

Report to: **Executive**
Date: **7 February 2019**
Title: **Future Governance Arrangements for
Frontline Services (Waste and Cleansing)**
Portfolio Area: **Commercial Services**

Wards Affected: **All**

Relevant Scrutiny Committee:

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:
(e.g. referral on of recommendation or
implementation of substantive decision) **After 15 February
2019**

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Recommendations:

1. That the Executive endorse the recommendation of the Frontline Services Project Board to amend the Memorandum of Understanding to include the mobilisation of the contract.
2. That the Executive endorse the setting up of a Partnership Board as outlined in principle and as required under the terms of the Contract.

1. Executive summary

1.1 In 2017 Council approved the setting up of a Project Board to oversee the commissioning of the future arrangements for the delivery of waste and recycling collection, street and toilet cleansing services.

1.2 Subsequently in December 2018, Council approved the award of Lot 3 - a partnership contract for the delivery of the services in scope.

1.3 In order to implement the mobilisation of the contract, it is necessary to amend the Memorandum of Understanding for the Project Board. The Project Board is a Board of the Council and will expire once the contract has commenced and is established. It is also necessary to set up a Partnership Board to deal with contractual operational matters, which is made up of Members from each Council, key officers, and contractor staff.

1.4 The Memorandum of Understanding (MoU) can be varied by written approval of the Project Board in consultation with Leaders and this report is presented in order to keep the Executive Committee fully informed of the governance arrangements of the new contract and in line with the Council request of 6 December 2018.

1.5 The main changes to the MoU concern the mobilisation of the contract, and the expiry stage of the Project Board. In addition, the variation includes the establishment of a Partnership Board to operate for the duration of the contract. The Partnership Board will oversee the operational implementation and performance of the new contract.

1.6 It should be noted that any strategic decisions which fall outside of the contract scope will be brought back to committee for approval.

2. Background

2.1 In September 2017, the Council approved the setting up of a Frontline Services Project Board to oversee the commissioning process for the delivery of the waste and recycling collection, street and toilet cleansing services. Council also approved the Memorandum of Understanding (MoU) and Terms of Reference for the Project Board. The MoU, set in accordance with the Joint Working Protocol, outlines the key objectives of the Project Board and the scope of services being considered.

2.2 The MoU key objectives are as follows:

- i) Test the market with a view to securing value for money outcome for the Councils.
- ii) Seek to secure a partnership arrangement for the delivery of the services across the two Councils.
- iii) Seek to find better ways of delivering the services in scope without necessarily compromising quality.

2.3 Now that the contract has been awarded and the Alcatel (legal standstill) period is over, the MoU requires amendment in order to ensure

the successful implementation of the contract over the mobilisation period.

2.4 The existing MoU can be varied by written approval of the Project Board in consultation with Leaders. However, at the Council meeting on 6 December 2018, it was requested that this report be brought before Executive:

6. {That Council} approves the continuation of a Waste Board, with revised Terms of Reference to be agreed by the Executive, for the duration of the mobilisation period.

It should be noted that Council also approved the contract award which has within it the provision for setting up the Partnership Board.

2.5 This fits with the Council themes of:
Council
Communities
Environment

3. Options available and consideration of risk

3.1 The revised MoU extends the scope of the Project Board to cover the mobilisation of the contract including establishing and developing the remit for the Partnership Board. The Partnership Board Terms of Reference provide a framework for flexible operational delivery within the scope of the contracted works.

3.2 The Project Board have been fully involved with the testing and competitive dialogue process and therefore have a detailed understanding of the contract arrangements. Continuity, coupled with this background knowledge, is essential during the contract mobilisation and bedding in period.

3.3 The risks of not amending the documents include loss of customer satisfaction and Council reputation and may affect future service performance.

4. Proposed Way Forward

4.1 It is proposed that the Deed of Variation to the Memorandum of Understanding as attached at Appendix B and approved by the Project Board, is endorsed. The main changes to the document concern the mobilisation process, the expiry stage of the Project Board, and the establishment of a Partnership Board. These are detailed in Appendix B and the main points listed below for clarity:

4.2 The Project Board, have approved a new set of key objectives as follows:

- i) Ensure a value for money outcome for the Councils.
- ii) Implement the partnership arrangement with the Contractor for the delivery of the services across the two Councils.
- iii) Seek to find better ways of delivering the services in scope without necessarily compromising quality.
- iv) Undertake all those activities that are necessary as part of the Mobilisation in order to give effect to the Councils decision to award contract.

4.3 As this contract will be delivered through a partnership approach, it is necessary to set up a Partnership Board to function from the contract start date on 1 April 2019 to continue through to the end of the contract period. The Partnership Board will be made up of Members of both Councils, along with officers and contractor representatives. The Partnership Board will shadow the work of the Project Board until the contract start date. The draft Terms of Reference for the Partnership Board are attached at Appendix C and will be developed by the Project Board during the mobilisation period.

4.4 The Project Board will continue to function as long as necessary after the contract start date for continuity and until such a time as the services have bedded in.

4.5 The Memorandum of Understanding, MoU Deed of Variation, and the Partnership Board Draft Terms of Reference are attached at Appendix A, B and C respectively.

5. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		The Authority has a duty to arrange for collection and disposal of household waste. The legislative framework is to be found in the Environmental Protection Act 1990, Waste Framework Directive 2008, and Controlled Waste Regulations 2012. The contract has been awarded in full compliance with Contract Procedure Rules 2015.
Financial		There are no financial implications.
Risk		The risks are set out in section 3 of this report.

Comprehensive Impact Assessment Implications		
Equality and Diversity		N/A
Safeguarding		N/A
Community Safety, Crime and Disorder		N/A
Health, Safety and Wellbeing		N/A
Other implications		N/A

Supporting Information

Appendices:

Appendix A: Memorandum of Understanding

Appendix B: Deed of Variation

Appendix C: Partnership Board Draft Terms of Reference

Background Papers:

Council Report 28 September 2017

Council Report 6 December 2018

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	N/A