

WORCESTERSHIRE DISTRICT COUNCILS AND COUNTY COUNCIL

WORCESTERSHIRE REGULATORY SERVICES

MEETING OF THE WORCESTERSHIRE SHARED SERVICES JOINT COMMITTEE

THURSDAY 22ND NOVEMBER 2012 AT 6.00 P.M.

THE COMMITTEE ROOM, THE COUNCIL HOUSE, BURCOT LANE,
BROMSGROVE

MEMBERS: Bromsgrove District Council: Councillor C. B. Taylor
Bromsgrove District Council: Councillor M. A. Bullivant
Malvern Hills District Council: Councillor Mrs. B. Behan
Malvern Hills District Council: Councillor D. Hughes
Redditch Borough Council: Councillor M. Braley
Redditch Borough Council: Councillor P. Mould
Worcester City Council: Councillor Mrs. L. Hodgson
Worcester City Council: Councillor J. Riaz
Worcestershire County Council: Councillor A. N. Blagg
Worcestershire County Council: Councillor D. Thain
Wychavon District Council: Councillor Mrs. E. Stokes
Wychavon District Council: Councillor K. Jennings
Wyre Forest District Council: Councillor P. Harrison
Wyre Forest District Council: Councillor M. Hart

AGENDA

1. Apologies for absence and notification of substitutes
2. Declarations of Interest
3. To confirm the accuracy of the minutes of the meeting of the Worcestershire Shared Services Joint Committee held on 27th September 2012 (Pages 1 - 6)
4. Worcestershire LEP Regulators Business Charter (Pages 7 - 10)
5. ICT Project Update - Verbal update from the Head of Worcestershire Regulatory Services
6. Impact on Service Delivery and Quality of 5%, 10% and 15% Reductions in Base Budget (Pages 11 - 42)
7. Information report on service activity relating to Scrap Metal Dealers (Pages 43 - 54)
8. Worcestershire Regulatory Services Financial Monitoring Report (To Follow)

9. Worcestershire Regulatory Services Budget 2013 / 2014 (To Follow)
10. Worcestershire Shared Services Joint Committee - Proposed Meeting Dates 2013 / 2014

All meetings to commence at 5.30 p.m.

Thursday 21st February 2013

Thursday 27th June 2013 – Annual Meeting

Thursday 26th September 2013

Thursday 21st November 2013 – Budget Meeting

Thursday 20th February 2014

11. To consider any other business, details of which have been notified to the Head of Legal, Equalities and Democratic Services prior to the commencement of the meeting and which the Chairman considers to be of so urgent a nature that it cannot wait until the next meeting

K. DICKS
Chief Executive

The Council House
Burcot Lane
BROMSGROVE
Worcestershire
B60 1AA

13th November 2012

BROMSGROVE DISTRICT COUNCIL

WORCESTERSHIRE REGULATORY SERVICES

MEETING OF THE WORCESTERSHIRE SHARED SERVICES JOINT COMMITTEE

THURSDAY, 27TH SEPTEMBER 2012 AT 5.30 P.M.

PRESENT: Councillors M. Hart (Chairman), D. Thain (Vice-Chairman, during Minute No's 18/12 to 24/12), M. A. Bullivant, C. B. Taylor, Mrs. B. Behan, D. Hughes, Mrs. P. Witherspoon, R. Hill, Mrs. L. Hodgson, A. N. Blagg, Mrs. E. Stokes and P. Harrison

Observers: Mr. V. Allison, Deputy Managing Director, Wychavon District Council

Officers: Mr. S. Jordan, Mrs. S. Sellers, Mr. M. Kay and Mrs. P. Ross

15/12 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors M. Braley, Redditch Borough Council, P. Mould, Redditch Borough Council, J. Riaz, Worcester City Council and K. Jennings, Wychavon District Council.

16/12 DECLARATIONS OF INTEREST

No declarations of interest were received.

17/12 MINUTES

The minutes of the meetings of the Worcestershire Shared Services Joint Committee held on 28th June 2012 and 11th July 2012 were submitted.

RESOLVED that the minutes be approved as a correct record.

18/12 WORCESTERSHIRE REGULATORY SERVICES GROWTH POTENTIAL

The Committee considered a preliminary report which detailed opportunities to explore potential growth for Worcestershire Regulatory Services.

The Head of Worcestershire Regulatory Services (WRS) introduced the report and in doing so informed the Committee that WRS were well aware of the implications of the next Government settlement (2014/2015 onwards) and the significant impact this was likely to have on local authority finance. Members were informed that an options report on the likely impact of further cuts to the budget (5%, 10%, and 15%) in 2014/2015 would be presented to the next meeting of the Joint Committee.

The creation of WRS had helped the seven participating authorities to reduce costs whilst maintaining resilience. In light of the uncertainty of the financial settlement that would be available to Local Government from 2013/2014, WRS had developed two strategies, as detailed in the report.

There was an opportunity to grow the business in such a way that growth would deliver benefits for the original partners. WRS had had discussions with five Local Authorities, as detailed in the report, to gauge interest in either joining the partnership or outsourcing their services to WRS. WRS were also looking at the feasibility of working with a wider range of partners to establish a regional Animal Health team and metrology. The Head of WRS highlighted that WRS were currently looking at the feasibility of these opportunities and that these discussions were still at an early stage. A report detailing potential business models would be presented to the Joint Committee early in 2013. It was clear that there were real opportunities for WRS to grow the business in a way that would generate an income for partners and help offset the WRS budget.

The Head of WRS advised Members that in order to maximise these opportunities it had become clear during the preliminary discussions that a review of the current governance arrangements would need to be undertaken to support a different business model.

The Head of WRS responded to Members' questions with regard to:

- Founder Members being treated as preference shareholders
- Business Model options
- Financial analysis of opportunities
- Profit sharing amongst the core partners
- Would WRS consider opportunities to enter into the private sector?

Councillor Mrs. B. Behan, Malvern Hills District Council expressed reservations in respect of the governance arrangements and how would this impact on Bromsgrove District Council as the host authority. The service had already been pared back to make savings and the service was currently operating on a slim field of operators, had staff been trained or would staff be trained if additional services were undertaken for other authorities. She was not opposed to it, but was worried. She also expressed further concern in respect of the public and their line of entry via the Worcestershire Hub. Would further operators be required if additional services were undertaken for other local authorities? She was slightly hesitant to go down this route, she sensed the need, but wondered how the current WRS structure would grow. She would not like to see a north/south/east/ west split of any sort.

The Head of WRS responded and highlighted that he understood the concerns expressed and that there would be no commitment until any opportunities had gone through the correct governance arrangements.

RESOLVED that Worcestershire Regulatory Services continued to explore opportunities to grow the business by taking on other partners or being contracted to deliver similar services for others, be approved.

19/12 **ICT PROJECT - VERBAL UPDATE FROM STEVE JORDEN**

The Head of Worcestershire Regulatory Services (WRS) provided the Committee with a verbal update on the ICT Project. Members were informed that the IT contract with IDOX had been signed. The Head of WRS considered the contract to be advantageous to WRS and that it would work well for IDOX. The next phase would be to fill in the detail on the IT Project Plan and align resources. Staff from WRS would work on the IT Project so that WRS staff had ownership of the IT system, this would involve 'backfilling' where needed, a budget had been allocated for 'backfilling'. The detailed IT Project Plan would be presented by the ICT Project Manager to a future meeting of the Joint Committee. Members were further informed that penalty clauses had been built into the contract with IDOX to ensure delivery of the system as specified and that deadlines were met.

Following further discussion the Head of WRS responded to Members' questions with regard to:

- The host authority for the ICT system
- The type of ICT system supplied, whether bespoke or an off the shelf system.
- Ownership of the Licence. Could IDOX sell the system as a marketable product?

20/12 **WORCESTERSHIRE REGULATORY SERVICES JOINT COMMITTEE BUDGET MONITORING APRIL - JULY 2012**

The Committee was asked to consider a report which detailed the financial position for the period April to July 2012.

