

## **Planning, Transportation, the Environment and Waste Overview and Scrutiny Panel**

### **Minutes of the Meeting held on 8 July 2009**

#### **Present:**

|                     |                 |
|---------------------|-----------------|
| Mr A D Adams        | Mr T East       |
| Mr R A Bearman      | Mr J M Joyce    |
| Mr S W Bett         | Mr M C Langwade |
| Mr A P Boswell      | Mr B W C Long   |
| Mr J S Bremner      | Mr J M Ward     |
| Mr A J Byrne        | Mr A M White    |
| Mrs M Chapman-Allen | Mr R J Wright   |
| Mr P G Cook         |                 |
| Mr N D Dixon        |                 |

#### **Substitute Members:**

None

#### **Cabinet Members Present:**

|             |                             |
|-------------|-----------------------------|
| Mr A Gunson | Planning and Transportation |
| Mr I Monson | Environment and Waste       |

#### **Deputy Cabinet Member Present:**

|                 |                             |
|-----------------|-----------------------------|
| Mr B H A Spratt | Planning and Transportation |
|-----------------|-----------------------------|

#### **1. Apologies**

1.1 Apologies were received from Ms A Steward

#### **2. Election of Chairman**

2.1 Mr S Bett was elected as Chairman of the Planning, Transportation the Environment and Waste Overview and Scrutiny Panel for the ensuing year.

#### **3. Election of Vice-Chairman**

3.1 Mr A Byrne was elected as Vice-Chairman of the Planning, Transportation the Environment and Waste Overview and Scrutiny Panel for the ensuing year.

#### **4. Minutes**

- 4.1 The minutes of the meeting that took place on 4 March 2009 were signed as a correct record by the Chairman.

#### **5. Declarations of Interest**

Members declared the following interests:

- Mr A Byrne declared a personal and prejudicial interest in item 8 (Andrew Boswells question regarding the Norwich Northern Distributor Route, NDR), having been a member of the NDR Procurement Board.
- Mr T East declared a personal and prejudicial interest in item 8 (Andrew Boswells question regarding the Norwich Northern Distributor Route, NDR), having been a member of the NDR Procurement Board.
- Mr J Joyce declared a personal interest in item 13 (Recycling Commodity Markets), owing to the fact his household had taken part in a trial recycling scheme.
- Mr B Long declared a personal and prejudicial interest in item 18 (Hunstanton to Kelling Shoreline Management Plan), being a Member of King's Lynn and West Norfolk Borough Council which had already agreed that the document was fit for consultation. He confirmed that he would leave the room and not take part in the decision.

#### **6. Matters of Urgent Business**

- 6.1 The Chairman reported that Norfolk County Council's Casualty Reduction Team had been awarded 'Team of the Year' in the national Council Worker of the Year Awards and offered his congratulations to the team on behalf of the Panel.

#### **7. Public Question Time**

##### **7.1. Question from John Martin**

- 7.1.1 The Chairman reported that Mr John Martin had asked a question and, as he was not present at the meeting, a written response would be provided. A record of the question and answer is provided below:
- 7.1.2 Will the Panel agree to recommend that Norfolk County Council forthwith adopts and complies with, in its entirety, "Probity in Planning", the revised guidance note published by the Local Government Association in May 2009 on good planning practice for councillors and officers dealing with planning matters?

##### **Response from the Chairman**

- 7.1.3 Norfolk County Council already has a set of procedures to ensure probity of its planning and other functions. "Probity in Planning" was a relatively recent

publication which has only just been received by the Council. The County Council needed to consider its recommendations in detail before, if necessary, making any changes to its existing practices. If it was felt there was a need to change the way in which officers and members undertake their duties as a result of this guidance, recommendations would be made to the appropriate bodies within the Council

## **8. Local Member Issues**

### **8.1 Question from Andrew Boswell**

Andrew Boswell, Local Member for Nelson Division, commented that the Department for Transport (DfT) had written to the Director of Environment, Transport and Development on 27 March 2009 concerning the Postwick Hub Community Infrastructure Bid. The letter expressed strong doubts over the proposal and raised many issues relating to the project that needed to be resolved by September 2009. It also made the following strong suggestion to the Council:

“[DfT] would also be open to Norfolk County Council to review the Postwick Junction design and prepare an alternative option that is less dependent on the NNDR”.

