

# Scrutiny & Overview Committee

Monday 9<sup>th</sup> November 2015 at 6.00pm  
Conference Room, Parkside, Chart Way, Horsham

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Councillors: Leonard Crosbie (Chairman)  
David Coldwell (Vice-Chairman)      Tony Hogben  
Alan Britten      Nigel Jupp  
John Chidlow      Tim Lloyd  
Paul Clarke      Brian O'Connell  
Roger Clarke      David Skipp  
Jonathan Dancer      Ben Staines  
Matthew French      Michael Willett

You are summoned to the meeting to transact the following business

## Agenda

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	<b>Page No.</b>
1. Apologies for absence	
2. To approve as correct the minutes of the meeting of the Committee held on 14 <sup>th</sup> September 2015 (attached)	1
3. To receive any declarations of interest from Members of the Committee	
4. To receive any announcements from the Chairman of the Committee or the Chief Executive	
5. To receive any replies from Cabinet/Council regarding Scrutiny and Overview recommendations	
6. Business Improvement Working Group: Notes of the meeting held 13 <sup>th</sup> October 2015 attached	7
7. Crime and Disorder Working Group: Next meeting 14 <sup>th</sup> December 2015 - Chairman's update	
8. Finance and Performance Working Group: Next meeting 18 <sup>th</sup> November 2015 – Chairman's update	
9. Social Inclusion Working Group: Notes of the meeting held 28 <sup>th</sup> September 2015 attached	13

10. Health Provision Working Group: Notes of the meeting held on 28th October 2015  
(to follow)
11. Trade Waste Working Group: Final report by the Street Scene & Fleet Manager and  
Draft Marketing Communications Plan 17
12. Rail Performance Working Group: Final update
13. Membership of Working Groups: In future to be determined by Scrutiny and  
Overview
14. Review of West Sussex Traffic Assessments for Major Developments Working  
Group – Selection of Working Group
15. To receive any suggestions for the Scrutiny and Overview Work Programme  
None to receive
16. Items not on the agenda which the Chairman of the meeting is of the opinion should  
be considered as urgent because of the special circumstances

**SCRUTINY & OVERVIEW COMMITTEE**  
**14<sup>TH</sup> SEPTEMBER 2015**

Present: Councillors: Leonard Crosbie (Chairman), David Coldwell (Vice-Chairman) Paul Clarke, Roger Clarke, Jonathan Dancer, Tony Hogben, Nigel Jupp, Tim Lloyd, Brian O'Connell, Ben Staines, Michael Willett

Apologies: Councillors: Alan Britten, John Chidlow, Matthew French, David Skipp

Officers: Katharine Eberhart, Director of Corporate Resources

Also present: Councillor Christian Mitchell

SO/18 **MINUTES**

The minutes of the meeting of the Committee held on 6<sup>th</sup> July 2015 were approved as a correct record and signed by the Chairman.

SO/19 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

SO/20 **ANNOUNCEMENTS FROM THE CHAIRMAN OF THE COMMITTEE OR THE CHIEF EXECUTIVE**

There were no announcements.

SO/21 **REPLIES FROM CABINET/COUNCIL REGARDING SCRUTINY AND OVERVIEW RECOMMENDATIONS**

There were no replies from Cabinet or Council.

SO/22 **BUSINESS IMPROVEMENT WORKING GROUP – TO RECEIVE AN UPDATE FROM THE CHAIRMAN AND NOTES OF THE MEETING HELD 28<sup>TH</sup> JULY 2015**

The Chairman of the Business Improvement Working Group presented the notes of the meeting held 28<sup>th</sup> July 2015.

The Working Group was awaiting a note on property and asset management, which would be received at its next meeting.

The Group had agreed it would not review the outcome of the recent office move as this would be assessed by the Business Transformation Advisory Group. However the Committee agreed that Scrutiny should have a role in reviewing this and it was suggested that the Chairman request a presentation to the Committee or full Council on the office move, similar to the presentation received by the Advisory Group.

SO/22 Business Improvement Working Group – To receive an update from the Chairman and notes of the meeting held 28<sup>th</sup> July 2015 (cont.)

The Working Group continued to await the briefing note requested by the Chairman of the Committee, from the Chief Executive, explaining and providing clarity on the high court appeal process. Once the Working Group had received the note from the Chief Executive it would review this alongside a mapping exercise of the whole planning process, from the initial application through to a high court appeal.

RESOLVED

That the notes of the Business Improvement Working Group meeting held on 28<sup>th</sup> July 2015, be received.

REASON

All notes of Working Group meetings are to be received by the Committee

SO/23 CRIME AND DISORDER WORKING GROUP – TO RECEIVE AN UPDATE FROM THE CHAIRMAN

The Chairman of the Crime and Disorder Working Group updated the Committee on the Working Group.

A presentation by the Sussex Police and Crime Commissioner had taken place since the last meeting of the Group. At the next meeting the Working Group would be hearing from the police regarding the Community Safety Partnership action plan, updating Members on the matters in the District.

One Member of the Committee had some concerns following the presentation by the Police and Crime Commissioner; these would be emailed to the Chairman of the Working Group and would be addressed at the Group's next meeting.

RESOLVED

That an update from the Crime and Disorder Working Group be received.

REASON

All updates from Working Groups are to be received by the Committee.

SO/24 **FINANCE AND PERFORMANCE WORKING GROUP – TO RECEIVE AN UPDATE FROM THE CHAIRMAN AND NOTES OF THE MEETING HELD ON 26<sup>TH</sup> AUGUST 2015**

The Chairman of the Scrutiny and Overview Committee presented the notes of the Finance and Performance Working Group meeting held on 26<sup>th</sup> August 2015, in the absence of the Working Group Chairman.

The Committee noted the update from the Group.

The Working Group had requested the attendance of the Cabinet Member for Waste and Recycling at its next meeting to update the Group on a number of issues including Council's proposals to replace the refuse collection fleet. The Committee supported the Group's request to hear from the Cabinet Member on these matters and proposals.

The Scrutiny and Overview Committee agreed that the Finance and Performance Working Group would no longer receive a quarterly overview of the Council's use of the Regulation of Investigatory Powers Act (RIPA) 2000 and instead this would be received by the Business Improvement Working Group, as it was the Business Improvement Working Group that currently received the annual report on the use of RIPA.

