

## Cabinet

Thursday, 13th October, 2011  
6.00 - 6.40 pm

Attendees	
<b>Councillors:</b>	, Steve Jordan (Leader of the Council), John Rawson (Cabinet Member Built Environment), Klara Sudbury (Cabinet Member Housing and Safety), Andrew McKinlay (Cabinet Member Sport and Culture), Roger Whyborn (Cabinet Member Sustainability) and Colin Hay (Cabinet Member Corporate Services)

## Minutes

### 1. APOLOGIES

Apologies were received from Councillor John Webster.

### 2. DECLARATIONS OF INTEREST

There were no declarations of interest.

### 3. MINUTES OF THE LAST MEETING

The minutes of the meeting held on 27 September had been circulated with the agenda.

**RESOLVED that the minutes of the meeting held on 27 September be agreed and signed as an accurate record.**

### 4. PUBLIC QUESTIONS AND PETITIONS

There were no public questions or petitions.

### 5. THE CREATION OF A LOCAL AUTHORITY COMPANY WITH COTSWOLD DISTRICT COUNCIL

The Leader of the Council explained that this was a special meeting of Cabinet which had originally been scheduled for the purposes of a countywide discussion on a joint committee on waste but this had since been postponed.

The Cabinet Member Sustainability reported that Cotswold District Council had met earlier in the day and approved the creation of the Local Authority Company. This followed on from the work both councils had been doing in examining options for joint working in waste services as members of the Gloucestershire waste partnership. Both Councils subsequently worked towards the creation of a Local Authority Company to deliver improved outcomes for waste, recycling and street cleansing and value for money for the public.

He reported that the initial net annual service saving to Cheltenham from the establishment of the company was estimated to be £125 000 in a full financial

year from August, mainly due to savings in management costs, with the savings rising to £225 000 in 2014.

The Cabinet Member Sustainability said that when the Company goes live customers would see no actual change to their existing service. It was hoped that the transition would be seamless. There would however be immediate advantages of economies of scale. The Cabinet Member highlighted that recycling rates would continue to improve and the aim was to achieve 60 %.

The Cabinet Member Sustainability further explained that the Council was continuing to pursue joint collaborative working and continued to depot share with Tewkesbury Borough Council and it was hoped that Tewkesbury and other councils would join the company in the future.

The Cabinet Member Sustainability highlighted what services were proposed to be “in scope” and at this point paid tribute to the work undertaken by the cross council working group and to officers supporting that group.

The Cabinet Member wished to put on record his thanks to the great number of officers who had been involved in the project to date including the drafting of the articles, shareholder agreement and the service level agreements.

The company would be called Ubico and would have its head office at Swindon Road with a further depot in the Cotswolds. The Cabinet member stressed that the Local authority company would be operational only and would not make policy. There would be a member representative on the company with speaking rights but not voting rights. The branding of the company had yet to be determined but would be examined by a cross authority member led group. CBC staff would transfer to the company under TUPE arrangements in April 2012 and terms and conditions and pension rights would be preserved. He highlighted that senior officers of the Local Authority Company would still be called to account before Overview and Scrutiny.

The Cabinet Member Sustainability stated that setting up the Local Authority Company was a major step in collaborative working. It placed the Council and Cotswold District Council and others who may join in the future in a strong position if and when a joint waste committee was established in the county.

The Leader of the Council placed on record his thanks to all those who had been involved in the project including the Cabinet Member Sustainability. This project represented the Council’s biggest to date in terms of sharing services and would impact on every household. It was crucial that it worked well and efficiencies were achieved. In order to keep an overview of the work of the company it was suggested that a member with observer status be appointed to the board. Councillor Colin Hay was proposed to fill this position and Group Leaders were currently being consulted on this nomination prior to Cabinet’s approval on 18 October. The Leader also highlighted that the second resolution in the report had been amended to delegate authority to the Chief Executive as opposed to the Executive Director.

The Chair of Environment Overview and Scrutiny Committee was invited to address the meeting. She expressed her extreme disappointment that the comments made by the committee about the Local Authority Company at its 14

September meeting had not been referred to in the report. Scrutiny was vital to proper Council procedure which should be transparent and open. She asked how this was to be overcome. The Leader of the Council noted that the comments of the Committee (tabled at the meeting and attached to these minutes) did not raise any specific concerns. However, it was acknowledged that the input of scrutiny should be given the recognition it deserved and this would be improved upon in the future.

