

**HOUSEHOLD WASTE RECYCLING CENTRE CONTRACT UPDATE**

*Report of the Director of Environment & Infrastructure*

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**1. Purpose of report**

1.1 To provide the Panel with a progress update on the Household Waste Recycling Centre (HWRC) service in-sourcing project initiated after the Special Panel recommended (6 May 2020) and Cabinet agreed to exit the Agreement with Amey by early termination.

**2. Background**

2.1 HWRCs are provided by Hertfordshire County Council (“the Council”) as the Waste Disposal Authority (WDA) under Section 51 of the Environmental Protection Act 1990. It is a statutory requirement to provide places within the county for use by its residents to dispose of their own household waste.

2.2 The Council currently provides a network of 17 HWRCs geographically spread across the county, 14 of which are currently operational during COVID-19 restrictions and one which is closed for redevelopment. The service is run and operated on behalf of the authority by Amey who were awarded an eight and a half year contract (the “Agreement”) that was due to run until 6 March 2023.

2.3 At the Panel meeting on 10 September 2018 Officers reported that Amey had expressed continuing concerns about the financial viability of the contract and wanted to work with the Council to explore easement measures that would reduce their financial losses.

2.4 By November 2019 work to explore potential easement measures had been exhausted and as a result the Council noted the request by Amey to exit the Agreement (by early termination) for the operation of the Hertfordshire HWRCs by December 2020 (at the latest).

- 2.5 Further to extensive negotiations, Members were presented with the recommendations, at a Special Cabinet Panel meeting on 6 May 2020, to terminate the Agreement with Amey on 30 September 2020 and for the Council to take direct control (in-source) of the HWRC service from 1<sup>st</sup> October 2020. A Cabinet meeting, held 18 May 2020, approved the decision.
- 2.6 Officers have signed a formal and binding Deed of Settlement (DoS) which confirms that the Agreement with Amey will end on 30 September 2020. This DoS is a full and final settlement i.e. a 'clean-break' but is subject to a limited number of exit obligations that must either be met by Amey by 30 September and/or met through financial sums for items that cannot be met by the end date e.g. full site and asset reversal to the Council in the required condition(s).
- 2.7 This report provides an update on the work of the cross-departmental project team to effectively transition (in-source) the HWRC service from Amey to the Council. This includes a breakdown of each workstream, identification of key deliverables, progress to date, areas of risk and reasonable mitigations which have been considered.

### **3. Recommendations**

That the Panel:

- 3.1 Note the ongoing and extensive work of the cross-departmental project team to transition the HWRC service (in-source) from Amey to the Council.
- 3.2 Note that officers will provide the Panel with a further project update on 18 November 2020.

### **4. Progress update**

- 4.1 The project team, Chaired by Simon Aries, Assistant Director, meets at least monthly and includes officers from the Waste Management Unit and across the Resources Directorate (HR, legal, communications and procurement). Colleagues from the Improvement Team provide project management support and assurance that timelines, costs, risks and issues are appropriately managed.
- 4.2 Several high-level workstreams have been identified which are necessary for successful in-sourcing of the service as shown in Table 1 below. This summarises the remit and progress of each key workstream and any areas of risk which have been identified are noted with appropriate mitigations. A RAG rating has been given to each workstream and a definition of each rating is provided.
- 4.3 Consideration has also been given to the additional support the Waste Management Unit will require from Resources in areas such as HR, Facilities Management, Health & Safety and Customer Services after 1 October. A reorganisation of the Unit has been completed to ensure the new in-house service can be properly managed and developed.
- 4.4 A communications plan for the project has been developed and followed to ensure that stakeholders such as transferring Amey staff, residents, HWP colleagues and

council employees are appropriately informed of the transition at each stage of the project.

## **5. Financial Implications**

- 5.1 There are no financial implications arising from this report.
- 5.2 Detailed overall financial implications related to the project and in-sourcing / early termination arrangements were provided in the May 2020 report (both Part 1 and Part 2).

## **6. Legal Implications**

- 6.1 There are no direct legal implications arising from this report. Table 1 provides high level detail of the various legal implications arising from the project and in-sourcing / early termination arrangements.

## **7. Equalities Implications**

- 7.1 When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered, the equality implications of the decision that they are making.
- 7.2 Rigorous consideration will ensure that proper appreciation of any potential impact of that decision on the county council's statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EqIA) produced by officers.
- 7.3 The Equality Act 2010 requires the county council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation
- 7.4 There are no equalities implications arising from this report.

