EHDC & WCC Joint Environmental Services Committee
Agenda

Date: 26 November 2014
Time: 2.30 pm
Venue: Council Chamber, Penns Place, Petersfield, GU31 4EX

Membership

<table>
<thead>
<tr>
<th>Membership:</th>
<th>Cllr Richard Millard (Chairman)</th>
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<td>Cllr Rob Humby (Vice-Chairman)</td>
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<tr>
<th>Councillors (EHDC)</th>
<th>Councillors (WCC)</th>
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<tr>
<td>Cllr Melissa Maynard</td>
<td>Cllr Jan Warwick</td>
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<td>Cllr Bill Mouland</td>
<td>Cllr Victoria Weston</td>
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Deputy Members

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<th>Councillors (EHDC)</th>
<th>Councillors (WCC)</th>
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<tr>
<td>Cllr Dean Phillips</td>
<td>Cllr Steve Miller</td>
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The business to be transacted is set out below:

Jo Barden-Hernandez
Service Manager – Legal & Democratic Services

Date of Publication: Tuesday, 18 November 2014

Contact Officer: James Harris 01730 237098
Email: james.harris@easthants.gov.uk
PART 1 (Items open for public attendance)

1 Apologies for Absence

To receive and record any apologies for absence.

2 Chairman’s Announcements

3 Confirmation of Minutes

To confirm the minutes of the previous meeting held on 13 October 2014.

4 Declarations of Interest

5 Joint Environmental Service Contracts - Annual Report Year 3 1 - 28

6 Joint Environmental Services Committee 2014/15 Quarter 2 29 - 34 Forecast

7 Joint Environmental Services Committee 2015/16 Draft Budget 35 - 40

8 Joint Environmental Services Committee 2015/16 Draft Budget - Proposed Growth Items

PART 2 (Confidential Items - closed to the public)

The committee is asked to consider whether to pass a resolution excluding the public from the meeting during consideration of any of the items on the agenda. If councillors wish to do so then this could be achieved by passing the following resolution. Councillors are not required to pass the resolution but the Solicitor to the Council recommends this as to the item set out below.

That the public be excluded from the meeting during consideration of the item headed and numbered as below because:

(a) it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during that item there would be disclosure to them of exempt information of the descriptions specified in paragraphs of Part 1 of Schedule 12A (as amended) of the Local Government Act 1972 shown against the heading in question; and

(b) in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
Item 9 – Joint Client Team Review (Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information); and

Item 10 – Public Conveniences Cleaning Contract Update (Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

9  Joint Client Team Review  47 - 62
10  Public Conveniences Cleaning Contract Update  63 - 66

GENERAL INFORMATION

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NON-EXEMPT

EAST HAMPSHIRE DISTRICT COUNCIL AND
WINCHESTER CITY COUNCIL

EHDC & WCC Joint Environmental Services  26 November 2014
Committee

JOINT ENVIRONMENTAL SERVICE CONTRACTS – ANNUAL REPORT
YEAR 3
Joint Client Team Manager

For Decision

Portfolios: Cllr Melissa Maynard (EHDC, Energy and Environment),
Cllr Richard Millard (EHDC, Commercial Contracts),
Cllr Jan Warwick (WCC, High Quality Environment)

Key Decision: No

1.0 Purpose of Report

1.1 To inform the Joint Committee of the performance against the various joint
environmental services contracts during the third year of operation, to
include the activity of the Joint Client Team in monitoring and managing
this work.

2.0 Recommendations

The Joint Committee

1. Note the content of this review of the 3rd year of the contracted
services

2. Question invited senior representatives from Biffa and The Landscape
Group (TLG) on any areas of concern arising from the reports on the
contract performance in year 3;

3.0 Detail

3.1 This report provides a summary of the third year of the three joint
contracts, covering the contractors’ operational performance and
developments within the Joint Client Team. The report should be
considered alongside the separate exempt report elsewhere on this agenda on the conclusions of the Joint Client Team Review.

3.2 The Joint Client Team summary of the year is attached as Appendix A and each of the two principal contractors (Biffa and Landscape Group) have provided their own summary of the year as attached at Appendices B & C. Representatives of those contractors will be at the meeting to answer questions on service development during 2013/14 and plans for future developments in 2014/15.

3.3 Whilst overall performance across the contracts is satisfactory in some areas there are still concerns that all contract requirements are being met. In response to these concerns the JCT is in discussion with the contractors in order to try and resolve these areas including where required the application of contract sanctions in order to improve performance. These contract management processes have been improved over the last year and are now more robust and proportionate than in previous years.

3.4 Significant changes are planned within the next contract year to both the structure and function of the JCT and also service changes by contractors. It will be important to ensure that such changes are properly planned and resourced if they are to be implemented with minimum disruption to residents.

4.0 Implications

4.1 Resources: The cost of the various services and that of the Joint Client Team are covered by approved revenue budgets at both councils.

4.2 Legal: There are no legal implications arising from this report.

4.3 Strategy: The work of the JCT delivers services which help to meet a number of the aims of the corporate strategy including Financial Sustainability, Environmental Sustainability, Public Service Excellence and Creativity and Innovation.

4.4 Risks: The proposed changes by Biffa to round reorganisation carry significant risks unless implemented in a careful and well structured manner. The aim will be to avoid the problems experienced during initial mobilisation in October 2011 using the lessons learnt at that time.

4.5 Communications: Proposed changes by Biffa within their 2015 Service Plan will have significant communication issues for residents and will therefore need to be carefully considered within the project management approach to this plan.
Appendices:

Appendix A  -   Joint Client Team Annual Report
Appendix B  -   Biffa Annual Report
Appendix C  -  The Landscape Group Annual Report

Agreed and signed off by:

Legal Services:  14 November 2014
Executive Head of Governance & Logistics: 14 November 2014
Relevant Executive Head: 14 November 2014
Portfolio Holder: 14 November 2014

Contact Officer:  Rob Heathcock
Job Title:   Joint Client Team Manager
Telephone:  01730 234283
E-Mail:  rob.heathcock@easthants.gov.uk
Joint EHDC/WCC Environmental Services Client Team

Annual Report 2013/14

1. Introduction

1.1 2013/14 has been a transitionary year for the JCT with changes in the management of the team part way through the year and the completion of contract variations with the Landscape Group as part of a value engineering exercise in order to focus resources in service areas of the greatest need in terms of customer expectations.

1.2 Throughout the year work has continued to ensure that contract monitoring processes and team structure are fit for purpose which culminated in a Joint Client Team Review which is considered elsewhere on this JESC agenda.

1.3 The improvement work has been informed by not only internal reviews but also recommendations within audits conducted during the year, progress in relation to which were reported to JESC at it meeting on 13 October 2014.

1.4 This third annual report considers the following aspects of the year which cumulatively have an impact upon contractor performance:

   a) Contract monitoring data and reporting
   b) Processes and procedures
   c) Team structure
   d) Service planning & Innovation
   e) Customer Service Centre
   f) Scrutiny

2. Contract monitoring data & reporting

2.1 This year the JCT dealt with 31,885 Lagan cases in total during the year of which 21,197 related to the Biffa contract. Of these, the JCT had to carry out investigations and raised rectification notices on 280 occasions, for a variety of service failures including non-collection of bins and sacks, non-delivery of new waste bins and not replacing bins properly at assisted collection locations. Biffa failed to resolve the service failures in these rectification notices on 75 occasions for which they received default notices.