The Executive Director, Finance and Corporate Resources, Bromsgrove District Council introduced the report and in doing so apologised to the Committee and ask Members to note that the figure of £6.008m shown on page 11 of the report should read £5.626m. Member's attention was drawn to Appendix 1 to the report and the Training and Seminars figure of £35,000. The Executive Director, Finance and Corporate Resources reminded the Joint Committee that Members had agreed at the Joint Committee meeting on 28th June 2012 to set aside £35,000 to fund a leadership development programme for senior for managers.

RESOLVED that the financial position for the period April to July 2012, be noted

21/12 **WORCESTERSHIRE REGULATORY SERVICES ANNUAL RETURN 2011 / 2012**

The Committee was asked to consider a report which detailed the amended Worcestershire Regulatory Services (WRS) Annual Return 2011/2012, which included the Accounting Statements for the Joint Committee for the period 1st April 2011 to 31st March 2012.

With the agreement of the Chairman the External auditor's certificate and opinion for the year ended 31st March 2012 was distributed to all Members present.

The Executive Director, Finance and Corporate Resources, Bromsgrove District Council introduced the report and in doing so drew Member's attention to the reasons for the amended report. The initial WRS Annual Return 2011/2012 approved by Members at the Joint Committee meeting on 28th June 2012, included the pension adjustments. Following further clarification and the advice given in relation to the presentation of the reserves relating to pension adjustments, the amended WRS Annual Return 2011/2012 excluded the pension adjustments as now advised by the new External Auditors, Clement Keys.

The Executive Director, Finance and Corporate Resources, Bromsgrove District Council informed Members that she had sought assurance from Clement Keys in respect of governance arrangements. More specifically if any concerns were raised at a later date, that the Joint Committee approved and the Chairman signed the initial Accounting Statements on 28th June 2012 and that the amended Accounting Statements were approved by the Joint Committee and signed by the Chairman on 27th September 2012. Clement Keys had acknowledged the concerns expressed by the Executive Director, Finance and Corporate Resources, Bromsgrove District Council and had agreed to confirm in writing that it was their error and therefore no concerns would be raised at a later date.

RESOLVED that the amended Worcestershire Regulatory Services Annual Return 2011/2012, to include the Accounting Statements for the Joint Committee for the period 1st April 2011 to 31st March 2012, be approved.

22/12 **EXCLUSION OF THE PUBLIC**

The Committee considered whether or not to exclude the public from the meeting for the consideration of Agenda Item No. 9; Worcestershire Regulatory Services Joint Committee, Confidential Minutes, 11th July 2012. The Chairman advised that the Committee had considered whether the public interest in maintaining the exemption outweighed the public interest in disclosing the information, which the Committee agreed it did not.

RESOLVED that the public not be excluded from the meeting during the consideration of Agenda Item No. 9; Worcestershire Regulatory Services Joint Committee, Confidential Minutes, 11th July 2012, and that the minutes be placed in the public domain.

23/12 **MINUTES**

The minutes of the meeting of the Worcestershire Shared Services Joint Committee held on 11th July 2012 were submitted.

RESOLVED that the minutes be approved as a correct record.

24/12 **COMMUNICATIONS**

(The Chairman agreed that this matter be raised as an urgent item).

Councillor Mrs. E. Stokes, Wychavon District Council informed the Committee of the issues raised by Members at Wychavon District Council's Overview and Scrutiny Committee on 18th September 2012, as detailed in the minutes:

"A significant number of Members raised issues with making contact when using the Worcestershire Hub, explaining that at times it was impossible to make contact until they used a private direct dial number into the service. Steve Jorden thanked members for this feedback noting them and confirmed he would investigate what was causing the issues."

Wychavon District Council, Overview and Scrutiny Committee had requested that Councillor Mrs. E. Stokes raise these issues at the next meeting of the Worcestershire Shared Services Joint Committee. The Head of Worcestershire Regulatory Services confirmed that he had attended Wychavon District Council's, Overview and Scrutiny Committee meeting on 18th September 2012 and had, as requested by Members, investigated the issues raised; which had included looking at the duty log, but he could find no information in relation to the issues raised. He further informed the Committee that should Members of the participating authorities experience further communication issues, it would be helpful if they could log the date, time and brief details of the issues encountered. Members could also raise any concerns in respect of communications directly with him or Mark Kay, Business Manager, Worcestershire Regulatory Services.

The meeting closed at 6.20 p.m.

Chairman

This page is intentionally left blank



JOINT COMMITTEE

22nd November 2012

Local Enterprise Partnerships

Recommendation

Members are asked to endorse the signing of the Worcestershire Regulatory and Business Partnership Charter and their support for WRS to undertake the work that will be needed to convert the Charter principles into a delivery plan

Contribution to Priorities/ Recommendations

Contributes to priority to stimulate the local economy and support business growth

Introduction/Summary Background

Worcestershire Regulatory Services (WRS) is making a positive contribution to both the Greater Birmingham and Solihull Local Enterprise Partnership (LEP) and the Worcestershire LEP, taking the lead for the 'regulatory' theme. It is a UK leader in simplifying regulatory cultures and delivery which support business growth and enterprise while reducing burdens on business.

Our service has undergone significant transformation during the last two years and used initial business engagement to lay good foundations for streamlined regulatory compliance which supports rather than hinders business growth.

This is a good starting point but there is more to be achieved which can contribute to Worcestershire being "Open for Business".

Report

National Context

1. Businesses want a simplified regulatory environment to ensure a fair and competitive trading context. The UK regulatory system has evolved over many decades and for some time now there has been a move towards a lighter-touch regulation for business, yet ensure that public and consumer safety is not put at risk. Prosecution has very much been used for extreme cases

or as a last resort, were providing consistent regulatory advice to achieve better compliance has been the main focus of our service delivery.

2. Nationally the department for Business Innovation and Skills (BIS) has embarked on its Red Tape Challenge which intends to reduce wide ranging regulatory burdens on businesses of all types, sizes and purpose. Businesses say they want regulation to exist to ensure a level playing field for all but they want it to be in a “right and light touch” way where businesses are helped towards self compliance with prosecution and enforcement only used as the very last resort and primarily focused on high risk business areas or rogue traders. Large companies generally have an in-house resource to ensure business compliance but there is evidence of greater burdens being shouldered by start-ups, micros, Small Medium-size Enterprises and Social and Young Entrepreneurs who do not comprehend the enormity of regulatory requirements when their focus is on developing a new business idea for products and services and striving to do well in the economic climate.

3. As a consequence, LEP’s have been tasked by BIS to tackle the constructive and mutually beneficial relationship between regulation and enterprise to find local innovations and solutions which support business start-ups, growth and expansion.

4. BIS hosted a one day “Better Business For All” event on 31st October attended by all LEPs, specifically LEP Boards, business representatives and local regulators. The outcomes of the two Pathfinder LEPs (Greater Birmingham and Solihull LEP; Leicestershire LEP) developing products and tools for regulation supporting growth were shared at the event. BIS is expecting each LEP to set out firm plans for its grassroots activity on this agenda and WRS will be considering what practical products it can develop over the coming months to better support the LEP agenda.

Joint Worcestershire LEP and Regulatory Services Approach

5. Worcestershire Regulatory Services (WRS) is a UK leader in simplifying regulatory cultures and delivery which support business growth and enterprise while reducing burdens on business. Our service has undergone significant transformation during the last two years and used initial business engagement to lay good foundations for streamlined regulatory compliance which supports rather than hinders business growth. This is a good starting point but there is more to be achieved which can contribute to Worcestershire being “Open for Business”.

6. WRS have also been closely shadowing the evolving practical tools and products emerging from the two Pathfinder LEP's in order to learn and develop Worcestershire solutions. This has been particularly important with Greater Birmingham and Solihull LEP given the common area of North Worcestershire which will ensure consistency and mutual benefits for both adjoining LEP areas.

7. The Worcestershire LEP workshop on 'Regulation Supporting Enterprise' in May 2012 highlighted the importance of this agenda and signalled the practical areas where businesses, local and national regulators can work together in Worcestershire to develop supportive practical tools and advice for business entrepreneurs and leaders. Such tools include a sign posting phone application, a website that gathers all regulatory information in one place and a Business Partnership Charter that sets out what a business can expect from a regulator. The LEP and Worcestershire Regulatory Services are therefore working together to establish a delivery plan comprising tangible products and outcomes which meet business needs.

