

WORCESTERSHIRE DISTRICT COUNCILS AND COUNTY COUNCIL

WORCESTERSHIRE REGULATORY SERVICES

MEETING OF THE WORCESTERSHIRE SHARED SERVICES JOINT COMMITTEE

THURSDAY 2ND OCTOBER 2014 AT 4.30 P.M.

**THE COUNCIL CHAMBER, THE COUNCIL HOUSE, BURCOT LANE,
BROMSGROVE**

MEMBERS: Bromsgrove District Council: Councillor Mrs. R. L. Dent
Bromsgrove District Council: Councillor M. A. Bullivant
Malvern Hills District Council: Councillor Mrs. B. Behan
Malvern Hills District Council: Councillor D. Hughes
Redditch Borough Council: Councillor J. Fisher
Redditch Borough Council: Councillor B. Clayton
Worcester City Council: Councillor D. Wilkinson
Worcester City Council: Councillor A. Roberts
Worcestershire County Council: Councillor Mrs. L. Hodgson
Worcestershire County Council: Councillor A. Blagg
Wychavon District Council: Councillor R. Davis
Wychavon District Council: Councillor K. Jennings
Wyre Forest District Council: Councillor M. Hart
Wyre Forest District Council: Councillor P. Harrison

AGENDA

1. Apologies for absence and notification of substitutes
2. Declarations of Interest

To invite Councillors to declare any Disclosable Pecuniary Interests or Other Disclosable Interests they may have in items on the agenda, and to confirm the nature of those interests.
3. To confirm the accuracy of the minutes of the meeting of the Worcestershire Shared Services Joint Committee held on 26th June 2014 (Pages 1 - 8)
4. Joint Worcestershire Regulatory Services Scrutiny Task Group - Final Report (Pages 9 - 96)
5. Regulatory Services Internal Audit Report 2013/2014 - Update Report (Pages 97 - 118)

6. Worcestershire Regulatory Services Business Model Review

A verbal update to be provided by Mr. I. Pumfrey, Chairman, Worcestershire Regulatory Services, Management Board

7. Strategic Partnering Highlight Report (Pages 119 - 120)

8. Transformation Work Update (Pages 121 - 130)

9. Worcestershire Regulatory Services Revenue Monitoring (Pages 131 - 144)

10. Activity Data Quarter 1 - 2014/2015 (Pages 145 - 152)

11. To consider any other business, details of which have been notified to the Head of Legal, Equalities and Democratic Services prior to the commencement of the meeting and which the Chairman considers to be of so urgent a nature that it cannot wait until the next meeting

K. DICKS
Chief Executive

The Council House
Burcot Lane
BROMSGROVE
Worcestershire
B60 1AA

23rd September 2014

WORCESTERSHIRE DISTRICT COUNCILS AND COUNTY COUNCIL

WORCESTERSHIRE REGULATORY SERVICES

MEETING OF THE WORCESTERSHIRE SHARED SERVICES JOINT COMMITTEE

THURSDAY, 26TH JUNE 2014 AT 4.30 P.M.

PRESENT: Councillors M. A. Bullivant, D. Hughes, B. Clayton, D. Wilkinson, Mrs. L. Hodgson, A. N. Blagg, R. Davis, K. Jennings, P. Harrison and M. Hart (during Minute No's 4/14 to 12/14)

Observers: Ms. R. Mullen, Corporate Director, Service Delivery, Worcester City Council and Mr. V. Allison, Deputy Managing Director, Wychavon District Council

Invitees: Mr. I. Pumfrey, Chairman, Worcestershire Regulatory Services, Management Board

Officers: Ms. J. Pickering, Mr. S. Jorden, Ms. C. Flanagan, Mr. M. Kay, Mr. S. Wilkes and Mrs. P. Ross

1/14 **ELECTION OF CHAIRMAN**

RESOLVED that Councillor M. A. Bullivant, Bromsgrove District Council be elected as Chairman of the Joint Committee for the ensuing municipal year.

2/14 **ELECTION OF VICE-CHAIRMAN**

RESOLVED that Councillor Mrs. B. Behan, Malvern Hills District Council be elected as Vice-Chairman of the Joint Committee for the ensuing municipal year.

3/14 **APOLOGIES**

Apologies for absence were received from Councillors R. L. Dent, Bromsgrove District Council, Mrs. B. Behan, Malvern Hills District Council and A. Roberts, Worcester City Council.

4/14 **DECLARATIONS OF INTEREST**

No declarations of interest were received.

5/14 **MINUTES**

The minutes of the meeting of the Worcestershire Shared Services Joint Committee held on 20th February 2014 were submitted.

Councillor Mrs. L. Hodgson requested that with regard to Minute No. 37/13, that it be noted that there was a shortfall of £222,000 in relation to the part year effect to meet the level of reduction required for 2014/2015 for County Services and that it was accepted that due to the timing of potential restructures that there would be this level of shortfall. Her concern was that this information was not clearly detailed in Minute No. 37/13.

RESOLVED that, subject to the amendment as detailed in the preamble above, the minutes be approved as a correct record.

6/14

WORCESTERSHIRE REGULATORY SERVICES ANNUAL REPORT 2013/2014

The Committee considered the Worcestershire Regulatory Services Annual Report for the period 1st April 2013 to 31st March 2014.

The Head of Worcestershire Regulatory Services (WRS) informed the Committee that under the Worcestershire Shared Services Partner Agreement the Joint Committee was required to receive the annual report at its annual meeting. The report covered the performance of the service for the period 1st April 2013 to 31st March 2014.

The Head of WRS informed Members that the report covered the performance of the service. This year had seen continued discussions around future operating and financial models for the delivery of the service. Budget reductions requested by partners had been delivered by way of efficiencies and reductions identified for 2014/2015 that included reductions in service level. The year 2013/2014 was still an excellent year for work activity with excellent results across a range of service areas, some good outcomes from Court cases and a wide range of other project work delivered.

