



**REPORT TO: NWRWTP JOINT COMMITTEE**

**DATE: 31<sup>st</sup> OCTOBER 2018**

**REPORT BY: CONTRACT MANAGER**

**SUBJECT: RESOURCING AND COMMISSIONING PLANNING REPORT**

## **1. PURPOSE OF REPORT**

- 1.1. To update the Joint Committee on the process of bringing in additional resources into the Contract Management Team for the NWRWTP.
- 1.2. To update the Joint Committee on progress on the work of planning for the start of Commissioning the Parc Adfer when the authorities' waste will start going into facility.

## **2. BACKGROUND**

- 2.1. It has long been recognised and agreed that additional resources would be required to the lead authority's resourcing for managing the Parc Adfer contract. This is required for workstreams such as contract performance monitoring, administrative, invoicing, financial and accounting functions.
- 2.2. This Joint Committee has received previous updates on the resourcing of the Contract Management Team as required.
- 2.3. As has previously reported to the Joint Committee, it has long been the intention to provide training to key partner authority officers on key aspects of the contract and contract management. This training has now taken place, and detailed in 3.1 below.

## **3. CONSIDERATIONS**

### Contract Management Training

- 3.1. The Contract Management Training took place over two days in September 2018, and was provided by Local Partnerships on behalf of the Welsh Government. The main areas covered by the course included:-
  - Understanding the Payment Mechanism and Base Case financial model
  - Managing Contract Relationships
  - Managing Contract Documentation and record keeping for Audit
  - Managing difficult conversations and negotiations
  - Risk Management
  - Effective monitoring of KPI's and application of the Performance



### Management Framework

- Contractor/Authority Change and identifying savings
- Knowledge Management

3.2. The course was well attended by officers from all partner authorities from various roles, including waste managers (technical), finance, audit and legal. The training highlighted the importance of resourcing of the contract management function within the lead authority.

### Financial training

3.3. As well as the above training, the Partnership engaged financial advisors Grant Thornton to create 2 financial models for the partner authorities that replicate the main Payment Mechanism and the IAA payment schedule. This will greatly assist the authorities in managing the monthly and annual flow of payments, which are complex and large given the tonnages being treated.

3.4. Flintshire County Council will pay WTI on a monthly basis as lead authority, however will recoup what they pay out minus their own share within a timetable that ensures they are not left out of pocket as a result of paying WTI's monthly invoices. As well as the above, WG's revenue contribution will be provided to Flintshire County Council on a quarterly basis, who will in turn need to pass that on in the correct proportions to the partners authorities. There will also be a reconciliation process annually both between Flintshire and WTI and also between the Partner authorities.

3.5. To accompany the models themselves, Grant Thornton completed 3 days' training for partner authority Finance Officers in early 2018. More recently, however, during September and early October 2018 Grant Thornton and the Contract Manager have held sessions with each partner authority individually to run through the financial model. These sessions were attended by the technical (waste) officers and finance officers and had two main aims. Firstly was to go through the financial model in detail with the officers in order that they could start using it for financial planning purposes. Secondly was in order for the authorities to make whatever internal arrangements required in order to prepare for the flow of payments when commissioning begins. An internal discussion between the partner authority technical and finance officers is now underway to determine the most efficient way to process the flow of payments within payment deadlines.

### Contract Management Team Resourcing

3.6. It has been reported to the Joint Committee previously that additional resources will be required to accompany the Contract Manager at the appropriate time. As noted above the training Local Partnerships further supported this.

3.7. Flintshire, as lead authority has taken the approach that the resourcing for the Contract Management function is done within the existing Streetscene and Finance functions. This ensures that crucial knowledge is spread amongst officers and allows resilience to cover absence of key staff once the facility is operational.



### Finance

- 3.8. Finance - It has become clear from the above discussions and also from direct feedback from the Finance Officer training sessions that the Finance role for the Parc Adfer contract is a critical role. It is apparent that this role needs to be set at minimum at accountant level due to the level of responsibility (flows of large sums of money) and complexity involved.
- 3.9. Flintshire are currently undergoing a re-structuring of their Finance function which is at an advanced stage and currently going through consultation and will in place shortly.
- 3.10. The Contract Manager has also agreed with the Finance Manager Environment that the any further training will be met as required utilising the financial advisors.

### Technical and Administrative

- 3.11. Two other resource requirements have been identified for the Contract Management function, a “technical” role and an administrative function. The administrative function will be carried out within Flintshire’s Streetscene’s administrative team as required. This requirement will start increasing as commissioning draws nearer.
- 3.12. In relation to the technical role, this role is required for crucial aspects of the Contract Management function for workstreams such as monitoring of key contract performance indicators (some of these carry deductions for the contractor therefore is a key role), monitoring and scrutiny of evidence provided by the contractor and general day to day liaison with the contractor on operational matters.
- 3.13. The technical resource for the Contract Management function is being built into Flintshire’s wider Streetscene function. Two individuals within the Streetscene team attended the Contract Management Training noted above and have started getting themselves acquainted with the contract. Having more than a single individual being familiar with the contract ensures the resilience described above. Work has started on preparing some of the documentation and tools required to carry out the functions outlined in 3.12 above.
- 3.14. Progress on the above resourcing will be reported to the Project Board in the lead up to Commissioning.

### Other preparatory work

- 3.15. As well as the work highlighted above, the Contract Manager along with members of Flintshire’s Environment Finance team attended a meeting with finance representatives of WTI to start work on agreeing the information required to ensure the flows of payments happen as smoothly as possible. A key aspect is to agree the level of information and evidence provided by WTI to accompany their invoices and ensuring the right checks and balances are in place for approving invoices for payment. These meetings will become regular meetings going forward as required, with a further meeting scheduled for November.



#### **4. RECOMMENDATIONS**

4.1. Note the content of the report

#### **5. FINANCIAL IMPLICATIONS**

5.1. LP / WG training – None. The training was funded by WG.

5.2. Financial implications of Contract Management Team have previously been reported to the Joint Committee.

#### **6. ANTI-POVERTY IMPACT**

N/A

#### **7. ENVIRONMENTAL IMPACT**

N/A

#### **8. EQUALITIES IMPACT**

N/A

#### **9. PERSONNEL IMPLICATIONS**

9.1. As described in the body of this report

#### **10. CONSULTATION REQUIRED**

None.

#### **11. CONSULTATION UNDERTAKEN**

11.1. As outlined in the report.

### **LOCAL GOVERNMENT ACCESS TO INFORMATION ACT 1985**

#### **Background Documents:**

None

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