

**Report of the Director of West Yorkshire Joint Services
to the meeting of Corporate Overview and Scrutiny
committee to be held on 11th April 2019**

AK

Subject:

OPERATION OF WEST YORKSHIRE JOINT SERVICES

Summary statement:

To provide members with an overview of the operation of West Yorkshire Joint Services

Susan Betteridge
Director, West Yorkshire Joint Services

Portfolio:

N/A

Report Contact: Susan Betteridge
Phone: (0113) 53 50051
E-mail: susan.betteridge@wyjs.org.uk

Overview & Scrutiny Area:

Corporate

1. SUMMARY

Bradford Council, along with the other 4 West Yorkshire Councils are stakeholders in West Yorkshire Joint Services which operates a range of services on behalf of the Councils on a shared service basis. This report provides members with an overview of those services and the impact on Bradford residents

2. BACKGROUND

2.1 History

West Yorkshire Joint Services was established in 1986 as a shared service. Some of these services fulfil a statutory role such as Trading Standards, Archives and Archaeology Advisory Services whilst others, Analytical Services, Materials Testing, Archaeological Services, Calibration services provide a commercial resource whilst supporting businesses locally, nationally and in some instances worldwide. In 1986 many of the services that now form part of WYJS were part of the West Yorkshire County Council and as such already had a West Yorkshire foot print, and in the case of Trading Standards were already operating out of a single headquarters based in Morley. Many of the services are relatively small and specialist and therefore economically it makes sense to operate them across a number of local authorities.

2.2 Services provided

- Trading Standards
- Archives
- Archaeology Advisory Service
- Ecology service
- Calibration Service
- Materials Testing Service
- Archaeological Services
- Analytical Services

More detailed information on each of the individual services and the kind of work they undertake is contained in a summary at Appendix 1

2.3 Governance

WYJS operates as a Joint Committee under the terms of the Local Government Act 1972. It is not a legal entity and therefore is “hosted” by Wakefield Council. That means that staff are employed by Wakefield Council (although there are separate terms and conditions of employment) and Wakefield carry the S.151 and Monitoring Officer responsibilities.

Decisions are made by a Joint Services Committee. Each district council is represented by its Leader and three other Members, plus nominated substitute members when required to ensure meetings are quorate. In addition to the Joint Committee, there are three sub-committees (JCC, Appointments and Appeals and Governance and Audit) and the senior leadership team of West Yorkshire Joint

Services itself.

Bradford Council's representatives are:

Cllr Susan Hinchcliffe

Cllr Sue Duffy

Cllr Imran Khan

Cllr Robert Hargreaves

There are 5 meetings a year of the Joint Services committee and 4 of the Governance and Audit Committee.

2.4 Funding

Each of the five districts provides funding to the Joint Committee based on its population as a proportion of the whole of West Yorkshire. This means that Leeds City Council pay the largest amount, as they are the most populous of the five districts, followed by Bradford, Kirklees, Wakefield and Calderdale.

District Contributions 19/20	Total £
Bradford	908,671
Calderdale	304,472
Kirklees	739,037
Leeds	1,393,851
Wakefield	615,733
Net Budget	3,961,765

The budget is set by the Committee annually, following consultation with the Leaders. As local authority budgets have become more constrained, WYJS have been required to make budget reductions. In 2013 an interim Director was brought in to review the organisation and there followed a substantial change programme that reduced LA contributions by £1m over 2 years and changed the operating model to make it leaner and more focused on delivery impact.

A 4 year budget strategy was agreed in 2016 with a focus on maximising income generation to support statutory services. This strategy was expected to reduce contributions by the 5 LAs by a further £638k but was revised for the final year meaning the reduction achieved was £565k.

In summer 2018 a review was undertaken of the viability of WYJS due to the anticipated low level of reserves from 2019/20 onwards and a concern that falling income levels in some areas would lead to an inability to meet the budget strategy in year. Reserves have fallen in large part due to the cost of making revenue reductions (totaling a cumulative £5.5m since 2014) – the cost of staffing redundancies has been met entirely from WYJS reserves. Dealing with many years of under investment, e.g. in IT, has also been a significant call on WYJS reserves.

A further more comprehensive review of WYJS is now being undertaken to consider a longer term sustainable delivery model. The terms of reference of the review group are to establish a sustainable model for the future delivery of the services provided by WYJS as well as determining the efficacy of the statutory services.

A subjective budget for 2019/20 is:

Subjective Analysis	19/20 £
Employees	5,179,400
Premises	996,500
Transport	249,700
Supplies & Services	1,361,250
Central Support	820,750
Capital Financing	304,545
Total Expenditure	8,912,145
Income	(4,855,380)
Net Budget	4,056,765
Use of one off Reserves	(95,000)
Net Budget	3,961,765

A significant amount of income comes from external sources including £3.4m from external customers to the commercial services; and around £600k p.a. into Trading standards from selling business advice through the Primary authority scheme; support for financial exploitation work from the PCC; funding on a one-off basis for trading standards cases from national trading standards(over £100k in 18/19); a variable amount from Proceeds of Crime (£150k in 18/19) and £300k over 3 years from Big Lottery for scam and fraud prevention work.

2.5 Operations

WYJS try to engage with each of the 5 LAs and indeed some of those provide services to WYJS.