2.2 The JCT also dealt directly with 4,201 Lagan cases for TLG. The JCT raised 283 rectification notices for works that were either not carried out to correct contract standards, or where they had not done work at all. These were escalated to a default notice on 47 occasions; where TLG did not either remedy the failure in time, or to the correct standards.
2.3 The following table summarises how these figures compare with the previous 2 years of the contract:

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Notes</th>
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<tbody>
<tr>
<td>Biffa – Service Requests</td>
<td>22,599</td>
<td>19,107</td>
<td>21,197</td>
<td></td>
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<tr>
<td>Biffa – Rectification Notices raised by JCT</td>
<td>584</td>
<td>514</td>
<td>280</td>
<td></td>
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<tr>
<td>Biffa – Default Notices raised by JCT</td>
<td>191</td>
<td>75</td>
<td>75</td>
<td>(1)</td>
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<tr>
<td>TLG – Service Requests</td>
<td>4,913</td>
<td>4,011</td>
<td>4,201</td>
<td></td>
</tr>
<tr>
<td>TLG – Rectification Notices raised by JCT</td>
<td>320</td>
<td>292</td>
<td>283</td>
<td></td>
</tr>
<tr>
<td>TLG – Default Notices raised by JCT</td>
<td>27</td>
<td>74</td>
<td>47</td>
<td>(2)</td>
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Notes

(1) Although number of defaults has not increased the ratio of defaults to rectifications has increased from 14% to 27%.
(2) Number of defaults reduced by ‘amnesty’ period during completion of contract settlement period.

2.4 In order to improve data collation and reporting performance dashboards for each of the contract areas have been developed and following consultation on their format and content work is progressing to roll these out during the early part of year 4 of the contract. The dashboards will not only be of uses a management tool but will also provide the necessary data for scrutiny meetings which are reviewed later in this report.

2.5 Work has also begun on investigating the options for mobile recording of data by CMOs which will speed up the collation process and provide live data for contract managers and staff within the Winchester CSC.

2.6 During this year the contract monitoring regime for grounds maintenance and street cleaning has been adapted to a thematic approach with a focus on key services for a particular month such as grass cutting, weed and moss treatments, leaf removal, shrub bed maintenance, hedge cutting etc.
3. **Processes and procedures**

3.1 During the year both an internal review and an audit undertaken by the Council’s internal auditors identified the need to improve the business processes within the JCT and a programme of reviews is underway with a number of processes already completed.

3.2 As part of the contract resolution agreement with TLG the Rectification and Default Notices procedure has been updated and now provides a more transparent and robust mechanism for dealing with service failures.

3.3 This has been linked to revised Strategic Performance Frameworks for both the Biffa and TLG contracts which provides a more proportionate approach to significant failures using a cumulative escalation process from rectifications to defaults and then SPFs.

3.4 Significant improvements have been made to the financial procedures in order to streamline both the purchase ordering and payment processes. It has also been possible to include budgets for ad hoc works within the JCT in order to speed up decision making timescales.

3.5 The JCT Risk Register has also been updated and management plans are being developed to address each risk.

4. **Team Structure & management**

4.1 This year there have been changes to JCT management arrangements. The need for one manager to be responsible for the Biffa waste contract and another for the TLG streets and grounds contract was agreed but the locations of each manager have been switched in order to ensure that the lead manager for a particular service was correctly located. This was particularly important for the grounds maintenance element of the contracts which are primarily focused on the Winchester District.

4.2 In order to supplement this change, meetings with Client Officers e.g. housing and car parks have been increased so that the appropriate contracts manager can receive feedback on contractor performance and confirm what measures are being taken to deal with any deficiencies. These meetings now dovetail into a new cycle of meetings within the JCT for staff on a 1:1 basis, meetings of managers and also the JCT as a whole.

4.3 Lead contract monitoring officers have also been established for key service areas in order to provide a focus for service delivery and also personal and professional development. It is proposed that eventually lead roles will have been established for the following areas:

- Grass cutting
- Leaf clearance
- Shrub bed maintenance
- Hedge cutting
- Public conveniences
- Cemetery maintenance
4.4 Work has also continued to expand the contract monitoring capacity of the JCT through the use of ‘surrogate’ monitoring staff within the car parks and housing services particularly at WCC. These staff will either act as triage responders, and report back problems to the JCT for action or if authorised serve rectification and default notices to deal with contract failures.

4.5 Over the last year it has become increasingly apparent that the volume and complexity of the administrative and data reporting processes require clear leadership and co-ordination. The trial arrangement of Projects and Administrative Manager since April 2014 to manage those individuals involved in these processes has worked well and the JCT review recently carried out recommends that this post should continue.

4.6 Finally the recently completed JCT review has recognised a need for the JCT to focus on core contract monitoring functions by relocation of non core functions elsewhere within both Councils in the future.

5. **Service Planning & Innovation**

5.1 Despite being in its 4th year lessons are still being learned about potential service changes in order to improve the overall quality. This year there has been a focus on the grass cutting programme and a recent review has concluded that changes to the cutting programme would help to improve customer experience. These options are considered elsewhere on this JESC agenda and if agreed will be monitored closely during the 2015 cutting programme.

5.2 Changes were also made to the leafing programme with a review of the priority areas which again will be monitored closely during the current leaf removal season.

5.3 This year the previous Waste to Resources Action Plan was significantly revised and rebranded the Waste Minimisation Plan so as to dovetail into existing Government and County wide plans with similar aspirations.

5.4 In reviewing how to deliver this programme the option to leave Recycle for Hampshire was considered during this summer and this could still be an option for 2015 unless it can demonstrate improved value for money following its own review of delivery mechanisms.

5.5 The future approach to delivering the Waste Minimisation plan will be important with a focus on waste minimisation, increased capture of recyclables and reduction in contamination. The trend data on these latter 2 aspects is shown below.
Both councils continue to experience reductions in recycling rates during which are a common trend across all of the other Project Integra councils. There are a number of reasons for this including a reduction in the amount of recyclable materials being disposed of by residents due to economic climate and the increasing popularity of electronic media as opposed to print which provided significant proportion of the weight within recycling bins.

To counter these trends there is the potential for Project Integra to change the range of recyclable materials which can be collected including the inclusion of pots, tubs and trays. These developments will need to monitored closely as well as the issue with reductions in recycling income due to market values and a possible removal of the recycling credit regime.

In addition work continues to expand the options available to residents and this year a network of textile banks have been rolled out across both districts with the aim of capturing these materials and using net income to support local charitable causes. Further publicity of these banks will follow in 2015 to support existing promotion using the collection calendars delivered to households.

Contamination rates of recyclables are still a concern with WCC having rate of 8.57% and EHDC 8.9%. As part of a plan to address this a revised bin returns policy has been developed and approved by JESC in order to provide a consequence to residents that do contaminate. The Policy will be rolled out across both districts as part of a Biffa service Development Plan for 2015.

Customer Service Centre

Last year the Winchester CSC received 28,486 service enquiries and requests from the public via the 0300 300 0013 telephone line and another 1,607 on-line requests. Of the enquiries logged 50.7% were from EHDC, 47% WCC with 1.7% out of area.

Approximately one third were for Garden Waste services – the majority of which were residents calling to renew their licence for the EHDC chargeable service or make enquiries about the newly offered wheeled bin option. The Winchester calls mainly related to the non-return of garden waste sacks.

The remaining calls dealt with by the CSC will have been requests for information or guidance that the CSC staff were able to provide to the caller and required no further action. Overall
volumes of service requests has now stabilised after the initial mobilisation period in the first 6 months of the contracts and reflects broadly similar levels of activity to those before the joint partnership was formed.

6.4 There have been performance issues within the CSC at times during the last year caused by staff turnover and increases in workloads. Action has been taken to address these issues even though this is an ongoing challenge and new manager of the CSC has recently been appointed to oversee this process.

6.5 The CSC also continues to work on options for customer channel shift using IT solutions and during the last year has rolled out a My Council Services App for mobile phones and increasing the options for reporting issues outside of normal working hours.

7. Scrutiny

7.1 This year has seen a slight change in the primary scrutiny arrangements for the work of the JCT. In previous years the main focus for such scrutiny has been through the WCC Overview & Scrutiny Committee and the EHDC Environment Panel. Whilst a Joint Environmental Services Scrutiny Committee was created it has taken a while for it to become established and at a recent meeting it carried out a review of its Terms of Reference and considered how it inter-related with other scrutiny functions at both Councils.

7.2 This process is now complete and the committee has re-named itself the Environmental Services Joint Scrutiny Committee in order to avoid confusion with the JESC. Following this review and changes it is expected that this committee will provide the primary focus for scrutiny with any areas of concern being referred back to parent committees as required.

