

This Report will be made public on

Report Number **C/**

To: Cabinet
Date: 9 December 2020
Status: Key Decision

Responsible Officer: Ewan Green, Director of Place

Cabinet Member: Councillor Stuart Peall, Cabinet Member for Enforcement, Regulatory Services, Waste & Building Control

SUBJECT: WASTE PROJECT 2021 – JOINT WORKING AGREEMENT WITH DDC

SUMMARY: The current Joint Working Agreement for the Waste Service with DDC ends in January 2021. It is proposed that the joint working arrangements continue as they have proved successful and effective in the management of the waste contract. DDC have drafted a new agreement for the next contract period largely based on the existing agreement.

REASONS FOR RECOMMENDATIONS (*Cabinet only*):

- a) The current Joint Working Agreement ends in January 2021. A new agreement is required to continue the operation of the joint Waste Team and the joint management of the Waste Contract.

RECOMMENDATIONS:

1. To receive and note report C/
2. To approve the continued delegation of the management of the waste services function to DDC under Section 101 of the Local Government Act 1972 on the terms outlined in the new draft Joint Working Agreement.
3. To approve the delegation to start from 16 January 2021 and to continue for the eight year period of the new Waste, Recycling & Street Cleansing Contract.
4. To authorise the Director of Place to conclude the completion of the new Joint Working Agreement.

1. BACKGROUND

- 1.1 Cabinet has previously approved in respect of the Waste Project 2021, the award the tender (in July 2020) and completion of the Inter Authority Agreement with KCC (in October 2020). This report outlines the final legal

agreement for this project; the Joint Working Agreement with DDC for the management of Waste Contract and the Waste Team.

- 1.2 In 2011, the Council entered a joint working agreement (JWA) with Dover District Council and Kent County Council for the management of the waste and recycling collection and street cleansing services. This agreement additionally covered the processing of the collected materials, which is why KCC were included as a party. This joint working agreement ends with the current waste contract on 15th January 2021.
- 1.3 The proposed new JWA will be with DDC only as KCC will take direct responsibility for the processing arrangements from January. The material processing arrangements with KCC were covered in the new Inter Authority Agreement reported in October.
- 1.4 The advantages of continuing the joint working arrangements were considered at the options appraisal stage of the Waste Project. The conclusion was that it remained financially and operationally beneficial to continue the arrangements and Cabinet (17/10/18) agreed the following recommendation (C) -

'To continue to work in partnership with DDC for the provision of a joint contract waste, recycling and refuse collection contract and joint client management team.'

- 1.5 The new contract tender was prepared on the basis that the contract would be jointly managed. However, for the purposes of this report it is worthwhile summarising again the main advantages of a joint working arrangement.

These are: -

- **Contractual** - The joint management of the contract strengthens both councils' positions when negotiating with the contractor and resolving disputes. Commercially, it is appealing to contractors as it reduces administration costs and simplifies management arrangements. A point made by all bidders in the tender negotiations.
 - **Operational** - The joint team set up provides greater resilience for both authorities whilst allowing individual officers to focus on specialist areas.
 - **Financial** – The efficiencies of a joint team has reduced overall costs for both authorities notably in the sharing of costs for the specialist post of the Waste Manager, which would be a significant duplicate cost if each authority operated its own team.
- 1.6 The proposed new JWA would run from 16 January 2021 for eight years, which is the period of the new Waste Contract.