Leeds provide the IT platform, with a recharge cost of £200k p.a.; Wakefield provide some back office support such as payroll, finance, audit, HR, legal, insurance etc. through an annual SLA at a cost of £97k; Bradford provide FM support through a SLA at a cost of £42k p.a. as well as supporting on procurement of building related works.

Archive services are provide in each of the 5 LA areas. In Bradford this is located in Margaret McMillan Tower with 3 days a week opening. Some of Bradford's archives are stored at the Morley site due to lack of space. A payment of £36k is paid annually by WYJS to Bradford Council for the archive space.

2.6 Current issues

2.6.1 Budget

Income has remained level over the last 3 years rather than grown. That said, in some areas it has grown significantly, e.g. archaeological services, and in others it has dropped, e.g. calibration and materials testing. There are varied reasons for this.

The archaeological services market is buoyant at present, fueled by the demands of HS2 and a strong construction sector. Income levels have doubled in the last 4 years though sustaining that is hard, in part due to being able to secure enough staff to meet demand.

In materials testing, a large staff turnover in the last 12 months is proving challenging and there is clearly uncertainty and nervousness in the market about the impact of Brexit.

In calibration services a number of large clients have chosen either for cost or because of concerns around the sustainability of WYJS, to self-verify. This has led to a significant reduction in income, some of which has been replaced, some of which hasn't. Consideration is being given to a future operating model that will retain key services but within an acceptable financial envelope.

2.6.2 Commercial risk

Operating commercial services where over 90% of the customer base is the private sector shifts risk considerably and needs constant review. Customers are free to choose any provider at any time; margins are often small; debt recovery is very difficult and we don't have contracts in place with all customers to keep their loyalty.

2.6.3 Staffing

WYJS employs around 160 FTE staff, most of whom are based in Morley.

Sickness rates are low at around 6.5 days p.a.

In some areas recruitment and retention is very difficult due to the state of the market and salaries paid e.g. archaeological services.

In trading standards, there has been a large turnover of staff in the last 3 years, some of whom have moved to better paid jobs, and some of whom have simply left the profession.

In the last 6 months we have focused on having exit interviews with as many staff as possible, including questionnaires. There is a growing concern that people are leaving due to pay; future prospects and in particular due to the continued uncertainty over the future of WYJS. Key staff have left and recruiting to replace them is very difficult. Whilst every vacant role is reviewed to see if recruitment is necessary, in most cases it is, but attracting new staff is not easy.

2.6.4 Internal Service Provider

As the 5 LAs effectively “own” WYJS, they are in law an “internal service provider” or “ISP”. This means that WYJS should be considered alongside any other internal service provider and not subject to any additional procurement rules. However, this is not always the case and attempts continue to ensure that all 5 legal departments are fully aware of this along with Heads of Procurement and senior officers. **Examples of where WYJS could be used more readily by the district councils are provided at Appendix 2**

2.7 What do WYJS do for Bradford?

Appendix 3 sets out some information about recent activity/work by WYJS in the Bradford District. It is not an exhaustive list and only includes work that has been done directly in Bradford.

3. OTHER CONSIDERATIONS

Members may wish to receive more detailed information and on a regular basis to show the impact of the work WYJS does within Bradford.

4. FINANCIAL & RESOURCE APPRAISAL

There are no finance or resources issues arising directly from this report. However, it should be noted that the current review into future sustainability of WYJS is looking in particular at the financial contributions made by each Council.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

There are no risks arising out of this report. Members may want to consider governance issues and how they monitor performance of WYJS, particularly as only one Bradford councillor regularly attends the WYJS meetings.

6. LEGAL APPRAISAL

There are no legal issues arising from this report other than those around the ISP issue referred to at paragraph 2.6.4

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

WYJS operates within a framework of established policies and procedures.

7.2 SUSTAINABILITY IMPLICATIONS

WYJS operates within a framework of established policies and procedures.

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

7.4 COMMUNITY SAFETY IMPLICATIONS

A lot of the work undertaken by WYJS assists to support good community safety within the Bradford District.

7.5 HUMAN RIGHTS ACT

The Human Rights Act is taken into consideration and complied with in all work undertaken by WYJS.

7.6 TRADE UNION

There are no trade union implications arising from this report.

7.7 WARD IMPLICATIONS

None

7.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS (For reports to Area Committees only)

N/A

7.9 IMPLICATIONS FOR CORPORATE PARENTING

None

7.10 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

None

8. NOT FOR PUBLICATION DOCUMENTS

The Appendices to this report are not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (information relating to the financial or business affairs of a third party) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

9. OPTIONS

Members are asked to consider whether they would like more information on the work of WYJS generally or about anything specifically mentioned in this report.

10. RECOMMENDATIONS

10.1 Members are asked to note the content of this report

10.2 Members are asked to advise officers at WYJS if further information or follow up reports are required.

10.3 Members are asked to make recommendations on how better use of WYJS as an ISP can be taken forward.

11. APPENDICES

Appendix 1 – information about WYJS service areas

Appendix 2 - Where do councils currently spend and where may there be opportunities to grow

Appendix 3 – Information about work WYJS does in the Bradford District

12. BACKGROUND DOCUMENTS

None