

MINUTES of the meeting of General Overview & Scrutiny Committee held at Committee Room 1, Shire Hall, St Peter's Square, Hereford, HR1 2HX on Monday 8 September 2014 at 10.00 am

Present: Councillor WLS Bowen (Chairman)
Councillor BA Durkin (Vice-Chairman)

Councillors: ACR Chappell, DW Greenow, EPJ Harvey, TM James, RL Mayo, PJ McCaull, AJW Powers and A Seldon

In attendance: Councillors AW Johnson, JLV Kenyon, MD Lloyd-Hayes and TL Widdows

11. APOLOGIES FOR ABSENCE

Apologies for absence had been received from Councillors Blackshaw, Jarvis and Wilcox.

12. NAMED SUBSTITUTES (IF ANY)

Councillor Nenadich substituted for Councillor Wilcox.

13. DECLARATIONS OF INTEREST

No declarations of interest were made.

14. MINUTES

The minutes of the meeting held on 30 June 2014 were received.

Although correct in the minutes, Councillor Powers should be omitted from the list of members identified for involvement in the Balfour Beatty Living Places Task and Finish Group (see Appendix 2 of agenda item 7).

The Chairman said a response had been received from the Ministry of Justice in relation to Transforming Rehabilitation (minute 84 of 2013/14, Community Safety Update, refers); the response would be copied to committee members.

RESOLVED: That the minutes of the meeting held on 30 June 2014 be approved as a correct record and be signed by the Chairman.

15. SUGGESTIONS FROM THE PUBLIC ON ISSUES FOR FUTURE SCRUTINY

No suggestions had been received from members of the public.

16. QUESTIONS FROM THE PUBLIC

No questions had been received from members of the public.

17. PUBLIC REALM SERVICES - BALFOUR BEATTY LIVING PLACES UPDATE

The Assistant Director Place Based Commissioning introduced the report, his comments included:

- i. The Public Realm Services Contract (the contract) was the council's largest service delivery contract by value and scope, with annual expenditure expected to be in excess of £20 million.
- ii. Balfour Beatty Living Places (BBLP) was awarded the contract following a major procurement exercise. The contract had commenced on 1 September 2013 for an initial period of ten years, with options to extend for up to ten further years.
- iii. It was a high profile area of work and it was essential that service delivery and management of the contract was correct and value for money obtained. Therefore, the Assistant Director welcomed the opportunity to reflect on the first twelve months and to consider opportunities for improvement.
- iv. Council and BBLP staff involved in the contract were introduced.
- v. Attention was drawn to the following points:
 - The contract was designed to focus upon the delivery of highways and directly related services. The contract was based on the industry standard, New Engineering Contract (NEC), used by many councils.
 - The governance and contract management arrangements were outlined which sought to ensure the appropriate level of management overview and to build a strong partnership that was outcomes focused.
 - The relatively rapid mobilisation period was followed by some of the worst winter weather on record. It was commented that the winter response and subsequent highway maintenance improvements had made a real difference to road conditions across the county.
 - It was commented that the level of response to reductions in service in terms grounds maintenance had been misjudged. The position had been reviewed during the summer and resources had been increased to respond to public concerns.

Mr. Andy Williams, Contract Director at BBLP presented the company's update document (this was appended to the report), the principal points included:

Contract start

1. It was considered that the six week mobilisation had been undertaken effectively, with BBLP operating from the start with full emergency response teams.
2. Further to the positive severe weather response, BBLP had helped the council team to secure £3.3 million from the Bellwin scheme and £3.5 million from the severe weather recovery scheme.

Rethinking the way we deliver the service

3. The budgets had changed significantly from the previous financial year, with reductions in revenue budgets but increases in capital budgets.
4. BBLP had completed Herefordshire's first Annual Plan for public realm services, setting out the services that would be delivered and the outcomes that communities should expect.

Starting the process of culture change

5. A full organisational restructure had been undertaken, resulting in five new teams: Commercial and Finance; Design and Build; Operations; Knowledge Centre; and Locality Team.
6. Although some positions in the new structure had yet to be filled, a full set of thirteen locality stewards were now in place.

