

AGENDA

Meeting: Cabinet
Place: Council Chamber - Council Offices, Monkton Park, Chippenham, SN15 1ER
Date: Tuesday 23 July 2013
Time: 10.30 am


Membership:

Cllr Keith Humphries	Cabinet Member for Public Health, Protection Services, Adult Care and Housing (exc strategic housing)
Cllr Laura Mayes	Cabinet Member for Children's Services
Cllr Fleur de Rhé-Philippe	Cabinet Member for Economy, Skills and Transport
Cllr Jane Scott OBE	Leader of the Council
Cllr Jonathon Seed	Cabinet Member for Communities, Campuses, Area Boards, Leisure, Libraries and Flooding
Cllr Toby Sturgis	Cabinet Member for Strategic Planning, Development Management, Strategic Housing, Property, Waste
Cllr John Thomson	Deputy Leader and Cabinet Member for Highways and Streetscene and Broadband
Cllr Dick Tonge	Cabinet Member for Finance, Performance, Risk, Procurement and Welfare Reform
Cllr Stuart Wheeler	Cabinet Member for Hubs, Heritage & Arts, Governance (including information management), Support Services (HR, Legal, ICT, Business Services, Democratic Services)

Please direct any enquiries on this Agenda to Yamina Rhouati, of Democratic Services, County Hall, Trowbridge, direct line 01225 718024 or email Yamina.Rhouati@wiltshire.gov.uk

Press enquiries to Communications on direct lines (01225)713114/713115.

All public reports referred to on this agenda are available on the Council's website at www.wiltshire.gov.uk

Key Decisions Matters defined as 'Key' Decisions and included in the Council's Forward Work Plan are shown as 

Part I

Items to be considered while the meeting is open to the public

1 **Apologies**

2 **Minutes of the Previous Meeting** (*Pages 1 - 14*)

To confirm and sign the minutes of the Cabinet meeting held on 18 June 2013

3 **Leader's announcements**

4 **Declarations of interest**

To receive any declarations of disclosable interests or dispensations granted by the Standards Committee'

5 **Public participation**

The Council welcomes contributions from members of the public. This meeting is open to the public, who may ask a question or make a statement. Written notice of questions or statements should be given to Yamina Rhouati of Democratic Services by 12.00 noon on 18 July 2013. Anyone wishing to ask a question or make a statement should contact the officer named above.

6 **Wiltshire Council's Draft Business Plan for 2013-17** 

6(a) **Report on the Review of the Business Plan**(*Pages 15 - 18*)

Report by Corporate Directors Dr Carlton Brand, Carolyn Godfrey and Maggie Rae.

The draft Business Plan as considered by Overview and Scrutiny and its Select Committees is enclosed separately for Cabinet members and is available on the Council's website along with this agenda.

6(b) **Scrutiny of the Draft Business Plan**(*Pages 19 - 24*)

Report by the Overview and Scrutiny Manager (and Designated Scrutiny Officer)

7 **Annual Governance Statement** (*Pages 25 - 54*)

Report by Solicitor to the Council and Monitoring Officer

8 **Strategic Partnership with Wiltshire Police** *(Pages 55 - 68)*

Report by Corporate Directors Dr Carlton Brand, Carolyn Godfrey and Maggie Rae

9 **Progress Report on Help to Live at Home Service**  *(Pages 69 - 78)*

Report by Maggie Rae, Corporate Director

10 **Future Service Delivery Model for Waste Management**  *(Pages 79 - 132)*

Report by Service Director, Waste Management Services

11 **Proposed Alignment of Senior Management Structure to the new Business Plan** *(Pages 133 - 134)*

Report by Corporate Directors Dr Carlton Brand, Carolyn Godfrey and Maggie Rae

12 **Urgent Items**

Any other items of business, which the Leader agrees to consider as a matter of urgency.

13 **Exclusion of the press and Public**

This is to give further notice in accordance with paragraph 5 (4) and 5 (5) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 of the intention to take the following item in private.

To consider passing the following resolution:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Item Number 14 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraphs 1 and 2 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

Reasons for taking item in private:

Exempt paragraph 1 : information relating to any individual

Exempt paragraph 2 : information which is likely to reveal the identity of an individual

Items during consideration of which it is recommended that the public should be excluded because of the likelihood that exempt information would be disclosed

14 Proposed Alignment of Senior Management Structure to the new Business Plan *(Pages 135 - 156)*

Confidential report by the Corporate Directors Dr Carlton Brand, Carolyn Godfrey and Maggie Rae


The items on this agenda reflect the key goals of Wiltshire Council, namely 'Work together to support Wiltshire's Communities', 'Deliver high quality, low cost, customer focused services and 'Ensure local, open, honest decision making'

CABINET

MINUTES of a MEETING held in ALAMEIN SUITE - CITY HALL, MALTHOUSE LANE, SALISBURY, SP2 7TU on Tuesday, 18 June 2013.

Cllr Keith Humphries	Cabinet Member for Public Health, Protection Services, Adult Care and Housing (exc strategic housing)
Cllr Laura Mayes	Cabinet Member for Children's Services
Cllr Fleur de Rhé-Philippe	Cabinet Member for Economy, Skills and Transport
Cllr Jane Scott OBE	Leader of the Council
Cllr Jonathon Seed	Cabinet Member for Communities, Campuses, Area Boards, Leisure, Libraries and Flooding
Cllr Toby Sturgis	Cabinet Member for Strategic Planning, Development Management, Strategic Housing, Property, Waste
Cllr John Thomson	Deputy Leader and Cabinet Member for Highways and Streetscene and Broadband
Cllr Dick Tonge	Cabinet Member for Finance, Performance, Risk, Procurement and Welfare Reform

Also in Attendance: Cllr Allison Bucknell, Cllr Richard Clewer, Cllr Christine Crisp
Cllr Tony Deane, Cllr Richard Gamble, Cllr Mike Hewitt
Cllr Jon Hubbard, Cllr David Jenkins, Cllr Julian Johnson,
Cllr Alan MacRae, Cllr Bill Moss, Cllr Bridget Wayman and
Cllr Philip Whitehead

Key Decisions Matters defined as 'Key' Decisions and included in the Council's Forward Work Plan are shown as 

42 Apologies

An apology for absence was received from Cllr Stuart Wheeler, Cabinet member for Hubs, Heritage and Arts, Governance and Support Services.

43 Minutes of last meeting

The minutes of the meeting held on 21 May 2013 were presented.

Resolved:

To approve as a correct record and sign the minutes of the last meeting held on 21 May 2013.

44 **Leader's Announcements**

At the Leader's invitation, Cllr Toby Sturgis, Cabinet member for Strategic Planning, Development Management, Strategic Housing, Property and Waste made the following announcement:

Community Infrastructure Levy (CIL)

Cllr Sturgis reminded Cabinet that it had, at its meeting on 12 February 2013, approved a revised timetable for the preparation of CIL. This was to reflect the need to ensure that the evidence base and policy approaches could be developed in compliance with new guidance issued by the Government in December 2012. The revised timetable anticipated that a report would be presented to this Cabinet meeting to approve the next stage.

However, the Government has since undertaken further consultation on changes to the CIL Regulations. Revised Regulations and further guidance were due to be published shortly. Cabinet had therefore been advised that it would be prudent to take this into account before moving to the next stage. Although the timetable needed to be updated, it would need to remain under review pending further information being received to provide greater certainty.

Scrutiny had confirmed that it would continue to be involved in the development of CIL and an updated timetable would enable it to meaningfully inform that process. A briefing note explaining the position would be circulated for the benefit of new members as well as updating all Councillors on the current position.

45 **Declarations of interest**

There were no declarations of interest.

46 **Public participation**

The Leader confirmed that as usual she would be happy to allow participation on any of the items listed on the agenda by members of the public present.

The Leader reported receipt of two questions from Mr Phil Matthews, Mayor of Wilton Town Council in respect of resurfacing works at West Street, Wilton and grass cutting service at the cemetery at Wilton.

A copy of the questions and responses from Cllr Thomson, Cabinet member for Highways, Streetscene and Broadband is attached to these minutes.

Cllr Thomson undertook to keep Mr Matthews informed on progress of repairs to the resurfacing works. Mr Matthews confirmed that he was satisfied with the responses and that the grass cutting had been actioned.

47 **Business Plan Scorecard Report - year-end 2012/13**

Cllr Dick Tonge, Cabinet Member for Finance, Performance, Risk and Welfare Reform presented a report which detailed the Council's year end progress against the priorities as set out in the Business Plan 2011/15.

Of the 53 indicators, 18 were annual measures and some were new indicators that were still being defined nationally. At year end, 19 of the remaining 35 indicators were on target, another seven were within 5 per cent, and seven had no targets set. Only two indicators were not on target, compared to 10 in the previous period; neither of which were priority targets. Cllr Tonge commented that this was an improved position on the previous period and there was no cause for concern.

Cllr Jon Hubbard made a number of comments on the data presented. He expressed concern at the downward trend in respect of indicator 1005 'use of in-house foster carers (proportion nights)' and considered that as it was outside the 5% target, it should in fact be labelled as red as opposed to amber. This was accepted and an undertaking was given to amend the report.

Cllr Hubbard was extremely concerned that the following targets which he acknowledged were challenging were not deemed as Council priorities:

1011 'care leavers in suitable education, jobs or training'
1013 'safeguarding: initial assessments done in 10 days'

Cllr Tonge stressed that as cited in the report, the data presented was to report on progress in achieving the targets and actions to deliver the priorities of the Business Plan. Cllr Mayes, Cabinet member for Children's Services and the Leader confirmed that these two areas were priorities for the Council.

It was noted that the format of future reports would be amended to reflect the new Business Plan once adopted by the Council. Scrutiny's involvement in reviewing indicators would be welcomed.

Resolved:

That Cabinet note the progress of the Council's Business Plan for year 2012/13.

Reasons for Proposal

To keep Cabinet informed about progress and to provide an update on the performance related grant scheme for area boards.

Cllr Laura Mayes, Cabinet member for Children's Services presented a report updating Cabinet on the performance of the Wiltshire Adoption Service for the period 1 October 2012 to 31 March 2013. This was to ensure that Cabinet was satisfied that the service was effective and achieving good outcomes for children, young people and service users as required by statute and national minimum standards.

The Department for Education had previously issued the Council with an Improvement Notice. The Notice had addressed issues in the April 2012 Ofsted report on the inspection of Safeguarding and Looked After Children in Wiltshire and the recommendations made as a result of the Adoption Scorecard and Diagnostic Assessment.

Since then and with an Adoption Improvement Plan in place, there had been a noted improvement. Data as at 31 March 2013 indicated that the average time between Wiltshire receiving a court order to place a child and deciding on a match to an adoptive family was 122 days compared to a national average of 195 days. The average time from a child entering care and moving in with an adoptive family was 630 days compared to a national average of 636 days.

The Adoption Service was the subject of a further inspection on 5 March 2013. The resulting report commented that Wiltshire provided an *'effective, well managed and improving adoption service.'* The report also stated that outcomes for children were *'rapidly improving'* and that 85% of children were now placed within 12 months of a decision that they should be adopted. The Inspectors acknowledged the strengths of the Adoption Team commenting that they *'comprise experienced, knowledgeable and resourceful staff who engage in high quality individual work with children and adults affected by adoption.'*

Cllr Mayes and the Leader were pleased with the significant improvements made to the service in such a short period of time and paid tribute to the adoption and fostering teams who made this possible. In terms of the data presented, Cllr Mayes commented that decisions made must always be in the best interests of the child. The Leader added that the Council would always look for a permanent home solution.

Resolved:

- (a) That Cabinet notes and accepts the contents of the Adoption Agency report and**
- (b) That the Council endorses Ofsted recommendations Action Plan as set out in Appendix 3 of the report presented.**

Reason for decision

The 2011 Statutory Adoption Guidance and the 2011 Adoption Minimum Standards place a requirement on local authority adoption services to ensure that the executive of the Council receives a written report on the management, outcomes and financial state of the adoption agency to satisfy themselves that the agency is effective and is achieving good outcomes for children and/or service users. They must also satisfy themselves that the agency is complying with the conditions of registration (Minimum Standard 25.6; Statutory Adoption Guidance 3.3, and 5.39).

49 **Executive Response to the Final Report of the Safeguarding Children and Young People Task Group**

Councillor Laura Mayes, Cabinet Member for Children's Services presented the Executive's response to the Final Report of the Safeguarding Children and Young People Task Group.

A Safeguarding Improvement Board was established to formulate an improvement plan. The Task Group had been established following the outcome of a multi-agency Ofsted inspection undertaken in March 2012 which rated the overall effectiveness of safeguarding services as inadequate. The Task Group met on 16 occasions in addition to many other evidence gathering activities. Its Final Report detailed a total of 41 recommendations grouped under the following work themes:

- Communications
- Children's social care workforce
- Locality working
- Members and safeguarding

The Children's Select Committee endorsed these recommendations at its meeting on 28 March 2013.

Cllr Mayes presented an Appendix which gave the Executive's response to each of the 41 recommendations, highlighting which of those had already been actioned, those where actions were being taken and those which were being considered before a decision was made on them.

Cllr Jon Hubbard, Chairman of the Task Group cited this item as an excellent example of constructive collaboration between scrutiny and the executive. He paid tribute to the Leader who had ensured he had access to all the information he required to enable the Task Group to carry out its work. The Leader agreed and emphasised that whilst the authority was a political organisation, the priority of all members was to serve Wiltshire and especially the vulnerable members of our communities. She also stressed that all Councillors had corporate parenting responsibilities.

Cllr Hubbard thanked members of the Task Group who had worked extremely hard to consider all the issues and arrive at its recommendations. Henry Powell, Senior Scrutiny Officer was also thanked for his excellent work in supporting the Task Group.

Resolved:

That Cabinet note the action already taken and actions planned in response to the Final Report of the Safeguarding Children and Young People Task Group.

Reason for decision

This report is being presented to Cabinet at the request of the Safeguarding Children and Young People Task Group. The recommendations from the Task Group were supported by Children's Services Select Committee.

50 **Annual Report on Treasury Management 2012/13**

Cllr Dick Tonge, Cabinet Member for Finance, Performance, Risk, Procurement and Welfare Reform presented a report which gave details of the treasury management performance for 2012/13.

The report reviewed the prudential and treasury indicators and other treasury management strategies for the period against the actual positions resulting from actions within the year. The report also reviewed investments during the year in the context of the Annual Investment Strategy. Cllr Tonge guided Cabinet through the key points of the report.

Cllr Jon Hubbard on behalf of the Budget Scrutiny Task Group thanked Cllr Tonge for his assistance in responding to questions from the Task Group.

Resolved:

That Cabinet note:

- a) **Prudential Indicators, Treasury Indicators and other treasury management strategies set for 2012-13 against actual positions resulting from actions within the year as detailed in Appendix A of the report presented; and**
- b) **Investments during the year in the context of the Annual Investment Strategy as detailed in Appendix B of the report presented.**

Reason for decision

This report is required by the Prudential Code for Capital Finance in Local Authorities and the CIPFA Code of Practice for Treasury Management in the Public Services.

51 **Revenue Outturn 2012/13**

Cllr Dick Tonge, Cabinet Member for Finance, Performance, Risk and Welfare Reform presented a report which advised Cabinet of the final revenue outturn position as at 31 March 2013 for the financial year 2012/13. Cllr Tonge guided Cabinet through the report highlighting key points and responded to questions.

The year end position was that the Council had an underspend of £0.087 million. This is a £1.315 million variance from the forecast position at period 9 and reflected the projections of the Section 151 Officer to Council in February 2013 that a balanced budget would be achieved by 31 March 2013.

Resolved:

That Cabinet:

- a) **note the report showing an outturn under spend of £0.087 million;**
- b) **recognises the robust financial management to deliver this outcome; and**
- c) **approves setting up a Transformation Earmarked Reserve of £1.336 million.**

Reason for decision

That Cabinet notes the final revenue outturn for 2012/13 and approves an earmarked reserve for transformation work.

52 **Councillor Induction Programme 2013**

Cllr Allison Bucknell, Chairman of the Councillor Development Group presented a report which gave details of the activities undertaken as part of the Councillor Induction Programme 2013.

A copy of the Council Induction Programme and nominated and new councillor guide were also presented. Cllr Bucknell and the Leader commented that the Induction arrangements had surpassed expectations with excellent support from officers. It was noted that the take up of some sessions fell short of expectations and that the training of Councillors was ongoing.

A discussion ensued on the induction during which a number of comments were made as follows:

- Some Councillors had been unable to attend daytime sessions
- Evening sessions were not always appropriate
- The enforceability of Councillor training and making it mandatory
- Encouraging attendance via group leaders
- Sessions on communications and transformation should be repeated
- Attendance at sessions by all Councillors would ensure appropriate levels of understanding and avoid unnecessary questions and queries

Cllr Bucknell thanked the Communications team for the branding of nomination packs, guides and programme which ensured a professional image being portrayed.

Resolved:

That Cabinet note:

- a) the support provided to all newly elected councillors in their role as community leaders through the councillor induction programme 2013;**
- b) that this work will continue through ongoing councillor training and development, as required and**
- c) the opportunities for further engagement through networking events to allow councillors and officers to build strong working relationships.**

Reason for decisions

To update the cabinet on the councillor induction programme 2013, the success of the programme and the opportunities for the provision of future development sessions and training events.

53 Urgent Items

The Leader approved consideration of the following items as urgent business as the matters could not wait until the next scheduled meeting owing to revised timescales from the Department for Education.

Primary Schools at East Trowbridge and Tidworth NEQ - Preferred Bidders

Cllr Richard Gamble, Portfolio Holder for Schools, Skills and Youth presented a report which invited Cabinet to recommend two organisations as preferred bidders to run the following schools:

- East Trowbridge – primary school with 210 places (with scope to expand to 420 places)
- Tidworth NEQ – primary school with 315 places (with scope to expand to 420 places)

Cllr Gamble provided background on the location of the schools, the process undertaken to evaluate bidders and how the schools would be funded. The various options open to the Council were included in the report presented.

Resolved: (subject to consideration of further information under the following item):

- a) That following the evaluation process, Cabinet agrees to recommend to the Department for Education (DfE) of Wiltshire Council's preferred bidders to run the new schools at East Trowbridge and at Tidworth NEQ.**
- b) That following the agreement to recommend the two Academy providers, Cabinet also agrees to forward the paperwork from all 6 bidders (Trowbridge) and 6 bidders (Tidworth), as well as the Council's evaluation of the bids to the DfE.**
- c) That Cabinet also recognises that the DfE will make the final decision on the successful bidders to run the new school and may overturn the Cabinet decision in favour of another academy provider.**

Reason for decisions

Following guidance issued by the DfE, the LA undertook an Academy Provider competition for both schools from 2 March 2013 to 22 April 2013 to find their preferred bidder to recommend to the DfE. The LA received 6 bids for each school and after holding a short-listing exercise, two bidders were invited to formal interview for each school. After the interviews on 20 May 2013 (Trowbridge) and 24 May 2013 (Tidworth), the panels agreed to recommend to Cabinet that Provider A be invited to run the new school in Trowbridge and that the provider B be invited to run the new school in Tidworth.

Exclusion of Press and Public

Having complied with paragraphs 6(a) and 7 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 in respect of the intention to take the following item in private,

Resolved:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the following item of business because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

Reason for taking item in private:

Paragraph 3 - information relating to the financial or business affairs of any particular person (including the authority holding that information).

No representations had been received as to why the item should not be held in private.

Primary Schools at East Trowbridge and Tidworth NEQ - Preferred Bidders – Part II

Cllr Richard Gamble presented confidential information in relation to the evaluation of the bidders.

Resolved:

That following consideration of the information presented, Cabinet confirms its decisions as follows:

- a) **That following the evaluation process Cabinet agrees to recommend to the Department for Education (DfE) of Wiltshire Council's preferred bidders to run the new schools at East Trowbridge and at Tidworth NEQ as detailed in the report presented.**
- b) **That following the agreement to recommend the two Academy providers, Cabinet also agrees to forward the paperwork from all 6 bidders (Trowbridge) and 6 bidders (Tidworth), as well as the Council's evaluation of the bids to the DfE.**
- c) **That Cabinet also recognises that the DfE will make the final decision on the successful bidders to run the new school and may overturn the Cabinet decision in favour of another academy provider.**
- d) **To approve the recommendation at paragraph (d) of the report presented.**

Reason for decisions

Following guidance issued by the DfE, the LA undertook an Academy Provider competition for both schools from 2 March 2013 to 22 April 2013 to find their

preferred bidder to recommend to the DfE. The LA received 6 bids for each school and after holding a short-listing exercise, two bidders were invited to formal interview for each school. After the interviews on 20 May 2013 (Trowbridge) and 24 May 2013 (Tidworth), the panels agreed to recommend to Cabinet that Provider A be invited to run the new school in Trowbridge and that the provider B be invited to run the new school in Tidworth.

Appendix - Questions from Mr Phil Matthews and response

(Duration of meeting: 10.30 am - 12.10 pm)

<p>These decisions were published on the 21 June 2013 and will come into force on 1 July 2013.</p>
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The Officer who has produced these minutes is Yamina Rhouati, of Democratic Services, direct line 01225 718024 or e-mail Yamina.Rhouati@wiltshire.gov.uk
Press enquiries to Communications, direct line (01225) 713114/713115

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Item 5 – Public Participation

Questions from Mr Philip Matthews, Mayor of Wilton Town Council

Question 1

Four years ago the A30 section in Wilton in West Street and Shaftesbury was resurfaced .

The materials used were supposed to last for five years but after two years holes started to appear in the West Street section . This situation has now got worse. I understand that this work was under guarantee but will not be rectified until next year. Is this information correct?

Response

The resurfacing of the A30 at West Street Wilton was carried out as part of the surfacing works carried out in 2009/10, which together with adjoining sections of the A30 had been in poor condition. It would be expected that this type of material would last for many years, but this site showed signs of deterioration much sooner than would be expected. Remedial work was carried out to address those areas, but there appear to be other issues at this site.

As extensive works will be required to resurface this road, involving disruptive road closures and diversions it is proposed to prepare a scheme for implementation next year, which will include addressing drainage, kerb and footway issues at this site in one scheme. Consultations will take place with the Town Council as the proposals are developed. In the meantime the condition of the road will continue to be monitored and safety repairs made as necessary.

Question 2

Wilton Town Council has a grounds maintenance contract with Wiltshire Council which has about two more years to run. Was Balfour Beatty made aware of this when the contract between Wiltshire Council and Balfour Beatty was drawn up? During the handover for over two weeks no grass cutting has been done in the Town Cemetery!

Response

Wiltshire Council's new Highway and Streetscene Contract commenced on the 1st June 2013. The contract includes the grass cutting services for all Wiltshire Council's amenity areas.

Balfour Beatty Living Places (BBLP) are the new Wiltshire Council contractor providing the Highway and Streetscene Service. As well as providing Wiltshire Council's grass cutting services, they also provide a commercial grass cutting service for town and parish councils and other customers.

On the 1st June 2013 Wiltshire Council transferred the Wilton Town Council commercial grass cutting contract to BBLP, with all the other commercial grass cutting services. BBLP now provide the service direct to the commercial customers, including Wilton Town Council.

Prior to the commencement of the Highway and Streetscene Contract Wiltshire Council issued BBLP with a full list of all the Council's commercial grounds maintenance contracts and agreements, for BBLP to make arrangements for the continuation of the commercial services.

BBLP will continue to provide the Wilton Town Council contract for grass cutting at the level and the price agreed by Wiltshire Council.

Wiltshire Council have approached BBLP and expressed the concern of the Town Council with regard to the delay in maintenance at the Cemetery. BBLP have given assurances to Wiltshire Council that this was only a temporary issue.

Whilst Wiltshire Council officers are always pleased to give assistance, as the contract is now between the Town Council and BBLP it is recommended that the Town Council addresses these concerns direct with BBLP as this will speed communication, remove unnecessary additional work and allow the resolution to issues more quickly.

Wiltshire Council

Cabinet

23 July 2013

Subject: Wiltshire Council's Draft Business Plan for 2013-17

Cabinet member: Councillor Jane Scott OBE, Leader of the Council

Key Decision: Yes

Purpose of Report

1. This is a covering report for the council's draft business plan for 2013-17. The business plan sets the council's strategy for the next four years and beyond. It's purpose is to enable Chief Officers to lead and manage the organisation to achieve the objectives set by elected members.
2. Cabinet is asked to:
 - consider the revised draft business plan;
 - review feedback from Overview and Scrutiny on an early draft of the plan and list of 12 key priorities; and
 - recommend that a final draft is prepared for discussion and approval at full council on 3 September 2013

Background

3. The business plan is an important document which sets the council's strategic direction, priorities and key actions for the next four years.
4. Wiltshire Council approved its [first business plan](#) and supporting [financial plan](#) (2011-15) in February 2011. The draft business plan for 2013-17 builds on and extends the vision, goals and achievements from the first business plan.
5. The new business plan is being prepared to reflect:
 - the significant external challenges and changes that the council will face over the next four years; and,
 - changes to the way the council will have to operate to manage these challenges.
6. Cabinet and the corporate leadership team (CLT) have been working on the business plan since May 2013.
7. An early draft reflecting the initial comments of cabinet members, service directors and the Wiltshire Public Service Board was considered at:
 - the Overview and Scrutiny Management Committee on 25 June
 - extraordinary meetings of the Management Committee and all three select committees

8. Feedback from all four overview and scrutiny committees on the early draft plan has been combined into a single report to Cabinet (agenda item X)
9. Since the early draft plan was published on 18 June, Cabinet and CLT have been working on a revised draft plan which is attached to this report. The revised draft is shorter and includes the 12 key priorities which were provided to the extra-ordinary overview and scrutiny meetings.

