

East Herts District Council / North Hertfordshire District Council

## Waste Shared Services Project Lessons Log



<b>Project Name</b>	Waste Shared Services Project
<b>Project Manager</b>	Vaughan Watson – Service Director, Place Jess Khanom - Head of Operations, EHDC

Reference No.	Details of Lesson	Name of Officer	Date Recorded	Actions Taken
<i>(simple alphanumeric format)</i>	<i>(this should include details of the event and the causes, its effect, confirmation of whether it was previously identified as a risk and the proposals to improve current or future projects)</i>	<i>(the officer logging the lesson)</i>		<i>(lessons are not learned unless action is taken)</i>

### Category – Skills, Knowledge and Experience of Project Team & Board

Reference No.	Details of Lesson	Name of Officer	Date Recorded	Actions Taken
S1	<p>Project team evolved and changed over the 4 years of the project and included Heads of Service who were overall responsible with support from Finance, Procurement, legal, waste officers, communication, HR and consultants. Over this period the project team changed with only a few that were involved throughout the entire project.</p> <p>This created a loss of knowledge and consistency in the project, which ultimately led to delays in decision making and progressing the project.</p>	Vaughan Watson	<p>11<sup>th</sup> April 2018</p> <p>Reinforced at Lesson Learned Workshop 20.9.18</p>	<p>Project Board agreed the resources required to meet the requirements of the many stages of this project (18 Project Boards)</p> <p>Future considerations:</p> <ul style="list-style-type: none"> <li>- A skills audit should be carried out to ensure training needs are identified early.</li> </ul> <p>Dedicated resources for such a large project needs to be approved at corporate level to ensure ownership of the project wider than the technical waste team and business as usual teams.</p>
S2	Project Board also had changes over the same period, with both Executive Members changing for each Authority. However, there was political stability for both Authorities that ensured the aims of the Business Case were not affected.	Vaughan Watson		Both Councils provided the highest level of political support for this project
S3	Project Board was reported at every meeting Risk and Issue logs that were regularly updated			At each of the 18 meetings risk and issue logs were considered and agreed and mitigating actions taken to ensure there were acceptable outcomes.

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<b>Category - Finance</b>				
F1	<p>The main aim of the Business Case was for both Authorities to find financial efficiencies; the Strategic Outline Case (SOC) was developed in early 2015 by both Councils Heads of Service and Finance Officer to determine the potential levels of saving. Route Optimisation was done by the Waste Contractor, Veolia and the SOC identified there were acceptable contract and Client savings to be achieved. The SOC was high level and required more evidence to support progressing on with a joint contract</p> <p>Outline Business Case required revisions as service requirements changed after the development of OBC.</p>	Vaughan Watson		<p>Project Board in Dec 2014 agreed to use the Government supported “Green Book” methodology to determine an acceptable Business case (SOC &amp; OBC)</p> <p>Project Board and both Councils endorsed the SOC in June 2015 and agreed to proceed to developing a Outline Business Case (OBC)</p> <p>Future Considerations: Further time needed to develop a full Business Case to fully understand all associated costs before sign off to a shared service to give more clarity and confidence over potential costs and savings on both sides – need to allow more time &amp; resources to produce more detailed business case and to inform decision making.</p>

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F2	<p>Outline Business Case (OBC) required external consultants to carry out independent analysis of the market to assess the appetite for larger waste collection contracts and to carry out independent route optimisation. The HWP also supported an additional route optimisation. The three Route Optimisation exercises provided a wide range of potential savings, two meeting both Councils expectations and one that would not. Client team savings were identified showing a reduction in staff of 25% and the use of Buntingford depot as the main depot for the contract showed further savings</p>	Vaughan Watson		<p>Project Board considered and agreed in April 2017 the draft OBC</p> <p>June and July both Councils endorsed through their Scrutiny and Council committee's the OBC</p>
F3	<p>The interest shown by the waste contractors in this new joint contract was very high, which resulted in very competitive bids being provided. Finance Officers and consultants were used to ensure the bids were acceptable. The result was that the financial saving achieved with the preferred contractor Urbaser was far greater than the OBC indicated. In particular for NHDC, who had a much older contact and it was accepted by both Councils that the largest savings would be achieved by NHDC. Lot1 was far more attractive to the market than Lot2 which did not provide any substantial savings</p>	Vaughan Watson		<p>Extensive evaluation by internal and external professionals</p> <p>Project Board and both Councils agreed in Oct and Nov 2017 to award both the Waste and Street Cleansing contract (Lot1) and (Lot2) for the management and processing of dry recycled materials</p>

