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## NORTH AND MID WALES TRUNK ROAD AGENCY 15/09/15

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**Present:** Councillor Alun Williams (Ceredigion) (Chairman)  
Cllr John Wyn Jones (Gwynedd) (Vice-Chairman)

**ALSO PRESENT:** Councillors David Smith (Denbighshire), David Cowans (Conwy), John Brunt (Powys), Dilwyn Williams (Chief Executive, Gwynedd), Nigel Brinn, Head of Highways, Transport and Recycling (Powys), Darren Williams (Head of Service, Wrexham), Dewi Williams (Head of Service, Isle of Anglesey), Gwyn Morris Jones (Head of Service, Gwynedd), Geraint Edwards (Head of Service, Conwy), Rhodri Llwyd (Group Manager, Highway service, Ceredigion), Dave Cooil (Head of Agency, NMWTRA), Ian Hughes (Business and Quality Manager, NMWTRA), Lynda Humphreys (Administrator, NMWTRA),

**APOLOGIES:** Councillors Bernie Attridge (Flintshire), Neil Rogers (Wrexham), John Arwel Roberts (Anglesey), Bob Dutton (Wrexham), David Bithell (Wrexham), Steve Parker (Head of Service, Denbighshire), Huw Morgan (Strategic Director, Ceredigion), Paul Arnold (Head of Service, Ceredigion), Steve Jones (Head of Service, Flintshire)

### 1. ELECTION OF CHAIRMAN

**RESOLVED to elect Councillor Alun Williams (Ceredigion) as Chairman to the Joint Committee for the forthcoming year.**

### 2. ELECTION OF VICE CHAIR

**RESOLVED to elect Councillor John Wyn Jones (Gwynedd) as Vice-Chairman to the Joint Committee for the forthcoming year.**

### 3. DECLARATION OF PERSONAL INTEREST

None.

### 4. MINUTES OF THE PREVIOUS MEETING AND MATTERS ARISING

Minutes received as accepted.

#### **Matters Arising**

*i)Financial Assessment for PA's* - Further to the request by Dilwyn Williams at the last Joint Committee on 29 January 2015 to provide a financial assessment for each Partner Authority of the post Agency model change including transfer of relevant core functions. Following acceptance by WG on the 27<sup>th</sup> August of the business cases submitted by NMWTRA on April 31<sup>st</sup> 2015 financial assessments were provided to individual PA's on 25 September 2015 showing the indicative residual function turnover, contribution to overheads and fee value.

The assessment has taken into account the revised baseline budget of £37.88M confirmed by WG in September 2015 against which the total cost savings target of £7.75M is now being measured. DRC indicated that the assessment has indicated that throughput for works units should remain as for previous years but the makeup of works activities will change in line with the requirements of the new Welsh Government Trunk Road management Manual (WGTRMM) 2015 specification.

## 5. JOINT COMMITTEE REPORT

*An update was given by DRC.*

*Work Allocation to Local Authority Service Provider Units* – DRC reported that the final payments for 2014-15 subject to agreeing final claims indicated that the projected revenue expenditure for 2015-16 was expected to be similar to 2014-15, although the capital funding levels are lower than previous years. This is having an impact on PA Consultancy workload as well as the Agent's private sector supply chain for both consultancy and construction activities.

*Partnership Agreement* – DRC reported that despite high levels of uncertainty regarding future Trunk Road Management arrangements in Wales there had been no issues regarding on-going service delivery by the PA's and that there had been good cooperation and assistance in implementing proposed cost reduction measures to date.

*Risk Register* – The updated NMWTRA risk register presented by DRC demonstrated the ongoing actions being implemented in order to manage and mitigate risks to the Agency much of which had been presented in the April submission to WG.

## 6. UPDATE ON MINISTER'S STATEMENT

*Update given by DRC.*

### *i) Ministers Decision Letter 11/8/15*

A letter was received in respect of the Minister's response to the NMWTRA cost savings submission to WG on 31/4/15 on the 11/8/15 and was sent to PA's on 18/8/15. The key points of the response were as follows:

- Acceptance of the proposed savings and associated business cases
- Continuation of the current Public Sector delivery model subject to realising the savings indicated in the NMWTRA submission.

However, the Minister is keen to introduce new technology and innovation into our service delivery and has challenged us to deliver a stretched target of a further £3m of savings to be achieved by March 2018.

### *ii) Feedback from Meeting with WG 27/8/15*

Update given by DRC who confirmed that the meeting was generally encouraging and that Sheena Hague (WG Deputy Director) confirmed that the original submission had met WG officer requirements, and had exceeded cost saving expectations, but the submission had been rejected by the Minister – hence the stretched target requirement.

