

**TO: JOINT WASTE DISPOSAL BOARD  
10 JANUARY 2007**

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**JOINT WASTE DISPOSAL BOARD -  
PROJECT MANAGEMENT ARRANGEMENTS  
(Head of Environment and Consumer Services, Reading Borough Council)**

**1 PURPOSE OF THE DECISION**

- 1.1 To inform the Board of current and proposed future arrangements for project managing the Waste Private Finance Initiative.

**2 RECOMMENDATIONS**

- 2.1 **To note the progress of the project management arrangements to date.**

**3 REASONS FOR RECOMMENDATIONS**

- 3.1 Clause 9.3 of the Joint Working Agreement (which was executed on 31 October 2006) states specifically that "The Parties shall each appoint the Project Director and shall be responsible for the appointment of and for the replacement of the Project Director from time to time. A report elsewhere on this agenda deals with the appointment of the Project Director. The Project Management arrangements to support the Project Director are whatever the councils agree from time to time.

**4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 None, the report is for information.

**5 SUPPORTING INFORMATION**

- 5.1 Following the successful award of the Waste PFI contract, the Business Change Group consisting of Mark Moon, Jon Freer and Kevin Holyer have been proposing and consulting on changes in the Council's Waste Management services, to complement the shared services arrangements, and support the Project Director. A number of factors make the timing right for these changes including:
- The need to put in place appropriate structures and contract management arrangements for the PFI Waste Contract.
  - The need to agree areas where joint working between the partner councils in the wider waste management arena can deliver an enhanced, more effective and efficient service for the benefit of all.
- 5.2 Consultation began in May 2006 with staff from across the three authorities. In summary, it was agreed that once the PFI contract became operative, the waste management functions of the Councils and the business processes associated with waste management services might be characterised as:
- Those that must be provided jointly for the effective management of the contract

- Those that could be provided jointly (whether for effective management of the contract or to make better use of the total skills and resources available) or could be replicated at the individual council level
- Those that must be provided at an individual council level

5.3 Where business processes are to be provided jointly there remains a further decision point as to the degree of integration of people/teams. The consultation has helped us to clarify the priorities and aspirations of the partner Councils' which in turn has enabled us to shape and develop outline proposals for the distribution of functions in the future. Details of the work carried out to apportion waste management functions and processes are available upon request. Based on the outputs of the consultation, the Business Change Group have developed proposals for the future into three areas:

- Structure, function and reporting lines
- Filling vacant slots
- Interim arrangements

#### 5.4 Structure, function and reporting Lines

5.4.1 The joint working arrangements envisage the creation of a dedicated team to manage the PFI Contract and related joint waste management activities. The PFI Project Management Team will be supported by a range of specialist support from Reading Borough Council, the administering authority (finance, legal, Human resources, information technology, training etc).

5.4.2 The project management team will be headed by a PFI Project Manager who will (within the scope of delegations established by the Joint Working Agreement) be responsible for the management of the PFI Contract and will report to the Project Director.

5.4.3 It is proposed that the Project Manager will be supported by an officer with lead responsibility for Waste Performance Finance and Contract Administration and a part time officer with lead responsibility for Policy and Strategy. The contract management team will probably be completed by a Contract Monitoring Officer(s) as we develop the team and the interface with the collection services.

5.4.4 The proposed structure along with job titles and job roles is shown in the attached appendix 1.

#### 5.5 Filling Vacant Slots

5.5.1 There is a need to fill the Project manager post as quickly as possible and this post is currently being filled in accordance with the council's agreed organisational change protocols and in line with the Joint Working Arrangements. Once the Project Managers post is filled, we will make further proposals about filling the other posts.

#### 5.6 Interim Arrangements

5.6.1 We are aiming to have the changes in place as soon as possible and, as an interim measure, we invited expressions of interest to act as the Interim Project Manager until the permanent post holder is appointed. One expression of interest was received

and Oliver Burt, Waste Services Manager from Reading, is currently undertaking this role along side his substantive post.

## **6 STRATEGIC RISK MANAGEMENT ISSUES**

- 6.1 The Waste PFI Contract is a very substantial project for the three Councils. As such it will be monitored both internally within each Council and by the External Auditors to ensure that the Contract is well managed in terms of delivery, financial and service performance. Should the contract not deliver then it would pose a significant risk to the Council.
- 6.2 The proposed project management arrangements are expected to deliver financial savings for each authority. The uniqueness of our waste solution is in the shared services approach and the proposed changes set out above are intended to complement the partnership arrangements.

### Background Papers

Joint Working Agreement signed on 31 October 2006

### Contact for further information

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### Doc Ref

Project Management Arrangements

# Waste PFI - Proposed Project Management Arrangements

