

MINUTES OF A SPECIAL MEETING OF THE COMMUNITY SAFETY AND GOVERNANCE
OVERVIEW AND SCRUTINY COMMITTEE HELD IN COMMITTEE ROOM 1/2/3, CIVIC
OFFICES, ANGEL STREET, BRIDGEND ON THURSDAY, 24 JULY 2014 AT 9.30AM

Present:

Councillor N Clarke – Chairperson

D M Hughes	M Jones	H E Morgan
E M Hughes	J E Lewis	M Thomas
R M James	J R McCarthy	

Officers:

R Harries - Senior Democratic Services Officer - Scrutiny
G Jewell - Democratic Services Officer - Scrutiny
M A Galvin - Senior Democratic Services Officer - Committees

Invitees:

Councillor M E J Nott - Leader
OBE
D Mepham - Chief Executive
P A Jolley - Assistant Chief Executive - Legal and Regulatory Services
D Exton - Group Manager - Finance
H Selway - Principle Adviser, Employee Relations
Councillor R Williams - Chairperson of the Council's Licensing Committee
J Isles - UNISON Secretary

98 APOLOGISE FOR ABSENCE

Apologies for absence were received from the following Members:-

Councillor K J Watts
Councillor R L Thomas

99 DECLARATIONS OF INTEREST

None.

100 APPROVAL OF MINUTES

RESOLVED: That the minutes of a meeting of the Community Safety and Governance Overview and Scrutiny Committee dated 9 June 2014 be approved as a true and accurate record subject to the word "at" being inserted in the penultimate line of the fourth paragraph on page 108 between the words 'look' and 'school'.

101 REGIONALISING REGULATORY SERVICES PROJECT

The Senior Democratic Services Officer - Scrutiny presented a report, that provided an update for the Committee on the progress being made to create a shared regulatory service between Bridgend, Cardiff and the Vale of Glamorgan Councils, and provide Members with an opportunity to make any comments on the report prior to it being reported in turn to Cabinet and Council.

Following the Senior Democratic Services Officer - Scrutiny giving a résumé of the report, the Chairperson then welcomed to the meeting the Invitees.

The Chief Executive opened debate by giving a PowerPoint presentation entitled Regulatory Services Collaboration Update.

He commenced his submission, by advising that the proposed collaboration would result in a fully integrated Regulatory Services function working across the above mentioned three local authorities, operating within one Management Structure and that the scope of the joint service would include the statutory functions of:-

- Trading Standards
- Environmental Health
- Licensing

The Chief Executive added that currently these services employed over 200 members of staff and had a collective budget of approximately £9m serving approximately 625,000 people.

He then explained that the main objective of the collaboration, was to ensure that all the Councils benefit operationally and financially from the project. The project would look to increase service resilience across the regions; generate savings comprising of efficiencies and budget reductions, and focus upon customer service via a more integrated and co-ordinated approach.

In terms of the anticipated benefits of the project, the Chief Executive advised that these would be:-

- A resilient structure with the flexibility to respond to emergencies;
- Introducing new ways of working that will deliver efficiencies and more risk-based approach to regulation;
- A greater capacity for income generation;
- Sharing costs of the required investment between the three participating councils, and
- Delivering the significantly greater savings than the other options over the future medium term.

With regard to testing and developing the vision of the proposal, the Chief Executive confirmed that this has been analysed by employees from the Departments of Human Resources, Finance, ICT and Legal, together with the appointment of external support i.e. W S Atkins Ltd (Atkins), who had produced a Target Operating Module, a supporting Business Case and Implementation Plan. The Chief Executive added that the above colleagues and external adviser had also looked closely at the validation of the proposal, including the production of a blueprint.

He then advised Members of the options that had been considered, which were (i) 'do nothing' and let the Authority continue working alone in this service area as it

currently does, (ii) 'Collaborate only', with a joint management structure, but retaining otherwise existing service provision, (iii) Change only and develop a new operating model as individual authorities for the future delivery of the service, or the route that had been chosen, which was (iv) 'Collaborate and Change', as this was deemed as the best option for the future resilience of the service and any potential returns from this.

