

**MINUTES OF A MEETING OF THE SUSTAINABLE GROWTH SCRUTINY COMMITTEE
HELD AT THE FORLI ROOM - TOWN HALL ON 22 JUNE 2010**

Present: Councillors M Dalton (Chairman), Arculus, D Day, J Peach, S Lane and D Morley

Officers Present: Mike Heath, Commercial Services Director
Margaret Welton, Principal Lawyer (Waste 2020)
Carrie Denness, Principal Solicitor
Louise Tyers, Scrutiny Manager

1. Apologies for Absence

An apology for absence was received from Councillor Allen. Councillor Morley was present as substitute.

2. Declarations of Interest and Whipping Declarations

No declarations of interest were made.

3. Minutes

3.1 15 March 2010

The minutes of the meeting held on 15 March 2010 were accepted as an accurate record.

The Committee requested a breakdown of the Stage 3 complaints by department and the type of complaint. Also, had a process for monitoring compliments been started yet and were officers able to provide figures for the number we received?

3.2 31 March 2010

The minutes of the meeting held on 31 March 2010 were accepted 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 report gave an update on the progress made in relation to the procurement of Lot 3, Peterborough City Services (PCS).

When an update was given to the meeting of the Committee in January 2010, the Council's evaluation team had been in the process of evaluating the outline solutions it had received from five bidders, one bidder having withdrawn from the procurement during the outline stage. During the evaluation process, bidders presented their respective outline proposals to a range of representatives which included the Deputy Leader and Cabinet Member for Environment Capital and Culture, Cabinet Member for Resources, Executive Director – Strategic Director, Head of Business Transformation, PCS Commercial Services Director, Unison, Unite and GMB and the Waste 2020 Programme Team.

The Waste 2020 Programme Team had now concluded its evaluation of the outline solutions and a decision had been taken on the numbers and names of those bidders to go through to the detailed solution stage of the competitive dialogue. The bidders which had been shortlisted for the next stage, in alphabetical order, were:-

- Amey LG Limited;
- Enterprise Managed Services Limited;
- HW Martin Waste Limited;
- Veolia Environmental Services (UK) Limited.

During the detailed solution stage, the remaining bidders would submit their detailed proposals to the Council. The detailed solution stage was expected to be concluded around October 2010 when a decision on which bidders would be shortlisted to take part in the final tender stage would be made. A previous decision had agreed that up to three bidders would be taken through to the final tender stage.

It was expected that a decision on awarding the contract would be made so that the partner would commence delivery of Lot 3 services early next year.

The Council was seeking a partner to allow PCS to grow and develop. PCS continued to do work for other authorities but there were tight restrictions, including commercial risks on bidding for work. Working with a partner would give PCS an opportunity to grow, especially around areas such as marketing and developing the services. The bidders were keen to grow the business as they saw Peterborough as being in a prime position and saw it as a good opportunity to develop the business.

The Council was looking to enter into a long term relationship with the successful partner to work in collaboration and in a true partnering style and the Council wished to receive bids that combined all the necessary qualities the Council was seeking from the procurement process.

The Commercial Services Director continued to engage regularly with the PCS workforce and PCS shop stewards.

Observations and questions were raised around the following areas:

- The original shortlist had reduced from six to four so why had two withdrawn from the process? *One of the companies, May Gurney Limited had withdrawn from the process for its own commercial reasons. The other company had not been shortlisted to go forward to the detailed solution stage. Whilst noting that the existing PCS staff would transfer to the partner under TUPE Regulations, had any of the bidders indicated that they would be relocating any of their existing teams to Peterborough? The bidders had all been positive about the structure they proposed to have in place for delivery of this key partnership (including Peterborough as a key location) and they see this key partnership as an opportunity to grow PCS aligned to their own business organisations. .*
- What was the issue that May Gurney Limited had? *The company considered that it would be unable to provide some core services such as refuse/recycling within its current business modelling.*
- If a bidder wanted to change our recycling regime would they be able to do that? *The Council had invited innovation from the bidders as part of their proposals but naturally there were a number of core requirements that the Council had. Part of the evaluation during the detailed solution stage would be to consider the innovation proposed in line with the Council's requirements.*
- With forthcoming national changes, such as a return to weekly collections, how would they change the contract? *The contract would not be set in stone and services would have to comply with prevailing legislation. The Council would be working with its Lot*

3 partner in a partnership culture although this would be underpinned by a contractual relationship. Where any services fell below the required standards, the contract underpinning the partnership relationship, would include various mechanisms to encourage the partner to perform, such mechanisms ranging from corrective actions, step ins, omissions and so on depending on the matter that needed to be rectified. Additionally, there would be provisions for staffing for example in the case of a step in.

ACTION AGREED

To receive a further progress report on 9 November 2010 with a final report on 1 February 2011.

6. Cessation of Comprehensive Area Assessment

The report advised the Committee that the Government had recently announced that the Comprehensive Area Assessment (CAA) would be abolished. As a result of the announcement the Audit Commission had advised that all work on updating the area assessment and organisational assessment would cease with immediate effect.

In accordance with this advice, the Corporate Management Team was now considering the most appropriate method of continuing to manage performance and would update Scrutiny in due course.

Observations and questions were raised around the following areas:

- Members advised that they welcomed the changes to the inspection regime, particularly the abolition of the CAA.
- How would the abolition of the CAA affect the Council's staffing structure in the future? *The Scrutiny Manager would raise this issue with the relevant officers and advise the Committee outside of the meeting.*

ACTION AGREED

Officers to provide details of how the abolition of the CAA would affect the Council's staffing structure in the future.

7. Review of 2009/10 and Future Work Programme

The report provided the Committee with a review of the work undertaken during 2009/10 and the draft work programme for 2010/11. The Committee were asked to consider their work from last year and to decide on any items they wished to continue to monitor this year. The Committee were also asked to develop their work programme for the coming year.

Review of the Last Year

During the last year, the Committee considered the following issues:

- Complaints Monitoring 2008/09
- Contracts Process
- Disposal of Land and Assets
- East of England Plan to 2031
- Growth Area Funding
- Peterborough City Services
- Peterborough Integrated Development Programme
- Planning Obligations Implementation Scheme

- Progress on the Delivery of the LAA Priority
- Use of Consultants

The Committee asked to receive an update on the progress of the recommendations around the Cabinet Member Decision Notice process and the use of urgency powers.

Work Programme for 2010/11

The Committee asked for future reports on the following areas:

- Further reports on the Lot 3 procurement for City Services in November 2010 and February 2011.
- Update on the Site Allocations Document – Autumn 2010
- Budget Monitoring Report – September 2010

ACTIONS AGREED

- (i) Officers to provide an update on the progress of the recommendations around the Cabinet Member Decision Notice process and the use of urgency powers.
- (ii) The following items to be added to the work programme:
 - Further reports on the Lot 3 procurement for City Services in November 2010 and February 2011.
 - Update on the Site Allocations Document – Autumn 2010
 - Budget Monitoring Report – September 2010

8. 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.

ACTION AGREED

To note the latest version of the Forward Plan.

9. Date of Next Meeting

Tuesday 20 July 2010 at 7pm.

CHAIRMAN
7.00 - 8.10 pm