

## **Minutes of the Urban Environment Scrutiny Committee**

**Thursday 29<sup>th</sup> January, 2015 at 6.00 pm**  
**in Committee Room 2 at the Council House, Dudley**

### **Present:**

Councillor D Tyler (Chair)  
Councillor A Finch (Vice Chair)  
Councillors S Ali, J Cowell, P Harley, I Kettle, P Miller, R Scott-Dow and E Taylor.

### **Officers:**

R Sims (Assistant Director, Adult, Community and Housing Services - Housing Strategy and Private Sector), (Lead Officer to the Committee); M Williams (Chief Officer – Environmental Services), G Dean (Head of Street and Green Care), J Scott (Principal Executive Support Officer) (Directorate of Environment, Economy and Housing) and H Shepherd (Democratic Services Officer) (Directorate of Resources and Transformation).

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16      **Mrs Michelle Mottram**

The Chair referred to the death of Mrs Michelle Mottram and the Committee stood in silent tribute as a token of respect to her memory.

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17      **Apologies for Absence**

Apologies for absence from the meeting were submitted on behalf of Councillors W Duckworth, N Gregory and C Hale.

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18      **Appointment of Substitute Member**

It was noted that Councillor P Harley had been appointed as a substitute member for Councillor N Gregory for this meeting of the Committee only.

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19      **Declarations of interest**

No member made a declaration of interest in accordance with the Members' Code of Conduct.

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20      **Minutes**

Resolved

That the minutes of the meeting held on 24<sup>th</sup> November, 2014, be approved as a correct record and signed.

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21      **Public Forum**

No issues were raised under this agenda item.

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22      **Environmental Management Commercial Services**

A report of the Chief Officer – Environmental Services was submitted on the strategic development of commercial services within the Environmental Management Division.

The Chief Officer – Environmental Services gave a detailed presentation expanding on the report at the meeting, making particular reference to:-

- the reasons as to why it was necessary to develop alternative ways of working and income generating commercial services;
- the requirement to establish a Corporate Income Generating Strategy;
- the 'Five Case Model' used for developing business cases;
- the potential commercial opportunities, barriers and existing assets and skills identified during a brainstorming session with managers from the Environmental Management Division.

Following the presentation, the Chair raised questions in relation to the composition of staff employed for both the proposed 'arms length' companies and the Council and as to whether the Tendering process would still be applicable to an 'arms length' company. The Chief Officer (Environmental Services) stated that it would be more practical and transparent to have two separate groups of staff, one group to be employed by the 'arms length' company and the other group employed to carry out the Council's statutory duties, although not essential.

A Member commented positively on the information presented and stated that the scheme was long overdue and a necessity to ensure services continued in the current economic climate. He suggested that any profit made should remain within the Directorate of Environment, Economy and Housing or alternatively put back in to the commercial services.

In response to a question raised, the Chief Officer (Environmental Services) confirmed that a small profit was currently being made from providing services to Schools through Traded Services, however, it was considered that this was a potential area that could be developed.

Concerns were raised by Members in relation to how the proposed services would be promoted to the general public. Although the basis of the proposal was welcomed, it was considered important that the benefits of the establishment of 'arms length' companies were promoted to residents to achieve a positive response.

The Chief Officer (Environmental Services) agreed with the comments made and considered it important for the services to be well thought out and developed before being put into action to reduce unnecessary risk and to look at developing and expanding the successful services provided by the Council.

A Member agreed that this approach was the way forward, but was concerned that the bureaucracy of the authority would prevent the Council from competing competitively with the private sector.

A view was expressed that it was important for any commercial services to have a separate identity than that of the Council to ensure that users were aware it was not a direct public service that was being provided, but a service supported by the Council.

Further concerns were raised by members in relation to the effects that the establishment of 'arms length' companies would have on the current competitive market; what precautions and risks would there be from further companies being established to compete with the Council; would the waiting time for Council's statutory duties be affected and the potential for internal competition for work.

The Chief Officer (Environmental Services) stated that it was anticipated that the same service standard would be set for both statutory duties and commercial services; that statutory services were currently affected by budgetary implications and that additional income streams could be directed to the Council services that were under pressure.

A member commented that 'arms length' companies would only be successful if the services that they provided were different to those provided by the Council and that looking at other Authorities that had previously used 'arms length' companies had since brought those services back in-house.

Further concerns were raised as to whether 'arms length' companies and sub-contractors would provide the same quality of service and different work ethics that would be expected by the Council.

The Chief Officer (Environmental Services) agreed with all the comments that had been made and would incorporate them into the proposal, but considered it was important for the Council to be innovative and to start by establishing commercial services that were low risk to the Council.

In response to a question raised, the Head of Street and Green Care stated that a brochure was provided to all Local Authority Schools and Academies advertising all traded services available, including services provided by the Directorate of Environment, Economy and Housing and that this was an area that could be expanded further.

A Member raised concerns that no benchmarking information with other Authorities had been provided in the report or presentation and that there was no reference to predicted targets or details in relation to what would happen if an 'arms length' company was to default, particularly as the Council would be requested to subsidise the provision.

The Chair acknowledged the concerns raised and stated that that level of detail would be provided at a later stage in the process.

A Member referred to the successful working relationship between the Council and the New Heritage Regeneration Ltd and suggested if a similar way of working could be established in this instance.

The Chair stated that this was a welcomed report with a view to a potential way forward and requested that a meeting of the Urban Environment Scrutiny Committee Working Group be scheduled to discuss the experiences of 'arms length' companies in other authorities.

Resolved

- (i) That the information contained in the report, be noted.
- (ii) That a Working Group meeting be scheduled, inviting all Members of the Scrutiny Committee to attend, but to be followed up with a virtual process for those that are unable to attend, to consider benchmarking information with other Authorities that provide commercial and 'arms-length' services and to include positive and negative practices.

The meeting ended at 7.25pm.

CHAIR