The Head of WRS drew Members' attention to the performance information as detailed on pages 19 to 22 of the Annual Report. Members were briefly informed of the recent Joint Overview and Scrutiny exercise. Members from the seven partner authorities had formed a Joint Overview and Scrutiny Task Group focusing on what WRS had delivered since its inception. Interviews had been held with WRS officers and the Management Board. The findings of the Task Group would be brought to a future meeting of the Joint Committee.

Councillor Mrs. L. Hodgson highlighted that one of the criticisms of the Task Group was information from Joint Committee meetings not being cascaded down to all partner authorities Members. She raised the question "How did we ensure information was cascaded down to Members of each partner authority". Councillor M. Hart responded that he felt that Joint Committee Members had a huge role to play and was of the opinion that it was down to Joint Committee Members to feedback to their respective Members to ensure they were kept fully informed. Further discussion followed with Members agreeing on the importance of information being cascaded down to partner authorities Members, so as any concerns identified could then be raised via their Joint Committee Member at Joint Committee meetings. Members also

agreed that it would be good practice to send a copy of the WRS Annual Report each year to all partner authorities Members as well as partner authorities Chief Executives and Managing Directors.

The Head of WRS responded to Members' questions with regard to the savings for partner councils as identified on page 47 of the Annual Report. Highlighting that WRS were working with partner authorities to develop savings over the next two years, strategic partnering would help with savings.

The Head of WRS drew Members' attention to 'Other Highlights' on pages 23 to 30 of the Annual Report. The Head of WRS responded to Members' questions with regard to press releases being issued and informed the Committee that WRS had a robust approach and proactive role when it came to areas of successful working or successful prosecutions which were publicised via press releases.

RESOLVED:

- (a) that the Worcestershire Regulatory Services Annual Report 2013/2014 be noted; and
- (b) that a copy of the Worcestershire Regulatory Services Annual Report 2013/2014 be forwarded to the Chief Executive, Managing Director and Members of each partner authority.

7/14

STRATEGIC PARTNERING HIGHLIGHT REPORT

Members were provided with a highlight report – June 2014.

The Head of Worcestershire Regulatory Services (WRS) introduced the highlight report and in doing so informed the Committee that four bidders had been invited to participate in the next phase, the dialogue process. A set of draft templates had been developed for the Invitation to Participate in Dialogue (ITPD) stage. A Suppliers Day was being held on Monday 7th July 2014 at Redditch Borough Council commencing at 1:00pm. The purpose of the Suppliers Day was to highlight to the bidders what the Worcestershire partners were looking for in a Strategic Partnership and the principles of which they were seeking in any proposals. This was an opportunity for WRS and South Worcestershire Building Control to showcase what they could do and their significant achievements to date. An invite had been extended to Joint Committee Members to attend the Suppliers Day.

The bidders would then be asked to go away and prepare their questions for the dialogue phase which would begin week commencing 28th July and 11th August 2014. Timeline for Competitive Dialogue had been developed but was really tight in order to achieve a contract signature in early 2015. The project plan would be monitored carefully at each project team meeting. The project manager would report any slippages to the Management Board. The project was on budget but due to the complexities involved in running two lots in the same process more of the project manager's time had been called upon than had been anticipated.

The Head of WRS further informed the Committee that the outline of the project plan and key dates would be presented to a future meeting of the Committee. WRS staff had been kept fully informed. The Head of WRS highlighted that he was happy to attend any Council meetings in order to inform and update all partner authorities.

The Head of WRS responded to Councillor B. Clayton with regard to the status of the project, would additional funds be required as a result of the additional time required of the project manager. The Head of WRS explained that complex paperwork had required more time than anticipated in the early stages of the project which had resulted in an increased spend, so hopefully no additional funding would be required.

The Chairman expressed his thanks for the highlight report.

8/14

WORCESTERSHIRE REGULATORY SERVICES - BUSINESS MODEL REVIEW

The Committee was asked to consider the Worcestershire Regulatory Services, Business Model Review which had been developed to reflect the changing needs of the Worcestershire Shared Services Partnership.

Mr. I. Pumfrey, Chairman, Worcestershire Regulatory Services (WRS), Management Board introduced the report and in doing so informed Members that the business model review had been prompted by the fact that partner authorities were currently in a very different place today compared to when the partnership was initially developed in 2010.

With the exception of minor revisions to the scope of work contained within the Statement of Partner Requirements, the agreement had not been revised since it was completed in 2010. Significant revisions to the agreement were now needed to ensure it continued to be fit for purpose given the substantial changes that had occurred in the operating environment over the last four years.

All partners were in a very similar situation with regard to budget cuts. It was however increasingly difficult to achieve a common approach to service delivery because of the marked difference in financial pressures confronting partner councils compared to 2010.

Negotiating agreement on the "Core Matrix" service level and new activity based cost sharing mechanism agreed by this Committee in September 2013 was both complex and challenging because of increasing differences in financial pressures faced by partners. The Management Board considered that these challenges and pressures meant that continued pursuit of a common approach could no longer be sustained and recognised that by 2016/2017 there needed to be a greater differentiation in partner contributions to, and associated service levels received from, WRS. A new business model was required which would accommodate these different requirements as well as deliver current savings and efficiency plans. This view was echoed by Worcestershire Chief Executives who were concerned to avoid repetition of

the difficulties in agreeing a WRS budget and service position for the current year.

The report sets out the proposals for modification to the business model of WRS to reflect the changing needs of the partnership. The proposals were intended to provide an interim solution recognising that further changes would be necessary once the outcome of the current procurement for a strategic partnership was known.

The Chairman, (WRS), Management Board highlighted that the proposed changes to the partnership agreement would require unanimous approval of all participating authorities to enable them to be incorporated.

RESOLVED that the revisions to the Worcestershire Regulatory Services business model as detailed in the report be endorsed.

RECOMMENDED that partner Councils approve the changes to the Worcestershire Shared Services Partnership Agreement as detailed at Appendix 1 to the report at the earliest opportunity.