7.3 In addition to this committee JCT members also attend a tenant stakeholder group at WCC to discuss service issues and concerns about contractor performance. In preparing this report the Group have provided their own summary of the year and this is attached at Appendix 1.

7.4 Now that the performance dashboards for each service area have been developed it is hoped that this will be used to provide a focus for scrutiny and will also be able to provide trend data throughout the year and between separate years.

8.0 Year 3 Contractor Performance – The Landscape Group

8.1 Dilapidated Shrub Beds - this year all dilapidated beds as identified following detailed site visits during the year have had all work completed. The beds will now be tended as per the Grounds Maintenance specification and work will continue to raise any required variations and the GIS maps and contract details amended accordingly. This particularly applies to shrub beds which are no longer present and the area is to be returned to grass, or where the shrub beds have now become trees/hedges over a period of many years.
8.2 **High Profile Shrub Beds** – Work has continued on the programme of work for High profile shrub beds and there have been some improvements. Work will continue to ensure that these are seen through to completion in time for the 2015 growing season.

8.3 **Standard Shrub Beds** - The last standard shrub bed containment prune visit was completed on the 29th September. Subsequent inspections have highlighted some issues with specific aspects of the work carried out, with particular reference to the mulching of beds for EHDC. Rectifications were raised accordingly and TLG advised that top up mulching is to take place at each visit.

8.4 **Weeds & Moss removal** – performance in this area has again been disappointing following problems experienced during 2013. Any spraying carried out has not been properly accompanied by removal of weeds or moss following treatment. Contract sanctions have been used to address the problems.

8.5 **Grass Cutting** – the 2014 grass cutting programme was recently reviewed with the following conclusions:

- In general the programme worked well
- Problems experienced were due to equipment breakdowns and lack of spares/business continuity planning to ensure the cutting programme was not delayed
- Breakdowns were due to grass length which impacted upon the load on the equipment resulting in the failure of clutches and cutting equipment
- It became apparent that some areas were incorrectly classified in terms of cutting frequencies with Mornhill Cemetery in WCC being a particular problem as it was designated as G4 and therefore only cut approximately every 3-4 weeks
- The designation of the cutting calendar as an indicative programme only led to problem in terms of contract monitoring as it was difficult to establish whether cuts were carried out on the planned date
- The lack of proper returns at the outset from the contractor hampered contract monitoring as it was unclear about the progress made. The lack of information regarding problems such as breakdowns was a particular problem as CMOs were not aware of possible delays in completing cutting cycles.

8.5 TLG introduced some improvements to the management of the cutting teams including tracking data on mowers to check operational efficiency. They also began a review of the type of equipment used which on current cutting frequencies struggles to cope with the length of grass it encounters.

8.6 Potential changes to the 2015 cutting programme fall into 2 categories

a) A re-categorisation of areas known to experience problems in order to change the cutting frequencies. For example Mornhill cemetery will be reclassified as G2 (weekly cut) instead of G4 (3/4 weeks)

b) A change to the regime applied to the G4 grass which is the largest proportion of grass across both districts.
Both of these options are included within the draft JESC 2015/16 growth items report elsewhere on the agenda.

8.6 **Hedges** – scheduled hedge cutting work during the year was in most cases completed with rectification and default notices used where required to ensure contract compliance. Options for different hedge cutting frequencies for 2015 will be examined as part of a value engineering exercise which could be used to offset any additional grass cutting costs.

8.7 **Leaf Clearance Programme** – this has just begun for 2014 using a new priority roads list based on the previous 3 years experience. The priority roads are those areas deemed to require special attention because of the degree of leaf fall and high profile nature. All areas do receive cleansing but this will be as part of routine street sweeping in line with the contract requirements.

8.8 The revised Priority leafing list has been converted into a work programme which is being used for contract monitoring purposes and also within the Customer Service Centre. Information has also been sent to WCC and EHDC Members for information.

8.9 The leafing programme was incorporated within the JCT Contract Monitoring Plan using the ‘seasonal’ approach described in paragraph 2.6 above and led by a CMO as described in paragraph 4.3. Early performance of the contractor has been unsatisfactory due to deviations from the agreed programme and delays in completing work on time. Performance is now improving as the programme becomes more established.

8.10 On completion of the 2014 programme a review will be carried out based on performance of the contractor and any requests or issues raised by the public or members including additional priority roads. This process will become part of the annual performance monitoring cycle of the JCT.

8.11 **Litter bin emptying** – there have been no significant issues with bin emptying procedures and arrangements are in hand for more frequent emptying during high usage events over the Xmas period. Changes to bin emptying frequencies have been proposed within the 2015/16 budget to address areas where current contract frequencies are considered to be insufficient.

8.12 **Dog waste bin emptying** - there have been no significant issues with bin emptying performance.

8.13 **Schedules and Returns** - there have been issues with the lack of provision of timely and suitable schedules and returns for contracted services. This is an important aspect of contract management as the information is required to ensure that inspection processes are carried out within agreed time windows. In 2015 TLG will roll out an IT system which it is claimed will provide the information required. In the meantime interim requests for information in an alternative format have been submitted by the JCT and if the information is not provided contract sanctions used to address the issue.
9. Year 3 Contractor Performance – Biffa Municipal Ltd

9.1 Bin emptying – During 13/14 missed bin collection numbers were within acceptable tolerance levels although there is still a need for improved supervision of crews arising from these staff covering for regular HGV drivers due to staff turnover.

9.2 Replacement bins – this year has seen a marked increase in the number of requests for replacement bins. The reason for this increase is not yet known but may be relate to old bins coming to the end of their useful life. Biffa have struggled to meet delivery timescales and have requested that the JCT work with them to try and understand the reasons for the increase and adopt a suitable procedure in order to ensure that only legitimate replacements are provided. A draft procedure has been developed and this will be rolled out during the current contract year.

9.3 Contamination - Recycling contamination levels are still at high levels as described earlier. Measures to address this are included with the Waste Minimisation Plan recently agreed by JESC including a change to bin returns policy which will discourage the practice.

9.4 Bins return policy – this aspect continues to be a contentious issue with residents who fail to report any missed collections by the 12pm deadline the following day. However, there are no plans to change the policy which will remain in place for 2015.

9.5 Green Waste collection service - there has been an issue with the high number of replacement green waste sacks within the WCC area and discussions are underway with Biffa on how to address this during 2015. The project will include measures to reduce the number of duplicate bags which have not been paid for in order to improve round completion rates.

9.6 Take up of the bin option for the EHDC garden waste service is encouraging with many residents switching from sacks to this service. Additional promotion of the scheme has been included with the 2015 collection calendars with the aim of increasing income from this service.

9.7 Kerbside Glass – there have not been any significant issues with this service but discussions are taking place with Biffa regarding the removal of unauthorised containers during the current contract year as these can present a health & safety hazard.

9.8 Collection Calendars – delivery of the 2015/16 calendars was completed on time and in general ran very smoothly with few complaints.

9.9 Recycling Bring sites - there have been no significant performance issues with this area of the contract. Discussions are taking place with Biffa regarding possible replacement of the EHDC Igloo banks with 1100l bins during 2015 which could provide efficiency savings to both Councils.

9.10 Round reorganisation - Biffa have approached the JCT to discuss options for possible reorganisation of the existing collection rounds during 2015. This option could have benefits in terms of contracts savings as well as operational benefits as well as planning for future
housing development. Discussions will continue to take place once a detailed proposal has been submitted. Any final proposal will need to be considered by JESC before any approval might be given. Such a project would have major implications for the JCT and as such Biffa will be expected to fund any additional JCT resources required to satisfactorily deliver a change programme.

10. Year 3 Performance of Contractors – Superclean Wothorpe Ltd

10.1 The latest developments in relation to this contract are covered elsewhere on the JESC agenda. During the next contract year arrangements will need to be put in place in order to ensure service delivery from 1st October 2015 which is when the current arrangements come to an end.

11 Year 4 – Key Actions

11.1 Joint Client Team – to continue to deliver the JCT improvement Plan and any actions within the JCT Review which are agreed by JESC.