RESOLVED

That the notes of the Finance and Performance Working Group meeting held on 26<sup>th</sup> August 2015, be received.

REASON

All notes of Working Group meetings are to be received by the Committee

SO/25 **SOCIAL INCLUSION WORKING GROUP – TO RECEIVE AN UPDATE FROM THE CHAIRMAN**

The Committee noted that there had been no further meetings of the Social Inclusion Working Group.

RESOLVED

That an update from the Social Inclusion Working Group be received.

REASON

All updates from Working Groups are to be received by the Committee

SO/26 **HEALTH PROVISION WORKING GROUP – TO RECEIVE AN UPDATE FROM THE CHAIRMAN AND NOTES OF THE MEETING HELD ON 29<sup>TH</sup> JULY 2015**

The Chairman of the Scrutiny and Overview Committee presented the notes of the Health Provision Working Group meeting held 29<sup>th</sup> July 2015 and the proposed Terms of Reference, in the absence of the Chairman.

The Committee approved the Terms of Reference but wanted to ensure that the Group's review included the District as a whole and did not focus only on Horsham and Horsham Hospital. The Members highlighted the division in the District in terms of health care and clinical commissioning groups, and Members were keen to ensure that the entire District formed part of the review.

The Health Seminar which the Councillors were due to receive on 30<sup>th</sup> September 2015 would be provided by the Crawley and Mid Sussex CCG, however Members were keen to see a similar seminar provided by the coastal CCG which serviced the south of the District.

Members expressed concerns in relation to the car park at Horsham Hospital, if there was to be an expansion of services at the Hospital, then the car park should also be taken into consideration.

The Committee noted the information that had been requested by the Group and this would be discussed at its next meeting.

RESOLVED

- (i) That the notes of the Health Provision Working Group meeting held on 29<sup>th</sup> July 2015, be received
- (ii) That the Terms of Reference be approved by the Committee

REASON

All notes of Working Group meetings and their Terms of Reference are to be received and approved by the Committee.

SO/27 **TO RECEIVE ANY SUGGESTIONS FOR THE SCRUTINY AND OVERVIEW WORK PROGRAMME**

A number of suggested work programme items were presented to the Committee for consideration. After some discussion the following was agreed:

SO/27 To receive any suggestions for the Scrutiny and Overview Work Programme (cont.)

Item 1 – The Council's Heritage Strategy: The Committee agreed that the Cabinet Member for Leisure and Culture should establish an advisory group to draw up a heritage strategy and it was not appropriate for a Scrutiny working group to carry this out this review.

Item 2 – Car parking provision in new developments: This was no longer appropriate for the Scrutiny and Overview work programme.

Item 3 – The funding shortage for infrastructure west of Horsham: This was no longer appropriate for the Scrutiny and Overview work programme.

Item 4 – The Council's Communication Policy: This was no longer appropriate for the Scrutiny and Overview work programme.

Item 5 – Follow up on the recent office move: This item was currently being addressed by the Business Transformation Advisory Group.

Item 6 – Follow up on the impact of planning appeals: This was currently being addressed through the Finance and Performance Working Group and the Chairman of the Scrutiny Committee.

Item 7 – Monitor the performance of Development Management: This item had been addressed and finalised by the Business Improvement Working Group.

Item 8 – Examine the S106 process: This would be addressed alongside item 10 and item 1 raised by the member of the public, under a review of S106 to look at the process, accountability and finances. The review would be undertaken by the Business Improvement Working Group with an extended membership for the purposes of this task, and would include a number of new Councillors.

Item 9 – Assessment and accountability of West Sussex County Council traffic assessments and forecasts, especially relating to new developments: The Committee agreed that a new working group be established to review this. Guidance would be sought from West Sussex County Council and the review would not be restricted to major developments only.

Item 10 – Total review of S106 procedures: This would be addressed alongside item 8 and item 1 raised by the member of the public, under a review of S106 to look at the process, accountability and finances. The review would be undertaken by the Business Improvement Working Group with an extended membership for the purposes of this task, and would include a number of new Councillors.

Item 11 – Review of affordable housing: This item would be suspended until further information regarding the new Affordable Homes Bill was passed and available, as this would be likely to make some changes to the present situation.

SO/27 To receive any suggestions for the Scrutiny and Overview Work Programme (cont.)

Item 12 – Boundary Commission Review: This item would not be ready for review until 2016.

Item 1 Raised by a member of the public – Review of viability Information for West of Southwater strategic site: This would be addressed alongside item 8 and 10, under a review of S106 to look at the process, accountability and finances. The review would be undertaken by the Business Improvement Working Group with an extended membership for the purposes of this task, and would include a number of new Councillors.

RESOLVED

That any suggestions for the Scrutiny and Overview Committee work programme be received.

SO/28 **TO AGREE THE FUTURE OF THE OUTSTANDING WORKING GROUPS**

The Scrutiny and Overview Committee noted two outstanding working groups which were scheduled to meet this year, following recommendations made to the previous Committee prior to the elections.

The Committee agreed that the Trade Waste Working Group would receive one final report to follow up on the recommendations that had been made in its final report.

The Rail Network Performance Working Group would be reformed with three members, to meet once a year in order to maintain an overview of the performance of Network Rail and Southern Rail.

SO/29 **ITEMS NOT ON THE AGENDA BUT CONSIDERED URGENT**

None.

The meeting finished at 8.12 pm having commenced at 6.00 pm.

CHAIRMAN



**Notes of the Scrutiny and Overview Committee**  
**Business Improvement Working Group**  
**13<sup>th</sup> October 2015**

- Present:** Councillors: Brian O'Connell (Chairman), John Chidlow (Vice-Chairman)
- Apologies:** Councillors: Paul Clarke, Jonathan Dancer, Tony Hogben, David Jenkins, Godfrey Newman, Michael Willett
- Also present:** Councillors: Leonard Crosbie (Chairman of Scrutiny & Overview Committee), Christian Mitchell
- Officers:** Katharine Eberhart, Director of Corporate Resources  
Paul Cummins, Head of Legal & Democratic Services  
Brian Elliott, Property & Facilities Manager  
Aidan Thatcher, Development Manager  
Raymond Warren, Business Transformation Officer

1. **TO APPROVE AS CORRECT THE RECORD OF THE MEETING HELD ON 28<sup>TH</sup> JULY 2015**

The notes of the meeting held on 28<sup>th</sup> July were approved as a correct record.