He then confirmed that Atkins had completed work on certain future outputs of the collaboration that included a Target Operating Module (TOM) to see what the new service would look like; and as stated, an Implementation Plan to look at ways to make the change. Information regarding the above three main drivers for the collaboration were included in Appendix A to the report, whilst Appendix B included further updates on financial elements of the collaboration.

In respect of the Operating Model, the Chief Executive advised that this would entail:-

1. A single management structure with integrated teams delivering across three Council areas;
2. The introduction of a 'Core Plus' model balancing standardisation with local need;
3. A dispersed work force, locally based to include mobile working.
4. A risk based approach to the collaboration that would be intelligence led.

In terms of service delivery of the proposed model, this would consist of three service areas, e.g. Neighbourhood Services, Commercial Services and Enterprise and Specialist Services (where income would be generated), and a central administration function that would be adopted for Regionalised Regulatory Services.

With regard to governance arrangements, the Chief Executive stated that there would be a delegation of identified functions from Councils to Joint Committees (through a Joint Working Agreement). It was intended that the Vale of Glamorgan Council would be the host employing authority and the rationale of this was outlined in Appendix 'A' to the report.

The Head of Service in the collaboration would report to a Joint Committee, whilst an Officer Management Board would be established to ensure service delivery meeting requirements. There would be special arrangements for certain licensing functions and these would be considered and subsequently introduced through a decision(s) of Council.

With regard to updating the Business Case, the Chief Executive advised that by April 2014 it was hoped to realign the Operating Model and Implementation Programme to deal with the new arrangements, and subsequently by June 2014 the Shadow Joint Committee would consider the Model as originally proposed, in relation to modifications that have recently been made to it.

In terms of finance related issues, the aim was to deliver a minimum £1.4m revenue saving by 2017, (Appendix 'B' to the report referred), though initial investment would be required to change the model of operation, and these costs would be split between the participating authorities. The Chief Executive added that the return on investment would begin in 2016/17, where it was projected that Bridgend would save approximately £250k in the first year. Costs/savings would be shared between the

three authorities in proportion to population, though it was important to note that there would be risks encountered if the financial assumptions anticipated were not realised.

There would be implementation costs arising from the Regional Collaboration in the form of redundancy costs due to a smaller workforce, though it was important to note the Chief Executive explained, that these would be more costly if the Council made these as a stand-alone Authority.

There may also be the need to incur costs for changing service delivery methods (e.g. through new ICT systems), though these would obviously be shared, delivering the project on time, though these would be partly offset by the Welsh Assembly Government (WAG) Regional Collaboration Fund. The Chief Executive added however, that the funding from WG could not be used to supplement staff redundancies.

The contributions would be calculated on the basis of population within the three local authorities (e.g. Cardiff 57.04%), and the budgetary areas of the collaboration would be overseen by the introduction of a Joint Committee referred to earlier in the meeting.

In terms of staffing, the Chief Executive confirmed that appointment and selection protocols (and systems) would be agreed through Human Resources, and staff would be transferred to the host employer through TUPE arrangements. It was estimated that there would be a reduction in the overall staffing numbers from 204.67 full time equivalent (FTE) staff to 178.4 (FTE), i.e. a minimum of 13%, though some reductions would be made through vacancy management opportunities. There would be further investment committed to staff in the form of training, in order for the Business Model to be successfully delivered.

In terms of other Human Resources local issues, staff would obviously be moved to/from the employing authority, and terms and conditions of all staff affected by the Project would be harmonised accordingly.

There were options to look at in respect of the overview and scrutiny process, i.e. Scrutiny Committees in each of the Authorities continuing to look at the collaboration separately, or establishing a joint committee with joint membership comprising of Members from each authority.

There were risks associated to the project, which were explained the Chief Executive, savings not being realised, issues regarding TUPE, Human Resources and staff engagement and performance levels not being realised for communities as a result of the implementation of the project.