11.2 Biffa - The key priority for the JCT in 2014 will be to progress work with Biffa on agreeing a 2015 Service Development Plan which will include a programme of actions to address some of the issues described in this report including

- Rounds reorganisation
- Removal of unauthorised containers including sacks, bins and glass boxes
- Changes to the bin returns policy
- Consideration of alternative options for recycling bank collections
- Agreeing a procedure for bin replacement requests.

11.3 The Landscape Group – the key focus for this contract will be the following:

- Conclude the review of the grass cutting regime and implement any changes agreed by JESC
- Review any other contracted areas to see if there are any opportunities for further value engineering
- Ensure that schedules and returns are provided in a timely manner and in the format required
- Ensure that Weed & Moss removal is provided in a satisfactory manner
- Make sure that all shrub bed and hedge maintenance works are carried out as programmed

11.4 Superclean – to agree service provision arrangements from October 2015 onwards

11.5 Waste Minimisation Plan - to agree a process for the delivery of the actions within the plan through either internal provision or through Recycle for Hampshire with the aim of

- Increasing the capture of recyclables
A list of key points is provided:

- Reducing Contamination
- Reducing household waste

Appendix 1

Landscape Scrutiny Group Meeting at Lawn House 15.10.2014

The group are concerned by the number of WCC representatives attending each meeting.

We feel that the impartiality of the group could become compromised by the number of non scrutiny members attending.

It is felt that the meetings should be attended by the WCC lead officer along with a minute taker and all other visitors should be by invitation from the scrutiny group only.

The group are particularly concerned by the lack of progress in TLG’s overall performance.

The group has been meeting for over two years and are still identifying the same issues repeatedly.

Despite reassurances from TLG it is continually evident that the contract is inadequately supervised and the workforce are under trained and ill equipped to fulfil their tasks efficiently. (We do not hold the two existing supervisors or their manager responsible as we feel that they are overburdened with reporting and therefore unable to carry out supervision to the required level to achieve a satisfactory contractual service).

TLG appear to be increasingly reliant on backroom technology at the expense of in the field efficiency. We feel that whilst this may benefit TLG’s administration it has little bearing on field efficiency.

The grass cutting is repeatedly behind schedule along with the shrub beds which frequently get missed altogether.

This failure to maintain contractual schedules leads to an inefficient and even desperate appearance to the contract and certainly provides very poor value for money.

It appears that the workforce are on a continual catch up exercise, frequently being removed from one site and then sent to another site to resolve a complaint or placate the client. The workforce also appears to be totally demotivated and demoralised.

When there does appear to be an improvement in one section of the contract it is normally at the expense of another section. Moving the goalposts or extending schedules is not an option. As an example, we feel that there is a particular emphasis on sheltered housing. We however are concerned with all aspects of landscape maintenance including housing, sheltered, general needs and temporary accommodation. We would like to see a consistent level of commitment and quality in all of these areas.
We have repeatedly invited members of TLG regional management to address the scrutiny group to no avail. We feel that this demonstrates contempt of Scrutiny group concerns and a lack of commitment regarding improving the efficiency of the Landscape Contract.

We feel that after three years of this contract it is time for a review of the whole contract process.

It is time for an honest approach to the issues facing both TLG and WCC with a view to getting to grips with and resolving all of the problems, thereby achieving a more efficient process and delivering better value for the community.
Introduction
This report highlights and comments on the performance of the Biffa East Hants & Winchester Contract, for Year 3.

Health & Safety
Contract year three has seen a significant improvement in the attitude of the workforce in both performance and Health and Safety awareness. To date this year, there have been 10 personal accidents, one resulting in a RIDDOR. This is a significant improvement on last year’s results.

To raise the importance of Health and Safety within the workforce Biffa introduced a Company-wide Health & Safety Week, setting aside time to arrange extra, refresher training, and improve individual well-being. EHW was one of the first to complete this in the Southern Regions, and as a result the staff were made more aware of what dangers they encounter on a daily basis, it was a fantastic week for all. The Directors attended the week and there activities for all to participate which involved refresher training of Manual Handling and Bin Operations, also there were Health & Safety clinic’s with the SHEQ team.

As the contract matures it is possible to look in greater detail at the year on year trends for the accidents; this will help to identify which months there are high levels of incidents and also trends can be analyzed, identify any patterns emerging and arrange appropriate training at the right time.

Please see the breakdown of the accident statistics for the last three years:

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<table>
<thead>
<tr>
<th>Month</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>4</td>
<td>3</td>
<td>2</td>
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<tr>
<td>Feb</td>
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</tr>
<tr>
<td>Dec</td>
<td>15</td>
<td>14</td>
<td>13</td>
</tr>
</tbody>
</table>
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Health & Safety Cont’d
Near Miss reporting has been increasing throughout the year, this has been one of the major factors that has seen a decrease in accidents. This is being promoted on the simple principal that the more the staff are aware of their surroundings and identifying potential dangers the less likely they are to have an actual accident.
Whilst this list is not exhaustive, the employees and the Management team are encouraged to fill in the NM and Hazards. As you can see the vast majority of near misses involve overgrown vegetation and we have been working closely with the local team and county to get some of these matters resolved.

**Employee Engagement**

The annual Engagement Survey, completed by all staff has seen a year on year improvement in results within the staff and this contract had one of the highest scores in both the Region and the Division. One of the most positive results found in this years’ survey was that 84% of the EHW staff have a clear understanding of the needs of the customers (residents) against a national average of 68%.

**Collections (Refuse & Recycling)**

The contract has continued to maintain and improve on the high level of service over the last year.

All service missed bins since start of contract.
As a result of the missed collections for each month this contract is currently averaging:

- 38 missed collections per week for the AWC service per 105,000 collections.
- 17 missed collections per week for the Green Waste Service per 57,000 collections.
- 3 missed collections per week for the Glass collection Service per 12,500 collections.

This collates to a 99.96% success pass rate, which is a fantastic achievement, considering the geographical area of the district. This figure includes the multiple bins that are collected, and discussions are taking place to get these bins out of the system.

There is currently a project on-going looking at the benefits of rescheduling, and splitting the collections over two districts on a five day week as was originally tendered. This would work much better for the productivity and the environment and get the contract back to its tendered performance levels. Biffa have sourced an independent consultant (Route Smart), to produce data to ascertain the percentage of changes that may impact on the resident in both districts, approximately 80% of the residents will have either a day or commodity change, there have been meetings with officers to discuss the implementation of these changes and the timetable.

**Green Waste**

Biffa have been asked to deliver Brown Bins to the East Hants Payable service of the GW, since this started in March 13 and the contract has delivered 2700 bins across the East Hants District, meaning that there is now a bag and bin collection service. Biffa are interested in providing this service outside of the contract and have provided proposals for this.

There are more than 3500 properties in the WCC area that are presenting more than one bag for collection, 1500 properties have purchased an extra garden waste sack and these will continue to be collected, however the local team are currently discussing how to inform the remainder that only one bag will be collected.
Trade
The contract continues to operate a great service to the trade customers, with very few complaints. The prices for next year are currently being reviewed and will discuss with the authorising officer. This will need to be confirmed by January in order to get the invoices out in time so these discussions will start imminently.

Recruitment and Resourcing
There have been a few resignations over the last several months, mostly from drivers (following the recent change in licensing laws) and it has become increasingly difficult to attract new staff, however this has improved over recent months and the contract is nearly back up to full strength.

The contract is fully up to date with the Driver CPC, and did comply with the new legislation in September 2014, this has been the main reason why we have been struggling to employ new drivers, as many HGV drivers have found it difficult to obtain this credential.

The contract management team continue to monitor sickness at the depot and all staff know that any unplanned sickness has a detrimental impact on the service, a 3rd of the workforce have a 100% attendance record, and this is acknowledged by letters sent every year to the individuals that have achieved this.

Fleet
Dennis-Eagle, who share the depot, have provided an excellent service this year with minimal vehicle downtime. This is because of the good relationship that has developed locally and their total understanding of the needs and requirements of the contract.

