

APHA EXTRAORDINARY EXECUTIVE BOARD MEETING
13th September 2018 - AGENDA

Meeting to be held at the Union Jack Club, Sanedell St. London commencing 14.30hrs.

EB 18/47	List of Attendees.	PM
EB 18/48	Apologies for absence.	PM
EB 18/49	Declarations of Interest.	PM
EB 18/50	Revised APHA Financial Statement 2017/18	GG
EB 18/51	AGM 2018 - Award of Fellowship	GG
EB 18/52	The future of APHA	PM/GG
EB 18/53	AOB	All

APHA EXECUTIVE BOARD

Executive Summary

Agenda Item:	EB 18/52
Person Responsible:	P McCarthy/G Gould
Title:	The Future of APHA
Reference Documents:	Appendix 1 APHA Financial Situation (attached)

The Future of APHA Following Discussions With Major Ports Representatives.

Introduction: Board members will be aware that the Task and Finish Group have been in discussions with Gavin Stedman of the City of London PHA and Richard Jacobs of Suffolk Coastal PHA as representatives of the Major Ports Group (MPG Reps). The purpose of these discussions was to identify what changes were necessary before they could recommend that members of the Major Ports Group rejoin the Association.

Having looked at the Articles of Association and Operating Arrangements as well as the organisational structure, it will come as no surprise to the Board to learn that the MPG reps view APHA as anachronistic, overly bureaucratic, slow and cumbersome, and, therefore, not fit for purpose. Their conclusion was that they would only recommend that the Major Ports come back on board provided that major changes were made to simplify/streamline the organisation and structure of the Association. They suggest that APHA uses the post Brexit scenario to restructure APHA and make it fit for the future. They do, however, accept that to go through this change process will take some time, not least of which because of the process of change has to be carried out in accordance with the current Articles.

Here follows a summary of what has been discussed with the MPG Reps under appropriate headings, with their recommendations, followed by a number of options for the Board to consider.

Vision, Aims and Objectives The current vision of the Association of Port Health Authorities is:

To be the lead agency in promoting port health in the UK by assisting our Members in the provision of consistent, high quality services for the protection of public, animal and environmental health.

This vision should be achieved through the following aims and objectives:

- Promoting consistency amongst member authorities by identifying and sharing good practice and guidance.
- Influencing central Government departments, Agencies and the European Commission regarding policy, legislation and enforcement.
- Supporting and promoting effective co-ordination, cooperation and collaborative arrangements between Local Authorities and Port Health Authorities.
- Developing effective partnership and collaborative working arrangements with key stakeholder organisations and relevant European and international agencies.
- Increasing capability of member authorities through the provision of training and information.

- Continuing to raise the profile of port health services with key stakeholders including local authorities, Government Departments and Agencies, European Commission, industry bodies and consumer organisations.
- Identifying and developing strategy and policy to tackle any emerging issues of port health significance.

The MPG Reps were content with the vision, aims and objectives listed above because they are about serving the needs of its members and Port Health. Their view was that APHA should be about facilitating the exchange of information between member authorities and in particular from Major Ports to smaller ports. It should be noted that no organisation provides a collation of all port health legislation/guidance/information and consultations. Government Departments host their own but not others. There is a clear opportunity for APHA to be that body.

Membership and Funding: The aim should be to ensure that all Port Health Authorities are members. This will only be achieved if subscription is free or so low cost as to be irrelevant. The MPG Reps suggested that APHA investigates the possibility of funding from the FSA out of their Brexit Budget in order to reduce or eliminate subscriptions. It is essential that APHA aims to strike the right balance between cost and value.

Consultations. The old method of approaching the membership for views and collating them is far too slow and cumbersome. Modern deadlines are too short and what if there are conflicting views between PHAs. Individual Authorities have their own views and politics so the Association could never represent all their interests all of the time. It is contended that if we tried, we would fail and subsequently could never achieve 100%PHA membership. Indeed it is one of the reasons some Authorities left the association in the past. APHA's role should therefore be as a "signposting" body to send out consultations and allow PHAs to respond individually whilst sharing work that has already done. For example, if the City of London responds to a consultation, the response could be shared to potentially inform other PHAs response. A recent example of this was the City of London's Key Brexit Principles - this was work undertaken by the City but was something that APHA shared with all PHAs to help inform their own Authority's approach to this issue. Becoming a "signposting" body will remove an area of conflict.