2. **DECLARATIONS OF INTEREST**

There were no declarations of interest.

3. **ANNOUNCEMENTS FROM THE CHAIRMAN OR CHIEF EXECUTIVE**

There were no announcements.

4. **PRESENTATION ON BUSINESS TRANSFORMATION PROGRAMME**

The Business Transformation Officer presented an update on the Business Transformation Programme. The presentation focussed on the office move and on improvements to customer access, in particular changes to the website to make it a user friendly digital service.

The number of residents using on-line services had increased significantly since the new website was launched, and Members discussed the benefits, focussing on the Housing Register on-line service. Improving customer access was an on-going process and more work was being done.

4. Presentation on Business Transformation Programme (Cont.)

The office move had been achieved within a tight schedule. The new offices provided an efficient and productive use of space, with a greatly reduced need for storage. The new office environment offered flexible working opportunities, which encouraged modernised work patterns.

The Chairman commended the Officer for the work he had done in implementing this ambitious project.

The Chairman asked for the following information to be reported back to the Working Group:

- Details of how what had been achieved differed to what had been forecast in the business case presented to Council a year ago.
- The new programme of work looking forward to the next two to three years

5. PROPERTY & ASSESSMENT MANAGEMENT REVIEW

The Property & Facilities Manager gave a verbal report on the performance of the department now that the new structure was established. The structure had been simplified, with clearer roles that focussed on function rather than location. The second stage of the restructure involved the outsourcing of Facilities Management. The number of staff, excluding the Manager, had been reduced from 15 to nine. The Property and Facilities Manager confirmed that the performance of the outsourced contract would be closely monitored.

Members discussed the Asset List and possible opportunities for increasing the revenue stream. The Property & Facilities Manager confirmed that he advised the Property Investment Advisory Group of opportunities which then discussed the merits and suggested what action to take on properties where value was identified.

- The Chairman requested that the Asset List be updated to show the repair liability for each property.

6. REVIEW OF THE S106 PROCESS

This item had been added to the work programme following the meeting of the Scrutiny & Overview Committee on 9<sup>th</sup> September. Two Councillors and one member of the public had suggested reviewing the S106 process.

6. Review of the S106 Process (Cont.)

Members discussed the S106 process, in particular: the need to ensure that new Members and Parish Councils were clear about the current process;

the extent to which Local Members could be involved in negotiating a S106 agreement; the introduction of CIL in 12 to 16 months' time; the West of Southwater development; and the need to monitor the payment of contributions.

The Development Manager advised that the restructured Planning Department would include a Planning Obligations Officer whose role would be to co-ordinate and monitor S106 agreements. With regards to Local Member involvement, the Development Manager advised that the heads of terms of a S106 agreement were based on consultation responses and it would be appropriate for Members to be made aware of these at the Committee Report stage of the planning process.

The Working Group agreed that the S106 Review would:

- Establish and clarify the existing process with a view to producing a briefing suitable for District and Parish Councillors;
- Review West of Southwater strategic site as a case study to inform future major applications;
- Review monitoring process;
- Review financial reporting that is made available to District and Parish Councillors;
- Establish how Local Members can become involved in the process of S106 negotiation at an appropriate stage
- Be mindful of the changes to the process that the introduction of CIL would bring.

A meeting of the Working Group had been arranged for 10<sup>th</sup> November to begin work on this review. Additional Members would be added to the Working Group for the duration of the review.

## **7. APPEALS PROCESS – POLICY AND PROCEDURE REVIEW**

The Chairman outlined the background as to why the BIWG had been requested by Scrutiny and Overview Committee to look at this item. The Council had incurred significant expenditure in defending planning appeals by developers. These sums were highlighted in recent Finance and Performance reports presented to the Finance and Performance Working Group.

The Head of Legal & Democratic Services advised Members that there were two issues. The first issue related to appeals made by developers against decisions by the Council to refuse planning permission. In 2015/16 these cases had resulted in the Council spending in excess of £340,000.

The second issue was about appeals by the Council to the High Court against the decisions of Planning Inspectors. There had been one instance of this recently where the Council had unsuccessfully appealed the decision of the Planning Inspector in the High Court. As a result the Council had had to pay the Planning Inspectorate's costs of £7,000 and also incurred their own Barrister's costs in the High Court and Court of Appeal. The Head of Legal and Democratic Services confirmed the relevant delegation to take such action was contained in the Constitution.

The Chairman confirmed it was the substantial costs of developers' appeals at the Inquiry stage, resulting from Committee decisions contrary to Officer recommendations, which was the focus of Members' concern; a large majority of these costs had occurred when a developer appealed a planning Committee decision where that decision had been made contrary to the Officer recommendation, and where the reasons for refusal agreed by the Committee could not be substantiated on planning grounds.

Members concluded that some potential future appeal costs could be prevented if there were a procedure in place that could be used in the event that a planning Committee was mindful to agree a decision, where that decision was not underpinned by sound planning reasons, and where there was reason to predict significant costs.

Examples of local authorities which addressed this situation by either convening a Referrals Committee or referring the decision to full Council, were discussed.

As a result of the Working Group discussion, the Chairman of the Working Group recommended that:

7. Appeals Process – Policy and Procedure Review (Cont.)

- The Scrutiny & Overview Committee should propose a change to the Council's Constitution so that, in the event of a planning Committee proposing a decision that could not be justified on planning grounds and would be likely to incur significant costs at appeal, a process is established whereby the decision can be deferred for determination by full Council or another group of elected Members.

The proposal would ensure that the Council did not incur high appeal costs in the future, as had been the case in recent years.

8. **ANNUAL MEMBER OVERVIEW OF HORSHAM DISTRICT COUNCIL'S CORPORATE POLICY AND PROCEDURES DOCUMENT ON THE REEGULATION OF INVESTIGATORY POWERS ACT 2000**

The Head of Legal and Democratic Services presented a report that requested Members to consider whether the Council's Corporate Policy and Procedures Document on RIPA was fit for purpose.