The next steps therefore were:-

July / August 2014

- Pre-decision scrutiny;
- Staff engagement;
- Trade Union engagement;
- External stakeholder engagement.

September / October 2014

- Cabinet consideration of proposal;

- Council consideration of proposal;
- Decision upon project implementation.

Following this added the Chief Executive, the following timetable would look to be put in place:-

<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
(a) Appoint Senior Management;	(a) Staff transfer;	(a) Planned savings delivered;
(b) Begin ICT changes;	(b) Financial savings begin to be realised;	(b) Further efficiencies identified;
(c) Agree a three year Business Plan.	(c) Business transformation complete;	(c) Review service model with partners.
	(d) Service using a centralised ICT regime.	

Finally, in conclusion of his presentation, the Chief Executive advised that without collaboration the above statutory services already under pressure within each of the 3 Council's would face more financial pressures, particularly whilst they run the services independently as individual authorities. The current and forecast budget challenges were likely to result in some elements of the service being discontinued, particularly those that were non-statutory, and the levels of protection available for the vulnerable would eventually become unpalatable.

The Chairperson thanked the Chief Executive for his presentation, following which she invited the UNISON representative, Jane Iles to have a window of five minutes as agreed to by Committee in advance of the meeting, to comment on the report.

She commented as follows:-

"Draft Cabinet Report

- UNISON is concerned at the current time frame being implemented in order to afford staff adequate time to digest, analyse and interrogate the huge amount of information provided. That is to say that staff had access to this information on 17 July 2014 and assume the same concern would apply to scrutiny. There is a mass of information here;
- Page 320 point 7.5 of the first report points to an increase in income from an increase in harmonising of charges, acquisition of external grant funding and other generating opportunities. However these have not currently been secured and will need actively pursuing and close monitoring.
- Page 321 point 7.7 savings on indirect costs have not been quantified;
- Page 321 point 7.10 there will also be an element of TUPE protection going forward for staff and similarly on page 328 point 9.2 it refers to 'TUPE like' process. This causes considerable concern and I am unable to identify anywhere within the report what process will be utilised to transfer staff;
- Page 323 point 7.8 it refers to the fact that the Vale of Glamorgan Council will incur an estimated cost of £180k reflecting the policy to protect the salaries of adversely affected employees for one year which could lead to equal pay claims;

- Page 329 point 9.11 states that 'where possible the assimilation of staff into positions congruent with their existing status and grade' but that does not sit well with the content of point 81 which refers 'a net movement from professional to technical roles';

Atkins Report

- Page 26 point 19 on what basis should the proportion of enforcement work be carried out by Technical Officers with appropriate levels of competence increased
- Page 35 refers to the staff workshops which were held last year, however having spoken to staff there was no mention of EHOs and TSOs being replaced by Consumer Service Officers and Consumer Service Technical Officers;
- Page 93 refers to the advantages of multi-skilled teams and in some areas of Bridgend's Regulatory Service it has been and is working well, however we are sceptical as to how well this approach would work in the area of Trading Standards, i.e. would it be viable;
- Page 95 point 5.11.2 (second bullet) The Food Law Code of Practice which is a legal requirement states that certain establishments should be inspected only by EHO of Officers holding the Higher Certificate in Food Premises Inspection. Which exemplifies the fact that certain critical enforcement action can only be undertaken by EHOs. If the intention is to train non-qualified officers up to the Higher Certificate Level (which is expensive and time consuming) has this been costed;
- Page 96 second paragraph refers to Business Compliance Officers reducing the burden on business when the expectation would be for these to refer on matters to professionally qualified staff who would have the competency to deal with such matters;
- Page 144 details the proposed model for collaboration and change across the three local authorities you have listed five Commercial Services Team leaders, 24 Commercial Services Officers, 35 Commercial Services Technical Officers and 12 Business Compliance Officers, however, if you contrast this with Appendix B page 272, in the updated structure you have listed 4 Commercial Service Team Leaders, 18 Commercial Services Officers, 28 Commercial Services Technical Officers. A significant reduction from 71 to 50 in one essential team. The Business Compliance Officers are no longer listed;
- Pages 149 and 150 give examples of case studies in Buckinghamshire and Great Yarmouth but no examples of good practice within Bridgend, Vale of Glamorgan or Cardiff;
- Pages 185 and 190 of Appendix I details the job description and personal specification for the Chief Officer, Regulatory Services and for the Service Manager, both new posts but not for the Neighbourhood Services Officer, Neighbourhood Services Technical Officer, Commercial Services Officer, Commercial Services Technical Officer, Business Compliance Officer, Primary/Home Authority Officer etc.