Main considerations for Cabinet

10. The plan is split into four main sections:
 - **people and places** – a shared vision of what Wiltshire will be like in 2017 based on evidence about local needs and priorities as published in the [Joint Strategic Assessment for Wiltshire](#) (2012/13)
 - **how we will do business** – the council’s corporate goals, values, philosophy and approach to designing and running high performing services
 - **making it happen** – the council’s 12 key priorities and key partners/ partnerships and governance arrangements
 - **measuring success** – how the council will know it is performing well and moving in the right direction through robust and reliable performance management
 - The plan is supported by three appendices:
 - an indicative four year financial model
 - the council’s business planning and individual objective setting process
 - an action plan which explains how the council will deliver the outcomes in the business plan
11. Designed to help the council to be flexible and responsive over the next four years, the final plan will set out the following:
 - the vision and way of doing business between now and 2017
 - the 12 priority actions - these are designed to be changed if external factors require this
 - the financial model which will be updated quarterly as part of the budget monitoring and setting process
 - a vital focus for where to invest, disinvest and take measures to contain demand

Safeguarding considerations

12. The draft plan identifies ‘people feel safe and are as protected as possible from harm’ as one of the six key outcomes for people and places and continuing to improve safeguarding services as a key priority for the council.

Public health implications

13. The draft plan identifies ‘people have healthy, active and high quality lives’ as one of the six key outcomes for people and places and integrating public

health at the heart of all public services as a key priority for the council.

Environmental and climate change considerations

14. The draft plan identifies 'everyone living sustainably in a high quality environment' as one of the six key outcomes for people and places.

Equalities Impact of the Proposal

15. The draft plan continues to identify protecting the most vulnerable in our communities as a key priority for the council. All the people and place outcomes and priority actions are based on local needs evidence contained in the Joint Strategic Assessment for Wiltshire 2012/13.
16. The equalities implications of the council's major long-term strategies, programmes and plans have already been approved and were taken into consideration in developing the draft plan.

Risk Assessment

17. The council has considered risk throughout the development of the draft plan and the four year financial model that is aligned to the plan. New risks will continue to be identified and addressed at a corporate and service level through the council's usual risk management arrangements.

Financial Implications

18. A number of high level known and assumed forecasts have been made to provide an initial four year financial model which sits alongside the plan. These assumptions include projections around growth in demand for services and how these can be managed; reductions in central government funding; inflation and demographic changes. As a result, the initial model forecasts that the council will need to manage a 'real' £120 million reduction in its spending projections over the next four years (£40m in government cuts and £80m in projected demographic, inflation and contract growth). As such the plan provides a focus for where to invest, disinvest and take measures to address demand.

Legal Implications

19. Legislation affecting governance arrangements is changing significantly and the draft plan will be reviewed to assess the impact these changes may have on the priority actions, measures and outcomes.

Next steps

20. A final draft of the business plan will be prepared for consideration at Full Council on 3 September.

Proposal

21. That Cabinet:

- consider the revised draft business plan;
- review feedback from Overview and Scrutiny on an early draft of the plan and list of 12 key priorities; and
- recommend that a final draft is prepared for discussion and approval at full council on 3 September 2013

Dr Carlton Brand
Corporate Director

Carolyn Godfrey
Corporate Director

Maggie Rae
Corporate Director

Report Authors:

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Alissa Davies, Senior Corporate Support Officer – alissa.davies@wiltshire.gov.uk

Date of report: 9 July 2013

Background Papers

None

Appendix

Draft business plan

Cabinet

23 July 2013

Scrutiny of the Draft Business Plan 2013-17

Purpose

- 1 To report the outcome of the scrutiny of the draft Business Plan 2013-17 and the potential for further engagement.

Background

- 2 The preparation of the Business Plan was considered to be a key early activity of the new Council following the elections in May. Part of its preparation would involve making it subject to scrutiny in advance of formal consideration by Cabinet and adoption by full Council.

Scrutiny Engagement

- 3 The draft Plan was published on 18 June and all councillors notified. The Overview and Scrutiny Management Committee met on 25 June. The Chairman valued this early engagement and acknowledged the effort that had gone into its preparation. He supported the forwarding thinking and challenging nature of the Plan. He particularly highlighted the emphasis on systems thinking and innovation to deliver the Council's visions and goals.
- 4 He commented on the cross-referencing between the vision, priorities, goals, key outcomes, principles and actions and that perhaps the relationship between these might benefit from a clearer explanation at the beginning of the document.
- 5 The Leader provided a helpful introduction to the purpose and focus of the Plan and was congratulated on the forward thinking and challenging nature of the Plan's content. The Chairman acknowledged that an approach based on systems thinking and innovation, although relatively new concepts for local government, were very necessary if the Council's visions and goals were to be delivered. The Leader then referred to 12 deliverables that had been identified and asked that these also be made available to overview and scrutiny to inform its review.
- 6 A brief high-level discussion took place and the Management Committee decided that detailed scrutiny of the draft Business Plan be undertaken by the individual select committees. Consequently a round of urgent meetings of the select committees was arranged during the first week of July and the chairs and vice-chairs invited to meet on 8 July to co-ordinate the comments into one

report. The outcome of this exercise is set out in the Appendix. Minutes are also available of the meetings of the select committees.

- 7 The leading overview and scrutiny councillors were pleased to see engagement with overview and scrutiny as part of the planned development of the Business Plan. This has allowed for the review exercise to be undertaken in good time for the results to be made available to Cabinet for its meeting on 23 July.
- 8 The Appendix follows the layout of the Business Plan in providing responses. There are some general comments made at the beginning. Within each section the responses are divided into related comments and suggestions requiring consideration for possible amendment to the Plan.
- 9 Overview and scrutiny will be keen to see the response to its comments and suggestions. It is likely, due to comments from a variety of sources since publication of the first draft, that a revised version of the Business Plan will be submitted to Cabinet on 23 July.
- 10 The Chairman wanted to acknowledge the work done by overview and scrutiny in the development of the Business Plan and thanked all those who contributed to the positive experience.

Next Steps for Overview and Scrutiny

- 11 As confirmed by the Leader, approval of the Business Plan in September is just the starting position for the new Council. It is a living document that will grow and adjust overtime with formal annual review. Therefore overview and scrutiny will stay engaged and clearly the Business Plan will have a heavy influence on its work programme. The development of the individual service plans is also an area for input by overview and scrutiny. Discussion on these and other priorities will be discussed with individual Cabinet members.

Recommendation

- 12 To consider the comments made by overview and scrutiny on the draft Business Plan as set out in the Appendix to this report and respond accordingly.

Paul Kelly

Overview and Scrutiny Manager (and Designated Scrutiny Officer)

Report author: Teresa Goddard, Scrutiny Officer

Contact details: teresa.goddard@wiltshire.gov.uk (01225) 713548

Section	
General	Comments
	Keen that examples were included in the Business Plan that demonstrated the Council's successes.
	Welcomed the inclusion of public health and safeguarding as two of the key deliverables.
	Suggestions
	Reference should be made to things going on nationally that impacted on the Wiltshire picture.
	Following analysis of the Francis Report, the Health Select Committee has agreed to a number of recommendations, the sentiments of which it feels should be incorporated into the Business Plan. These being: <ul style="list-style-type: none"> • Better communications with the public to encourage greater public engagement and ensure Council priorities are reflected back, contextualizing facts and figures and communicating good news stories; • Provision of more information from a wide range of sources to inform policy and decision making; • Robust analysis of all available data to highlight areas of concern to include smaller pockets of deprivation; • Liaison and development of protocols with bodies that have complementary functions to ensure clarity of roles and responsibilities. It was also felt that the role of health scrutiny should not be overlooked in the development of the Health and Wellbeing Board. • Proactive approach to, and development of links with, partners and service providers to ensure quality and improvements in services.
Key Deliverables	Comments
	Number 10: Public health – the council needs to be more involved in decisions about local healthcare
	Number 12: Councillors should be included in this, and performance management is also key.
	Suggestions
	Number 2: Tourism really important and should be mentioned as a economic growth stimulant
	Number 3: It is important to have a structured approach to problem-solving at a local level. Specifically add reference to Youth Advisory Groups in addition to Area Boards.
	Number 4: Needs to be more ambitiously worded – suggest “encouraging every child and young person to achieve their

	<p>full potential.”</p> <p>Number 5: Could the word “support” be defined more here? Continuing to improve our safeguarding services to reach an outstanding rating.</p> <p>Number 6: Suggested rewording - to work closely with providers of social housing, continue to invest in all refurbishment of council housing, and encourage the development of new affordable homes including supported living in rural areas.</p> <p>Number 8: Need to think about the impact of this on young people. Suggested rewording - work smarter with town and parish councils to facilitate the transfer of land, services and assets.</p> <p>Addition of a deliverable focusing on closer and better working with partners</p>
Section 1: People and Places	Comments
	There was support for the emphasis on vulnerable people, which includes Adult Social Care, Looked After Children and Children in Poverty as key areas of focus for the Council.
	Members identified a need to communicate to the public the case for devolving responsibility and services to town and parish councils.
	The need to focus on risk and finance was acknowledged, however it was noted that money should not be the only factor in making decisions. The Business Plan is rightly an aspirational document.
	Members noted the large increases in the aging population and long-term health conditions (including dementia). 'Without a new approach these increases are unaffordable'. This needs to be addressed urgently. Need to look at aging population supported living at home.
	Suggestions
	It needs to be clear that the Business Plan is for everyone, i.e. people across all age ranges. However, it is recommended that a Young Person friendly version of the Business Plan is produced.
	There is a need to increase people’s engagement with their communities and democracy. Add an aspiration under the ‘People in Wiltshire work together to solve problems locally and participate in decisions that affect them’ heading.
	Mention the need to attract more higher education provision into Wiltshire.
	Do more to identify and help our gifted and talented young people fulfil their potential.
Need to focus on encouraging and enabling children and young people to live active, healthy lives by becoming involved in healthy activities – both organised and non-organised. Including a focus on providing sporting facilities and also addressing the reduction in participation in sporting activities when leaving school. Endorse the “all the achieve aspiration” (page 9) but add something extra around helping those caught in an ‘aspiration trap’.	
All Council decisions should include a consideration of the	

	impact on avoidable harm to the community, including children and young people.
Section 2: The Council's Principles	Comments
	Page 13/14: It was identified that it is important to focus on hard-to-reach communities as they tend to be vulnerable.
	In terms of procurement, when we externalise a service the community must understand who is accountable and the focus should be on providing a quality and user-friendly service, not just the price of the contract.
	Suggestions
	Page 13: Point 2 – Mention looking at the explicit and hidden financial costs that can prevent people from engaging with support services (e.g. counselling) and activities. Point 3 – The hidden impact on people should always be assessed when the Council makes decision. Point 5 – Mention the need to ensure children's voices are heard when decisions are made, particularly through the Youth Advisory Groups (YAGs). Point 7 – Include a mention of also encouraging and developing the leaders of the future (i.e. young people). Point 8 – Staff adopting a 'can-do' approach includes them thinking about improving accessibility to young people
Section 3: Making it Happen	Comments
	There are concerns about 'brown obsolescence'. All commercial properties need to have an energy performance certificate of E or above by 2018, after that date it will be illegal if they don't. There are concerns about the impact of large numbers of commercial properties not coming up to the required standard.
	Page 23: Working with partners, include school bodies like WASSH and PHF on the colour wheel. Also need to include AONBs which represent 40% of the county. 75% funded by Natural England.
	Suggestions
	Include a mention of developing the YAGs (as well as the Area Boards).
	Page 16: last bullet point – include mention of helping people to access affordable housing. Understanding the needs of different groups. Swindon and Wiltshire LEP is business led, has a budget of £15-16 million and may get more. It is important that the Council is aware of where Swindon issues might be impacting on Wiltshire and how the LEP is held to account.
Page 17: Include a mention of doing an impact assessment on young people whenever decisions are made. Including a specific mention of supporting young carers.	
	Page 18:

	<p>Include the promotion of young people taking part in non-organised sporting and leisure activities. Reducing the cost of participation in sports for young people (e.g. reducing the cost of gym membership) Supporting schools to provide sporting activities in and outside of schools hours. A mention of promoting sexual health (under Public Health).</p>
	<p>Include aspiration to develop our young community leaders at an early age, as in section 2: Page 13, point 7.</p>
<p>Section 4: Measuring Success</p>	<p>Comments</p>
	<p>There was strong support for the O&S Management Committee to have a role in helping to develop the Council's performance framework to enable meaningful monitoring and scrutiny.</p>
	<p>Suggestions</p>
	<p>Include a KPI on developing effective YAGs within the first row of the table. Include a KPI on widening the number of young people engaged with local decision making. KPIs need to reflect the 'value added' in terms of attainment (each child's academic improvement year on year).</p>
	<p>Page 35: Suggestion that the word 'planning' isn't used as public may be confused. Suggest change to 'business planning'.</p>

Wiltshire Council

Standards Committee

10 July 2013

Cabinet

23 July 2013

Subject: Draft Annual Governance Statement 2012-13

Cabinet member: Councillor Dick Tonge
Finance, performance, risk, procurement and welfare reform

Key decision: No

Executive Summary

1. The Council is required, as part of its annual review of the effectiveness of its governance arrangements, to produce an Annual Governance Statement (AGS) for 2012-13. This will form part of the Annual Statement of Accounts for 2012-13.
2. Section C of the AGS describes the Council's governance framework for the relevant period. The final version will need to reflect the position up to the date of approval and signature in September 2013.
3. Section D provides a review of the effectiveness of the Council's governance framework.
4. The Council's internal auditors, SWAP (South West Audit Partnership) have given an overall audit opinion of reasonable assurance on the adequacy and effective operation of the Council's control environment in 2012-13. This is supported by the finding of the Council's external auditors, KPMG, that the Council's organisational control environment is effective overall.
5. The following have been identified as significant governance issues at this stage:
 - Safeguarding Children and Young People
 - Managing significant reductions in Government funding and changes in legislation
 - Information security
6. Details of these issues are set out at paragraph 83 in Section E of the draft AGS.

Proposal

Cabinet and the Standards Committee are, therefore, asked:

- a. to consider the draft AGS as set out in Appendix 1 and make any amendments or observations on the content as they deem appropriate;
- b. to note that the draft AGS will be revised in the light of any comments by Cabinet, the Standards Committee, and ongoing work by the Governance Assurance Group before final consideration by the Audit Committee on 4 September 2013 and publication by 30 September 2013.

Reason for Proposal

To prepare the AGS 2012-13 for publication in accordance with the requirements of the Audit and Accounts Regulations 2011.

Ian Gibbons
Solicitor to the Council and Monitoring Officer

Purpose of the report

1. To ask Cabinet and the Standards Committee to consider a draft Annual Governance Statement for 2012-13 for comment before final approval is sought from the Audit Committee on 4 September 2013.

Background

2. The Council is required, as part of its annual review of the effectiveness of its governance arrangements, to produce an Annual Governance Statement (AGS) for 2012-13. This will be signed by the Leader of the Council and the Corporate Directors after final approval by the Audit Committee on 4 September 2013. The AGS will form part of the Annual Statement of Accounts for 2012-13.
3. Based on advice from the Chartered Institute of Public Finance and Accountancy (CIPFA), the AGS should include:
 - an acknowledgement of responsibility for ensuring there is a sound system of governance, incorporating the system of internal control;
 - an indication of the level of assurance that the systems and processes that comprise the Council's governance arrangements can provide;
 - a brief description of the key elements of the governance framework, including reference to group activities where those activities are significant;
 - a brief description of the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements;
 - an outline of the actions taken, or proposed, to deal with significant governance issues, including an agreed action plan.
4. The AGS for Wiltshire Council should demonstrate how the Council is meeting the six principles of good governance adopted in its Code of Corporate Governance. These principles are:
 - focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area;
 - councillors and officers working together to achieve a common purpose with clearly defined functions and roles;

- promoting values for the council and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
 - taking informed, risk-based and transparent decisions which are subject to effective scrutiny and managing risk;
 - developing the capacity and capability of councillors and officers to be effective;
 - engaging with local people and other stakeholders to ensure robust accountability.
5. The AGS is primarily retrospective. It reports on the assurance framework and measures in place for the financial year 2012-13, but must take account of any significant issues of governance up to the date of publication in September 2013. The AGS should outline the actions taken or proposed to address any significant governance issues identified.
 6. The AGS is drafted by members of the Governance Assurance Group, which comprises senior officers who have lead roles in corporate governance and a member representative from the Audit Committee.
 7. The evidence for the AGS comes from a variety of sources, including assurance statements from service directors, relevant lead officers within the organisation, internal and external auditors and inspection agencies.

Draft AGS - Content

8. A copy of the latest draft AGS is attached at Appendix 1.
9. The draft has been amended as shown tracked to reflect the comments of the Audit Committee on 18 June 2013. An extract of the Audit Committee's minutes is attached at Appendix 2.
10. The draft reflects the elements described in paragraph 3 of this report and has regard to revised guidance from CIPFA. The draft is based on work undertaken to date and will be revised in the light of further work by the Governance Assurance Group and any observations of the Cabinet, the Standards Committee and the Council's external auditors, KPMG.
11. Section C of the AGS describes the Council's governance framework for the relevant period. The final version will need to reflect the position up to the date of approval and signature in September 2013.
12. Section D provides a review of the effectiveness of the Council's governance framework. This section has been structured to reflect the key governance principles set out in the Council's Code of Corporate Governance.

13. The levels of assurance obtained from the range of audits completed during the year has led the Council's internal auditors, SWAP (South west Audit Partnership), to the overall audit opinion that for 2012-13 it is able to give reasonable assurance on the adequacy and effective operation of the Council's overall control environment. KPMG's interim audit report 2012-13 supports this in its finding that the Council's organisational control environment is effective overall.
14. The Governance Assurance Group has obtained assurance statements from directors in relation to their services. These are being reviewed and any issues which impact upon the Council's governance arrangements will be covered in the AGS.
15. Section E of the draft AGS requires the Council to identify any significant internal control issues affecting the Council during the relevant period.
16. CIPFA guidance suggests that an internal control issue is to be regarded as significant if:
- the issue has seriously prejudiced or prevented achievement of a principal objective;
 - the issue has resulted in a need to seek additional funding to allow it to be resolved, or has resulted in significant diversion of resources from another aspect of the business;
 - the issue has led to a material impact on the accounts;
 - the audit committee, or equivalent, has advised that it should be considered significant for this purpose;
 - the Head of Internal Audit has reported on it as significant, for this purpose, in the annual opinion on the internal control environment;
 - the issue, or its impact, has attracted significant public interest or has seriously damaged the reputation of the organisation;
 - the issue has resulted in formal action being taken by the Chief Financial Officer and/or the Monitoring Officer.
17. The following have been identified as significant governance issues at this stage:
- Safeguarding Children and Young People
 - Managing significant reductions in Government funding and changes in legislation
 - Information security

18. Details of these issues are set out at paragraph 83 of the draft AGS.
19. The Assurance Group will continue to review the various sources of assurance and any variation or further significant governance issues that are identified will be reported to the meeting of Audit Committee in September for final consideration and approval.
20. KPMG will be consulted on the draft AGS and their comments will be taken into account in the presentation of the final version to the Audit Committee.

Financial implications

21. There are no financial implications arising directly from the issues covered in this report.

Risk Assessment

22. The production of the AGS is a statutory requirement. Ongoing review of the effectiveness of the Council's governance arrangements is an important part of the Council's risk management strategy.

Environmental Impact

23. There is no environmental impact regarding the proposals in this report.

Equality and Diversity Impact

24. There are no equality and diversity issues arising from this report.

Reasons for the Proposal

25. To prepare the AGS 2012-13 for publication in accordance with the requirements of the Audit and Accounts Regulations.

Proposal

26. Cabinet and the Standards Committee are, therefore, asked:
 - a. to consider the draft AGS as set out in Appendix 1 and make any amendments or observations on the content;
 - b. to note that the draft AGS will be revised in the light of any comments by Cabinet, the Standards Committee, and ongoing work by the Governance Assurance Group before final consideration by the Audit Committee on 4 September 2013 and publication by 30 September 2013.

Ian Gibbons
Solicitor to the Council and Monitoring Officer

Report Author: Ian Gibbons

Unpublished documents relied upon in the production of this report:

None.

Appendices:

Appendix 1 - draft Annual Governance Statement 2012-13

Appendix 2 - extract from draft minutes of Audit Committee 20 June 2012

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Annual Governance Statement

2012-13



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Review of Effectiveness

Focus on the purpose of the authority and on outcomes for the community, creating and implementing a vision for the local area

Engaging with local people and other stakeholders to ensure robust public accountability

Ensuring that councillors and officers work together to achieve a common purpose with clearly defined functions and roles

Promoting high standards of conduct and behaviour, and establishing and articulating the authority's values to members, staff, the public and other stakeholders

Taking informed, risk based and transparent decisions which are subject to effective scrutiny

Developing the capacity of councillors and officers to be effective in their roles

Section E

Significant Governance Issues

A. Scope of Responsibility

1. Wiltshire Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
2. In discharging this overall responsibility, the Council is also responsible for putting in place proper arrangements for the governance of its affairs, including the management of risk, and facilitating the effective exercise of its functions.

B. The Purpose of the Governance Framework

3. The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and the activities through which the Council accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
4. The assurance framework and the system of internal control are significant parts of that framework. They are designed to manage risk to a reasonable level. They cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The assurance framework and the system of internal control are based on an ongoing process that is designed to:
 - identify and prioritise the risks to the achievement of the Council's policies, aims and objectives;
 - evaluate the likelihood of those risks being realised;
 - assess the impact of the risks if they are realised;
 - manage the risks efficiently, effectively and economically.
5. The assurance framework also provides a mechanism for monitoring and implementing a system of continuous governance improvement.
6. The governance framework has been in place at the Council for the year ended 31 March 2013 and up to the date of approval of the Statement of Accounts for 2012/13.

C. The Governance Framework

7. The Council's governance framework comprises a broad range of strategic and operational controls, which work together to ensure the sound operation of the Council. The key elements are summarised below.
8. Documents referred to are available from the Council or may be viewed on the Council's website (www.wiltshire.gov.uk).
9. The review of the Council's governance arrangements, through the Annual Governance Statement, has taken account of best practice identified in the CIPFA/Solace guidance Delivering Good Governance in Local Government, Addendum 2012.

Purpose and Planning

10. The Council's vision and goals are set out in its 4 year Business Plan, which was adopted by the Council on 22 February 2011. The Council's vision is to create stronger and more resilient communities and in support of this it has the following goals:
 - provide high quality, low cost customer focused services;
 - ensure local, open and honest decision making;
 - working with our partners to support Wiltshire's communities.
11. The Business Plan is supported by a Financial Plan, which demonstrates how it will be funded. The management of the Council's strategic risks helps achieve the Council's objectives.

Policy and Decision-Making Framework

12. The Council's Constitution provides the framework within which the Council operates. It sets out how decisions are made and the procedures which must be followed to ensure that these are efficient, effective, transparent and accountable.
13. The Constitution defines the role and responsibilities of the key bodies in the decision-making process - the Council, Cabinet, and Committees, including the Strategic Planning Committee, Area Planning Committees, Licensing Committee, Overview and Scrutiny Committees, Standards Committee, Audit Committee, Staffing Policy Committee, Officer Appointments Committee and Area Boards.
14. The council has established a Health and Well-being Board in accordance with requirements under the Health and Social Care Act 2012. The Board is a committee of the council with a strategic leadership role in promoting integrated working between the council and the NHS, and in relation to public health services. It is the key partnership and focal point for strategic decision making about the health and well-being needs of the local community.

15. The council has also established the Wiltshire Police and Crime Panel to review and scrutinise decisions of the Police and Crime Commissioner. The Panel is a joint committee with Swindon Borough Council.
16. The Constitution is reviewed regularly by the Monitoring Officer and the Standards Committee through its Constitution Focus Group to ensure that it reflects changes in the law and remains fit for purpose.
17. The Leader and Cabinet are responsible for discharging the executive functions of the Council, within the budget and policy framework set by the Council, and some of this is delegated to Area Boards.
18. The Council publishes a Forward Work Plan once a month giving details of all matters anticipated to be considered by the Cabinet over the following 4 months, including items which constitute a key decision¹
19. Schemes of Delegation are in place for Cabinet Committees, Cabinet Members and Officers to facilitate efficient decision-making. The Leader has established two Cabinet Committees - the Cabinet Capital Assets Committee and the Cabinet Business Relief Committee.
20. The Council has established 18 area committees known as Area Boards. Each area board exercises local decision making under powers delegated by the Leader.
21. The Council's overview and scrutiny arrangements consist of a management committee and 3 select committees covering Children's Services, Environment, and Health. These committees establish standing and ad hoc task groups to undertake detailed reviews. Rapid scrutiny exercises also provide opportunities where there are time constraints. Scrutiny member representatives can also be appointed to boards of major projects.
22. These arrangements serve to hold the Cabinet, its Committees, individual Cabinet Members and officers to public account for their executive policies, decisions and actions.
23. The Standards Committee is responsible for:
 - promoting and maintaining high standards of conduct by Members and Officers across the Council;
 - determination of complaints under the Members' Code of Conduct;
 - oversight of the Constitution, overview of corporate complaints handling and Ombudsman investigations, and the whistle blowing policy.