9/14

WORCESTERSHIRE REGULATORY SERVICES REVENUE
MONITORING APRIL - MARCH 2014

The Committee considered a report which detailed the financial position for the period April 2013 to March 2014.

The Executive Director, Finance and Corporate Resources, Bromsgrove District Council introduced the report and in doing so informed the Committee that Worcestershire Regulatory Services Joint Committee had been classified as a small relevant body by the Audit Commission as its income was less than £6.5 million. As a result of this classification the requirement of the formal accounting statements for 2013/2014 was limited to the return as detailed at Appendix 3 to the report.

The Executive Director, Finance and Corporate Resources, Bromsgrove District Council drew Members' attention to the detailed revenue report, as detailed at Appendix 1 to the report. This showed a final outturn underspend of £147,000. This underspend was mainly due to a number of vacant posts within the service together with savings resulting from maternity leave, long term sick etc. The underspend was offset by the costs associated with additional agency staff being used to cover the vacancies and to backfill for staff seconded to support the service transformation project.

As previously reported there was a saving of £282,000 from the costs originally included in the business case, another £250,000 had been released during 2013/2014 making a total saving of £533,000 from the original business case.

The Executive Director, Finance and Corporate Resources, Bromsgrove District Council informed Members that Appendix 5 to the report detailed the Worcestershire Internal Audit Shared Services Manager's Audit Opinion on

the effectiveness of the System of Internal Control at Bromsgrove District Council.

RESOLVED:

- (a) that the financial position for the period April 2013 to March 2014, be noted;
- (b) that the ICT funding required from partner Councils for 2013/2014 as detailed at Appendix 2 to the report, be approved;
- (c) that the refund of the 2013/2014 underspend of £147,000 to the participating Councils, as set out below, be approved:

Council	Refund of Savings £'000
Bromsgrove	16
Malvern Hills	14
Redditch	16
City of Worcester	20
Wychavon	24
Wyre Forest	15
Worcestershire County Council	42
TOTAL	147

- (d) that the Annual Return as set out at Appendix 3 to the report, including the Accounting Statements for the Joint Committee for the period 1st April 2013 – 31st March 2014 be approved; and
- (e) that the Worcestershire Internal Audit Shared Services Manager's Opinion on the Effectiveness of the System on Internal Control at Bromsgrove District Council for the year ended 31st March 2014, as detailed at Appendix 5 to the report be noted.

10/14

WORCESTERSHIRE REGULATORY SERVICES REGULATORS CODE

The Committee considered a report that provided information on the Regulators Code which had replaced the Regulators Compliance Code, previously published by the Better Regulation Delivery Office.

The Head of Worcestershire Regulatory Services (WRS) introduced the report and informed Members that WRS had taken the lead regionally to ensure consistency. The Regulators' Code was published in July 2013, ahead of its statutory implementation, in order to allow regulators time to comment, review their existing practices and to identify any steps they needed to take in order to meet the expectations of the revised Code. The Code came into force on April 6th 2014. From this date, local authorities had a statutory duty to have regard to the Code when developing the principles and policies which guided their regulatory activities.

The code required Regulators to:

- Carry out activities in a way that supports those they regulate to comply and grow
- Provide simple and straightforward ways to engage with those they regulate and hear their views
- Base their regulatory activities on risk
- Share information about compliance and risk
- Ensure clear information, guidance and advice is available to help those they regulate meet their responsibilities to comply
- Ensure that their approach to their regulatory activities is transparent

RESOLVED:

- (a) that the headline requirements of the Code be noted; and
- (b) that the Joint Committee endorses the approach being taken by Worcestershire Regulatory Services in relation to embedding these requirements.

11/14

ACTIVITY DATA QUARTER 3 AND 4 2013/2014

The Committee considered a report which detailed the Worcestershire Regulatory Services Activity Data for Quarter 3 and 4, 2013/2014.

Mr. S. Wilkes, Business Manager, Worcestershire Regulatory Services (WRS) introduced the report and reminded Members that they had requested that the service provided data on activity levels to help reassure local Members that WRS actively continued to tackle issues broadly across the county. The report showed three full quarters of data for comparison.

In the last report presented to Joint Committee Members, it was noted that complaints from Citizens Advice Consumer Service (CACS) were down. This appeared to be a national issue, with authorities in many regions reporting this. It was raised with CACS through the Association of Chief Trading Standards Officers representative on the CACS Board who engaged with partners. The situation would be monitored. Locally we may need to ensure that the number was published and broadcast as much as possible.

The report highlighted a number of cases which had been concluded in quarter 4. These cases were detailed on page 93 in the report. Members agreed that successful cases should be publicised in order to make the public aware of the activities of WRS.

Mr. S. Wilkes responded to questions from Members with regard to the Food Hygiene Rating Scheme (formerly referred to as Scores on the Doors,) which rates the level of hygiene at local catering establishments and contributed to the performance indicators agreed for the service. There was not a statutory requirement for premises to display their Food Hygiene Rating Certificate.

The data continued to highlight the large volumes of demand coming into the service for Licensing, although there was a reduction in quarter 4. This was likely to be a post-Christmas effect with fewer temporary events taking place.

The Chairman expressed thanks to officers for the comprehensive report.

Agenda Item 3

Worcestershire Shared Services Joint Committee
26th June 2014

RESOLVED that the Worcestershire Regulatory Services Activity Data Quarter 3 and 4 report be noted.

12/14 **REVISED MEETING DATES 2014/2015**

The Committee considered the revised meeting dates for 2014/2015.

RESOLVED that the Worcestershire Shared Services Joint Committee meeting dates and start time of 4.30pm for 2014/2015 be approved as follows:

- Thursday 2nd October 2014
- Thursday 27th November 2014 – Budget Meeting
- Thursday 19th February 2015

The meeting closed at 5.40 p.m.

