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COUNCIL

Minutes of the Extraordinary Council meeting held at 6.00pm on Thursday 17th February 2022 in the Council Chamber, Town Hall, Matlock DE4 3NN.

PRESENT

Councillor Sue Bull - In the Chair

Councillors: Jacqueline Allison, Robert Archer, Richard Bright, Martin Burfoot, Sue Burfoot, Neil Buttle, David Chapman, Tom Donnelly, Graham Elliott, Richard Fitzherbert, Steven Flitter, Helen Froggatt, Chris Furness, Clare Gamble, Susan Hobson, David Hughes, Stuart Lees, Tony Morley, Dermot Murphy, Garry Purdy, Mike Ratcliffe, Andrew Shirley, Peter Slack, Alasdair Sutton, Colin Swindell and Mark Wakeman.

Paul Wilson (Chief Executive), Tim Braund (Director of Regulatory Services), Karen Henriksen (Director of Resources), James McLaughlin (Director of Corporate & Customer Services), Jim Fearn (Communications & Marketing Manager), Lee Gardner (Legal Services Manager) and Jason Spencer (Electoral and Democratic Services Manager).

Public - 1 member.

APOLOGIES

Apologies for absence were received from Councillors: Jason Atkin, Matthew Buckler, Paul Cruise, Dawn Greatorex, Alyson Hill, Michele Morley, Peter O'Brien, Andrew Statham and Steve Wain.

283/21 - PUBLIC PARTICIPATION

Note:

“Opinions expressed or statements made by individual persons during the public participation part of a Council or committee meeting are not the opinions or statements of Derbyshire Dales District Council. These comments are made by individuals who have exercised the provisions of the Council’s Constitution to address a specific meeting. The Council therefore accepts no liability for any defamatory remarks that are made during a meeting that are replicated on this document.”

Item 4 – WASTE MANAGEMENT CONTRACT INDEPENDENT REVIEW

In accordance with the procedure for public participation, Mr Peter Dobbs (Ashbourne local resident and lead petitioner) spoke regarding the Independent Review of the Waste Management Contract. He also asked the following questions submitted in writing in advance of the meeting:

“One of the common themes of comments I received from those who signed the petition was that council staff manning the help lines did not know which areas had had their waste collected and which ones were missed.

I still do not see accurate daily listings of missed areas being published.

So my questions are these;

What is the reason for those areas of failed collections still not being published?
When can we expect to see such reports?”

RESPONSE:

The management information system used by Serco is set up for this data to be collated, the District Council is working with Serco to ensure the data is accurate before publishing it daily, but this relies on the correct use of the software by Serco. As the report tonight highlights, access to accurate information has been problematic.

Also, it is difficult to provide a plan for recollection whilst high staff absences at Serco continue.

This information will be available when the above can be addressed.

284/21 - INTERESTS

There were no declarations of interest.

285/21 - LEADERS' ANNOUNCEMENTS

On behalf of the Council and all Councillors, Councillor Gary Purdy, Leader of the Council, offered a sincere apology to all residents for the upset and distress caused by problems with the Council's waste and recycling service over the past year. He acknowledged that it had been a torrid time and gave assurances that the Council was working hard to resolve the situation.

286/21 – WASTE MANAGEMENT CONTRACT INDEPENDENT REVIEW (ITEM 4)

The Council considered a report setting out the findings and recommendations arising from the Independent Review of the Waste Management Contract with Serco undertaken by Allen Graham of Circling Squares.

At a meeting held on 14 October 2021, the Council received a petition signed by nearly 600 residents which requested that the Council “commission an independent enquiry into Serco's delivery of its 2020 waste contract and impose penalties for non-compliance where they are found to be applicable. We believe this is necessary so that the Council can meet its

environmental and climate commitments in the future while representing value for money for tax payers and residents.”

At the same meeting, having debated a Motion seeking to establish an independent review of the contract with Serco for the provision of waste and recycling services, the Council resolved to:-

- Initiate an independent review of the Waste and Recycling Collection Contract to establish Serco’s performance against the requirements of the contract using qualitative and quantitative methods.
- Require an evaluation of current contractual and operational issues including current market conditions, environmental impacts and financial impacts arising as a result of service disruptions encountered.
- Require an assessment of the decisions taken, the likelihood of rectification within current contract parameters and identify possible alternative solutions.
- In the interests of expediency, delegate authority to the Community and Environment Committee to agree appropriate Terms of Reference and to commission ‘Recircle Consulting’ to undertake the review given their knowledge of the Derbyshire Dales, the contractual requirements with Serco and their relevant market intelligence.
- Require the completion of the review by 31st December 2021 and for it to be reported to an extraordinary meeting of Community and Environment Committee in January 2022.
- Approve a supplementary revenue estimate of £20,000 for 2021/22 for the appointment of ‘Recircle Consulting’ to undertake the review.

