

additional papers 1

Worcestershire Regulatory Services Board

Thu 23 Jun
2022
4.30 pm

Bromsgrove District Council
Parkside Hall
Parkside
Market Street
Bromsgrove
B61 8DA

Supplementary Papers (Pages 1 - 12)

WORCESTERSHIRE DISTRICT COUNCILS

MEETING OF THE WORCESTERSHIRE REGULATORY SERVICES BOARD

THURSDAY 23RD JUNE 2022, AT 4.30 P.M.

PARKSIDE SUITE, PARKSIDE, MARKET STREET, BROMSGROVE,
WORCESTERSHIRE, B61 8DA

SUPPLEMENTARY DOCUMENTATION

The attached papers are an additional item to be added to the Agenda previously distributed relating to the above mentioned meeting.

- 9a Proposal for Transaction Transformation of WRS Services (Pages 1 - 10)

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Chief Executive

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22nd June 2022

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Worcestershire Regulatory Services

Supporting and protecting you

WRS Board
23rd June 2022

Proposal for Transaction Transformation of WRS Services

Recommendation	<p>That the Board:</p> <ul style="list-style-type: none"> (i) Notes the Report (ii) Agrees in principle to the creation of a reserve, in the amounts outlined in the report. (iii) Agree that a detailed project plan can be produced that can be shared with and reviewed by officers of the Board, with progress reported to the main Board at meetings. (iv) Requires that while Officers of the Board work together to identify a suitable solution, they also investigate any potential equalities issues that may arise.
Background	<p>WRS has been exploring the options to improve the customer experience and enable a smooth customer journey for licence applicants and general service requesters for some time. There is an assumption now that all transactions will be fully e-enabled and on-line payment is the norm in virtually all walks of life, from booking a holiday to paying vehicle excise fees.</p> <p>Pre-COVID, a group was established to look at this. The group was led by the host's previous S151 officer because one of the potential outcomes was likely to be one partner collecting WRS related income on behalf of all six. The pandemic and the early retirement of the then incumbent Licensing Manager meant this did not reach fruition.</p> <p>Internal audit has repeatedly expressed concerns with Partner Authority income reconciliation against licence records during annual audits. WRS has always responded that this situation can only be addressed by moving to a platform where payments are linked directly to the back-office system records (held in IDOX Uniform). This is not within the gift of the service without changes at individual partners leading towards fuller integration of the payment process with the issuing of licenses. This idea was resisted in</p>

Introduction

the early days of WRS but in more recent years, officers from the six councils seem more confident that this would be a suitable way forward, with one partner collecting funds and sending these on at routine intervals to the other partners. The precedent of WRS taking payments on behalf of partner authorities (through the host, Bromsgrove) has already been set with stray dog fees for example, albeit in much lower overall values than income from Licensing.

The pandemic has taught us that, in terms of the automation of transactions, we are somewhat behind other local authorities across the country, and currently budget a significant spend on the administrative side of the licencing service, where others have moved to a digital first assumption, automating payment and upload of applications to the back office. The WRS Licensing team have made significant changes through the pandemic, moving to a single method of application collection, however, this still requires the additional support of printing off the application details and then manually inputting the data into the Uniform database system.

Prior to the pandemic applications would reach WRS through numerous channels, causing delays in them reaching the teams and inevitably impacting service delivery and partner performance indicators. These included:

- Submission to each district front desk
- Posted to each individual district
- Posted to, and hand delivered at Wyre Forest House
- Hand delivered at Licensing surgeries on partner premises
- Emailed directly to the team or the WRS “enquiries” email address.

This has been improved somewhat, with some streamlining of the process due to the pandemic but WRS managers feel this could go significantly further with some initial investment.

WRS has also previously investigated the use of the website as a channel to receive requests from our customers for environmental health related matters. We currently only have the option of supplying forms that, when submitted, come into the back office as emails for manual inputting into the Uniform database system for processing, allocation, and action. This can significantly delay the customer journey and does little to enhance the service given. Because of this, the service does not encourage this route as a method of engaging with our service.

Last year only 18 requests for service were received following completion of our on-line forms. By contrast, 2,412 environmental health service requests were received by telephone and 7,922 were received by email. This overwhelmingly demonstrates that our customers wish to engage with us through electronic means.

Given the wide adoption of “digital first” policies by the whole local authority sector, making the on-line route the key channel for engaging with services, it seems at odds with

the direction of travel that a group of key service areas that generate significant income streams for the district councils should be left out of this policy approach.

The development of the EU Services Directive before 2010 led local authorities to be required to offer on-line application processes. Government provided this option through the .GOV website, enabling all local authorities to achieve compliance in the timescales required. There are, however, only a limited number of compatible payment engines that link to this website so as partners have moved away from these, the gateway has effectively been closed as a legal route into the service.