Members noted the contents of the report and that the policy remained fit for purpose.

Members noted that the Council had not used the RIPA powers for several years.

The meeting finished at 8.20pm having commenced at 6.00pm

CHAIRMAN



**Notes of the Scrutiny and Overview Committee**  
**Social Inclusion Working Group**  
**28<sup>th</sup> September 2015**

**Present:** Councillors: David Skipp (Chairman) Alan Britten, Roger Clarke, David Coldwell, Matthew French, Ben Staines

**Apologies:** Councillor: Tim Lloyd, Tricia Youtan

**Also present:** Councillor: Leonard Crosbie, Godfrey Newman

1.

1. **TO APPROVE AS CORRECT THE RECORD OF THE MEETING HELD ON 15<sup>TH</sup> JUNE 2015**

The minutes of 15<sup>th</sup> June 2015 were approved as a correct record of the meeting.

4. **TO RECEIVE ANY DECLARATIONS OF INTEREST**

There were no declarations of interest.

5. **ANNOUNCEMENTS FROM CHAIRMAN OR THE CHIEF EXECUTIVE**

There were no announcements.

6. **TO RECEIVE THE RESPONSES FROM THE CABINET MEMBERS TO THE RECOMMENDATIONS MADE IN MARCH 2015**

The Working Group had made a number of recommendations in its report in March 2015 on the review of the effectiveness of the provision for local residents suffering financial hardship. The recommendations had been received by the Cabinet Members and replies were provided at the meeting.

The Chairman talked the Working Group through the replies and highlighted the following:

Recommendation one: To review the impact of the decision to disband the Horsham District Community Partnership. The Members noted that feedback would be available in September 2015; this would be followed up and reported back to the Group.

Recommendation two: That the Health and Wellbeing pages were to be updated. Members noted that additional information was available on the Council's website in the form of a leaflet and the Community Development and Engagement Manager would circulate the link to the online version.

Recommendation three: To request that the autumn edition of the Horsham District News magazine include an article detailing organisations which provide advice and assistance. Members noted that this was in progress and an update would be provided.

Recommendation four: Request that a room be made available in Parkside for a regular 'surgery'. The Working Group noted that although a room could easily be provided for a surgery, the difficulty would be in getting the resources to support this service. Much of the information which the Group suggested should be available at the surgery was already available online. The Citizens Advice Bureau also provided a one to one service which sign posted residents to where they could find help and support depending on their needs. . Members noted that a lot of positive work was currently underway but Members were keen to encourage relevant agencies to work together.

Recommendation five: Request that West Sussex County Council promote financial management. The Working Group noted that the Community Development and Engagement Manager would contact WSCC for some feedback on this.

Recommendation six: Request the Finance and Performance Working Group to continue to monitor the performance data for the CenSus Revenues and Benefits service. The Working Group noted that these statistics were being monitored and requested that they passed on to this Group.

The Working Group noted the replies and would await updates on the information requested.

**7. TO RECEIVE THE REPORT ON DIGITAL INCLUSION BY THE COMMUNITY DEVELOPMENT AND ENGAGEMENT MANAGER**

The Community Development and Engagement Manager presented the report on Digital Inclusion, arising from the Working Group's previous recommendation to consider the provision of the Council's online communications and services for local residents who do not have access to the internet.



The Working Group discussed the report and noted the recommendations made. The Community Development and Engagement Manager was proposing to write a Digital Inclusion Strategy which outlined the Council's commitment to ensuring that residents in the District could access the online services provided by the Council, which would also include an action plan which could be monitored by the Working Group on an annual basis.

The Members supported the need to address digital inclusion going forward.

The Community Development and Engagement Manager would also communicate with the local housing associations to identify which services they currently offered to their tenants and whether they would consider implementing services such as free wi-fi for better digital inclusion.

The Working Group noted that some work had been carried out in the past in relation to offering free wi-fi in Horsham town centre, further information would be sought in relation to this and an update on the current position would be provided.

It was also suggested that the Council should ensure that the website and online forms were also mobile phone friendly, as this was a popular way to access the internet.

Other key points were education and teaching and contact points for residents to use when they need help.

The Working Group was also concerned about the impending shift to Universal Credit and how people would be able to access this in the future.

Members requested further information on the current digital schemes offered for residents of the District by the District Council, West Sussex County Council, central government and other agencies such as Age UK. Members asked to see this information detailed in a chart with the name of the agency against the services provided. This information would be provided by the Community Development and Engagement Manager.

Members noted that the Council needed to work to empower individuals to have the ability to get online and as the population became more digitally proficient, the Council needed to ensure that services were still made available for those who could not access the internet, i.e. by providing a telephone number.

The Working Group concluded that it would like the Community Development and Engagement Manager to produce an action plan on the Digital Inclusion Strategy for the Group's next meeting, including the details of the current services offered so that the Group could discuss this in further detail.

The meeting finished at 6.35pm having commenced at 5.30pm.

**CHAIRMAN**



Horsham  
District  
Council

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Promoting a better quality of life

Scrutiny & Overview Committee

Report of the  
Trade Waste Working Group



## **Report of the Trade Waste Working Group**

### **1. Introduction**

The Scrutiny and Overview Committee agreed in September 2013 that a working group be created to specifically investigate and report on the collection and disposal of trade waste in response to a perceived failure of the service to make a significant contribution to Council income.

The Working Group was advised by officers concerned that the shortfall was apparently due to the Council overheads assigned to trade waste which were thought high in relation to the actual additional costs in the operation of the service over and above those of normal domestic waste collections.

### **2. Membership**

**Councillors:** David Coldwell (Chairman) Philip Circus, George Cockman, Duncan England, Godfrey Newman, Jim Sanson.

### **3. Objectives of the Review**

To examine the Council's trade waste collection and recycling service and consider how it might be able to increase its commercial market share.

### **Terms of Reference**

To consider and make recommendations to the Scrutiny and Overview Committee on the following:

1. To review the current situation and Horsham District Council's commercial market share of trade waste collection and recycling
2. To explore what the Council could do to increase its trade waste service, how it is being promoted to potential customers and increase profitability
3. To consider how best to work with the West Sussex Sustainable Business Partnership, other partners and councils to increase awareness of the legal requirements for businesses and encourage trade waste recycling
4. To make appropriate representations to Government and other agencies with a view to the establishment of suitable targets and accompanying incentives or penalties for failure to meet those targets.

