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## **COUNCIL**

**Minutes of a Special Council Meeting held on Wednesday 18 December 2019 in the Council Chamber, Town Hall, Matlock at 6.00 pm.**

### **PRESENT**

Councillor Richard FitzHerbert - In the Chair

Councillors Jacqueline Allison, Robert Archer, Jason Atkin, Richard Bright, Matthew Buckler, Sue Bull, Martin Burfoot, Sue Burfoot, David Chapman, Tom Donnelly, Graham Elliott, Steve Flitter, Helen Froggatt, Chris Furness, Clare Gamble, Alyson Hill, Susan Hobson, Stuart Lees, Elisa McDonagh, Tony Morley, Michele Morley, Joyce Pawley, Garry Purdy, Mike Ratcliffe, Claire Raw, Mark Salt, Peter Slack, Andrew Statham, Alasdair Sutton, Colin Swindell, Steve Wain and Mark Wakeman.

Paul Wilson (Chief Executive), Sandra Lamb (Head of Corporate Services), Karen Henriksen (Head of Resources), Steve Capes (Head of Regeneration and Policy), Ashley Watts (Head of Community & Environmental Services), Sally Rose (Environmental Services Manager), Jim Fearn (Communications and Marketing Manager) and Jackie Cullen (Committee Assistant).

1 member of the Press.

The meeting was recorded and broadcast live on YouTube.

### **APOLOGIES**

Apologies for absence were received from Councillors Neil Buttle, Paul Cruise, David Hughes, Peter O'Brien, Lewis Rose OBE and Andrew Shirley.

### **239/19 – WASTE AND RECYCLING CONTRACT PROCUREMENT**

The Council considered a report that sought approval to award the new waste and recycling contract to Serco Limited, to commence on 2 August 2020 for an initial eight year term with

the option to extend for up to a further eight years. The report also recommended a fee for the collection of garden waste from April 2021.

The contract was based on a service specification that had undergone substantial Member and public engagement, as set out in the report, and which sought to achieve affordability over the lifetime of the contract whilst meeting residents' needs and statutory recycling targets.

The current waste contract provided by Serco Limited commenced in 2012 at a cost of approximately £2.1m per year, and was due to expire in August 2020. However, since that time there had been an increase not only in the cost of service provision but also in the level of liability contractors sought to share. Therefore, options for future models of delivery were limited by the cost of the contract.

In April 2018, a Waste Procurement Group was formed, which included specialist legal advisor, Eunomia, whose own role was set out in the report. Consultation with key stakeholders and Members was carried out during summer and autumn 2018, with further Member workshops and briefings during 2019. The results were detailed in full in a report to Council on 29 November 2018 and the key features of the results of the consultation were discussed in Sections 3 and 5 of the report.

It became evident during discussions with potential bidders that contractors were no longer willing to take on all of the financial risks associated with commodity prices for recyclable materials. An illustration of the financial impact of the different service delivery options considered prior to Council agreeing the service specification on 14 March 2019 was tabled in paragraph 6.1 of the report, from which Option A was subsequently unanimously approved. This option provided chargeable garden waste alongside fortnightly residual collections, and provided the highest cost savings in residual disposal cost due to more waste being recycled.

The Procurement Strategy, as outlined in Section 7 of the report, was then approved by Members at Council on 29 November 2018 and was part of the report required by Regulation 84(1) of the Public Contracts Regulations 2015.

Following approval of contract award, a time-lined communications plan would be drawn up, and reviewed regularly, targeting key milestones such as the introduction of paid-for garden waste collections, as set out in the report.

In accordance with the Public Contracts Regulations 2015 it was recommended, based on the outcome of the procurement process, that Serco Limited be awarded the contract for the new waste and recycling collection service, commencing 2 August 2020. Key features of the new contract were set out in paragraph 11.2 of the report, together with details of the new collection service (Section 12 of the report), summarised as follows:

- The weekly separate food waste service would remain in place (as now), in preparation for the possible mandatory separate collection requirement in 2023
- The fortnightly two-stream dry recycling service would remain in place, typically in 240 litre bins (as now)
- Fortnightly collection of residual waste, typically in 140 litre bins (as now)
- The offer of a 12 month fortnightly chargeable garden waste collection service, typically in 240 litre bins, from April 2021 (with the current free service continuing until then)

Eunomia advised that the option to introduce a three-weekly collection service from the midway point of the contract should be included, for reasons set out in the report. This was approved by Members on 14 March 2019. Any decision to implement a three weekly collection service would rest entirely with the District Council and would require a separate decision of Council at the appropriate time.

