

## ESSENTIAL REFERENCE PAPER 'A'

### IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives :	Priority 2 – Enhance the quality of people's lives
Consultation:	<p>There has been close working between officers of the two authorities throughout the development of this report including technical advice and support from Senior Finance Officers.</p> <p>Project oversight and direction has been carried out by a Project Board, involving both authority's Portfolio Holders and Senior Managers</p> <p>Member Briefing Sessions were held at both authorities in 2015 to which all Councillors were invited.</p> <p>Initial discussions have been held with Unison and staff and this will continue as the shared service is developed, if approved.</p>
Legal:	<p>The legal implications are described within the report.</p> <p>It is proposed that North Herts District Council will be the 'Administrative Authority' for the Shared Service and be the legal entity leading the procurement. However, officers from both authorities will ensure that the procurement and services meet legislative requirements. Both authorities will be named partners in contracts for goods and services tendered on behalf of the partnership.</p> <p>The governance arrangements described in the report will ensure that East Herts continues to meet its statutory duties.</p> <p>Bidders submitting tenders will be required to confirm that their proposal meet the requirements of UK and EU legislation, including in particular the Waste Framework Directive (2008), which was transposed into law through the Waste (England and Wales) Regulations 2011. This relates to the requirement to comply with 'TEEP'</p>

	<p>regulations ensuring the quality of recyclable materials collected and re-processed. This will form part of an independent moderation of bids carried out by external advisors.</p>
<p>Financial:</p>	<p>Financial implications of this report and estimated future savings are contained within the 'Outline Business Case' (OBC) document attached as Essential Reference Paper B.</p> <p>This details the approach taken, the options considered and the 'Preferred Option' in terms of financial benefits expected to be delivered by a shared service.</p> <p>It indicates undiscounted savings to East Herts Council of 213k per annum, totalling 1.44m over the life of a 7 year contract</p> <p>Savings will be delivered from 2019 onwards.</p> <p>There are no additional Capital financing implications arising from specifically from a shared service. Options to consider whether the recycling fleet should be funded/provided by the contractor or the councils will form part of the procurement process and be determined on a value added basis.</p> <p>To date, East and North Herts councils have committed £30,000 each to the development of this project and this is being utilised to procure specialist external advice as described in the report and to fund project management. This is currently considered to be adequate for 2016/17. If there are any additional funds required to support the development of the shared service, these will be reported through the Council's usual financial management processes.</p>
<p>Human Resource:</p>	<p>The business case assumes a saving in client staff resources of between 2.25 and 4.25 FTE shared between the two authorities.</p> <p>This will be deliverable from 2019. Given the length of the project it is believed that any staff reductions can be achieved through natural wastage. Where necessary and appropriate, vacancies have and will continue to be filled through temporary contracts in order to avoid the risk of redundancy.</p>

	<p>Staff within the Operations service who are involved in waste related functions have been fully briefed on the project to date.</p> <p>Informal discussions have been undertaken with UNISON and this will continue should Members agree to proceed to the next stage.</p>
<p>Risk Management:</p>	<p>The key risks from a shared service arise from the following:</p> <p><u>Unsuccessful or abortive procurement</u></p> <p>This could result if there were insufficient bidders and therefore reduced competition for the contract resulting in higher prices. Soft market testing by specialist waste industry consultants indicates that there is significant interest in a joint contract for North and East Herts from the waste industry. The procurement will be designed to make the contract as attractive as possible by minimising risks and volatility to suppliers and adopting a shared approach to managing areas of uncertainty.</p> <p><u>Loss of key staff</u></p> <p>Transition to the new shared service will recognise the value and importance of staff skills and knowledge and will be managed in a way that retains key people during the implementation of the new contract. A key benefit of forming a single client team is the increase in resilience and ability to retain and develop people skills in a larger team.</p>
<p>Health and wellbeing – issues and impacts:</p>	<p>There are none for this report.</p>