### **4. Summary of the Research Undertaken**

The Working Group recognised that any research on operations of trade waste would necessarily have to be with the council officers concerned, because commercial operators in the field would be unwilling to co-operate

with an investigation into where and how improvements might be made to the Horsham District Council service, their direct competitors.

Information was received from:

David Robertson, Waste and Recycling Manager (see Appendices 1 & 2)

Jane Chaplin, Trade Recycling and Waste Manager

Ian Jopling, Head of Operational Services

## **5. Witness**

Ann Swain, Administrator at the Horsham Chamber of Commerce and the Chairman of Horsham Federation of Small Businesses, attended a meeting of the Working Group.

## **6. Chairman's Conclusions**

The prime objective of the Working Group was to examine the operation of trade waste and trade recycling services with a view towards considering how the contributions might be increased by increasing market share. It is believed that the very creation of the Working Group brought forth some results in that an improvement in customer numbers (3%) became immediately apparent as was the fact that contributions were well ahead of budget; some £30,000 was reported. The business had been growing through the year but figures had not, at the time in October 2013, shown up.

Operational Services had been running a recycling trade waste pilot project for some time and it was suggested that the results of the pilot be evaluated; the result was that there was an unmet demand for recycling of certain wastes which are now to be investigated to see how the demand can be met. This might require some specialised collection systems to facilitate easy access to locations, particularly offices, where there is a requirement.

In respect of customers, there are over 1000, it was reported that customers sometimes left Horsham District Council for other commercial services and sometimes returned at a later date. The Working Group suggested that leaving and returning customers be interviewed to determine why that had acted as they did. It was found that many thought that they would get a better price by leaving only to sometimes find that costs were higher through hidden charges and that there was sometimes a less efficient service. The Working Group found that the HDC service could be much better tailored to meet the needs of clients, something the commercial operators could not do.

At the request of the Working Group, officers conducted a survey of customers; of over 1000 questionnaires, some 500 were returned. Results analysis indicated a high degree of satisfaction with the services provided; the survey results are appended to this report (see Appendix 2).

The survey results will be used to inform future developments in trade waste collection and customer relations.

The Working Group concluded that the Trade Waste operation is conducted with a high degree of efficiency and high levels of customer satisfaction, but, in conjunction with the Officers, that there were possibilities of adding to the customer base. Recommendations are listed in section 7 below, and members are advised that a number of these recommendations have been implemented already.

The Chairman wishes to thank his fellow councillors for their assistance and indeed enthusiasm in pursuing this investigation; equally many thanks must go to the Officers for providing so much assistance and for their willingness to provide information.

Finally, the remit was to look at the operation of the trade waste business; it was inevitable that the question of retaining the business in-house versus commissioning would arise. It was agreed by the Working Group that this is a subject that should be examined by Council and Officers in the near future given that there is a capital expenditure plan for 2015 with three vehicles being scheduled for replacement.

## **7. Recommendations to the Scrutiny and Overview Committee**

1. Continue researching competitor prices and strategies through analysis of leavers and joiners, using this intelligence to inform future pricing strategies
2. Continue researching the views of customers and use this intelligence to inform pricing and targeting strategies
3. Implement the proposed re-routing to free up resources to take on additional customers
4. Further investigate costs and benefits of opting for larger vehicles more suited to the service during the upcoming procurement exercise
5. Adopt the proposed expansion strategies and associated increases in revenues and operating costs
6. Adopt the recycling pilot as a fully integrated element of the trade service
7. Investigate the costs and benefits of town centre trade waste recycling and the potential wider benefits of capital investment in improved vehicles for the pedestrianised areas

8. Retain in-house service provision and review options for outsourcing after the expansion strategies have been delivered
9. Adopt the ad-hoc service improvements outlined in “Other Improvements to the Service” as detailed in the Appendix 1 report.

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2	Results from the survey of Horsham District Council trade refuse and recycling customers	11

**Councillor David Coldwell**  
**Chairman of the Trade Waste Working Group**  
**April 2014**



## Appendix 1

### Report to Trade Waste Working Group

#### Proposals for development of Horsham District Council's Commercial Waste Collection Service

March 2014

Prepared by David Robertson, Waste and Recycling Manager

Updated: October 2015

#### Background

The Scrutiny and Overview Committee has established the Trade Waste Working Group to review the performance of the Council's trade waste collection service and consider options for future development. Responsibility for trade waste collection rests with the Cabinet Member with responsibility for the Environment, Councillor Andrew Baldwin. The working group intends to report its findings in Spring 2014.

A report outlining the current position of the trade waste service was considered by the Trade Waste Working Group in December 2014 and officers were tasked to develop proposals for developing the service. This report updates members on progress towards the development proposals and makes recommendations for consideration by the group, if accepted then these proposals can form part of the group's recommendations and subsequent Scrutiny recommendations to the lead member.

#### Background

The previous officer report reviewed the current performance of the trade waste service, identifying that the customer base is slowly expanding and that the recycling service is proving popular. The report identified several areas of work to improve the service and the working group instructed officers to pursue these work streams.

This report updates the position in each of these areas and provides further detail to some objectives. It should be noted that there is a substantial amount of further work required to plan, implement and review the recommendations within both reports and that there will be a time lag between the proposed improvement activities being implemented and the Council benefitting from increased revenues and surpluses.

#### Competitor analysis

In order to maintain and expand the business it essential to develop a greater understanding of the market and competitors; this will inform the expansion strategies set out in section 4 of this report. There are no readily accessible sources of information on competitor strategies, prices are not published and there is no direct way of identifying which geographical areas or business types are being pursued. Therefore the best approach is to establish why we lose and gain customers through asking them; this method will take a long time to build up an accurate picture but the information will prove invaluable.

At this stage we have some limited feedback from new and leaving customers; this suggests:

- Many of our competitors offer apparently low collection prices but there are many hidden costs such as bin rental and environmental compliance charges
- Competitors offer lower prices in central Horsham and for larger customers, e.g. two or more 1100 litre bins.
- Competitors struggle to offer low prices in the rural areas
- Competitors do not target very small customers, e.g. less than one 660 litre bin per week.