Chairman

Worcestershire Shared Services Joint Committee

2nd October 2014

Joint Worcestershire Regulatory Services Scrutiny Task Group – Final Report

Relevant Portfolio Holder	Councillor Kit Taylor (at the time of investigation Councillor Taylor was the relevant Portfolio Holder)
Portfolio Holder Consulted	Councillor Taylor was interviewed as an expert witness during the review.
Relevant Head of Service for Overview & Scrutiny	Claire Felton – Head of Legal, Democratic & Equalities
Wards Affected	All
Ward Councillor Consulted	No
Non-Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 This report details the findings of the Joint WRS Scrutiny Task Group, which was launched in September 2013 at the instigation of Wychavon District Council.
- 1.2 The investigation was facilitated by Bromsgrove District Council as the host authority for Worcestershire Regulatory Services (WRS).
- 1.3 All partner authorities were invited and agreed to participate in the joint review, full details of which are detailed in the body of the main report.
- 1.4 The group concluded their investigations in June 2014. The Chairman and Vice Chairman then proceeded to present the report for the consideration of every lead Overview and Scrutiny Committee at local authorities in the county. Minute extracts from each of these meetings are attached at Appendix 2 to this report.
- 1.5 The group has proposed 12 recommendations and acknowledges that recommendation 6, as detailed in Appendix 1, has already been acted on by the Worcestershire Shared Services Joint Committee.
- 1.6 Recommendation 12, as detailed in the main report, has been agreed and requires action by partners' Overview and Scrutiny Committees. For this reason the Worcestershire Shared Services Joint Committee is not expected to comment on this proposal.

2. RECOMMENDATIONS

- 2.1 **The Worcestershire Shared Service Joint Committee is asked to RESOLVE that recommendations 1, 2, 3, 4 and 5 should be approved; and**

Worcestershire Shared Services Joint Committee

2nd October 2014

- 2.2 to RECOMMEND to partner Executives/Cabinets that recommendations 7, 8, 9, 10 and 11 should be approved.**

3. KEY ISSUES

Key Issues Arising from the report

- 3.1 From the attendance record within the main report the Task Group wishes to highlight that there was limited attendance by representatives of Wyre Forest District Council.
- 3.2 It can also be noted from Wyre Forest District Council's minute extract that this was due to its Members believing that, from the Terms of reference for the review, only the Chairman and Vice Chairman of their Committee could be members of the Joint Scrutiny Task Group and that those Members had limited availability.
- 3.3 The Task Group wish to clarify that Wychavon District Council had in fact amended the membership requirements in the terms of reference in line with a request from Wyre Forest District Council prior to the start of the review. This was communicated to every partner authority and is clearly detailed in the terms of reference attached to the main report. These revised terms of reference were agreed by every partner authority's Overview and Scrutiny Committee in spring 2013.
- 3.4 The Task Group would also like to highlight that the Chairman and Vice Chairman of the Joint Scrutiny Task Group presented the report to Wyre Forest District Council's Overview and Scrutiny Committee on 3rd July 2014 when Members chose to defer a decision on this item until a later date. When they reconvened on 23rd July 2014, whilst they had offered to attend, the Chairman and Vice Chairman were not invited to the meeting and were therefore unable to respond to any concerns raised by Wyre Forest Members.

Financial Implications

- 3.5 There are a number of financial implications to the Task Group's recommendations which are all detailed in the report.

Legal Implications

- 3.6 There are a number of legal implications to the Task Group's recommendations which are detailed in the report.

Worcestershire Shared Services Joint Committee

2nd October 2014

Service / Operational Implications

- 3.7 There are a number of service and operational implications as detailed in the main report.

Customer / Equalities and Diversity Implications

- 3.8 there are a number of implications for customers of WRS services, as detailed in the main report.

4. RISK MANAGEMENT

Not applicable.

5. APPENDICES

Appendix 1 – Joint WRS Scrutiny Task Group Report
Appendix 2 – Addendum of Minute Extracts from Overview and Scrutiny Committees.

6. BACKGROUND PAPERS

None for the purpose of this report.

7. KEY

None

AUTHOR OF REPORT

Name: Amanda Scarce and Jess Bayley – Democratic Services Officers
E Mail: a.scarce@bromsgroveandredditch.gov.uk and jess.bayley@bromsgroveandredditch.gov.uk
Tel: 01527 881443

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**JOINT WORCESTERSHIRE
REGULATORY SERVICES
SCRUTINY
TASK GROUP**



June 2014



Bromsgrove
District Council
www.bromsgrove.gov.uk

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MEMBERSHIP OF THE TASK GROUP



(From left to right) Councillors Peter Tomlinson (Vice Chairman), Simon Cronin, Rod Laight (Chairman), Richard Udall, Alan Mason and John Raine.

The Members in the photograph above regularly attended the meetings.

<u>Lead Member</u>	<u>Substitute</u>	<u>Authority</u>
Rod Laight	Pete Lammas	Bromsgrove DC
John Raine	Mike Morgan	Malvern Hills DC
Alan Mason	Gay Hopkins	Redditch BC
Simon Cronin	Paul Denham	Worcester City
Richard Udall	Lynn Duffy	Worcestershire CC
Peter Tomlinson	Alastair Adams	Wychavon DC
Helen Dyke	Tim Ingham	Wyre Forest DC

SUPPORTING OFFICER DETAILS

Amanda Scarce – Democratic Services Officer

a.scarce@bromsgroveandredditch.gov.uk

Jess Bayley – Democratic Services Officer

jess.bayley@bromsgroveandredditch.gov.uk

Foreword from the Chairman and Vice Chairman

This group came together for the first time in late September 2013. Since then we have met together on 14 further occasions. Our journey together has been taxing, concentrated, at times somewhat frustrating but, in the main, both fulfilling and stimulating. At no time have the divisions which separate us politically played any part whatsoever in our discussions, deliberations or our conclusions. Indeed it became clear from the outset that whatever views individual members of this Task Group may have held about Worcestershire Regulatory Services or whatever their own experiences may have been prior to the review, every single Member was prepared to wipe that individual slate clean and to approach the task with an open and enquiring mind. Working as a team on this Task Group has therefore proved to be very demanding though, for each of us, one of our most worthwhile experiences as Councillors to date.

