

## WORCESTERSHIRE DISTRICT COUNCILS

### MEETING OF THE WORCESTERSHIRE REGULATORY SERVICES BOARD

THURSDAY, 24TH NOVEMBER 2016 AT 4.36 P.M.

PRESENT: Councillors R. J. Laight, D. Chambers, Y. Smith (Substituting for Councillor J. Fisher), B. Clayton, L. Denham, J. Riaz, E. Stokes (Vice-Chairman in the Chair), M. King, J. Smith and J. Hart

**Partner Officers:** Mr. D. Sutton, Worcester City Council, Mr. V. Allison, Wychavon District Council, Mr. P. Merrick, Malvern Hills District Council and Mr. M. Parker, Wyre Forest District Council.

Officers: Mr. S. Wilkes, Ms. C. Flanagan, Ms. S. Morgan, Mr. D. Mellors, Mrs. S. Garratt, Mr. M. Cox, Ms. K. Lahel and Mrs. P. Ross

#### 18/16 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES

Apologies for absence were received from Councillors P. Whittaker, Bromsgrove District Council, B. Behan, Malvern Hills District Council and J. Fisher, Redditch Borough Council.

It was noted that Councillor Y. Smith, Redditch Borough Council was in attendance as substitute Member for J. Fisher.

Apologies for absence were also received from Ms. J. Pickering, Bromsgrove District Council and Redditch Borough Council.

#### 19/16 DECLARATIONS OF INTEREST

No declarations of interest were received.

#### 20/16 MINUTES

The minutes of the meeting of the Worcestershire Regulatory Services Board held on 6th October 2016 were submitted.

**RESOLVED** that the minutes of the Worcestershire Regulatory Services Board be approved as a correct record.

#### 21/16 CHAIRMAN'S ANNOUNCEMENTS

The Vice-Chairman took the opportunity to inform the Board that she would be attending Worcester's Victorian Fayre on behalf of the Chairman, Councillor B. Behan, Malvern Hills District Council.

The Vice-Chairman further informed the Board that Councillor L. Denham, Worcester City Council, had requested if she could briefly

discuss with Board Members initiatives / training opportunities they may be aware of with regard to Child Sexual Exploitation (CSE) awareness raising.

The Chairman asked Board Members if they would be kind enough to stay behind after the meeting was officially closed, in order to discuss CSE awareness raising.

22/16

### **WRS REVENUE MONITORING - APRIL TO SEPTEMBER 2016**

The Board were asked to consider a report which detailed the financial position for the period 1st April 2016 to 30th September 2016.

The Financial Services Manager, Bromsgrove District Council and Redditch Borough Council introduced the report and in doing so informed the Board that the report presented the final financial position for Worcestershire Regulatory Services (WRS) for the period 1st April 2016 to 30th September 2016.

The Financial Services Manager drew Members' attention to the information as detailed on page 10 of the report for pest control, and highlighted that if the spend on pest control continued on the same trend for the rest of the year there would be a projected overspend on this service of £47,000. WRS officers continued to analyse the overspend. The figures as detailed below showed the projected full years overspend to be funded from each partner authority:

1. Redditch      £32,000
2. Wychavon    £10,000
3. Wyre Forest £ 5,000

The Financial Services Manager continued and informed the Board that there were a number of vacant posts within the service and these together with savings resulting from maternity leave, long term sick etc. would result in a projected underspend in salaries. This was offset by the costs associated with additional agency staff being used to cover those vacancies. Officers would reduce the reliance on agency staff over the next six months to ensure the projected outturn was as minimal as possible.

Included in the expenditure was two months of costs which related to Trading Standards and Animal Health. Trading Standards and Animal Health services were transferred back to Worcestershire County Council (WCC) as of 1st June 2016. WCC paid WRS £110,000 to run these services for the two months and this income was included in the income projected outturn of £394,000 as detailed at Appendix 1 to the report.

