

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?

New Response from Dave Barber (Director for Climate Change)

We are conscious that decisions around the Local Plan are bound to be politically sensitive – that has always been the case when faced with the challenges of finding land for significant levels of development and in thinking about how we deliver the infrastructure to support that. For that reason, it is likely that there will be political tensions between (and within) the two Councils as the SWLP progresses. The Councils remain committed to working jointly on preparing the evidence base for the SWLP as this will deliver better outcomes at reduced costs. It remains an aspiration to produce a joint Local Plan. For that reason, the joint Governance that has been established to oversee the work on the SWLP will remain in place. However, looking ahead, it must be recognised there is a risk that the two Councils will choose to deliver the development requirements in different ways and according to different priorities. In the event that these different priorities give rise to a risk of delay for the SWLP, the potential to prepare two separate plans drawing on the joint evidence base should be retained.

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?

3. 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.

4. 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 13th 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?
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- What are the implications for the Digital Strategy and the Transformation Programme that had been initiated?

New Response from David Elkington

I discussed this with Cllr. Tracey and Cllr. Hales earlier this week. At the moment, I’m working through the strategy document to take out any reference to SDC and joint working, to update the case studies and to re-evaluate the viability of some of the objectives. I’d hope these revisions will be completed shortly with an accompanying report within a couple of weeks. Cllr. Tracey has expressed that he would like to get some input from the Transformation PAB as soon as possible (which he did acknowledge isn’t even formed yet) but not in a way that holds things up – he wants to try and avoid the back and forth we had last time.

The majority of the objectives will still carry through and some of them may have organisational impacts that were just as relevant to us individually as they were during the merger. I’ll try and get a copy of the re-drafted strategy

shared asap and then I'll get the accompanying report cracked. I'm working on the assumption that given Cabinet approved the last strategy, they're going to want involvement in deciding the future of the re-draft.

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

New Questions asked by Councillor Kohler

Are any actions required straight away to protect our Technology estate? There seem to be two possible drivers: security and cost:

- Are there any security implications of the work that has been done to merge our systems that mean those changes should be reversed out straight away? For example, the email systems had undergone some consolidation - do system admins from SDC have access to WDC confidential materials?

New Response from David Elkington (Head of ICT)

No, there are no significant implications to de-coupling our systems and most changes can be done instantly. All of our integrations were effectively at an application level, so removing and backing out of them is really easy. Once the decision is officially made, SDC will lose access to WDC services and vice-versa. Most WDC originated data remained on WDC infrastructure within the shared arrangements, with the exception of emails sent between SDC and WDC staff. With email, messages with attached data were transferred to the receiving authorities systems and will remain there for a short time. But this is not unusual and a clean-up operation to be carried out at both Councils. In addition, data sharing agreements remain in place so this shouldn't present a legal problem. The only slightly heightened risk for WDC is if SDC's email system were maliciously compromised, there is a possibility that some of our data may be exposed. SDC are also carrying the reverse of this risk for data emailed to us

- Are there any cost implications of merged systems that mean that WDC could be liable for increased costs. For example, are there any WDC systems where we pay for licenses that are used by SDC staff?

New [Response from David Elkington \(Head of ICT\)](#)

No. The only system we officially procured jointly was DocuSign, which is low value and our arrangements to split the costs are unimpacted by the de-merger process.. In all other instances, contracts remained with the native authorities and any procured licences were with the employee's parent organisation

Additionally, in the "Progress Update – Merger of ICT Systems" report that David brought to O&S last November, he mentioned that there were some "key provisions" of a common telephony system that were required to support the launch of the joint waste contract. Are there any implications of the collapse of the merger on supporting the contract from a technology perspective?

New [Response from David Elkington \(Head of ICT\)](#)

The implications are not insignificant, but equally not anything to immediately worry about. We will still need to replace our telephony platform and ICT were about to make recommendations to expand SDC's Mitel Contact Centre platform into WDC. This is no longer an option so an alternative has to be found. Our current telephony system is still supported and in-contract until April next year, so we have time to find and introduce an alternative.

For the joint waste contract, the biggest risk from an ICT perspective is that all of the development for integrating services with Biffa has been carried out by SDC, using their CRM platform and their telephony. WDC's calls are simply redirected to SDC (customers don't see a difference with this), web-forms are presented from SDC and skinned to look like WDC and SDC's contact centre are dealing with all enquiries. Currently this does not present a problem as SDC are effectively providing an outsourced "as a service" provision. This may need to be revisited in the future as if WDC wished to become independent, and if that were the case there may be contractual issues with Biffa around integrating another CRM system. WDC data will also exist in SDC's systems, but this is being tagged for easy identification should it ever need to be removed.

Technologically, if SDC or we decide not to work together on the customer provisions in the future, its not the end of the world. Our Salesforce CRM and even our current telephony platform will be able to cope, but we will need time to develop and test a solution as it has thousands of metaphorical moving parts. SDC has spent six months working on it and I'd expect we would need a similar amount of time.

New [Response from Chris Elliott \(Chief Executive\)](#)

I'll try to get a fuller answer for you for this afternoon (see new above) but I think the honest situation is that we weren't that far advanced on merging systems so these issues didn't/won't arise. If we were ever not going to do the merger now is better than later on. Two Councils in Hampshire which had decided to un integrate have found it will take them 2 years to do so!

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.

New

Questions from the Green Group for discussion at Finance & Audit Scrutiny Committee 10 May 2022

1. What is the best estimate of total officer time spent a) so far on the merger? and b) will be spent demerging?
2. In December 2021, to justify the merger, we were told that it was a financial necessity. So, what services are proposed to be cut? If none, what has changed so drastically in the council's finances to mean that it is no longer a financial necessity?

Note from item 4 of December's cabinet report: If we "Revert to working as two separate Councils"... "the scale of the reductions would be significant. Discretionary services which our public enjoy such as leisure centres, CCTV, toilets, parks, and open spaces would be most affected."