

## **Pre-Scrutiny questions and answers on reports being considered by Cabinet on 11 May 2022**

*(This forms part of the considerations at Group meetings before a decision is made on which Cabinet reports will be called-in for scrutiny by the Overview & Scrutiny and the Finance & Audit Scrutiny Committees)*

### **3. Future Relationship with Stratford-on-Avon District Council**

#### Question asked by Councillor Grey

Regarding the Joint Waste & Recycling contract, please could you advise regarding the following;

1. Have Biffa been approached to establish the cost impact of having a separate contract with SDC and WDC as opposed to having one contact? If yes, what were the financial implications/what was the basis of the decision to stick with one point of contact ie SDC?
  2. In recommending that SDC remain the single point of contact with Biffa, have we asked SDC to provide an estimate cost for the delivery of such a service level agreement and if yes, what is it
  3. If we do not have such an estimate, on what basis was the decision to go with this contractual structure made
- Finally, Andrew Day stated that savings of around £1million were achieved via the merger process despite the outcome. This is obviously good news, but I have been asked by a number residents to tell them how much the merger cost WDC and how much it will cost to reinstate a separate WDC operation. Please could you provide a simple summary of savings and costs, one off and reoccurring associated with delivering the merger to date and anticipated costs during the next 12 months including to reinstate a standalone WDC. I appreciated the detailed MTP information will updated in the Summer, but as it has been shared that there have still been significant savings, we do need to provide the same transparency regarding associated costs.

#### [Response from Chris Elliot \(Chief Executive\)](#) [Is there a timescale for meeting this request?](#)

#### Response from Councillor Grey

For the waste contract, I assume this information is already available and formed the basis of the recommendation on how to handle the new service contractually. If this is not the case, I cannot see how a recommendation can be made until it is available?

With respect to the costs and savings, again I can only assume for the claim of savings to be made this information is also already available, otherwise on what basis was the claim made?

For the reasons stated I believe I need the information to be made available before the meeting on Wednesday in order to properly inform my decision

Response from Chris Elliot (Chief Executive)

I think you misunderstand what is proposed re the waste contract. We have signed a contract jointly, all that is being proposed is that as we had planned for the SDC call centre to take calls they will continue to do so. We had already allocated an additional resource to help manage this and this remains. Equally that as Julie Lewis was leading the work for the introduction of the new contract she will continue to that but clearly when the contract has been bedded in we would manage our own elements. It is therefore not a separate contractual arrangement.

We probably will not have all of the information that you seek by Wednesday but will provide as much as we can. Given the time we have available we are limited as to what we can do

Response from Councillor Grey

This is a happy misunderstanding, and I am relieved to hear that there is no increase in cost to that budgeted by WDC for the delivery of the new waste service. Thank you for the clarification.

Regarding the costs and savings information which I requested, this doesn't address my concern that £1mil savings have been claimed without the costs and full picture being available or that we are moving forward without understanding the 'as is'.

Perhaps it would be easier if you could confirm when the information will be available.

Response from the Chief Executive:

I am aiming to have the information for you for Scrutiny Committee as a number of other people have asked the same questions – more or less.

Question asked by Councillor Milton

1. What has been the impact on staff morale?

Response from Chris Elliot (Chief Executive)

There is ironically a sense of relief that the merger isn't going ahead. The merger process is what has had an impact on staff morale rather than the decision to not merge. Members of staff do want to know what the Council will be doing now instead of the merger and there is some anxiety about that uncertainty. The engagement process we have started has I think captured a new sense of energy and an ability to recapture the sense of identity and pride that staff had with WDC. We will have to move at pace and this also means so will Members

2. What additional safeguards will be put in place in the approach to the SWLP to ensure that a similar breakdown of trust doesn't occur?
3. In the operation of the waste contract if the phones are being answered by SDC how will they be answered? I.e. will residents think they're speaking to WDC?
4. Can an assessment of the costs incurred by the project be provided please. This should include an estimate of the indirect costs incurred I.e. time spent by officers not directly employed on the programme.

Response from Chris Elliot (Chief Executive)

It won't be possible to capture costs in the way you describe because we didn't ask staff to ascribe their time in that way. The assessment of costs will be broad/ in the order of rather than absolutely specific.

