

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO LICENSING COMMITTEE

19 DECEMBER 2013

REPORT OF THE ASSISTANT CHIEF EXECUTIVE LEGAL AND REGULATORY SERVICES

REGULATORY SERVICES COLLABORATION

1. Purpose of Report

- 1.1 To update the Committee on the background and progress of the regulatory services regional collaboration project between Bridgend, Cardiff and Vale of Glamorgan Councils.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

The proposals support a number of corporate priorities including making the best use of our resources, and making the County a great place to live, work and visit.

3. Background

- 3.1 In May 2013 Cabinet received a report on the proposals to create a regional regulatory service and the successful funding bid made to the Welsh Government's Regional Collaboration Fund by the Vale of Glamorgan Council on behalf of the three authorities.
- 3.2 Funding of £250,000 for this project has been secured for 2013/14 to support the project's development and implementation. Funding for a further two years has also been approved in principle by the Welsh Government for a further £250,000 per annum.
- 3.3 It is proposed that a single shared service will be created comprising the Environmental Health, Trading Standards and Licensing functions of each council under a single management structure. It is proposed that the service be governed by a newly created Joint Committee and the existing Licensing Committees and Sub-Committees in each of the three councils as appropriate. These proposals will be considered as part of the development of the detailed business case. It is proposed that Scrutiny arrangements would also be put in place in due course following consultation with each council and the Welsh Government.
- 3.4 The anticipated financial and non-financial benefits of the project (to be tested as part of the preparation of the business case) include and are not an exhaustive list:
 - To proactively develop a robust and sustainable collaborative service best placed to meet future service and financial challenges;
 - Development of best practice for the benefit of businesses and consumers;
 - Enhanced flexibility and service resilience to respond to emergencies and changing levels of demand through economies of scale;

- Opportunities to enhance workforce development and embrace innovative technical and mobile working practices;
- Financial efficiencies in excess of £1million across the three authorities to assist in meeting the needs of the councils' medium term financial plans;
- Improved access to a wider range of specialist knowledge; and
- The creation of a transferrable model for collaboration from which the councils and other bodies can learn to improve future collaborative working projects.

3.5 A project team has been established, chaired by the Chief Executive and comprising the three service managers and representatives from corporate services (Finance, Legal, HR, ICT, Communications, Project Management) from each of the three Councils.

3.6 The project team is currently undertaking the initial phase of work and reporting progress to Chief Executives regularly. Work completed to date includes the base lining of financial and employment structures of the in-scope services and the development of mechanisms for engaging and consulting with key stakeholder groups, such as Elected Members, staff and the trade unions.

4. Current Situation / Proposal

4.1 The project team has considered a number of potential models of collaborative working, including existing collaborative work underway between the authorities, work done by other local authorities on collaborative regulatory arrangements and guidance issued by bodies such as the Welsh Local Government Association.

4.2 The detailed business case will consider the proposed governance arrangements, management and employment structures. Building on the above, it is proposed that the shared service would be governed by a newly established Joint Committee, established under Section 102 of the Local Government Act (1972) in addition to the existing Licensing Committees and Sub-Committees of each council.

4.3 The Joint Committee model allows certain functions or a range of activities to be carried out by partners on a joint basis, reducing duplication and generating economies of scale whilst ensuring political representation and transparency for all partners and the public. The Joint Committee model is a model that Bridgend and the two partner authorities have successful experience of using for other collaborative projects.

4.4 Licensing cannot be delegated in the same way as Trading Standards and Environmental Health functions and therefore the existing Committees and Sub-Committees will continue to operate in each of the councils for Licensing.

4.5 The Joint Committee would oversee the operation of the shared service. In terms of day-to-day operation it is proposed that there would be a host authority which would act as the employing authority and this decision will facilitate the development of the project. These proposals will be considered as part of the detailed business case and in consultation with trade unions and staff. Consideration will be given to opportunities to implement innovative technical and mobile working practices as well as consideration of office locations across the three local authorities.