- Page 217 Appendix N, why have the grades been blanked out when a significant saving is to be gained via staffing costs.

Appendix B

- Page 253 EHO training for metrology. Trading Standards say that this is an intense and expensive course that usually costs around £2,000;
- Page 253 training for Business Compliance Officers now is listed as £0;
- Why is all the training mentioned irrespective of what course it is at the same price of £300;
- Page 254 the total number of Consensual Terminations as 21 FTEs with 3 FTEs over 55 and 18 FTEs under 55. How can this data be provided when most of the age profile information is missing from page 5 of the EIA;
- Page 254 the total number of consensual terminations and compulsory redundancies has risen from 29 (original Atkins report page 190) to 34 FTEs. Is this upward trend likely to increase?
- Page 268 - 271 Salary comparison - why has this been blanked out.

General Observations

Where would the Williams Commission sit alongside this for Bridgend. The White Paper recently published by Welsh Government is not helpful, and it seems that a final determination on where Bridgend will sit will not be made until early 2015 prompting fears that this set of staff would be subject to two sets of re-organisation within a relatively short period of time. Staff are not wholeheartedly resistant to change and acknowledge that change is required, but that there are significant differences between the original Atkins report and information contained within Appendix B, and there is a dearth of information relating to due process as to how staffing matters will be addressed.

The Chairperson thanked the Union representative for her submission, and the Chief Executive confirmed that Invitees would respond to the points that she had made, outside of the meeting.

A Member referred to page 20 of the papers i.e. the first page of the Executive Summary of the Collaboration i.e. the Atkins report. He noted that the Williams Report on Welsh local government re-organisation, has directed that Bridgend County Borough Council, be amalgamated with Neath Port Talbot County Borough Council to the West. However, the Regulatory Services Project was travelling in the opposite direction i.e. to the East with Cardiff and the Vale of Glamorgan Councils. He asked Invitees how they felt about the project and local government reorganisation proposals effectively travelling in opposite directions.

The Leader advised that though the Williams Report has recommended specifically that Bridgend and Neath Port Talbot Councils combine as one authority, the Welsh Government Collaboration Agenda is encouraging local authorities to work generally together where they can on projects, to continue delivering services jointly in a less prescriptive and more holistic way across administrative boundaries. He added that money had been made available through the Welsh Government Regional

Collaborative Fund to provide a joint delivery model for Regulatory Services, and savings were required to be made by each of the three authorities in this and other service areas, in any event. More savings would be required if they each provided the service as a stand-alone authority, as opposed to providing this collectively.

The Leader concluded by stating that local government re-organisation was also not going to be in place for another four or five years, and therefore, it was a sensible option to achieve savings by combining Regionalised Regulatory Services now, as was proposed.

The Chief Executive added that savings in this service were required now, as was making the service more resilient, and after local government re-organisation the service could be maintained together with Neath Port Talbot County Borough Council, as well as keeping on board Cardiff City and the Vale of Glamorgan County Borough Councils.

The Assistant Chief Executive - Legal and Regulatory Services further added that the Williams Report advocated the continuation of authorities working together to deliver services, in areas where this was successfully achievable.

A Member raised concern over Bridgend County Borough Council staff being relocated to the Vale of Glamorgan County Borough Council as host authority, and any repercussions this may have on them following re-organisation with a different local authority to this.

