

**STRATEGIC REVIEW IMPLEMENTATION PLAN**  
**WDA/11//11**

**Recommendation**

That:

1. Members agree to the implementation of Phase One of the Strategic Review Implementation Plan contained at Paragraph 5 of the report; and
2. Members agree that the Director negotiate a lease for office accommodation as detailed in the report and provide a further report on the outcome of those negotiations for Members' consideration prior to entering into a lease.

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**Report of the Director**

**1. Purpose of the Report**

- 1.1 To seek Members approval to the implementation of Phase One of the Strategic Review Implementation Plan.
- 1.2 To seek Members approval to the negotiation of a lease for office accommodation.

**2. Background**

- 2.1 A series of workshops have been held with Members in response to three main strategic 'drivers' facing the Authority:
  - The financial pressures facing the public sector
  - Merseyside/City Region environmental ambitions in relation to Sustainability and the move to a resource-efficient low carbon economy
  - The 5-year review of the Joint Municipal Waste Management Strategy (JMWMS) for Merseyside and the approaching completion of the Authority's waste contract procurement programme
- 2.2 The Authority has a strong track record of project delivery, from the services provided every day to dispose of waste safely, to the procurement of major new infrastructure and services. The Authority has also delivered a 0%, or less, Levy in the past two years to Districts and has received positive audit opinions in respect of financial management, transparency and good governance.
- 2.3 At the workshops Members received presentations covering resource efficiency, sustainability, the results of the review of the Joint Waste Strategy and ideas for service efficiencies. A short guide explaining resource efficiency is attached for information at Appendix 1.
- 2.4 Members also considered the question: 'What should the Authority be doing in the next ten years?' There was broad support for demonstrating

better value for money through efficiency measures (more with less). There was also support for revised vision, mission and objectives statements to demonstrate the contribution the Authority can make to the wider sustainability agenda through resource management approaches.

- 2.5 It is recognised that the core business of the Authority lies in performing its statutory function as a waste 'disposal' authority. It is crucial that the statutory functions continue to be delivered to the highest standard. The statutory function of the Authority embraces the promotion of waste prevention (consuming less), re-use (using things as many times as possible), recycling and recovery. The delivery of the statutory function can therefore be enhanced through material resource management approaches, and one way in which this can be achieved is by removing old perceptions of 'disposal' and replacing them with the concept of material resource management.
- 2.6 The workshop discussions were founded on key assumptions underlying the strategic review which will be carried through in the Implementation Plan, namely:
1. Any changes will be within current budgets. There will be no new money.
  2. Efficiency gains will include savings and greater 'gearing' or leverage on every pound spent by the Authority.
  3. Delivery of statutory duties will be enhanced

### **3. Revised Vision, Mission and Objectives**

- 3.1 The workshops considered the need to update the Vision, Mission and Objectives of the Authority in line with the strategic direction of travel towards a resource management authority. There was broad support for retention of the existing vision statement, which covers the environmental, economic and social sustainable management of waste resources. A simpler mission statement was also supported, along the lines of:

**'Merseyside – A Place Where Nothing is Wasted'**

It is proposed to incorporate this mission statement and consider any changes to the specific wording of the vision within the Corporate Plan of the Authority to be reported later in 2011.

#### 4. Revised Targets

- 4.1 The strategic review workshops considered the need to account more fully for the contribution the Authority makes to the environment and well-being of Merseyside. Clearly the metrics of recycling rates and diversion of material from landfill will remain key targets for the Authority and the Merseyside and Halton Waste Partnership.
- 4.2 A resource management approach would also need to include wider environmental and sustainability indicators, including raw materials saved, ecological footprint, reduction in carbon emissions, organisations assisted and possibly Gross Value Added (to the Merseyside economy) and/or jobs created/safeguarded. This would be in line with the emerging outcomes of the JMWMS review which adopts many of these measures as a result of members workshops and which have now received broad support from Sefton and Wirral scrutiny committees.
- 4.3 It is proposed that the consideration of revised performance indicators and targets be the subject of a further report as part of the revision of the Corporate Plan later in 2011.

#### 5. Strategic Review Implementation Plan

- 5.1 The strategy is designed to be implemented in Phases, as follows:

**Phase One: Strategic Positioning** – symbolic and enabling actions which confirm the Authority’s change of direction, enhance the Authority’s ability to deliver its statutory functions in the context of the current environmental agenda and ensure later stages can be delivered to their maximum potential.

**Phase Two: Change from within** – short-term internal operational efficiency measures and redeployment of resources to deliver the revised objectives.

**Phase Three: Sharing services** – medium-term shared service, partnership and collaboration initiatives to deliver improved performance against objectives and generate greater efficiencies.