And it has been some task! We have interviewed 16 people including regulatory professionals, senior Officers from the districts and elected Members representing all the partners in this complex organisation. We have asked for and been given evidence about the performance of WRS in all the areas it covers and we have circulated our own survey amongst elected Members. The overall success of this Joint Scrutiny has been achieved by a team working well together with trust and integrity.

It must be said that all those interviewed by the Task Group have been honest, open and forthright. In particular the Head of Regulatory Services, Steve Jorden, along with his team have been very open and transparent. We have had to listen to and digest a plethora of often divergent views from those sitting on the same Committee. But it would be fair to say that where contrary opinions were put to us they were expressed coherently and with passion. Without exception all those we spoke to believed in Worcestershire Regulatory Services and wanted it to succeed. As our knowledge of the workings of this organisation grew and as we took the pulse, as it were, of all those involved we became ever more certain that the challenge we had taken on was not only timely but vital to the survival of Worcestershire Regulatory Services.

The majority of members of the Task Group took their responsibilities very seriously, though unfortunately the representatives from Wyre Forest District Council were unable to attend the majority of meetings. Similarly in most cases those invited to attend our meetings to be interviewed by us came willingly and in a spirit of co-operation. There was, however, one exception, which again we found most disappointing and that was, when given ample notice, no senior Officer was able to attend from Worcestershire County Council. A written response to our questions was provided by the County Council but this allowed no cross examination. Throughout our work, experience proved that whilst written answers were useful, the real meat then came from our probing of those answers.

We think we speak for all of us on this Task Group when we say that our work though onerous and demanding has been both enlightening and fulfilling. Now that the end is in sight we hope that our recommendations will help underpin the future of WRS. It has achieved so much in such a short space of time it deserves to succeed.

On behalf of all the Task Group Members we would like to thank our two Democratic Services Officers Amanda Scarce and Jess Bayley who have kept us on the straight and narrow, prompted us when we stalled, found the evidence we knew we had heard but had forgotten, nudged us with both advice and insight and generally kept this unique group of disparate individuals good tempered, courteous and above all focused. Thank you both, we could not have done it without you.



Councillor Rod Laight (Bromsgrove District Council)
Chairman (pictured on the right)
Councillor Peter Tomlinson (Wychavon District Council)
Vice Chairman

Summary of Recommendations

After consideration of all the evidence available (both documentary and from the interviews and other consultations) the Task Group have proposed the following recommendations (with full details of the supporting evidence provided in the chapters following this summary):

CHAPTER 1 - WRS PERFORMANCE AND COMMUNICATIONS

Recommendation 1
Performance Management Information should continue to be made available for Members' consideration at every meeting of the Joint Committee and be sufficiently high on the agenda to be discussed in detail.
Financial Implications: There are no financial implications for WRS.
Legal Implications: There are no legal implications to this recommendation.
Resource Implications: Additional officer time may be required should extra meetings be introduced as suggested under recommendation 9.

Recommendation 2
Twelve months after the new contact centre arrangements for WRS have been introduced, replacing the use of the Worcestershire Hub, the Joint Committee should review the effectiveness of these arrangements for communicating with the public.
Financial Implications: There are no financial implications.
Legal Implications: There are no legal implications to this recommendation.
Resource Implications: Additional officer time would be required in order to produce this additional report.

Recommendation 3

The web-pages of each partner authority should be regularly monitored to ensure they are kept up to date, with the inclusion of a prominent and obvious link to the WRS website.

Financial Implications:

There are no financial implications to WRS.

Legal Implications:

There are no legal implications to this recommendation.

Resource Implications:

There would be additional Officers' time from within WRS for the monitoring to take place and to follow up on any extra actions necessary identified during the monitoring process.

Recommendation 4

The purpose, content and circulation of the WRS newsletter should be thoroughly reviewed, with a view to it providing a more systematic and comprehensive account of the work and performance of the shared service, and with the content and format being agreed by the Joint Committee.

Financial Implications:

There are no financial implications for WRS.

Legal Implications:

There are no legal implications to this recommendation.

Resource Implications:

A small amount of additional Officer time will be required to review the content of the newsletter and to present it to meetings of the Joint Committee. However, it is likely that the Officers from WRS who already attend meetings of the Joint Committee could present this item for the consideration of Members.

Recommendation 5

That WRS have a designated member of staff to act as a Member Liaison Officer and as a single point of contact to signpost Member enquiries.

Financial Implications:

There are no financial implications as it should be possible for this work to be undertaken by an existing member of WRS staff.

Legal Implications:

There are no legal implications to this recommendation.

Resource Implications:

There would be additional Officer time required from the member of WRS staff designated to this role.

CHAPTER 2 - FINANCING OF WRS

Recommendation 6

In order to reduce the focus on financial considerations which currently play a major part in influencing partner participation, to the detriment of other equally important aspects of the service, the following should be addressed:

- (a) A new business model for WRS be developed through the Chief Executives' Panel, building on the proposals already being produced by the Panel.
- (b) Consideration be given to the option for partner authorities to purchase an "out of hours service".

Financial Implications:

Initially there would be no financial implications from carrying out this review. It is acknowledged, however, that the intention behind this recommendation is to identify a financial model that would stabilise the funding of WRS in the long term.

Should this financial model vary to the charging mechanism already in place there may be additional costs for certain partners (with reductions in costs for others). The impact of any variances would have to be considered by partner Councils.

Each local authority needs to be aware that the option to introduce an out of hours' regulatory service in their area has significant financial implications in term of the Council's financial contribution to the service. Out of hours services are not currently available anywhere in the county and so would require additional expenditure from partners.

Legal Implications:

The existing legal agreement includes a Statement of Partner Requirements, which can be agreed with the Joint Committee. Should the charging model be revised the legal agreement would have to be amended to reflect this and it would have to be approved by the Joint Committee and the Partners.

Resource Implications:

Initially Officer time would be required to carry out the exploratory work although the group understand that the Chief Executives' Panel have already been investigating this matter.