As part of their submission Serco Limited had given a commitment to reducing carbon emissions and supporting the local economy, and had also committed to use local businesses for fuel, haulage, depot works, workwear and equipment. In addition, the contractor would introduce a 'Learning and Skills' pledge, with a focus on enhancing 'learning and earning' potential for staff, and would apply a targeted recruitment approach, focussing on employment from local schools and colleges. Another key feature of the specification was the introduction and/or better use of technology. Serco Limited had committed to providing a fully functioning Management Information System (MIS) that will integrate with the District Council's Customer Relationship Management system (CRM), as explained in the report.

As resolved by Members on 14 March 2019, the free garden waste service would be discontinued and a chargeable garden waste service would be introduced from April 2021. In order to help determine an appropriate fee, a cost modelling exercise had been carried out by Eunomia, as set out in the report. The key results of the modelling exercise were shown in Appendix 1 to the report, showing charges that were benchmarked to be in the range of £35.00 to £60.00 per bin per year.

After considering the feedback from Members and residents, it was proposed that an 'early bird' offer of £35.00 for the financial year 2021/22 would be available up to 31 January 2021 in order to maximise participation, after which date the standard charge of £50.00 per bin per annum would be applied. It was recommended that this should be an introductory offer only and the higher standard fee of £50 per bin per annum be introduced prior to service commencement in April 2021. This was an annual flat fee single payment and would not be subject to concessionary discounts.

On 14 March 2019, in approving the specification for this service, Members approved a 60/40 split in favour of quality over cost for the tender evaluation and 70/30 split in terms risk share, with the Council accepting 70% of the liabilities, as outlined in the report. A summary of prospective costs was set out in Section 16 of the report, with the position for the next three financial years tabled in paragraph 16.6 of the report and the overall medium term financial position subsequent to the award of this contract was tabled in paragraph 16.7 of the report.

An Equality Impact Assessment (EIA) had been carried out prior to recommending to Council on 14 March 2019 that the service be specified as now procured. Members had been provided with the full EIA and it was summarised in the report alongside the recommendations as approved.

In accordance with Rule of Procedure 19 (d) Councillors Jason Atkin and Mark Salt requested a recorded vote on this item.

It was moved by Councillor Garry Purdy, seconded by Councillor Susan Hobson and

**RESOLVED**

1. That the contract to provide waste and recycling services in the Derbyshire Dales be awarded to Serco Limited to commence

on 2 August 2020 for an initial eight year term with the option to extend for up to a further eight years.

2. That the terms of the contract as summarised in the report are noted.
3. That a seven month mobilisation period following award of contract is noted, enabling Serco Limited to deliver the new contract from the commencement date.
4. That the garden waste subscription fee be set at £50 per bin per annum from 1 April 2021, with a reduction of £15 where subscriptions are taken out before 31 January 2021.
5. That the sum of £3,612,382 be added to the capital programme for the purchase of vehicles required to deliver for the new waste and recycling services contract, to be financed by the use of reserves and internal borrowing as a means of reducing the annual revenue costs.

**Voting:**

**For**

Councillors Jason Atkin, Richard Bright, Matthew Buckler, Sue Bull, David Chapman, Tom Donnelly, Graham Elliott, Richard FitzHerbert, Helen Froggatt, Chris Furness, Alyson Hill, Susan Hobson, Stuart Lees, Elisa McDonagh, Tony Morley, Michele Morley, Joyce Pawley, Garry Purdy, Mike Ratcliffe, Claire Raw, Mark Salt, Peter Slack, Andrew Statham, Alasdair Sutton, Colin Swindell, Steve Wain and Mark Wakeman. (27)

**Against**

Councillors Jacqueline Allison and Martin Burfoot. (2)

**Abstentions**

Councillors Robert Archer, Sue Burfoot, Steve Flitter and Clare Gamble. (4)

The Chairman declared the motion carried.

**MEETING CLOSED 7.03PM**

**CHAIRMAN**