable. There would also be the flexibility to transfer funding between the projects as it was not possible to put in a bid that tied funding to a specific project due to the nature of the projects.

Further concern was expressed that an amendment that linked the business cases to the DCLG funding could prove obstructive and would be confusing for the other partners considering this report. Following some discussion it was concluded that whilst it may not be conducive to specify the need for business cases in the recommendations at this stage, a consensus was reached by the Joint Committee that, following approval of the revised bid for DCLG funding, that no further progress would be made until satisfactory business cases had been produced. The amendment was therefore withdrawn on this understanding.

Councillor Daryl Turner proposed an amendment to include a DCC portfolio holder in the membership of the Board in a similar way as BBC and BoP. This amendment was seconded by Councillor Tony Ferrari.

The Chairman explained that BBC and BoP provided a whole waste service, in the same manner as DWP provided a combined service for Dorset. He acknowledged that the DWP was a far greater operation than the sum of both BBC and BoP together and that this could be the most appropriate rationale for including an additional member on the Board.

A further view was expressed that the Board was a non-decision making body that would make recommendations back to the 3 partners and that 6 members was a reasonable number for this Board.

Upon being put to a vote, the amendment to include a DCC portfolio holder was lost.

The Chairman proposed a further amendment to remove "DCLG" from the second recommendation which was supported by the Joint Committee.

It was suggested that this item should be programmed into the Joint Committee's forward plan.

Resolved

1. That DWP's input to develop and submit a revised bid for DCLG funding for Strategic Waste Facility projects in partnership with Bournemouth Borough Council (as the designated lead authority) be approved;
2. That authority be delegated to the Chair of Joint Committee and Director of DWP to represent the DWP on the project Board;
3. That the establishment of a Strategic Waste Partnership Board set out in Appendix 1 be approved; and
4. That regular update reports are provided to the Joint Committee on the progress of the DCLG funded projects.

Reason for Decisions

To ensure the Joint Committee was kept fully informed and sought approval for DWP Officers in consultation with the Chair of the Joint Committee to progress strategic waste projects.

To ensure that decisions were taken in a timely and parallel manner to those of Bournemouth Borough Council who are the lead partner on the DCLG projects, and to avoid any delays to the business case being submitted to DCLG by the end of September 2017.

Questions from Councillors

53 No questions were asked by members under Standing Order 20.d

Meeting Duration: 10.00 am - 11.45 am