**Phase Four: Performance Review** – reviewing the performance of the service, including new initiatives, and the scope for further improvement.

- 5.2 The implementation phases above are not mutually exclusive. Elements of phases can be delivered simultaneously. Elements of phases two and three in particular, may run concurrently. It is suggested that Phase Four: Performance Review be conducted each year as part of the Corporate Plan process, as happens now.

## **Phase One: Strategic Positioning**

### **Authority name**

- 5.3 The concept of a Resource Management Authority came out of the Director's Appraisal in 2010, the JMWMS workshops, including those with Members, and the JMWMS public consultation exercise. An extract from the Joint Waste Strategy Public Consultation Report is attached at Appendix 2 for Members information. The Director's Appraisal report recommendations and the relevant minute of the meeting on 5<sup>th</sup> February 2010 at which the report was considered, are attached at Appendix 3.
- 5.4 It is proposed that the name of the Authority be amended to 'Merseyside Waste Resource Authority' (MWRA). It is proposed that the Authority adopts this as a brand name for its public facing activities and that approval is given for the Director to make an approach to the Secretary of State to formally rename the Authority.
- 5.5 The use of the word 'Resource' in the title signifies to our various stakeholders a move away from the simple disposal of waste and indicates to the wider industry and the public what we want to do with waste in order to fulfil our statutory functions. The suggested name enables a move towards resource management approaches without encroaching on the collection responsibilities of District Councils. It paves the way for collaborative working with other Authorities who want to develop their own joint working arrangements and who may want to work with the Authority to get the most out of any such initiative without creating a wholly new waste organisation.
- 5.6 A focus on a resource management also creates greater opportunity for Members to increase their personal influence as ambassadors of the Authority and provides greater opportunity for Members to work with colleagues of partner organisations or Authorities.

### Senior Officer Post titles

- 5.7 As part of this symbolic change it is also proposed to change senior officer designations at no cost.
- 5.8 The re-designation proposals above stem from the SOLACE report on the Appraisal of the Directors' post previously considered by Members in February 2010 (WDA 05/10). A decision on re-designation was deferred at that time for further workshops on the future role of the Authority.
- 5.9 If the Authority is to position itself as a major contributor to the city region sustainability and low carbon economy agendas, and avoid its independence and 'sovereignty' being diluted in any subsequent sharing of services with other Joint Authorities, or similar organisations, then it must be perceived to be an equal in any such relationship. The same goes for the post of the Head of Service and senior officer posts. They must be in a position to exercise the maximum personal influence in any joint or collaborative work with other organisations. Re-designation makes the Authority's officers more able to deliver and enhance statutory functions if they are perceived by contractors and the public as not being a subset of some larger organisation.
- 5.10 The titles suggested would put senior officer posts on a par with comparative posts in other similar organisations. No salary changes are proposed as there is no increase in duty or responsibility attached to the change of designation.
- 5.11 The Joint Negotiating Committee for Chief Officers of Local Authorities Conditions of Service currently apply to these posts and there is no proposal to amend this or alter any other terms and conditions.
- 5.12 It is recommended that the titles of the Senior Officers of the Authority be re-designated, at no cost, as follows:
- 5.13 Director of Waste Disposal– change to Chief Executive
- 5.14 Assistant Director (Operations) – change to Director of Operations
- 5.15 Assistant Directors (Strategy and Resources) – change to Director of Strategy and Development
- 5.16 Assistant Director (Finance) – change to Director of Finance

## **Director's Appraisal**

- 5.17 A process was agreed for the future appraisal of the Director at the February 2010 meeting. It is suggested that three Members should form the Appraisal Panel. A report will be prepared for the Annual General Meeting in June 2011 where Members will be invited to volunteer to serve on the panel, which will work with the Director and an independent facilitator to appraise the Director's performance and the future priorities for the Authority on an annual basis.

## **Co-location**

- 5.18 The Authority's lease on North House expires in 2013. Co-location with another Joint Authority or similar organisations is seen as greatly increasing the potential for sharing services and delivering collaborative projects. Merseyside Integrated Transport Authority (Merseytravel) has made an initial approach to the Authority to move into city centre offices which will be available at this time. It is considered that the Mann Island, Liverpool offices present an opportunity to improve accommodation needs of staff and Members, especially in enhancing facilities for Authority meetings.
- 5.19 It is therefore proposed that the Director negotiate the terms of a lease with a view to relocating the Authority's main offices to the Number 1 Mann Island development at the expiry of the North House lease in 2013, subject to the terms of a new lease being at no greater overall cost to the Authority than the current accommodation.
- 5.20 Given that the lease would be over a number of years, the value of the contract would be more than £100,000 and contracts above this amount would normally require a formal tendering process. However, Rule 10 of the Authority's Contractual Procedural Rules provide for exceptions to tendering procedures. It is the Director's view that for the benefits stated in paragraph 5.18 above, such an exception is reasonable.
- 5.21 In the event that a lease is successfully negotiated, the Director will submit a further report to the Authority and at that time, Members will be asked to make an exception to tendering procedures in line with Contract Procedural Rules.