5. The org chart has a gap in the Development portfolio which I understand will be filled in the interim. In the absence of a permanent replacement what additional oversight will be provided to ensure that progress is made on resolving some of the problems in the enforcement team, ensuring that the processing of planning applications remains on track and that the significant developments in the district have sufficient focus.

Response from Chris Elliot (Chief Executive)

We are interviewing on Monday for an internal interim and given they will be an WDC employee they will be able to give the oversight identified. In addition they will report to Dave Barber who is our Programme Director for Climate Change and who has a planning background.

I appreciate that there's still more work to do following the break-down of the merger on assessing what next, but recognise the work done to date on that. I hope that the O&S committee will be able to provide some direction about where they would like the future focus to be.

Question asked by Councillor Norris

I'm after a detail of the following monies please:

**The full reconciliation of Merger Costs and abortive works to cover but not limited too:**

- Cost of Merger -
  - Cost of consultancies
  - Cost of abortive costs
  - Cost of Staff costs
  - Cost of reports
  - cost of media
  - Cost for staff replacements
  - cost of redundancies
  - other costs to reinstate the single WDC status and uplift of staff to replace against exiting salaries
  - waste contract costs to wdc inc the contract unscheduled amount for us now we are customer only
  - Other services additional costs now we are in contract.

Response from the Deputy Chief Executive

On the waste point, the contract has not changed in anyway and as Julie is still leading for WDC on a "project" basis, there will be no additional costs for WDC. This may change when the SLA ends but we have not started that conversation with Biffa.

Response from Andrew Rollins, Strategic Finance Manager

We have pulled together all shared costs to date on the merger, with the final outstanding piece of work on this to do (in response to the FOI's) is to outline the to date savings from shared JMT staff. The deadline for the FOI is Friday 13<sup>th</sup> May and so I plan to do further work on this tomorrow afternoon.

Richard and I have not included staff costs from existing staff in our assessments so far, and have only included additional costs above existing establishments / budgets.

Question asked by Councillor Kohler

Thank you very much for bringing the report so quickly following the collapse of the merge.

Appendix 1 gives a very useful interim org chart for WDC. If I remember correctly, the Head of ICT was officially recruited as an SDC head and I notice that the CEO box does not extend over the Head of ICT box.

- Please could you clarify the relationship between WDC and the Head of ICT?
- What are the implications for the Digital Strategy and the Transformation Programme that had been initiated?
- Does this give rise to any new risks for the significant business risks register?

Response from Chris Elliot (Chief Executive)

The Head of ICT is a WDC post. The Structure only looks like it isn't covered by me as we have used an excel block and my name also has to cover Andy and Dave B. The Head of ICT will report to me.

We would propose that the Digital Strategy jointly agreed with SDC be brought back to be appropriated by WDC alone. We would intend to carry on and indeed intensify our efforts.

We will do a fuller review of the SBRR but ironically the risks associated with the merger drop off the list and the one around the demerger is I think much less of an issue

Question asked by Councillor Syson

Thank you for this paper and all the thinking and work behind it. I don't see anything in the recommendations about updating the Significant Business Risk Register. I appreciate that Scrutiny looked at this at the last meeting but it had been prepared before it was known that the merger with Stratford would not be going ahead.

Will it now be updated in the near future, taking into account the knock-on effects of not merging, and submitted to either F&A, if it exists, or more likely the new Audit and Standards Committee?

Response from Chris Elliot (Chief Executive)

We took it as read that we'd update the SBRR as we update it anyway on a regular basis but we can add that as a recommendation if you wanted to underlie that point?

Response from Councillor Syson

It was just that the other recommendations were pretty detailed and the Significant Business Risk register is rather important and will have now changed, so I felt it ought to be added

Response from Chris Elliot (Chief Executive)

I don't see a problem in doing that.

How about we add as a recommendation:

"That the Significant Business Risk Register be updated as a matter of priority in the light of the decision not to proceed with the merger with SDC."

I've spoken with Councillor Day and he is happy that we include such a recommendation.

Response from Councillor Syson:

Thank you very much. I am very happy with that.