

REPORT TO EXECUTIVE			
PORTFOLIO AREA: INFRASTRUCTURE, ENVIRONMENT AND TRANSPORT			
Date of Meeting:	19TH DECEMBER 2002		
Public			
Key Decision:	Yes	Recorded in Forward Plan:	Yes
Inside Policy Framework			

**Title:** PROPOSED TERMINATION OF UNITED UTILITIES MANAGEMENT CONTRACT

**Report of:** HEAD OF COMMERCIAL AND TECHNICAL SERVICES

**Report reference:** CTS 001/02

**Summary:**

To update Members on the current position following a number of meetings in respect of the TUPE transfer of staff.

**Recommendations:**

It is recommended that the Head of CTS and the Portfolio Holder continue negotiations with United Utilities with a view to terminating the existing contract on 31<sup>st</sup> March 2003.

M Battersby  
Head of Commercial and Technical Services

**Contact Officer:** Michael Battersby **Ext:** 7400

1. BACKGROUND INFORMATION AND OPTIONS

1. At its meeting on 2<sup>nd</sup> September 2002 the Executive considered report EN 92/02 which set out the options and implications regarding the sewerage management contract with United Utilities (copy appended as background).
2. Since that time a series of meetings have been held with relevant staff, Trade Union representatives, and United Utilities. Four staff have been identified and accepted by UU in respect of TUPE employees for transfer.
3. The organisational structure and UU terms and conditions have been provided and following a series of "one to one" interviews staff have been provided with an indication of the nature and

location of posts within UU. Whilst there remain some minor details to resolve, in the main the proposals are acceptable to staff. The posts are likely to be based in North Cumbria and current terms and conditions of employment likely to remain in place until late 2004. From April 2004 UU will be reshaping their business to reflect the outcome of the current regulatory price review.

4. In respect of service delivery then UU are confident that the current high standards of service can be sustained and further improved. Indeed they have offered to make a presentation to Members to outline the proposed service management arrangements in North Cumbria.
5. The Council is now in a position to decide if it wishes to formally advise United Utilities of its intentions to proceed with the termination arrangements. It is considered that the key issues have been substantially addressed. A termination and service transfer is achievable by 31<sup>st</sup> March 2003.

## 2. CONSULTATION

1. Consultation to Date. United Utilities, employees, Trade Union representatives.
2. Consultation proposed. As above.

## 3. STAFFING/RESOURCES COMMENTS

Four employees will transfer to United Utilities as part of an agreed TUPE process.

## 4. HEAD OF FINANCIAL SERVICES COMMENTS

The additional cost to the authority of carrying out the statutory work in 2003/04 is assessed at £17,000. The current contract with United Utilities also absorbs £19,290 of central overheads comprising:

Customer & Information Services £70

Financial Services £4,840

Legal & Democratic Services £13,790

These additional costs of £36,290 will therefore need to be considered as part of the budget process.

## 5. LEGAL COMMENTS

Not applicable at this stage.

## 6. CORPORATE COMMENTS

Assurances have been given by United Utilities regarding service standards and quality. Residual overhead recovery will need to be addressed within the budget and the land drainage resources will need to be strengthened.

## 7. RISK MANAGEMENT ASSESSMENT

Problems may arise during the transfer process, although UU have implemented a transitional process in other Local Authorities.

## 8. EQUALITY ISSUES

Not applicable.

## 9. ENVIRONMENTAL IMPLICATIONS

Not applicable.

## 10. CRIME AND DISORDER IMPLICATIONS

Not applicable.

## 11. RECOMMENDATIONS

It is recommended that the Head of CTS and the Portfolio Holder continue negotiations with United Utilities with a view to terminating the existing contract on

31<sup>st</sup> March 2003.

## 12. REASONS FOR RECOMMENDATIONS

See above.

**Our Ref:** GV/FD40/DF/FD/04/53/JR  
**Your Ref:** MB/MMJ



**ENVIRONMENTT  
AGENCY**

**Date:** 19 June 02

Mike Battersby  
 Director of Environment and Development  
 The Civic Centre  
 Carlisle  
 CA3 8QG

Dear Sir

### SEWERAGE MANAGEMENT AGREEMENT

May I initially thank you for meeting with Messrs A, Fraser and D Falcon of my Flood Defence and Water Resources department to discuss the termination of the Sewerage Management Agreement and how this may impinge on the delivery of the DEFRA High Level Targets and the Councils obligations as an Operating Authority under the 1991 Land Drainage Act.

It was confirmed that United Utilities had given notice to terminate the Agency Agreement but the Contract with the Council is envisaged to run until April 2004. This date could be reviewed if circumstances change.

I have attached a summary of the main areas of the Councils responsibility that were discussed. In addition to these discussions some estimation of the resource implications required in terms of manpower required to deliver these responsibilities was also discussed. It was agreed that the resources required for these duties would amount to one full time person per year.

I also note the contents of the letter dated 10 May 2002 concerning Flood Emergencies and the provision of sandbags addressed to Council Leaders from the Local Government Association. (Copy enclosed) Carlisle City Council are specifically mentioned as carrying out good practice. This emphasises the sound base that has been established for flood management and hopefully will be maintained.

In conclusion it was agreed the Council was required to meet its land drainage responsibilities and that to deliver these responsibilities would require the resources of one full time member of staff and the Council would strive to meet these commitments.

Yours faithfully

  
**GLYN VAUGHAN**  
 Acting Area Manager

Enc.

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DEPT. ENV & DEV.	
CENTRAL UNIT	
FILE	
20 JUN 2002	
PASSED TO	
ANSO	

## Meeting with Carlisle City Council Wed 12<sup>th</sup> May 2002.

In response to the attached letter from the E.A. Area Manager to The Chief Executive of Carlisle City Council the Council has requested a meeting to discuss the implications of the termination of the Sewerage Management Service Agreement and the future delivery of the Councils Land Drainage commitments.

Present        Mike Battersby C.C.C.  
                  Duncan Fone C.C.C.  
                  Hugh Johnston C.C.C.  
                  Andy Fraser E.A.  
                  David Falcon E.A.

Listed below are the main areas of Land Drainage, High Level Targets that were considered to be the Councils Responsibility and may be affected by the demise of the Sewerage Management Service Agreement. Some estimation of the manpower resource requirements has been attached to each where possible.

### DEFRA High Level Targets

- Target 1 policy statement completed but Due for review in April 2004 (Minimal)
- Target 3 Flood Warning Emergency Plans and Exercises Annually (Small)
- Target 4 Asset survey on Critical Ordinary Watercourses and Sea defences Annually (COWS 8.5km) (Significant)
- Target 6 Coast protection Inspections (Small)
- Target 9 Biodiversity (Minimal)

### Development Control

- Council in house expertise for planning/drainage issues on none main river. (Significant)
- Liaison work between EA and Council planners (Small)
- Drainage strategy for ordinary watercourses

### Operating Authority None main rivers

- L.A are considered to be the lead authority on none main river issues by DEFRA and Central Government.
- Deal with flooding / maintenance issues on ordinary watercourses
- Advice to public (Small)

### Incident Response

- Drainage team are main point of contact for flood event issues
- Sandbags
- Flood warning Faxes

- Post event information
- Emergency Response
- Maintenance grills and structures (Ordinary wwatercourses)