Andrew Boswell asked whether the Council would inform and then formally seek the views of elected members on the options for transport in East and North East Norwich, in particular whether the Planning, Transportation, Environment and Waste Overview and Scrutiny Panel, and then whether the Full Council would wish officers to prepare an alternative option for Postwick Junction that was less dependent on the Norwich Northern Distributor Route (NDR).

### **Response from the Cabinet Member for Planning and Transportation**

The Cabinet Member explained that the route of the NDR, and the design of key junctions, had been subject to extensive consultation with the public, elected Members and stakeholders. The County Council had looked at some 15 options in arriving at the proposal for Postwick. Officers had provided details of these to Dr Boswell in Autumn 2008.

The County Council’s discussions with the DfT are ongoing. We continue to believe that, having been through an exhaustive exercise, no other practical solution had been identified.

Regarding transport options more generally, the County Council very recently consulted on the main elements of the Norwich Area transport Strategy (NATS) implementation plan, as part of the Joint Core Strategy consultation. There would be a further consultation on the NATS proposals in the autumn.

Andrew Boswell asked that the Cabinet Member report his concerns to the Cabinet.

## 8.2 Question from Richard Bearman

Richard Bearman, Local Member for Mancroft Division, asked for a breakdown and the total expenditure on the Waste Project Contract A since its inception until the current time, and also from the current time until the projected close of the project. He requested headline annual figures under the following categories:

1. Internal project management and staffing and office costs including the full Annual Staff costs including salary, County's NI and pension contributions.
2. Legal costs.
3. Consultancy.
4. Public Consultation.
5. Preparation of planning application.

### Response from the Cabinet Member for Environment and Waste

The total expenditure on phase one of the residual waste treatment project was approximately £2.364m. A yearly breakdown was provided (below) for the categories of staff, legal, consultancy, public consultation and planning cost as requested.

While the consultant costs were only for Contract A, it was important to note that the staff costs were in fact for the full waste treatment project, i.e. Contract A and the Waste PFI. Contract A had not been managed in isolation and the experiences and knowledge gained here had had a direct influence on other parts of the process – notably the early success of the waste PFI in securing up to £169m of support for the Authority.

The countywide consultation in 2008, 'The Future of Waste In Norfolk', was to help inform the evaluation principles for the Waste PFI procurement and not directly relevant to Contract A. Nonetheless the cost of this was provided (below). Planning costs were a part of the bidders' costs for Contract A, and consequently no figures for this cost was included in the breakdown.

|                              | 2004/05        | 2005/06        | 2006/07        | 2007/08        | 2008/09        | 2009/10       | Total            |
|------------------------------|----------------|----------------|----------------|----------------|----------------|---------------|------------------|
| <b>Staff costs*</b>          | 66,349         | 101,735        | 128,430        | 132,360        | 146,382        | 37,187        | <b>612,443</b>   |
| <b>Legal</b>                 | 60,611         | 120,650        | 81,637         | 134,012        | 155,829        | 9,207         | <b>561,946</b>   |
| <b>Financial Consultant</b>  | 72,036         | 315,331        | 153,468        | 189,389        | 151,055        | 16,269        | <b>897,548</b>   |
| <b>Technical Consultant</b>  | 38,011         | 46,091         | 18,885         | 12,039         | 113,305        | 1,294         | <b>229,625</b>   |
| <b>Insurance Consultant</b>  |                | 6,500          |                |                |                |               | <b>6,500</b>     |
| <b>Public Consultation**</b> | 0              | 0              | 0              | 22,882         | 33,929         | 0             | <b>56,811</b>    |
| <b>Planning***</b>           | 0              | 0              | 0              | 0              | 0              | 0             | <b>0</b>         |
| <b>Total</b>                 | <b>237,007</b> | <b>590,307</b> | <b>382,420</b> | <b>490,682</b> | <b>600,500</b> | <b>63,957</b> | <b>2,364,873</b> |

Note: \*staff costs cover both Contract A and the Waste PFI.

\*\*consultation was for Waste PFI.

\*\*\*planning costs were met by the bidders for Contract A.

## **9. Cabinet Member Feedback on Previous Overview and Scrutiny Panel Comments**

9.1 The Panel noted the annexed joint report from the Cabinet Member for Planning and Transportation and Cabinet Member for the Environment and Waste, which provided some feedback on Cabinet discussion of the Panel's comments.