¹ 'Key decisions' are defined in Paragraph 9 of Part 1 of the Constitution. They include any decision that would result in the closure of an amenity or total withdrawal of a service; any restriction of service greater than 5%; any action incurring expenditure or producing savings greater than 20% of a budget service area; any decision involving expenditure of £ 500,000 or more, (subject to certain exceptions), any proposal to change the policy framework; any proposal that would have a significant effect on communities in an area comprising two or more electoral divisions.

24. The Localism Act 2011 introduced a new standards regime, which came into effect on 1 July 2012. As part of this the council published a new code of conduct for members and established arrangements for dealing with complaints under the code for Wiltshire unitary and parish councillors, including the appointment of 3 independent persons in accordance with the new statutory requirements.

25. The Audit Committee is responsible for:

- monitoring and reviewing the Council's arrangements for corporate governance, risk management and internal control;
- reviewing the Council's financial management arrangements and approving the annual Statement of Accounts;
- focusing audit resources
- monitoring the effectiveness of the internal and external audit functions;
- monitoring the implementation of agreed management actions arising from audit reports.

Wiltshire Pension Fund

26. The Wiltshire Pension Fund is overseen by the Wiltshire Pension Fund Committee. This Committee has its delegated power from the full Council, rather than the Executive (Cabinet), so as to avoid any conflict of interest (e.g. in relation to the setting of employer contributions).

27. This Committee is responsible for all aspects of the fund, including:

- the maintenance of the fund;
- preparation and maintenance of policy, including funding and investment policy;
- management and investment of the fund;
- appointment and review of investment managers;
- monitoring of the audit process.

28. The Wiltshire Pension Fund Committee exercises its responsibilities in relation to investment management when it sets investment policy and appoints/monitors external investment managers.

Regulation of Business

29. The Constitution contains detailed rules and procedures which regulate the conduct of the Council's business. These include:

- Council Rules of Procedure
- Budget and Policy Framework Procedure
- Financial Regulations and Procedure Rules
- Procurement and Contract Rules

- Members' Code of Conduct
- Officers' Code of Conduct
- Corporate Complaints Procedure

30. In April 2012 the Council completed a programme of work which resulted in the successful transfer and integration of the Public Health function in Wiltshire. A robust governance framework for Public Health was agreed and transferred.

31. The statutory officers - the Head of Paid Service (Service Director, HR and Organisational Development), the Monitoring Officer (Solicitor to the Council) and the Chief Finance Officer have a key role in monitoring and ensuring compliance with the Council's regulatory framework and the law. The statutory officers are supported in this role by the Council's HR, legal and democratic services, finance, governance and procurement teams, and also by the internal audit service.

[This will be reviewed after full council in July when council will consider cabinet's recommendation to designate the corporate directors as head of paid service on a rotational basis].

32. Internal Audit services in Wiltshire are provided through a partnership with South West Audit Partnership.

33. The following bodies have an important role in ensuring compliance:

- Audit Committee
- Overview and Scrutiny Committees and Task Groups
- Standards Committee
- Internal Audit (this function was provided in-house until 1 November 2011 after which it has been provided externally by SWAP)
- External Audit and Inspection Agencies.

34. The Council has established a Governance Assurance Group whose membership is composed of senior officers with lead responsibility for key areas of governance and assurance, together with an elected member who is the vice-chair of the Audit Committee. Other officers and members attend by invitation to provide the Group with information about issues on which it is seeking assurance. Officers can also bring any concerns about the Council's governance arrangements forward to the Group for consideration.

35. The Governance Assurance Group meets monthly and has a forward work plan. It is responsible for gathering evidence for and drafting the Annual Governance Statement. It identifies any potential significant governance issues throughout the year, and seeks assurance on the effectiveness of measures to address these. It has a key role in promoting and supporting sound governance across the organisation and reports as required to the Corporate Leadership Team.²

² The Corporate Leadership Team comprises the three Corporate Directors, supported by the Chief Finance Officer / Section 151 Officer, Solicitor to the Council / Monitoring Officer, Service Director HR and Organisational Development and the Director of Communications

Management of Resources, Performance and Risk

Financial management

36. Financial management and reporting is facilitated by:

- Regular reports to Cabinet on the Council's Revenue Budget and Capital Programme;
- Regular review by the Corporate Leadership Team;
- Regular consideration of these reports by the Budget and Performance Task Group;
- Budget monitoring by Service Managers;
- Compliance with the Council's Budgetary and Policy Framework, Financial Regulations and Financial Procedure Rules;
- Compliance with external requirements, standards and guidance;
- Publication of Statement of Accounts;
- Overseeing role of the Audit Committee.

37. The Council's financial management arrangements are consistent with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government, issued in 2010.

Performance and Risk Management Reporting

38. The Council's Business Plan sets out how the Council will:

- Protect our most vulnerable citizens by investing in their services;
- Invest in the future of Wiltshire by enhancing key service areas;
- Keep the council tax low;
- Make savings to cover the cut in government funding and projected investments.

39. The Business Plan is supported by the Risk Management Strategy. This is reviewed annually to ensure that risk management arrangements remain effective.

40. The Corporate Leadership Team receive quarterly reports detailing the risks that impact upon the strategic objectives of the Council. The Audit Committee receives reports every six months on the effectiveness of the risk management processes within the Council and its partnerships. Exception reports are submitted as and when required.

41. Risks are identified and monitored by service areas. Risks that are deemed significant are referred to the Corporate Risk Management Group (CRMG) for challenge and review. Reports are issued on the significant risks through the Council's reporting arrangements. Training on Risk Management is delivered to Members annually, including the development of specific training for staff involved in risk management arrangements as a result of their work.

42. The risks associated with major projects are managed through project management arrangements with regular reporting to the relevant boards and member bodies.
43. The Council's Business Continuity Policy provides a framework to maintain and develop business continuity arrangements at both corporate and service levels. It sets out the responsibilities of different management levels and groups as part of this process.

Internal Audit

44. The main role of Internal Audit is to provide an independent and objective opinion on the Council's control environment.
45. Internal Audit has the following additional responsibilities:
 - providing support to the Chief Finance Officer in meeting his responsibilities under Section 151 of the Local Government Act 1972, to make arrangements for the proper administration of the Council's financial affairs;
 - investigating any allegations of fraud, corruption or impropriety;
 - advising on the internal control implications of proposed new systems and procedures.
46. The annual Internal Audit Plan is based on an assessment of risk areas, using the most up to date sources of risk information, in particular the Council's Corporate and Service Risk Registers. The Plan is agreed with Corporate Directors, and presented to the Audit Committee for approval. The Committee receives reports of progress against the plan throughout the year. The Internal Audit Annual Report summarises the results and conclusions of the audit work throughout the year, and provides an audit opinion on the internal control environment for the Council as a whole.

External Audit and Inspections

47. The Council is subject to audit by its external auditors, KPMG LLP, specifically in relation to the Council's financial statements and achievement of value for money (VFM). It is also subject to reviews by external inspection agencies, OFSTED, and the Care Quality Commission (CQC). The outcomes of external audit work and inspections are used to help strengthen and improve the Council's internal control environment and help secure continuous improvement.

Directors' Assurance Statements

48. Service directors' assurance statements have been reviewed by the Governance Assurance Group. Any significant governance issues identified are included in Section E.

Monitoring Officer

49. The Monitoring Officer has not made any adverse findings in the course of the exercise of his statutory responsibilities.

D. Review of Effectiveness

50. The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Council who have responsibility for the development and maintenance of the governance environment, the Council's internal audit function, and also by reports of external auditors and other review agencies and inspectorates.

51. The key principles of corporate governance are set out in the Council's Code of Corporate Governance as follows:

- Focusing on the purpose of the Council and on outcomes for the community, creating and implementing a vision for the local area;
- Engaging with local people and other stakeholders to ensure robust public accountability;
- Ensuring that members and officers work together to achieve a common purpose with clearly defined functions and roles;
- Promoting high standards of conduct and behaviour, and establishing and articulating the Council's values to members, staff, the public and other stakeholders;
- Taking informed, risk based and transparent decisions which are subject to effective scrutiny; and
- Developing the capacity of members and officers to be effective in their roles.

52. The effectiveness of the Council's assurance framework and system of internal control is assessed against these six principles.

Focus on the purpose of the Council and on outcomes for the community, creating and implementing a vision for the local area

53. The Council's vision and goals are set out in its Business Plan 2011- 2015. This is consistent with the long term priorities that are set out in the Community Plan 2011-2026.

Engaging with local people and other stakeholders to ensure robust public accountability

54. The development of Wiltshire's area boards has played a key role in ensuring robust public accountability and engagement. The governance arrangements for the area boards are set out in the Council's Constitution. By the end of 2012 over 50% of items on Area Board agendas were resulting in local decisions.
55. During 2012/13 the Council introduced new ways of monitoring Area Board outcomes, including clearer reporting on outcomes from the JSA community conferences held in 2012, enhanced use of video reporting and grants evaluation and the establishment of the Area Boards achievements blog.

Ensuring that councillors and officers work together to achieve a common purpose with clearly defined functions and roles

56. The Constitution sets out clearly the roles and responsibilities of Councillors and Officers in the decision making process. This includes schemes of delegation which are currently under review as part of the ongoing review of the Constitution. Guidance and training for officers is available from Legal Services on the recording of decisions made by officers under new requirements introduced in September 2012.
57. The Council has adopted a Councillor and Officer Relations Protocol which:
 - outlines the essential elements of the relationship between councillors and officers;
 - promotes the highest standards of conduct;
 - clarifies roles and responsibilities;
 - ensures consistency with the law, codes of conduct and the Council's values and practices; and
 - identifies ways of dealing with concerns by councillors or officers.
58. This Protocol has been reviewed to reflect the new Code of Conduct for Members, which came into effect on 1 July 2012.

Promoting high standards of conduct and behaviour, and establishing and articulating the authority's values to members, staff, the public and other stakeholders

59. All staff are required to meet high standards of ethical conduct under the Officers' Code of Conduct.
60. The Officers' Code of Conduct was significantly strengthened by the introduction in the Spring of 2012 of the Behaviours Framework. This framework clearly articulates the behaviours expected of Council Officers. In 2012/13 the Council's staff appraisal procedure was amended to include a requirement for performance to be entered on

to a central database (SAP) and for performance to be formally assessed against the Behaviours Framework.

61. The Council adopted a new code of conduct for Councillors and arrangements for dealing with member misconduct complaints under the requirements of the Localism Act 2011 which came into effect on 1 July 2012. The effectiveness of the code of conduct will be reviewed by the Standards Committee in the autumn of 2013.
62. Following the election of the Police and Crime Commissioner in November 2012, the Council has put in place a Police and Crime Panel and adopted a procedure for receiving and investigating complaints about the Police and Crime Commissioner and the Deputy Police and Crime Commissioner for Wiltshire.
63. The Council's Governance Service is responsible for customer complaints, access to information legislation, operation of the agreed arrangements under the new standards regime, and the promotion of good governance within the Council and with key partners, including the town and parish councils of Wiltshire. This helps to ensure that robust governance arrangements are supported across the Council.

Internal Audit

64. Internal Audit represents an important element of the Council's internal control environment, and to be effective it must work in accordance with the Code of Practice for Internal Audit in Local Government, which lays down the mandatory professional standards for the internal audit of local authorities.
65. The Internal Audit Annual Report and Opinion 2012 -13 summarises the results and conclusions of the audit work throughout the year, and provides an independent audit opinion on the internal control environment for the Council as a whole. The Council's internal auditors, SWAP, have given an overall audit opinion of reasonable assurance on the adequacy and effective operation of the Council's control environment for 2012-13.

External Audit

[This will be updated when the report to those charged with governance for 2012/13 is available]

66. The latest report to those charged with governance, issued by KPMG LLP in respect of Wiltshire Council for 2011/2012, was presented to the Audit Committee in September 2012. The report summarised the key issues arising from the audit of Wiltshire Council for the year ended 31 March 2012 and an assessment of the Council's arrangements to secure value for money in its use of resources.

67. The report highlighted the key message as follows:

- KPMG LLP issued an unqualified opinion on the accounts.
- The Council had addressed critical accounting matters appropriately. This included the implementation of International Financial Reporting Standards (IFRS).
- A number of adjustments to the draft financial statements were identified. However, these amendments related to technical accounting adjustments and did not affect the 'cash' surplus position of the Council. These were all adjusted as required.
- KPMG LLP confirmed that the Council continued to evidence a strong financial reporting process. Additionally the Council had implemented all the recommendations in the report to those charged with governance for 2010/2011 in relation to the financial statements.
- KPMG LLP concluded that the Council had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

68. KPMG LLP's report to those charged with governance for 2012/2013 will be tabled at the meeting of the Audit Committee on 4 September 2013.

Taking informed, risk based and transparent decisions which are subject to effective scrutiny

69. Cabinet Members and Officers exercising delegated powers are required to take decisions in accordance with their respective schemes of delegation. The Leader's protocol for decision-making by Cabinet Members ensures transparency by requiring publication of the intention to make a decision on 5 clear days' notice and the final decision.

70. In April 2012 the Council amended its constitutional Procurement and Contract Rules. This amendment resulted in strengthened arrangements for the governance of procurement, including a robust check and challenge system.

71. The Partnership Protocol and Register, now in operation for two years, captures the Council's partnerships arrangements. At present there are 42 identified partnerships in operation. Each partnership has an identified owner within the Council and has been reviewed to identify the risk status. The details of each partnership are available via the electronic Partnerships Register on the Council's intranet. These arrangements are being reviewed to ensure that all partnerships are appropriately captured on the register.

72. Since implementing the recommendations of a major review in May 2012 to increase the effectiveness of the Overview and Scrutiny function, a single work programme has been developed in discussion with Cabinet members and senior management which focused on Council priorities, customer needs, intervention and outcomes. It aims for early dialogue enabling most of its work to support policy

development and pre-decision scrutiny in the Council.

73. The work undertaken by the Audit Committee this year has included:

- review and approval of the Annual Governance Statement and Statement of Accounts for 2011-12 ;
- review of the work and findings of Internal Audit, including the Annual Report and audit opinion on the control environment;
- review of the Council's risk management arrangements;
- review of the work and findings of external audit, including the Annual Audit Letter and Report to Those Charged with Governance.

74. Work on the Council's Business Continuity Management is a continuous development process designed to achieve resilience and the best possible outcomes for services and communities. A strategic and tactical training day was held in January 2013 for all Corporate Directors, Service Directors and Heads of Service. The training familiarised senior managers with the new major incident and recovery plans, increased resilience amongst managers and offered a practical exercise to put knowledge into practice. This training also built on the resilience arrangements and training that were put in place as a result of the Olympic and Jubilee celebrations during the summer of 2012.

75. The successful transfer of the Public Health team into the authority in April 2013 offers an opportunity to strengthen our response to both business continuity and emergency planning - to learn from their experience and expertise and to ensure the Council is able to respond to Public Health emergencies. We are therefore reviewing what form these services might take and how they may be delivered in the future to ensure continued robust resilience.

Developing the capacity of councillors and officers to be effective in their roles

76. The Council is committed to the ongoing development of its Councillors and recognises the importance of building up their capacity and effectiveness.

77. The Council's Councillor Development Policy:

- Establishes Councillors' individual training needs and protocols and allocates budget according to the Council's priorities;
- Ensures equality of access to funds and training events;
- Evaluates the effectiveness of councillor development annually to inform the allocation of funding for future years.

78. Wiltshire Council was externally assessed by South West Councils on 9 August 2011 and was subsequently awarded Charter Status for Councillor Development. This is recognition that the Council has achieved best practice in the way it provides learning and development opportunities for its elected councillors. The accreditation lasts for three years. The Council hopes to apply for Charter Plus Status after the new Council has been elected in 2013.
79. All of this work will be updated and refreshed following the detailed induction programme for the new intake of councilors at the elections in 2013.
80. A refreshed People Strategy for 2012 – 2015 has been developed and launched to support delivery of the business plan and the transformation programme. This includes embedding the behaviours framework and developing the culture of the council. An action plan will support the delivery of the People Strategy, which is critical to enabling the Council to create the capacity it needs to work in different ways and successfully meet current and future challenges.

Housing Landlord Service Improvement Plan

81. Wiltshire Council's housing services have engaged in a range of improvement projects which will modernise the services and address the issues raised in recent audits. The improvements include:
- Four new maintenance and repairs contracts delivering significant additional expenditure in the housing stock;
 - A draft Asset Management Strategy and Business Plan;
 - The implementation of a new housing IT system with improved work flows and an electronic document filing facility;
 - A restructure of the Housing Management function to deliver a modern housing service;
 - Increased resources into tenancy engagement and participation including a new housing board and tenant scrutiny.
82. The improvement programme will continue through 2013. The programme of work is governed by a programme board which considers all risks and issues at its fortnightly meeting.

E) Significant Governance Issues

83. The following have been identified as significant governance issues:

Safeguarding Children and Young People

In March 2012 Ofsted carried out an inspection of Wiltshire's safeguarding and looked after children services. Their report, published on 24 April 2012, judged the overall effectiveness of safeguarding services to be inadequate. In response to the Ofsted report in September 2012 the Department for Education issued the authority with an Improvement Notice which sets out a number of actions which must be completed before the end of 2013.

The Improvement Notice includes a requirement to create an Improvement Board with an independent chair. Wiltshire established the Improvement Board prior to the Improvement Notice being issued and an independent chair was appointed in June 2012. The Improvement Notice also requires that there is an Improvement Plan which is monitored by the Board at each meeting. The Council has had a risk action plan in place since June 2012. This focuses on failure to implement the actions included in the Improvement Plan. It is updated after each meeting of the Improvement Board.

The independent chair of the Improvement Board has completed 2 progress reports for the Department for Education in December 2012 and March 2013. Officials from the Department for Education undertook a review of progress in January 2013 reporting back on this in April 2013. A Safeguarding Peer Review took place in January 2013. The Director of Children's Services, Lead Member for Children's Services and the chair of Wiltshire Safeguarding Children Board also report on progress and any issues and blocks to each Board meeting. The Improvement Plan is RAG rated and any action items or performance indicators RAG rated red are reported at each Board meeting along with mitigating action being taken.

There has been a consensus that Wiltshire is making steady progress to address the issues raised by Ofsted and noted in the Improvement Plan. The strengthened focus on safeguarding by the Lead Member for Children's Services, Portfolio Holder for Safeguarding, the Safeguarding Scrutiny Task Group and the Director of Children's Services have been commended. There is also consensus that good frameworks have been established for example a set of practice standards, a new auditing programme, revised supervision policy and introduction of a model for managing risk.

Much still needs to be done. Getting the social care "front door" right remains a high priority. Audits are noting that practice is safer and is improving, however analysis of the data indicates that aspects of the overall system still need to improve. The next few months – June to September 2013 - are crucial in terms of triangulating all available evidence to assess whether the action taken so far is having the sustained and desired impact on practice.

Ofsted undertake an inspection of authorities found to be "inadequate" within 2 years of the last inspection. There is not a set pattern in terms of the timing of the follow up inspection.

Managing Significant Reductions in Government Funding and Changes in Legislation

There have been significant changes in the funding formula for local government and other public sector partners in recent years.

This continues to cause uncertainty over the process of setting budgets and precepts. The government is announcing a new comprehensive spending round in June 2013, which should give more certainty to the grants due to the council in the next two years.

Other changes have been introduced, such as the Welfare Reform Act, and the impact of these will need to be reviewed to look at any cost pressures that might arise.

At the same time the Council must continue its drive for transformation and manage the increasing demand for services, for example, to protect vulnerable children and adults. The Council's business plan and financial plan deal with these challenges, but these areas will need to be closely monitored.

Information Security

In February 2013 the Corporate Leadership Team agreed an action plan to strengthen and improve the Council's information governance arrangements. A number of priority actions have been put in place, including the appointment of a Corporate Director as the Council's Senior Information Risk Owner (SIRO), the establishment of an Information Governance Steering Group and the introduction of an on-line register of data incidents. Progress against the improvement plan is being monitored by the Corporate Leadership Team with the direct involvement of the SIRO.

Jane Scott
Leader of the Council

Corporate Directors

Dated

DRAFT MINUTES OF THE AUDIT MEETING HELD ON
18 JUNE 2013 AT ALAMEIN SUITE - CITY HALL,
MALTHOUSE LANE, SALISBURY, SP2 7TU.

Present:

Cllr Richard Britton, Cllr Tony Deane (Chairman), Cllr Stewart Dobson,
Cllr Howard Greenman, Cllr David Jenkins, Cllr Julian Johnson, Cllr Stephen
Oldrieve,
Cllr Helen Osborn, Cllr Linda Packard, Cllr Sheila Parker (Vice
Chairman), Cllr David Pollitt and Cllr James Sheppard

Also Present:

Cllr Jane Scott OBE and Cllr Dick Tonge

45 Annual Governance Statement 2012/2013Draft

Ian Gibbons, Service Director of Law and Governance and Monitoring Officer, presented the draft Annual Government Statement for 2012-2013, a required part of the annual review of the effectiveness of the Council's governance arrangements, which would proceed to Cabinet, then Standards Committee, before returning to the Audit Committee for final approval.

The Monitoring Officer took the Committee through the report, highlighting key issues including the following:

- Safeguarding Children and Young People
- Managing significant reductions in Government funding and changes in legislative
- Information Security

The Monitoring Officer particularly highlighted the action plan agreed by the Corporate Leadership Team to strengthen and improve the Council's information governance arrangements. Progress against the plan was being monitored and the Committee would be updated as to whether this should remain as a significant governance issue.

The Leader of the Council and Carolyn Godfrey – Corporate Director, reminded the Committee of the work that had and was currently being undertaken in relation to safeguarding children and young people. The Leader and Corporate Director were pleased to report that Wiltshire were making steady progress to address the issues raised by Ofsted and noted in the Improvement Plan. The strengthened focus on safeguarding by the Lead Member for Children's Services, Portfolio Holder for Safeguarding, the Safeguarding Scrutiny Task Group and the Director of Children's Services had been commended. There was also consensus that good frameworks had been established for example a

set of practice standards, a new auditing programme, revised supervision policy and introduction of a model for managing risk.

It was noted that paragraph 15 of the Draft Annual Governance Statement that referred to the Police and Crime Panel should indicate that the Panel was a joint Panel with Swindon Borough Council and should read 'the Wiltshire Police and Crime Panel'.

Resolved:

That the draft Annual Governance Statement would be revised in light of the comments of the Audit Committee, Cabinet, Standards Committee and ongoing review work by the Governance Assurance Group, before final approval by the Audit Committee and publication with the Statement of Accounts in September 2013.

46 Appointment of Representatives to Working Groups

The Committee was asked to make appointments to the following bodies for the rest of the municipal year:

- Focus Group on the Review of the Constitution
- Governance Assurance Group

The Committee were also reminded that they had previously agreed, prior to the Local Authority elections in May 2013, to set up a Working Group of three members to shadow the work of SWAP when undertaking an Audit of a Council Service. The Working Group would then highlight those areas that they felt would be of benefit to other members and should be incorporated within a training programme for the Committee.

Resolved:

1. That Councillor Helen Osborn be nominated to represent the Audit Committee on the Focus Group on the Review of the Constitution, subject to no other member of the Committee wishing to attend the meetings.
2. That Councillor Sheila Parker continues to represent the Audit Committee on the Governance Assurance Group.
3. That the Audit Working Group be re-established with three members of the Audit Committee to shadow the work of SWAP on one or two Audits of a Council Service.
4. That the Audit Working Group report on those issues raised during the shadowing exercise to be included in a training programme for the Committee.

47 Date of next meeting

That the next meeting will take place on 4 September, 2013 starting at 10:30am in the Council Chamber at Monkton Park, Chippenham.

The Chairman asked members for areas of concern in relation to the safeguarding of adults and responses received included nursing homes for the elderly and living at home.

48 Urgent Items

(Duration of meeting: 3.00 - 5.00 pm)

The Officer who has produced these minutes is Stuart Figini, of Democratic Services,
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Press enquiries to Communications, direct line (01225) 713114/713115

Wiltshire Council

Cabinet

Date of meeting

Subject: Strategic Partnership with Wiltshire Police

Cabinet member: Cllr Jane Scott - Leader of Council

Key Decision: Yes

Executive Summary

To provide headline details of the work undertaken in relation to the Project Initiation Document (PID) outlining the development of the joint transformation programme between Wiltshire Council, the Office of the Police and Crime Commissioner (OPCC) and Wiltshire Police.

To outline the next steps relating to this area of work and seek approval for on-going delivery of the programme, including the delegation of authority for any staff transfers that may be required to Dr Carlton Brand, Corporate Director, in consultation with the Leader of Council

Proposal(s)

Cabinet is asked to:

1. Note the significant progress that has been made between Wiltshire Council, Wiltshire Police and the Office of the Police and Crime Commissioner towards creating a Strategic Partnership.
2. Confirm its commitment to working within this Strategic Partnership to reduce the total support costs incurred by Wiltshire Council and Wiltshire Police.
3. Confirm that work should commence on the integration of shared services and that this should include the use of a mini-systems and transformational review in each area to drive the design of the future service.
4. Delegate the final approval of the design, timing and any required staff transfer arrangements for each individual area to Dr Carlton Brand, in consultation with the Leader of Council, after taking advice from the Solicitor to the Council.