The Cabinet Member Sustainability invited Andrew Powers, Accountant, to update members on the amended Paragraph 12.3 in the report which was reported as follows :

“Advice to date from Gloucestershire LGPS Actuary suggests that the impact on Pensions for the controlling Councils on the formation of the Company will be nil. However, the decision on the transfer of pension liabilities has yet to be determined. There is also an indication from Gloucestershire’s LGPS Actuary that staff transferring to the Company will transfer with fully funded pensions as any deficit on those staff will remain with their original employing body. This means that the Councils will have fewer employees to spread the recovery of that deficit over although the change by the Actuary to recover deficits as a fixed sum rather than as a percentage of total pensionable pay should help to mitigate this risk.”

The Cabinet Member Corporate Services welcomed the creation of the Local Authority Company and said how it was testimony to how waste services at the Council had worked up until now. The way in which the Council interacted with waste collection was important as too was the role overview and scrutiny played.

Cabinet agreed that a review of the member observer role on the Local Authority Company should take place within 6 months to ensure that it was satisfied with the arrangements.

In response to a question the Cabinet Member Sustainability confirmed that should an issue with waste arise the first port of call for a member of the public or a ward councillor would be to contact the customer services team who would then report it to the Director of Commissioning. If the problem could not be resolved immediately a site visit would be arranged between the ward councillor and officers of the Local Authority company. The aim was to resolve problems within existing budgets and policies with the decision being taken at the lowest level possible. Communicating with members on this process was vital and Cabinet agreed that overview and scrutiny should be invited to look at the communications procedure prior to the launch.

In terms of a question on the aviary at Pittville Park the Director Operations confirmed that this was within the scope of the company’s arrangements with the council.

The Leader hoped that other councils would join the company in the future and informed the meeting that the shareholder agreements would be made public in due course.

**RESOLVED THAT**

1. It be agreed that all services in scope and identified in 2.2.5 of the report will be undertaken by the Local Authority Company, namely:-

- waste collection
- kerbside recycling collections
- organic waste collections
- servicing of neighbourhood recycling sites
- operation of Swindon Road recycling centre
- street cleaning
- public toilet cleaning
- maintenance of parks and gardens, sports pitches and open spaces
- fleet management and maintenance
- Cheltenham Borough Homes (CBH) Grounds Maintenance

2. It be agreed that

- authority be delegated to Andrew North, Chief Executive, in consultation with the Cabinet Member – Sustainability, Cabinet Member - Finance, s151 officer and Borough Solicitor to make any consequential or minor amendments as necessary to the Articles of Association and Shareholder Agreement to ensure consistency between these documents and the documents referred to below
- authority be delegated to Andrew North, Chief Executive in consultation with the Cabinet Member Sustainability, Cabinet Member Finance, s151 officer and Borough Solicitor to finalise and complete the Waste/recycling/street cleaning/grounds maintenance Contract, all other contracts (including arrangements for use of the council's depot and other assets) and all other legal documentation as necessary to enable the Company to commence business from 1<sup>st</sup> April 2012

3. Grahame Lewis, Executive Director, be appointed as the council appointed director to the Company's Board of Directors and Councillor Colin Hay be selected as the member observer to the Company's Board of Directors. This member will not have any voting rights, but will have speaking rights and confidentiality obligations. This Council observer will not be the Leader or the Cabinet Member Sustainability.

4. The Borough Solicitor be authorised to register the Company at Companies House, as soon as possible after this Cabinet.

5. That a Shadow Board be set up as soon as practical after the registration of the Company at Companies House.

6. A further report on the establishment of the Gloucestershire Waste Partnership Joint Waste Committee be presented to Cabinet on 15 November 2011.

**Chairman**

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## **EXCERPT OF MINUTES FROM ENVIRONMENT O & S- 14 SEPTEMBER 2011**

### **Agenda item 10 : Joint Environmental Services Commissioning Report**

The Cabinet Member Sustainability referred to the Member seminar held the previous evening and outlined the background to the commissioning project. Significant management and operational savings were projected by setting up a Local Authority Company, a non-profit making body which would deliver waste and other environmental services including park management. A Cabinet working group comprising Cllrs Thornton, Fisher, Hall, Stewart and Whyborn, was due to meet that week to discuss the proposals and comments from the committee would be fed into this group.

Members requested that the presentation from the recent member seminar and all relevant paperwork relating to the project be circulated to all members. This should include extracts of relevant information from the confidential reports which at the time were confidential due to the commercial sensitivity of the information. It was confirmed that the answers to the points raised at the seminar, including on value added tax and pension fund issues, would be circulated to all members.

In response to a question on the trade union view of the project the Director of Operations explained that the trade unions had been engaged at the start of the process and formal meetings were held with them on a regular basis. They were broadly supportive of the process and appreciated the difficult financial position the authority faced.

The Chair thanked the Cabinet Member for the update and reminded Members that the report would be considered by Cabinet at a special meeting on 13 October. She requested that the minutes of this meeting be forwarded to Cabinet for their information.

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Page 2