Website - APHA should identify what the members "really" want from the website. MPG thoughts were that it should be "smart" and have an area where members can upload information etc. APHA can subsequently capture and publish it. It could also provide "signposts" to other websites where PHAs and others can find relevant information. There is no need to duplicate! There would be a need to advertise events, training and meetings and use it as a repository of the documents that APHA generates from meetings etc. APHA should consider whether is a requirement for a separate members area on the website. The website should be overhauled to reduce it in size and make it more streamline and efficient.

Training: APHA has had success with the training events that have been run in recent years and there is clearly a need to ensure that Port Health Officers and other employees engaged in port health work maintain currency and competency. By opening training up engagement, there is, potentially, a significantly increased training audience. APHA should continue to run events and seminars based on need as well as promote relevant port health training being delivered by other organisations.

Newsletter: The monthly newsletter is well received and provides a means of keeping PHAs informed of the activities of the Association and PLaN groups as well as advertising training and events and keeping officer informed of legislation and other matters that affects Port Health. It

should be retained as resources permit.

Structure: The current structure of the Association is based on a regional network of PLaN Groups, an "elected" Executive Board (EB), the activities of which are monitored by an Overview and Scrutiny Committee (O&S Cttee). On paper, there are also a number of Technical Committees which are suspended. Terms of Reference for these bodies are published in the Operating Arrangements. Finance and Administration are provided by Medway and Swansea Bay PHA respectively with an Executive Officer employed on a contracted basis to undertake the day to day activities of the Association. A Task and Finish Group made up of officers from the EB and O&S Cttee assist the Executive Officer in the delivery key outputs.

Future Structure:

a. PLaN Groups The PLaN Groups should be retained and reinvigorated. They are regional and should be the building blocks of the Association:

Currently APHA has the following active PLaN groups:

- a. Scotland
- b. Wales
- c. N Ireland (newly formed)
- d. Southern
- e. Eastern (currently administered by PHE (Eastern))

There would be a need to reactivate the Northern PLaN Group to strike a balance across the country. Northern and Southern PLaN Groups in England could be split into NE, NW SE and SW if there was a need. Consideration should also be given as to whether there was a need for a separate Airport PLaN. The Major Ports have indicated that they would be prepared to help support and administer the PLaN Groups.

The Major Ports would continue as a Group with information and actions being disseminated to the Chairs of Plan Groups

b. Executive Board: It would be necessary to retain an Executive Board to provide strategic direction and decision making but instead of direct elections to the Executive Board, the Board should comprise one individual appointed/elected from each of the PLaN Groups and the Major Ports Group. This would reduce bureaucracy and ensure that there was continued regional representation at the strategic decision making level.

A Chair and Vice Chair should be elected for the Board and PLaN Groups and a secretary for the Plan Groups. They suggest that it is a timed appointment so that at the end of the term the chair steps down and the Vice-Chair steps up to the position of Chair and a new Vice-Chair appointed/elected.

c. Overview and Scrutiny. Overview and Scrutiny of the activities of the Board, Administration and Finances would be undertaken by each of the PLaN Groups as well as all member Authorities. Minutes of meetings and financial records would be openly published on-line and available to all members. This would remove the requirement for an Overview and Scrutiny Committee with subsequent reduction in bureaucracy and costs.

d. Technical Committees As support for the Technical Committees waned to the point of their suspension, the business undertaken by them have been absorbed by other

groups in the main hosted by the relevant government departments such as Defra, FSA and PHE. The reinstatement of the committees would lead to duplication of role so reference to the Technical committees can therefore be deleted. Should the necessity arise APHA would be able to form working groups to deal with specific issues and whilst this could lead to the creation of a Technical Committee(s) in the future, it would be based on a clearly identified need with its own scope and defined objectives.

e. Finance/Administration and Executive Officer. There should be no changes at least for the duration of the transition. The hours worked by the Executive officer should be kept under review and adjusted as and when necessary. Future changes to these arrangements would be based on need and financial efficiency.

Political Engagement: Despite the best efforts of some of the Executive Board it has proved extremely difficult to achieve direct political engagement with politicians. APHA just does not have the resources to be effective in that sphere so it is recommended that curtail such efforts. It was stressed by the MPG Reps that the Association should be independent of Local Authority control and that future political engagement should be of the "soft" form currently practised by the Major Ports Group.