Reason for Proposal

5. Wiltshire Council and the previous Wiltshire Police Authority approved the development of a joint transformation programme to ensure that wherever possible costs were reduced by joint provision of a range of support services to protect investment in front line service delivery and that overall provision of these key support services was enhanced by drawing on the best expertise of both organisations.
6. Following the election of the Police and Crime Commissioner, shared services were identified and agreed between Wiltshire Council, Wiltshire Police and the (OPCC) that support the clear commitment within the Council's previous and current business plan to work in partnership across Wiltshire to improve performance across the public sector and generate long term financial efficiencies.
7. Significant work has been undertaken to support this and the development of this approach has been reflected within the revised operating models for the transformation programme and has been built on the experience of delivering an integrated approach to transformation gained from the move of police staff into Monkton Park, the design of Campus requirements and the development of a unified approach to project and programme management.
8. Wiltshire Council has also undertaken some specific work during this development period, such as the provision of improved Wifi in Police HQ, the enablement of senior police officers to access Wiltshire Council provided laptops, including elements such as the use of lync and provided seconded staff to support Wiltshire Police. These costs have been underwritten by the Police and Crime Commissioner and the council's costs will be reimbursed separately from the development of a wider financial and governance model for the strategic partnership.
9. The Police have suggested that an overall Governance Board for the strategic partnership is created, consisting of the Leader of Council, the PCC, The Chief Constable and Dr Carlton Brand, supported by the Council's Transformation Director, the Deputy Chief Constable and Chief Executive of the OPCC. This group currently meets informally.

Dr Carlton Brand, Carolyn Godfrey , Maggie Rae,

Purpose of Report

1. To update Cabinet on progress with the creation of a Strategic Partnership with Wiltshire Police and the OPCC, to outline the next steps and seek delegated authority where this is necessary to progress.

Background

2. Wiltshire Council and Wiltshire Police Authority have previously agreed to the development of an integrated transformation programme.
3. Whilst significant work towards this had begun, this has accelerated following the election of the PCC and the publication of the Police and Crime Plan recognising the opportunity for a strategic partnership between Wiltshire Council, Wiltshire Police and the OPCC.
4. The initial elements and priorities for the programme was agreed in January 2013, and has underpinned the work undertaken thus far. Assuming Cabinet approval for the recommendations within this report, a PID will be developed outlining the range of work streams and key milestones for each.
5. At the request of the Corporate Director's the interim Service Director for Executive Services and the Council's Transformation Director are reviewing internal governance arrangements for the Transformation Programme to streamline them as far as practical. Wiltshire Police have already made significant changes to their own internal processes and procedures to reflect the impact of the integration of project and programme activity to remove previous duplication and focus on a more risk based approach to change which is strongly supported by the PCC.

Main Considerations for the Council

6. In relation to the initially approved areas, the following activity illustrates the range of progress thus far:

Programme and Project Management (PPM)

7. This is now a single, jointly funded team, based within the council's transformation team and provides Programme and Project Management for both organisations following the transfer of OPCC staff to Wiltshire Council. A joint integrated programme of key activity is being developed.

Wiltshire Police and the OPCC have agreed a list of key change activities that need to be supported by this team, and the Corporate Directors will have completed this task on behalf of Wiltshire Council in August following consideration of the Business Plan by Cabinet in July.

8. The governance of the joint programme will sit under the Transformation Board (which includes the PCC and Chief Constable, as well as Wiltshire Council Cabinet Members and Officers), which has recently been expanded to include the Transformation Programme Director for Swindon Borough Council in a reciprocal arrangement.

Transformational Service and Partner Engagement

9. This team has been renamed “transformational change”, with a focus on building strong relationships and quality engagement with its partners. It has been recruited to as part of delivering the councils operating models and a full time uniformed officer will shortly be seconded to the team from Wiltshire Police. This team now supports both organisations on enabling change, providing teams with advice and support to help them take responsibility for the innovative ways of working, removing any barriers that deliver against the corporate objectives of both organisations.

Hubs

10. The strategic partnership has now co-located neighbourhood policing, response and customer access at the Monkton Park hub. Subject to formal approval by the Corporate Directors we will shortly commence work on developing a revised multi-channel customer access strategy and begin a systems thinking review of all customer access. As a key part of this, a systems thinking review of face to face customer access will be undertaken, with the additional objective of delivering a seamless service for both organisations from Monkton Park and Snuff Street.

Systems Thinking

11. The Police have seconded three full time staff to the councils recently expanded systems thinking team with scope to appoint a fourth. Wiltshire Police and the OPCC have agreed a list of key change activities that need to be supported by this team. The Corporate Directors will have completed this task on behalf of Wiltshire Council in August following consideration of the Business Plan by Cabinet in July. Early work has already identified that reviews such as the development of the Multi-Agency Safe-guarding Hub (MASH) and Complex Families will be far more effective under our joint approach than our historic one.

12. The governance of the joint system thinking programme will sit under the Transformation Board. As part of supporting key system thinking reviews within the Police, they have also identified twelve full time individuals who will be in post by August 1st to contribute, from a Wiltshire Police side, the necessary capacity to undertake multiple complex reviews around customer access, MASH and Complex Families as examples.

Campuses including Neighbourhood Policing Teams

13. It has previously been agreed by the Chief Constable, PCC and Wiltshire Council that Neighbourhood Policing teams will form a key part of each campus. Therefore each developing Campus design fully includes the Neighbourhood Police Teams in that area.

Property Rationalisation and Estates Strategy

14. Under pinned by the Campus work outlined above, the Council and Police have agreed that the council will provide a formal estates strategy for the approval of the PCC and Chief Constable by the middle of July, based around the maximum possible degree of co-location between partners and the maximum use of public estate for shared value.
15. Examples of early progress in this area include Monkton Park co-location, the Corsham Campus design, the proposed use of police estate to house MASH and the co-location of East Safeguarding Team at Amesbury Police station along with recent developments around the proposals for the Salisbury University Technical College.

Information Services Strategy

16. A review has been completed that has allowed the creation of an Information Services strategy for the Police and detailed final costs for this are progressing. The strategy will form an integral part of the flexible working and estates rationalisation approach, enabling staff from both partners to work seamlessly across the estate of either and introduce mobile and flexible working at a similar desk ratio to that used by the council, which is 2 :1. A member of the council's team now heads the Police ICT service and we have installed WiFi in Police HQ Devizes and Amesbury Police Station for both council and police use. The OPCC has provisionally confirmed the required investment outlined within the revised strategy, and the financial details of the proposal are now being finalised for his consideration.

Customer Access Strategy and Integrated Front Desk

17. The development of an integrated multi-channel customer access strategy has been agreed at an officer level, as has the development of an integrated face to face offering, using Monkton Park and Snuff Street to develop and test this model with the development of integrated front desks at campuses also in the pipeline.

18. Swindon

19. The Chief Constable, PCC, Wiltshire Council Corporate Director Wiltshire Council Transformation Director have met with the Leader of Swindon and its Chief Officers to explain the development of a strategic partnership and the support provided to the police by this partnership would extend across the Swindon geographical area. This meeting complemented the discussion that had already taken place between the two councils regarding transformation and the proposal for each of the council's transformation directors to join the others' transformation board in an advisory and learning capacity.

RSA

20. As part of developing the strategic partnership between the Council and Wiltshire Police extensions to the joint work will be studied to encompass other areas of delivery and the inclusion of other partners, the RSA have been asked by CLT to support us in analysing and developing a flexible governance model to support this approach. The Interim Director of Executive Services will be part of this work to ensure that it is complementary to the revised governance approach being developed by the council for its own activities.

Position of the PCC

21. The Police and Crime Commissioner has committed within his Police and Crime Plan to use this strategic partnership for the provision of support services to Wiltshire Police and with the Chief Constable he wrote a joint letter to the Home Secretary on the 28th May outlining that position. He has identified in this letter to the Home Secretary that this proposal may mean up to 212 non-police staff to transfer to Wiltshire Council.
22. Schedule 15 of the Police Reform and Social Responsibility Act 2011, requires the PCC to draft a scheme for Ministerial approval for the transfer of operational staff and a proportion of non-operational police staff to the Chief Constable. This is referred to as a Stage 2 Transfer. By a revised Direction issued under this schedule, a Stage 2 transfer scheme may now provide for a person employed by a Police and Crime Commissioner to become a member of staff of a local authority rather than transfer to the

Chief Constable. Staff transfers will therefore now utilise a Stage 2 transfer process, which is very similar to the Transfer of Undertakings (Protection of Employment (TUPE) process. Swindon Borough Council has been fully consulted.

23. Reflecting the agreed programme of work between the two bodies, the letter to the Home Secretary outlined the areas described above, and also covered the additional areas where work has begun to scope and define an integrated service, these being: Information Services Delivery, Fleet, Finance, People Services incorporating HR, Learning and Development, resourcing and some elements of professional standards, Performance Management and Communications. These areas will form the second phase as agreed by the Leader and PCC and approved by the Chief Constable Pat Geenty and Corporate Director Dr Carlton Brand.

Approach Taken to Specify Service Requirements by the PCC and Chief Constable

24. The already integrated Programme and Project Management Team have supported all affected service areas within the OPCC to develop detailed requirement specifications in support of both the OPCC and Wiltshire Police, with the key stakeholders for this process being the Chief Executive of the OPCC, Kieran Kilgallen and the Deputy Chief Constable, Mike Veale. Service requirements are now available for each of the areas covered by this report.

Wiltshire Council Input in Service Requirements

25. As part of an agreed process, as the service requirements are signed off by the PCC and Chief Constable, a rapid systems thinking 'check' and transformation review approach will be used to determine the maximum desirable degree of systems integration for each service area and the potential financial impact of the integration. This will involve relevant staff from Wiltshire Council and one of the recommendations of this paper is that the implementation of the agreed level of integration is delegated to Corporate Director Dr Carlton Brand, in consultation with the Leader of Council.
26. Whilst it is envisaged that all services covered by the PID will be delivered to both organisations by the Strategic Partnership, the actual model of process integration will vary depending on the degree of functional overlap determined by the mini System Thinking and transformational change review. For example, in Programme and Projects a fully integrated team has already been created that will work to single processes and single reporting tools whereas, alternative areas may result in an adjustment to the model based on the outcome of the scoping exercise.

Specific Proposals Developed So Far in Relation to Areas Identified for integrated delivery:

27. **Programme and Project Management** - now fully integrated.
28. **Transformational Change** - now a single team providing a service to both Wiltshire Council, Wiltshire Police and the OPCC, with a uniformed Police Officer seconded to the team.
29. **Information Technology** – the revised Police IS Strategy has been developed in conjunction with Wiltshire Council and the Police ICT function is currently led by an individual employed by Wiltshire Council within its Programme Office team. The recommendation for this service is full integration as a single team, subject to final approval by the PCC and Chief Constable of the required investment into the proposed Police Information Services roadmap. This is designed to minimise longer term costs and support wider cost reduction in estate for the Police, aligning their approach to that of Wiltshire Council and minimising duplication in this cost intensive area. We believe this will also increase the support available for local policing developments in Swindon whilst having a powerful beneficial impact on development of the MASH and integrated front desks.
30. The additional resilience, resource and technological ability of a combined team will place Wiltshire Police, the OPCC and Wiltshire Council in a strong position to maximise their return on investment and innovate in this crucial business area.
31. **Customer Access and Front Desk** – As evidenced by our experience in Monkton Park and call data, the customer facing services of both organisations are complementary, often duplicating customers. It is proposed to develop an integrated multi-channel customer access strategy that serves both Wiltshire Council and Wiltshire Police and to develop a fully integrated front desk service and call handling capability, which will reflect the council's existing arrangement with Wiltshire Medical Services. As well as offering increased customer value and delivery, such an approach will support closer working in relation to the proposed MASH and particularly reflect the needs of complex families who all too often have to deal with multiple and conflicting access to the support they need.
32. **Property and Estates** – Wiltshire Police and the OPCC have already agreed that Wiltshire Council staff will lead on the development and

implementation of an integrated estates rationalisation programme for them. This work is on-going and is reflected in the success of Monkton Park amongst other examples. A single strategic estates planning and delivery function is proposed, supported by an integrated Facilities Management approach that will initially need to reflect the contractual arrangements of both organisations and will be designed via a Systems Thinking approach.

33. **Systems Thinking** – although we already have an integrated staffing model on behalf of both organisations, it is proposed that this is expanded further to include what the OPCC and Wiltshire Police identify as a “continuous improvement” function, as all parties recognise that cost effective and sustained improvement is only possible by focusing on the system from a customer perspective rather than elements of the system.

34. **Performance Reporting** – it is recommended that an integrated team is created to support performance reporting for all three partners and that this is based within Wiltshire Councils Executive Services team, a Systems Thinking approach to the design of this team will be required as it will be important to recognise the statutory reporting requirements of each organisation. However, independent evidence clearly shows the multiple links between deprivation, education, housing, poverty and crime and a single approach to performance monitoring and reporting will allow us to fully exploit the data held by both organisation and utilise the best in class GIS capabilities now available to the council;

35. **Finance** – as the council has shown with its successful integration of five finance teams that existed pre-LGR, there can be only limited justification for public sector bodies to fund and resource multiple finance support teams within the same geography. Whilst it will be important to use a Systems Thinking approach to the design of an integrated finance function to ensure it meets the needs of the council, PCC and Wiltshire Police, it has been agreed to appoint a single Section 151 Officer for Wiltshire Council/ and the OPCC avoiding unnecessary cost. The legality of this position has been confirmed by Wiltshire Council and PCC legal advisors.

36. The appointment of a Section 151 Officer for the PCC will though need to be confirmed by the Police and Crime Panel.

37. **Legal Services** – to explore options for a future integrated approach as the partnership develops

38. **HR, OD and L&D** – subject to detailed service design and financial appraisal it is proposed to create a single integrated service for WC/WP/OPCC. It is possible that certain specialist functions such as Police Standards investigation and support may continue as discrete teams within this structure, but they will be managed and delivered within a single integrated management structure and as far as possible shared values and behaviour approaches should be adopted as part of this. This work will include representatives from both organisations along with trade union and police federation involvement.
39. **Transactional Services** – for services such as payroll, recruitment and selection, accounts payable it is proposed that in principle a unified approach is used, maximising the councils investment in SAP, but that where the Systems Thinking Reviews identify that the most cost effective method remains a specialist team for either or both parties, then this will be incorporated within a single management structure.
40. **Communications, Marketing and Events** – Wiltshire Council already provides the strategic and operational communications for “Gold Command” matters, as required. It is clear that this strategic approach would be beneficial for all parties in raising awareness of the outcomes delivered as well improving public perception and raising satisfaction levels. It is clear from our increasingly integrated work around Monkton Park, the Salisbury UTC and as we move towards a single integrated estate and ICT platform that strategic and tactical communications, marketing and events should also be fully integrated. It is again proposed that a systems thinking review approach is utilised for this joint team, which needs to reflect the requirements of all parties, but as with the Section 151 officer, there is no reason that the needs of all partners cannot be fully met within a single, cost effective and unified structure. In fact there is already significant joint communications activity around a number of issues and campaigns such as; drink drive, alcohol awareness, domestic abuse and key areas such as safeguarding and protection.
41. Whilst it will be important that the team is structured to recognise the independent identity of all partners, as we develop a MASH and as we increasingly co-locate, the vast majority of communications and events will need to be consistent and accessible by our customers and staff at the same time. Again, as with LGR, there will be savings and efficiency gains in developing an integrated structure for communications and events.
42. **Fleet** – the working proposal is to develop a single, integrated approach to fleet management, procurement and maintenance.

Safeguarding Considerations

43. All partners in this strategic partnership have a legal safeguarding duty. The proposals within this paper greatly enhance the opportunities to develop a focused and successful MASH and to improve both organisations interaction with complex families, thus can be shown to have a beneficial impact on safeguarding.

Public Health Implications

44. This integrated partnership will support close working and information sharing between Public Health and partners in improving the health and wellbeing of the population and which will enhance our Joint Strategic Assessment programme.
45. There are no direct public health implications on the population.

Environmental and Climate Change Considerations

46. These proposals offer a significant opportunity to reduce the environmental footprint of WC/WP/OPCC. This will be delivered through all aspects of the project including
- a. Energy efficiency improvements through new and retrofit building design and rationalisation of the estate
 - b. Potential reductions in business mileage through use of ICT
 - c. Less need for customers to travel due to improved customer access
47. The further role out of electric fleet vehicles across WC/WP/OPCC could yield further savings as well as act as the catalyst for a wider charging network across the county for the community.
48. The quantification of the environmental impact, namely energy use will be used as a metric for understanding the efficiency savings. This will be built at the scoping stage and used as a mechanism to monitor performance.
49. A review of waste collection from council premises is already underway. Opportunities for further savings in this area across WC/WP/OPCC will be investigated at the scoping stage.
50. **Equalities Impact of the Proposal** – All aspects of equality will be assessed during the scoping of each service with the appropriate impact assessment undertaken.

51. Risks that may arise if the proposed decision and related work is not taken

- With decreasing resource it will have a direct impact on frontline and subsequent service delivery
- Both organisations become less resilient reducing capacity and capability and reduces the potential to work effectively in partnership
- Undermines an already agreed campus integration programme
- Potentially undermines the reputation of both organisations and could impact on public perception and satisfaction of public services in Wiltshire
- Impact on performance and service delivery through lack of integrated working practices
- Lack of opportunity to learn and capitalise on improved outcomes for users

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

- Lack of clarity or accountability for responsible areas addressed by clear governance arrangements and communications
- New ways of working creating tensions including systems thinking and different cultural approaches as to how things are done
- Not being able to deliver predicted efficiency and savings.
- Not learning the lessons in relation to integrating public service

Communication

52. A strategic communications plan will be developed to ensure that the key messages and information is communicated to the relevant audiences/stakeholders at the appropriate time. This plan will incorporate each of the work streams as well as the projects and initiatives within the joint transformation programme. The plan will evolve to incorporate ongoing changes, projects and issues, as required.

Financial Implications

53. Taken as a whole, based on the council's savings since LGR and the logical merger of duplicated functions, the proposals in this paper will increase value for money across the Wiltshire Public Sector.

54. As with all partnership and integration arrangements, the allocation of the savings to each partner will be challenging, but all partners are committed to ensuring that their requirements are fully funded in an appropriate manner at the commencement of the service with the financial impact and implications explicit at each stage which will help inform the decision

making The Leader of Council, PCC and Chief Constable will sit on the governance board that will have the sole authority to vary the specification and budgetary arrangements for the partnership

55. For each of the areas outlined within this report, once the relevant specifications have been assessed, a mini-systems and transformation review will be undertaken including the financial impact in order to design the optimal and most cost effective solution prior to sign off by the PCC, Chief Constable and Wiltshire Council's Corporate Director, Dr Carlton Brand in consultation with the Leader and Cabinet Member for Campuses, Area Boards, Libraries, Leisure and Flooding, Cllr Jonathon Seed.

The costs of the work undertaken for Wiltshire Police by Wiltshire Council so far will be met in full by the OPCC and will have no financial impact on the council.

Legal Implications

56. The RSA will work with us to establish the longer term governance and legal framework that will underpin the strategic partnership.

57. An initial proposal for interim governance arrangements has been made by the OPCC Chief Executive and will form the basis of the interim agreement.

58. As the operating models for each area outlined above are developed via a systems thinking review, and appropriate financial modelling is completed, advice will be taken as required from the Solicitor to the Council as part of the final approval process by Dr Carlton Brand, Corporate Director

Options Considered

59. To maintain stand alone service provision – this was rejected as contrary to the Police and Crime Plan, the Council's previous and current Business Plan and would not maximise financial efficiency.

Conclusions

60. The work undertaken thus far has confirmed that there is significant duplication and overlap in the requirements of Wiltshire Council, Wiltshire Police and the OPCC and that by using a systems thinking based approach the needs of the various parties can be cost effectively met from a single strategic partnership.

61. Such an approach is fully in line with the Police and Crime Plan and the Council's Business Plan and recognises the long term benefits of a flexible and cost effective strategic partnership between Wiltshire Council, the OPCC and Wiltshire Police that can be expanded to include other public sector partners as required.

62. That the proposals within this report will allow the ongoing development of the strategic partnership in a rapid, but appropriate manner, in support of the Police and Crime Plan and the Council's current Business Plan.

Dr Carlton Brand, Carolyn Godfrey and Maggie Rae

Corporate Directors

Report Author:

Mark Stone
Transformation Director

(5th July 2013)

Background Papers

The following unpublished documents have been relied on in the preparation of this report:

None

Appendices

None

Wiltshire Council

Cabinet

23 July 2013

Subject: Progress Report on Help to Live at Home Service

Cabinet member: Cllr Keith Humphries – Public Health, Adult Social Care and Housing

Key Decision: Yes

Executive Summary

The purpose of the report is to:

- Update Members on the Help to Live at Home service in the light of Aster Living's decision to terminate contracts in three of the eight contract areas.
- To highlight to Members the link between well paid staff and good quality care.

Proposals

That Members note the steps being taken to award three contracts for the provision of care and support services in Wiltshire.

That Members support the position that the Council is looking to promote by valuing the domiciliary care workforce and ensuring domiciliary care providers reward staff appropriately, recognising the link between well valued staff and quality care.

Reason for Proposals:

A tendering process is required due to the termination of three contracts with the Council for the provision of Help to Live at Home services in South and East Wiltshire. This termination comes into effect on September 28th 2013. Work is well underway to re-let these contracts to ensure customers receive continuity of care.

Maggie Rae
Corporate Director

Subject: Progress Report on Help to Live at Home Service

Cabinet member: Cllr Keith Humphries – Public Health, Adult Social Care and Housing

Key Decision: Yes

Purpose of Report

1. The purpose of the report is to:
 - Update Members on the Help to Live at Home service in the light of Aster Living's decision to terminate contracts in three of the eight contract areas.
 - That Members invite officers explore further issues that will further value the work of the Help to Live at Home care and support workforce thereby improving the quality of care delivered to customers.

Background – Help to Live at Home Contracts

2. Following extensive consultation with customers, carers and other stakeholders, the Council, in partnership with the NHS, designed an integrated care and support service. This service brought together a range of services that were previously provided by different organisations and included:
 - housing support to older people living in sheltered housing
 - personal care to people living in their own homes
 - rehabilitative care for people that have been discharged from hospital
 - Social inclusion and preventive activities.

It was decided that these services would be provided both to people eligible for financial support from the Council and to those funding their own care.

3. Consultation with customers highlighted difficulties customers had in accessing care themselves because they found the care market confusing with many different organisations appearing to provide similar services. Customers also emphasised that they valued choice in the service they received personally, rather than having a range of organisations from which to choose. In response to this the Council commissioned care and support services based upon geographical "patches" where a sole

provider delivers all the care and support in that area. This provides an attractive business model for providers giving them economies of scale, and reducing the amount of mileage for staff in between care visits. These benefits have resulted in lower unit costs benefitting the Council and provider.

4. As a result of this consultation, the Council took a decision to divide the county up into eight areas and to award contracts to one provider for each area thereby giving the successful providers economies of scale. This approach has resulted in one provider being responsible for all the care in their area, including the service provided into sheltered housing schemes. In taking this approach the Council ensured successful providers had an opportunity to develop the market in their area and to recruit local staff.
5. At that time the Council was purchasing care from approximately 80 companies. The move to larger contract areas and in awarding long term contracts of five years (+ two) reflected the Council's recognition that the service being commissioned was significantly different to previous services and would require significant changes in approaches to be taken.
6. The contracts that were awarded were "outcome based" with providers being paid once they have delivered the outcomes rather than being paid for the time they spent with a customer.

This approach is one that is unusual and has attracted a great deal of national interest from other local authorities. A conference hosted by the Department of Health was held in Wiltshire in June in response to the numerous requests we have had for further information about the approach that Wiltshire is taking. Staff from 24 local authorities from all over the country attended the conference at which the Department of Health representative commended the approach and recommended other local authorities took a similar one.

7. In 2011, four companies were awarded eight contracts with Aster Living being awarded three, two in South Wiltshire and one in East Wiltshire. The other companies being: Enara, Leonard Cheshire and Somerset Care.
8. In March 2013 Aster Living gave notice to the Council on all three contracts. As the Council is currently engaged in a re-tendering exercise it is not possible to give detailed information behind this decision. However, some of the reasons behind this decision include: significant difficulties in recruiting staff, the expected TUPE transfer from unsuccessful providers did not occur and the rural nature of the South Wiltshire area contributed to this decision.
9. This will affect in the region of 600 customers, 33 sheltered housing schemes and approximately 200 Aster staff.

Background – Quality in the Provision of Care and Support Services:

10. The domiciliary care workforce is traditionally paid on an hourly basis with wages in Wiltshire around £7.50 per hour. Many staff are not paid unless they are with a customer (zero hour contracts). The United Kingdom Homecare Association (UKHCA) states that “The workforce is predominantly made of female part time workers and in 2010 Skills for Care estimated the average age of care worker at 25. Using “National Minimum Dataset” figures from Skills for Care, the average hourly pay for a care worker was £6.68”.
11. The approach many local authorities have taken to commissioning domiciliary care is to award block contracts based upon price and to drive down costs. The UKHCA in their review of home care provision states that: “Public spending cuts are placing greater pressure on local authority social care commissioners who are restricting the amount of care that they buy as well as the price they pay. UKHCA’s 2012 commissioning survey showed that over a third (34%) of the UK’s homecare providers were concerned about risks to the dignity or safety of the care that local councils require them to undertake for older and disabled people”.
12. This approach has resulted in incidences of poor care throughout the country and high levels of staff turnover (24% of staff leave each year according to the National Minimum Data Set)¹, resulting in a lack of continuity for customers. (This evidence reflects the position locally which is monitored through contract management processes).
13. This is not to suggest that the workforce is not committed. There are many care workers providing excellent care to their customers week in and week out.
14. Developing a professional care workforce with salaried staff and clear career pathways is an aspiration of Help to Live at Home. The approach to commissioning the service - long term contracts and integrated care and support, is one that encourages the development of a different workforce. This has not yet been achieved. To date approximately 25% of the workforce are salaried, this includes office staff, but work is underway with all the providers to address this.

