



## Corporate Resources Scrutiny Committee

### Briefing Paper

Report of: Worcestershire Shared Regulatory Service  
(WSRS) Project team  
Date: 14<sup>th</sup> January 2010

## Wyre Forest District Council Joint Staff and Unions Response to the Worcestershire Shared Regulatory Service (WSRS)

### Introduction:

1. The following document has been prepared by the Worcestershire Shared Regulatory Service (WSRS) Project Team in conjunction with the Worcestershire Enhanced Two Tier (WETT) Programme Management Group. The WSRS operate within the WETT programme framework and governance, through agreement with the Worcestershire Chief Executives & Council Leaders Panel.
2. The WSRS are a group of senior Officers (1<sup>st</sup> and 2<sup>nd</sup> tier) representing all seven Worcestershire Councils. The project team members were delegated authority to act on behalf of their Councils by the individual Chief Executives. This was agreed during the initiation stage of the programme when the Worcestershire Chief Executives & Leaders Panel was established as the WETT Programme Board.
3. The WSRS has had a much broader Officer involvement than the original senior Officer team, which evolved during the development of the current Regulatory Services detailed business case. The business cases credits 23 Officers for their work on various aspects of the proposal. It is also acknowledged that there were a number of additional Officers involved in producing the proposals from other services e.g. Human Resources, Finance and Legal.
4. It was agreed by the WETT Programme Board that any business case development would be practitioner led and an 'open invite' approach would be taken allowing all Council teams operating within the three core disciplines access to become involved.
5. It was equally agreed that proposals should be developed from the perspective that current operational models are most likely unsustainable due to increasing financial pressures and incompatibility of traditional approaches with developing Government legislation and strategic direction.



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6. The WSRS produced 3 options within the business case for a two tier regulatory service. Clear interim guidance was provided by the WETT Programme Board that Option 3 was the most compatible to meeting the strategic and operational needs of the Partner Authorities.
7. The County Treasurers group played a key role in the development of the WETT detailed business case model. The group provided robust challenge throughout and support for the current Regulatory business case proposals.
8. In November 2009 the WETT Programme Board unanimously supported the Regulatory Services detailed business case Version 10, which recommended Option 3 and Implementation Approach D as the best two tier working Regulatory Services option for the Councils of Worcestershire. The Business Case was subsequently agreed by the Leaders and Chief Executives Group on 3<sup>rd</sup> November 2009 for consideration by all seven Councils.
9. Support from the Leaders and Chief Executives for the business case at this point allowed the proposals to be taken forward for consideration by the Elected Members of the seven Worcestershire Councils during December 2009 through to and including February 2010.
10. Formal consultation with affected staff and Trade Unions (TU) regarding the WETT detailed business cases commenced on the 10<sup>th</sup> November 2009 and was due to be completed on the 7<sup>th</sup> December 09. However, this was extended to the 21<sup>st</sup> December 09 at the request of stakeholders and through agreement with the WETT Programme Management Group (PMG).
11. The PMG leads on supporting the development of the WETT Programme e.g. resource and funding allocation and makes recommendations into the Programme Board for consideration. The group consists of senior managers from each Council e.g. Wyre Forest is represented by the Council's Section 151 Officer.
12. There will be a further two stages of staff and TU consultation following this i.e. regarding the proposed TUPE arrangements and 'assimilation protocol' should the proposals be supported by the Worcestershire Council Members. Affected Officer Teams will continue to be briefed on all developments by the WETT team throughout further stages of the programme.
13. All received feedback from the first stage of consultation will be responded to and taken into consideration by the Councils when taking their decisions on the Business Case.

**Overview of Documents provided by the Environmental Health and Licensing Teams of Wyre Forest DC & local Trade Unions:**

14. The following sections of this report address the points raised within the joint staff and Union response, provided to the WETT and WSRS at the Corporate Resources Scrutiny Committee meeting on the 10<sup>th</sup> December 09. Each subject heading is listed in the same order it appears in the report. Each heading also refers to the associated page number.