What have we achieved in the year

7. The severe weather had an impact upon roads already in poor condition, with over 67,000 defect reports identified from inspections and customer reports since the start of the contract. Response times to Category 1 defects had been very good but performance in terms of Category 2 had not been as consistent but there were plans to address this.
8. Winter temperatures had been relatively mild, with the number grit runs down to around two-thirds of normal levels.
9. There had been a reduction in the street cleansing budget and resources had to be moved to a needs based approach.
10. The spend on grounds maintenance initially went down by about half, resulting in a much reduced service and significant public reaction. It was acknowledged that service changes had not been communicated early enough and better information could have been provided about the revised schedules. A consultation was to be undertaken on future grounds maintenance plans.
11. One of the biggest successes had been in delivering the investment and improvement programme. The programme had included engagement with local stakeholders and parish councils on the proposed schemes, with many of the 85 responses directly resulting in refinements to the plans. It was noted that the surface dressing programme had received a lot of positive feedback.
12. Positive feedback had also been received about the locality stewards. Recognising the importance of effective communications, locality stewards were regularly providing updates and issuing newsletters for each area.
13. BBLP was working actively with a number of local organisations and groups.
14. The lengthsman scheme had been reviewed and was being developed to enable more work to be undertaken on the local network. Brian Barrett, clerk to Foxley Group Parish Council, provided an overview of enhanced lengthsman scheme trial in his area:
 - A pothole problem had been largely eradicated, with 53 defects repaired on 17km of carriageway in the last three months.
 - The appointment of the locality steward had been a catalyst for change and the start of genuine two way dialogue between the community and BBLP.
 - Previously, Category 1 and 2 defects had been dealt with but smaller potholes were left unattended and would degrade subsequently. The lengthsman could target these emerging defects and this might result in savings in the longer term.

- A number of issues had been identified during the pilots which would inform the wider roll out of the scheme across the county, including: administrative challenges; safety requirements; and durability of materials.
 - The scheme was described as a 'win-win' for all: for the council, an obvious issue was being tackled effectively; for residents, it was clear that action was being taken; and for BBLP, defects were being repaired and drains were being cleared before becoming more serious problems.
15. BBLP was committed to contributing towards the regeneration of the local economy, for example: it had supported the council in its successful bid to the Construction Industry Training Board for National Skills Academy status; local sub-contractors were used where possible, current spend excluding surfacing was over 50%; and volunteering opportunities were available for its employees to support community activities.

What next?

16. The key drivers included culture change, to be more responsive and customer friendly, and improved processes, to become more effective and efficient.
17. Mr. Williams commented that the contract was flexible and 'open book', so it was incumbent on BBLP to demonstrate continually that it was providing value for money and that this was being obtained from sub-contractors. He added that performance indicators were also visible and transparent.

The committee asked BBLP representatives and council officers to respond to a number of questions, the main points arising included:

- a. Mr. Williams said that a merger proposed by Carillion had been withdrawn, nevertheless it was not considered that any change of ownership of BBLP's parent company, Balfour Beatty, would affect local contract management and service delivery; it was noted that BBLP's partner consultants, Parsons Brinckerhoff, was to be sold.

The Head of Highways and Community Services explained that the contract contained mechanisms to manage performance and sanctions could be applied if necessary. The Assistant Director added that the current contract was very different to previous public realm services arrangements.

- b. The Assistant Director confirmed that the scoping statement for the proposed task and finish group (appendix 2 to the report) was an initial draft and members could decide to include consideration of the procurement process.
- c. The Assistant Director said that the enhanced lengthsman scheme had been for a trial period during the summer and feedback on the scheme would be welcomed. It was reported that a Cabinet Member decision was due to be taken in autumn 2014 on the potential extension of the scheme for the next financial year; some of the issues to be considered included the resources that could be committed, both by the council and parish councils, and the scope of activities that could be undertaken.

The Chairman said that, from his perspective, the lengthsman scheme had been very successful in providing greater local control and speedier responses. He felt that wider implementation should be pursued, subject to satisfactorily addressing the finance issues.

- d. Mr. Williams advised that sub-contractors were required to go through a stringent process to ensure that they had the right procedures and approach to health and safety; assistance was provided to smaller operators and individuals to enable them to become part of the supply chain. Whilst supportive of local contractors, BBLP had to be mindful of costs and in some instances had introduced out-of-county contractors to bring rates down to acceptable levels.
- e. In view of the significant increases in capital budgets, it was questioned what assurance could be provided to the public that value for money was being achieved on all schemes. In response, Mr. Williams advised that most of the work was sub-contracted and, therefore, put out to tender. BBLP sought to balance the best of the supply chain prices; for example, road resurfacing work was split geographically to reflect the competitive rates obtained for different parts of the county. Using the example of the street lighting project, BBLP worked closely with council officers to get the right balance of specification and prices.