Main Considerations for the Council – Re-Tendering of Contracts:

15. Expressions of interest have been invited from providers interested in delivering these contracts and to date in excess of 90 providers have done so. An information day has been held with two further bidders days planned.
16. The timescale is tight and tender documents included the evaluation criteria have been finalised and uploaded onto the Council’s procurement portal. The Corporate Procurement Unit has assisted with this.

¹ Recruitment and Retention of a Care Workforce for older people, Manchester Business School 2011

17. To take account of the difficulties experienced by Aster in recruiting staff and the volume of care that is currently being delivered by upwards of 15 sub-contractors it is proposed to divide the existing three contract areas into a smaller number of “lots”. Providers will be able to bid for a number of smaller contract areas. This will enable smaller providers who are currently delivering care as a sub-contractor to Aster to bid for that work. This promotion of opportunities for smaller local business reflects the Council’s approach to supporting local, small and medium sized enterprises.
18. Council officers are working closely with Aster staff to plan the transfer of service in the autumn to ensure disruption to customers is minimised. Currently, in South Wiltshire Aster has 11 sub-contractors providing 75% of all the hours being delivered in that area under this contract. This group of sub-contractors represent an important part of ensuring continuity in provision for customers and regular meetings are being held with them. This will be supplemented with individual meetings with each sub-contractor to better understand their position going forward. Some may be planning to submit tenders, whilst others may not be interested, this information needs to be gathered to plan for the period after Aster’s contract end and before the new provider(s) are able to take on the work.
19. Communication with those affected is a priority. When Aster gave notice, each customer received a letter from Aster and a separate letter from the Council which was followed up by contact from our operational teams to ensure customers had an opportunity to ask any questions or raise concerns. This communication was effective and few concerns were raised.
20. A customer care line has been established to respond to any concerns. Since the announcement of Aster’s withdrawal was made, there have been fewer than 10 calls from customers seeking further information.
21. A communication plan will be developed by the Council to ensure that all customers are fully informed about any potential changes to their service. This communication plan will be led by the Council.
22. Wherever possible care staff will be encouraged to TUPE transfer to the new provider so that customers continue to receive care from familiar care workers. This will be monitored closely.
23. Members are asked to note the progress made in awarding contracts and the approach being taken.

Main Considerations for the Council – Quality in the Provision of Care and Support Services

24. In 2012 the Care Quality Commission, in its report “Not Just a Number – A review of Homecare Services” stated that:

“Some recent national reports have pointed to problems with home care services. The Equality and Human Rights Commission (EHRC) published its report *Close to home* in November 2011, which reported the findings of an inquiry into older people and human rights in home care, and uncovered areas of concern in the treatment of some older people and significant shortcomings in the way that care is commissioned by local authorities. An investigation published by *Which?* in March 2012 also uncovered failings in many areas of home care, and the United Kingdom Homecare Association (UKHCA) reported on a survey about how home care services are commissioned by local councils and trusts in its report *Care is not a commodity* (July 2012). A further report published in summer 2012 by the trade union UNISON includes the results of a survey of home care workers. In the report, *Time to Care*, the responses showed “a committed but poorly paid and treated workforce which is doing its best to maintain good levels of quality care in a system that is in crisis”. The report highlights how poor terms and conditions for workers can help contribute towards lower standards of care for people receiving home care services”.

25. The Help to Live at Home contracts give Wiltshire Council an opportunity to take an imaginative and different approach to addressing quality. We acknowledge the importance of the workforce and the need to develop an environment that values staff, recognises their contribution, enables them to develop a career in care and incentivises them to continue to care.
26. The Help to Live at Home contract has been designed to promote this new approach to the employment of care staff. By allocating contracts on a geographical basis this gives providers the opportunity to recruit local staff to deliver to local people. Furthermore, in bringing together both care and support functions this has brought salaried staff into the same workforce as those on hourly pay. Work is underway with existing providers to move from hourly based to salaries and to ensure staff receive remuneration that is commensurate with the importance of the work that they do.

Environmental and climate change considerations

27. Help to Live at Home is based upon the idea that local care workers deliver service to local people and that wherever possible customers should be encouraged to access local resources. To this end the approach reduces the amount of travel care workers do between customers.
28. There are no environmental considerations with regard to the re-tendering work.

Equalities Impact of the Proposal

29. It is often the case that care workers who provide services to people with mental health problems, those with learning difficulties or physical impairments are paid on a salaried basis. This is because many organizations providing these services are charities. The proposal to increase the pay of care workers and promote the move to salaries could result greater equity in the employment offered to the whole care force.
30. In accordance with the procurement regulations all providers involved in the procurement are being dealt with in an equitable way.

Risk Assessment – Re-tendering:

31. It is acknowledged that transferring customers and staff has the potential for risks. This is being addressed through a risk management log and regular, weekly meetings with the Service Director.

Risk Assessment. – Quality in the Provision of Care and Support

32. The link between the quality of care delivered and the pay of care staff providing that service has been made. It could be surmised that improved pay and conditions for staff will result in improved outcomes for customers and a reduction in risk.

Risks that may arise if the proposed decision and related work is not taken:

33. The re-tendering is required to ensure care continues to be available in three parts of the county.
34. Failure to address the pay and conditions of care staff will continue to result in difficulties with recruitment and high turnover of staff with the resultant advice impact upon customers. Furthermore there is evidence to suggest that poor pay and conditions for care staff results in poor outcomes for customers and incidences of poor care.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

<u>RISK</u>	<u>ACTION PROPOSED TO MITIGATE RISK</u>
Failure to appoint provider	Consultation with potential providers about service to be commissioned and decision taken to offer South Wiltshire in five “lots” to facilitate bids.
Transfer of customers and staff between providers	Project management in place, with weekly meetings and lead officers to oversee the work.

Inability to recruit skilled and trained staff	Recognising the value of care staff by exploring options for increasing pay and conditions for staff
High turnover of staff	As above

Financial Implications

35. The financial implications of the re-tender of the HTL@H contracts for the three areas affected are not yet known. These financial implications (including any transitional costs) will be evaluated as part of the HTL@H tender evaluation process. There is no additional budget provision for the overall H2L@H contracted services

Legal Implications

36. The Council's legal team have been involved in the development of the tender documents and advised on the contract.

Options Considered

37. The decision to tender the contracts had to be taken quickly to ensure continuity of service therefore no alternatives were considered. The only alternative would be to bring the service in house however, there was insufficient time to develop and implement this option.

Conclusions

38. The Help to Live at Home programme has delivered a new and innovative service to older and vulnerable people in Wiltshire. This programme is based upon services designed with customers and puts the customer in control of the services they receive. By linking the payment of providers directly to the satisfaction of the customer and the achievement of their goals, Wiltshire is unique in the approach it has taken. This approach has attracted a great deal of interest from the Department of Health and other local authorities.
39. The decision by Aster to terminate their contract is unfortunate but there is considerable interest in bidding for these contracts.
40. The work of care staff is fundamental to enabling people to remain independently living in their own homes. The evidence that links the terms and conditions with the care provided requires further exploration.

***Proposal**

41. That Members note the steps being taken to award three contracts for the provision of care and support services in Wiltshire and delegate the decision regarding the contract award to the Cabinet Member for Public

Health, Public Protection, Adult Services and Housing and the Corporate Director. The timetable for this decision is:

Return of bids	July 12 th
Evaluation	July 15 th – July 25 th
Contract award	August 8 th
Standstill period	August 12 th – August 21 st
Contract issued	August 22 nd

42. That Members invite officers explore further issues that will further value the work of the Help to Live at Home care and support workforce thereby improving the quality of care delivered to customers.

***Reason for Proposal**

43. A provider terminated three contracts they had with the Council for the provision of Help to Live at Home services in South and East Wiltshire. This termination comes into effect on September 28th 2013. Work is well underway to re-let these contracts to ensure customers receive continuity of care.

Maggie Rae
Corporate Director

Report Authors: James Cawley, Service Director and Nicola Gregson, Head of Commissioning Older People - Tel 01225 771673

Background papers

None

Date of report: June 2013

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Wiltshire Council

Cabinet

23 July 2013

Subject: Future Service Delivery Model for Waste Management

Cabinet Member: Councillor Toby Sturgis – Strategic Planning, Development Management, Strategic Housing, Waste

Key Decision: Yes

Executive Summary

As reported to Cabinet on 6 November 2012, considerable progress has been made on delivery of the Wiltshire Municipal Waste Management Strategy. A harmonised service of waste and recycling collection which will enable the council to achieve 50% recycling by 2014 is operating county-wide. Contracts awarded for the treatment of non-recycled waste at the Lakeside energy from waste plant and the mechanical biological treatment plant in Westbury, currently being commissioned, will enable the Council to reduce the waste sent to landfill to less than 25%.

The contract for collection of non-recycled waste, plastic bottles and cardboard and garden waste for the west Wiltshire area could terminate in 2014 or be extended by up to seven years. The contract for the collection of glass, paper, cans and textiles, the provision of landfill capacity, the provision of material recovery facilities and markets for dry recyclable materials, waste transfer stations, composting facilities, treatment of wood waste and management of the household recycling centres and mini recycling centres will terminate in 2016 with no option to extend.

It continues to prove difficult to obtain robust financial data to inform a decision about whether the collection service would be delivered more cost effectively in-house or by the private sector. Almost every collection service has some unique local issue which it has been designed to address making it difficult to benchmark our costs against those of other councils, regardless of whether the service is delivered in-house or by a contractor.

Further work remains to be done with Finance to decide which overheads should be added to the cost of the service. If costs are included that would not be saved if the service were to be outsourced, then the possible savings would be misrepresented. In any event, if the council decides capital investment would be needed from the private sector this would be key to informing this decision. Given the cost of borrowing for the private sector compared to the public sector, such a decision would help inform the length of contract periods to make the service as affordable as possible, given the increasing pressure on the revenue budget.

Landfill is now a much smaller and reducing area of the council's waste management service. The quantity of waste sent to landfill should continue to reduce. This is a specialist area of waste management. The ability to provide landfill capacity might prohibit some potential contractors from tendering for other service areas, thus limiting competition for delivery of wider waste management services.

Given the geography and nature of Wiltshire it may be possible to develop a network of smaller, open windrow composting facilities. The garden waste collected in the south of the county has been successfully managed in this way for several years. There is an opportunity to build on this experience and, should this prove feasible, reduce the distances over which our garden waste is transported.

Provision of a materials recovery facility continues to be difficult to specify at present. The level of sophistication required (and therefore the cost) varies depending on the method used to collect dry recyclable materials. If the recycling is separated at the kerbside, relatively little processing is required before the materials are bulked up and sent to re-processors. If the materials are co-mingled when collected, any materials recovery facility would have to achieve adequate separation of the recycling to ensure the council could deliver materials of an acceptable quality to the re-processors. Defra is currently consulting on a materials recovery facility code of practice which will set quality standards for the materials produced, but this is not yet available. Guidance should be issued to councils later this year. Further work to inform this decision is therefore required.

The location of transfer stations is key to the efficient delivery of the collection service which will increasingly focus on recyclable materials as well as residual waste. A facility is also required for chipping and bulking up wood waste for onward transportation to ensure we continue to keep this biodegradable waste stream out of landfill.

Servicing the household recycling centres and mini recycling sites also underpins our recycling performance so these elements of the service are working to deliver a common purpose.

In recent years the markets for recyclable materials have been relatively stable. Historically the council has transferred the risk for such markets to our contractor and taken less income for the sale of recyclables as a consequence (£800k for paper and £895k for other materials in 2012-13). The benefit has been that as recently as 2007 the council maintained its recycling performance when some other authorities without secure long term contracts had to landfill recyclable materials. Given the stability of the markets tenders could be invited for providing a service at a gate fee to be paid by the council with a percentage share of the income generated from the sale of recyclables. This would build on the approach taken under the existing contract and reflect that taken under the contract for the mechanical biological treatment plant being commissioned in Westbury.

In light of the above, decisions are sought from Cabinet on the delivery of the waste and recycling collection service and to invite tenders for those elements of the wider waste management service identified above.

Proposals

- (i) That Cabinet resolves to either:
 - (a) deliver the waste and recycling collection service in-house
 - or
 - (b) invite tenders for the delivery of the waste and recycling collection service (including the chargeable waste collection service) for two options:
 - 1. to include provision of a co-mingled collection of dry recyclable material with separate collection of glass
 - 2. to include provision of a kerbside sort collection of dry recyclable material.
- (ii) Should Cabinet resolve to deliver the waste and recycling collection service in-house (proposal (i) (a) above), that Cabinet subsequently resolves to:
 - (a) deliver the chargeable waste collection service in-house
 - or
 - (b) invite tenders for the delivery of the chargeable waste collection service (excluding second garden waste bins).
- (iii) That Cabinet resolves to invite tenders for the following waste management services as three lots (at the same time as inviting tenders for the relevant collection service should Cabinet resolve to implement proposal (i) (b) or proposal (ii) (b)):
 - (a) landfill capacity or landfill diversion capacity for residual waste (excluding the treatment of residual waste under the contracts with Hills Waste Solutions for diversion of waste from landfill to the Lakeside Energy from Waste plant and the Northacre mechanical biological treatment plant)
 - (b) garden waste composting capacity
 - (c) transfer stations, wood waste treatment, servicing household recycling centres and materials (including plastic) recovery facility capacity for two options:
 - 1. the sorting of co-mingled dry recyclable material
 - 2. the sorting of co-mingled plastic and the bulking of other dry recyclable materials(to include a percentage share of income from the sale of recyclable materials).

Reason for Proposals

To enable the council to maintain service delivery for residents and chargeable waste customers, to comply with its statutory duties to collect and dispose of waste and to continue to progress towards achieving statutory targets once existing contracts expire.

Tracy Carter

Service Director – Waste Management Services

Wiltshire Council

Cabinet

23 July 2013

Subject: Future Service Delivery Model for Waste Management

Cabinet Member: Councillor Toby Sturgis – Strategic Planning, Development Management, Strategic Housing, Waste

Key Decision: Yes

Purpose of Report

1. To:
 - (i) Seek a decision from Cabinet on whether to:
 - (a) deliver the waste and recycling collection service in-house
 - or
 - (b) invite tenders for the delivery of the waste and recycling collection service (including the chargeable waste collection service) for two options:
 1. to include provision of a co-mingled collection of dry recyclable material with separate collection of glass
 2. to include provision of a kerbside sort collection of dry recyclable material.
 - (ii) Should Cabinet resolve to deliver the waste and recycling collection service in-house (proposal (i) (a) above), to seek a subsequent decision from Cabinet to:
 - (a) deliver the chargeable waste collection service in-house
 - or
 - (b) invite tenders for the delivery of the chargeable waste collection service (excluding second garden waste bins).
 - (iii) To seek Cabinet approval to invite tenders for the following waste management services as three lots (at the same time as inviting tenders

for the relevant collection service should Cabinet decide to implement proposal (i) (b) or proposal (ii) (b)):

- (a) landfill capacity or landfill diversion capacity for residual waste (excluding the treatment of residual waste under the contracts with Hills Waste Solutions for diversion of waste from landfill to the Lakeside Energy from Waste plant and the Northacre mechanical biological treatment plant)
- (b) garden waste composting capacity
- (c) transfer stations, wood waste treatment, servicing household recycling centres and materials (including plastic) recovery facility capacity for two options:
 - 1. the sorting of co-mingled dry recyclable material
 - 2. the sorting of co-mingled plastic and the bulking of other dry recyclable materials

(to include a percentage share of income from the sale of recyclable materials).

Background

- 2. The collection service previously delivered by West Wiltshire District Council was first outsourced on 1 July 1991 following the award of a contract to Waste Management (who became UK Waste). At the end of this contract, following a procurement exercise, the service was brought back in-house. The service was again outsourced under a contract awarded to Cleanaway which ran from 1 February 2002 until 31 March 2007. During this period the non-chargeable garden waste service and alternate weekly collections of residual waste were introduced in phases between 2004 and 2006. The contract with Focsa Services (UK) Ltd. runs from 1 April 2007 until 31 March 2014 with provision for an extension to the contract period. Focsa Services became FCC Environment, part of the FCC Group, in 2012.
- 3. In 1996 Wiltshire County Council commenced delivery of waste management services through a contract with Hills Waste Solutions. This contract covers landfill, waste transfer station and materials recovery facility operations, kerbside collection of dry recycling, composting facilities, household recycling centres, mini recycling sites and sale of dry recyclable materials. This contract ends on 31 July 2016, with no option for a contract extension.
- 4. In 2004 Wiltshire County Council commenced a procurement process for the diversion of residual (non-recycled) waste from landfill. This resulted in the award of two contracts. The first was awarded to Hills Waste Solutions for the delivery of 50,000 tonnes per year of residual waste to the Lakeside Energy from Waste facility at Colnbrook, Slough. The council delivers residual waste for this contract to waste transfer stations at Amesbury and Lower Compton. Waste is then bulked and hauled to Lakeside by Hills Waste Solutions. The contract commenced on 1 February 2009 and runs for 25 years.

5. A second 25 year diversion contract with Hills Waste Solutions was signed in April 2011 for the treatment of 60,000 tonnes of residual waste per year in Wiltshire's first mechanical biological treatment plant. The facility at Northacre Park, Westbury is currently being commissioned and should be fully operational by September 2013. It is expected that the majority of the residual waste to be treated at this plant will be delivered directly by refuse collection vehicles operating in the west of the county, with any balance coming from waste transfer stations.
6. On 1 April 2009 Wiltshire Council inherited four different waste collection services from the former district councils. Since 1 April 2012 a harmonised waste collection service has been in operation across the county. This comprises fortnightly collections of:
 - (i) Residual waste (in a wheeled bin);
 - (ii) Plastic bottles and cardboard (co-mingled in a wheeled bin);
 - (iii) Paper, glass, cans, foil and textiles (kerbside sort in a black box);
 - (iv) Garden waste (opt-in, non-chargeable service in a wheeled bin).
7. At a meeting held on 19 October 2010, Cabinet resolved to introduce a non-chargeable garden waste collection service. Composition surveys suggested that 12,000 tonnes each year of garden waste were being landfilled. This material is 100% biodegradable and, when landfilled, attracts Landfill Tax which in 2013-14 is £72 per tonne. Charges to households for garden waste collection services were approximately £30 per annum in 2009-10 except in west Wiltshire where there was no charge for this service. The council incurs the costs of producing and sending invoices to residents who sign up for chargeable schemes. Costs are also incurred for processing payments and, in the event of failure to pay, sending further letters to remind residents that payment remains outstanding. The EU and Defra are considering further landfill bans and have indicated this would focus on biodegradable materials. The provision of a non-chargeable garden waste service enables the council to implement such a ban in Wiltshire. The service was already in place in west Wiltshire and the council did not want to remove it.
8. Collection services are provided through a combination of in-house and contracted out service delivery. Hills Waste Solutions delivers the black box service countywide, under the contract described in paragraph 3 above. In the east, north and south of the county the residual waste, plastic bottle and cardboard and garden waste collection services are delivered by the Wiltshire Council in-house service.
9. In the west of the county, residual waste, plastic bottles and cardboard and garden waste are collected by FCC Environment (formerly Focsa) under the collection contract referred to in paragraph 2 above, which runs until 31 March 2014, with the option of extending by up to seven years.

10. The in-house service collects residual waste from commercial waste producers across the county. Over 3,000 customers use the service at the current time. There is an ongoing review of this service which resulted in an increase in fees and charges for the current financial year. This was to ensure that council tax payers are not subsidising delivery of this service. There are limited trials of commercial recycling in parts of the county which are being operated as pilot schemes. The council also has a number of customers who produce household waste for which there are powers to charge for collection only (and not disposal). These are collectively referred to as chargeable waste services.
11. The council also provides the following collection services:
 - (i) A free of charge collection of clinical waste from domestic households, including sharps boxes and sacks of clinical waste;
 - (ii) A charged bulky waste collection of items from domestic households.
12. Wiltshire Council's recycling rate achieved in 2012/13 is 46.85%. Measures to improve this figure were implemented during 2012/13, including the continuation of the rollout of communal recycling facilities to flats and further phases in our rollout of non-chargeable garden waste bins. However, it should be noted that the Environment Agency has advised councils they can no longer include composted street sweepings in national recycling performance but instead count them only as land-filled waste. As the council required a baseline for assessment of the impact of service changes, the same method of measurement as previously used was maintained during 2012-13. As the full effects of the service changes are realised, together with the mechanical biological treatment plant coming on-line during 2013-14, this will drive further improvement and should lead to the achievement of the council's target of 50% recycling.
13. The percentage of local authority collected solid waste sent to landfill in 2012/13 was 31.68%. As above, when the mechanical biological treatment plant in Westbury is operational, our performance will improve further with waste to landfill forecast to reduce to about 20% per year. At the very least, by 2014 we expect our waste to landfill to reduce to 25%, reflecting the council's commitment to this target in its corporate plan.
14. The council's future service must enable us to meet both national and local targets. Any model of service delivery will be evaluated against how it will contribute to achieving the targets set out below.

Table 1

Target	Source
Reducing waste to landfill to 25% of the total collected by 2014	Wiltshire Council Business Plan 2011-15
Increase recycling to 50% by 2014	Wiltshire Council Business Plan 2011-15 (modifying the target in the Waste Framework Directive)

Reduce biodegradable municipal waste to landfill to 35% of 1995 levels by 2020	EU Landfill Directive
Maintain separate collections of at least the following materials from the household waste stream: paper, metal, plastic and glass	EU revised Waste Framework Directive and the Waste (England and Wales) (Amendment) Regulations 2012

The council also has a particular interest in encouraging waste prevention. A history of working closely with the Wiltshire Wildlife Trust to promote messages about reducing garden and food waste in particular, to spread waste prevention and recycling messages in schools and to promote council recycling services has evolved into the current joint venture arrangement. This enables council and Wiltshire Wildlife Trust staff to work closely together to an agreed business plan and annual work programme, funded in part by the council and partly by grants secured by the Wiltshire Wildlife Trust.

15. The council's approach to managing food waste to date has been to work with residents and the voluntary and community sector to encourage prevention and reduction. The council currently offers residents the opportunity to purchase subsidised food waste digesters to treat cooked and uncooked food waste at home. There is significant potential to manage food waste in this way in Wiltshire as a high proportion of households have access to a garden. There are financial benefits for residents as well as the council in preventing food waste. The government's Waste and Resources Action Programme (WRAP) suggests that a typical household could save on average £50 per month by reducing the food waste it produces. In October 2010 Cabinet agreed the introduction of the current waste and recycling collection service. At that time the council reviewed an option which included provision of a separate collection of food waste. It was recognised that this would improve the council's recycling performance but would cost significantly more and require provision of a facility to manage this waste. However WRAP suggests that by March 2013, 55% of UK local authorities were collecting household food waste, an increase of 8% since May 2011.
16. In a previous report to Cabinet on 6 November 2012 on Future Delivery of the Waste Management Service the following points were noted:
- (i) While there are no proposals to change the collection service or the materials that residents separate for recycling at present, this provides an opportunity to review these services and the way in which they are delivered. To inform the review the strategy should be updated to reflect progress and confirm targets. Approval was sought of the draft Wiltshire Council Waste Management Strategy 2012, attached at **Appendix 1**.
 - (ii) More work should be done with Finance to decide which overheads should be added to the cost of the service. If costs are included that would not be saved if the service were to be outsourced, then the possible savings would be misrepresented. In any event, if the council decides capital investment would be needed from the private sector, this would be key to informing this decision. Such a decision would help inform the length of contract periods to make the service as affordable as possible, given the increasing pressure on the revenue budget.

- (iii) Having a single provider of waste and recycling collection services enables the delivery of an efficient and cost-effective service. This removes any artificial geographical boundaries and offers the service provider the greatest flexibility for deployment of fleet and crews. This view was strongly supported by the early engagement with private sector suppliers who noted that the current mixed economy of collection service provision is a weakness in Wiltshire's current delivery model.
17. At the meeting Cabinet resolved to approve:
- (i) The draft, updated Wiltshire Council Waste Management Strategy 2012.
 - (ii) The commencement of formal consultation with staff, and relevant trade unions, on the adoption of new working patterns for the waste collection service.
 - (iii) Development of a business case for the waste collection service for:
 - (a) In-house service delivery
 - (b) An out-sourced service
 - (iv) Development of a business case for:
 - (a) Terminating the FCC Environment waste collection contract in 2014
 - (b) Extending the FCC Environment contract to be co-terminus with the Hills contract in 2016
 - (v) Use of a single service provider to deliver an integrated collection service from 2016.
 - (vi) Development of the detailed business case to tender the provision of the following waste management services as three lots:
 - (a) Landfill capacity
 - (b) Garden waste composting facility
 - (c) Materials recovery facility, transfer stations, wood waste and servicing household recycling centres (rates to be invited for tender and a percentage share of income from sale of recyclable materials).
18. Resolutions (ii) and (iv) will be addressed by later reports to Cabinet. An update on resolutions (iii) and (vi) will be provided within this report.
19. To improve our knowledge and understanding of the wider waste management industry a service delivery review was carried out in June and July of 2012. The review took the form of a series of individual meetings with a range of local, national and international service suppliers, together with an online questionnaire that could secure responses from a wider audience. This was supplemented by a further exercise carried out during April 2013. A comprehensive questionnaire was published online. To ensure the market was aware of the consultation over 50 suppliers of waste services were directly notified of the opportunity to

contribute to the exercise. In addition, over 15 local and national voluntary and community sector organisations were contacted directly about the consultation. This generated a significant amount of detailed information from the waste management market, which could be used to shape procurement and specification documents. Details of these exercises and their findings are set out in **Appendix 2**.