Options:

The Board are presented with the following options. It is stressed that the choice is not necessarily limited to these as there may be other courses of action identified by Board members.

- a. Do nothing and APHA will be forced into Administration when the money runs out.
- b. Accept that there will be 2 organisations representing port health in UK with APHA representing the smaller ports. APHA would need to seriously address the funding issue by achieving other sources of revenue/increasing fees, increasing the membership and reducing the overheads. To survive, APHA would have to ensure that activities and outputs are restricted to what can be afforded, whilst running the risk of losing members to the point that APHA would have to close. In short, limp on as we are!
- c. A controlled closure of the existing Association before the money runs out. This could be presented to the 2018 AGM with a view to winding the Association up by the end of APHA's financial year (31 Mar 19).
- d. Enter a period of transition to modernise the Association along the lines discussed above. There are some steps that can be taken immediately provided any changes to the Articles is agreed at the 2018 AGM. The proposals for modernisation can then be presented at the AGM, in the newsletter and at PLaN meetings to keep the membership informed. The aim would be to have the new articles/operating arrangements drafted to be approved at the 2019 AGM by which time we should have a clearer idea of what the post Brexit world will look like. APHA would require clear commitment from the Major Ports that if this option is taken, they would rejoin the Association at the earliest opportunity

Of these options, a lacks professionalism and would be indicative of very poor management of the Association and is therefore considered unacceptable. Option c is the only one that is without risk and could be retained as the backstop position should options b or d be pursued initially but prove unsuccessful.

Recommendations:

The board is requested to consider carefully the issues, suggestions and options detailed above and make a decision in respect of the future of the Association and the direction it should take. Due cognisance should be given to both the reputational and financial risk that these options present to the Association, as well as the risks and potential liabilities on the directors and members of the Executive Board. Once clear direction has been given, this will form the APHA priorities for the coming term.

Comments:

Actions:	Date:	Person Responsible:

Appendix 1
To APHA Executive Summary
EB/18/52 dated 13 Sep 18

APHA Financial Situation

1. Introduction: It has long been recognised that APHA's current position in respect of resources, financial, expertise and personnel are unsustainable. At our current rate of membership, APHA's income is some £28, 974 *per anum*. This comprise membership subscriptions from 21 Corporate, 16 Plan & 3 Associate Members. APHA's estimated annual expenditure is £47,621 leaving a shortfall of £18,647. With no increase in membership numbers, subscription fees would need to be increased by approximately 40% to break even. It is therefore necessary for the Board to consider ways of either reducing costs or increasing income.

2. Cost cutting:

a. Administration: It will not be surprise to learn that the largest of the costs to run APHA is personnel. With the experiences of trying to run the Association as an additional duty within a Port Health Authority, it was recognised that APHA needed to employ someone to manage the Association on a day to day basis. As a result, the Executive Officer (EO) was recruited in 2016 to work for 2 days per week. However, it was immediately apparent that 2 days was not enough and since he started, he has worked 898 hours in excess of that contracted (as at 26 Jul 18). This equates to over 128 additional days work for which he was unpaid. At the Executive Board meeting in July, it was agreed to pay for an additional day per week from April 2018. Even taken this into account, the EO has accumulated a further 67 hours of unpaid work since April (as at 26 Jul 18). There can be no doubt that the day to day running of APHA has improved significantly since the recruitment of the EO but this has come at a major cost to the budget. It is clear that there would be a major problem in running the Association effectively without the EO and there are just not the volunteers available to replace him. That said it cannot be disregarded that the money could be saved by dispensing with the EO.

Other costs have been reduced significantly by moving Administration from Manchester PHA and it is believed that there is no further scope for reductions there.

b. Web Services. APHA has already taken great steps to save on the costs of web services. The bill has been reduced by approximately 50% from when Xeno Solutions was first contracted. Furthermore Lansdowne specialise in providing support to small trade Associations and Local Government specialists so the additional support that APHA receives from them in terms of advice and securing advertising revenue is invaluable so it is not believed that additional cost savings can be made here.

c. Overview & Scrutiny Committee. The organisational structure of APHA is very dated and whilst there was a need for Overview and Scrutiny in the past, this was from a time before modern communications and the

internet. It could therefore be argued that, provided that the deliberations and decisions of the Executive Board, as well as the finances, in terms of income and expenditure were readily available to the membership then all members could provide that scrutiny function. Recruitment to the Executive Board and O&S Committee has proved challenging in recent years as fewer and fewer volunteers were prepared to come forward. Perusal of minutes of O&S Meetings would indicate that some of the views would have been better aired at the actual Board Meeting rather than waiting for 3 months and hoping that they would be discussed at the next Board meeting. This can only be described as overly bureaucratic and a slow & ponderous way of doing business. It is therefore recommended that measures are taking to amend the Articles to remove the O&S Committee as a tier of management. Members of O&S who wanted to continue to contribute could seek appointment to the Executive Board. The cost savings, whilst not great, could be approximately £1000-£1500 per year and it would also reduce the number of hours worked by the EO by at least 140 per year.