The Interim Procurement Manager gave an overview of the range of activity undertaken by the council to monitor BBLP's approach to delivering programmes of work, including: a target cost mechanism; assessments of the risks that needed to be managed; examination of invoices and works being undertaken, with the support of internal engineers; access to BBLP's computer systems; and external benchmarking with other organisations. Further to this, an external resource was about to supplement the team to examine costs independently and forensically.

In response to a question from the Chairman, the Interim Procurement Manager confirmed that BBLP received a standard management fee of 9.83%.

- f. The Head of Highways and Community Services briefly explained the processes for the adoption of new highways and open spaces and how these were introduced into the forward programme and included in the contract.
- g. The Assistant Director advised that the telephone call centre remained with the council and the customer services team were aware of feedback about out-of-hours provision. It was reported that the council and BBLP were exploring different ways of managing queries and had undertaken a lot of work to improve system connections and information available on the council's website.
- h. A member in attendance commented on: negative public perceptions resulting from the use of out-of-county grounds maintenance sub-contractors; the need for greater local involvement in prioritising grounds maintenance, perhaps through the locality stewards; the duties undertaken by locality stewards needed to be appropriate to the role; the potential for grass cutting teams to deal with issues simultaneously, such as tree trimming, weeding, and cleaning gullies; it was questioned whether insurance claims had reduced as a consequence of investment in fixing the roads; and it was suggested that a different approach be taken to Category 1 defects to enable higher levels of response to Category 2 and other defects.

Mr. Williams advised that: the subsequent demand for additional capacity for grounds maintenance could not be met entirely within the local supply chain given availability and pricing issues; locality stewards would only fill potholes in exceptional circumstances; he would take on board the issue of the multi-skilling staff but this needed to be balanced with other competing demands; and revisits to potholes was understood to be in a low percentage.

- i. Mr. Williams said that, to maximise corporate learning, the company held operational and business improvement meetings for the entire business, and

design team staff moved across areas to gain experience in different environments. He added that, when the local supply chain became constrained, BBLP had utilised contractors from other areas. It was reported that there was dialogue between teams about improving highways maintenance delivery. The committee was advised that the Herefordshire contract was one of the more progressive contracts in the country, especially around local engagement.

- j. Mr. Williams advised that locality working in Wiltshire was very different to that in Herefordshire, nevertheless it was understood that lessons learned from the mobilisation in Wiltshire had informed the mobilisation in Herefordshire.
- k. It was recognised that slippage and changes to grounds maintenance schedules had to be communicated properly in order to maintain credibility.
- l. The Assistant Director said that officers would ensure that the schedules appended to the BBLP Public Realm Annual Plan were available on the council's website.
- m. The Assistant Director reported that the savings arising from grounds maintenance reductions had initially been projected to be around 50% but, with spend subsequently increased, this was now likely to be in the region of 25%.
- n. The Interim Procurement Manager advised that the contract monitoring team was having conversations with BBLP about grass cutting performance and schedules. It was noted that the Annual Plan would clearly define the performance indicators going forward.
- o. The Assistant Director explained the background to the grounds maintenance reductions and the circumstances which prompted a revised approach.
- p. The Assistant Director acknowledged that the mobilisation period of six weeks might seem a relatively short but essential services had been delivered from day one. Although he had not been involved in the mobilisation himself, Mr. Williams understood that BBLP had achieved what could be reasonably expected within the six weeks. An overview was provided of the 'Confirm' software used by BBLP to manage and maintain the highways assets of the contract and potential future functionality.

A committee member suggested that it would be important for the task and finish group to hear the experiences of operatives, in addition to management representatives.

- q. In response to comments about flood prevention, Mr. Williams said that there were programmes for drain and gully clearing and street cleansing but re-iterated that, as budgets would be more restricted than in previous years, a needs based approach would have to be taken.

In response to a question from the Chairman, Mr. Williams confirmed that the recording of drains and gullies was a work in progress.

A member commented on the importance of local knowledge and said that engagement with landowners was essential. The Chairman noted that guidance notes on landowner responsibilities and on ditch and drainage clearance were to be issued shortly.

- r. The Assistant Director said that CITB accreditation was a major achievement which would require all the council's main contractors to deliver training and employment opportunities.