The Assistant Chief Executive - Legal and Regulatory Services advised that there need not really be any complication with this, in that staff involved in the Regulatory Service Collaboration Project would transfer to Neath Port Talbot County Borough Council, or alternatively staff from Neath Port Talbot in Regulatory Services would be added to the Project. In terms of where staff will be located, this was dependent on what types of different services were being delivered in the different areas of each authority.

A Member noted from the papers that staff in Regulatory Services had been informed of the proposals only very recently, i.e. on 17 July.

The Assistant Chief Executive - Legal and Regulatory Services advised that staff had been advised then of some of the finer detail of the Project, but had been aware of the regionalisation proposals for quite some time. He added that details regarding the proposal had changed and evolved as the Project was moving forward, and the Atkins Report had been refined in order to accurately reflect these changes.

He explained that the appropriate local Members and staff in each authority, had also been informed of the details of the Project and any changes to this at the same time, through staff briefings, the Overview and Scrutiny process and eventually onto Cabinet and Council.

Informal consultations with staff had progressed and a formal consultation process would then follow, including with trade union representatives. The findings and outcomes of the consultation process would then be further shared with Members through the above political channels in due course.

The Chairperson assumed that staff from Bridgend would transfer to the Vale of Glamorgan County Borough Council under TUPE arrangements, and she asked what impact there would be on staff as a result of transferring.

The Principal Advisor, Employee Relationships stated that the combining of the service with other authorities to effectively provide a single service, would impact upon some staff, however, departments in most if not all areas of Directorates of the Council were having to be restructured to provide savings required under the MTFS, and these proposals were also resulting in a rationalisation of the overall Council's workforce.

A Member noted that though part of the regionalisation of Regulatory Services was being funded by Welsh Government grant funding, the 3 Authorities were still having to supplement this, at a time where there were significant financial restraints.

The Group Manager, Finance confirmed that each authority included in the Project would be required to commit up-front investment to enable the collaboration to progress.

She reiterated however that the combining of the services would result in fewer cases of redundancy (pro-rata) when compared to continuing to provide the services alone as a single Authority. Regional Collaboration Funding to supplement the Project was available for at least this and next year. She emphasised however, that any cases of staff redundancy would be funded by the Authority, and not from Regional Collaboration Funding.

The Assistant Chief Executive - Legal and Regulatory Services added that he had to find £1.6m in cuts to Regulatory Services, and that the easiest way to make cuts of this magnitude were through working collaboratively as had been successfully achieved through parts of his Legal Services team working under joint arrangements. £1.6m was a third of the overall Legal and Regulatory Services budget, and unlike certain other Directorates of the Council, the only real avenue to pursue to make the savings required under the MTFS was through a reduction in posts/staff.

A Member asked if the main driver for the collaboration proposals therefore was savings required under the MTFS.

The Assistant Chief Executive - Legal and Regulatory Services confirmed that the reasons for Regionalising Regulatory Services were two fold; to maintain the service and make it more resilient, and to produce the required budgetary savings within his Directorate. He added that the Council could not achieve the above if it continued to provide the service alone, and due to this further cuts would have to be made to the service.

A Member asked why the Vale of Glamorgan County Borough Council had been selected as host Authority for the Project, as opposed to Bridgend or Cardiff City Councils.

The Chief Executive firstly advised that there was no gain for being the host Authority in the Project, financially or otherwise. He added that Bridgend and the Vale of Glamorgan County Borough Council's did work together collaboratively in other areas, as did Vale of Glamorgan and Cardiff City Council. Cardiff and Bridgend he added, did not currently provide services jointly in any area of work, and this was the main reason for selecting Vale of Glamorgan County Borough Council as lead Authority in the Project.

The Leader confirmed that the Business Case of the Project prepared by Atkins, as included in Appendix A to the report was sound, and largely addressed the points

made by Members at today's meeting. These and the Overview and Scrutiny Committees conclusions, together with the points made by the UNISON representative earlier in the meeting, he assured would firstly be considered in due course by Cabinet, and then debated further subsequently at full Council before the Project was given the full go ahead.