**Recommendation 1: Continue researching competitor prices and strategies through analysis of leavers and joiners, using this intelligence to inform future pricing strategies.**

[Update: 23/10/15](#)

This is ongoing; however please see update for Recommendation 2 below.

### **Customer analysis**

Research into what matters to our customers and how they view the services we offer is important to ensure that we offer the right service at the right price. A brief survey has been sent to all our customers during February 2014 and the responses are still being received, over 450 surveys have been returned and these are currently being analysed. The results of this survey will be presented to the Working Group.

**Recommendation 2: Continue researching the views of customers and use this intelligence to inform pricing and targeting strategies.**

[Update: 23/10/15](#)

Questionnaires are being sent to new and leaving customers to obtain their views on the service they have received; however, very few are returned which makes using the feedback for intelligence difficult. We will however see an improvement in this area with a revised trade waste role which will focus on sales and marketing helping us to manage customer relationships and retention of our existing customer base.

## Review of service efficiencies

The service is currently delivered by three full size rear-end loading 26 tonne refuse vehicles, these were procured 'second-hand' and are designed primarily for domestic collections. They operate six days a week (only two on Saturdays), delivering all commercial refuse, mixed recycling and single-stream cardboard collections. The vehicles also collect from communal bins at some domestic flats. An internal review has identified several key issues for consideration:

- There are significant opportunities to improve efficiency in delivering the service by changing the route planning. This will not be enough to reduce from three to two crews but is likely to free up one or two days. It will therefore not be possible to create a direct cost saving, for example by employing fewer staff; but it will be possible to free up resources for business expansion or potentially to divert to other services.
- There are currently only three vehicles to deliver three full rounds, this causes service disruption and vehicle hire costs when there is planned maintenance and unplanned breakdowns.
- Savings in staff costs and fuel can be achieved by reducing from two to one round on Saturdays.
- The lifting gear on the vehicles is designed primarily for use with smaller 240 litre bins, not 660 and 1,100 litres. This potentially increases damage and losses.

The current vehicles are scheduled for replacement during 2015, the procurement process will be initiated in early summer 2014. There is significant potential to increase the productivity of the service by switching to vehicles more suited to commercial waste collections. This includes increasing the vehicle size from 26 tonne to 32 tonne (i.e. payload improvement from circa 9 tonnes to 12 tonnes), using bin lifting gear suited to large bins, and rear steering vehicles to improve manoeuvrability.

### **Recommendation 3A: Implement the proposed re-routing to free up resources to take on additional customers**

[Update: 23/10/15](#)

This has been partly completed for the recycling round (338) where the two days of recycling collections (Weds & Fri) have now been split into four (Tues-Fri), i.e. 2 days split into North & South for both mixed dry recycling and

cardboard/mixed paper recycling. This is proving to work well, making capacity for the service to expand. Review of the remaining two refuse collection rounds (316 & 355) is in progress with the Collections Manager which will be completed by December 2015

**Recommendation 3B: Further investigate costs and benefits of opting for larger vehicles more suited to the service during the upcoming procurement exercise.**

Update: 23/10/15

An external review is underway which will offer an opinion on the use of larger 32t vehicles although one should remember that any additional capacity gained maybe outweighed by the access and egress issues created by larger vehicles

### **Develop expansion strategies**

There is significant potential to improve the financial performance of the service through targeted expansion. It is estimated that the volumes of customers could be increased by up to 10% without increasing the number of vehicles and crew. This means that even modest increases in the customer base will deliver significant increases in the net revenue surplus of the service. It should be noted that aggressive expansion could be counter-productive as the cost base of the service increases in large step-changes. Three vehicles and crews can comfortably service 1,100 customers and should be able to accommodate another 100 or more weekly collections, however there is a tipping point where another vehicle and crew must be used and this increases the operational costs by circa £100k.

It is hard to predict when this tipping point will be reached but it is clear that there is some room for profitable expansion; therefore strategies that incrementally increase the customer base are both low risk and high reward. It is therefore recommended that the following expansion strategies are pursued:

1. Actively market the service to small businesses in Crawley, focusing on trading estates. It is difficult to predict how successful this will be however a target of obtaining 50 customers within 12 months is considered both challenging and realistic. Estimated net revenue increase after costs, £20,000 per year.
2. Actively market the service to small and medium sized businesses in the rural areas of Horsham District, reflecting the service's competitive advantage. Target a net increase of 50 customers in year 1 and a further 50 in year 2. Estimated net revenue increase after costs, £20,000 year 1, £40,000 year 2.
3. Develop a wider marketing campaign targeting businesses across the district using direct mail, targeted advertising and utilising no-cost and

low-cost channels such as local media, business groups and existing networks. Target a net increase of 25 customers in year 1 and a further 25 in year two. Estimated net revenue increase after costs, £10,000 year 1, £20,000 year 2.

These expansion goals can only be achieved by applying greater focus and resources on promoting the service. This can be achieved by utilising the trade waste service manager with a greater emphasis on business development and through increased staffing and promotional budget:

- Employ a trade waste administrator for circa 21 hours per week to free up the manager for business development activities, cost £12,500.
- Increase the promotional budget from £6,000 to £15,000 in year 1 and £10,000 ongoing.
- Utilise the newly created Education and Marketing Officer to spend 1/3 of their time developing and implementing promotional campaigns for the trade service, no additional cost.

**Projected net revenue increases:**

	<b>Year 1 (2014/15)</b>	<b>Year 2 (2015/16)</b>
<b>Net additional revenue from customers</b>	<b>£50,000</b>	<b>£80,000</b>
<b>Additional costs</b>	<b>£21,500</b>	<b>£16,500</b>
<b>Projected net surplus</b>	<b>£28,500</b>	<b>£63,500</b>

**Recommendation 4: Adopt the proposed expansion strategies and associated increases in revenues and operating costs.**

[Update: 23/10/15](#)

Promotion of the service (including recycling) has been on-going throughout 2015 in the form of mailing out trade flyers and advertising in newspapers and magazine publications. Future plans are to attend district business events, such as Microbiz. However, expansion into Crawley has been put on hold as it was considered service promotion within the District would be more advantageous at present. We will review the option again in 2016 once the remaining rounds rescheduling has taken place which is scheduled for completion by December 2015. The revised trade waste role will be implemented by December 2015 which will see greater focus on sales, marketing and retention of customers. Please see the additional Marketing and Communications draft report

**Review of recycling service pilot**

The recycling service was introduced in 2012 and the number of customers using the service has progressively increased, delivering a gross revenue of £60,000 per year. The service is well received by customers and cited as a reason that many customers remain with us. There are growing pressures on businesses to recycle and the service is proving cost effective and flexible. The recycling service was introduced in 2012 as a pilot, with the intention of a future review to consider whether it should continue. It operates effectively within the existing collection crew resources, contributes to the Council's sustainability objectives and has increased revenues in the trade service. It is therefore proposed that the service is retained.