The baseline against which further savings are to be achieved is the fully costed 2015 WGTRMM. NMWTRA projected cost for this revised standard is £37.9m compared to an historic spend with PA's of around £27m. It is therefore probable that even with cost savings of £7.75m that the throughput of work with PA's works units will be sustained and potentially increased to some extent by the increased requirements of WGTRMM 2015 which is encouraging.

Nigel Brinn (Powys) stated that this was good news in terms of what was expected. This was acknowledged by the Committee.

## 7. NMWTRA SUBMISSION TO WG 31/4/15

Following acceptance of the NMWTRA April 31<sup>st</sup> submission by WG, DRC confirmed that the objectives of the NMWTRA submission to the Joint Committee on 29<sup>th</sup> January had been met in that:

The public sector led model would be retained by WG;

The contribution to works unit depot and winter maintenance fixed cost overheads would be retained;

The economies of scale of maintaining both Trunk and County road networks would be retained;

Works unit and consultancy service delivery would be retained.

### ***i)NMWTRA Model change overview***

An overview was given by DRC. The intention is to implement the new model between now and March 2015. The majority of core functions procured historically through the Technical Administration function will transfer into the Agency on April 2016. Some residual Technical Administration functions will remain with PA's including Development Control Advice, Signal Remote Monitoring and Call Centre functions. The specialist inspection functions currently undertaken by PA consultancy units will also be internalised into NMWTRA.

### ***ii)Assessment of staffing implications***

DRC reported that detailed meetings are being held individually with all PA's in September with the intention of identifying the number of posts subject to TUPE and how to manage the wider generated Full Time Equivalent (FTE) staff that did not fall within a TUPE process.

DRC explained that for non-TUPE transfers the Agency was intending to work on a prior consideration group approach for each transferring function. Therefore the intention is to identify the staff affected, the current post and workload implications that would determine the prior consideration groups. The intention is by mid October 2015 to agree prior consideration and TUPE groups with all PA's with a transition period between now and end of financial year. Staff within agreed prior consideration groups would be invited to apply for posts within the Agency during November and December. DRC commented that it was important that staff transfer arrangements supported the business cases and that as far as possible employment opportunities were retained.

This process could affect up to 50 posts across 7 PA's. Six staff have been assessed as qualifying for TUPE with the balance potentially falling into prior consideration groups. The Agency is currently in discussion with all PA's.

Call centre calls/queries and requests for service was raised by Gwyn Morris Jones. DRC reported that the Agency would make use of all PA call centres and make a contribution to meet PA costs.

### ***iii)Delivery Plan and Programme***

The proposed savings profile and timescale was presented by DRC. The programme indicated that most significant organisational changes would take place from April 2016. DRC

also commented that measures implemented to date have already yielded cost savings during 2014/15 and 2015/16.

## 8. SERVICE DELIVERY AGREEMENT 2016

### ***i) Intelligence based maintenance***

DRC explained the revised approach and illustrated its implementation using the Gully cleansing regime. Historically a single cleansing operation had been adopted but due to operational issues being experienced NMWTRA had moved to twice a year cycles. However, this has been recognised as an over provision on well-engineered infrastructure so it is now intended to revert to a single baseline cycle with a targeted second cycle on vulnerable sections of the network with the intention of achieving a more optimum maintenance regime.

DRC made reference to a letter received from Cllr Bithell expressing his concerns regarding the changes to the intelligence led cyclic maintenance activities particularly the grass cutting regime.

DRC shared Cllr Bithell concerns along with committee Members. However, DRC explained that the potential savings were significant and the decision was now in the hands of WG and that it was now a matter for WG Policy.

### ***ii) WGTRMM 2015 additional requirements***

Update given by DRC and made reference to the new WGTRMM activities currently not carried out. These additional activities will offset the reduced scope of work created by the intelligence based maintenance regime.

The intention will be to issue the amended SDA in November. It is proposed that the Agency will meet with all PA Delivery Teams to clarify requirements prior to implementing changes during 2016.

## 9. AOB

***Partnership Agreement*** - Dilwyn Williams made members aware of the importance of protecting the Partnership Agreement and the need to sustain the efforts made by all parties to date to ensure continuation of the public sector delivery model particularly in the run up to the 2016 election and beyond.

## 10. DATE OF NEXT MEETING

Members agreed that the next Joint Committee will meet in May 2016. Dates will be circulated for agreement.

Councillor Alun Williams conveyed his thanks on behalf of the Joint Committee for the information and hard work provided by the Officers involved that has led to this successful outcome.

The meeting commenced at 1.00 and concluded at 1.45

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**CHAIRMAN**