- s. In terms of managing public expectations, Mr. Williams re-iterated the consultation to be undertaken and the Cabinet Member Transport and Roads said that historic levels of service could not be maintained and communities needed to be empowered to be less reliant on the local authority. The Cabinet Member acknowledged that good communication was vital and, whilst the council and BBLP were working together on this, all councillors had a role to play in raising public awareness.
- t. The Assistant Director noted that highways maintenance was an important issue, both nationally and locally, and would remain a priority.

A committee member welcomed the enhancement of the lengthsman scheme and suggested that this could include grounds maintenance activities for those local councils willing to participate, subject to appropriate funding arrangements.

The Chairman said that a number of the issues raised would be examined in greater detail by the task and finish group. The committee agreed the following addition to the scoping statement recommended by Councillor Wilcox: 'To determine compliance, or otherwise, with the council's requirements in relation to responding to complaints and queries and to determine the accountability and contact arrangements of management at Balfour Beatty.'

The Chairman thanked the representatives of BBLP, council officers and members for their contributions to the debate.

RESOLVED: That

- (a) **The report be noted; and**
- (b) **Subject to the additions identified above, the draft scoping statement for the task and finish group be agreed and the group be established to examine this area of service.**

18. EXECUTIVE RESPONSE TO THE TASK AND FINISH GROUP REPORT ON HOUSEHOLD RECYCLING CENTRES

Further to minute 9 of 30 June 2014, the Waste Disposal Team Leader presented the Executive response to the Task and Finish Group review on Household Recycling Centres (HRCs); the Summary of Recommendations and Response was appended to the report. An overview was provided of the recommendations that had been 'accepted' (11), 'accepted in part' (1), 'to be investigated' (7), and 'not accepted' (4).

The Waste Disposal Team Leader said that the recommendations in relation to improved information sharing, advertising and signage, targeted enforcement activity, and site user surveys were particularly welcomed.

In terms of the 'not accepted' recommendations, the committee was advised:

Recommendation 11, 'That the number of permits per user is increased to 14 a year': The Commercial Vehicle and Trailer (CVT) permit scheme sought to restrict waste input, particularly from traders and the current 12 permit limit had been arrived at after careful consideration of usage statistics. An increase to 14 permits could increase levels of waste and associated costs.

Recommendation 19, 'That consideration should be given to allowing one-off emergency permits to be issued on site': Emergency permits were provided under a

previous scheme but the system had been difficult to administer and had been exploited by some traders wishing to dispose of commercial waste unlawfully. Site operatives had the discretion to allow entry in exceptional circumstances.

Recommendation 21, 'That research should be undertaken to determine the viability of a north Hereford HRC in view of the increased housing numbers coming forward': It was estimated that the development of a new site could cost in the region of £1.5 million and, with the six existing HRCs and one due to be constructed in Kington in 2015, it was considered that there was good coverage.

Recommendation 23, 'That where Herefordshire Council are able to make identified changes to service, especially unilaterally, that these be carried out': The partnership arrangements with Worcestershire County Council were paramount and any changes would need to be discussed and agreed jointly. However, some local elements, such as promotion of composting, could be considered.

The Vice-Chairman, who had chaired the group, broadly welcomed the response but was disappointed about the number of recommendations that were either 'not accepted' or 'to be investigated' and he made a number of observations, including:

- i. An IT solution could be found to control and monitor emergency permits, whilst improving the service for users. He added that there was no visibility of the database at the HRCs currently.
- ii. The group had heard evidence that there was a degree of confusion about the allocation of 12 permits, as many people believed incorrectly that only one could be used per month. Although home composting should be encouraged, the group had also heard evidence that the 12 permit limit was not sufficient for people with large gardens.
- iii. Many people had commented that double-axle trailers of reasonable dimensions should be permitted at the HRCs, especially as such trailers were often considered a safer option compared to single-axle versions.
- iv. Changes to operating hours could provide an opportunity for residents, on certain days, to access HRCs with vehicles and trailers that were normally prohibited. It was considered that a more proactive approach was needed to limit the potential for fly-tipping and a joint enforcement team with Worcestershire could command greater resources to target unlawful activity even more effectively.
- v. The significant response to the site user survey (343 received) had demonstrated the level of interest in this service and a briefing note on progress within six months would be helpful.
- vi. Thanks were recorded to Kenton Vigus and Alex Nicholas for their professional support and to Councillors SJ Robertson and J Stone for their input into the group's report.

Committee members discussed the executive response, the principal points included:

- a) With reductions in the frequency of municipal grass cuts, community groups were making additional cuts but the resulting green waste was being turned away at the HRCs. Therefore, consideration needed to be given to the options available to help these groups to dispose of green waste in a responsible manner.