On 17 November 2021, the Community and Environment Committee approved the appointment of Allen Graham of Circling Squares to conduct the review according to the following terms of reference:

- a) To evaluate the provisions of the contract with Serco for the delivery of waste and recycling services that took effect in August 2020; specifically whether the contract specification, mobilisation and implementation met the requirements approved by Elected Members in December 2019 and whether the contract was adequate in the context of the competitive waste services market at that point in time and presently.
- b) To evaluate the Council’s management of that contract, including:
 - i. Whether the response to the recent service disruption and decisions taken by Officers/Members was necessary, effective and proportionate
 - ii. Areas of good practice
 - iii. Areas of improvement
 - iv. Operational / market constraints and future mitigating measures to address any identified contract failings
- c) To evaluate Serco’s performance in the delivery of the contract
 - i. Review of contract documents and requirements
 - ii. Contract mobilisation and August 2020 implementation.
 - iii. Quantitative analysis of data in relation to KPIs and other key performance measures
 - iv. Review of financial impact associated with diversion of waste streams
 - v. Qualitative review of other contract performance/compliance
 - vi. Review feedback from the Waste & Recycling team in their dealing with residents and Elected Members, and Serco’s response to those requests.

- d) To establish and summarise the root causes of recent service disruption and identify the actions required to be considered in order to mitigate future wide scale service disruption to residents.

The Committee also established a steering group of Members to work with Allen Graham to provide guidance, structure and feedback to ensure that the review remained independent and focused on learning opportunities for all parties. Councillors Cruise, Gamble, Salt, Slack and Swindell served on the Steering Group. The scope of the review was additionally defined by the Member Steering Group as reviewing whether the contract with Serco remained “fit for purpose”, whilst verifying and commenting upon the actions taken within the external environment of the time and, in particular, the impact of the pandemic. The review was supported by the commissioning of Recircle Consulting, who had been separately commissioned by the Council in October 2021 to provide expert market knowledge together with an objective evaluation of the contractor’s performance in the delivery of the waste collections contract (covered by part c of the terms of reference).

The full independent review report prepared by Allen Graham was circulated with the agenda, which included details of the methods utilised in gathering and reviewing information from contract documentation, other correspondence and speaking to staff from the Council and Serco. The conclusions reached by Allen Graham were as follows:

- The evidence provided both verbally and in writing during the course of this review led to the conclusion that there had been an incomplete delivery of the contract requirements by Serco.
- As a result of key components not being fully implemented or delivered there had been an undoubted impact upon service delivery resulting in an accelerated and unmanageable volume of customer enquiries and complaints
- The volatile environment caused by the pandemic impacted significantly upon the strategic and operational capacity of both the contractor and the authority. In particular the escalation of household waste resulting from changing behaviours combined with vehicle delays and staff shortages placed additional pressures that required close management by the contractor
- The remote working environment imposed upon both parties appeared to have been significant in disrupting the effective man management of the contract in its early stages as key service areas were disrupted and stretched to react to competing and variable priorities
- Evidence presented provided reassurance that senior management remained responsive to supporting the Waste and Recycling Manager, providing clear advice and direction within the first 3 months of the contract commencement
- Officers of Derbyshire Dales District Council, and in particular the waste and customer service teams had continually gone the “extra mile” to protect the authority’s reputation, resolve customer complaints and assist the contractor in recovering the situation
- He established that, once the seriousness of the situation became apparent, the Chief Executive and Director of Community and Environment had taken proportionate and necessary steps to
 - o Communicate effectively with the senior management of Serco
 - o Engage and communicate with members of the authority
 - o Identify the root causes and attempt to negotiate remedial steps to establish an emerging recovery plan
- The Authority had not yet received the benefits of the whole of the contract as intended
- It would be necessary to evaluate and agree the financial and contractual consequences caused by non-delivery of the key deliverables of the contract whilst considering the

future impacts of any customer behavioural changes which continue as the pandemic hopefully receded

- Serco was responding and had acknowledged in a discussion during a visit to the depot that they “took the eye off the ball” and the contract was not supervised and managed to the level they set themselves
- A recovery plan was now in place which was an essential first step to prevent further deterioration and secure improvement for the residents
- A separate technical evaluation of Serco’s performance (covering part C of the terms of reference for the review) had been concluded and supported the conclusions of this review.