### Background information

[Special Cabinet Panel - 6 May 2020](#)

[Cabinet - 18 May 2020](#)

Table 1: latest position of project progress as of 28<sup>th</sup> August 2020.

Workstream Update	RAG
<p><b>Workstream: Termination Process</b></p> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>• The Development of the Deed of Settlement (DoS).</li> <li>• Signing and sealing of the DoS.</li> </ul> <p><b>Progress:</b></p> <ul style="list-style-type: none"> <li>• DoS drafted by Amey legal and further developed by the Council’s external legal representative.</li> <li>• Amey have provided an Exit plan as part of the DoS which details their de-mobilisation activities prior to 1<sup>st</sup> October.</li> <li>• DoS signed and sealed 28<sup>th</sup> August 2020.</li> </ul> <p><b>Areas of risk:</b></p> <ul style="list-style-type: none"> <li>• None</li> </ul>	Green
<p><b>Workstream: Operations</b></p> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>• Transfer of property leases from Amey to the Council.</li> <li>• Surveyance of site assets and property prior to transfer to ensure all Council assets are fit for purpose.</li> <li>• Transfer of environmental permits from Amey to the Council.</li> <li>• Arrangement of Recycling Centre maintenance programmes.</li> <li>• Development of Health &amp; Safety (H&amp;S) documentation, training and reporting process.</li> <li>• Transition of Amey Customer Call Centre to the Council Customer Service Centre.</li> <li>• Provision of fleet services for certain TUPE staff and sites.</li> <li>• Re-branding of Recycling Centres, centre uniforms and Council communications.</li> <li>• Information governance with regards to body worn cameras, CCTV and ANPR finalised.</li> </ul> <p><b>Progress:</b></p> <ul style="list-style-type: none"> <li>• External legal advisors are drafting break notices for all leases to ensure these transfer back to the Council.</li> <li>• Surveys of all sites are scheduled with independent assessors from both parties.</li> <li>• Amey have engaged external advisors to assist with transfer of Environment Agency (EA) permits and are in the process of drafting transfer forms.</li> </ul>	Green

<ul style="list-style-type: none"> <li>• Facilities Management have agreed to provide general maintenance services (e.g. drainage, electrics, plumbing, groundworks) for all sites. A schedule of maintenance type, frequency and costings is currently being produced.</li> <li>• Amey provided H&amp;S documentation which is currently under review by the H&amp;S team and Waste Management Unit Officers.</li> <li>• Fleet Services are engaged and ready to provide short-term hire or lease cars and vans.</li> <li>• Customer Service Centre colleagues have been working with WMU Officers to transition the call centre, processes and training slides for call handlers have been completed.</li> <li>• The Council website has been reviewed and areas requiring re-branding to remove reference to Amey have been recorded. Changes will be made by 1<sup>st</sup> October.</li> <li>• Centre signage has been audited and overlays or new signs will be procured.</li> <li>• A new design for site PPE which represents the Council has been developed and uniforms are on order.</li> <li>• Data Protection and Privacy Impact Assessments completed.</li> </ul> <p><b>Area of risk:</b></p> <ul style="list-style-type: none"> <li>• EA permits may not transfer by 1<sup>st</sup> October.</li> </ul> <p><b>Mitigation:</b></p> <ul style="list-style-type: none"> <li>• Operations Lead is actively engaged with EA officials to agree a temporary position if required. WMU officers are assisting with re-branding Amey documentation to accelerate the process.</li> </ul>	
<p><b>Workstream: Sub-contractor Arrangements</b></p> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>• Transfer of Amey's current sub-contractor arrangements, primarily waste collection and disposal services, to ensure services continue.</li> </ul> <p><b>Progress:</b></p> <ul style="list-style-type: none"> <li>• Amey's contracts with various sub-contractors have been reviewed by WMU Officers and Legal.</li> <li>• Deed of Novation for haulage contract has been produced and sent to all parties.</li> <li>• Amendments to other contracts are being agreed and Deed's of Novation are being drafted by Legal.</li> <li>• A quotation process is to be completed during September for various small value arrangements.</li> </ul> <p><b>Area of risk:</b></p> <ul style="list-style-type: none"> <li>• Some sub-contractor agreements may not be in place by 1<sup>st</sup> October 2020. Specification, terms and conditions need to be agreed by all parties before sealing which can take time.</li> </ul> <p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>• Sub-contractors have been prioritised based on operational requirements and contract value.</li> </ul>	<b>Amber</b>