At present WRS can only accept applications from two districts via .Gov as the remaining partners no longer have a compatible online payment engine. Officers therefore manually receive applications and payments for these applications.

Government is also keen to close the .GOV portal, requiring that local authorities make their own compliant arrangements, to continue with this duty. On-going dialogue indicates that Government's preferred date for final removal is April 2023. The LGA keeps pressing Government on this, for fear that ultimately the service will be withdrawn leaving local authorities that rely on it, to put in place their own solutions for accepting online applications at their own expense, at a time when the financial environment for local authorities is difficult.

Previously a significant volume of applications came into WRS through .Gov, mainly related to Licensing Act 2003 and other licenses where large scale national operators are involved. E-enabling our own platform would provide a suitable replacement portal to .GOV.

Report

Proposal

There are two elements to this proposal. Firstly, there is the request for investment into a platform that provides the customer the opportunity to raise a service request for environmental health or licensing matters and, to apply and pay online for a licence, permit or registration. The detail of such requests would then be automatically fed into the WRS back-office Uniform system. This would significantly reduce the need for officers to:

- Be on a rota to except applications, manually filtering out urgent applications, and inputting emailed applications
- Save officers time answering simple enquiries calls such as – Where is my application? Where is my acknowledgement? Has my payment gone through? How long will it take to receive my licence?
- Save officers having to print off and manually enter information onto the uniform system
- Save cheques having to be sent back to districts for the payment to be cashed.

Removing the need for these tasks will inevitably free up resources on the

administrative and front end of the service. Although such savings could be cashable, the partners could also re-invest this saving into enforcement in the Licensing Team to address some long-standing issues. This would enable a service redesign to be pursued, potentially separating policy and administration from enforcement and improving the service's ability to ensure compliance in various areas of licensable activity.

Having a dedicated Licensing enforcement team would provide a deployable resource to routinely address some of the issues in the night-time economy and with the taxi trades. This would probably be the most visible change that members would see, beyond the modernisation of transactional activity on the WRS website.

The second element of this proposal is to invest in electronic ID cards for the taxi trade. This will enable officers to implement the new Taxi Standards more effectively and tie in with the reporting requirements to record a range of offending, suspensions, and revocations on the national NR3 database system. WRS currently already spend £2.5k on ID cards for the taxi trade but would like to use that current budget plus £22k to now introduce electronic ID cards for them. Electronic ID cards would facilitate immediate checks on identity and status of drivers, ensuring better protection for the public when officers are out doing checks.

System and Costs

The most complete and extensive efficiencies can be offered by the main players in this market, who we will not name but have been discussed previously amongst officers in the group reviewing options. Our back-office system supplier also offers on-line integration with its system.

We obtained approximate costings from several suppliers last year, tabulated below. Of the three, one is clearly much cheaper, although Alternative B have said that they would negotiate on their price.

Supplier	Product Cost	Server configuration	Pay Engine integration with Fin. system	Total (max)	Annual Fee
Idox	£8-10,000	£10,000	£5,000 + £2,000	£27,000	£15,000
Alt. A	£50,000	£10,000	£5,000 + £2,000	£67,000	£31,000
Alt. B	£66,300	£10,000	£5,000 + £2,000	£83,300	£50,000

The advantage of the "off the peg" solutions is they come with pre-prepared forms that drop onto your website and will link into the back office with some configuration. Both are both more expensive in terms of initial investment and on-going running costs, but they would give a front end that is stable, used by others and presumably any changes in legislative requirements would be addressed by the supplier in amendments to the

product package.

The Idox solution would mean working with our own supplier of back-office system, and it would require more of our own officer time being invested in form design and set-up cost. Extending our existing arrangement with the back-office supplier would be the cheaper option, although it does require officer time for both set up and for maintenance to deal with legislative change. It may also make it harder in the future to switch systems to a new supplier as the cost of adapting bespoke forms into a replacement system may be higher.

Doing nothing risks the service appearing to have been left behind and does not paint the best picture to potential customers for our income generation work in the absence of an online payment solution for in-house partner activities.

Since all three approaches would require integration with existing systems including host finances, none of the options is cost free in this aspect. Therefore, whilst working with Idox would probably draw more of our in-house resource, it is likely to remain the lowest cost in terms of cash input.

Benefits and risks

The potential benefits and risk with each option have been assessed in Appendix 1 below. For comparison purposes the following assumptions have been made:

Assumptions:

1. Significant channel shift is possible. This is considered a reasonable assumption that is the gift of the partner authorities in supporting the shift to digital access. There are examples of District Councils that have successfully achieved this through incentives during the initial years of introduction and how well the shift from face-to-face application support at licensing surgeries and cash payments to remote digital support and on-line transactions has been received by the taxi trade, which is likely to be the main group impacted.
2. Current estimates are that some posts could be released by the efficiencies which equates to around £40-50,000 per annum.
3. Current assumptions are that whilst there may be lower level of channel shift (with a lack of incentives) it is likely contact via telephone and to a lesser extent email, will reduce potentially freeing up additional resource in the future.