Main Considerations for the Council

Waste Management Strategy

20. The Wiltshire Council Waste Management Strategy 2012, (attached at **Appendix 1**), highlights four guiding principles to pursue in order to achieve continuous service improvement. These guiding principles, together with related policies and targets, cover a wide range of sustainable waste management practices with the overall aim of managing more waste towards the top of the waste hierarchy and prioritising waste prevention, re-use, recycling and composting.
21. The key principles identified in the updated strategy are set out below
 - (i) Waste prevention and re-use - To provide advice, education and where possible incentives to encourage waste prevention and re-use by Wiltshire's residents. The council will pursue a target of reducing waste after recycling and composting from 606 kilos per household achieved in 2011-12 to 545 kilos per household by 2015-16.
 - (ii) Recycling and composting – To carry out the separate collection of recyclable and compostable waste materials from all accessible households, supported by comprehensive communications campaigns to encourage the use of these services by householders to achieve a recycling rate of 50% of household waste by 2014.
 - (iii) Further diversion from landfill – To recover energy or otherwise divert from landfill sufficient tonnage of Local Authority Collected Municipal Waste in addition to that diverted by recycling and composting to achieve
 - a landfill rate of 25% or less of total Local Authority Collected Municipal Waste by 2014
 - a landfill rate equivalent to less than 35% of the biodegradable municipal waste tonnage landfilled in 1995 by 2019-20.
 - (iv) Waste Treatment Capacity – To monitor available capacity for diversion of Local Authority Collected Municipal Waste from landfill and, subject to the requirements of planning policies and procedures, to support any additional proposals required to meet targets and policies for landfill reduction.
22. In the longer term, the council will pursue the goal of zero untreated waste to landfill and reduction of the environmental impact of waste treatment, by continuous improvement to waste collection and treatment services.

23. The EU revised Waste Framework Directive and the Waste (England and Wales) (Amendment) Regulations 2012 include a requirement by 2015 to maintain separate collections of at least the following materials from the household waste stream: paper, metal, plastic and glass. This requirement is reflected in the Wiltshire Council Waste Management Strategy. In respect of plastic, at present Wiltshire Council collects plastic bottles only at the kerbside and other rigid plastics at the household recycling centres. There is a requirement for the council to provide a collection of a wider range of plastics beyond 2015. In recent years there have been significant developments in the technology available for sorting a wide range of plastics. This procurement process provides Wiltshire Council with the opportunity to extend the range of plastics collected at the kerbside, utilising the blue lidded bins, in order to comply with the requirements of the revised Waste Framework Directive.
24. Any new contracts resulting from changes to the delivery of waste collection and management services will reflect the overall aims and key principles highlighted in the updated Waste Strategy (2012). There are, however, elements of the strategy which will not be included within the scope of new contracts, including the existing landfill diversion contracts (energy from waste and mechanical biological treatment) and the council's work on waste prevention.
25. Article 29 of the revised Waste Framework Directive (2008/98/EC) highlights the importance of waste prevention activities, by introducing an obligation for all member states to develop a comprehensive national waste prevention programme by 2013. The Government is planning to consult on the development of a national prevention programme over the summer. It is not yet understood what implications this programme will have for the council; however, it is anticipated that councils will have a role in delivering local waste prevention plans. This current uncertainty, along with the success of the council's current waste prevention joint venture, suggests that the delivery of waste prevention activities should continue to be a service delivered direct by the council.

Collection Service

26. The waste collection service encompasses the following:
- Household (kerbside) recycling collections (spanning the co-mingled collection of mixed rigid plastic packaging¹ and cardboard and the current kerbside sort black box service)
 - Household (kerbside) garden waste collections
 - Household (kerbside) residual waste collections²
 - Household clinical waste collection and disposal
 - Household bulky waste collections
 - Container procurement, delivery, repair and retrieval

¹The term 'mixed rigid plastic packaging' includes the following plastic containers (as set out in the WRAP report 'Collection and Sorting of Household Rigid Plastic Packaging – May 2012'): bottles, tubs (e.g. margarine), trays (meat, ready meals, fruit and bakery goods), containers for household cleaning items and pots (yoghurt, sauce, fruit, spread).

² This will not include any streetscene services such as litter bin collection and fly tipping collection because these functions are the responsibility of the local highways and streetscene team.

- Commercial waste and non-domestic household waste collections, including recycling options (referred to as the chargeable waste service in paragraphs 40 to 42 below.
27. The council's Business Plan 2011-2015 states that our direction of travel is to become a smaller, more strategic commissioning body, working with a multiplicity of providers in Wiltshire – enabling and facilitating, with fewer staff and more providers. The new Business Plan will look at doing things differently for less, which means fundamentally rethinking all the services we provide. The draft medium term financial strategy 2013-14 to 2018-19 sets out the need to save £124 million based on current projections of growth and central government spending reductions. There will be challenges for specific services which will impact on how we operate. Wiltshire County Council's highways service was outsourced in 1998 and Wiltshire Council's street scene service was outsourced in June 2013 suggesting a direction of travel for the organisation.
 28. The council's capital programme set out in the draft Business Plan 2013-17 at present does not include any funding for a vehicle replacement programme. The draft fleet strategy refers to creating a smaller, more holistic fleet service and substantially reducing the size of the vehicle asset. There is capital funding identified for a new replacement depot but not for short term investment in smaller scale improvements and expansion to the current depots. This would be required to enable the council to bring the FCC and Hills collection services in-house. The council would need to review corporate priorities for capital investment to achieve this. Outsourcing the service would ensure private sector capital investment and would enable better and more flexible management of vehicles to the benefit of the service.
 29. Following guidance received from Strategic Property, there are no near-term changes proposed to the availability of suitable depots for the waste collection service. If the decision is made to outsource waste collection, the guidance received is that current depot locations can be offered to a future service supplier. Any contract would contain a requirement that the successful contractor engage with the council during the life of the contract to explore the options for rationalising depots as part of the council's transformation programme. The service has highlighted to Strategic Property the enhanced requirement for depot space from 2016 to accommodate vehicles for the collection of dry recyclable materials, irrespective of whether that service will be delivered in-house or outsourced.
 30. As mentioned above, the EU revised Waste Framework Directive and the Waste (England and Wales) (Amendment) Regulations 2012 include a requirement by 2015 to maintain separate collections of at least the following materials from the household waste stream: paper, metal, plastic and glass. There are two types of collection system for dry recyclable materials. A co-mingled collection is the collection of mixed recyclable materials collected in one bin, emptied into the back of a refuse collection vehicle with subsequent separation at a materials recovery facility with a high technical specification. This system does not meet the requirement for separate collections. A collection of recyclable materials from a box with separation of the materials at the kerbside with each material placed in a separate compartment of a specially designed vehicle does meet the definition of separate collection. This may suggest that the council's current

black box system for collection of recyclable materials should continue. However, there are qualifications to the requirement for separate collection. If the necessary quality of dry recyclable materials can be achieved from a co-mingled collection system then separate collection is not required. In addition, the separate collection has to be technically, environmentally and economically practicable.

31. Work has been done to assess the financial implications and review the options for collecting dry recyclables using a kerbside sort (black box) system and a co-mingled (wheeled bin) system. This has been inconclusive in terms of cost and performance. If the decision is made to invite tenders for the waste collection service, asking contractors to price specifications for both kerbside sort and co-mingled systems would enable us to determine what the market would charge for each collection system. This information, coupled with the cost of providing a materials recovery facility with a sufficiently high technical specification to either separate all dry recyclable materials or to separate mixed plastics and enable the bulking up of other dry recyclable materials, would enable the council to evaluate which system would provide best value. Defra has advised that it appears to be common ground that glass is a well-recognised potential contaminant. In particular, paper and glass should be kept apart. However, industry is divided on this issue, with half of the organisations surveyed by Defra stating that they could sort glass collected in a co-mingled system and produce high quality recyclable materials. There are health and safety concerns about the noise levels generated when emptying glass from a box into a separate compartment on a vehicle collecting recyclable materials.
32. Defra was subject to a judicial review in 2012 over the way in which the government had transposed the requirements of the revised Waste Framework Directive into UK law. This was brought by a group, including some of the major UK re-processors of recyclable material, on the basis that co-mingled collections do not deliver the highest quality recyclable materials.
33. The judicial process was deferred to enable Defra to lay new regulations which removed reference to co-mingled collections and more closely reflect the wording of the revised Waste Framework Directive. As a consequence, the challenge was not upheld. Defra has said that it hopes to minimise the risk of councils being challenged over the use of co-mingled systems. It is currently consulting on a code of practice for materials recovery facilities and intends to issue guidance to councils later this year on the meaning of 'technically, environmentally and economically practicable'. This service, and the way in which it should be delivered, may therefore be subject to further change.
34. There is a risk of judicial review against this council if we change the service from a kerbside sort system to a co-mingled collection. Legal advice is that the likelihood of this is low. Inviting tenders through the Official Journal of the European Union would prompt such a challenge at an early stage. Inviting tenders for two options, one based on a co-mingled system and one on kerbside sort, would enable the council to progress the procurement process and ensure that arrangements are in place for 2016 should further developments result in a decision that a co-mingled system in Wiltshire would not enable the council to comply with its obligations. Further detail on both collection methods and on the judicial review are set out in **Appendix 3**.

35. Further consideration should be given to the introduction of food waste collection. A national waste composition analysis produced by Defra in 2009 shows an average of 17% of food waste in household waste. This would equate to 37,000 tonnes of food waste generated each year by households in Wiltshire. National trials carried out by the government's Waste and Resources Action Programme suggest that 38% of this food waste would be captured by a separate food waste collection, which equates to 14,000 tonnes per annum. Anaerobic digestion is the treatment of organic waste in a controlled environment to ensure that the waste is stabilised and fermented. In order to treat collected food waste the council would need to procure capacity at an anaerobic digestion plant. The process produces biogas which can be used to generate electricity to power the plant with any surplus distributed via the national grid. On average, the weight of the waste reduces by 7% to 10% through the production of biogas. Depending on the source of the waste 20% to 50% of the weight of input waste remains as a digestate for which a market must be found. In order to provide the council with the flexibility to introduce such a service part way through a contract period, tenderers could be invited to submit prices for implementing this change. If the collection service is delivered in-house capital investment would be required in the collection fleet to enable food waste collections to be introduced.
36. If the decision is made to outsource the service, the contract specification would contain defined performance standards. Over 40% of the council's collection service is delivered by private sector contractors, Hills and FCC. As at present, any contract would specify the branding for the service (vehicles and uniforms for staff employed) so the public would still perceive that the service is delivered by the council. The specification would include the council's behaviours framework to define performance standards for the culture of the contractor's organisation and the behaviour expected of the staff employed in delivering services in Wiltshire. The contract would have flexibility to enable it to be varied to meet new challenges facing the service in future. Such flexibility may require the council to compensate the contractor for any additional costs incurred. There would also be flexibility to redirect the contractor's staff in the event of bad weather or other emergency. The council would retain a small client team to manage the contract and ensure that services would be delivered to the required standards. This would be necessary to ensure that performance standards are maintained and improved, protecting and enhancing the council's reputation. Systems would be put in place by any contractor to enable the council to monitor performance. Details of key terms and conditions, specification and performance measures, as well as the principles of proposed tender evaluation models, would be reported to Cabinet before the council issues invitations to tender for the services concerned.
37. Should the council decide to outsource the collection service, the procurement should be carried out at the same time as that for other waste management services. This would enable the council to make a better informed decision about the costs of the collection and management of dry recyclable materials. To do this, information is needed about the total cost of collecting mixed recyclable materials from a wheeled bin and sorting them at a materials recovery facility with a high technical specification. Inviting tenders for a collection of recyclable materials from a box with separation of the materials at the kerbside and collection of mixed plastic from a wheeled bin as well as provision of a

plastic recovery facility to sort the plastic would enable the council to directly compare the costs of both systems. Carrying out the procurement processes at the same time would enable larger companies to tender for all four contracts and demonstrate any efficiencies of scale this would provide.

38. The council commissioned independent technical advice and support in this work from Improvement and Efficiency Social Enterprise, a local government owned organisation in receipt of government funding to provide assistance to local authorities undertaking service reviews. Initial research showed there was no straightforward, direct comparison available between in-house and outsourced service delivery. Case studies are available in favour of both models and many claimed savings were the result of a change in specification and not the mere fact of outsourcing.
39. Improvement and Efficiency Social Enterprise acted as the council's critical friend and used its industry knowledge to help identify those aspects of service delivery that would be more cost-effectively delivered by either the private sector or an in-house organisation. It also identified the non-financial factors that serve to differentiate in-house and outsourced delivery of waste collection services. As part of this Improvement and Efficiency Social Enterprise independently facilitated workshop sessions that captured informed opinions from a wide range of staff, both within the Waste Management Service, and in other internal service areas such as Finance, Fleet Management, Strategic Property, Legal, and Procurement. A summary of the process and an overview of the results of this work are set out in **Appendix 4**.

Chargeable Waste and Recycling Collection Services

40. Household waste collections are carried out on a fortnightly cycle. The majority of the council's chargeable waste customers require more frequent collections than could be provided using the domestic household waste collection rounds. In addition, to minimise the risk of commercial waste abuse of the household waste collection service and to provide accurate information about the tonnes of waste collected, the commercial waste service is delivered by separate crews and vehicles to those used for household collections.
41. At present, the council provides commercial waste services in accordance with its statutory duty. This needs to be reviewed in the context of the council's plans with regard to delivery of traded services. There is no reference in the draft Wiltshire Council Business Plan 2013-17 to expanding or developing traded services. During 2012-13 income to the service was £300,000 less than the original budget requirement. The council has been operating two pilot schemes for the collection of commercial recyclable material. Since the introduction of charges for these services a considerable number of customers, who had previously received these services free of charge from the ex-district councils, have chosen not to renew their contracts with the council. The council's policy on setting fees and charges is to ensure that reasonable costs are recovered. As the costs of waste management continue to rise, this suggests that the council's chargeable waste service is not sustainable.

42. A private sector company would be able to expand the range of services offered and market these services, providing greater choice for the local business community. The council would still have an obligation to make arrangements for the collection of commercial waste where requested to do so. This could be delivered through a contract which would contain a cap on fees and charges to protect those businesses which seek a service from the council because there is no affordable alternative. A contract would also include a mechanism for the council to share in any profits made by a contractor as a consequence of expanding the commercial waste service. Such a contract would include commercial waste and household waste for which charges can be applied except for the collection of garden waste from second, chargeable garden waste bins.

Extension of the FCC Collection Contract for west Wiltshire

43. FCC has offered a discount on the price of its contract in return for extending the contract until 31 July 2016, the date until which the Hills Waste Solutions contract will run. This would offset some contract inflation and would enable the council to avoid the capital costs of new vehicles and additional depot space which would be incurred if the service was brought in-house from 1 April 2014. It would also enable the council to invite tenders for an integrated collection service to be delivered by a single service provider from 1 August 2016.
44. Performance by FCC under this contract is comparable with the performance standards achieved by the in-house service. There was the flexibility under the contract to introduce the new plastic bottle and cardboard collection service in west Wiltshire during 2011-12. FCC has agreed that it will work with the council to identify further savings, where possible, from changing the delivery point for its residual waste from the landfill site at Lower Compton to the mechanical biological treatment plant being commissioned at Westbury. FCC has also agreed to work with the council on the rounds redesign project to identify savings arising from the removal of the west Wiltshire district boundary as a constraint to designing more efficient collection rounds.
45. Extending this contract would enable the council to avoid the need to acquire vehicles and additional depot space and to transfer FCC staff into the council at a time when new collection rounds would be introduced, reducing the risk of any short-term fall in performance standards arising from the changes. The decision on whether to extend the contract will be the subject of a report to Cabinet on 24 September 2013.

Landfill and Recycling Service

46. The report to Cabinet on 6 November 2012 contained the following paragraphs:

'Given the success of the Council's strategy, landfill is now a much smaller and reducing area of the waste management service. The quantity of waste we send to landfill should continue to reduce. This is a specialist area of waste management. The ability to provide landfill capacity might prohibit some potential contractors from tendering for other service areas, thus limiting competition for delivery of wider waste management services.'

'Given the geography and nature of Wiltshire it may be possible to develop a network of smaller, open windrow composting facilities. The garden waste collected in the south of the county has been successfully managed in this way for several years. There is an opportunity to build on this experience and, should this prove feasible, reduce the distances over which our garden waste is transported.'

47. These arguments served to highlight some potential advantages in separating these elements of service delivery from those requiring the provision of infrastructure for the management of recyclable materials (transfer stations, materials recovery facility, household recycling centres and mini-recycling sites). The proposal is to invite tenders for these services as three separate contracts rather than one single waste management contract. Further work has been carried out to better understand the options available to the council.

Option 1

48. This would be to invite tenders for all elements of the services listed in the paragraph above under one contract. The main requirements would be based on those provided under the existing Hills contract with the exception of delivery of the kerbside sort service for the collection of dry recyclable materials. Another significant difference would be that this option would not prescribe landfill as the only solution for the treatment of the remaining non-recycled waste, but would extend the scope to include other non-landfill residual waste treatment processes, either from 2016 or at a future date. Given the nature of certain wastes it is likely that there would still be a requirement for some landfill capacity. There would be no guarantee of a minimum quantity of waste to be delivered under the contract. The intention would be to seek to further reduce the waste sent to landfill during the contract period, subject to this being cost effective and technically feasible.

Option 2

49. This option is to invite separate tenders with the potential to award three contracts for delivery of these services. The first proposed contract would be for recycling and transfer services and would include:
- The provision and operation of household recycling centres (including those owned by Wiltshire Council)
 - The provision and operation of waste and recycling transfer stations
 - The provision and operation of a materials recovery facility (to include capacity for recovery of mixed plastic) (MRF)
 - Operation of mini recycling sites
 - Sale of recyclable materials.

50. It should be noted that the sale of recyclable materials may be better managed by the collection service. This would provide an incentive for the collection contractor to minimise the quantity of contamination of dry recyclable materials collected, provided the contract contained a mechanism for the sharing of income between the council and the contractor. The decision on whether it should be the collection contractor or the materials recovery facility contractor which provides this service would be informed by the decision on whether the collection of dry recyclables should be carried out using a co-mingled (wheeled bin) or a kerbside sort (black box) collection system.
51. The second proposed contract would be for composting services and would include:
- The provision and operation of a site or sites for composting of garden waste
 - Sale of compost.
52. The third proposed contract would be for the treatment and disposal of residual waste and would include:
- Treatment and disposal of non-hazardous and inert residual waste, including the use of exempt sites for inert materials
 - Treatment and disposal of hazardous waste.
53. An exercise was carried out within the waste management service during 2012 to identify the key elements of the service and their strongest inter-dependencies. The results of that exercise indicate that both options for procurement would be viable.
54. The key benefit of Option 1 may be efficiencies arising from the integrated management of a range of services and simplified contract management responsibilities for the client.
55. The key benefit of Option 2 would be that specialist providers of recycling and/or composting services would not be precluded from tendering due to a lack of landfill or other residual waste treatment experience or capacity.
56. Option 2 would not preclude contractors from submitting tenders for all three proposed contracts and, if successful, being offered a single contract by the council, should such an integrated tender prove to be the most economically advantageous. Option 1 would preclude the approach outlined under Option 2.
57. Therefore, Option 2 offers greater opportunity to explore a wider scope for service delivery, efficiencies and savings, although the costs associated with an increased client role to manage the interface between a number of contracts would need to be assessed against any potential savings.

58. The current contract with Hills offers the council limited income from the sale of recyclable materials. The contract commenced in 1996 when recycling levels were very low, the council had two household recycling centres compared to the eleven centres which are operated today, the recycling market was much less mature and the risks related to the sale of materials perceived as much greater. Although income from the sale of recyclables under the contract is limited, the current payment mechanism provides a level of financial certainty which has benefited the council in its budget forecasting and management.
59. As the recycling market has developed, the ability to secure longer term materials re-processing sub-contracts has increased, which has provided greater stability for some material streams, for example paper. However, areas of the market remain more volatile (such as those for low grade plastic) making it more difficult to secure long-term re-processing arrangements.
60. Increasingly, local authority collected waste management contracts include mechanisms where councils share in the net proceeds of income from contractors selling recyclable materials. This approach will be fully explored as part of any new waste management contract, ensuring that the council's exposure to volatility within the recycling market is minimised. It is likely that any arrangement where income forms part of the contract payment mechanism would result in a greater role for the client in terms of forecasting and auditing the sale of recyclable materials. The opportunity to generate a higher income stream would have to be considered in the context of client contract management costs and the risk to the council of a reduction in the certainty of income budget forecast and management purposes.
61. Under the existing contract with Hills Waste Solutions the network of eleven household recycling centres is managed and operated by the contractor. Two of the sites are owned by Hills. The cost of operating the network of eleven sites is estimated at £3.08 million each year. In 2012-13, there were over 61,000 tonnes of material delivered to these sites, of which almost 48,000 tonnes were diverted from landfill. If the council had to pay Landfill Tax, in order to landfill this diverted waste, the cost would be £3.455 million during 2013-14, with Landfill Tax at £72 per tonne. 39,000 tonnes of material delivered to the household recycling centres were recycled in 2012-13. This represents 39% of the total recycling of household waste achieved last year. If this proportion is applied to the income from the sale of recyclables which the council benefitted from in 2012-13, the value would be £0.661 million.
62. If the decision is taken to operate waste collection services in-house, there is potential to explore an alternative service delivery model. One approach would be for the in-house service to provide the frontline delivery of the service and a contractor to manage the over-arching regulatory aspects of the sites, including compliance with environmental and planning consents, together with providing transport for transferring materials off site for re-processing. The interface between the two roles would need to be clearly specified and managed to ensure a seamless service to the public, but may provide the council with greater control of service delivery. This would not preclude the involvement of voluntary and community sector organisations in delivering this service with a main contractor in a similar way. There may also be scope to replicate this approach in the operation of waste transfer stations. For these reasons the services have

been described as operation and provision of service so that this remains a delivery option.

63. Inviting tenders for the services as set out in Option 2 would provide the greatest opportunity for a more diverse range of service providers of different sizes and with different technical expertise to engage with the council under this process. As a consequence, Option 2 is likely to generate greater market interest than Option 1. Seeking tenders based on three separate contracts would provide greater transparency of costs for each element of the service. It would not exclude the scope for a single contractor to tender a discounted price in the event of being awarded a single, integrated contract for providing the services under all three tenders, reflecting any economies of scale such an approach may deliver.

Environmental and Climate Change Considerations

64. The council's Energy Change and Opportunity Strategy (2011-2020) identifies waste as a key theme for action and highlights that in order to combat climate change, it is essential that we reduce the amount of waste produced in Wiltshire and that sustainable disposal and transport methods are used to minimise environmental impacts.
65. Land is currently being lost through landfill provision and we need to mitigate this by prioritising those activities that generate the greatest environmental benefits, including waste prevention, re-use, recycling and composting.
66. The updated waste management strategy further reinforces the council's commitment to prioritise sustainable waste management practices with the overall aim to reduce the waste sent to landfill and encourage further progression up the waste hierarchy.
67. Reducing the carbon impact of waste is essential for managing the environmental impacts of waste management. Preventing, re-using or recycling waste resources can achieve significant carbon savings over landfill alternatives. Waste prevention has the greatest potential for carbon savings as this avoids the carbon produced in manufacturing, distribution and waste disposal. Table 2 highlights a number of materials that are currently managed in the council's waste stream and the carbon impact of waste prevention and recycling.

Table 2

Material	Carbon Savings – Kg carbon per tonne of waste diverted	
	Carbon savings of waste prevention	Carbon savings from recycling (over landfill alternative)
Textiles	22,310	14,069
Aluminium Cans and Foil	9,844	9,267
Plastics (including bottles)	3,281	1,204

68. The key operational decision within this report with potential to have environmental impacts is whether the council collects recyclable materials using aco-mingled (wheeled bin) or a kerbside sort (black box) method. A co-mingled option will result in fewer vehicles required to deliver the service and therefore a reduction in transport emissions. However, this option will require further sorting of the recyclable materials using a materials recovery facility built to a high technical specification. Although more vehicles are required to implement a kerbside sort service, the need to further sort the recyclable materials is reduced

significantly as the majority of sorting is undertaken by the resident and the collection crew at the kerbside.

69. There is very little evidence to suggest which method of collection has the greatest environmental benefits. Key decisions within this report focus on service providers, rather than the materials collected, therefore environmental impacts of any decision will be limited. The service provider, whether the council or an external provider, will be required to work within the principles set out in the council's Waste Management Strategy and the council's Energy Change and Opportunity Strategy. These prioritise sustainable waste management practices with the greatest potential to achieve carbon savings and environmental benefits.