## **10. Forward Work Programme: Scrutiny**

10.1 The Panel considered the annexed report from the Director of Environment, Transport and Development, which asked Members to review and develop the scrutiny forward work programme.

10.2 During discussion the Panel was advised:

- That Members could ask for issues identified on the scrutiny forward work programme to be brought forward, but they would need to take account of the time officers needed to prepare advice.
- The Panel could consider establishing a standing group to meet between Panel meetings to look at priority issues.
- The County Council had a response mechanism for dealing with genuine emergency issues.

10.3 The Panel:

- 1) Noted that Cabinet had agreed all of the Panel's recommendations relating to delays occurring on County and Trunk Roads as a Result of Roadworks and Incidents scrutiny item.
- 2) Noted that Membership of Working Groups would consist of three Conservative Members and 1 Liberal Democrat Member.
- 3) Agreed that Membership of the HGV Route Hierarchy Working Group should be: Alec Byrne, Tony White, James Joyce and one other Conservative Member (to be confirmed).
- 4) Agreed that a report should be brought to a future meeting to outline ways in which Panel Members might be involved between meetings in the Department's response to emergencies and incidents.

## **11. Partnership Working**

11.1 The Panel noted the annexed report from the Director of Environment, Transport and Development, which reviewed four environment/sustainability partnerships.

## **12. Trade Waste Management Initiatives in Norfolk**

12.1 The Panel noted the annexed report from the Director of Environment, Transport and Development, which provided an overview of the issues surrounding trade waste and initiatives to encourage businesses to manage their waste more sustainably.

## **13. Recycling Commodity Markets**

13.1 The Panel considered the annexed report from the Director of Environment, Transport and Development, which provided an overview of the issues surrounding the recyclate commodity market. It identified measures that were being taken to ensure that the levels of recycling of municipal waste were sustained and improved, and materials continued to be sent for recycling despite current difficulties in the recyclate markets.

13.2 During discussion the Panel was advised:

- Rejected dry recyclables were a small part of the waste stream.
- The Waste Recycling Group (WRG) had made the decision to incinerate rejected dry recyclable waste as it felt that was the most effective method of disposal.
- Norfolk County Council had a duty of care for all waste and a breakdown of all the destinations of waste produced in Norfolk could be provided to Members.

13.2 The Panel noted the report and agreed that officers should provide Members with a breakdown of all the destinations of waste produced in Norfolk.

## **14. 2008-09 Revenue and Capital Budget Monitoring Outturn Report**

14.1 The Panel considered the annexed report from the Director of Environment, Transport and Development, which reported the final outturn position for 2008-09. It highlighted that due to severe adverse weather conditions over winter and the impact of the current economic climate, resulting in the need to make bad debt provision, Planning and Transportation (including Environment and Waste) had overspent by £0.421m against the 2008-09 revenue budget.

14.2 During discussion the Panel was advised:

- At this time, there was no intention to reduce rural bus services.
- Renegotiation of passenger transport contracts due for renewal should deliver efficiencies and would help mitigate pressures on the public transport budget.
- The Bad Debt Provision identified in paragraph 2.3 of the report related to the same developer that had been involved in the Queen's Hill Development in Costessey.
- Officers would provide Members with clarification on the reasons for using lower voltage signals proposed for road crossings identified at Appendix A of the report.
- A joint committee had oversight of the operation of the Norwich City Agency (paragraph 5.4 of the report), the Norwich Highways Agency

Committee (NHAC), which included County Councillor representation. Separate accounts were prepared and audited for the Agency and considered by the joint committee on a regular basis. A copy of the NHAC reports could be shared with Panel members if requested.

14.3 The Panel agreed that an update report on the Norwich Northern Distributor Road at the September meeting, when the reprofiling of the scheme was completed.

## **15. Update of Planning and Transportation's Service Plan Action, Risk and Performance 2008/09**

15.1 The Panel considered the annexed report from the Director of Environment, Transport and Development, which provided an update of progress against the 2008/09 Service Plan, the Corporate Improvement Plan (CIP) performance indicators and the mitigation of those risks deemed to be of corporate significance.

