

Report to the Gloucestershire Shadow Joint Waste Board

Title: The Implications of Staggered Decision Making

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Date: 11th February 2011

1. Context.

At the Shadow Joint Waste Board (SJWB) meeting of the 24th January 2011 the outcome of recent work in the area of governance was presented. This proposed a three tier structure be put in place. The top layer was a member led Joint Waste Committee, underpinned by a scheme of delegation. The second layer was defined as an officer led Joint Management Unit (JMU), bringing together those staff currently tasked with: policy development; developing and delivering business planning; commissioning future delivery; community engagement and liaison; managing and monitoring current arrangements for waste collection and disposal to ensure services are delivered as specified and reporting. The Joint Committee would charge the JMU with the task of delivering an annually agreed business plan. The third element would deliver the existing arrangements for collection and disposal via a range of in-house and contracted out services.

A timetable was proposed that would bring this arrangement into being by the start of financial year 2012/13. In order to achieve that goal, the Programme Board indicated it would be asking the SJWB to agree to this approach before the end of the current financial year, subject to a final decision in Autumn 2011 once more detailed financial and legal work had been completed. Any later date than this would compromise the programme's ability to be functioning by the start of FY2012/13, and unacceptably delay benefit realisation.

It became clear that although some authorities were prepared to commit to this approach now, some were not, preferring to defer acceptance of the organisational proposals until September to allow more time to fully understand the implications of a Joint Waste Committee and the JMU as proposed. This was characterised as 'staggered decision making' and recorded in the minutes thus with the SJWB asking the Programme Team to:

'...review the implications of a staggered decision making approach on the previously proposed time line that had called for all three tiers of the partnership coming into being by the start of FY 12/13. In addition, officers were asked to comment upon the practicality of accommodating both approaches in parallel. Lastly, a form of words were needed that gave a common basis for recommendations to committees and Cabinets over the next few months.'

This report captures the outcome of the Programme Board's consideration of the matter and is for use in supporting papers that may be going to cabinet or executive in the next two months. It will be reviewed at SJWB on the 7th of March, but is produced here in draft to facilitate papers being prepared for Executive Committee at Tewkesbury Borough Council and Cabinet at Cheltenham Borough Council.

2. Analysis.

It could be argued that there is relatively small difference between the two decision making processes being proposed, since they could both be described as acceptance in principle subject to more information and then final commitment. It is the view of the Programme Board, however, that having multiple decision paths represents an increased risk to the programme. The risk arising from agreement now to the structures proposed is compared below with that arising from allowing for some parties deferring their decision in this regard. In the language of risk assessment, the impact is the same in both cases; it is the likelihood of the event occurring that is changed.

The impact arising from a decision not to proceed with partnership is related to the amount of work needed now to move to a point where final agreement to partnership can be achieved. This will entail financial analysis and preparation of first year budgets, formation of inter-authority agreement that details how funds, responsibilities and risks are shared, and the seeking of external legal and financial advice. It is anticipated that the cost of this work will be in the range of £150,000 - £200,000, plus senior officer time overseeing progress; work is in hand to better qualify these amounts. The risk associated with committing to this work now is that if for some reason the programme does not proceed beyond the final decision point in the Autumn, it will be open to criticism arising from the resultant abortive cost particularly within the current financial climate. Therefore, whether or not to proceed at this juncture should be seen as a key financial and reputational risk decision for all authorities concerned.

In the case of agreement now by all authorities to the structures proposed, subject to financial and legal validation, there is a high level of confidence based on work to date that the matters needing further detailing will yield an acceptable proposition. If all parties commit now to this approach, although the impact of a later decision not to proceed remains unchanged, its likelihood is thought to be modest and thus acceptable.

In the case where some authorities defer acceptance of the proposed structures, the likelihood of not proceeding in September increases since it allows for rejection of the proposed approach due to concerns about governance structures per se, even in the case where detailed work has confirmed that it is financially and legally sound. Furthermore, the withdrawal of a number of authorities would bring into question the viability of a joint waste partnership based on the County and a smaller number of collection authorities. Thus, deferred acceptance of the approach to governance increases the likelihood of abortive costs occurring, significantly increasing the financial and reputational risks for all the authorities involved.

In addition, although it is theoretically possible to press ahead with the detailing work on the basis that there may be multiple outcomes, it will increase the effort required since it will also be necessary to ensure that budgets could be disaggregated should some authorities decide not to proceed. This would need to be based on the untested presumption that all combinations of participation are viable, would increase the overall cost and complexity of the work needed moving it toward the higher end of the estimate, thereby increasing the financial risk.

3. Conclusion.

In summary, it is the view of the Programme Board that proceeding with staggered decision making, although possible, represents a significant increase of financial and reputational risk to all the authorities involved in the programme.