8. The Worcestershire LEP and WRS have held discussions with key national regulators including HMRC, ACAS, Food Standards Agency, the Fire and Rescue Service, Health and Safety Executive and the Environment Agency. All are willing to work collaboratively on this agenda with the LEP and WRS and create solutions to help businesses establish and grow.

9. The Worcestershire LEP held their mid-term conference on the 9th November at which the Regulatory and Business Partnership Charter (Appendix 1) was signed and launched by the various regulators, including WRS. This is a significant step forward to ensuring that WRS continues to have a positive impact on helping stimulate the local economy.

Members are asked to endorse this action and their support for WRS to undertake the work that will be needed to convert the Charter principles into a delivery plan.

10. This Charter will act as the starting point and public signal to Worcestershire businesses that practical products, advice and positive changes are coming.

Next Steps

WRS will undertake a business analysis of the market to establish what regulatory support and services local businesses would find most helpful.

	<p>WRS will continue to develop its business support/advice team and develop products that will support new and existing businesses throughout their various business cycles.</p> <p>WRS will continue to work with partners such as Environment Agency and the Fire and Rescue Service and Business Central to coordinate regulatory support and advice for those businesses in most need.</p> <p>WRS will continue to offer cost effective training opportunities such as Food Safety and Health and Safety courses for relevant business sectors.</p>
Financial Implications	WRS will commit resources to this work but these will be contained within existing budgets.
Legal Implications	None as a result of the recommendations
Contact Points	Steve Jorden, Head of Worcestershire Regulatory Services Telephone: 01527-881466 Email: s.jorden@worcsregservices.gov.uk
Background Papers	

Joint Committee Meeting 22nd November 2012

Impact On Service Delivery and Quality of 5%, 10% and 15% Reductions In Base Budget

Recommendations

1. That members note the report regarding the likely impact of further budget reductions going forward and that they take these into consideration when discussing the partner financial strategies following the next financial settlement from central government, particularly if a reduction in budget is required.

Contribution to Priorities

N/A

Introduction

Following an approach by some partners for Worcestershire Regulatory Services to consider delivering further savings, a decision was reached by Management Board to commission a report illustrating the impact on front line services, arising from budget reductions of 5%, 10% and 15%. Worcestershire Regulatory Services, under its business case, was tasked to deliver savings of **17.25%** and has, to date, delivered savings of **20.5%**. It was agreed at the Management Board meeting on the 30th August that licensing should not be included in any calculation for savings. After further discussion on 12th September 2012, officers were asked to recommend specific areas that could be included in the strategy for budget reduction.

In undertaking this work it became apparent that rather than focus on cuts there was an opportunity to grow the business in such a way that any income could be used to offset the base budget. A report was submitted to the Joint Committee at its meeting on the 27th September where they resolved to allow WRS to continue to explore business opportunities to grow the business.

It has also become apparent that there is potential to realise further savings through better integration and harmonisation of support services and back office systems that impact on the shared service and a detailed analysis of these would identify the extent of any potential savings.

Report

The budget for WRS has now been fixed at £5,626,000 for 12/13, the intention from the original business case being that this remain static for the next 2 financial years with no allowance for inflation, increments or national pay increases. (Please see **Appendix A.**) For 13/14 the impact of these factors has been calculated at £130,000 or 2.3% of budget assuming a national cap on pay increases set at 1% and inflation is around 3%. Hence, just to achieve stand still, the service has to find this level of further saving, year on year, until a full financial review in 2015.

These pressures will be met by further streamlining of the leadership team cohort and through some efficiencies that may be achieved. It should be noted that, by the end of 2013/14, should the service be allowed to make these further efficiencies, it will already have delivered a saving of 23.5%.

In future years, these pressures will be met by taking up some of the savings outlined in Appendix E.

The report will give financial values for the recommendations and what the impact will be on service delivery and quality, including what differences will partners and the public see. (Please see **Appendix E.**) The report will also consider the option of “growing the business” and what realistic opportunities are available.

It should be noted that as such a large part of the budget is expended on salaries; any significant further savings can only be achieved by a reduction in staff numbers and associated redundancy costs.

It should also be noted that licensing, being a reserved matter with all income reverting to partners, should be treated separately as any proposed reduction in costs would need to be offset by a corresponding reduction in partner income. (Please see **Appendix C.**) This was agreed in principle at the Management Board meeting on 30th August.

The transformation process is already well advanced, with many staff already working flexibly, using touchdown facilities or using home as their start and finish point. Many staff are also using a single data base for reactive work and, although the new IT system will deliver efficiencies, the real gain will be in self service capability and enhancing the customer experience. Redesign of activity is almost complete within areas of Community Protection, Licensing enforcement and the Duty Officer role as first point of contact for the public. The impacts of projected budget cuts highlighted within this report have been calculated based on the new designs that a systems-thinking approach has indicated as being the best way to achieve our various purposes and provide a good customer experience.

Worcestershire Regulatory Services have been tasked with providing illustrations of what reductions of 5%, 10% and 15% in current budget allocations would look like in terms of service

delivery, cost and quality, and in addition some work has been carried out to assess the risks and potential savings associated with such actions. The impact of alternatives such as growing the service are also considered with details of income attracted to date and an indication of expected future income..

5% REDUCTION.

The service has already delivered savings of 20.5% which are in excess of those required in the business case. This has been achieved by an initial streamlining of staff when the service came together, followed by a phased reduction in staff arising from the transformation process which has allowed us to not replace vacancies as they have arisen. Significant reductions in all non salary budgets have also contributed to the total.

The current situation is that 74% of the budget is allocated to salaries and there is very little or no scope to reduce the non salary part of the budget due to the nature of those commitments e.g. accommodation, utilities, etc.) With a 5% reduction in budget, the following areas of the service would either be severely curtailed or stopped. (These conclusions have been arrived at in consultation with operational managers) (Please see **Appendix E** for further details.)

Even in areas that are still fully addressed, it may be necessary to increase thresholds before the service will make a formal intervention, for example, requiring customers to attempt to resolve issues by themselves, obviously with guidance, before the service itself intervenes. This will be particularly relevant for low level nuisance activities like domestic bonfires.

10% Reduction

A 10% reduction would lead to significant drop in the number of staff and would result in a disproportionate reduction in activity in some areas. This would mean that the service would become a predominantly reactive service with significant reductions in pro-active work much of which is covered under statutory codes of practice.

15% Reduction

At this level, the number of staff lost (**Appendix C**) would result in a wholly reactive service with very high thresholds for those wishing an intervention, which would have the capacity to make pro-active interventions only at the highest risk premises.

Partner Financial Returns.

The partners expected returns for delivering the above reductions are highlighted in **Appendix D**, both including and excluding licensing, for completeness. The projected returns for individual partners are all relatively small when weighed against the disruption and reduction in service that the budget reductions would cause.

It must also be taken into consideration that these headline savings may not be achievable by the partners due to work



streams being redirected from Worcestershire Regulatory Services to the partners.

For example: If WRS reduces its input into planning consultations partners will have to obtain and probably pay for this expertise elsewhere.

If thresholds are set on dealing with complaints then, complainants may well complain to partners or independent bodies such as the local Government Ombudsman resulting in increased costs to partners

Transformation

Worcestershire Regulatory services has delivered on its original business case by producing savings of 20.5% (in excess of the 17.5% required,) whilst continuing, in the main, to deliver much valued services across Worcestershire.

Transformation has moved forward at pace allowing a reduction in staff numbers from **154FTE to 115FTE** currently, accompanied by a complete redesign of many aspects of service delivery. Further small changes are likely to occur in the next 12 months as the latest small efficiencies are realised, however, the service is now staffed at a level which makes it challenging to deliver partner requirements. It was noted during the development of the business case that the proposed 120FTE was a relatively low number of staff within the organisation when compared with the newly created unitary authorities, based on their populations and the numbers of businesses they would be regulating. Several years on, and following the new unitaries implementing their own reduction plans, we are still a very lean organisation when compared with them, based on these factors (population and numbers of businesses,) which are key determinants in the likely levels of demand for intervention.