Additionally, there have been repeated calls from Horsham town centre businesses for the service to be expanded into the pedestrianised areas such as The Carfax and West Street. This did not take place within the pilot due to the complexities of collecting mixed recycling from areas that cannot accommodate bins. These customers currently present their residual refuse in black sacks collected by the town centre litter crews. It should be possible to collect recycling by changing the collection methodology and electric trolleys used by the litter crews.

This is likely to require capital investment of circa £20,000 in suitable collection vehicles that can be used to co-collect litter bin waste, trade refuse and trade recycling. It is likely that revenues from this service will only be around £2,000 per year so it is difficult to justify the capital expenditure solely on this basis. However there are wider benefits from using more advanced electric vehicles in the pedestrianised areas and wider town centre and these could potentially lead to efficiencies in delivering the litter services. It is therefore proposed that this is further investigated and the overall costs and benefits are calculated.

**Recommendation 5A: Adopt the recycling pilot as a fully integrated element of the trade service**

[Update: 23/10/15](#)

This has been fully integrated and customer base is on the increase. The service is being promoted, alongside the waste collection service, as described in Recommendation 5 above.

**Recommendation 5B: Investigate the costs and benefits of town centre trade waste recycling and the potential wider benefits of capital investment in improved vehicles for the pedestrianised areas.**

[Update: 23/10/15](#)

We will revisit this 2016 to evaluate the merits of offering the scheme in the Town centre

## **Outsourcing the trade waste service**

This report focuses on the potential strategies to expand and improve the trade waste service; however an alternative strategy would be to withdraw the service with the intention of achieving the best financial outcome. There is a statutory duty on the Authority to provide commercial refuse collection services where requested so withdrawal of the service poses a risk. It may however be possible to enter a contract or arrangement with a commercial waste services provider to discharge this function.

More significantly however, the current review has established that the service makes a net contribution to the fixed costs of delivering waste services and the wider Council. It has also identified viable options to improve the financial performance of the service and there are strong arguments to implement these before considering any plan to outsource. It is not clear if the service could be outsourced to a competitor in a way that would generate a one off windfall or ongoing revenue however it is unlikely that such a move would be financially better than retaining the ongoing surplus from running the service in-house.

**Recommendation 6: Retain in-house service provision and review options for outsourcing after the expansion strategies have been delivered.**

[Update: 23/10/15](#)

We have addressed some of the areas for improvement however as detailed there are further efficiencies to be made through further round optimisation which will be undertaken by December 2015. The introduction of In Cab Technologies will significantly improve optimisation and we should have this technology in place by March 2016. Once the service area has been improved to its maximum potential and we have the revised trade waste role in place. The general principle of commissioning should be considered once all the improvements have been implemented in order to establish if we are offering the most effective service delivery model

## **Other improvements to the service**

In addition to the developments proposed within the previous working group report, consideration has been given to other ways of improving the service:

- A. Allow officers discretion to offer discounts to larger customers to win or retain their business. There are a small number of very large organisations in the District that could potentially improve the service. It has been almost impossible to attract these customers due to rigidity in the pricing structure and price competition from rivals. This can be resolved by allowing senior



officers discretion to offer prices that reflect the actual costs that will be incurred by the authority and wider health of the business through winning and retaining large customers.

- B. Move away from billing customers six monthly in advance in favour of monthly direct debit payment. This will reduce cyclical pressures of administering six monthly invoices and reduce problems of chasing bad debts. More importantly it will also remove a disincentive of using our service for the many small business that cannot afford large periodic bills for services that won't be received for six months.
- C. Adopt the on-line waste transfer note 'Edoc' service recently launched. This will reduce the costs of administering the statutory annual waste transfer notes that every customer is obliged to sign by making this a simple web based verification.

**Recommendation 7: Adopt the ad-hoc service improvements outlined above.**

Update: 23/10/15

- A. Discounts are being offered to larger customers to win new business. For example, a substantial contract was won from South Lodge Hotel bringing in an annual income of £28K and in addition to this we have recently received a contract from Home fix with a potential income of £36K
- B. We still invoice customers every six months, but have moved away from requesting payment six monthly in advance, giving them the opportunity to pay with monthly instalments. Currently we have 52% of customers opting to pay half yearly lump sum direct debit and 8% of customers opting to pay by monthly instalments.
- C. The on-line waste transfer note 'Edoc' service was utilized for the completion of documents and customers were given the choice to use the new system or carry on with the paper method. However, the system is not user friendly and less than 2% of our customer base opted to use this method. This process of issuing WTN's will need to be reviewed in good time (issuing due end Feb 2016).



## Trade Refuse and Recycling Expansion and Trade Recycling Quality

### Marketing Communications Plan

#### Executive Summary

The purpose of this report is to propose a marketing communications plan for the trade refuse and recycling service. It is proposed that the plan be considered in two phases as outlined below:

1. Increase customer numbers and market share of trade refuse collections
2. Improve recyclate quality

Phase one will be a short-term communications strategy to increase revenue for the Council by increasing the customer base. Phase two is a long-term plan to improve recyclate quality and ensure it remains within target.

The recommendations for an integrated communications plan are included with estimated costs to achieve the objectives set out in this report.

#### Context Analysis

The trade refuse and recycling service currently owns 11.3% of the market share in the Horsham district.

88.6% of all businesses in the Horsham district are Micro (0-9 employees) which is our target market because our main competitors, such as Biffa, prefer larger companies with national contracts (such as Tesco) and penalising small companies with high charges due to the small volume of waste and recycling collected. It is therefore important that the communications messages are tailored to include these potential customers.