The HIAB vehicle, used for emptying the Igloo bins in East Hants, was stolen from the Petersfield depot earlier this year and the specialized work that this vehicle carried out is currently being sub-contracted.

New Depot
The move into the new premises in Barfield Close last August was completed with no disruption of service to the residents. Due to the planning constraints on the new depot regarding starting times Biffa had to go through a consultancy process with the staff to change their start and finish times to suit. This was also completed with no disruption.

There have been some snagging problems with the new building and the local team are working with the clients’ contractors to get these resolved.

Forthcoming Development Projects
Over the next 12 months there are several high priority projects that need to be completed and these are forming part of several meetings and potential working groups to make sure that these are also completed with the minimum of disruption. These include:

- Removal of multiple refuse bins, this will benefit both the Biffa contract and the JWC.
- Removal of unauthorized Garden Waste Sacks in both districts.
- To reschedule routes, to a five day week for the both districts as mentioned above, this will also involve some improvements to the Petersfield depot.
- Withdrawal of the Igloo Banks and skips from the East Hants district and replace with 1100’s making the service more efficient.

Year 4 Service changes timeline
Dec-14 Biffa submit proposal for Trade Waste Increase for 15/16 Financial Year.
EHW format and print letter to all residents reminding them that only one container will be collected.
Biffa deliver letters to residents.

| Jan-15   | EHW confirm Trade Waste price increase  
|          | Biffa cease collecting unauthorised containers |
| Feb-15   | EHW and Biffa formulate and execute plan for removal of Igloo and skip glass banks |
| Mar-15   | EHW members agree round changes |
| Apr-15   | Biffa inform residents of proposed day changes |
| May-15   | Biffa remind residents of day changes |
| Jun-15   | Round re-route implemented |
| Jul-15   | Oct-15 |
| Aug-15   | Nov-15 |
| Sep-15   | Dec-15 |
|          | Biffa review Trade Waste prices |

**Summary**

There has been a stable management team on the contract for the last year and this has driven through service improvements, an improvement in Health and Safety awareness and better absence and sickness management.

The service is constantly improving and evolving and will continue to do so throughout the coming year and beyond.
Year three of the contract commenced on 1st October 2013.

It is however April 2014 that can be regarded as a watershed for the contract. A new revised and unambiguous specification was agreed and put in place on that date which was commensurate with that which the contract was tendered against and, as a consequence, is commensurate with rates and costs being charged. This new specification was approved by the Joint Environmental Services Committee (JESC) on 24th March and became effective from April 1st 2014.

On the 7th May 2014 in accordance with the agreement Senior Officers of East Hampshire District Council (EHDC) and Winchester City Council (WCC) together with the Chief Executive and Directors of The Landscape Group (TLG) successfully delivered a briefing seminar to all staff involved in delivering and managing the contract to ensure that there was familiarity with the contract requirements and processes together with a clear demonstration that at a senior level there was a commitment to improve performance and perception in the future built upon a stable relationship.

To ensure that the initial enthusiasm continues and translates through the remainder of the Contract The Landscape Group Chief Executive and Operations Director meet regularly with both Senior Officers and contract management staff to ensure that the desired outcomes are achieved and improvements sought.

There remains work to be done by both partners to implement integrated and robust monitoring and reporting and back office processes so that not only in the event that TLG does a good job, JCT is able to prove it. We are working together to progress this. With respect to TLG in this regard we are now some 60% of the way through roll out of our Acorn service management system which when complete will give JCT unprecedented levels of information on work completed, work quality and resources deployed in real time. We already now monitor in real time location, running efficiency and down time of all of our front line machines.

During the early summer there was a period however when grass cutting became an issue to residents and members. This was not an uncommon issue across southern England at that time as climatic conditions made things very difficult mid-season. (June/July).

At Winchester and East Hants specifically however the situation exposed the weakness of the grass cutting regime specified in the contract. By mid-June, whilst is acknowledged that TLG were at that time generally delivering that which they were contracted to do, that simply was not enough during...
this period to avoid unacceptably long grass and complaints. Both partners reacted to this and TLG committed significant additional resources over and above the contract requirements in order to remedy the situation. By the end of July the problem had been resolved and JCT committed to review the specification in time for the start of the coming season.

It became apparent that whilst TLG was approaching the new season and a focus on a revised street cleansing specification it was encouraging that after one of the wettest winters recorded that initial grass cuts were not affected, an achievement that ensured that residents maintained satisfied with “Council” performance.

Throughout year three, it is a positive to report that there have not been any occasions where there has been a strategic performance failure or any significant levels of defaults.

The principle benchmark however in the success or otherwise of this contract lays in the hands of residents not officers of TLG. In this regard the litmus test or barometer is the level of service requests (often but not always complaints). The table below shows the year to year comparator.

**Review of Service requests received per month comparing year 3 and 2**

<table>
<thead>
<tr>
<th>Service Requests</th>
<th>YEAR 3 (October 2013 - September 2014) Requests per month</th>
<th>YEAR 2 (October 2012 - September 2013) Requests per month</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Animals</td>
<td>20</td>
<td>22</td>
<td>-2</td>
<td>-8.7%</td>
</tr>
<tr>
<td>Bring Site</td>
<td>5</td>
<td>2</td>
<td>3</td>
<td>125.0%</td>
</tr>
<tr>
<td>Fencelines</td>
<td>1</td>
<td>1</td>
<td>-1</td>
<td>-50.0%</td>
</tr>
<tr>
<td>Grass Cutting</td>
<td>32</td>
<td>25</td>
<td>7</td>
<td>28.7%</td>
</tr>
<tr>
<td>Hedge Cutting</td>
<td>31</td>
<td>17</td>
<td>14</td>
<td>79.9%</td>
</tr>
<tr>
<td>Leaf Clearance</td>
<td>17</td>
<td>68</td>
<td>-51</td>
<td>-75.0%</td>
</tr>
<tr>
<td>Litter Picking</td>
<td>29</td>
<td>28</td>
<td>1</td>
<td>3.3%</td>
</tr>
<tr>
<td>Play Sites</td>
<td>2</td>
<td>5</td>
<td>-3</td>
<td>-60.0%</td>
</tr>
<tr>
<td>Public Dog Bin</td>
<td>17</td>
<td>13</td>
<td>4</td>
<td>26.9%</td>
</tr>
<tr>
<td>Public Litter Bin</td>
<td>8</td>
<td>6</td>
<td>2</td>
<td>30.6%</td>
</tr>
<tr>
<td>Road Sweeping / Street Cleaning</td>
<td>34</td>
<td>43</td>
<td>-9</td>
<td>-20.9%</td>
</tr>
<tr>
<td>Shrub Beds</td>
<td>18</td>
<td>15</td>
<td>3</td>
<td>17.2%</td>
</tr>
<tr>
<td>Vegetation Control</td>
<td>2</td>
<td>3</td>
<td>-1</td>
<td>-38.9%</td>
</tr>
</tbody>
</table>

On the one hand it is encouraging that the overall level of service requests has reduced from 248 to 216 (a 13% reduction) the partners will to closely monitor the statistics to ensure that the revised specification is not the cause where complaints have increased. Whilst for the reasons explained above an increase in grass cutting complaints might have been expected this year, the increase in litter bins needs to be monitored to ensure that this is not a consequence of the revised specification. Although conversely the area in which the most significant change to the spec. occurred, road sweeping, there is a statistically significant reduction in complaints. In the case of hedges we believe that the increase was probably due to the ongoing problem with assets that were
dilapidated at the outset of the contract. A problem that has now at last been resolved by the partners.