The introduction of the new IT system will produce further limited efficiencies (many staff are already using a single data base) but will open up future opportunities for self service. This may result in some further efficiencies but these are currently not quantifiable.

It is apparent that with the inflationary pressures on the existing budget even a 5% reduction in budget would have significant impact on service delivery, leading to a noticeable drop in service with a number of associated risks to partners. At 10% and 15% the service becomes more and more reactive, with very significant drops in many areas of proactive work such as food premises inspections and health and safety inspection, with associated risks to public health and wellbeing and a reduction in business support at a time when local businesses need all of the help they can get to climb out of the recession. Almost all non-statutory work including responses to planning application consultations would potential cease at these levels.

Licensing

Licensing must by law be self financing and partners are not able to make a profit without running the risk of formal challenge through the Court system. To make a reduction in the licensing service would be counter-productive as a corresponding reduction in licensing fees would be required; reducing partners income by a similar amount.

A large reduction in staffing has already taken place within licensing and costs have been reduced and, although managers will continue take every opportunity to reduce costs without compromising service, now is not the time to consider reducing licensing resources further.

It should also be noted that a range of licensing enforcement work takes place outside of the Licensing team within WRS, utilising multi-skilled officers who deal with a range of other associated issues at the relevant business premises.

It was agreed in principle at the management board meeting on 30th August that in calculating any future proposed savings in base budget that the cost of the licensing service be excluded for the above reasons.

Growing the business

An alternative to a reduction in existing budget which will impact service delivery and at certain levels impact on public health and safety, is to engage with new partners to reduce the overall cost of regulatory services to existing partners. Very early stage talks have started with other potential district partners in Warwickshire, Herefordshire Unitary and Staffordshire County. It is too early yet to know how successful these talks will be or what sort of business model will result, however, WRS needs to keep capacity at current levels if this is to be a viable alternative going forward. It will be difficult to sell a service to new partners that are no longer delivering all of the elements they may require within their business model.

For example, Herefordshire have already agreed to pay WRS to carry out Air Quality and IPPC functions over the next twelve months. Obviously a reduction in these areas within WRS would limit the scope for further activity.

Also, partners might like to consider what other elements of current partner service delivery might benefit from being delivered via WRS. The private sector housing work traditionally undertaken by Environmental Health staff would have synergies with other EH elements. We have previously discussed the possibility of including some or all elements of envirocrime that are often delivered alongside EH Pollution control functions by many local authorities, but this could be revisited. There is also the question as to whether the County Council would consider putting any of its other regulatory related elements into the service - such as the Public Analyst laboratory, the anti-pollution monitoring undertaken at closed landfill sites, or even the



Registration and similar services that were historically linked to Environmental Health and Trading Standards by the Local Government Association through LACORS. These are all potential options that partners might consider.

Current income and contracts

These include:

Public Health (health promotion work)
2011/12 & 2012/13: **£100,000** received from PCT for various projects

Hereford Council contract work for air quality ongoing contract approx **£10,000** agreed September 2012

Gloucestershire County Council: Ongoing inputting of animal health data for recording livestock movements **£10000**

Talks are currently underway with several prospective partners/clients including Herefordshire Council. We have secured the services of a consultant from BRDO at no cost to the service to support the development of a business plan for growth the organisation.

Whilst it is difficult to predict potential income levels, there is an invitation to express an interest in relation to Regulatory Services delivery for Herefordshire. The total current value of this service is between **£2M** and **£2.6M**. If WRS were to get a modest proportion of this contracted out work, it would be a significant contribution to potentially reducing partner costs within WRS.

WRS will be developing a business case on these potential business opportunities and produce a report for the Joint Committee for consideration at a later date.

Support Services/Back Office Systems

In addition there is a potential to realise further efficiency savings through the integration and harmonisation of support costs and back office systems.

For example there are still several document management systems, databases, GIS systems and payment systems around the County which creates duplication and makes integration of a single WRS IT system complicated and costly. By better utilisation of the WRS IT system some of this duplication can be reduced and long term efficiencies realised. In particular a single payment engine and cash receipting system would not only improve the service to the customer but generate efficiency savings. With the implementation of a single IT system for WRS it is opportune to look for further opportunities to rationalise the many different systems around the County and drive through some more cashable savings!

Equally there is much duplication in support services such as Legal, HR, Finance and IT support which if rationalised would drive out further efficiency savings that could be used to offset

Sustainability

the budget pressures for all partners.

It is therefore our contention that partners should revisit the potential efficiency savings through better integration and harmonisation of support services and back office systems which is highlighted within the original business case.

Financial Implications

Double figure cuts in the budget would put pressure on the sustainability of the service in future years.
Detailed in the report

Legal Implications

There are no immediate legal implications as a result of this report, as it comprises information and projections of service delivery levels in the future. The future viability of the service due to budget pressures may impact on the partnership agreement that currently exists. Equally, any change to the existing arrangement for legal /HR support to the service will require changes to the existing agreement.
More remotely, there could be a legal challenge for failure to deliver services should financial cut-backs result in non-delivery of any aspect of the statutory function.
Any extension of the activities of the service will have to be within a legal framework, which will need to be considered when those further activities are identified, to ensure legal compliance.

Contact point

Steve Jorden
Tel: 01527-881466
email: s.jorden@worcsregservices.gov.uk
Report prepared by Mark Kay & Simon Wilkes

Background Papers

WRS Growth Potential Report, 27th Sept JC Meeting



This page is intentionally left blank

APPENDIX A WRS BUDGET

Account Description	Budget 2012/2013 £'000	Budget 2013/2014 £'000	Budget 2014/2015 £'000
Employees			
Monthly salaries	4,123	4,123	4,123
Agency workers	3	3	3
Training for professional qualifications	2	2	2
Medical fees (employees')	1	1	1
Employers' liability insurance	19	19	19
Employees' professional subscriptions	2	2	2
Sub-Total - Employees	4,150	4,150	4,150
Premises			
Internal repair/maint.	4	4	4
Rents	102	102	102
Utilities	20	20	20
Business Rates	35	35	35
Room hire	23	23	23
Trade Waste	1	1	1
Cleaning and domestic supplies	9	9	9
Sub-Total - Premises	194	194	194
Transport			
Vehicle repairs/maint'ce	8	8	8
Diesel fuel	7	7	7
Licences	1	1	1
Contract hire of vehicles	5	5	5
Vehicle insurances	3	3	3
Car Lease	7	7	7
Fares & Car Parking	5	5	5
Car allowances	178	178	178
Sub-Total - Transport	214	214	214
Supplies & Service			
Equipment - purchase/maintenance/rental	35	35	35
Materials/test purchases/vending	23	23	23
Clothing and uniforms	4	4	4
Laundry	1	1	1
Training fees	60	60	60
General insurances	20	20	20

Printing and stationery	27	27	27
Books and publications	10	10	10
Postage/packaging	12	12	12
ICT	69	69	69
Telephones	42	42	42
Taxi Tests	34	34	34
CRB Checks (taxi)	20	20	20
Legal fees	7	7	7
Support service recharges	250	250	250
Customer service posts	50	50	50
Audit	10	10	10
Sub-Total - Supplies & Service	674	674	674
Contractors			
Consultants / Contractors' fees/ charges/SLA's	369	369	369
Advertising (general)	10	10	10
Grants and subscriptions	16	16	16
Marketing/promotion/publicity	2	2	2
Sub-Total - Contractors	397	397	397
Income			
INCOME miscellaneous fees	-3	-3	-3
Sub-Total - Income	-3	-3	-3
BUDGET TOTAL	5,626	5,626	5,626
Bromsgrove	602		
Malvern Hills	534		
Redditch	604		
Worcester City	623		
Wychavon	948		
Wyre Forest	620		
Worcester County	1,694		
	5,626		

Appendix B

Budget Reduction Requirement without additional savings

The Worcestershire Regulatory Services Budget is now fixed at £5,626,000 until the 15/16 financial year, with no allowance having been made for increments, national pay awards or inflation. The table below indicates that the service will have to find savings of £130,780 just to stand still in 13/14, which accounts to 2.3% of total budget. To put this amount into context it equates to roughly 3 Trading Standards Officers/ EHOs. This will be a similar amount year on year, depending on a number of factors.