2. **NEW JOINT WORKING AGREEMENT**

- 2.1. DDC have drafted a new agreement, which is attached as Appendix 1. The new agreement is closely modelled on the existing agreement. The following is summary of the main points from the new agreement.
- 2.2. In the new agreement, DDC continue as the Lead Authority. FHDC will delegate the management of the waste services function to DDC under Section 101 of the Local Government Act 1972. FHDC staff employed as Waste Officers are also delegated to DDC under Section 113 of LGA 1972. The FHDC staff will remain employees of this council. In terms of the partnership between both authorities it has helped that it is a joint team with both councils contributing staff rather than a fully delegated shared service with the staff transferred to the lead authority.¹
- 2.3. Staff delegated from FHDC and DDC form the 'Project Team' (i.e. the Waste Team) who report to the 'Project Director' (Roger Walton).² The Project Director reports to the joint Project Board, which comprise of the strategic leads and deputies from both authorities.³ The service will deliver on an annual service plan agreed by both authorities and monitored by the Project Board.⁴
- 2.4. Within the general delegation FHDC will retain responsibility for:⁵
 - The council's rights and powers as the waste collection authority in the district.
 - The approval of Service Plans and budgets.
 - Any instruction or action which may result in any additional costs to the council.
 - The taking or responding to any contract dispute including moving to external resolution procedures.
 - The decision to exercise 'step in rights' under main contract.
 - The decision to agree or settle any payments resulting from council or contractor default under the contact.
 - The decision to assign the contract, terminate the contract or materially vary the terms of the contract.
- 2.5. Additionally, FHDC will remain the landlord for the Ross Depot lease.
- 2.6. The financial arrangements are covered in Schedule 2 of the JWA and cover the contract payments to the contractor and the sharing of costs for the joint Waste Team:
 - DDC will make all contract payments to the contractor and will then recharge to FHDC. This follows the payment arrangements under the current agreement and the FHDC client and Finance Team have a well-developed process of monitoring and tracking the recharged contract costs.

¹ Background Page 3 and Part 4 draft JWA.

² Part 7 and Schedule 1 draft JWA

³ Part 6 Draft JWA

⁴ Part 9 and Schedule 1 Draft JWA

⁵ As outlined in Schedule 1 Table 3

- The draft JWA sets the principle that the joint service costs will be shared 50/50 between both authorities similar to the existing arrangements. FHDC delegated staff will be paid directly by FHDC as employees.
- The current cost to FHDC of the service is £ 240,000 which comprises the direct FHDC employee costs and service recharge £70,000. There are no proposals under the new JWA to change the team size or structure. The Waste Team budget would be monitored under the council's usual budget monitoring arrangements.
- FHDC will retain responsibility to approve any additional costs outside of the agreed contract or service budgets.

2.7. The service will be overseen by the Project Board and will deliver the Service Plan. The JWA agrees the principle of a joint service plan but not its contents which will be agreed and developed by the authorities as the new contract proceeds. It is expected that the new service plan will cover the following:

- Transition to the new contract.
- IT integration between contractor systems (i.e. Echo) and the Council's CRM system.
- Increasing district recycling performance in line with national targets.
- Reducing the amount of waste produced in the district.
- Improving street cleansing particularly meeting seasonal demands.
- Preparation of a standalone Summer Deployment Plan for Street Cleansing.
- Climate Emergency agenda.

2.8. Following the recent unfortunate death of the Waste Manager this post will need to be recruited. DDC have invited FHDC to be involved in the interview and selection of the new manager.

3. NEXT STEPS

3.1 Subject to Cabinet approval and subsequent approval by DDC, the agreement will come into force on 16 January 2021.

4. RISK MANAGEMENT ISSUES

4.1 The following are noted as the major risks at this stage: –

Perceived risk	Seriousness	Likelihood	Preventative action
The efficient management of the waste contract and waste service.	Medium	Medium	The agreement of the new Joint Working Arrangements.

Loss of control over management of key contract.	High	Low	<p>Service and contract will be managed through the agreed service plan.</p> <p>Joint Board to oversee service.</p> <p>Staff delegated not transferred.</p> <p>FHDC retain control over additional financial expenditure.</p> <p>FHDC retain control over exercise of key clauses like termination and step in rights.</p>
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5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

5.1 Legal Officer's Comments (NM)

All relevant legal issues have been addressed in the body of the Report”.

5.2 Finance Officer's Comments (RH)

Please see section 2.6 for specific aspects of the Joint Working Agreement relating to Finance. As mentioned the current process works well and the spend/budgets are constantly monitored.

5.3 Diversities and Equalities Implications (AR)

None.

6. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting -

Andrew Rush
Regulatory Services & Corporate Contracts Lead Specialist
Telephone: 01303 853271
Email: andrew.rush@folkestone-hythe.gov.uk

The following background documents have been relied upon in the preparation of this report:

Appendices:

Appendix 1 – Joint Working Agreement for the Waste Service