Remaining Contract Issues

Following the implementation of the revised scope of contract all items have been addressed. The following further development actions however require completing:

<table>
<thead>
<tr>
<th>Action</th>
<th>By</th>
<th>Est. Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree revised grass cutting regime</td>
<td>JCT/TLG</td>
<td>Dec 14</td>
</tr>
<tr>
<td>Agree “Benchmark” for features</td>
<td>JCT/TLG</td>
<td>March 15</td>
</tr>
<tr>
<td>Implementation of Performance Quality management System</td>
<td>TLG</td>
<td>April 15</td>
</tr>
<tr>
<td>Roll out of Job Scheduling and Reporting element of ACORN</td>
<td>TLG</td>
<td>April 15</td>
</tr>
<tr>
<td>Implementation of new Contract management process</td>
<td>JCT</td>
<td>Dec 15</td>
</tr>
</tbody>
</table>

Contract Delivery

Management

As reported last year the change in General Manager has continued to provide improvements both in terms of communication with the JCT as well as the success in delivering services especially those areas that are considered sensitive to public criticism i.e. leaf clearance and start of season grass cutting.

We have also been operating with one additional manager, a commitment given by our CEO in March. This commitment was originally put in place for six months On the basis of “if its not broken don’t fix it” it is likely that this level of supervision will be maintained.

The general management structure has remained stable this year with Martin Platt establishing himself in the role of Contracts Manager in Petersfield whilst the division of Andy Knights time to concentrate and develop relations with Winchester Housing has proven to fruitful with improved customer satisfaction, whilst the recruitment of a second supervisor for Winchester has proven highly beneficial.

As reported earlier, following the implementation of the revised scope of contract a stronger set of relationships has been established between both Partners both committed to ensuring that dialogue remains positive yet at the same time ensuring any issues are dealt with swiftly to avoid escalation there are now clearer roles and relationships.

Staffing

As identified in both last year’s report and the improvement plan a second Supervisor was appointed to provide support to the Winchester area, Ryan Young has to date contributed greatly to improving the performance.

Staff development and training has continued throughout the year with further employees gaining qualifications with all Supervisors and Managers attended training to IOSH standards in Health and Safety, a strategy that has resulted in a rise in the number of near misses reported, further training
has been completed in handling disciplinary matters with other sessions planned for capability management.

In accordance with Company initiatives two staff members have also been entered into The Landscape Group management development plan, one for targeted progression towards Management and the other towards business administration.

**Work Programming**

In June a revised works programming and monitoring application was launched. This temporary solution reflects the changes in scope and speciation. Additionally, the application combines performance reporting and quality monitoring enabling reliable reporting of progress.

We have implemented the machinery efficiency elements of project ACORN (Our new service delivery system) This has enabled us to achieve operational performance improvements of both grass cutting machinery and road sweepers which in turn leads to better adherence to the plan

**Contract Performance Ground Care**

**Grass Cutting**

It is agreed that the grass cutting requirements of the contract this year have been delivered and during the middle part of the season significantly overdelivered. However, during cut four of the G4 Grass cut (general amenity) due to growing conditions the resultant condition of the grass became unacceptable, this, of course, coincided with the time when resources became most stretched. In response to this a proactive decision was made to supplement both mechanical and physical resources to ensure that the first few months of the revised contract scope period passed without problem, this commitment by The Landscape Group incurred an additional cost of £50,000 that was absorbed by the Company as it was considered essential if the partnership was to gain strength. In return JCT made a commitment to review the grass cutting regime in time for next season.

It is also positive to report that the perception of the job we do on mowing of Housing sites (the enhanced grass) has continued to improve mainly due to better communications but also due to a reassessment of team work loads, a scenario that also benefited high profile mowing areas.

This year also was the first year when several grass banks were managed differently from previous due to safety concerns and we are pleased to advise that we are unaware of any negative feedback following this decision and that the risks to staff employed on grass cutting reduced.

**Shrubs and Hedges**

Following the survey of standard shrub beds in 2013 works were commissioned to undertake remedial works to beds within Winchester to raise the standards, although the work ordered took longer to complete than expected the results are significant with many positive comments received by residents especially at Badgers Farm were the reports commented on an improved feeling of safety, with regards to the maintenance of high specification shrub beds there is unfortunately a need to review requirements, in response to dialogue with officers and in accordance with the specification pruning has been undertaken species specific, this though has resulted in negative feedback on the appearance of shrub features due to an impression of uncompleted works but this issue has been raised and hopefully will be concluded for next season.
Vegetation control

The Landscape Group were keen this year to improve on last year’s performance and are pleased to confirm that its objective was achieved as witnessed by the significant reduction in complaints, however as with high specification shrubs the timing of the operation and the methodology required post pesticide application have been raised as an area for review to maximise future opportunities.

Contract Performance – Cleansing

This aspect of the contract was the one most effected by the revision in the scope and therefore one that was anticipated to be under most scrutiny, The Landscape Group are confident to comment that to date all cleansing services have been delivered successfully, where there has been negative feedback (bin emptying) it must be reiterated that the frequency of emptying changed from an output requirement to input that is on a schedule not as required, but again due to improving dialogue and reaction to customer concerns if required, individual location are changed from one schedule to another schedule which has a greater visit frequency.

As part of the revised scope and change to frequency that the majority of urban roads are swept / litter picked was always going to present a challenge as the team routes used needed to be modified to accommodate a reduced resource and although indications to date suggest that this process was successful currently the Assistant Director and General Manager are reviewing routes to determine if further improvements in productivity can be achieved.

One aspect that was greatly improved was the delivery of leaf clearance, the success of this can be attributed to agreeing a structured approach to completing the works with more reliance on planning than reacting to enquiries together with agreement that sweeping and leaf clearance are separate tasks both requiring individual resources.

The Landscape Group had previously identified that cleaning of car park had caused negative feedback, a situation that was disputed and it is positive that we can report that by micro managing all aspects of this services over a short period of time the perception changed to that of satisfaction.

One resource that again worked to capacity was the removal of fly tipped material, a disappointing statistic especially when considered alongside other initiatives and is an area where further joint actions i.e. video monitoring of hot spots.

Quality, Health, Safety and Environment

The landscape Group can confirm that during the third year of the contract there were no accidents involving staff that were classed as notifiable (RIDDOR) but do report an increase in reported near misses, although appearing of concern the reporting of incidents that are deemed as a near miss is considered a demonstration of a positive Health and Safety culture.

The Landscape Group though did undertake a substantial review of Risk Assessments applicable to pavement sweeping in response to an incident in a neighbouring Authority where an incident did occur, this review was undertaken in cooperation with JCT to provide support and evidence for anticipated future HSE initiatives.

It can also be confirmed that during the contract year there were no issues or incidents that impacted negatively on the environment.
Financial Performance

Following the re-alignment of the specification back to that which was the basis of TLG’s tender, we are pleased to report that the contract has thus far traded at a modest profit.

This has now enabled local management to secure funding for further investment. Thus far we have upgraded our original Hako sweepers to Scarab to increase carrying capacity and road speed. We have also been able to increase numbers pedestrian items of kit such as strimmers, hedge cutters and blowers. And have invested further in IT in particular around the vehicle and machinery monitoring.

Summary of Items proposed for joint review and Annual Service Improvement Plan

  - H2 Hedge cutting – timing
  - Vegetation control
    - Timing,
    - Frequency
  - Grass cutting – Area schedule designation
  - H1 Hedges - frequency
- Contract Administration
  - Duplication of workload between TLG and JCT administration staff
- Contract Management
  - Shared contract management system – TLG / JCT
  - Contract performance review
- Shared resource
  - Shared administrator to provide performance management information – TLG / JCT
1.0 Purpose of Report

1.1 To advise the JESC of the Quarter 2 forecast for budget expenditure for 2014/15 in accordance with the requirements of the Inter Authority Agreement.

2.0 Recommendation

2.1 That the Committee

(a) Notes the position regarding the 2014/15 forecast; and
(b) Note the falling prices from sale of glass and the implication this can have on the year end position

3.0 Detail

3.1 The Inter-Authority Agreement (IAA) requires that the Joint Environmental Services Committee (JESC) receives a report on the financial performance of the contract.

3.2 The forecast at the end of Quarter 2 is showing a £24k under spend compared to budget with the key variations as described below.