<ul style="list-style-type: none"> <li>• Informal discussions have been had with all sub-contractors which indicates that they are happy to continue providing services and to work with the Council.</li> <li>• If agreements are not in place for certain contracts, they can be procured on a short-term basis <i>via</i> a quotation process.</li> </ul>	
<p><b>Workstream: TUPE process, HR and Pensions</b></p> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>• TUPE of approximately 70 staff to the Council.</li> <li>• Payroll set-up.</li> <li>• Occupational health arrangements in place.</li> <li>• Learning &amp; Development schedule and performance review process in place.</li> <li>• WMU internal re-structure.</li> <li>• Recruitment of new staff.</li> <li>• Admission of TUPE staff to LGPS.</li> </ul> <p><b>Progress:</b></p> <ul style="list-style-type: none"> <li>• Head of WMU completed tour of HWRCs 27<sup>th</sup> – 31<sup>st</sup> July 2020 to meet with transferring staff.</li> <li>• Amey have elected employee representatives and the first consultation meeting was held 19<sup>th</sup> August 2020.</li> <li>• A measures letter, which details any proposed changes to terms &amp; conditions, policies, and pensions, has been sent to Amey and employee representatives.</li> <li>• HR and WMU officers have agreed to tour HWRCs and meet with transferring staff week commencing 7<sup>th</sup> September 2020.</li> <li>• SAP sub-groups are in development to ensure payroll is set-up.</li> <li>• Induction plan for office and site-based staff under development.</li> <li>• WMU re-structure consultation complete, changes effective from 1<sup>st</sup> September 2020.</li> <li>• Job descriptions for new WMU recycling centre staff developed and recruitment is underway.</li> </ul> <p><b>Areas of risk:</b></p> <ul style="list-style-type: none"> <li>• Finalised employee information has not been received. This could lead to a very high workload in September if last minute alterations to information are included.</li> <li>• Amey are not legally obliged to provide employee information until 28 days before transfer, the Council has been making use of interim data for mobilisation purposes.</li> </ul>	<b>Amber</b>
<p><b>Workstream: Technology &amp; Networks</b></p> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>• Provision of IT kit for office-based TUPE staff.</li> <li>• Installation of private and/or public networks at sites.</li> </ul>	<b>Green</b>

<ul style="list-style-type: none"> <li>• Installation of IT kit at various sites to enable re-use and trade waste operations.</li> <li>• Set-up of Ware Recycling Centre office for use as a remote working site.</li> </ul> <p><b>Progress:</b></p> <ul style="list-style-type: none"> <li>• IT requirements for staff and sites have been finalised by Serco and approved by the Council.</li> <li>• Installation of equipment at sites is scheduled for end of September.</li> <li>• Networks team have defined requirements for sites and prices are being agreed. Work will commence in September.</li> <li>• Facilities Management are engaged and will provide furniture for the office at Ware Recycling Centre.</li> </ul> <p><b>Area of risk:</b></p> <ul style="list-style-type: none"> <li>• Chip &amp; pin machines may not be set-up at sites by 1<sup>st</sup> October.</li> </ul> <p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>• Serco Project Manager is in discussions to use existing chip &amp; pin stock while awaiting delivery if necessary, these new machines can be switched out with the temporary stock once delivered.</li> </ul>	
<p><b>Workstream: Finance</b></p> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>• Set-up of new budget, including coding, for service post 1<sup>st</sup> October.</li> <li>• Monitoring of project costs.</li> </ul> <p><b>Progress:</b></p> <ul style="list-style-type: none"> <li>• Recycling Centre budget has been agreed and cost codes set-up.</li> <li>• Project costs continue to be monitored.</li> </ul> <p><b>Area of risk:</b></p> <ul style="list-style-type: none"> <li>• None.</li> </ul>	<b>Green</b>

RAG Options:	
<b>Red</b>	Deliverable(s) have slipped and no mitigating action/plans in place. There are live risks not being actively managed.
<b>Amber</b>	Deliverable(s) have slipped with mitigating actions in place. There are live risks that are being actively managed.
<b>Green</b>	Deliverable(s) on track for delivery to identified deadlines. All identified risks have sufficient mitigations in place.