The Vice-Chairman said that the group had considered it nonsensical that residents, even if authorised by a relevant local body, could not carry community green waste without a Waste Carriers Licence.

The Waste Disposal Team Leader commented that the waste accepted at HRCs could be reviewed but there would be cost implications. He said that alternative arrangements could be considered; transfer stations received waste from St. Michael's Hospice and other charities. The Assistant Director Place Based Commissioning suggested that potential solutions could be considered by the Balfour Beatty Living Places Task and Finish Group.

- b) It was commented that some site operatives maintained that only one permit could be used per month and this misconception needed to be corrected, along with clearer instructions for service users.
- c) The increasing popularity of double-axle trailers was noted and it was considered that provision should be made for smaller trailers of this type.

The Vice-Chairman said that the list of permitted vehicles also needed to be reviewed, especially where restrictions might prevent hard-to-reach groups from using HRCs.

The Waste Disposal Team Leader advised that Worcestershire County Council had commenced its own review following receipt of the group's findings and the various issues would be discussed by the two councils.

- d) Some members felt it unfortunate that the Cabinet Member Contracts and Assets or another Cabinet Member could not be present for this item.
- e) In response to a question, the Waste Disposal Team Leader advised that there was a small budget to support community composting schemes and specialist knowledge was available from 'master composters'; it was noted that the composting facility near to the Leominster HRC had closed recently.
- f) The Waste Disposal Team Leader commented on the chargeable garden waste collection service operated by some Worcestershire district councils and noted that Herefordshire, as a unitary authority, would need to recover both collection and treatment costs if a similar scheme was adopted locally.
- g) A member considered it unfortunate that research into the viability of a north Hereford HRC was not being progressed at this time. It was noted that, upon the completion of Kington, approximately 120,000 residents would be served by six HRCs, whereas the growing population of Hereford city of around 60,000 would only be served by a single HRC.

The Waste Disposal Team Leader said that the review of operating hours could take this into account.

- h) A member commented that there seemed to be a gap in the market for composting facilities in Herefordshire and suggested that this need could be met by social enterprises involving learning disability groups, thereby providing gainful employment for people traditionally excluded from the labour market. The Chairman suggested that the member meet with the Waste Disposal Team Leader to explore this further.

RESOLVED: That

- (a) the Executive response to the findings of the review be noted; and**
- (b) a briefing note on progress be provided within six months.**

19. DRAFT WORK PROGRAMME AND TASK AND FINISH GROUPS

The committee considered the work programme, the main points included:

- i. Referring to the item on smallholdings, scheduled for 4 November 2014, the Director of Economy, Communities and Corporate advised that there was a lot of work to be undertaken on the various options before a report was submitted to Cabinet. The committee would receive an update presentation at the earliest opportunity. The Chairman noted that the matter needed to be examined properly and it appeared likely that a decision would not be taken before the next municipal year.
- ii. It was noted that three meetings of the Community Infrastructure Levy Task and Finish Group were scheduled in coming weeks to progress phase three of its work. It was also noted that arrangements were being made for task and finish groups in relation to Balfour Beatty Living Places, Development Management (Planning), and Digital Strategy. The scoping statement for the Development Management (Planning) group was appended to the report; it was suggested that the Chairman of the Planning Committee be included as a potential witness.
- iii. Briefing papers had been issued to members of the committee on: Education Strategy for Herefordshire; Early Years, Schools, Free Schools, Academies, Colleges and the Relationship with Herefordshire Council Update; and Update on Home to School Transport.
- iv. Outline scoping statements on Pupil Premium and Hidden / Actual Costs of Education were appended to the report. The Chairman requested that Education officers prepare further background information on these topics. Comments from committee members included: faith schools should be invited to contribute to the research; it was important to understand how Pupil Premium was being used; and, as eligibility for free school meals was used as the main measure of deprivation at pupil level, the introduction of universal infant free school meals could have consequential impacts upon Pupil Premium.

RESOLVED: That

- (a) the work programme be noted;**
- (b) a Development Control (Planning) Task and Finish Group be established to undertake the work outlined in the scoping statement; and**
- (c) Education officers be requested to prepare further background information on Pupil Premium and the Hidden / Actual Costs of Education to inform potential future scrutiny work.**

20. DATE OF NEXT MEETING

Tuesday 4 November 2014 at 10.00am

The meeting ended at 1.13 pm

CHAIRMAN