CHAPTER 3 - GOVERNANCE OF WRS

Recommendation 7

A new strategic decision making board for WRS should replace the Joint Committee, comprising one elected member per partner authority and supported by senior officers. This should be called the WRS Board.

- (a) Meetings of this Board should take place at the base of WRS.
- (b) Responsibility for attendance at Board meetings should lie with each authority's representative, and the quorum for meetings proceeding should be set at 5 representatives in attendance.
- (c) Meetings of the Board should take place bi-monthly.
- (d) Elected members appointed to the Board should be provided with an induction programme and sufficient ongoing training to enable them to fulfil their role effectively.
- (e) Members appointed to the Board be expected to serve a minimum of two years to ensure continuity.
- (f) The Chair of the WRS Board should be elected annually by the members of the Board.

Financial Implications:

Initially there would be some financial implications for this proposal, but these are likely to be quite limited. In particular there would be financial implications in respect of additional meetings of the WRS Board and in relation to holding an induction programme and on-going training.

Legal Implications:

This proposal fundamentally affects the constitution of the Joint Committee under s101 of the Local Government Act 1972 and s20 of the Local Government Act 2000 as established by the founding legal agreement dated 1 June 2009 and would essentially require a re-negotiation of it by member authorities.

Resource Implications:

There would be resource implications in terms of Officer time in preparing additional agendas and minutes for the extra meetings and in planning and delivering suitable training. This could be offset by the fact that Democratic

Services Officers would no longer need to spend time ensuring that the meetings are quorate.

There may also be some initial resource implications in relation to convening meetings at the base of WRS (currently Wyatt House in Worcester) as opposed to Bromsgrove Council House where meetings are currently held.

Recommendation 8

The Management Board be disbanded, with the WRS Management Team taking the lead responsibility for operational decision making under the leadership of the Head of Regulatory Services.

Financial Implications:

There would be a “one off” financial implication due to having to change the partnership’s legal agreement, although this is likely to be limited.

Legal Implications:

This recommendation would require changes to the current legal agreement for WRS and each partner would need to approve these changes.

Resource Implications:

The Officers currently serving on the Management Board would potentially have greater freedom to concentrate on the service needs within their remits of their own authorities.

There are no particular resource implications for WRS staff as operational considerations relating to regulatory services are already within their professional area of expertise.

Recommendation 9

- (a) The Head of WRS should be fully accountable to the WRS Board (as the strategic decision making body).
- (b) The Chief Executive of the host authority to act in a mentoring role as and when necessary.

Financial Implications:

There are no financial implications.

Legal Implications:

This will require an amendment to the existing legal agreement as the role of the Management Board and the Head of WRS are set out therein.

Resource Implications:

There are no resource implications. In fact if the Head of Regulatory Services was to report to a single body this might help to reduce both financial and resource implications for all partners.

CHAPTER 4 - LESSONS LEARNED

Recommendation 10

- (a) All decisions made by the WRS Board be formally reported back to all elected members of the partner authorities in a timely manner.
- (b) Attention should be paid to communicating updates about any planned changes to WRS services to all elected members of partner authorities..
- (c) The agendas and minutes of all WRS Board meetings should also be uploaded on to the WRS website in a timely fashion.

Financial Implications:

There are no financial implications.

Legal Implications:

- (a) Minutes of the meetings of the Joint Committee are referred to the participating Councils where further discussion is possible and in some cases agreement required.

Resource Implications:

This could potentially require Members appointed to the WRS Board to spend additional time formally reporting back to their Councils about the work of WRS and the Board. In addition, the Democratic Services Officers at each Council would need to spend a limited amount of time uploading the agendas and minutes on to their websites, together with a representative from WRS carrying out this work on the WRS website. This should be fairly easy to achieve as the host authority provides a prepared pack for uploading.

Recommendation 11

The lessons learned from the WRS shared service experience, particularly as detailed in this report, should be heeded by elected members and senior officers when considering any future proposals for shared service arrangements involving multiple partners.

Financial Implications:

There are no direct financial implications. However, by reviewing the lessons learned from the WRS Shared Service when considering future proposals for shared services elected members and senior Officers could potentially save partner organisations a significant amount of money.

Legal Implications:

There are no legal implications to this recommendation.

Resource Implications:

Officer time would be required to consider these lessons, though the time required would vary dependent on the shared service being considered.

Recommendation 12

- (a) The Joint Scrutiny Protocol should be reviewed in order to take on board the lessons learned during this review.
- (b) Consideration should be given to the reinstatement of the Worcestershire Overview and Scrutiny Chairs Group as a means of feeding back the monitoring of recommendations from Joint Scrutiny exercises, as and when required.

Financial Implications:

There are no financial implications.

Legal Implications:

There are no legal implications to this recommendation.

Resource Implications:

Officer time would be required from representatives of all the Democratic Service teams at each authority in Worcestershire to review this document.

Introduction and Background Information

Background to the Joint Scrutiny

Wychavon District Council originally proposed that Worcestershire Regulatory Services (WRS) should be subject to a joint scrutiny (in July 2012). Each Council within Worcestershire was consulted about the proposal and all had agreed to participate by spring 2013. Draft terms of reference were drawn up by Wychavon District Council and in line with the agreed framework for joint scrutiny in Worcestershire, each Council's Overview and Scrutiny Committee had considered and approved these terms of reference by May 2013.

The potential role of Overview and Scrutiny in holding the Joint Committee and WRS officers to account had in fact been considered in the original partnership agreement for the shared service. However, whilst Overview and Scrutiny was clearly recognised as having a legitimate role to play in this regard, it had also been felt unreasonably onerous for the Head of Regulatory Services to have to report to seven different scrutiny committees across the County. Therefore, as part of the original legal agreement, partners had determined that scrutiny should not be undertaken by any one Overview and Scrutiny Committee but, rather, should be carried out jointly. This review has been conducted in accordance with that principle as a collective exercise.