Equalities Impact of the Proposal

70. There are no specific equalities impacts arising from the proposals. However, in procuring services the requirements of the Public Sector Equality Duty (PSED) will need to be taken into account as the council is classified as a relevant public body as defined in Schedule 19 of the Equality Act 2010. These can be contractually specified and apply equally, irrespective of whether the service is delivered by council staff or outsourced to the private sector.

Risk Assessment

71. Specific risks are highlighted under main considerations above. Each option has some risk attached, so none of the options presented can be considered as risk free.
72. A considerable risk to service provision and business continuity is that if decisions are not taken now in accordance with the proposals, the council would not have replacement arrangements in place when current contracts expire. To enable them to submit competitive tenders, waste management contractors would need the certainty of a two year mobilisation period to deliver the required infrastructure. A successful procurement process is therefore predicated on the need to protect a two year mobilisation period. If decisions are deferred, that period is under serious threat.
73. In order to manage risks associated with changes to the way in which services are delivered, a comprehensive communications programme will be delivered. Details of the proposed programme are provided in **Appendix 5**.

Financial Implications

74. There are no financial implications arising directly from the recommendations contained in this report. Financial information would only be available following return of tenders and their subsequent evaluation.
75. The current waste collection contractor (FCC) has offered a discount on the price of its contract in return for extending the contract until 31 July 2016, the date until which the Hills Waste Solutions contract will run. This would offset some contract inflation and would enable the council to avoid the capital costs of new vehicles and additional depot space which would be incurred if the service was brought in-house from 1 April 2014. It would also enable the council to invite tenders for an integrated collection service to be delivered by a single service provider from 1 August 2016. Negotiations are ongoing in accordance with Wiltshire Council's

Financial Regulations. Any decision to extend the contract would be made in accordance with Wiltshire Council's Procurement and Contract Rules.

76. The proposed contracts would be awarded in 2014 to commence on 1 August 2016. The decision to award contracts would be the subject of a future cabinet paper which would include the full financial tender evaluations. Further work will be done to identify the centrally managed costs which should be allocated to the service and to identify which of these costs would be saved if the collection service was to be outsourced
77. The following is a summary of the net cost of the waste collection service in 2012/13 (not including chargeable waste services) as set out in the council's accounts and revenue outturn.

OUTSOURCED ELEMENTS:	
West Wiltshire Waste Collection contract (FCC)	£3.337m
Additional associated in-house costs	£0.016m
Recycling Collections Service (Hills Waste Solutions)	£3.219m
IN HOUSE PROVISION:	
Direct Costs and income within Waste Services	
Operational	£5.151m
Management	£0.858m
Income (from garden and bulky waste)	(£0.176m)
Direct Costs Managed Centrally:	
Fleet Recharges (direct net costs)	£1.526m
Depot & Buildings Recharges	£1.200m
Depreciation (vehicles, plant and equipment)	£1.959m
Central Support Costs (including those from fleet)	£2.381m
COST OF WASTE COLLECTION SERVICE	£19.471m

78. The following is a summary of the net cost of the chargeable waste service in 2012/13 excluding the income from the bulky household waste service and second garden waste bins. This does not include any allocation for management costs.

Direct Costs and income	
Operational costs	£0.485m
Disposal costs including landfill tax	£1.440m
Income	(£2.210m)
Direct Costs Managed Centrally	
Estimated fleet costs	£0.328m
Depreciation (vehicles)	£0.298m
Central Support Costs	£0.212m
TOTAL COST OF CHARGEABLE WASTE SERVICE	£0.550m

The following is a summary of the net cost of waste disposal paid for through the contract with Hills Waste Solutions for landfill and recycling services in 2012/13.

Direct Costs and Income	
Management	£0.269m
Disposal costs MSW (not including chargeable waste element)	£7.560m
Disposal costs associated with recycling and wood waste	£1.128m
Income from recyclables (part of disposal contract)	(£1.695m)
Landfill tax	£4.120m

Hazardous waste	£0.041m
Clinical waste	£0.007m
Depreciation	£0.332m
Central Support Costs	£0.652m
TOTAL COST OF LANDFILL AND RECYCLING SERVICE	£12.414m

In addition to the above the council spent £5.605 million under the contract with Hills Waste Solutions for the delivery of 50,000 tonnes of residual waste to the Lakeside energy from waste plant.

Legal Implications

Leveraging Social Value

79. In 2012 The Public Service (Social Value) Act received royal assent, and was brought fully into force on 31 January 2013. The Act places a new requirement on commissioners to consider the economic, environmental and social benefits of their approaches to procurement before the process starts. They also have to consider whether they should consult on these issues. The Act applies to the pre-procurement stage of contracts for services because that is where social value can be considered to greatest effect. The council is therefore mindful of the requirements of the Act and the service has carefully considered the impacts of the Act accordingly. Further detail is provided in **Appendix 6**.

In-house Tender

80. It is unlikely that it would be technically possible for an in-house team to submit a formal tender as part of a procurement process. An in-house team would not be separate from the council. Full involvement in a tender process is only possible where the in-house team has already been established as a legal entity, such as an arm's length company, that could submit a tender and enter into an agreement with the council. Such a tender would not be comparable to tenders from external organisations because it would be based on capital investment direct from the council. Evaluating such tenders is difficult and may leave the council open to challenge by an unsuccessful external contractor based on equality of treatment. It is possible to set out the costs of retaining the service in-house rather than inviting an in-house team to tender. If the council decided that the in-house option would provide best value, it could abandon the tender process and retain the service in-house, provided the tender documents make it clear that it could do this.

TUPE

81. TUPE is the Transfer of Undertakings (Protection of Employment) Regulations 2006. The purpose of TUPE is to protect employees if the business in which they are employed changes hands. It preserves an employee's continuity of employment and terms and conditions of service. An employee has the legal right to transfer to the new employer on their existing terms and conditions of employment and with all their existing employment rights and liabilities. Decisions made on the model for delivery of the collection service will inform the TUPE implications for the staff employed by the council and its current contractors.

82. There are three types of TUPE transfer which might apply to this project:

- Outsourcing – Should the decision be taken to outsource the waste collection service post 2016, employees currently working for the council whose principal purpose is delivering waste collection services would be transferred to a contractor and would be subject to TUPE
- In-sourcing – Should the decision be taken for the council to deliver waste collection services in-house, staff currently working for contractors whose principal purpose is delivering existing collection services would be transferred to the council and would be subject to TUPE
- Contractor to Contractor – Where contractors currently deliver waste collection and waste management services and the council decides to continue to contract out those services, employees whose principal purpose is delivering those services would be transferred to the successful contractor and would be subject to TUPE. This would not be the case if an existing contractor were to be the successful tenderer for a new contract.

83. Given the number and range of people impacted by changes to the waste management service, communication with all parties will be important. Details of proposals are set out in **Appendix 5**. Further details of TUPE issues are set out in **Appendix 7**.

Procurement method

84. The procurement process will be carried out in accordance with the Public Contracts Regulations 2006 and Wiltshire Council Contract Regulations, using the restricted procedure.

Safeguarding Considerations

85. There are no safeguarding considerations arising directly from the recommendations in this report. However, recent discussions have taken place with the Corporate Director with responsibility for Children's Services and the Service Director for Adult Care and Housing Operations. These have resulted in agreement to develop awareness training for staff working within the waste management service, including drivers and loaders, of safeguarding children and vulnerable adults. This would include specific examples and advice on appropriate actions. If the decision is made to invite tenders for delivery of the waste and recycling collection service, this awareness training would be included in the specification for the contract.

Public Health Implications

86. The Control of Pollution Act (COPA) 1974 is usually referred to as the starting point of present day waste management legislation, although there are earlier Acts including the Public Health Acts of 1848 and 1936. The COPA 1974 was

the first statute to regulate the disposal of waste to land and the discharge of effluent to water courses. The aim of the COPA 1974 is to deal with waste disposal, water pollution, noise, atmospheric pollution and public health. Much of Part 1 of the COPA on waste was superseded by Part 2 of the Environmental Protection Act (EPA) 1990, which provides the current framework for waste management legislation. There would be significant public health implications should the council fail to comply with its statutory duties to collect and dispose of waste.

Options Considered

87. The options considered are set out under main considerations in the body of the report above.

Conclusions

88. Subject to the decisions made by Cabinet in respect of the proposals, the next key actions are set out in the table below:

Place Official Journal of the European Union notice and issue PQQs upon request	July-August 2013
Report on extending FCC contract to 2016	September 2013
Select suppliers to be invited to submit tenders (report to Cabinet)	November 2013
Award contract(s) to successful tenderer(s)	Summer 2014
Commence new contracts	1 August 2016

89. Members should note that there are considerable risks associated with deferring decisions relating to arrangements for the replacement of the existing contract with Hills Waste Solutions for landfill and recycling services. Information provided by contractors supports the evidence already available to the service that a period of not less than two years will be required between award and start of contracts. This is necessary to allow for an incoming contractor to, where necessary, identify and purchase appropriate sites for waste transfer stations and other required infrastructure, obtain planning permissions and Environment Agency licences, and build and commission facilities to ensure continuity of service beyond 31 July 2016. This is essential as there is no provision to extend the current contract with Hills. Given the proposal that tenders are invited for all contracts at the same time, any delay in issuing one invitation to tender could impact on the timetable for all. If decisions are subject to delay any significant impact on the overall timetable may not be recoverable.

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The following unpublished documents have been relied on in the preparation of this Report:

Report of a service delivery review
Report of a soft market testing exercise

Appendices:

Appendix 1 – Wiltshire Municipal Waste Management Strategy 2012
Appendix 2 – Understanding the Market
Appendix 3 – Collection Method for Dry Recyclable Materials
Appendix 4 – Assessment of Non-financial Factors
Appendix 5 – Communications
Appendix 6 – Leveraging Social Value and Public Services (Social Value) Act, 2012
Appendix 7 – TUPE Issues

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Wiltshire Municipal Waste Management Strategy 2012

(updating the Joint Municipal Waste Management
Strategy 2006)

Foreword

Society now recognises that there is not an infinite supply of raw materials and the environment is not an indestructible sink for emissions, pollution and waste.

EU and government policy, backed by high and increasing taxation levels, seeks a rapid move away from landfill towards more use of waste as a resource.

In Wiltshire very considerable progress has been made in the diversion of municipal waste from landfill and in reducing waste arisings. Residents may shortly achieve 50% recycling of household waste and we have the prospect of reducing landfill to less than 25% of all waste collected by the council, compared with 80% about 10 years ago. Total collection tonnage has declined a little in recent years.

Despite this, each household in Wiltshire continues to produce on average more than one tonne of waste annually.

We therefore need to continue our radical rethink of how to reduce the amount of waste we produce, and put more of our waste to productive use (resource efficiency). The more waste we prevent, reduce, reuse and recycle, the fewer waste treatment facilities will be required. Our recent progress shows that together we can make a difference.

The more that we can do to divert non-recycled waste to energy production, the less landfill we will need.

Whilst the advantages of local treatment can only be realised where the waste industry is willing to provide facilities, there are benefits – to the local economy and community as well as the environment – of seeking local re-use and treatment. In the longer term, these industries may become an important source of local employment.

In 2006 Wiltshire's former local authorities recognised these issues and took steps to minimise the impact on the county by adopting a Joint Municipal Waste Management Strategy (JMWMS).

Significant progress has been made towards the targets set in the JMWMS. Also, the creation of Wiltshire Council from the 5 former authorities in April 2009 included the formation of a single waste authority. These major changes, together with changes in EU and government guidance and forecast waste arisings, require the strategy to be updated.

The updated strategy provides guidelines for the commissioning of waste services as existing contracts come to an end and sets targets for waste management until about 2020. Whilst longer term plans cannot be made in detail, it is also necessary for the updated strategy to provide some guidance about priorities beyond 2020, to assist in planning services.

T.R. Sturgis

Cabinet Member for Waste, Property, Environment and Development Control Services

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Executive Summary

1. Wiltshire's Municipal Waste Management Strategy (WMWMS) 2012 needs to take account of major developments in waste services locally and nationally. Particular drivers include the Landfill Tax, which aims to greatly reduce the landfilling of municipal solid waste (MSW), and the Council's targets to increase recycling to 50% by 2014 and reduce landfilling to less than 25% by the same date¹.
2. The Council will use the updated WMWMS to guide the development of waste collection and disposal services.
3. At the time when the original strategy was prepared Wiltshire was experiencing a rapid growth in municipal solid waste (MSW), rising at a rate above the national average. The updated WMWMS 2012 needs to take account of the recent, widespread reduction in waste tonnages and a forecast of more modest growth. However, the council has set new targets, to encourage continued waste reduction. This is the most beneficial action in both waste management and carbon reduction terms and will encourage further benefits of more efficient resource use.
4. Wiltshire continues to make good progress in providing new recycling and composting services for MSW. At the time when the original strategy was adopted, the recycling rate had doubled over the previous 5 years, to reach 31.5% in 2005/06. Since then, improvements have been made, to reach a recycling rate of 42.9% during 2011-12. Further substantial development of recycling and composting services identified in the original strategy was very largely completed during 2011-12, with results now beginning to show.
5. In addition, the forecast need for substantial secondary recovery capacity has been largely secured, with commencement of the Lakeside Energy from waste contract in June 2009 and the signing of a contract in April 2011 for a Mechanical Biological Treatment (MBT) plant at Westbury. The MBT plant is under construction and is expected to start treating waste during 2013.
6. These developments, plus the reduction in waste growth, have enabled the council to work well within its Landfill Allowances and Trading Scheme (LATS) and greatly reduce tonnage subject to Landfill Tax in recent years. The council now also expects to meet its Business Plan 2011-15 targets to increase recycling to 50% by 2014 and reduce landfilling to less than 25% by the same date. These targets are more demanding than those set by EU and government policy, and will therefore ensure that Wiltshire meets the underlying Landfill Directive target to reduce biodegradable waste landfilling to 35% of the 1995 total by 2020.
7. The WMWMS 2012 continues to be based upon key principles, reflecting the Waste Hierarchy, which seeks to optimise the use of the most beneficial methods of landfill reduction. The Waste Hierarchy, as set out in the EU Revised Waste Framework Directive 2010, is
 - i. Prevention;
 - ii. Preparing for reuse;
 - iii. Recycling;
 - iv. Other recovery - including energy recovery;
 - v. Disposal.
8. Due to the emphasis in the Revised Waste Framework Directive upon waste prevention and re-use, the council's major service changes, and new contracts and developments achieved to date, there is a shift in emphasis in the updated strategy towards the upper

¹ As currently set out in the Business Plan 2011-15

levels of the Waste Hierarchy and working with Wiltshire residents to continue success to date in waste reduction, recycling and composting.

9. However, the need for further major waste treatment needs to be kept under review, given the uncertainties of any forecasts of waste growth, the possibility that further reductions in landfill may be required and opportunities to achieve broader benefits such as more local conversion of waste to resources.
10. The first 3 principles in the WMWMS 2012 are focused on the Waste Hierarchy. Principles 4 and 5 in the original strategy have been combined, to reflect the need for close integration of planning new capacity with the continuing aim of treating waste as close to source as is practicable.

Summary of Progress

11. Since preparation of the Wiltshire JMWMS during the period 2004 – 06, Wiltshire has achieved or experienced the following :-

- A significant slowing in the rate of growth of municipal solid waste (MSW), until 2011
- Growing public support for waste minimisation, composting and recycling, supported by the efforts of the local authority and the Wiltshire Wildlife Trust, and the work of voluntary or local groups
- Sale of over 5000 council-subsidised food waste digesters to Wiltshire residents
- Implementation of key changes in waste and recycling collections, to achieve harmonised services across the whole of Wiltshire, based on alternate weekly collections and more kerbside recycling and garden waste collections
- Significant increases in the proportion of household waste that is recycled or composted, from about 31.5% to about 43%.
- Commencement of a contract to divert 50,000 tonnes a year of Wiltshire's non-recycled waste from landfill to energy from waste incineration (2009) and the signing of a further contract to treat up to 60,000 tonnes a year to produce refuse derived fuel (2011).
- A reduction in the proportion of waste sent to landfill from 60.4% in 2006-07 (and over 80% in 2003-04) to 36.6% in 2011-12.

Wiltshire Municipal Waste Management Strategy (WMWMS 2012)

(updating the Joint Municipal Waste Management Strategy 2006)

Aim

The council will seek further improvement in waste management by pursuing the 4 principles in the updated WMWMS 2012 and the related policies and targets.

In the longer term, beyond 2020, the council will seek continuous improvement in services and performance, with an emphasis upon waste prevention, recycling and composting.

The council believes that waste management cannot be treated in isolation from other activities, and will promote improved links between waste management responsibilities and :-

- Use of waste materials as resources
- Other council objectives, such those set out in the Energy Change and Opportunity Strategy 2012 and strategies and policies to reduce carbon footprint
- Working with the local economy to achieve more re-use and re-processing
- Development of resilient communities.

Principle 1 – waste prevention and re-use

The council will provide advice, education and where possible incentives to encourage waste prevention and re-use by Wiltshire's residents.

The council will pursue a target of reducing waste after recycling and composting from 606 kilos per household achieved in 2011-12 to 545 kilos per household ² by 2015-16.

In the longer term, including beyond 2020, the council will seek to achieve further reduction in waste per household after recycling and composting, by continuous improvement to services and co-operative work with residents and partners.

The council will seek to lead by example, extending waste prevention, re-use and recycling to all premises and procurement of supplies, and will provide information and encouragement to local business, to enable the commercial sector to meet its responsibilities for waste treatment.

Notes

12. Council forecasts indicate that the target reduction in waste per household can be achieved, provided that residents continue to support waste minimisation and make good use of kerbside recycling services, which were much improved during 2011-12.

² Performance will be measured using the established methodology for National Indicator (NI) 191, which is still widely used for performance assessment and comparison

Policies – Principle 1 – Waste Prevention

P1.1 The council will continue to work with the community and voluntary sector partners to encourage prevention, re-use and reduction of waste, with an emphasis upon:-

- i. biodegradable materials such as garden and food waste
- ii. working with “hard to reach” sectors of the community
- iii. a combined approach to waste prevention, re-use, reduction and recycling issues (See also Principle 2)
- iv. working in areas where recycling rates appear to be low
- v. working with any community area boards that wish to prioritise waste prevention and re-use and / or recycling and composting, for example through neighbourhood and community plans.

These principles are set out in the current “Recycle for Wiltshire” Joint Venture Business Plan, and should be retained in any future arrangements to deliver waste prevention, re-use, reduction and recycling.

P1.2 The council will seek funding for schemes to incentivise waste re-use and reduction by residents, with a particular emphasis upon biodegradable waste.

P1.3 The council will continue to work with schools, to encourage education about waste re-use, reduction and recycling, and the prevention and recycling of schools waste.

P1.4 The council will continue to resist commercial use of household recycling centres (HRCs), which is illegal and increases the cost of waste management to the council tax payer, for example by the current system of trade waste disclaimer forms and follow up action.

P1.5 The council will support action by local business to re-use and reduce commercial waste, principally by providing information.

P1.6 The council will provide leadership by example to local residents and the private sector by extending waste prevention, re-use, reduction and recycling facilities throughout its own premises.

P1.7 The council will work with government to produce a Waste Prevention Plan by December 2013, as required by government to meet the requirements of the EU Revised Waste Framework Directive.

P1.8 The council will continue to ask DEFRA to recognise the effects of local action to reduce the biodegradability of household waste, by encouraging residents to minimise their food and garden waste.

Revised Forecasts of Waste Growth

13. The council's current forecast of municipal waste tonnages is set out in Table 1. The council will use this forecast as guidance but will not hesitate to revise forecasts as new information becomes available. For example the recent introduction of a new definition of municipal waste and "local authority collected municipal waste (LACMW)" will require adjustment to tonnage figures. Updates to forecasts are not expected to normally require review of the Strategy.

Table 1: Revised Forecasts of Municipal Solid Waste, December 2011

	MSW tonnage	
2001/02	233,900	
2005/06	259,700	
2011/12	245,200	
	Forecast at 1% per annum (HIGH)	Forecast effects of AWC (LOW)
2012/13	247,600	244,600
2013/14	250,100	246,100
2014/15	252,600	248,600
2015/16	255,100	251,100
2019/20	265,500	261,200

Source: Waste Service for 2013-14

Notes :Values are rounded.

Budget forecasts are likely to require some amendment, due the change in definitions made in 2011 and introduction of the term "local authority collected municipal waste" (LACMW) to differentiate this from municipal waste collected by the private sector. In future separately collected construction and demolition waste (as collected at household recycling centres) will be excluded from the definition.

AWC = alternating weekly collection.

Principle 2 – Recycling and Composting

The council will carry out the separate collection of recyclable and compostable waste materials from all accessible households, supported by publicity campaigns to encourage the use of these services by householders, to achieve a recycling rate of 50% of household waste by 2014.

The council will carry out recycling and residual waste collections on a fortnightly cycle, to encourage residents to make best use of recycling services.

In the longer term, including beyond 2020, the council will seek to achieve further increases in recycling and composting of household waste, by continuous improvement and adoption of viable step-changes to services.

Notes

14. The target to achieve 50% recycling by 2014 reflects the commitment in the council business plan 2011-2015. Maintenance of this performance will be required, to ensure compliance with Revised EU Waste Framework Directive target of 50% recycling by 2020.
15. Improvements to waste and recycling collections completed by April 2012 are forecast to lead to an increase in recycling rate to about 50% by 2013-14.
16. Provision of kerbside recycling collection services to flats is programmed for Summer 2012. At this point the Council will be likely to have met the commitment to provide collections to all accessible households and will have exceeded the original JMWMS target of 95%. Further development will be needed to serve areas of new housing.
17. The council collects the following materials at kerbside :
 - a. Glass (colour separated)
 - b. Metal cans
 - c. Paper
 - d. Aluminium foil
 - e. Textiles and shoes
 - f. Plastic bottles
 - g. Cardboard.
18. The Revised EU Waste Framework Directive requires separate collection of at least paper, metal, plastic and glass by 2015. The council is now compliant with this requirement, subject to acceptance that the plastic bottles and card collection can be effectively separated for recycling, and that other plastics cannot be collected economically at kerbside. To date, separation of these materials at the MRF has been effective. Recent guidance issued by WRAP provides strong support for confining kerbside collection of plastics to plastic bottles only. The government is currently finalising guidance based on the Revised EU Waste Framework Directive, to clarify conditions in which collection of comingled recyclates may be appropriate.

Policies – Principle 2 – Recycling and Composting

P2.1 The council will continue to use guidelines for National Indicator (NI) 192 to assess recycling performance, to enable this to be compared with previous levels and with performance achieved by other local authorities. This is a measure of recycling and composting performance combined.

P2.2 The council will also continue to monitor recycling (of dry materials) and composting (of garden waste) separately.

P2.3 The council will seek efficiencies in the kerbside collection of dry recyclates, subject to final government guidance on conditions in which comingling will be acceptable and standards to be met in sorting comingled materials, and subject to cost and quality assessments of alternative services.

P2.4 the council will continue to promote collection of garden waste to achieve diversion of biodegradable tonnage from landfill. This is well established in Wiltshire and is the most cost effective way of diverting biodegradable waste from landfill.

P2.5 The council will not seek to establish separate collections of food waste, but will

pursue established measures – waste prevention and energy from waste - to divert more of this material from landfill.

This policy will be reviewed if required by changes to government legislation or financial factors.

P2.6 To ensure that best use is made of recycling opportunities by residents, the council will continue to promote local services, in conjunction with work on waste reduction. (See also Principle 1). The council will also promote provision for collections to take place safely and efficiently in the design of areas of new development.

P2.7 The council will maintain and seek to expand the network of household recycling centres (HRCs). There are currently 11 HRCs, located at :-

Amesbury, Devizes, Everleigh (near Pewsey), Lower Compton (near Calne), Marlborough, Melksham, Purton, Salisbury, Stanton St Quintin (near Chippenham), Trowbridge and Warminster.

P2.8 The council has identified the following settlements as priority locations for additional HRCs, subject to sites and funding being made available:

Lyneham, Ludgershall / Tidworth, Mere / Tisbury and Westbury.

In the case of Lyneham, the council will take into account the effects on local demand of the proposed changes to use of the airbase.

P2.9 The council will seek to increase the range of recyclates collected at HRCs, where it is feasible and economic to do so, with a focus upon biodegradable and hazardous wastes and service to residents.

P2.10 The council will seek to extend the scope of community re-use activities based at HRCs, provided these can be achieved safely and legally.

P2.11 The council will seek to promote the development of licensed and permitted recycling centres for business waste, and to prevent illegal use of household recycling centres (see also P1.4).

P2.12 The council will monitor the performance of mini recycling (local bring) sites, following major review the network during 2012, to respond to reduced use by residents and the major development of kerbside recycling collections. The intention will be to maintain a consistent local service backing up the expanded kerbside collections.

P2.13 The council will review its trade waste collection, to ensure that this :-

- a) Is based on an approved business case, which takes account of identified demand and all identifiable revenue and capital costs, including those arising from waste disposal
- b) provides accurate tonnage figures, preferably by separate collection, or alternatively by updated and regular test-weighting of bins
- c) if feasible, includes a significant recycling element, that prioritises biodegradable materials such as paper, card, green waste or food waste, subject to the availability of treatment facilities, and the need to give priority to treatment of household waste tonnage
- d) Makes a sufficient financial contribution to the Council's disposal,

treatment and Landfill Tax costs, to avoid being cross-subsidised by council tax payers.