	12/13	13/14	14/15
Increments	£50,000	£45,000	£20,000
Inflation (3%)	£44,280	£44,280	
Pay settlement (1% capped)	£0	£41,500	
Total	£94,280	£130,780	
% saving required		2.3%	

Obviously over roughly a three year period, as officers reach the top of their salary grades, the incremental pressure will ease. The process of mapping across to Bromgrove pay scales resulted in most professional staff having headroom of 2 or 3 spinal points, so some of the grade inflation will be through the system by the end of the end financial year. Given the unknowns of inflation and the impact of the on-going salary cap, it is difficult to predict what will be required for 2014/15.

Indicative amounts required to be saved if partners request further reductions of 5% 10% or 15%

	5%	10%	15%
12/13	n/a		
13/14	£281,300 (£412,080)	£562,600 (£693,380)	£843,900 (974,680)
14/15	£281,300 (?)	£562,600 (?)	£843,900 (?)

Amounts in Brackets are % savings required plus non budgeted costs such as increments

This page is intentionally left blank

Appendix C

LICENSING COSTS (2012/13)

Licensing in principle should only recover legitimate costs in administering the system. Bearing this principle in mind there is an argument that licensing costs should be removed from the calculations relating to what savings of 5% etc would look like. Any savings taken from licensing should be reflected in reduced licensing fees, thus reduced income for partners and no net gain. The figures below reflect savings once licensing costs have been removed.

Licensing costs:	£614,665
Support costs:	£101,440
Senior Management Overhead:	£34,527

Total £750,632

2012/13 budget	£5,626,387
Licensing Cost	£750,632

Overall Budget less licensing £4,875,755

	5%	10%	15%
12/13			
13/14	£243,782 (£374,562)	£487,575 (£618355)	£731,363 (£862143)
14/15			

Figure in Brackets indicate total amount to be saved i.e. % saving plus inflationary costs.

This page is intentionally left blank

APPENDIX D

74% of the Worcestershire Regulatory Services budget is salaries

i. Proposed savings as equivalent FTEs

The numbers of support staff within the WRS structure is already at a minimum for supporting service delivery so any reductions in FTE would need to be focused on professional staff. The potential reductions and saving are therefore based on this assumption. Professional officer cost are as follows:

EHO/TSO £43,000
TO £35,000 with on costs

Below is the equivalent FTE for just the proposed saving and does not include non budgeted savings required which would be £130,000 in 13/14 this would add 3-4 FTEs to the below figures.

	5%	10%	15%
13/14	6.5 EHO/TS or 8.00 TO	13.00 EHO/TS or 16.00 TO	19.6EHO/TS or 24.00 TO
14/15	ongoing	ongoing	ongoing
15/16	ongoing		

EHO/TS Environmental health officer/trading Standards Officer
TO Technical Officer

Indicative costs of areas of current service

Licensing £750,000 including support and management

Planning consultation 2.6 FTE £110,000

Taxi enforcement evenings (last year 7 events) £12,600

ii. How much each partner would receive in potential savings

Council	Contribution	Actual	5% saving	10% saving	15% saving
Bromsgrove DC	11.05%	621673	31084	62167	93251
Malvern Hills DC	9.58%	538971	26949	53897	80846
Redditch BC	11.31%	636301	31815	63630	95445
City of Worcester	11.11%	625047	31252	62505	93757
Wychavon DC	16.55%	931103	46555	93110	139665
Wyre Forest DC	10.82%	608734	30437	60873	91310

Worcestershire CC	29.58%	1664171	83209	166417	249626
	100.00%	5626000	281301	562599	843900

**Based on total
budget of £5.626
M**

**Excludes 2-3%
savings required
to meet flat-line
budget
requirements for
increments, pay
claim and
inflation**

Licensing taken away

If Licensing is excluded, there is an argument that County cost should not be impacted because the Licensing team does not undertake any County Licensing functions. Overall budget without the County's contribution is £3961829. If the £750632 is taken away from this it leaves £3211197. Table below outlines the impact:

Council	Contribution	Actual	5% saving	10% saving	15% saving
Bromsgrove DC	11.05%	354837	17742	37258	55887
Malvern Hills DC	9.58%	307633	15382	30763	46145
Redditch BC	11.31%	363186	18159	38319	54478
City of Worcester	11.11%	356764	17838	35676	53515
Wychavon DC	16.55%	531453	26573	53145	79718
Wyre Forest DC	10.82%	347452	17373	34745	52118
Worcestershire CC	29.58%	1664171	83209	166417	249626
	100.00%				

NB: County saving has not been altered in this table.

Appendix E

What 5%, 10%, 15% reductions in budget would look like?

The Service has already provided a 20.5% saving on budgets from 2009/10. By the end of 2013/4 this will have risen to around 25% as further reductions will need to be made due to the cash limited nature of the WRS budget (i.e. fixed at £5.626M) Further savings would be on top of this so partners will be looking at a 30-40% cut in resources associated with regulatory activity based on the original partner base budgets.

The table below outlines the approximate expenditure in each activity area that has been identified as a potential source of saving.

Activity	Approximate Current Cost
Private Water Supply Sampling	27000
Air Quality Monitoring / Contaminated Land inspection	59000
General Reactive work	1100000
Administrative	20000
Business Support	590000
General Proactive Work	1000000
Planning	175000
Dogs etc	172000
Total	3143000

These activities only represent a proportion of service activity within these areas of work identified and totally exclude licensing (£750K approx,) Support Team & associated costs (which including IT, accommodation costs, etc is around £1M,) and Senior Management (approx £300K.) Approximately £400K is not accounted for, in areas of core activity where a reduction in activity is identified but a staffing reduction is not made (e.g reduction in Nox tubes,) and for staffing where we are already at the minimum necessary to deliver a function e.g. Petroleum & Explosives Licensing.

Most Risk: significant potential impact on service

Medium Risk: customers will notice a reduction in service

Lower Risk: Little or no noticeable reduction in short term

The table below outlines the areas of service delivery that managers would recommend for reduction should we be faced with delivering the savings indicated. Managers have considered these and what you are presented with is the approach that would maximise the resources that remain on directly addressing the needs of residents and business customers. This should not be seen as a menu from which members can select. It must be remembered that a cash limited budget automatically requires savings year on year to deal with inflation and wage increases. We have allowed for this in the potential cuts outlined below so they exceed the 5,10,15% indicated

%	Change to Service Delivery	Statutory/ Non-Statutory	Risk/ Potential Impact	Current Cost	Potential Saving
5	Commercial samples only for private water supplies (householders will have to make own arrangements)	NS	Increased costs for householders and risk of deterioration of standards. Reputational issue if ill-health results.	£12000	£12000
5	Reduce Nox tube network by 25%	S	Reduced ability to identify areas with poor air quality and develop relevant plans for improvement	£16000	£4000
5	Reduce facilitation in civil advice complaints, threshold of £200 per transaction or requirement to be part of vulnerable group	MIXED	Reduction of service to public. Impacts on those who are poorer and more vulnerable to whom £200 represents a significant sum.	£110000	£20000
5	Increased thresholds for intervention in nuisance complaints including noise e.g. not deal with domestic bonfires on first report	S	Member of the public with a legitimate complaint will initially have to take own action to seek a remedy	£600000 NB: part of £900K above	£20000
5	Planned weekend monitoring of licensing and noise would cease	S	An increase in problem premises and public complaints	£30000 NB: part of £900K above	£30000
5	Reduced monitoring of daytime complaints to cover statutory duty only and where evidence is directly available.	S	Longer resolution times as evidence collated by complainants. Also increase in complaints to members and ombudsman.	£600000	£60000 NB: Based on the assumption we would investigate 10% fewer complaints.
5	Reduced website maintenance capacity	NS	Reduced ability to deliver good self service and increased impact of FOI as less published info.	£5000	£1000