15. Our report does not contain detailed information already presented as part of the Regulatory Services detailed business case V10. However, references to appropriate areas of the business case are included where appropriate.
16. It is important to note that members of the WETT teams were not consulted by the Officer and TU team at Wyre Forest during the development of their response. This has unfortunately resulted in some key information contained within their document being factually incorrect e.g. it conflicts with specific information contained within the current version of the Regulatory detailed business case Version 10 approved by the Worcestershire Chief Executives & Leaders and the subject of the formal consultation.
17. A significant amount of the staff and TU response refers to the staffing figures and structure shown at 'Appendix 3' of their document. Notwithstanding any concerns about overall staff numbers in the model, the structure indicated in the staff response isn't consistent with the proposed structure that appears in the formal consultation as shown on pages 18-20 of the Business Case set out the structures that have been published for consideration.
18. There are further references of factual inaccuracy within the document and these will be respectfully addressed through this report.

### **Consultation (Page 3)**

19. As touched on in the introduction section of this report, the consultation period was extended by 14 days from the 7<sup>th</sup> December to the 21<sup>st</sup> December 2009. This consultation period is purely relating to the business case at this stage. There will be a further two stages of consultation to address TUPE and the assimilation protocol.
20. The Joint Response document (Staff & TU), refers to the business case being developed from the beginning of 2009. It is correct to say that the business case has been in development since early 2009, however at that time it was one of a number of work streams that were being developed in order to establish agreement for the WETT programmes priorities, create the programme framework and governance, and develop the business case for other service specific two tier proposals. All of which was completed through collaborative working and agreement with stakeholders from the seven Authorities.
21. During the consultation stages of previous Worcestershire Shared Service proposals, a business case 'Executive Summary' has formed the core document and this has been sufficient enough to base consultation upon. However, in the case of Regulatory Services, the WETT programme team developed the full detailed business case and appendices as well as the Executive Summary as this level of detail was considered more complete for consultation purposes.
22. At this stage of the Business Case the principal consideration is the most efficient and effective means by which services will be delivered and this is a matter for those bodies delivering the service. Consultation with local businesses and other



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customer groups will commence once any agreement is reached with the detailed business case. If the Business Case is agreed, then the method by which customers receive the service and at what service level they receive will be the subject of further consultation as the development of the detailed service delivery model is progressed.

23. Initial and continuing discussions have taken place with external agencies regarding the business case and associated plans. However, detailed consultation with external Stakeholder groups will commence once consultation with staff and Trade Unions has been completed and support for the proposal may have been received from Members of all Councils.

**Model 3 (Page 4)**

24. Option 3 within the Regulatory Services detailed business case was developed and proposed because options 1 and 2 do not deliver the level of savings outlined in the original High Level Business Case and supported by the WETT Programme Board. Options 1 & 2 were also not considered transformational enough by key Stakeholders e.g. the WETT Programme Management Group (PMG), County Treasures and members of the WSRS.
25. Option 3 was the option which received a consensus of support from the WETT Programme Board members i.e. Worcestershire Chief Executives & Leaders Panel.
26. It is important that the proposed option is considered in the context of the savings that could be achieved collectively across all seven Councils and not just potential savings that could be achieved by each council individually. This then makes the shared approach more palatable because we should be able to see that resilience will be better maintained in a larger organisation than if cuts are applied to their individual services.
27. This is without question a new approach to delivering shared Regulatory Service through an innovative business model. However, utilisation of leaner and more efficient working practices and processes will ensure that managers are assigned to fulfilling management duties more effectively and the whole team is utilising better technology and support via frontline Customer Service teams (Worcestershire Hub).
28. The staffing level of 120 FTE is low in comparison to teams and services operating in similar operational cultures at this time. However, all Councils will have to address the increasing and inevitable financial uncertainty over the coming years which will provide the same pressures that the Worcestershire Partners are pro-actively addressing now.
29. In summary, approx. 75% of costs to the three core services can be attributed to salaries. Therefore, any significant savings will have to be achieved through a reduction in staffing levels. The detailed business case financial appendices show through the preferred 'Implementation Approach D' that the main reduction in FTE will be across the Managerial and Support / Admin teams, implemented over a two year period. The 'Professional' team within the proposed Option 3 model will receive a minimal amount of staffing reduction in comparison i.e. approx. 10% in total.



