

**MINUTES OF A MEETING OF THE SUSTAINABLE GROWTH SCRUTINY COMMITTEE HELD
AT THE BOURGES/VIERSEN ROOM - TOWN HALL ON 18 JANUARY 2010**

Present: Councillors M Fletcher (Chairman), S Allen (Vice-Chairman), D Day, S Day, J Peach and Saltmarsh

Officers Present: Mike Heath - Commercial Services Director
Margaret Welton - Principal Lawyer
Paul Smith - Team Leader, Planning Services
Carrie Denness – Principal Solicitor
Louise Tyers – Scrutiny Manager

1. Apologies for Absence

An apology for absence was received from Councillor Lane. Councillor Saltmarsh was attending as substitute.

2. Declarations of Interest and Whipping Declarations

No declarations of interest were made.

3. Minutes

3.1 16 November 2009

The minutes of the meeting on the 16 November 2009 were approved as an accurate record.

3.2 3 December 2009

The minutes of the meeting held on 3 December 2009 were approved as an accurate record.

4. Call In of any Cabinet, Cabinet Member or Key Officer Decisions

There were no requests for call-in to consider.

5. Peterborough City Services - Update on Lot 3: Various Operational Services

The Commercial Services Director gave an update on the progress made in relation to the future of Peterborough City Services.

At the meeting of the Committee in October 2009 members were advised that the Council was in the process of evaluating the prequalification questionnaires and supporting documentation that had been received from potential bidders. Having concluded the evaluation process a decision was made on 31 December 2009 by the Deputy Leader and Cabinet Member for Environment Capital and Culture, specifically:-

- That six bidders would be invited to participate in the competitive dialogue stage (i.e. to be invited to submit outline solutions for consideration);
- That delegated authority would be given to the Deputy Chief Executive and/or Executive Director – Strategic Resources (in consultation with the Deputy Leader and Cabinet Member for Environment Capital and Culture and where necessary the

Solicitor to the Council and/or the Waste 2020 Project Board) to determine and action:-

- (i) any issues that may need resolution during the remaining procurement process to ensure effective and timely progress to be made; and
 - (ii) whether and if so, how many, and which bidders, were to be selected to take through to the next stages of the procurement process (including invitation to submit detailed solutions, call for final tenders and preferred bidders).
- The final decision on which bidder was to be awarded the Lot 3 contract would be referred to the Deputy Leader and Cabinet Member for Environment Capital and Culture.

Following the decision taken on 31 December, the bidders which had been shortlisted for Lot 3 (in alphabetical order) were:-

- Amey LG Limited;
- Enterprise Managed Services Limited;
- HW Martin Waste Limited;
- Kier Limited;
- May Gurney Limited;
- Veolia ES (UK) Limited.

The six bidders would now be invited to submit outline solutions by the mid March 2010. After the outline solution stage, a second shortlist would be agreed of the bidders to take forward into the next stage of the competitive dialogue process (namely, invitation to submit detailed solutions for consideration by the Council) with the process continuing until final tender stage when a single bidder would be identified as the preferred bidder. It was expected that any contract would be awarded by October 2010.

The services provided by PCS had now been split into two:

- Mandatory Services – which all bidders must bid for (which are refuse and recycling, street scene and grounds maintenance);
- Additional Services – which include a range of services such as catering and fleet maintenance and others.

There were still a number of issues that would be developed further during the competitive dialogue process. .

Observations and questions were raised by Members around the following areas:

- What was the position in relation to the refuse vehicles and were these owned or leased by the Council. *The refuse vehicles were leased on a contract hire basis. They were on a fully maintained contract but the lease company sub-contracted the maintenance to PCS.*
- One of the big issues was in relation to the employees' pension arrangements and whether new employees would be able to join the Local Government Pension Scheme following the transfer. *The Council's position stated to bidders was that the successful bidder must be prepared to become an Admitted Body on a closed scheme basis for the purpose of protecting the pension rights under the Local Government Pension Scheme in respect of those PCS employees that at the point of transfer were members of the LGPS. The scheme would not be available other than to those employees.*
- A lot of work had been undertaken on cross-border working, was this still going ahead? *PCS still did some of this work and had been in contact with other local authorities because it was continually looking to open up new markets.*
- What would happen to the existing depot site and would the contract that it could only be used as a depot? *Members would recall that one of the main drivers for this procurement was efficiencies in service delivery. The Council had stated to bidders that its preference to sell the depot site but as an alternative it had stated that it would consider a*

leaseholder arrangement with both options being at market consideration. This would be developed further during the dialogue stage but as there was potential for bidders to grow the PCS business which could assist in meeting efficiencies for the Council, the Council did not want to be seen as overly restricting the use of the depot which might impact on the bidders ability to exploit that growth or to be seen to be subsidising a private company's business so that was why the market consideration for purchase or lease had been made a condition of use of the depot.