**Phase Two: Change from within**

- 5.22 A programme of Operational Reviews, identifying opportunities to derive efficiency gains from existing operational services, is already underway in the Authority and Members considered in outline a number of possible future areas for evaluation in this regard, including recycling credit payments, charity waste disposal, Household Waste Recycling Centre provision, direct charging, etc. A trial commercial waste recycling initiative at Bidston HWRC has already been agreed by members at a previous meeting as part of the Operational Review. Further operational review initiatives will be brought forward for Member consideration as part of this Implementation Plan, with a first report scheduled for the June 2011 meeting.

**Phase Three: Sharing services**

- 5.23 Members considered at the second workshop, the principle potential opportunities for shared service and collaboration efficiencies, such as 'back office' functions, e.g. administration, Committee/Member services, financial services, procurement, project management and asset management. Co-location would maximise the potential of this Phase. Further initiatives will be brought forward for Member consideration in subsequent reports which will bring further elements of the Implementation Plan into effect.

**Phase Four: Performance Review**

- 5.24 It is proposed that the cycle of performance review be conducted as part of the report setting out the Annual Corporate Plan, as happens now. The first cycle of performance reporting against any revised Corporate Plan will therefore be reported in 2012. In the meantime, current performance will continue to be reported against the existing Corporate Plan.

**Development of the Implementation Plan**

- 5.25 The Implementation Plan is a flexible and constantly evolving document. It is proposed that a process of implementation be established such that

future initiatives are assessed and evaluated according to two main value criteria:

- Level of performance expected compared to cost/risk
- Contribution to the Authority's mission and objectives

Thereafter, it is proposed to present a series of reports starting in June 2011, bringing forward projects to be implemented analysing the potential benefit of each initiative, together with the costs and risks. Each initiative or project will thereby be presented to Members for consideration prior to start-up.

## **6. Risk Implications**

- 6.1 The risk associated with the renaming of the Authority and the re-designation of senior posts is principally perceptual. The proposals reduce the risk of misperception of Authority's intent / role in the future. This applies equally to officer designations. This perceptual risk has been taken into account at the Strategic Review workshops and the recommendations reflect a low risk approach which does not challenge the existing Waste organisation's relationships.
- 6.2 The completion of the Director's appraisal by an independent facilitator provides the Authority with the assurance that the Director is challenged in respect of current and future performance and thereby provides proactive leadership of the Authority. Adoption of the proposed priorities and annual review process therefore reduce the risk of underperformance both by the Director and the Authority.
- 6.3 There are no significant risks associated with a proposed move to similar city centre offices.

## **7. HR Implications**

- 7.1 HR/legal advice was previously requested in relation to the recommendation to change the senior officer post titles in February 2010, in order to ensure that the employment status of the individuals is clear and that no unintended employment obligations occur either on behalf of the Senior Officers or the Authority. The legal advice is attached at Appendix 4. There are no HR implications.

## **8. Environmental Implications**

- 8.1 There are no environmental implications arising directly from this report. However, the proposed strategic direction is entirely designed to enhance the opportunities for further reducing the environmental impact of the Authority and assisting other organisations to do the same, thereby delivering more sustainable waste and resource management practice in all sectors across Merseyside.

## **9. Financial Implications**

- 9.1 The costs of the recommended implementation of Phase One of the Strategic Review will be met from existing budgets.
- 9.2 Subsequent phases of the Strategic Review will seek to deliver greater efficiencies and budgetary savings.

## **10. Conclusion**

- 10.1 The Authority needs to demonstrate that it is continuing to look for and deliver 'more for less' in the form of efficiencies, whilst at the same time moving from the old paradigm of waste disposal to the new one of material resource management.
- 10.2 Phase One of the Strategic Review Implementation Plan consists of a series of symbolic and enabling measures designed to enhance the delivery of statutory functions, increase the opportunities to realise efficiency savings and move the Authority forward into a resource management role, which in turn will demand a higher public profile and greater community engagement.
- 10.3 There is an opportunity for the Authority to move towards pro-active resource management and to make this change without incurring additional costs. The strategic changes proposed are designed to enable greater efficiencies and much greater environmental benefit to be realised in the future.

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The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.