5	Extended time periods to respond to Environmental Information requests.	S	Not meeting statutory time scales	£10000	£5000
5	20% reduction in proactive visits including inspections of food premises and health and safety	S	Not complying with national and European guidelines. Potential danger to health and well being of the public. If outbreak occurs FSA/ HSE may intervene and take over functions. Reputational risk.	£1,000,000 NB: all officers doing proactive work also do reactive so difficult to assess exactly what proportion of each is covered and it varies during the year and depending on circumstances. E.g disease outbreaks	£125000 (This looks at around 30FTE currently carrying out proactive visits as part of daily workload.)
5	Reduction in time spent on planning consultations including those with a direct impact on the public or environment. (all parts of service) No site visits in some areas i.e. contaminated land.	NS	Increased difficulty for partners to make decisions and increased costs if they have to get advice elsewhere	£175000	£30000
5	No informal planning advice	NS	Planning Officers unable to provide best advice, lower standards of development	£35000	£35000
5	Reduced level of support for discharge of planning conditions	NS	Increased cost for partners should they feel obliged to obtain external advice	£30000	£20000
5	No non-statutory collection, out of hours of stray dogs.	NS	Possible danger to public Reputational issue	£7000	£7000
					Total £369000 = 7.5%

%	Change to Service Delivery	Statutory/ Non-Statutory	Risk/ Potential Impact	Current Cost	Potential Saving
10	No sampling of private water supplies	S	Potential danger to public health if supplies become contaminated/ unfit. Reputational issues if this occurs.	£15000	£15000
10	Reduce Nox tube network by 50%	S	Severely reduced ability to identify areas with poor air quality and develop relevant plans for improvement	£16000	Additional £4000
10	No contaminated land inspections	S	Non remediation work to increase land available for development. Could hold up planning system or mean less acceptable areas have to be developed.	£18000	£18000
10	No action planning for air quality	S	Risk that poor air quality damages public health. Economic decline due to poor environment causing reduction in visitor numbers	£9000	£9000
10	Reduce facilitation in civil advice complaints, threshold of £500 per transaction or requirement to be part of vulnerable group	MIXED	Reduction of service to public. Impacts on those who are poorer and more vulnerable to whom £500 represents a significant sum.	£110000	Additional £15000
10	No monitoring of out of hours complaints including odour noise etc (except for recording equipment)	S	Public would have to deal with many issues themselves. Increased reliance on public as witnesses, longer to resolve issues, reputational issues for partners, & possibly Ombudsman	£50000	£30000

10	50% reduction in proactive visits including inspections of food premises and health and safety	S	Not complying with national and European guidelines. Potential danger to health and well being of the public. If outbreak occurs FSA / HSE may intervene and take over functions. Reputational risk.	As above	Additional £175000
10	Severe reductions in intelligence projects	MIXED	WRS may not be able to prevent harm to local residents and will not be able to participate in externally funded projects	Not easy to quantify savings. Likely to lead to increased costs and known problems do not get tackled	Potentially some limited savings in product testing fees but cost outweighed by value of intelligence to direct activity.
10	Reaction to environmental disasters e.g. oil spills, only the most serious event will be attended	S	Reduced service to partners such as Fire Brigade and Environment Agency and potential future contaminated land issues	Not quantifiable	NA
					Total £635000 = 13%

%	Change to Service Delivery	Statutory/ Non-Statutory	Risk/ Potential Impact	Current Cost	Potential Saving
15	Reduction of levels of support to business to maintain standards.	NS	Slow deterioration of standards at a time where businesses need help to grow economy	£550000	£65000
15	Removal of trader register and scores on the doors	NS	Detrimental to business as lose promotion. Public would suffer financial loss from rogue traders. Scores On Doors Scheme is being used as benchmark to support intervention decisions so would require change in approach.	£80000	£40000
15	80% reduction in proactive interactions only with the highest risk businesses (inspections carried out) NB: It is not possible to reduce staffing levels proportionate to the cut in inspection as need to maintain sufficient capacity to address emergencies e.g. animal disease outbreaks, food poisonings, etc.	S NB: Please see App F: Letter from Food Standards Agency expressing concern over variations in LA activity on European Food and Feed controls.	Not complying with national and European guidelines. Potential danger to health and well being of the public. If outbreak occurs FSA / HSE may intervene and take over functions. Risk of not being able to respond adequately to animal health emergencies. Reputational risk. Potential for public seeking recompense if can show authority has been negligent in delivering service.	As above	Additional £100000

15	No participation in planning consultations at all, except for largest/ most contentious applications	NS	Poor decisions leading to potential environmental and health impacts	£175000	£60000
15	Threshold for reactive work would rise significantly so that only obvious statutory nuisances were dealt with directly eg serious noise complaints	S	Public would have to deal with many issues themselves. Reputational issues for partners, & possibly ombudsman challenge	£600000	£30000 Again this very much depends on how many complaints can be left without action
15	No out of hours work for dogs. Basic Dog Warden service only	S	Danger to public/ reputational issue	£130000	£5000
15	High risk of not inspecting animal boarding est, pet shops, riding est, and zoos	S	Risk to animal welfare and, in case of zoo, potential of notifiable animal disease. General decrease in standards.		-£5000 Would have to pay vet to inspect rather than use animal; Health officer or dog warden.
15	Cessation of all pest control activities, so public told to get their own contractors	NS	Lesser service to public. Direct impact on a vulnerable group i.e. those on benefits	£35K	£32K approx
15	High risk of not meeting statutory timescales for FOI requests	S	Partners at risk of legal challenge. Some licenses deemed granted or refused if not challenged or dealt with in timescale	NA	Zero
15	Inability to participate in any health and well being work	NS	Future health of population would suffer	NA	Would limit scope for generating income
					Estimated total saving £900000 making allowance for element of double counting. 18.4%

					reduction
--	--	--	--	--	------------------

This page is intentionally left blank

By email:

5 September 2012

Our reference: RDOC-CEO

Dear Colleague,

FSA REVIEW OF THE DELIVERY OF OFFICIAL CONTROLS FOR FOOD SAFETY AND STANDARDS

You received a letter in February of last year after the Food Standards Agency (FSA) announced it would be reviewing local authority delivery of official controls for food safety and standards. The review is now at the stage where we need information from local authorities.

The review aims to evaluate the effectiveness of the current delegated delivery model and consider the scope for making improvements. Specifically, it will evaluate the delivery of all food safety and standards controls undertaken by local and port health authorities for which the FSA is the Central Competent Authority (CCA). This will include consideration of how the FSA performs in supporting this delivery.

As the CCA we need to assure ourselves that official controls are being delivered effectively in the UK to protect consumers. We must also consider how best to secure efficiency, consistency, resilience and sustainability in this fundamental public health protection function. The following have prompted this review:

- Some evidence suggesting there are inconsistencies in the delivery of food controls in terms of the number of enforcement actions taken, the levels of food business compliance and officer resource. This warrants further investigation.
- Budgetary pressures, both on the FSA and those delivering official controls, which make the review timely. We need to understand the impact of these resource constraints on food service delivery to ensure the system is efficient, sustainable and aligned to the needs and risks of the food industry in the UK.
- Different local authorities are responding to the various regulatory and economic challenges in different ways. The FSA needs to get a fuller picture

of these ongoing changes to the delivery landscape to help us understand the potential impact on consumers.

Consumer protection is the priority for the review. We are not assessing individual local authority performance, but will look at delivery structures to identify where improvements may be required and to assess the impact of any proposed changes. The review programme of work has been specifically designed to fulfil this aim and to supplement the information we already hold. The information gathered will be useful to the review and to the FSA's business as usual activities in supporting the delivery of official controls and acting as CCA. We also hope to identify examples of good practice and enhance horizon scanning and identification of future risks to local authority delivery to test whether the model will remain fit for purpose in the future.

We do not yet know what the evidence will reveal and we remain completely open minded about what the outcomes of the review will be. However, the FSA's ability to assess the system and make robust recommendations depends entirely on the quality of the data gathered. This is the opportunity for officers in your authority to contribute and ensure the needs of consumers and food businesses in your area are included.

The first key piece of work we are undertaking is a survey which aims to provide an overview of the current delivery system, providing high level, consistent data on the delivery of official controls. All local and port health authorities in the UK will be invited to participate. In order to ensure we account for the unique situation in your area we would hope you would encourage your staff to respond. Heads of Service will be contacted from 13 September to ask them to complete the survey.

This work will be followed by an in-depth study. This will collect detailed information from a selected number of local authorities' to provide a range of illustrative examples of how official controls delivery works in practice. This work will begin in late October, and again I would like to encourage your involvement should your authority be approached.