3. Increase Income: The other way to help clear the deficit would be to increase the income. The following are other options which are not exclusive:

a. **Grant Funding** This has been an action on the Executive Board for some time. To date there has been little or no progress.

b. **Training** APHA has always taken the line that any training delivered should be cost neutral. This is to minimise the costs to PHAs and encourage attendance. When reviewing the events that APHA has run since 2016, the Association has made a small profit on paper but in reality such profit would only cover the intangible costs such as Administration and EO time in organising and delivering the training. Whilst there is scope to increase the charges for events, we would run the risk of reduced attendance and subsequently rendering the courses non-viable. Furthermore, we do not have the capacity to increase the delivery of training to the extent that it would have a significant impact on the budget. Whilst we should maximise the level of income secured through training, in reality it will not have a major impact on the budget.

c. **Website Advertising/Sponsorship.** The Exec Off has been in discussions with Lansdowne Publishing with regards to securing income from advertising and sponsorship. Their view was that there is just not enough traffic on the website to charge substantial amounts and at best we would be lucky to secure £1200 - £1500 a year. Following discussions with the Chair, Lansdowne have embarked on a campaign to sell advertising on the website and sponsorship for the AGM.

d. **Membership Subscriptions:** To eliminate the deficit, membership would need to increase by either 19 Corporate Members or 55 Plan Members or a combination of the two. There are 78 identified PHAs that are not members at present. Whilst some of these are very small and have never been members, there is sufficient to meet the shortfall. Elected Members of the Executive Board and O&S Committee have been allocated potential non-member authorities so that they can make contact as part of a recruitment

drive to encourage membership. To date this task has not resulted in any new members.

If the Major Ports were all to rejoin, it would lead to an additional 6 Corporate Members but, significantly, others would follow because in discussions with non-member authorities it is clear that some are waiting on the lead of the major ports.

4. Conclusion

Unless the decision taken is to wind the Association up, it will be necessary to take every step to reduce costs and increase income so that APHA has sufficient time to implement the changes necessary for the Major Ports to rejoin. The following recommendations are therefore offered for consideration by the Board. Whilst none of them will result in a significant increase in income, collectively they could improve the balance sheet and increase the time available to implement the necessary changes before APHA becomes insolvent. Furthermore it demonstrates to the Major Ports and members that we are being fiscally responsible. To that end it is recommended that:

- a. A motion be submitted at the AGM for the amendment of the Articles to remove the Overview and Scrutiny Committee from the organisational structure of APHA. This would have the additional advantage of confirming to the Major Port that we are intent of reform.
- b. The Executive Board should seriously consider an increase in membership fees for 2018/19 whilst balancing this against the risk of losing members by making membership too expensive. It should be noted that there has been no change in the fees since 2014 but the effect of inflation equates to a real reduction in income from this source of 10%. If APHA was to increase the subscription to meet the rate of inflation, Corporate members would be paying £1100. This would increase the income by approximately £2987.
- c. APHA should take every step to maximise revenue from other sources such as web advertising and sponsorship.
- d. It should be ensured that all events are run to maximise potential income whilst remaining "low cost"; account should be taken of the intangible costs such as Administration, Finance and EO time when finalising prices.
- e. All Board members give consideration to suggesting other ways of reducing expense and raising revenue.

5. Supplementary: Following the recommendation from the Major Ports Reps to approach the FSA for funding, a meeting has been held with Gary Welsh of the FSA. He has expressed his desire for their to be one body representing port health and supports the initiative for reform so that the Major Ports will rejoin APHA. Provided that is the decision taken by the Board, he is prepared to work with us to draft a bid for time limited funding that can be submitted to the FSA Board of Directors for approval. There are, however, no guarantees that it will be approved and it will only be considered once APHA has been reformed.