The terms of reference included the following main tasks (full details are provided at Appendix 1):

- To review the final business case for the shared service (as agreed by the participating Councils) against current operation.
- To compare the previous service levels of each participating Council compared with current levels and those outlined in the final business case.
- To establish the performance of the service for participating Councils prior to and since the establishment of the shared service.
- To review levels of customer satisfaction prior to and following establishment of the shared service and how feedback informs practice.
- To consider the governance arrangements between the shared service and the participating Councils to include how changes to the service requested by one or more Councils can be achieved.

It was agreed that the Scrutiny Task Group should comprise one representative from each of the Overview and Scrutiny Committees of the partner authorities and for there to be a named substitute for each. It was also agreed that each representative, or their substitute, should be either the Chair or Vice Chair of their Council's Overview and Scrutiny Committee.

At the first meeting of the Scrutiny Task Group the nominated members elected as their Chair, Councillor Rod Laight (being the representative for the

WRS host authority, Bromsgrove District Council). Councillor Peter Tomlinson, from Wychavon District Council, was appointed as Vice Chair.

Evidence gathering

The Task Group gathered evidence through a range of means, including scrutiny of relevant documentation and interviews with various representatives of the Worcestershire Shared Services Joint Committee (the elected member decision making body for the shared service), the Management Board (comprising officer representatives from each partner authority who advise the Joint Committee), the WRS management team and officers of the host authority (Bromsgrove District Council). The Group also consulted with parish councillors and other elected members from across the County, who were neither on the Joint Committee nor on the Task Group, to find out about their experiences of working with WRS. The feedback provided through this consultation process has been greatly valued and has helped to inform its conclusions. However, the Task Group would like it to be noted that, since only a very small number of councillors responded, the wider representativeness of the feedback received was difficult to gauge.

Consideration was given at an early stage to the potential for a questionnaire to be circulated to obtain feedback from members of the public and from local businesses about the services they had received from WRS. Whilst the Task Group would undoubtedly have benefited from such additional feedback it was concerned about the difficulties involved in obtaining a suitably large or representative sample of responses from across the County. For this reason it was agreed that it should rely instead on the already available 'complaints and compliments' data held by WRS as a basis for assessing the level of customer satisfaction with the services.

At various stages of the review, updates were provided both to Task Group members and to the Democratic Services teams at participating authorities for use when reporting back to partner Overview and Scrutiny Committees. The lead Member from each authority was also encouraged to inform colleagues about progress with the joint scrutiny review as and when appropriate.

Background to Worcestershire Regulatory Services (WRS)

The shared Worcestershire Regulatory Service (WRS) was initially conceived as part of the Worcestershire Enhanced Two Tier (WETT) programme in 2009. Each of the seven authorities in Worcestershire expressed an interest at this stage in participating in the shared service. Three key principles underpinned the design of the shared service as follows:

1. Achievement of service improvement and increased effectiveness.
2. Achievement of greater efficiency, cost savings and return on investment.
3. Achievement of a greater degree of sharing of resources for service delivery.

These key principles underpinned thinking in the drafting of the partnership agreement for WRS where it was specifically stated that the shared service had been established “*for the purpose of achieving financial efficiencies, sharing resources and improving delivery of services*”.

Wychavon, Worcestershire County and Redditch and Bromsgrove Councils each submitted a bid to host the shared regulatory service. Initially, the County Council was considered best placed to take on this role. However, at the request of the Worcestershire Chief Executives’ Panel, an independent external evaluation was requested, from a private sector partner and in September 2009, this concluded that Bromsgrove District Council would be the most appropriate host authority.

The shared WRS service was subsequently launched in 2010. Each of the councils signed up to the current partnership agreement for the service in June of that year. This established the governance arrangements for the service, which included a Joint Committee (of elected members from each partner organisation), a Management Board (of officers from each authority) and a WRS management team (of senior practitioners from the new shared service). The agreement also established arrangements for withdrawal from the service, a scheme of delegated responsibilities and financial arrangements, as well as detailing the arrangements for transferring all regulatory staff from their respective local authorities into the employment of the host authority.

Under the terms of the hosting arrangement, Bromsgrove District Council accepted responsibility for the following:

- Arranging suitable accommodation.
- Administration of the Joint Committee.
- Audit services.
- Data protection and information security.
- HR and personnel services.
- Financial services.
- ICT services (and licensing of ICT systems and equipment).
- Insurance.
- Legal services.
- Pensions and procurement.

(It should be noted that whilst Bromsgrove District Council is the host authority, each partner authority contributes to the overhead costs).

At an early stage partners agreed that the shared service needed to be based at a single location, even though staff would be required to work across the County as necessary. It was also agreed that the base should be a building already in the ownership of one of the partner authorities. A number of such buildings were assessed and Wyatt House in Worcester (owned by Worcester City Council) was eventually identified as offering the most suitable base. Accordingly, WRS entered into a 10 year lease for the premises.

The Role of Worcestershire Regulatory Services (WRS)

WRS covers three key service areas

- Trading Standards
- Licensing
- Environmental Health

(A more detailed list of the constituent activities is provided at Appendix 4).

Key elements of Trading Standards are statutory responsibilities of County Councils in two tier authority areas (and remain so ultimately even under the shared service arrangement). However, WRS also undertakes a number of trading standards-related activities that are discretionary. The main trading standards functions are; fair trading/consumer protection, product safety, food standards, metrology and animal health and welfare.

Environmental Health functions, on the other hand, are primarily a responsibility of district councils, (again even under a shared service arrangement). These include responsibility for food safety/hygiene, nuisance complaints (e.g. noise), air quality and pollution, and health and safety, again with some statutory responsibilities and some discretionary activities.

There are certain licensing functions which, under the terms of the Licensing Acts 2003 and 2005, remain the responsibility of district councils in a shared service environment. Each district council must determine the fees for licenses in its area and each must have a Licensing Committee and Sub-Committee(s) which make (quasi-judicial) decisions about whether to grant licensing applications. Licenses can be provided for a range of services including taxis, alcohol and gambling establishments and a raft of other regimes. The role of WRS in this context is to provide expert advice to each council and to deliver the services required.