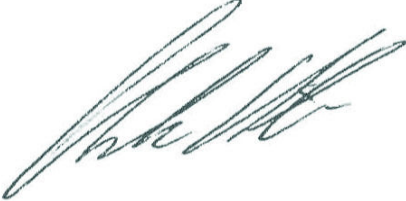
We are also planning to carry out some targeted research work with a number of individual food safety and standards professionals. Heads of Service in a small number of authorities will be contacted shortly to ask if they can nominate participants. The time commitment will be minimal but the information they provide will be essential to ensure any recommendations for change or improvement are workable for local authorities.

Please be assured that the FSA will make every effort to try and minimise the burdens on your staff but it is crucial that we work with you on these important areas. Thank you in advance for your cooperation.

More information about the review can be found on our website at:
<http://www.food.gov.uk/safereating/ocreview/>.

If you or your staff have any general questions or comments on the review please do contact the Review Team via review.officialcontrols@foodstandards.gsi.gov.uk

Yours sincerely

A handwritten signature in black ink, appearing to read 'Charles Milne', written in a cursive style.

Charles Milne

This page is intentionally left blank



JOINT COMMITTEE

22nd November 2012

Information Report on service activity relating to Scrap Metal Dealers

Recommendation

That members note the report

That members agree to lobby local MPs to support the private members bill on this issue sponsored by Richard Ottaway MP

Contribution to Priorities/ Recommendations

NA

Introduction/Summary Background

The service has received a number of complaints in relation to the activities of itinerant scrap metal collectors operating in all parts of the county. Generally these are raised as noise nuisance issues. The attached report outlines the current legislative background to this area and the problems that we face in addressing it. The report includes a data section which shows members where the hotspots for these issues are but members should note that, in the scale of things; these volumes of complaints are limited compared with other potential sources of nuisance. The report outlines the proposed provisions of a private members bill aimed at improving local authority's ability to deal with these issues and some of the potential next steps that could be taken, many of which rely on the ability of West Mercia Police to respond.

Report

Few elected members will be unaware of the activities of itinerant scrap metal dealers who driver around in flat bed transit type vans collecting along the same lines as the old "rag 'n' bone" men of Steptoe and Son fame. You will either have heard their cries, or their bugles or you will have received complaints from residents about this activity.

The aim of the attached report, produced by Leanne McLean one of the Service's Trading Standards Officers, is

to outline the legislative background for members so that you have a clear understanding of the limits to which the service can act. Also, it identifies a number of potential legislative improvements, one of which, the private members bill sponsored by Richard Ottaway MP, would give local authorities significantly better powers to regulate these activities. It also gives a clear indication of the main areas where the public are reporting these activities to us. It shows the main hotspot areas as being Worcester and, to a lesser extent Redditch. But even here, the actual numbers of complaints received are quite small, at 9-10 per month across the whole county. The total number of nuisance complaints received for Worcestershire is around 4500. Members should also note that the complaints arise from a relatively small number of individuals who seem to find this activity particularly problematic.

The service will continue to develop the intelligence picture of this activity. We will also continue to feed the information we receive into the regional intelligence system so that we can track the activities of these individuals and their vehicles. This can then be used to target proactive operations like some of those highlighted in the report.

Whilst the service could undertake one-off interventions or we could look to do more proactive work, these would continue to be of limited impact due to the limitations of the law and they would be expensive. Officers cannot stop moving vehicles on the highway, this is a power limited to the Police, so we would need to at least work with our colleagues at West Mercia on such projects. They too are having to prioritise resources so, unless there is a good intelligence case and a potential solid outcome, they are unlikely to want to participate unless we fund the work required. A recent estimate for the cost of police operational involvement, for vehicles and officers, in a stop-check exercise was £1368. Obviously the cost of WRS staff would need to be added onto this and other ancillary costs such as vehicle storage, should anything be seized. So it is probably safe to say that each operation will cost in the region of £1500 to £2000 to put on at each location that was chosen, with a likelihood of catching one or two traders who may, or may not, be doing anything wrong.

At this point in time there is little that the service can do to resolve resident's problems in relation to itinerant scrap dealers. Officers would ask elected members to lobby local MPs to support the private members bill from Richard Ottaway as this would improve our ability to deal with the problem, but we would not be able to stop this legitimate activity as long as traders continue to abide by the law.

Financial Implications

None

Sustainability

The recycling of metals and other materials does contribute to sustainability goals, however, it is difficult to measure the contribution that these particular traders make, and there is, according to some complainants, a general negative view of their presence in the local community.

Contact Points

Simon Wilkes

Background Papers

Operation Titan Report

This page is intentionally left blank

NOT PROTECTIVELY MARKED

Report to the Joint Committee
Operation Titan

Document Details:

Status: Live

Date: 27/09/2012

Contact: Leanne McLean

Worcestershire Regulatory Services, Community Protection

PO Box 866, Worcester WR19DP

Contents

Background	3
Current Legal Position	3
Local Intelligence.....	5
Action already taken	5
Suggestions for Further Work	6

Background

Recent high prices of traded metals have led to an increase in incidents of metal thefts. Press coverage of high profile cases such as stolen sculptures, war memorials and electricity supply components has exacerbated the problem. Add to this the increase in complaints received by Local Authorities and the Police regarding noise nuisance from scrap metal collectors and we have ourselves a nationwide issue. Worcestershire Regulatory Services is working closely with its partner agencies to help alleviate the problem of theft and nuisance from within Worcestershire.

The purpose of this report is to outline the current legal framework within which Worcestershire Regulatory Services has to operate, the current intelligence surrounding scrap metal and the work done / ongoing in this area.

Current Legal Position

The Scrap Metal Dealers Act 1964 is the current legal framework relating to scrap metal. It places a duty on businesses acting as scrap metals dealers to register with the local district council. Worcestershire Regulatory Services delivers this function on behalf of the district councils so they must register with WRS and we, in turn, must maintain a register of all scrap metal dealers in Worcestershire. Worcestershire Regulatory Services cannot legally refuse a registration and cannot revoke a registration. Worcestershire Regulatory Services can only take action against a dealer if they are trading without being registered. Worcestershire Regulatory Services have no powers to enter a dealer's premise or inspect records unless they have reason to believe the premise is not registered. All other powers relating to enforcement of the Act fall to the Police.

There is no duty for scrap metal collectors, i.e. those going from door to door, to register with Worcestershire Regulatory Services or for Worcestershire Regulatory Services to maintain a register of these collectors.

The Control of Pollution Act 1974 makes it an offence to use a loudspeaker in the street to advertise any entertainment, trade or business. This offence must be witnessed by an authorised officer if sufficient evidence is to be gained to offer the prospect of a conviction. As this is criminal, the burden of proof is beyond a reasonable doubt.

Environmental Protection Act 1990 creates an offence of breaching a notice relating to a statutory nuisance. It is however unlikely that a scrap metal collector using a bugle in the street would constitute a statutory nuisance due to the transient nature of the sound and the limited time traders spend in a location. Also, the offence is breaching the notice, not actually making the noise.

Legal Aid, Sentencing and Punishment of Offenders Act 2012 It was envisaged that this Act would increase local authorities' ability to deal with scrap metal dealers and itinerant scrap metal collectors. However, the initial private members bill entitled Metal Theft (Prevention) Bill, failed to take into account the lack of powers available to local authorities. Graham Jones MP, who brought forward the Bill, was asked specifically if he had included measures to increase the powers available. His response was, "no".

The new Act, which comes into force in late 2012, includes the following items:

- increases each financial penalty in the Scrap Metal Dealers Act 1964 by two scale points and removes the upper financial limit for level 5 offences;
- creates a new offence of buying scrap metal for cash (payments must be made by cheque or by electronic funds transfer);
- provides new powers for the Police to enter scrap yards (on production of a warrant issued by a Justice of the Peace).

Itinerant or house-to-house collectors will continue to be able to receive cash payments legally, if they register as a scrap metal dealer and are issued with an Order under section 3(1) of the Scrap Metal Dealers Act 1964. It must be remembered that Worcestershire Regulatory Services cannot refuse an application of this nature.