30. The organisational model at 'Appendix 3' of the Joint Response document is inconsistent with the current Regulatory Service detailed business case version 10 in that it identifies specific staffing numbers against the individual areas of the business model. The correct version of the Regulatory business case was circulated to all affected staff Trade Unions and Elected Members on the 10<sup>th</sup> November as part of first stage of the consultation.

### Assumptions & Risks (Page 7)

31. The Business Case openly and transparently addresses the assumptions and risks that have been considered in preparing the Business Case and although there were concerns amongst the project team about the preferred option, there was unanimous support for the Business Case by the PMG and from the Worcestershire Chief Executives & Leaders Panel members.
32. There are a significant number of Assumptions and Risks identified within the business case. These are set out clearly on p52-55. The project team involved have adopted project management principles consistent with 'PRINCE 2', to the Regulatory detailed business case development and it is considered best practice to address these two critical areas of project management within the business case.
33. Fees & Charges: Initially individual fees will be different. Over time with a more consistent approach with regard to the processing of Licenses, there will be increased potential for these to converge. However, each individual authority will retain the ability to decide its own fees and charges. There could therefore still remain variations, as a result of individual decisions on the levels of Enforcement requested and other variations in associated activity. It is accepted that the Council should not make a surplus on the licensing activity, however there is currently a deficit of approximately £80k against this activity at the moment thus making it feasible to reduce costs without having to reduce fees.
34. A number of District Council Solicitors discussed how best to progress with the proposed two tier Regulatory service based on the QC advice received and agreed that secondment of Licensing staff was the best way forward as part of the new governance arrangements.
35. **Service Standards and Performance Measures:** It is intended that individual partner performance against the National Indicators will be maintained as a minimum i.e.
- **NI14** (avoidable Contact)
  - **NI182** (satisfaction of businesses with regulatory services)
  - **NI183** (fair trading indicator calculated by reference to the number of businesses generating more than 3 complaints annually and the number of VAT registered businesses in the county)
  - **NI184** (compliance of businesses with food requirements)
  - **NI190** (achievement in meeting standards for the control system for Animal Health)



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36. This will be followed by a clear focus on raising the performance of all partners to that of the best in Worcestershire and will help to address issues of inequality identified in the recent Place Survey. It will also ensure that partners can demonstrate the effective deployment of proposed regulatory resources to provide the optimum community benefit.
37. **Levels of Service:** It is proposed in the detailed Business Case that services will initially be delivered in accordance with current partner service standards with the aim of migrating as quickly as possible to uniform service standards.
38. **Improvement in Service:** The unified Regulatory Service will have an increased opportunity to continuously improve by adopting a leaner approach to operational processes, improving capacity to specialise, creating additional resilience, centralised ICT infrastructure and direct integration with the Worcestershire Hub via the Customer Relationship Management system. This will allow the shared service to become more efficient and effective in responding to Customers needs over longer access periods and in new ways which Customers want.
39. As the service develops, it will become more responsive to changing needs by identifying Customer requirements based on demographics which will be better identified by a service which can take a holistic view of our Communities needs utilising combined Customer and service based intelligence.
40. The unified service will also have the ability for the teams to develop skills which cross individual professional boundaries, allowing a more flexible and resilient service team to be developed.
41. **Resilience:** By bringing the three services from the seven Partner Councils into a single unified business model, the Council Partners are better placed to absorb and manage the inevitable reductions in available funding for these services and maintain service levels.
42. **Cost Reductions:** The savings target previously agreed by the Worcestershire Chief Executives and Leaders for a two tier Regulatory Service was 15%. This was to address the anticipated budget reduction, assuming Government cuts on public spending. Only Option 3 within the detailed business case currently achieves this target.
43. **Economies of Scale:** A shared service by nature increases the potential for economies of scale. The unified two tier Regulatory Service would be designed around a single management structure enabling efficient and effective management, incorporating a centralised ICT system, providing seamless service performance information and making the most of shared knowledge, resources and assets currently split across seven Councils.
44. **Consistent Approach:** There are a number of opportunities for consistency through commonality of policy. This would be welcomed by businesses with interests in more than one part of the County. Any policy alignment can be developed over time and through agreement between the unified service Partners. However, this will only be developed where appropriate and through agreement