In response to questions from Councillor B. Clayton, Redditch Borough Council, the Technical Services Manager, WRS, informed the Board that with regard to pest control, each partner authority had specific criteria for charges for pest control services. In some areas residents in receipt of

certain qualifying benefits who needed support with pest control could get free treatment or be entitled to a 25% discount, dependant on which pest control service was required and the qualifying benefit they were in receipt of. In Redditch all residents were entitled to free treatment for rats and this was a major contributing factor to the large level of overspend in the Borough.

The Head of Regulatory Services (WRS) reassured the Board that the potential overspend was being regulatory monitored by his team.

**RESOLVED:**

- a) that the final financial position for the period 1st April 2016 to 30th September 2016, be noted; and
- b) that partner councils are informed of their liabilities for 2016/2017 with regard to Pest Control and Bereavements, by Section 151 officers.

23/16

**WRS BUDGETS 2017/2018 - 2019/2020**

The Financial Services Manager, Bromsgrove District Council and Redditch Borough Council introduced a report which detailed the Worcestershire Regulatory Services Budget for 2017/2018 and 2019/2020.

The Financial Services Manager drew Members' attention to page 18 of the report and the assumptions that had been made in relation to the projections. A 1% pay award across all staff, this was subject to the ongoing National Pay Negotiations. Therefore the final position would reflect any formally agreed increases. The budget also included any employee entitled to an incremental increase.

A draft pension revaluation had been received from the actuary, which had resulted in an increase in forward funding to 15.7% from 14.8%. The additional cost of £18,000 per annum was included in the budget projections. The back funding element remained under discussion with the actuary in relation to the transfer of Trading Standards.

The income of £266,000 included £68,000 of additional revenue to be generated from the marketing of the service.

In response to questions from Members, the Financial Services Manager, informed the Board that with regard to pensions, every three years the demographics of employees, was reviewed. Officers were currently awaiting confirmation from Worcestershire County Council (WCC) that all WCC staff had been removed.

Further discussion followed whereby Members made the following comments:-

- Uncomfortable with approving a budget based on savings without understanding how these might be achieved.

- Additional income should be clearly shown and not included as savings.
- Additional revenue income from the marketing of the service, further detail should be provided on how this might be developed depending on potential income streams.
- Looking at income streams, if the additional income required cannot be achieved, Board Members should be made aware at the earliest opportunity. Officers should then report back to the Board with the various options identified for making additional savings.

In response the Head of Regulatory Services (WRS) agreed and stated that, following the valid comments made by Members, he would work with the Executive Director, Finance and Corporate Resources, Bromsgrove District Council (BDC), and the Financial Services Manager to ensure that future budget information was presented to the Board in a more concise and clear format.

The Head of Regulatory Services, WRS, further responded and highlighted that WRS were continually looking to work differently in order to identify efficiencies that could help deliver the required savings. However, given the level of transformation already undertaken these were likely to be marginal. He was trying to be optimistic by looking at other income streams, as income generation was a key element in making the service prosper and the Management Team would continue to look at growing income.

With regard to the suggestions from Members in respect of future budget information presented, he would provide more detailed information on how the income target could be achieved; and would endeavour to work with officers and report back to the Board at a future date.

**RESOLVED:**

- a) that the district partners gross expenditure budget of £3,291k, as shown in Appendix 1 to the report, be approved;
- b) that the district partners income budget of £266k, as shown in Appendix 1 to the report, be approved;
- c) that the district partners revenue budget allocations for 2017/2018 and 2019/2020, as detailed below, be approved;

Bromsgrove	£439k
Malvern	£386k
Redditch	£529k
Worcester City	£507k
Wychavon	£701k
Wyre Forest	£463k
	<b>£3,025k</b>

- d) that, as detailed in the preamble above, the Head of Regulatory Services, WRS to work with the Executive Director, Finance and Corporate Resources, Bromsgrove District Council (BDC), and the

- Financial Services Manager to ensure that future budget information was presented to the Board in a more concise and clear format; and
- e) that the Head of Regulatory Services, WRS to work with officers and report back to the Board on the various options identified in order to make additional savings at a future meeting of the Board.