15.2 During discussion the Panel was advised:

- The action recorded as significantly off track related to one stream of activity, non minerals and waste applications. The minerals and waste applications were on target.
- A report would be presented to a future meeting of the Panel about progress on air quality management in the King's Lynn area.
- Officers would look into roll-out of the climate change strategy across all departments of the County Council.
- The County Council had achieved the Governments target to reduce road casualties by 40% a year earlier than required.

15.3 The Panel noted the report.

## **16. Planning and Transportation Risk Register 09/10**

16.1 The Panel noted the annexed report from the Director of Environment, Transport and Development, which provided an introduction to the Planning and transportation risk register 2009/10. The register included risks carried over where appropriate from the 2008/09 register and new risks identified from the 2009/10 Service Plans.

16.2 The Panel approved the Risk Register as appended to the Panel report.

## **17. Highway Asset Performance**

17.1 The Panel considered the annexed report from the Director of Environment, Transport and Development, which informed Members of the performance of the significant highways assets and sought comment on service levels, and the format of the report to be taken forward into future years.

17.2 During discussion the Panel was advised:

- There was an increasing proportion of the highway network with defects. The percentage of assets in need of significant attention had not changed much since the previous year, but the percentage that had nearly reached the threshold for significant attention was increasing.
- The increasing volume of traffic is a factor in the deterioration of assets. However, it was the increasing number of large vehicles rather than general volume that had the most impact.
- The Government grant had remained roughly the same since 2004/05, which meant a reduction of 32% in real terms, this means that the County Council would need additional investment to prevent further deterioration of assets and a decline in performance. This should be brought to the attention of the Council as part of the budget planning at the beginning of the autumn.
- A long-term solution for area wide drainage problems would require tens of millions of pounds of investment, which was not currently available.
- Officers were developing the whole life costing approach to the management of assets to enable cost effective interventions to be identified. On minor roads surface dressing was an effective and wholly appropriate treatment for roads which had been patched, to seal and improve the skid resistance of the surface and delay further deterioration.

17.3 The Panel considered the implications for budget planning and service levels arising for the deterioration of our Highway assets and agreed the proposed priorities for the distribution of the anticipated structural maintenance budget.

## **18. Hunstanton to Kelling Shoreline Management Plan**

18.1 Mr B Long left the room for this item and took no part in the decision taken.

18.2 The Panel considered the annexed report from the Director of Environment, Transport and Development, which asked Members to approve the consultation process for the draft Hunstanton to Kelling Shoreline Management Plan, to ensure that public opinion is properly tested before it is recommended for adoption.

18.3 During discussion the Panel was advised:

- Consultation on the Wash plan was running slightly behind the Hunstanton to Kelling plan, so it would not be possible to discuss the two together.
- The County Council had already stated that it did not support managed retreat.

18.4 The Panel:

- 1) Approved the consultation process for the draft Hunstanton to Kelling Shoreline Management Plan.



- 2) Agreed that the Environment Agency should be invited to the Panel's next meeting to present the key points of the Plan to Members and allow a detailed discussion to take place as part of the formal consultation process.

## **19. Planning for Prosperous Economies: A Consultation on Planning Policy Statement 4 by the Department for Communities and local Government.**

19.1 The Panel considered the annexed report from the Director of Environment, Transport and Development, which invited Members to approve responses to the consultation questions as set out in appendix B to the report.

19.2 During discussion the following comments were made:

- The philosophy of all sectors having a low carbon approach was aspirational but not currently achievable. The response to question 7 therefore needed to be strengthened to include a comment on the need to strategically target particular sectors.
- The population in Norfolk's rural communities was over-represented by people of retirement age, which was putting a strain on key services, and young people were leaving because of a lack of employment. It was essential, therefore, that the comment at paragraph 2.6 of the report was strengthened to state that planners must take into account the need to provide employment and services in rural communities, without which they would cease to exist.

19.3 The Panel agreed that the responses to the consultation questions should be strengthened to reflect the comments at paragraph 19.2 of these minutes.

## **20. Local Bus Service Reliability and Performance**

20.1 The Panel considered the annexed report from the Director of Environment, Transport and Development, which provided information about performance of the major bus operators in Norfolk during 2008/09.

20.2 The Chairman, on behalf of the Panel, commended officers for improving the reliability and quality of services.

20.3 During discussion the following comments were made:

- Officers would now need to focus on improving the reliability and quality of services in rural areas.
- Bus operators had committed to maintain and improve their performance over the coming months.