The Chairperson asked if all the services currently provided individually by the three authorities would be retained as a result of the Project and it providing increased capacity, and by what methods the Project would introduce income generation.

An example of income generation savings in the future service advised the Chief Executive was the Dog Warden service. Presently Bridgend and the Vale of Glamorgan County Borough Council's provided this service jointly, whilst Cardiff City Council contracted the service out. The combining of the service would allow sufficient scope for it all to be provided internally hence making a saving. Income opportunities would occur as a result of the service provided under the Project covering a far wider geographical area than it currently does under the 3 stand-alone authorities, which would allow the Project to attract more business opportunities including through trading with the private sector, particularly through the regulatory side of the Project.

A Member enquired if there would be compulsory redundancies as a result of the Project.

The Assistant Chief Executive - Legal and Regulatory Services confirmed that this was likely, though there would also if the Project did not go ahead.

In response to a further question from the floor in respect of harmonising or regularising policies relating to issues such as Hackney Carriage and Private Hire Vehicle licences, and certain other services provided, the Assistant Chief Executive - Legal and Regulatory Services advised that issues such as the way work was processed and services were presently being delivered by each Authority, were being looked at in order to apply a more consistent delivery of these services in the future under the collaboration agreement. He added that it was highly likely that the licensing functions being provided by each Authority in-house would be maintained and not significantly altered, though these stand-alone services would probably be governed by a single Licensing Policy.

A Member asked how the collaboration would be overseen from an Overview and Scrutiny perspective, ie would each of the 3 Authorities maintain their own scrutiny process or would they have a joint arrangement.

The Assistant Chief Executive Legal and Regulatory Services confirmed this could be an either or arrangement, adding that it would probably be more beneficial if the service area was monitored by way of a joint arrangement.

The Chairperson noted from the report that there could be significant Capital Expenditure commitment for the provision or support of an ICT System to support the proposed service area. She asked the Invitees if they had yet identified a suitable system.

The Group Manager – Finance confirmed that whilst all three Authorities currently used the same system, they all used it slightly differently. Should the collaboration go ahead, she added that there were two alternatives either to go out to tender for a new

system, or alternatively, retain the existing ICT system and for the 3 Authorities to all operate it in a more consistent way.

The Chairperson enquired if April 2015 was realistic in terms of the Project being implemented, and were the savings anticipated from this expected to be realised.

The Assistant Chief Executive Legal and Regulatory Services replied that though the date for the coming together of the Project was aspirational, it was also to a large degree achievable.

The Chairperson noted from page 235 of Appendix B to the report, that since the Atkins report was first produced, Cardiff City Council had realigned their income derived from granting applications for taxi licences by £200k and she asked what the reason was for this.

The Assistant Chief Executive Legal and Regulatory Services advised that he was not certain of the reason for this, however, he added that it could have resulted from a judicial review in response to the Council's decision to increase their income through fees for the issuing of licences to people who apply to be taxi drivers.

As this concluded debate on the report, the Chairperson thanked the Invitees for their attendance, following which they retired from the meeting.

Conclusions:

The Committee considered the report and wished to make the following comments:

- The Committee acknowledge the need for change in order to ensure the service is as resilient as possible and understand that change cannot be implemented without an element of risk. Therefore, Members endorsed the implementation plan for the creation of a shared regulatory service based on the 'collaborate and change' model.
- In light of the potential changes to services, Members emphasised the need for wider public engagement in order to inform residents of what the likely impact of the changes would be, and to ensure that it can be seen that each of the local authority areas are being treated equally.
- The Committee agreed in principle that joint scrutiny arrangements should be developed, but the specific format of any such arrangements should be subject to further political discussion between the Leaders of each of the participating local authorities.

In addition to the above, it was noted the executive would provide a response to the specific points made by the Unison representative in due course.

The meeting closed at 11.45am