24/16

## **ACTIVITY AND PERFORMANCE DATA - QUARTERS 1 AND 2**

The Board were asked to consider a report that detailed Worcestershire Regulatory Services Activity and Performance Data for Quarters 1 and 2, 2016/2017.

The Environmental Health & Trading Standards Manager, Worcestershire Regulatory Services (WRS) introduced the report and in doing so informed Members that, as detailed at Appendix 1 to the report, food inspections were down on the same quarter last year. Officers expected that 2016/2017 would follow a similar pattern to 2014/2015, whereby the majority of food inspection work was carried out in the second half of the year. This was due to the volume of reactive work undertaken during the summer and the fact that the service was involved in some complex enforcement activities. This created the prospect of a number of prosecution files which added to the significant number already in the pipeline. WRS would continue to monitor the progress against the full inspection programme for the year in order to ensure that the programme was achieved.

Several businesses had achieved the Healthier Choices Food Award in Quarter 2.

Nuisance complaints showed the more usual track, creating a summer peak that, whilst not exceeding the levels in 2014/2015, was extended through to September due to the fine weather. The noise figures, as detailed on page 40 in the report, clearly demonstrated how busy the team had been over the summer months.

Planning consultations took off during the summer and far exceeded previous years. This resulted in a huge demand in terms of numbers and complexity on the Technical Services team and so other work was re-prioritised.

Staff sickness was higher than in previous years, at 2.77 days per full time equivalent (FTE) for the first two quarters. A large contributory factor was several members of staff with long term health conditions that had required surgery followed by periods of rest and recuperation. There was currently one staff member on long term sickness, with other staff members who had returned to work on a phased return.

Page 57 in the report highlighted that a total income of £135,986 had been achieved and that WRS were on track to achieve the income target as set for the year.

In response to questions from Members, the Licensing and Support Manager, WRS, informed the Board that, with regard to one and three year driver licences, it was dependant on what each authority offered and also those drivers who could afford the three year licence fee.

The Immigration Act 2016 would come into force as from the 1st December 2016. WRS already conducted data exchanges and requested specific documents from applicants as proof of their right to live and work in the United Kingdom (UK).

Applicants were required to produce a UK residence permit and acceptable right to work documents, in order to prove that they had the right to live and work in the UK, before they were issued with a licence. If a residence permit was only for a limited period, e.g. six months and a licence was granted, Members should feel reassured that the licence would only be granted for that six month period.

The Technical Services Manager, WRS, responded to further questions with regard to noise nuisance and tonal elements by briefly explaining that some noise sources emitted noise that was concentrated in a narrow part of the spectrum or contained a high proportion of energy at a single frequency (a pure tone). This type of noise could be more disturbing than other noises of the same level. Examples of sources that could cause disturbance included fans, compressors, motors and transformers where there were sharp metallic bangs and crashes. This is what was meant by tonal elements.

The Chairman and Members expressed their thanks to officers for a well presented, informative report that was clear and easy to follow.

**RESOLVED** that the Activity and Performance Data report for Quarters 1 and 2, 2016/2017 be noted.

25/16

## **PRIMARY AUTHORITY REPORT**

The Board received a report which detailed the progress made by Worcestershire Regulatory Services on Primary Authority Partnerships.

The Business and Relationships Manager, Worcestershire Regulatory Services (WRS) introduced the report and informed the Board that one of the key strategies for WRS was income generation. By working more collaboratively with businesses to support growth and provide assured advice across a number of regulatory functions instilled confidence and maintained essential public protections.