P2.14 The council will apply a similar approach to provision of services to other paying customers (formerly identified as “Schedule 2” customers under the now-updated Controlled Waste Regulations), recognising that these customers should have access to a multi-material recycling collection.

Principle 3 – Further Diversion from Landfill

The council will recover energy or otherwise divert from landfill sufficient tonnage of Municipal Solid Waste (MSW), in addition to that diverted by recycling and composting, to achieve

- a landfill rate of 25% or less of total MSW by 2014
- a landfill rate equivalent to less than 35% of the biodegradable municipal waste tonnage landfilled at 1995 by 2019-20.

In the longer term, beyond 2020, the council will seek further measures to reduce landfill, as set out in principle 4.

Notes

19. To meet its share of the EU Landfill Directive target for 2020, Wiltshire must reduce landfilling of biodegradable MSW to 35% of the tonnage landfilled in 1995. Although LATS allowances are to be abandoned by the government after 2012-13, these are based on the Landfill directive targets and are therefore a useful guide to necessary performance. The allowance for Wiltshire in 2019-20 is equivalent to a total landfill tonnage (including non biodegradable waste)³ of about 64,000 tonnes.
20. The landfill target of 25% or less by 2014 is in the council’s business plan 2011-15. On current forecasts of MSW tonnage, a continued achievement of this target will be equivalent to landfilling no more than 65,000 to 66,000 tonnes of MSW at 2019-20 (See Table 2).
21. The council’s target and that implied by the landfill directive are therefore forecast to exert very similar requirements at 2019-20, namely a landfill total of less than about 65,000 tonnes. However this will be dependent upon actual MSW tonnages and will need to be monitored. The local target requires action by 2014, but provision has been made to achieve this.

³ UK LATS allowances were based on assumption that MSW is about 68% biodegradable. Composition surveys have indicated that Wiltshire’s waste is similar to this average.

Table 2: Wiltshire's Landfill and Reduction Targets

	MSW Landfill %	Council Target %	MSW Landfill Tonnage	Forecast of Council Target as Tonnage
2006/07	60.4%		158,600	
2007/08	61.5%		158,700	
2008/09	56.4%		141,600	
2009/10	47.21%		115,600	
2010/11	37.47%		91,000	
2011/12	36.6%		89,900	
2012/13				
2013/14		<25%		61,500 to 65,500
2015/16		<25%		62,800 to 63,800
2019/20		<25%		65,300 to 66,400

Notes: The council target % is as set out in the Business Plan 2011-2015 (page 58). The forecast tonnage compliant with this target is based on the forecasts of MSW in Table 1

22. Currently about 37% of MSW is landfilled (2011-12). The council anticipates that increased diversion of waste to recycling and composting, following kerbside collection service improvements during 2011-12 (cross ref) and operation of the Westbury Mechanical Biological Treatment (MBT) plant from 2013 is likely to achieve these targets, as follows:

Need:

Additional landfill tonnage required to achieve and maintain less than 25% MSW to landfill (from Table 2) 24,000 to 28,000 tonnes approx.

Provision:

Forecast MSW reduction and additional recycling and composting tonnage following kerbside collection improvements 21000 tonnes

and

Forecast tonnage diversion from landfill from MBT project 37,800 tonnes

However, these changes have not yet been achieved and their progress must be monitored.

Policies – Principle 3 – Further Diversion from Landfill

P3.1 The council will continue to monitor performance in landfill diversion and update forecasts of MSW and diversion tonnages regularly, to ensure that the targets set out in Principle 3 are met.

P3.2 The council will support further measures to reduce municipal waste sent to landfill, where the proposals comply with the Waste Hierarchy and achieve the Aims of the WMWMS 2012.

P3.3 The council will consider the scope for partnership with local business to achieve landfill reductions for commercial and household waste.

P3.4 The council will promote local use of the solid recovered fuel to be manufactured at the Westbury MBT plant.

Principle 4 – Waste Treatment Capacity

The Council will monitor available capacity for diversion of Municipal Solid Waste from landfill and, subject to the requirements of planning policies and procedures, will support any additional proposals required to meet targets and policies for landfill reduction (as set out in Principle 3), and to address the following:

- i. The scope for developing re-use, recycling, composting and other treatment industries in Wiltshire, to avoid creating waste or convert it to resources, and to encourage treatment of waste at higher levels in the waste hierarchy
- ii. The scope for community-based action and/or public and private sector partnership action to convert waste to resources
- iii. The scope for local use of resources produced by local waste treatment, such as refuse derived fuel
- iv. Opportunities to develop additional landfill diversion capacity in the south and west of Wiltshire
- v. identified gaps in the household recycling centre network
- vi. the scope to improve the carbon efficiency of waste collection, handling and treatment facilities.

In the longer term, the council will pursue the goal of zero waste to landfill and reduction of the environmental impact of waste treatment, by continuous improvement to waste collection and treatment services.

Notes

23. The concentration of landfill, MRF and composting capacity in the north of the County is being reduced under current contracts by developments at Amesbury (WTS) and Westbury (MBT plant), plus the renewed use of the Grateley on-farm composting site. However, decisions about provision from 2016 onwards may require new facilities. Also, there is growing interest in reducing the climate change impact of Council services. The development of additional landfill diversion capacity in the south and west of Wiltshire is likely to assist in reduction of waste miles.

Policies

P4.1 The council will ensure that waste management, economic development and land use planning policies are coordinated, to encourage local action to increase resource efficiency and treatment of waste to produce new “raw materials” or energy.

End of Strategy Document

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Understanding the market

Service Delivery Review

1. To gain a better understanding of the views and attitudes of the wider waste management industry, a service delivery review was undertaken by the waste service in June and July 2012. The review took the form of a series of individual meetings with a range of local, national and international service suppliers, together with an online questionnaire that could secure responses from a wider audience. The review collated views on:
 - a. The effectiveness of the current service delivery model and what other models could be considered by the Council
 - b. Waste management best practice
 - c. Future industry developments
 - d. How services could be packaged to achieve the optimum service format for the Council
 - e. How value for money might be demonstrated
 - f. Identifying opportunities for savings and efficiencies.

2. Key conclusions from the review

- One of the weaknesses of Wiltshire's current delivery model was the mixed economy of in-house and contracted-out waste and recycling collection services. The efficiencies to be gained through optimisation of routes, depot locations and tipping points, together with cross boundary (ex-district council) working were consistently highlighted.
- Where the service options and risks are well understood and specified suppliers recommended using the restricted tender procurement process.
- There was very little appetite for an integrated contract, i.e. bundling all collection and disposal services together. Suppliers were very keen on services being packaged into 'lots' that had commercial and operational synergies, as this was likely to be the most attractive option to the market.
- Offering small packages, as opposed to large integrated contracts, can encourage involvement of smaller, local businesses, as either the main or sub contractor, and provide better visibility of costs. This route was considered to result in a better value service.

Soft Market Testing

3. During April 2013 the waste service undertook another waste industry market consultation, or soft market test. The scope and structure of the exercise was designed in conjunction with the Corporate Procurement Unit (CPU) with the purpose of gaining a greater understanding of how the supply market operates, so that any subsequent procurement exercise was designed in a way that encourages a broad range of potential suppliers.

4. A comprehensive questionnaire was published online via the Council's Pro-contract procurement portal (<https://www.supplyingthesouthwest.org.uk/>). To ensure the market was aware of the consultation over 50 suppliers of waste services were directly notified of the opportunity to contribute to the exercise. In addition, over 15 local and national voluntary and community service organisations were contacted directly about the consultation.
5. In total, 12 questionnaires were returned; eight from national and international companies (including a wholly social enterprise provider of recycling services). The remaining four suppliers consisted of two smaller voluntary and community sector organisations (in terms of the elements of service provision they are interested in, as opposed to the scale of the organisation), a logistics company and a consultancy. The consultation generated a significant volume of detailed information from the supply market, which can be used to shape procurement and specification documents. Importantly, the responses also confirmed the views of the service about key aspects of any future service delivery.

Key Conclusions from the Consultation

6. Clarity of the service required by the Council was repeatedly emphasised, as were good communications at all stages of the process. Other key attributes of a good tendering exercise cited by suppliers included:
 - a. Opportunity for innovation and submission of variant tenders
 - b. No fixed method of service delivery
 - c. Clear evaluation criteria
 - d. Transparency of process
 - e. Sufficient time to prepare tenders
 - f. Clear timetable
 - g. Clear political alignment
 - h. Provision of accurate service data
7. In terms of the procurement route, the eight large suppliers had experience of both restricted tender and competitive dialogue, but only one specifically expressed a preference for the competitive dialogue route. This reinforced the messages received during the previous service delivery review.
8. In addition, surveys of selected neighbouring councils and those with similar characteristics (in terms of size, rurality and collection services) to Wiltshire Council were undertaken in March and April 2013. The surveys sought service delivery, performance and financial data against which our own services could potentially be benchmarked. It also sought to identify any potential partnering arrangements with other councils and/or infrastructure capacity that might be beneficial to Wiltshire's service delivery. The limited responses received showed that direct cost comparisons are difficult to assess and establish conclusions from. The information provided some useful contacts and identified some waste transfer station and materials recovery facility capacity in a neighbouring authority.

Collection Method for Dry Recyclable Materials

1. Currently, the Council operates a system with features of both a co-mingled model (plastic bottle and card), and kerbside sort (the 'black box' collections). A proposal to move to a wholly co-mingled model has been considered but this is not without risks. It was noted in the previous report to Cabinet in November 2012 that there was a judicial review that had been ongoing to determine the legality of the way in which DEFRA had transposed the wording of the EU revised Waste Framework Directive into UK law on the subject of separate collection of recyclable materials. This appeared to permit co-mingled collections as a viable option. This action against DEFRA, brought by members of the reprocessing sector, prompted changes to the wording of the UK legislation following which the judicial review was recently dismissed in a UK court. The claimants have subsequently indicated that they would mount no further challenge to DEFRA's interpretation and transposition of the revised Waste Framework Directive into UK law. However, there remains the risk that action could still be brought against individual local authorities seeking to move away from a kerbside sort model (where the quality of dry recyclable material is generally higher and hence of greater value) toward co-mingled collections. Legal advice is that this risk is low.
2. To help evaluate both systems Improvement and Efficiency Social Enterprise were commissioned to carry out a high level financial comparison of the two waste collection methods, together with an assessment of their relative performance and respective benefits and risks.
3. Whilst the results of this analysis suggested that a co-mingled method would deliver a cheaper service, largely due to projected savings in vehicles and crews, many of the conclusions were based upon estimated costs and other data. One of the report's conclusions was that there is very limited publicly available data. Other conclusions are listed below.
 - a. A commonly held advantage of a kerbside sort model is the higher prices received for recyclable materials. In building a financial model this is an important variable. Due to a lack of information Improvement and Efficiency Social Enterprise assumed a 5% reduction in the value of material collected using a co-mingled system. It is not possible to robustly test this assumption due to the commercial sensitivity of the rates paid for recyclable materials.
 - b. Another commonly held advantage of the co-mingled method is an increase in the quantity of material collected. This method requires less deliberation on the part of residents as all dry recyclable materials are placed in one bin. This results in greater levels of separation of recyclable materials from the household waste. This in turn increases performance and income levels. However, limited data has resulted in an assumed 5% increase in quantity of material collected using a co-mingled method. Some anecdotal evidence would suggest a greater increase should be attributed, but Improvement and Efficiency Social Enterprise, in the absence of hard data, have adopted prudent estimates.

- c. One of the key differentiating factors between kerbside sort and co-mingled methods has been the reject rate from the materials recovery facilities which receive and sort the recyclable materials. Materials recovery facilities supporting kerbside sort collections are often quite basic and relatively inexpensive to finance. They receive pre-sorted materials and so ensure a low reject rate. The quality of the materials results in higher income. In Wiltshire, the reject rate for kerbside sort dry recyclables is less than 2%. This compares with 5-6% for the co-mingled plastic bottle and cardboard. This reject rate could rise considerably with the addition of other materials and rates of 15% and above are not uncommon. This would render such a system financially unviable. To support a fully co-mingled stream a much higher specification materials recovery facility would be required. This would either be built in Wiltshire or capacity at a nearby commercial facility could be procured. Modern materials recovery facilities built to high technical specifications claim reject rates as low as 2-3% and are capable of accepting a wider range of materials than currently collected within Wiltshire. Such low reject rates have not been demonstrated consistently in existing plants. Some newer plants have achieved this but only on a relatively short term basis. The reject rate reflects the quality of the material delivered to the plant as well. On this basis, Improvement and Efficiency Social Enterprise assumed a 4% reject rate for financial comparisons. Operating costs for a facility are also estimated as these are commercially sensitive.
 - d. Improvement and Efficiency Social Enterprise's analysis also suggests a significant reduction in staffing, and consequently vehicles, associated with a co-mingled service. However, this comparison was undertaken from a current baseline and makes no allowance for the impact of the proposed re-modelling of collection rounds to be implemented in 2014-15. This will reduce the apparent differences in cost. The extent of this is as yet not known and the full year savings of remodelling rounds won't be confirmed until the end of 2013.
4. When estimating the differences in costs, taking both collection and treatment processes into account, the analysis concluded that a kerbside sort option would be around 16% more expensive than a co-mingled service. On that basis it concluded that there is the potential for savings if the council adopts a co-mingled model.
5. Other potential advantages associated with a co-mingled model include:
 - (i) Greater public acceptance, arising from greater simplicity, fewer bins, and fewer collection vehicles in total causing less congestion
 - (ii) Fewer vehicles producing less carbon emissions.
6. Given the data inadequacies described and the lack of evidence available, whilst the work done appears to favour a co-mingled collection method, the results are not sufficiently robust to properly inform a decision at this time.

7. There is an ongoing national drive to improve the quality of recyclable materials and provide for flexibility and choice of collection system by improving the performance of materials recovery facilities and so reduce reject rates.
8. The Government recognise that in order that the apparent choice in the interpretation of the revised Waste Framework Directive is really available to local authorities, materials recovery facilities must be able to produce recyclable materials which meet the quality specifications of the re-processing industry. If quality levels can be raised, greater income from the sale of recyclable materials would be available. Re-processors generally considered the quality of materials from co-mingled systems to be lower than that from kerbside sort collections. This resulted in the judicial review referred to in paragraph 1 above. However, data is limited with many materials recovery facilities neither assessing nor reporting on quality. DEFRA has now committed to an action plan that will legislate for:
 - Consistent performance data from materials recovery facilities to be provided through the national reporting system Waste Data Flow – which would therefore be available to local authorities
 - Quality management systems to be mandatory for all materials recovery facilities
 - Mandatory minimum technical specifications for all large scale materials recovery facilities
 - Standard quality grades for recyclable paper, plastics, metals and glass.
9. The outcome of these changes, which are expected to be in place by the end of 2014, should be reliable, consistent and transparent information on the performance of materials recovery materials facilities and the quality of recyclable materials being delivered to re-processors. This evidence is not yet available to inform the council in making a decision on the choice of collection method for recyclable materials at this time.

Assessment of Non-financial Factors

1. Each factor was weighted according to its importance in the context of service delivery. Scores were allocated to reflect whether each factor would be better managed by an in-house service or private sector provider. If the view was that an in-house service and private sector contractor could manage the factor equally well, a neutral score of zero was given. Scores were subsequently aggregated to generate a recommendation. The results of this exercise indicated a recommendation to outsource the collection service, based upon a qualitative analysis.
2. There is an assumption built into some responses that the Council will have already identified and extracted some significant efficiency savings prior to 2016, largely resulting from a fundamental redesign of collection rounds which is due to be implemented in 2014-15. Results from the Council's soft market testing exercise show that this is the most often cited means by which a contractor would seek to introduce innovation and generate efficiency savings from an outsourced model.
3. Whilst some of the scores suggested a wide disparity between in-house and outsourced services, in reality the outcome was often quite finely balanced with material factors being identified that could support either option. One example is the provision of depots where the case for outsourcing was made. There was recognition that there will be a need for greater depot space in the future, owing to the current reliance on Hills Waste Solutions for depot space for the kerbside sort vehicles as the current provider of the 'black box' dry recyclables service. In addition, FCC has provided additional depot space for the vehicles for the plastic bottle and cardboard collections in the west. The Council's current depot strategy is unlikely to result in the provision of new facilities by 2016. At present there is no funding in the Council's capital programme for the provision of the additional depot space required.
4. In a number of cases, scores which favoured an outsourcing model were based upon perceptions of the likely availability of future funding, particularly capital. Whilst it was recognised that councils could borrow at a cheaper rate than the private sector, final scores also reflected the Council's priorities for capital investment.

Communications

1. Internal communications and stakeholder engagement will be an integral part of the success of this project. The broad nature of the project and potential sensitivities regarding the future delivery of waste services require a comprehensive communication strategy to support the council in engaging with a wide range of stakeholders in a timely manner.
2. Robust and extensive internal communications are essential in order to communicate effectively to internal waste operational and back office staff, unions and staff working for current contractors. Any decisions made will have significant implications for many staff and it is therefore essential that messages are timely and are communicated in an open and transparent manner.
3. A communication and stakeholder engagement strategy has been developed to support the rollout of this project, the principal aims of which are:
 - To deliver clear and tailored messages to project stakeholders in a timely manner, using appropriate communication channels
 - To respond promptly and accurately to any concerns and anxieties
 - To ensure all project communications are consistent with the corporate communication protocols, branding and guidelines.
4. Key stakeholders identified include:
 - Wiltshire Council waste management staff
 - Current contractors (Hills Waste Solutions and FCC)
 - Trades Union representatives
 - Other Council services
 - Local media
 - Community partners
5. There are a number of key communications issues throughout this project, predominantly regarding maintaining service continuity and reducing any reputational risk to the Council. The following key principles will be integral to the communications programme in order to manage these:
 - Advise staff of the outcome of this and other Cabinet decisions in a timely manner, and provide additional information which is relevant to the decision made.
 - Where necessary, communicate, guide and support staff through any TUPE implications and arrangements over an extended period of time. Ensure that there is regular and timely contact between HR and waste management staff.
 - Provide staff with consistent and detailed information about any changes in policies and operational practices that may affect their role.

- Work effectively with key personnel from our current contractors to provide consistent messages to their staff about decisions made and the implications of those decisions.
- Ensure that all staff have access to reliable and timely information in order to respond to rumours, concerns and anxieties.
- Work effectively with trades union representatives throughout the project to ensure that they have an opportunity to contribute to and understand the implications of decisions made.
- Engage with community partners and local media at key milestones during the project.

Leveraging Social Value and Public Services (Social Value) Act, 2012

1. In order to progress the new aims and principles raised under the Act, we have adopted the principles of the Wiltshire Compact to guide the procurement work undertaken so far. These include addressing the promises of building stronger, more resilient communities in Wiltshire; promoting, supporting and encouraging the work of community groups and volunteering in Wiltshire; and recognising and promoting the importance of equality, diversity and human rights to ensure an inclusive approach in the creation of stronger, more resilient communities. We have engaged the Compact in reaching out to the voluntary and community sector in Wiltshire to enable these organisations to become fully engaged in the pre-procurement process in a timely manner.
2. The Waste Re-use Forum was set up in 2012, with the aim of actively promoting engagement with the voluntary and community sector to consider joint ways of working, including conducting trials which explore ways of achieving this, such as identifying items suitable for re-use from the household recycling centres, exploring ways of working more closely to deliver the bulky household waste collection service whilst achieving a higher rate for re-use than is secured currently, and producing a service information leaflet about this service and the importance of engaging with the voluntary and community sector.
3. Building on the relationships forged through this forum, pre-procurement engagement began in February 2013 by highlighting and distributing our market testing exercise to all voluntary and community sector organisations involved in the Waste Re-use Forum, the Wiltshire Compact, and broader international, national and local organisations that we were otherwise aware of. This included engaging with broader umbrella voluntary and community sector organisations such as the Furniture Re-use Network and the Charity Retail Association. Three of those organisations positively responded to the exercise.
4. We now understand that some voluntary and community sector organisations have the capability to deliver the whole waste collection service by contracting with the Council directly. In contrast, other voluntary and community sector organisations are able to deliver discrete elements of the service, such as delivering the bulky household collection service, which could be achieved through sub contracting to either the Council or a private contractor. The organisations who are able to do this, deliver their services on a national scale. All of these options present opportunities for the Council to develop the social value of the waste collection service from where it currently stands.
5. Whether the collection service is delivered in-house, by a private contractor or by a voluntary and community sector organisation, working with the voluntary and community sector can be specified as a service requirement and can be achieved through a partnership approach, service level agreement or by formal contract arrangement in each scenario.

6. Private contractor respondents to the market consultation exercise carried out by the Council confirmed that contractors already either directly employ or sub-contract out elements of their waste collection contracts to the voluntary and community sector, most by using the voluntary and community sector to deliver the bulky household waste collection service. On a local level, voluntary and community sector organisations have limited capacity to expand their working practices, although they have all previously expressed interest in closer working with the Council's broader waste management service.
7. There is an opportunity to further develop the role of drivers and loaders in the waste collection service to effectively become part of the 'eyes and ears' of the Council and other public agencies on the ground. This could have distinct advantages for services such as adult care, public health, and consumer protection. Further consideration will be given to this and any training required.

Public Services (Social Value) Act, 2012

8. There are some practical considerations related to The Public Service (Social Value) Act 2013 and these are set out below.
 - (i) Whilst larger waste contractors are national or international in scale, the majority of the workforce is likely to be recruited locally. The need for skilled and experienced management means that senior posts are likely to be recruited nationally, by both a contractor and an in-house provider.
 - (ii) As set out in paragraph 5 above, working with the voluntary and community sector can be specified as a service requirement whether the service is delivered in-house or through a contract. Working with the voluntary and community sector can be achieved through a partnership approach, under a service level agreement or by formal contract arrangements in either scenario.
 - (iii) As set out in paragraph 6 above, respondents to the market consultation exercise carried out by the Council confirmed that contractors already either directly employ or sub-contract out elements of the waste collection contract to the voluntary and community sector. This mainly involves using the voluntary and community sector to deliver the bulky household waste collection service.
 - (iv) Involving the voluntary and community sector in delivering the waste management service demonstrates that the Council is delivering the Wiltshire Compact promises of building stronger, more resilient communities in Wiltshire; promoting, supporting and encouraging the work of community groups and volunteering in Wiltshire; and recognising and promoting the importance of equality, diversity and human rights to ensure an inclusive approach in the creation of stronger, more resilient communities.

TUPE issues

1. Issues include, but are not limited to:
 - (i) Pensions liabilities
 - (ii) Loss of key staff leading to potential service disruption
 - (iii) Industrial unrest
 - (iv) Inadequate mobilisation period
 - (v) Inflated tender pricing
 - (vi) Lack of comprehensive and timely employment data

2. From engagement with the market it is clear that the most significant risk relates to pension liabilities. Most suppliers cited this as a key area of concern and appear to focus on inherited liabilities. This would potentially arise with staff transferred from the Council to a contractor when the new supplier applied for Admitted Body Status to the Local Government Pension Scheme and the terms for funding any additional liabilities resulting from, for example, national changes in employer contribution rates were not fully resolved in the contract. This in turn could attract a risk inflated price if there was not a mechanism in place to deal with resulting liabilities.

Project Group and Communications

3. In line with Council TUPE guidance, a project group will be established to manage the TUPE issues and subsequent communications with staff. This group will have representatives from finance, human resources, legal, waste management, and trades unions to ensure that all options and proposals are considered and the TUPE process is managed in accordance with all legal requirements.

4. It is essential that timely communications are delivered to those staff potentially affected by TUPE arrangements and the project group will work with the communications project team and representatives from current and future contractors to prepare and deliver information on any decisions made, the implications of the decision and in response to questions, rumours and concerns.

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Wiltshire Council

Cabinet

23 July 2013

Subject: Proposed Alignment of Senior Management Structure To The New Business Plan

Cabinet member: Cllr Jane Scott, Leader of the Council

Executive Summary

In 2009 a senior management structure was implemented to reflect the transition into a new unitary council. The structure focused on specific service areas with the aim of maintaining a seamless transition and minimising the impact on customers and service users. A four year business plan was approved by council in September 2011 which set out the service priorities for the council.

In November 2011 a new leadership model was implemented that included removing the post of chief executive and creating three corporate directors and a joint director for public health, supported by 18 service directors.

A further review in December 2012 reflected the integration of public health into the council and the merger of the joint director of public health with a corporate director post, creating a new leadership model of three corporate directors.

Following the elections in May 2013, a new business plan was drafted reflecting the challenges and changes that the council faces in the next four years. The plan has moved from transition and service specific towards transformation, innovation and themed areas of delivery. The business plan will be discussed by cabinet on the same agenda as this paper and, if approved, will go to full council on 3 September 2013.

It is proposed that the senior management structure is reviewed to reflect the draft business plan.

The proposed restructure, if approved, will be implemented following full council approval of the new business plan.

Proposal

That the cabinet:

- a) Considers the proposed review of the senior management structure in line with the draft business plan 2013 – 2017.

Reason for Proposal

The new draft business plan reflects the challenges and changes that the council faces in the next four years.

It has evolved from being service specific and focusing on protecting the most vulnerable in our communities, investing in services and making savings; to a themed based focus that will continue to protect the most vulnerable, boost the local economy, do things differently through being more innovative and deliver further savings. The proposed senior restructure will align posts to reflect the business plan 2013 - 2017.

Dr Carlton Brand, Carolyn Godfrey, Maggie Rae, Corporate Directors

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