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F4	During the development of the SOC & OBC we consulted with HCC on the possibility of charging for green waste. Looking at whole system costs, there was concerns of HCC paying for “fresh air” not achieving guaranteed minimum tonnages (GMT). However, over the four years the situation within the County changed in terms of the number of authorities financially being driven into charging for green waste. Also the 20k GMT at Cumberlow was far being exceeded and results from others showed less of a negative impact than originally considered	Vaughan Watson		<p>Leader for NHDC requested PB that consideration be given to charging for garden waste and provide a weekly collection of food waste after attending a HWP when Three Rivers presented the results of introducing charging that showed positive outcomes.</p> <p>Both Councils considered this independent option and the outcome was NHDC agreed and EHC did not want it to be included in the contract</p>
<b><u>Category - Quality</u></b>				
Q1	<p>At an early stage consideration was given to the level and type of service was expected from each Authority and the greater the integration and collaboration the greater the financial saving that could be achieved</p> <p>HOS for both Authorities did a detailed analysis of both waste and street cleansing contracts, early 2015. This identified areas that could benefit more integration in particular the street cleansing contracts (input and output based hybrid finally agreed)</p>	Vaughan Watson		<p>Outcome of the HWP workshop in 2014 that was representative of high level stakeholders (including leaders and Chief Executives)</p> <p>SOC considered and agreed the outline scope of services in June 2016, but was finally considered and agreed by both Councils during the winter of 2016/ 17</p>
Q2	Both Councils wanted to maintain current levels of service and did not want to adversely impact on performance, whilst finance being a key driver	Vaughan Watson		Workshops were undertaken and Scrutiny committees considered and advised on all proposed changes to each Authority during 2016 and 2017

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<b>Category - Time Frame</b>				
T11	NHDC and EHC waste contracts were not aligned, EHC terminated a year later than NHDC. For the benefit of joint contract they needed to be aligned	Vaughan Watson		Dec 2014 NHDC Cabinet agreed to the extension of the contract which was subsequently undertaken by Officers in compliance with the Public Contracts Regulations 2015. Officers also published a Voluntary Ex-Ante Transparency Notice to ensure full transparency on the process. This allowed the contracts to be lawfully aligned and for a business case to be developed. The new contract date was the 8 <sup>th</sup> May 2018, >3.5yrs
T12	Due to the size and complexity and risks associated with such a joint venture, Due Diligence was required	Vaughan Watson		Dec 2014 to June 2016 >1.5yrs to develop and agree a SOC for both authorities June 2016 to June 2017 1y to approve OBC June 2016 to Oct 2017 to develop, evaluate and award contracts <1.5yrs An Intermediate Inter Authority Agreement (IIAA) was agreed by PB and both Councils in June 2016. The IAA Inter Authority Agreement is still being developed and yet to be agreed
T13	Project took more time that originally planned; spec development took longer and absorbed into contingency.			Future Considerations: Dedicated resources required to ensure business as usual work did not detract from project focus.  Late additions/considerations to the specification should be challenged as they were already addressed in the OBC which was signed off.

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<b><u>Category - Legislation and Regulation</u></b>				
L1	With Brexit there has been and continues to be a period of uncertainty for Waste and the Environment for National Strategy and Policy	Vaughan Watson		The contract has been developed around existing strategies and policies including the HWP. We have consulted with the disposal authority HCC on all matters that affect them Existing depots and transfer facilities have been evaluated and action plans developed to ensure they are fit for purpose until 2025, 7yrs
L2	Lack of corporate approach Major Contracts from EHC caused delays in project.			Future Considerations: A framework of how to approach major contracts and the Council's position on key contractual areas would minimise time spent seeking "answers".
<b><u>Category - IT (Software Interdependencies, Licences, Server Capacity)</u></b>				
IT1	In cab technology is helping drive improvements and efficiencies that should improve customer service	Vaughan Watson		Included within the contract specification
IT2	Basing the Client team at Buntingford depot and employed by NHDC, need to have NHDC IT infrastructure	Vaughan Watson		NHDC IT section was instructed in late 2017 to ensure the client team had the appropriate IT infrastructure at Buntingford Depot for Feb 2018
IT3	Lack of IT input for ICT spec requirements lead to purchasing a system for EHC for additional costs			Future Considerations: Corporate buy-in, early engagement and dedicated resources would have allowed for in depth scurrility of proposals in tender submissions.