Primary Authority was a statutory scheme established by the Regulatory Enforcement and Sanctions Act 2008 (the RES Act). It enabled eligible businesses to form a legally recognised partnership with a single authority in relation to regulatory compliance. The local authority was then known as its 'Primary Authority'. The scheme made it easier for

business's to comply with regulation and to operate in the United Kingdom.

There were two types of partnership, 'direct' and 'co-ordinated'. The term 'direct partnership' was used where the business accessed the scheme by virtue of being regulated by more than one local authority or traded across different authority boundaries. The term 'co-ordinated partnership' was used where the business accessed the scheme by virtue of the fact that it shared an approach to compliance with other businesses, for example a trade association that provided regulatory guidance to its members.

The scheme had proved very successful and was continuing to grow. According to the Primary Authority Register there were now 15818 businesses in the 16920 partnerships; of which 2163 were in 'direct partnerships' and 14757 were in 'co-ordinated partnerships' with 181 different local authorities.

Primary Authority was available to businesses for support in all areas of Trading Standards, Environmental Health and Licensing delivered by local government, as detailed at Appendix 1 to the report.

WRS had seven 'direct' primary authority partnerships and one 'co-ordinated' partnership, five of which were Worcestershire based. The scheme was increasing each year. The current Primary Authority Partnerships were detailed on page 60 in the report.

The Business and Relationships Manager, WRS, further informed Members that income generation from the scheme was to be on a cost recovery basis. The current model operated used highly skilled experts in the field and WRS were aware that the preliminary stages of any Primary Partnership required a surge of resources. Therefore each new partnership was looked at on a case by case basis, in order to sustain the commitment to current business's already in the WRS Primary Authority portfolio. The risk of taking on too many businesses could require additional resources.

The Chairman commented that this appeared to be a growing area, which also acted as a safety net for businesses by providing consistent advice.

In response to questions from Members, the Head of Regulatory Services, WRS, explained that advice given to businesses by each primary authority was assured advice and could be relied upon by the business. Where a disagreement on interpretation occurred between local enforcement authorities and the Primary Authority, discussions would take place to resolve the issue. Where resolution was not achieved informally, a mechanism was available through a branch of the Department for Business, Energy and Industrial Strategy to adjudicate and determine which interpretation was correct. In the meantime, the business could continue to trade with confidence. If the advice was

deemed correct the enforcement authority would be prevented from taking the matter further. If it was found that incorrect advice had been provided the enforcement authority could proceed. Equally, if a business had failed to seek Primary Authority advice on something and its actions constituted an offence, the business could not try to use the Primary Authority mechanism to defend itself. So there were checks and balances in the system to ensure businesses were supported and consumers remained protected.

Members thanked the Business and Relationships Manager, WRS, for her report. It gave them confidence that the scheme was being built steadily and achieving an income stream for WRS. Members were reassured by the fact that each partnership was looked at on a case by case basis, thus reducing any potential risk by growing the scheme too rapidly.

In response the Head of Regulatory Services, WRS, further commented that, from its work with smaller businesses, WRS understood that periods of significant growth were critical times for business and increased the risk of things going wrong, so it was crucial to allow the business to grow at the right rate in order for the business to be sustainable.

With regard to the fact that the scheme was to be on a cost recovery basis, officers would continue to grow the scheme, but a review of the scheme would be carried out after the first six months, in order to ensure that the full cost recovery model was delivering what was required. Any income generated would be invested back into the service. The Head of Regulatory Services, WRS, agreed to report back to the Board the findings of the six month review of the scheme.

**RESOLVED:**

- a) that the findings of the six month review of the scheme be brought back to a future meeting of the Worcestershire Regulatory Services Board, and
- b) that the Primary Authority report, be noted.

26/16

**NEXT MEETING DATE**

Members were asked to note the next scheduled meeting of the Board on Thursday 16th February 2017, 4:30 p.m. at Bromsgrove District Council.

The meeting closed at 5.35 p.m.

Chairman