ACTION AGREED

To receive a further update at the first meeting of the new municipal year.

6. Planning Obligations Implementation Scheme

The Council had approved the draft Planning Obligations Implementation Scheme (POIS) in December 2008. Since then the POIS had been used as a material consideration in making planning decisions. It was intended that the POIS would be adopted as a Supplementary Planning Document (SPD) forming part of the Local Development Framework (LDF). The Council had a Planning Obligations Policy (IMP1) in the 2005 Adopted Local Plan and as part of that policy the Council confirmed that separate guidance would be produced to outline priorities for the provision of infrastructure and facilities within the city. The POIS document delivered on that commitment.

The Council had plans to grow Peterborough, which would require new infrastructure and replacement infrastructure to ensure that the city's growth was sustainably achieved. The Council had worked with partners to capture the infrastructure requirements which were set out in the Integrated Development Programme (IDP), which had been approved by Cabinet on 14 December 2009. S106 contributions would only part fund the infrastructure outlined in the IDP and funding from other sources would be used to meet the overall costs of infrastructure provision.

The Government had recently consulted on draft regulations on the Community Infrastructure Levy (CIL), which was an instrument to raise funding for local infrastructure needs. It was expected that the final regulations would come into force in April 2010. The Government had stated that the CIL would improve predictability and would allow the cumulative impact of development to be better addressed. The draft regulations indicated that Section 106 agreements (planning obligations) would become increasingly limited to mitigate impacts solely resulting from the development. This meant that the POIS tariff could eventually become illegal and, therefore, only a temporary solution to help fund infrastructure provision. As such, although adoption of the CIL would be optional, it was likely that most councils would choose to implement the CIL given the increasing limits of Section 106 agreements, the outlawing of POIS-style tariffs and the need to help fund infrastructure provision. The CIL charging structure would form a new type of document within the Local Development Framework and would be subject to consultation and independent review.

Observations and questions were raised around the following areas:

- Would the current 30% discount still continue on S106 Agreements? *The discount had been introduced because of the economic climate and applied to developments which would be completed by 2010. For all new applications the discount did not apply as they had to be submitted by the end of December 2009. The discount would be taken out of the main document and would be dealt with as a side letter as it was what was happening now and would be easier to change in the future. Developers would be made aware.*
- How did our POIS compare to other authorities? *Our consultants had looked at a variety of issues including land prices and they had put forward figures. The tariffs would be reviewed annually. For example, in Milton Keynes their tariff was between £15,000 - £18,000 per unit for a fully serviced site which was paid for in advance and the costs recouped from developers. In Chelmsford the tariff varied between £9,000-20,000 and was based on a geographical figure.*

- What had been the response from developers to the scheme? *Good feedback had been received. It was a very transparent and consistent process to developers and gave them certainty and let them know from the outset what would be required.*
- What was the role of Neighbourhood Councils in the process? *Projects came forward from a variety of sources, including the Council, Opportunity Peterborough and service departments. Neighbourhood Action Plans were being developed and would ask people on the ground what they wanted in their areas. These would feed into the IDP. The Neighbourhood Council's should engage with their Neighbourhood Manager if they had any projects they wanted to put forward.*
- At the development at Manor Drive, it was now being said that shops would not be provided. *If the S106 agreement said that shops would be provided it was usual that triggers would be in place about when they would be provided. It was dependent on what was agreed when the planning application was approved.*

RECOMMENDATION

That the Cabinet approves the Planning Obligation Implementation Scheme.

7. Forward Plan of Key Decisions

The latest version of the Forward Plan, showing details of the key decisions that the Leader of the Council believed the Cabinet or individual Cabinet Members would be making over the next four months, was received.

8. Work Programme

We considered the Work Programme for 2009/10.

At the meeting of the Environment Capital Scrutiny Committee on 14 January 2010 a recommendation had been made that this Committee undertook an in-depth inquiry into the Council's use of consultants. To take this work forward the Chairman circulated a list of questions which he felt should be answered to clarify what the current position was with regard to consultants.

ACTION AGREED

- To submit the questions on consultants to the relevant officers;
- That a report is submitted to our meeting in March 2010 which answers the questions; and
- That the Committee meets informally prior to the March meeting to consider the responses to the questions and to identify if there is any other information that is required.

9. Date of Next Meeting

Wednesday 17 February 2010.

CHAIRMAN
7.00 - 8.13 pm