



## **POLICY AND RESOURCES SCRUTINY COMMITTEE**

### **MINUTES OF THE SPECIAL MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON THURSDAY, 16TH DECEMBER 2010 AT 5.00 P.M.**

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**PRESENT:**

Councillor J. Taylor - Chairman  
Councillor Mrs M.E. Sargent - Vice-Chairman

**Councillors:**

H.A. Andrews, Mrs A. Blackman, J.B. Criddle, M.A. Derrett, L. Hughes, Mrs V. Jenkins,  
D.V. Poole, D. Rees, K.V. Reynolds, A.S. Williams

**Also Present:**

Cabinet Members Councillors C.P. Mann and J.A. Pritchard

**Together with:**

N. Barnett (Deputy Chief Executive), G. Hardacre (Head of Human Resources and Organisation Development), E. Lucas (Head of Procurement), D. Perkins (Head of Legal and Governance), N. Scammell (Head of Corporate Finance), J. Jones (Democratic Services Manager), C. Forbes-Thompson (Scrutiny Research Officer), R. Thomas (Committee Services Officer)

### **APOLOGIES**

Apologies for absence were received from Councillors L. Binding, D. Bolter, D.T. Davies, G. Jones and Cabinet Member Councillor A.J. Pritchard

### **1. DECLARATIONS OF INTEREST**

Clarification was sought by several Members in relation to agenda item 2(2), Redeployment and Protection Arrangements – An Options Paper, as a number of their immediate family members worked for Caerphilly County Borough Council. The Head of Legal and Governance confirmed that as the document was intended to be a strategic policy, rather than for a specific department, it did not preclude Members from taking part and voting on the proposals.

There were no declarations of interest made at the beginning or during the meeting.

### **REPORTS OF OFFICERS**

Consideration was given to the following reports.

## 2. TASK AND FINISH GROUP - LOCAL PROCUREMENT

The Chairman welcomed Professor Max Munday and Doctor Annette Roberts of Cardiff University to the meeting. An apology for absence was received from Mr Simon Davies (Associate Capital Project Director) and Mr Graham Davies (Head of Procurement) of Aneurin Bevan Health Board.

The report and accompanying presentation advised Members on the findings of the joint scrutiny research project undertaken in partnership with Newport City Council about the local procurement undertaken by Aneurin Bevan Health Board (ABHB). The project was funded by the Welsh Assembly Government's (WAG's) Scrutiny Development Fund and provided Members their first opportunity to scrutinise another public sector body in partnership with another local authority.

Professor Munday and Doctor Roberts reviewed the project aims and objectives and advised Members that this was the first piece of work done on this scale. Confirmation of the tools used to gather and analyse the information was given together with illustrative tables of the numerous spending headlines. Members were informed that there are opportunities for import substitution of some goods and services and were advised of the possible impact on the local and wider Welsh economy.

In closing, Professor Munday highlighted the conclusions, recommendations and further research that could be done. In particular the two chief recommendations to emerge from the study were as follows:

Demand side:

- Need to forge more integrated services and stronger partnerships to reduce costs so as to save resources for front line service needs; and
- Need for local government and Health Boards (HB) to form integrated services and stronger partnerships. In ABHB area the five councils and the HB might consider creation of a joint collaborative procurement team, working to a combined sourcing plan, to reduce costs and add value.

Supply side:

- Need to design/deliver a better system of business advice for actual/aspiring Small/Medium Enterprises (SME) in the HB area. SMEs are faced with array of business support points – coordination issues; and
- Need for local government and the health board to form an integrated service and a stronger partnership by creating a single one-stop shop for SMEs that need advice on becoming a supplier to the public sector in SE Wales.

The Chairman thanked Professor Max Munday and Doctor Annette Roberts for the informative presentation and welcomed comments/questions from the Scrutiny Committee.

Members discussed the project and its findings and commented on the complexity of procurement regulations and their impact on the procurement process. Members highlighted the importance of enabling local suppliers to compete for contracts, including advance notice of contracts and better engagement with businesses. In addition the commonality of services should be encouraged. Officers confirmed work was ongoing in this area and further reports will be brought before the Scrutiny Committee to consider.

Members questioned the impact of size and packaging of contracts on local SMEs and it was requested that consideration be given to including an additional recommendation to package contracts to encourage local SMEs to tender. Professor Munday and officers agreed this could be done to suit the local economy and comply with EC public procurement regulations. The Scrutiny Research Officer confirmed this suggestion would be proposed to Newport City Council's Task and Finish Group Members.

Further debate took place in regard to the export of goods/services from Wales and the assumption that if a person lived in a location, that they would spend money in that same area. Doctor Roberts confirmed the use of an average spend package to capture this information.

A Member questioned if concerns regarding complex public procurement regulations could be fed back to the EU. Members were advised, whilst the comments were appreciated, they were outside the scope of the project.

The Scrutiny Committee endorsed the conclusions and recommendations contained within Section 6 of the attached report (dated 22nd November 2010), subject to the inclusion that where possible, consideration be given to package contracts to encourage local SMEs to tender, and recommended to Cabinet, for the reasons contained therein, that:

- (1) a further report on how the Council can take forward the recommendations in the report be brought to the Scrutiny Committee and Cabinet;
- (2) CCBC and Newport City Council submit the report to WAG asking them to accept the findings and recommendations; and
- (3) the report be officially launched at the National Assembly for Wales Senedd building.

### **3. REDEPLOYMENT AND PROTECTION ARRANGEMENTS – AN OPTIONS PAPER**

The report provided further information to Members following the meeting of the Policy and Resources Committee on 5th October 2010 in which Members deferred consideration on a range of options in relation to the current redeployment and protection arrangements, pending full consultation with all parties. The report sought Members' endorsement to Cabinet.

The Head of Human Resources and Organisation Development highlighted the recommendations within the report and advised Members of the outcome of discussions with Trade Unions. Detailed clarification was given in respect to the terms of protection periods offered and the legal advice received. The Officer confirmed the proposals would fit in WLGA's All Wales National Agenda.

Members received additional information regarding the number of staff in the redeployment pool (currently at nil) and the level of protection offered. A Member proposed an amendment to the recommendation detailed within the report at paragraph 8.4 to extend the protection period on employee's basic salary rate for up to three years. A second amendment was proposed to extend the protection period to 18 months. As a result of additional debate and clarification, the initial proposal was withdrawn. The amendment was agreed.

Members concurred that in terms of trial periods and potential exceptional circumstances, such requests would be better considered with a balanced view of two parties. A proposal was given that this should be undertaken by the Head of Human Resources and Organisation Development in consultation with the Head of Legal and Governance.

Members also requested that when finalised, an electronic copy of the options paper be sent to Members.

The Scrutiny Committee noted the report and endorsed the following recommendations to Cabinet:

- (1) that employees receive 12 weeks in the redeployment pool plus contractual notice period;

- (2) that employees receive a standard 4 week trial period (unless there are exceptional circumstances agreed by the Head of Human Resources and Organisation Development), and that the “clock stops” for the purposes of their redeployment period; and
- (3) that employees receive a protection period on their basic salary rate for up to 18 months if they are redeployed to a lower graded post. (If their salary increases during this period then the protection will be reduced or ceased in line with the original salary rate).

The meeting closed at 6.12 p.m.

Approved as a correct record, and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 25th January 2011, they were signed by the Chairman.

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CHAIRMAN