The service has many unique selling points which give Horsham an advantage over their competitors such as:

- Free advice on legal obligation
- Daily collection service available
- All-inclusive prices
- Flexible collections to suit every budget
- Local service

One of the issues with trade recycling is that it is often found to be contaminated. This is due to many reasons including high staff turnover or a misunderstanding of the service. In

order to ensure we are compliant with our partner Viridor and to avoid recycling going to landfill, at a cost to us, it is important that this is improved.

## **Marketing Objectives**

The current objectives for the trade refuse and recycling service are as follows:

### **Increase the trade customer base by 10% by 2017**

This objective aims to persuade new customers to sign up to the service using a varied communication mix to businesses. There are currently over 6,000 micro businesses in the Horsham area which is 88.6% of the total businesses. This represents a large target market.

### **0 loads rejected by April 2016**

It is important to understand that this objective does not guarantee 100% recycling acceptance as some contaminant material will be removed when the round tips. However entire loads should not be rejected after April 2016. This communications objective should be aimed at both the customers who are responsible for putting recyclable material in the bins and the collection crew responsible for collecting it to ensure that the objective can be met. In order to achieve this, it is important that cross-functional working between operations and communications occurs.

In order to help achieve these objectives, some communications objectives are recommended below:

- To influence waste behaviour in trade recycling to decrease recycling contamination.
- To deliver a campaign that will support and promote the trade service in Horsham district and encourage customers to choose this service.

## **Marketing Communications Strategy**

The focus of this plan will be on a pull strategy which focuses on delivering messages to the end-user customers that aim to inform and persuade them to engage in the services and utilise them correctly.

The audiences that are to be targeted in order to achieve the above communications objectives are described below:

- The target audience for phase one; to increase the market share for the trade service should encompass all businesses within the Horsham area in order to remind and reassure current customers and encourage potential customers to use the service. However, as identified previously the target market should be micro businesses as these make up such a large portion of the market therefore messages must not isolate these potential customers.
- In order to improve upon the quality of recycle that businesses produce in phase two, it is recommended that all recycling customers are targeted. This is to ensure all customers are aware of what is expected of them in terms of recycling and also serves to remind them of the service. Communications regarding recycling can be perceived as supportive and reassuring. However, once analysis of the situation has been undertaken the recyclers who are not committed to recycling correctly should be targeted and supported.

## **Coordinated Communications Mix**

The proposed marketing mix will use a mixture of the following communications:

- Broad-brush communications aimed at all businesses in the Horsham area.
- Targeted communications aimed at the specific audiences.

The targeted communications can tend to be more resource intensive requiring as much or even more time than broad-brush communications to organise and deliver.

It is recommended that the following tools are utilised in order to achieve the communications objectives:

### **Business events**

This marketing tool aims to deliver direct marketing to the target audience and aims to complete objectives for phase one of the plan. There are many events in the Horsham district aimed at businesses including Microbiz. Banners and promotional literature should be used at events and it is recommended that bins are brought along so the customer can see the tangible element of the service. Two officers should attend. Messages should be focussed on the good value for money aspect that the service offers for small businesses due to the flexible arrangements Horsham can deliver. Free advice on customer's legal obligations will be offered and free quotes on their refuse and recycling requirements.

### **Trade flyer**

During phase one, it is suggested that the current trade flyer is more integrated with potential customers. For example, it should be included in all new business rate account letters so all businesses are potentially informed about our services first. There should also be several rounds of leaflet dropping to potential customers in the area including business parks. This exercise has been completed previously and was successful.

### **Advertising in news publications/magazines**

Advertisements for the service should be placed in news publications or magazines particularly those that cater for businesses. The adverts should use short messages that will aim to encourage customers to contact us to discuss their requirements. This tool will be implemented for phase one of the plan.

### **Cold calling**

This direct marketing tool aims to persuade potential customers to use the service by personal selling. Speaking directly with customers is a good way of assessing their needs and dispelling rumours, for example, some customers don't believe they have a choice in which provider they can use. This tool will be implemented for phase one of the plan.

### **Trade service leaflet**

For phase two objectives, it is recommended that a trade service leaflet be developed similar to the one currently used for household collections. Messages regarding recycling will be included using the same branding as used for the household leaflet so that it can be easily recognised. All new and existing recycling customers should be issued with this leaflet so they have a point of reference when they are unsure about recycling.

### **Doorsteppers**

This is another direct marketing tool that can be used to speak with customers about their recycling face to face at their place of work for phase two. The contents of recycling bins can be investigated and explained to the customer. This will be aimed at customers whom do not recycle correctly despite previous correspondence and advice.

### **Contamination tag**

In order to indicate to customers why there may be a problem with their recycling bin, it is recommended that a contamination tag is developed that can be installed by the crew at the point of collection. The most common contaminants can be listed with a tick box with space to write additional contaminants. This tool aims to achieve objectives set for phase two.

### **Champions**

Another phase two tool; in order to continue to ensure that recycling remains within target in the longer term, it is recommended that champions be recruited at businesses that have recycling collections. These volunteers will offer a point of contact should problems be found with the recycling and be responsible for educating the staff at their business. They will be offered support by nominated staff within the recycling and waste department.

### **Website**

For both phases, it is recommended that the website be developed to include recycling information as it does currently for households. The Trade Recycling and Waste pages have already been search-engine optimised, but it is also suggested that more adverts are placed on the front page of the website.

### **Social Media**

Again, this marketing tool can be used to achieve both phases. Promotions for businesses to 'like' or 'follow' the HDC Facebook and Twitter pages should be implemented. This tool can then be used to publish information regarding recycling and the trade waste service.

### **Evaluation and Control**

In order to assess the effectiveness of the tools deployed in the communications plan, several measurements should be undertaken. The quality of the recycling is reported by Viridor and it can be assessed on a weekly basis. It is suggested that a dedicated phone line is created and given out at events. The response will help gauge the success of the events. Cold calling can be easily measured by how many customers are persuaded to use the service following the phone call.

Other aspects of the communications plan are more difficult to measure such as advertising. However, if customer rates are closely monitored before and after an advertising campaign and callers are asked at the point of contact where they heard about the service, it is possible to assess the effects.