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between Partner Councils and fully taking into account specific local need and local differences.

**45. Role of Members:** The following key points outline the anticipated key role of Elected Members in the proposed Regulatory Service:

- Each Council will have Member representation on the proposed Joint Committee and it is also anticipated that there will be joint Overview & Scrutiny arrangements established.
- Adoption of policy, for example for licensing purposes, will remain a function of each individual Council.
- It will be for the unified Management Team, working with the Joint Committee, to develop an Implementation Plan that satisfies the requirements of each Council Partner.
- No changes are proposed to the current Licensing Committee arrangements for any authority
- There will be more complete and consistent performance data available to all Members produced via centralised ICT systems and associated performance management reporting. A unified service with a single management structure will provide an opportunity for Members from each Authority to establish a more holistic view of operational performance across the county.
- Members will continue to have local access to Officers of the service, to maintain involvement in local issues
- All Members will have the opportunity to make their views known during the consultation process for the Business Case; and have the opportunity to vote on the issues at Full Council.
- Assuming that the proposal is approved by the seven Councils, Members will also be consulted on the service delivery issues relevant to them during the service design phase and this consultation can feed directly into Overview and Scrutiny and the Joint Committee.

**Performance (Page 12)**

46. The projected savings figures for each Council have been based on each Council maintaining its current service offering to the Customer which will include the service portfolio identified and agreed in the detailed Business Case.
47. The unified service will move towards creating a more efficient way of developing, managing and delivering the services. However this will be developed over time and through agreement with the individual Partners working with Officers and Members through the appropriate governance arrangements.



### Worcestershire Hub (Page 13)

48. The following key points outline what the WSRS and WETT programme team believe are some of the core benefits provided by the Worcestershire Hub for the proposed Regulatory service:
- The Hub provides joined-up, high quality, consistent services for many Councils across Worcestershire.
  - A significant Partnership investment has been made into the Hub and the proposed Regulatory Shared Service would utilise this investment effectively.
  - To realise its full potential, the Hub needs to operate consistently across the partnership e.g. via a single number access to all Customers regardless of location and through joined up systems.
  - The Hub will enable the opportunity for access to Regulatory Services outside normal working hours, from a range of channels, including: face to face, telephony and the Web
  - More self-service opportunities can be developed as there will be a fully integrated systems approach to working across the Regulatory and Customer Service teams accessing the same electronic information, Customer intelligence and real time service activity.
  - The new service will move closer to a one stop shop type facility for Customers. Multiple inquires may be addressed and resolved by the same team at the first point of contact without the need for duplication, double inputting of information or the need for Regulatory Services specialists to become distracted with ad hoc Customer enquiries.

### Alternatives (Page 14)

49. The WETT Regulatory Services Business Case has been produced against a remit set by the Worcestershire Chief Executives & Council Leaders for two tier working. This option has always been referred to as 'option b' by the WETT programme teams as 'option a' is to continue to deliver services with the current separate approach to service delivery as individual Councils.
50. Alternative options will be available. However a supported alternative option for two tier working across Regulatory Services in Worcestershire has not yet been established.
51. The WETT detailed business case for Regulatory Services sets out the recommended option for delivering these services through partnership working across two tiers of Local Government in Worcestershire.