3.3 **JCT costs** – these are showing a £24K underspend due to an additional post in EHDC which has not been filled during the current financial year pending the outcome of the Joint Client Team Review [see separate item on the agenda]
3.4 EHDC Green Waste Licence income – this is £52k less than budget. A promotional campaign to encourage take up is in progress and recent sales of licences show an increase in uptake. The full impact from the increased uptake will not be felt until 15/16 as income from individual licences are spread over a full year rather than allocated to the financial year in which they are received.

3.5 Sale of recyclables (glass) - the income received per tonne has significantly decreased during the year due to market conditions with an equivalent impact upon income. EHDC has higher than budgeted income from HCC In the form of recycling credits to offset this. Currently we are awaiting figures for the recycling figures for WCC and these will be verbally updated at the meeting. The current budgeted figure has been shown in the report.

3.6 Savings on contract costs for Biffa and TLG - these should be considered in conjunction with increased costs due to general growth and the value of ad hoc works. Further work is underway to split the true ad hoc works from the growth items although this will not have any impact on the net budget figure for either council.

4.0 Implications

4.1 Resources: There are no specific additional resource requirements from this report at this stage as net position is within acceptable variances for this time of the year.

4.2 Legal: there are no legal implications from this report.

4.3 Strategy: The proposals in this report will help to meet the Financial Sustainability aims of the Corporate Strategy.

4.4 Risks: There are no immediate risks from these proposals as net position is within acceptable tolerances for the time of the year. However the future position concerning recycling income will need to be monitored closely.

4.5 Communications: There are no communication issues from this report.

Appendices:

Appendix 1 – Quarter 2 2014/15 JESC Forecast

Agreed and signed off by:

Legal Services: (date) 14 November 2014
Executive Head of Governance & Logistics: 14 November 2014
Relevant Executive Head: (date) 14 November 2014
Portfolio Holder 14 November 2014
Contact Officer: Jo Knight
Job Title: Finance Business Partner
Telephone: 01730 234118
E-Mail: jo.knight@easthants.gov.uk
## Appendix 1

### Budget 2014/15 Q2 Forecast

<table>
<thead>
<tr>
<th></th>
<th>JESC Budget 2014/15 (£’000)</th>
<th>EHDC Budget 2014/15 (£’000)</th>
<th>WCC Budget 2014/15 (£’000)</th>
<th>JESC Q2 Forecast 2014/15 (£’000)</th>
<th>EHDC Q2 Forecast 2014/15 (£’000)</th>
<th>WCC Q2 Forecast 2014/15 (£’000)</th>
<th>Variance from budget (£’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Biffa</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Refuse &amp; Recycling contract</td>
<td>3,751.80</td>
<td>2,002.70</td>
<td>1,749.10</td>
<td>3,729.33</td>
<td>1,982.56</td>
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<td>94.52</td>
<td>28.19</td>
<td>66.33</td>
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<td>Property Escalator 14/15</td>
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<td>15.75</td>
<td>4.70</td>
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<td>12/13 inflation (2.5%)</td>
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<td>44.50</td>
<td>95.92</td>
<td>51.41</td>
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<td>56.20</td>
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<td>16.03</td>
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NON EXEMPT

EAST HAMPSHIRE DISTRICT COUNCIL AND
WINCHESTER CITY COUNCIL

EHDC & WCC Joint Environmental Services Committee 26 November 2014

JOINT ENVIRONMENTAL SERVICES COMMITTEE 2015/16 DRAFT BUDGET

Finance Business Partner

FOR DECISION

Portfolios: Cllr Melissa Maynard (EHDC, Energy and Environment),
Cllr Richard Millard (EHDC, Commercial Contracts),
Cllr Jan Warwick (WCC, High Quality Environment)

Key Decision: No

1.0 Purpose of Report

1.1 To advise the JESC of the draft 2015/16 budget.

2.0 Recommendation

2.1 That the Committee approve the draft JESC budget as set out in Appendix 1 of this report.

3.0 Detail

3.1 The JESC draft budget for 2015/16 has been compiled based on budget submissions received at East Hampshire and estimates for the Customer Service Centre and WCC based client team provided by the relevant WCC staff. A summary is attached to this report.

3.2 The budget has been prepared using a zero based budget approach and CPI increases applied to all of the contract costs.

3.3 At present the budget does not include costs arising from the proposed JCT review as these are being considered elsewhere on the agenda. If agreed they will be included in the final budget referred to each Council for approval.
3.4 The overall JESC position shows an increase of £324k of which £126k relates to East Hampshire and £197k to Winchester. The key budget movements are described below.

3.5 **Biffa Contract Budgets** – this shows an increase of £77k overall, which includes:

a) Property Escalator increase of £39k – the proportion of this is slightly higher in WCC due to anticipated development at West of Waterloo.

b) Inflation increase of £94k with £52k relating to 14/15 (1.5%) and a forecasted £42k in relation to Oct 15 to March 16 (2%)

c) An offset of these costs due to a budget reduction in ad hoc work costs which have been transferred to the core contract budget.

3.6 **The Landscape Group budgets** – this shows an increase of £58k mainly due to inflation of £25k, £5k of which relates to 14/15 (1.5%) and a forecasted £20k in relation to Oct 15 to March 16 (2%)

3.7 **Customer Service Centre** - CSC costs have remained static as changes to working practices linked to customer channel shift has enabled WCC to keep the costs similar to last year.

3.8 **Income from the sale of glass and other recyclables** – this is subject to several changes caused by market conditions which affects the material value and changes to service delivery as described below:

a) The income per tonne for glass sales has dropped significantly in the current year from £48 per tonne in December 2013 to £19 per tonne in October 2014. This will have a significant impact on income and this has been reflected in lower than last year income targets for glass. (£45k reduction in East Hampshire and £139k in Winchester). The Contract manager will continue to monitor developments in glass prices and bring updates as required.

b) Income from sale of Textiles - this is a new budget line this year and is based on 2014/15 Q2 income is expected to be £40k in East Hampshire and £35k in Winchester.

4.0 **Implications**

4.1 **Resources:** The resource implications are as set out in this report and will need to be considered by the respective Cabinets of both Councils if approved by JESC.

4.2 **Legal:** there are no legal implications from this report.

4.3 **Strategy:** The proposals in this report are in line with the budget strategies of both councils. The delivery of services contributes to both Environmental Sustainability and Public Service excellence.
4.4 **Risks:** The key risk is the instability of the glass market and the affect on income levels. It is therefore sensible to take a prudent approach to income predictions.

4.5 **Communications:** There are no significant communication issues from this report.

**Appendices:**

Appendices 1 – Draft JESC Budget

Legal Services: 14 November 2014  
Executive Head of Governance & Logistics: 14 November 2014  
Relevant Executive Head: 17 November 2014  
Portfolio Holder: 14 November 2014