The following recommendations had been made to the Council by Allen Graham:

1. That Derbyshire Dales District Council continue to maintain and further the dialogue utilising the formalised contract management arrangements
2. That the dialogue be extended to include:
 - a) Resolving existing performance and payment discrepancies to ensure these are equitably resolved taking into account the Council’s additional support commitments
 - b) An agreement regarding how any re-basing required to take account of changes in customer behaviour caused either by the pandemic or the emerging sustainability agenda would be addressed
 - c) Establishing the intentions and approach for both parties to ensure the ongoing fulfilment of the contract
3. That the Council also communicates the importance and urgency of resolving the MIS and round optimisation issues through a clear and robust plan
4. That the Corporate Leadership Team re-establish a corporate approach to overseeing the critical success factors of implementing the contract, reacting to unsatisfactory performance and advising Members of on-going options for future delivery
5. That consideration be given to enabling customer service staff access to relevant data and options to escalate and remedy customer queries.
6. That a review of the corporate management capacity is undertaken to ensure that future transformational and modernisation projects are adequately resourced.

The report provided an update on progress made in responding to the recommendations

Allen Graham was present at the meeting to present his report and answer any questions.

The Council also considered a report from Recircle Consulting’ providing a detailed evaluation of Serco’s performance against the contract. This report was enclosed as an exempt appendix under paragraph 3 of Schedule 12A of the Local Government Act 1972 as the report contained information relating to the financial or business affairs of Serco which the Council may rely on in future negotiations and actions with Serco. It was considered that the publication of this information would not serve the public interest as it would undermine the Council’s position in respect of ongoing negotiations and potential future legal action. The findings and

recommendations from Recircle's report were captured by the conclusions and recommendations from Allen Graham.

The Council expressed thanks for Mr Dobbs and Councillor Paul Cruise for their contribution towards progressing the Independent Review and Mr Graham was thanked for a clear and comprehensive report.

It was moved by Councillor Garry Purdy, seconded by Councillor Steve Flitter and

RESOLVED
(Unanimously)

1. That the findings and recommendations of the Independent Review of the Waste Management Contract with Serco be received.
2. That the thanks of the Council be conveyed to Allen Graham of Circling Squares and Nik Hughes-Roberts of Recircle Consulting for their work.
3. That the progress made against the recommendations made in the Independent Review be noted.

The Chairman declared the motion **CARRIED**.

It was moved by Councillor Garry Purdy, seconded by Councillor Steve Flitter and

RESOLVED
(Unanimously)

4. That approval be given to a supplementary revenue budget of £15,000 in 2021/22 (financed from the general reserve) and a further £15,000 to be included in the draft revenue budget for 2022/23 to continue to engage the services of Nik Hughes-Roberts of Recircle Consulting to support the Council in navigating contractual and legal issues connected to the contract with Serco.
5. That, where urgent decisions are required to be taken in respect of service delivery or contractual matters, in the event that a Council meeting cannot be organised to make a decision within a necessary timescale, cross party consultation take place through the Leaders Advisory Group and members of the steering group.
6. That, in the event of the circumstances arising where urgent decisions are required and consultation takes place with the Leaders Advisory Group and the steering group, Political Group Leaders be recommended to consult their groups and provide feedback promptly to Officers in order for timely decisions to be made.

The Chairman declared the motion **CARRIED**.

Councillor David Hughes arrived at 6.20pm during consideration of this item and Councillor Neil

Buttle arrived at 6.25pm.

287/20 – EXCLUSION OF THE PUBLIC AND PRESS

It was moved by Councillor Susan Hobson, seconded by Councillor Tom Donnelly and

RESOLVED That in accordance with Section 100(a) of the Local Government Act
(Unanimously) 1972 the public and press be excluded because it was likely that the
nature of the business to be transacted would result in exempt
information being disclosed.

At this point the Committee excluded the public and press in considering this item as it contained information relating to any particular person including the Council and the business affairs of the Council.

The Chairman declared the motion **CARRIED**.

Following this resolution the meeting was adjourned from 7.50pm to 8pm.

288/21 – INTERNAL AUDIT REPORT – WASTE COLLECTION SERVICE (ITEM 6)

The Council considered a report setting out for members' information, the internal audit report arising from a review of the Waste Collection Service. The Internal Audit Consortium Manager was in attendance to present the report and answer any questions.

It was moved by Councillor Chris Furness, seconded by Councillor David Hughes and

RESOLVED That the report be noted.
(Unanimously)

The Chairman declared the motion **CARRIED**.

Meeting Closed: 8:30pm

Chairman