The pandemic has taught us how stretched management capacity is within WRS, so we would propose that a Project Manager is appointed or oversee the integration work, to engage with the system provides and to oversee the staff we would divert onto the project, through to completion. The estimated cost for this is:

Additional Cost	(£)
Recruitment of Project Manager for 26 wks	£39,000
Back-filling cost to cover staff deployments	£27,000

Given the scale of investment, officer members of the Board felt that elected members may wish a fuller understanding of the processes and what elements would be delivered. Members will be kept informed with updates on progress at Board meetings. Appendix 2 provides a project timeline that will be used to track successful progress.

There is potential for the shift to on-line payments to have more impact on particular communities in several districts, so officer members of the Board felt that, whilst in principle there were positives in the proposal, consideration should be given to equality impacts and, if necessary, some form of consultation be undertaken with the relevant traders in the area, particularly the taxi trade.

Financial

The budget surplus at the end of 2021/22 was £397,000. As members will have seen in the finance reports, refunds to partners based on the current partner percentages yield the following refunds:

	£
Bromsgrove	-57,961
Redditch	-69,800
Wyre Forest	-60,186
Wychavon	-92,523
Malvern	-50,930
Worcester City	-65,867
	<u>-397,266</u>

Officers recommend that, in principle, a reserve of £150,000 is carved out of the underspend to re-invest in this project. This figure would allow for some contingencies should cost or time requirements over-run somewhat. This would still leave partners with refunds as outlined below:

	£
Bromsgrove	-36,076
Redditch	-43,445
Wyre Forest	-37,461
Wychavon	-57,588
Malvern	-31,700
Worcester City	-40,997
	<u>-247,266</u>

Any unspent monies at the end of the project could be returned to partners or members could decide to simply add this to the main WRS reserve.

All options would yield an increase in on-going cost. At the levels indicated, the option with Idox is the most affordable and, at least initially, managers would seek to cover

Contact Details

this cost through increased income generation activity. One of the benefits of e-enabled payment may well be the added attraction of services to clients, enabling additional payment methods to be offered.

Simon Wilkes- Head of Worcestershire Regulatory Services
Kiran Lahel - Licensing and Support Services Manager

Appendix 1: Options Appraisal

Table below outlines a range of potential impacts on the service from the routes proposed

Issue	Using Alternative A or B	Back Office extension	Do nothing
Financial cost (one off)	£106-149K depending on supplier (incl additional costs)	£90k-120k depending on resource to support development	£0
Financial cost (annually)	£31-50K depending on supplier	£15K	£0
Initial Staff resource saving	Potential reduction in dedicated Licensing administrative capacity value approx. £50,000	Potential reduction in dedicated Licensing administrative capacity value approx. £50,000	No saving
Future staff resource implications	Potential reduction in first contact capacity. Value to be estimated	Potential reduction in first contact capacity. Value to be estimated	No saving, inability to avert future demand costs
Physical Resource implications	Cost of Badge printing	£0	On-going costs for driver badges and similar

The next table then considers some of the non-financial implications

Issue	Using Alternative A or B	Back Office extension	Do nothing
Customer experience	Quicker service with removal of data entry time and automatic case officer allocation.	Quicker service with removal of data entry time and automatic case officer allocation	No improvement in experience

Partner Authority benefits	Addresses long standing issue of reconciliation.	Addresses long standing issue of reconciliation, plus potential option to improve service	Remaining issue of reconciling licenses and income
WRS benefits	Timely allocation to case officer and ability to extract pertinent information at point of supply.	Timely allocation to case officer and ability to extract pertinent information at point of supply. Opportunity for improvements through re-investment	No benefits
Risk	Increases in annual fees System not as sold Savings not realised	Increases in annual fees System not as sold Savings not realised	Potential demand increases without improvements to address them. Authorities have to seek to comply with services directive obligation via other means

Appendix 2: Timetable for Proposal

	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Governance	Partner Authority agreement				Partner Authority update (Board)				Partner Authority update (Board)		Partner Authority update - Email		Partner Authority update (Board)
Project Management	Draft JD & advertise Project Manager			Appoint Project Manager		Project Board update		Project Board update		Project Board update		Project Board update	
Contract	Draft contract specification and early engagement	Tender process	Contract award	Contract monitoring			Contract monitoring		Contract monitoring		Contract monitoring		
Finance		Specification checks	Payment Engine link and financial connections made										
Activity	Draft specification	Form development and connector links established						Testing					
Outcome			contract & Team in place				System ready to test				Go-Live		

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