Scrap Metal Dealers private members bill

Richard Ottaway MP is currently seeing this Bill through Parliament. It aims to provide the strong legislative framework required to empower local authorities and includes:

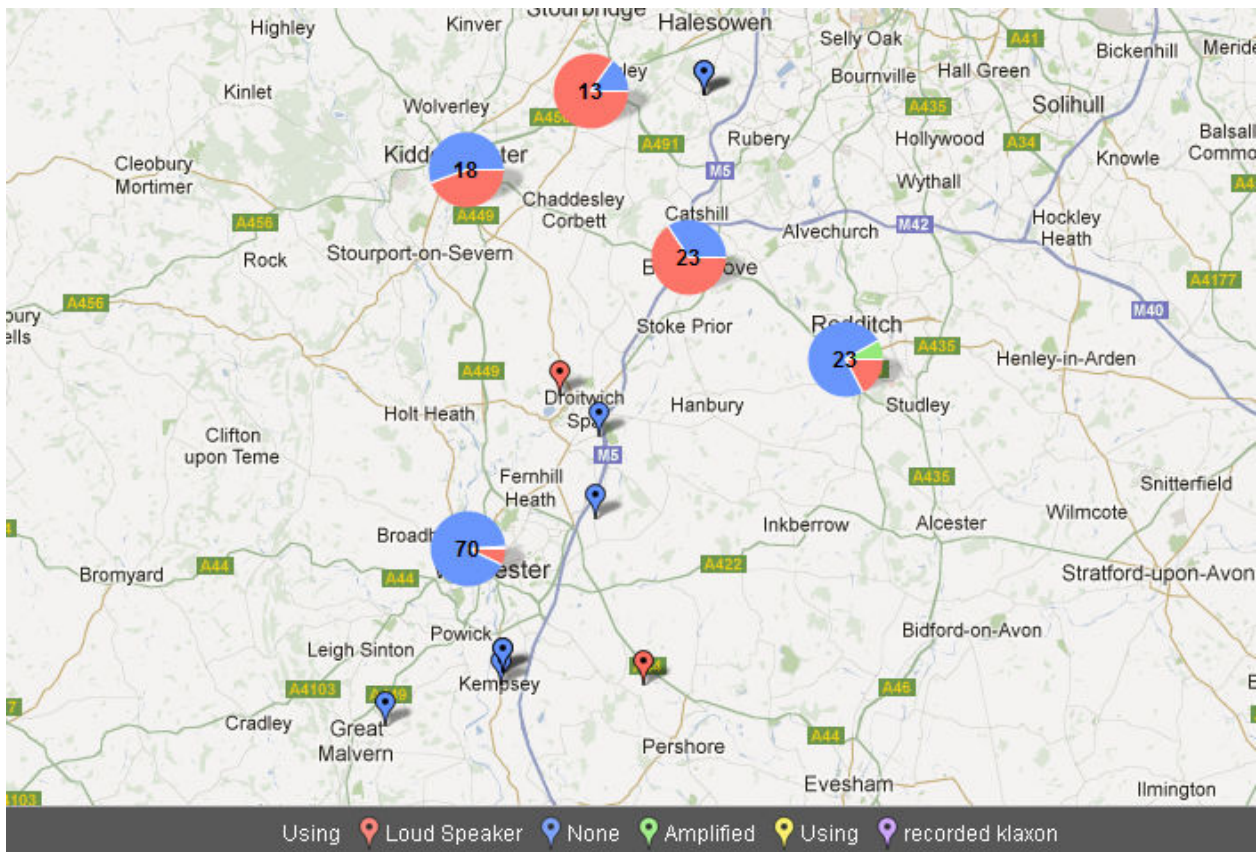
- enhanced application process to obtain a scrap metal dealer licence including the ability for local authorities to refuse unsuitable applicants;
- powers for local authorities to revoke a licence;
- requirements for sellers of metal to provide personal identification at point of sale;
- extending the offence of buying metal with cash to itinerant collectors;
- new powers for police and local authorities to enter and inspect scrap metal yards;
- creating a central public register of scrap metal dealers;
- widening of the scrap metal dealer definition to include motor salvage operators.

It is unclear as to whether or not it will reach the statute books.

Local Intelligence

Between 27/02/2011 – 29/08/2012 172 complaints were made to WRS regarding the noise created from scrap metal collectors (9-10 a month). 33% of these complaints related to noise being created by a loudspeaker/hailer, amplification equipment, recorded claxon or tannoy system contrary to The Control of Pollution Act 1974.

The map below shows these complaints (where post codes were provided). It should be noted that the 70 complaints in the Worcester area are predominantly from one complainant.



Action already taken

Worcestershire Regulatory Services has organised and taken part in a number of initiatives to combat the issues surrounding scrap metal collectors – including noise and theft.

Operation Titan Worcestershire Regulatory Services' in house initiative to develop intelligence collation relating to complaints received about scrap metal. This will allow continued observation of the trends of the scrap metal collectors and will aid in the targeting of partner agency work surrounding the issue of noise nuisance specifically.

Operation Snaffle Led by West Mercia Police, this initiative aims to reduce fuel and metal thefts across Worcestershire. The Operation involves several partner agencies including Worcestershire Regulatory Services, Wychavon District Council Enviro-Crime Team, Smart Water, Her Majesty's Revenue and Customs and the Environment Agency. Worcestershire Regulatory Services have assisted in the Operation in April and September of this year.

Operation Finance Led by West Mercia Police, this initiative targets the increasing problem of metal, lead and cable theft. The Operation involves several partner agencies including Worcestershire Regulatory Services, District Council Enviro-Crime Teams and the Environment Agency. Worcestershire Regulatory Services assisted in the Operation on 28 October 2011.

Operation Rogue Trader Forming part of Operation Liberal (the Police led initiative on distraction burglary) this is led by Worcestershire Regulatory Services and targets rogue traders operating in Worcestershire. Intelligence suggests that scrap metal collectors are predominantly itinerant traders. Recording their details will help to show if some of them have links to scrap metal thieves, rogue traders and other criminal fraternities. The Operation was supported by West Mercia Police, Wychavon Enviro-Crime Team, her Majesty's Revenue and Customs, the Environment Agency and Bromsgrove Benefit Fraud Team. The Operation ran days in August and October 2011.

Intelligence gathering Worcestershire Regulatory Services will continue to log and map complaints received relating to the noise created by scrap metal collectors. However, given the current legislative regime it is unlikely that formal action can be taken. The Service acts on an intelligence led basis for all areas of work. Those areas where high demand is received or where the offences alleged are serious in nature will be given priority.

Potential Further Work

There are other actions that can be done, however, where we have limited resources and the problem is of limited impact on both individuals and the community. We have to give serious consideration as to the value of continuing to act in this area because the outcomes we can deliver are limited. Clearly if the legislation improves significantly this will make enforcement easier but until this is the case, action will be limited. Below is a list of potential activities that could be considered, however, members will see that West Mercia Police would be the key body to lead and deliver on these actions.

1. West Mercia Police to inspect all scrap metal dealers within the County to highlight the crackdown on scrap metal theft and to ensure that adequate records are kept by the scrap metal dealers to identify scrap metal collectors. To date, one unregistered dealer has been located and two have been found with stolen goods on their premises;
2. West Mercia Police to liaise with Worcestershire Regulatory Services and other partner agencies to take action against unregistered dealers. To date there has been one prosecution against a Worcester based scrap metal dealer who was not registered;

3. Relationships with Partners to be formed and maintained where there is a common interest relating to scrap metal dealers / collectors;
4. Intelligence to be gathered, analysed and shared to target resources to areas most severely affected by noise nuisance from scrap metal collectors;
5. Repeat offenders to be contacted and advised of the legal issues surrounding use of loud speakers;
6. Worcestershire residents to be educated on scrap metal thefts and the legal issues surrounding noise nuisance from scrap metal collectors;
7. Worcestershire residents to be encouraged to dispose of unwanted metal using local authority run household waste sites or the scrap metal dealer independently;
8. Representations to be made to the responsible body to request an increase in powers for Regulatory staff nationwide to the same level as the Police under the Scrap Metal Dealers Act 1964;

This page is intentionally left blank