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IT4	Sharing project documentation, version control was a risk to the project timelines.			Future Considerations: Need to have shared software to enable shared document to be edited.
<b><u>Category - Interdependencies/Conflicts with Other Projects/Services</u></b>				
IN1	The waste contract has been resource intensive and had corporate implications. Over the 4yrs there as been emerging priorities for both Authorities, but have prioritised this as the major project	Vaughan Watson		Included annually as part of the Service planning process and had champions in each service area to ensure the project is delivered to the standard required and within agreed time frames Political awareness and commitment at the highest level  Project Manager – vital to have good skills to marry the needs of both authorities.
IN2	Customer contacts for the new contract as meant changes for both authorities. For NHDC the contractor will be entirely responsible for customer enquiries and complaints as the In Cab technology will ensure a speedy response. EHC transformation programme has meant a corporate Customer Contact Centre that will manage all customer enquiries and will develop an integrated solution with the Contractor to ensure the customer is not adversely affected	Vaughan Watson		Built into the contract specification, discussed and agreed with Project Board.  Needs behavioural change with Councillors and residents for NHDC to ensure the new system works effectively. This will be part of the communication plan for 2018/19



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<b><u>Category - Communications/Engagement with Stakeholders/Partners/Politicians</u></b>				
C1	<p>Project Board has always been updated regularly over the last four years with the Communication plan which is a fundamental element of the project.</p> <p>It is important that all stakeholders (residents Councillors and businesses) are kept informed and consulted with on progress and change</p>			Communications Managers, HOS and Service Managers have developed effective communications plans over the last 4 yrs to ensure Councillors, residents, businesses and staff are kept well informed and consulted with on service changes
C2	Operational sign off documents was not always clear which created delays in the project.	Jess Khanom	20 Sept 2018	Future Considerations: Clear sign off and escalation routes and awareness of timescales involved in getting agreements between authorities.
C3	Need a consistent approach to joint contract communications from both authorities to avoid risk that different people say different things in the public arena.			Future considerations: If comms impacts both authorities then it needs to be signed off by each Authority.
<b><u>Category - Procurement and Letting of Contracts</u></b>				
P1	TI1 under Time frame is mentioned the need to extend NHDC waste contract to be aligned with EHC (8 <sup>th</sup> May 2018)			See TI1
P2	Throughout all stages of the procurement (including pre and post procurement) two different consultants were using which consumed time in terms of preparing additional procurement docs for the consultants whilst developing procurement documents for the 2 major contract (Lot 1 and Lot2)			Future considerations: Need a clear procurement strategy to enable the use of single consultant from the start of the pre procurement stage to ensure consistency of advice and quality of work.

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P3	Support and buy in from other departments / service areas needed as a dedicated resource to minimise delays in the development of procurement documents as well as evaluation.  Note: lack of resources at EHC during project due to corporate restructure & staff turnover.			Future Considerations: Projects should have corporate buy in and dedicated resources from both Authorities / where resources lack, these should be bought in.
P4	Lot 2 procurement was added to the timescales of Lot 1 which in turn added to resourcing pressures. This impacted on the time required to evaluate decisions regarding Lot2.			Future Considerations: Dedicated resources required for an evolving /growing project to ensure decisions are well thought out against the impact on the service.
<b><u>Category - Maintaining Business as Usual</u></b>				
M1	Ensure staff involved in the project team are dedicated to ensuring tasks allocated are delivered on time, within budget and is fit for purpose. Whilst ensuring there was sufficient staff to maintain existing service			NHDC HOS in consultation with the SMT agreed as part of the service planning process adequate staffing resources for the tasks as stated in S1 Skills Experience and Knowledge of Project Team and Board. To ensure the existing waste contract was adequately staffed there was a demarcation of priorities for the waste team with the Service Manager focused on developing the new contract and the Contract Officer on the existing contract. All other service areas had dedicated officers to undertake specific tasks

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<b><u>Category - Training</u></b>				
TR1	General Data Protection Regulations – new regulations regarding data protection has made compliance more onerous.			<p>Training has been provided by the Council's nominated data protection officer. The Council has also put in place online training resources and online guidance for staff.</p> <p>Contracts for lot 1 and lot 2 have been varied to ensure compliance and good practice under the regulations.</p>
TR2	Training required for staff evaluating – assumptions made that everyone had experience of evaluating tenders. This lead to lengthy discussions and debate at moderation			<p>Future Considerations: Carry out skills audit and training</p>
<b><u>Category - Governance and Probity</u></b>				
G1	Need highest level commitment from Stakeholders throughout the entire Project			<p>Project Board was set up at the initial stages of the Project with senior representatives from both Authorities including Councillors and Officers. Project Board being the decision making body and the Project team to carry out assigned tasks within tolerance of time and budgets. Risk an Issues logged monitored and agreed actions taken to mitigate against adverse outcomes.</p> <p>Both Councils reported to their respective committees for approvals as necessary</p>