20.4 The Panel noted the report and agreed that a letter of thanks should be sent from the Panel to local bus operators.

**21. Transport Provision for young people in education aged 14-19: Update on progress**

21.1 The Panel considered the annexed report from the Director of Environment, Transport and Development, which provided an update on the progress of the 14-19 transport member/officer project team.

21.2 The Panel noted the progress made and nominated the following Members to the member/officer project team: Alec Byrne, Tony White and James Joyce.

**22. Procurement of Phase One of the Residual Waste Treatment Project – Contract A**

22.1 The Panel considered the annexed report from the Director of Environment, Transport and Development, which advised the Panel to resolve to recommend to Cabinet that Contract A be abandoned on the grounds of cost.

22.2 Tim East, Member of the Panel and Local Member for Costessey Division, raised the following concerns about the decision to abandon Contract A:

- Transporting waste out of the county in the interim period until Contract B came on stream seemed short sighted and unsustainable.
- Using smaller scale schemes around the county to accommodate the 130,000 tonnes of waste disposal per annum, which would be lost through abandonment of Contract A, in the interim period was unrealistic.
- Contract B could accommodate up to 170,000 tonnes of waste disposal per annum. However, as the plant would not be in operation until 2015 the County Council would have no treatment plant capacity in place to meet the 2013 Landfill Allowance Trading Scheme (LATS) requirements.
- The County Council was currently fined £150 per tonne and together with landfill gate fees and the rising cost of landfill tax, the projections for 2019/2020 (based on 69,766 tonnes per annum of biodegradable municipal waste) would translate into a potential LATS fine of about £10.5m.
- Implications of the decision to abandon Contract A on the County Council's financial liabilities under the European Landfill Directive needed consideration.
- If the County Council chose Energy from Waste (Incineration) as the favoured technology for Contract B, this decision could generate public opposition and planning problems to overcome, thus inevitably delaying the delivery of Contract B.

22.3 During discussion the following comments were made:

- It was clarified that the tonnage for the Waste PFI was yet to be established but that the business case assumed up to 155,000 tonnes per annum.

- It was reasonable to recommend abandoning Contract A as it no longer represented a good value for money solution. The project had increased by more than 50% in cost since the selection of a preferred bidder in 2007, so needed to be reconsidered.
- Other operators in the region could provide services that would enable the County Council to meet the statutory targets imposed upon it for dealing with waste.
- Similar projects had been successful in Europe because they were funded in a different way, were not affected by exchange rates and involved a different set of legislative requirements.
- Members had been made aware of risks to the County Council in negotiating Contract A through reports made to the Panel and Cabinet, going back as far as 2007.
- Approximately £2.3m had been spent on the process to date.
- The technology for the Waste PFI had not been pre-determined and solutions would be judged on their merits in the round.

## **23. Exclusion of the Public**

23.1 The Project Manager (Residual Waste Treatment Contracts) presented the following reasoning for exclusion of the public and conclusion in respect of the public interest test:

“The report contains information about commercial organisations that would significantly weaken their positions in a competitive environment by revealing market sensitive information and information of potential usefulness to competitors and would adversely affect those organisations bargaining positions.

The public interest test concluded that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.”

23.2 Richard Bearman commented that speculation about Contract A in the local media was likely to have arisen because much of the information had been excluded from the public. He proposed that the Panel should not exclude the public from the meeting for item 24 on the agenda.

With 12 votes in favour of excluding the public and 1 against it was  
**RESOLVED:**

That the public be excluded from the meeting under section 100A of the Local Government Act 1972 for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.

## **SUMMARY OF MINUTES EXCLUDED FROM PUBLIC DEPOSIT**

**24. Procurement of Phase One of the Residual Waste Treatment Project – Contract A**

24.1 The Panel received and discussed legal, financial and bid issues that were considered to be exempt under Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

24.2 The recommendation at paragraph 9.1 (i) of annexed report 22 was moved by Mr Byrne and seconded by Mr White. With 11 votes for, none against and two abstentions it was **RESOLVED**:

That the Panel recommend to Cabinet that Contract A be abandoned on the grounds of cost.

(The meeting closed at 12:30 pm)

**Chairman**



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