**Contact Officer:** Jo Knight  
**Job Title:** Finance Business Partner  
**Telephone:** 01730 234283  
**E-Mail:** jo.knight@easthants.gov.uk
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<td>- Consumables</td>
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<tr>
<td>- 13/14 inflation</td>
<td>3.99</td>
<td>1.00</td>
<td>3.00</td>
<td>4.00</td>
<td>1.00</td>
<td>3.00</td>
<td></td>
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<tr>
<td>- 14/15 Inflation (1.5% )</td>
<td>1.89</td>
<td>0.89</td>
<td>1.00</td>
<td>2.13</td>
<td>0.74</td>
<td>1.40</td>
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<td>- 15/16 Inflation (2% Oct - March)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>1.44</td>
<td>0.50</td>
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<td><strong>Total</strong></td>
<td>166.08</td>
<td>56.99</td>
<td>109.10</td>
<td>167.78</td>
<td>57.33</td>
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<th>295.75</th>
<th>266.30</th>
<th>571.63</th>
<th>285.81</th>
<th>285.81</th>
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<td><strong>Non Contract Costs</strong></td>
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<td>Joint Client Team</td>
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<td>Administering Authority overheads</td>
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<td>56.00</td>
<td>112.00</td>
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<td>Green Waste Processing charge</td>
<td>0.00</td>
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<td>-6.00</td>
<td>0.00</td>
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<td>-6.00</td>
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<td>Textiles charity contributions</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>75.00</td>
<td>40.00</td>
<td>35.00</td>
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<td><strong>Total</strong></td>
<td>694.05</td>
<td>367.75</td>
<td>326.30</td>
<td>778.63</td>
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<tr>
<th></th>
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<tbody>
<tr>
<td><strong>Income</strong></td>
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<td>Recharge from Brendan Care</td>
<td>-966.00</td>
<td>-524.00</td>
<td>-442.00</td>
<td>-782.00</td>
<td>-479.00</td>
<td>-303.00</td>
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<tr>
<td>Textiles</td>
<td>-295.00</td>
<td>-295.00</td>
<td>0.00</td>
<td>-301.08</td>
<td>-301.08</td>
<td>0.00</td>
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<tr>
<td>Sale of recyclables</td>
<td>-1,267.00</td>
<td>-825.00</td>
<td>-442.00</td>
<td>-1,164.08</td>
<td>-826.08</td>
<td>-338.00</td>
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<tr>
<td>Sales proceeds - Green waste</td>
<td>-352.00</td>
<td>-352.00</td>
<td>0.00</td>
<td>-352.00</td>
<td>-352.00</td>
<td>0.00</td>
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<tr>
<td><strong>Total</strong></td>
<td>-1,267.00</td>
<td>-825.00</td>
<td>-442.00</td>
<td>-1,164.08</td>
<td>-826.08</td>
<td>-338.00</td>
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| **TOTAL**                      | 6,050.14| 2,556.28| 3,493.87| 6,374.47| 2,682.98| 3,691.49|
1.0 Purpose of Report

1.1 To seek JESC’s view on suggested growth items for the Committee’s draft 2015/16 budget, prior to consideration by Cabinets at both EHDC & WCC as part of the 2015/16 budget setting process in each council.

2.0 Recommendation

2.1 That the Committee considers each of the growth items and agree which will be recommended to the Cabinets at each council for inclusion in their 2015/16 budget.

3.0 Detail

3.1 This report summarises a number of service growth options which JESC are asked to consider in finalising their 2015/16 budget. These options arise from an officer review of current service outcomes, growth of population or as a result of public/councillor concerns.

3.2 A summary of the budget options and the budget implications is shown at Appendix 1. Each option includes a more detailed explanation of the basis for the recommendation.

3.3 In addition JESC are asked in a separate exempt report to consider potential staffing growth in the Joint Client Team and the investment in software to enable mobile working within the team. If supported by
These items will need to be considered by Cabinets at both Councils as part of their individual budget setting for 2015/16.

4.0 Implications

4.1 Resources: The resource implications are as shown in Appendix 1. If approved, the growth items will need to be referred to both EHDC and WCC Cabinet for consideration as part of the budget considerations for each council.

4.2 Legal: If agreed there will need to be contract variations issued in accordance with the terms of the contract between EHDC and The Landscape Group.

4.3 Strategy: The proposals in this report will help to meet the aspirations within Public Service Excellence and Environmental Sustainability.

4.4 Risks: The proposals within this report will help to minimise the reputational risks arising from current service levels which in some case do not meet the aspirations of customers / councillors.

4.5 Communications: Any service changes arising from the growth bids will need to be properly communicated to Client Officers, Members and the public so performance standards are known.

Appendices:

Appendix 1 - Draft Budget Growth Proposals

Agreed and signed off by:

Legal Services: 14 November 2014
Executive Head of Governance & Logistics: 17 November 2014
Relevant Executive Head: 14 November 2014
Portfolio Holder 14 November 2014

Contact Officer: Rob Heathcock
Job Title: Joint Client Team Manager
Telephone: 01730 234283
E-Mail: rob.heathcock@easthants.gov.uk
## EHDC Budget only

<table>
<thead>
<tr>
<th>Service</th>
<th>Detail</th>
<th>Cost (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes to frequency of work to shrub beds in Woolmer Trading Estate – reclassify from standard to high profile</td>
<td>Service enhancement at the request of the Property Services Team to meet tenant aspirations in terms of visual appearance of the estate.</td>
<td>3,721</td>
</tr>
<tr>
<td>Southern Parishes – enhancement of street cleansing service</td>
<td>Provision of dedicated street cleansing resources to cover Southern Parishes, principally Horndean, Clanfield and Rowlands Castle to take into account increased activity arising from population growth / new developments in the area. Figures below show the number of settlements completed or committed to in the relevant areas from 2011 to date as well as new sites for future development.</td>
<td>30,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Settlement</th>
<th>Total Completions and Commitments</th>
<th>New Allocated Sites</th>
<th>Total</th>
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<tbody>
<tr>
<td>Horndean</td>
<td>517</td>
<td>700</td>
<td>1217</td>
</tr>
<tr>
<td>Clanfield</td>
<td>363</td>
<td>200</td>
<td>563</td>
</tr>
<tr>
<td>Rowlands castle</td>
<td>123</td>
<td>150</td>
<td>273</td>
</tr>
<tr>
<td>Total</td>
<td>1003</td>
<td>1050</td>
<td>2053</td>
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Total 33,721
## WCC Budget only

<table>
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<tr>
<th>Service</th>
<th>Detail</th>
<th>Cost (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhancement of street cleansing services – reclassify from once every 13 weeks to monthly of high profile areas</td>
<td>Enhanced cleaning frequencies for high profile areas including walk to school routes to address litter and street cleaning issues. For example Andover Road (Weeke / Harestock) and Stockbridge Road are main roads into the city and have schools nearby as do North View (Harestock) and Bereweke Road (Weeke) They are currently swept every 13 weeks and would benefit from a monthly sweep.</td>
<td>15,630</td>
</tr>
<tr>
<td>Re categorisation of grassed areas to change cutting frequency</td>
<td>Change of frequency of cut for areas identified as having an insufficient cutting regime for the amenity of the area or where frequencies can be reduced to improve the bio-diversity of an area. For example Otterbourne Common open space is currently a G5 cut (4 times per year) would benefit from being upgraded to G4 (cut 9 times per year). Another example would be West Hill cemetery currently cut as G4 (9 times per year) would benefit from a reduced frequency to encourage bio-diversity (based on input from Head of Landscape and Open Spaces).</td>
<td>10,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total 25,630</td>
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<tr>
<td>Service</td>
<td>Detail</td>
<td>Total Cost (£)</td>
</tr>
<tr>
<td>------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Re categorisation of hedges to change cutting frequency.</td>
<td>A change of frequency for H1 hedges (cut once per year) to H2 hedges (cut twice per year) where they border pavements and paths and where the current programme is insufficient to prevent encroachment.</td>
<td>1398</td>
</tr>
<tr>
<td>10th grass cut for G4 category – additional cut (timing to be agreed)</td>
<td>Additional cut to address customer complaints about length of grass between cuts under existing regime. This covers grass on authority land and HCC verges (for which we currently get paid by HCC for 6 cuts per year.) For EHDC grass on HCC verges equates to 85.85% of all G4 grass cut. For WCC grass on EHDC verges equates to 67.92% of all grass cut.</td>
<td>22,000</td>
</tr>
<tr>
<td>Replacement bins and new installations</td>
<td>This is an ongoing requirement for the replacement of street litter bins when they become unserviceable and also for new installations when a litter issue is identified. (Previously part of capital budget for EHDC)</td>
<td>21,132</td>
</tr>
<tr>
<td>Provision of leaf season hit squad</td>
<td>To provide a rapid response service which can be directed to problem areas as required during the leafing season</td>
<td>15,000</td>
</tr>
<tr>
<td>Variation Orders for 2015/16 financial year</td>
<td>To cover cost of minor service changes which will arise during the 15/16 financial year. Will then be absorbed into the base budget for 16/17.</td>
<td>4000</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>Fencelines – increase frequency of strimming</td>
<td>Fencelines are currently strimmed once per year in February. This is insufficient to control the growth for the year, particularly of brambles and nettles. An additional visit in the Summer to fence lines adjacent to grassed areas and footpaths will address existing problems of brambles and overgrowth and ensure paths are kept clear.</td>
<td>3071</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td>66,601</td>
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