- 4.6 A decision will be required in due course in respect of the provision of corporate support (such as Legal, HR, Finance and Communications) to the shared service and this will be informed by the detailed business case.
- 4.7 In proposing which council the host should be for the purposes of enabling a detailed business case to be prepared, the following criteria were considered. Firstly, all authorities were willing to act as host and secondly, each had the capacity to act as host (in terms of the ability to take on the extra workforce and provide quality, timely and cost effective support services). Accordingly, other factors have been considered.
- 4.8 A shadow Joint Committee has been set up to provide overall strategic direction for the project. The Shadow Joint Committee will provide a useful forum to engage with Members throughout the project. Given its “shadow” status the Shadow Joint Committee will not be responsible for making any formal decisions in respect of the project and as noted the decisions to create the proposed Regionalised Regulatory Service and setup a Joint Committee (which it is proposed, would have decision making power) will be reported back to each Authority following the development of the detailed business case.
- 4.9 The Chief Executive in Bridgend is the project’s Sponsor. This role will involve liaising with the other Chief Executives and Elected Members from each of the three councils and ensuring effective consultation with staff, trade unions and other stakeholders. The Sponsor is responsible for, following the overall direction of the Shadow Joint Committee, providing the direction for the project, overseeing the work of the Project Manager and chairing the project team.
- 4.10 The Head of Regulatory Services from Cardiff Council is carrying out the interim role of project manager, working closely with the service managers from Bridgend and the Vale of Glamorgan Councils to support the initial stages of the project. During the preparation of the detailed business case it is proposed that the Heads of Regulatory Services in each council will continue to work together to ensure continuity of service and to support preparations for the proposed collaborative service.
- 4.11 In order to facilitate progress, the project undertook a procurement exercise to engage external support for the development of three specific documents: a target operating model, detailed business case and implementation plan and to evidence the decision and test the assumptions made as set out in this report.
- 4.12 External support has been selected as the most appropriate way to resource this part of the project due to the ability to provide independent, specialist knowledge and capacity for a short period of approximately 12 weeks. The Project Manager will closely manage the work to ensure quality, focus and timeliness of outputs. The preparatory work completed by the project team to date will minimise the amount of time initial data analysis takes and ensure the focus of this work is on the delivery of useful, tactical documentation.
- 4.13 The external support was appointed following a tender process with WS Atkins the successful company. Atkins has completed a 10 week project with the key deliverables of the assignment being to create:

- Target Operating Model (TOM) – What a regionalised regulatory services function should look like.
- Business Case – Why a regionalised regulatory services function should be established.
- Implementation Plan – How a regionalised regulatory services function should be delivered.

5. Effect upon Policy Framework & Procedure Rules

5.1 At this stage there is no impact on the policy framework or procedure rules.

6. Equality Impact Assessment

6.1 An equality impact assessment will be completed if the project proceeds.

7. Financial Implications

7.1 The proposals contained in this report outline how the Regional Collaboration Fund Grant will be spent in delivering the project.

7.2 As the grant receiving body, the Vale of Glamorgan Council have let and managed the procurement of external support. The Vale of Glamorgan Council's Cabinet has delegated authority to their Managing Director, in consultation with their Leader, to award a contract for project support to the Regulatory Services project following a procurement exercise, after consultation with the Chief Executives of Bridgend and Cardiff Councils [Vale of Glamorgan Council Cabinet Minute C1348]. The evaluation panel for the external support will be representative of each partner authority.

7.3 The combined budgets of the three councils' in scope services equate to approximately £8million. The development of the business case will outline the financial implications of the shared service. In particular, the business case will provide details of how efficiency savings in excess of £1million can be generated across the three authorities. The level of service to be provided (and associated cost) as well as the charging model will also be presented in the business case.

7.4 Once formulated, the business case will be subject to decision by the Cabinets in each authority.

8. Recommendations

8.1 The Committee is requested to note the contents of this report.

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