On the whole the majority of trading standards, environmental health and licensing services are provided by WRS consistently across the County. However, there are a few services which certain local authorities within the partnership have chosen not to receive (for example Malvern Hills District Council does not receive a pest control service). All service choices are taken into account when calculating the financial contributions made by each local authority to the partnership.

Chapter 1

WRS Performance and Communications

Performance

This particular joint scrutiny review was launched largely as a result of concerns raised by members from Overview and Scrutiny Committees about the limited information apparently available about the performance of WRS. Requests had been made for performance data to be provided alongside equivalent performance data for the services as provided previously under in-house arrangements by each council.

The Task Group learned that, in the original business case, it had been agreed that WRS performance would be measured in accordance with the five relevant national indicators (NIs) set by the then government. However the launch of WRS coincided with a change in national government in 2010 and the scrapping of the national indicator framework. WRS took advantage of this change and of the new discretion on local authority performance measurement, choosing an outcomes-based model in preference to the largely output-based national performance indicators approach. This was agreed by both the Management Board and the Joint Committee.

The Task Group has thus found it difficult to assess performance and particularly to draw comparisons between the periods before and after the launch of WRS because of the absence of a consistent series of data. Indeed, it found there to be a very limited amount of relevant performance information available for the individual partner authorities prior to WRS with the result that it was difficult for the Task Group to address objective three of the terms of reference in any real depth.

The Task Group also learned of the considerable difficulties WRS had encountered in its first four years in putting in place an integrated ICT support system. Although the original business case for WRS had envisaged an early procurement process for an appropriate ICT system to support the new service, this proved a more protracted process than expected and the service has had to rely on at least 20 different legacy ICT systems for several years. Indeed, at the start of this scrutiny review in September 2013 six of those legacy systems still remained in place and were clearly a continuing source of inefficiency.

The Task Group was informed by the Head of Regulatory Services that the subject of how best to meet the ICT requirements of WRS had been extensively discussed within the Management Board and culminated in a decision to procure something bespoke for the new service rather than an “off the shelf” package, even though this was recognised as meaning further delay and greater cost. Four years on the specially tailored ICT system is finally in place and at last, there is the basis for provision of good quality management and performance information.

The Task Group is keen that such information should, from now on, be available at every meeting of the Joint Committee. Moreover, the Task Group think that such performance reports should be placed sufficiently high on the agendas to ensure that elected members have the opportunity to consider them in a diligent and constructive manner.

The Task Group therefore recommends the following:

Recommendation 1

Performance Management Information should continue to be made available for Members' consideration at every meeting of the Joint Committee and be sufficiently high on the agenda to be discussed in detail.
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Communications with the Public

It was proposed in the original business case that the Worcestershire Hub would play a key strategic role in the new service model for WRS by acting as the main communications centre for the public and other service users. This was justified on the basis that the Hub was well equipped to provide “...a more customer focused and streamlined delivery for the unified regulatory services...” and the Hub was “...nationally regarded as an exemplar of best practice...” in terms of customer access.

However, early in the scrutiny review concerns were raised about shortcomings in the Hub's responsiveness to the public and based on experiences by elected members across the County. Examples are reproduced below:

“I have not been happy with recent experiences, primarily in relation to getting hold of WRS.”

“Communication links with officers can be variable”.

“The problem I have experienced with WRS is that I have been passed from pillar to post. I have been told “we have never heard of the WRS. We don't know what you mean?” I have been put through to another department... It took me about three hours to contact the person I wanted to speak to and then she had left the office so I had to start all over again the next day.”

The Task Group concluded that such comments were particularly indicative of shortcomings in communications between the Hub and WRS rather than any indictment of WRS itself. Moreover, an analysis of WRS 'complaints and compliments' data for the period June 2011 to September 2013 highlighted the extent to which customers' concerns related more to the manner in which their complaint was referred on for action than to the actions subsequently

taken by WRS. In each of those three years the majority of issues related to a breakdown in communications.

The Task Group learned that WRS staff were aware that the contact arrangements with the Hub were not working satisfactorily enough and that discussions had been held with the Hub's senior management about the capacity to meet the needs of WRS customers. The issue had also been raised at the Joint Committee on 26th September 2013 when members discussed a letter from the Chairman of the Worcestershire Hub Shared Services Management Board in which it had been suggested that additional Customer Service Advisors would need to be recruited to handle regulatory services enquiries and for which an increase in funding would be required. In response, the Head of Regulatory Services had advised the Joint Committee that he did not feel convinced about the additional need and cost and that the alternative would be to bring the customer enquiries work in-house within WRS – where it would be easier to refer matters more directly to the appropriate officer. This indeed is what the Joint Committee decided to do and it is understood that the new customer service arrangements were due to be implemented in May 2014.

Given the history of complaints concerning communications with WRS and the frustration that this has caused, the Task Group considers it important that the effectiveness of the new arrangements are closely monitored in the period ahead. The Task Group also suggest that a full report on the effectiveness of the change in customer contact arrangements should be presented to the Joint Committee in 12 months' time – when the change should have become embedded.

The Task Group therefore recommends the following:

Recommendation 2
Twelve months after the new contact centre arrangements for WRS have been introduced, replacing the use of the Worcestershire Hub; the Joint Committee should review the effectiveness of these arrangements for communicating with the public.

The Task Group also noted that information on partner councils' websites regarding regulatory services was not always up to date or easily accessible. As part of the investigation, each Task Group member reviewed their own council's website to assess the quality of the information on regulatory services and the ease of linkage with the WRS website. In doing so, the Task Group recognised that most customers seeking information about such services online would be likely to visit their own council's website initially (probably being unaware of the existence of WRS). Whilst in some cases the websites were helpful and the links straight-forward, it was found that the available information was not always as comprehensive or as up-to-date as should be expected.

The Task Group therefore recommends the following:

Recommendation 3

The webpages of each partner authority should be regularly monitored to ensure they are up to date and with the inclusion of a prominent link to the WRS website.

Internal Communications

The Task Group also considered other mechanisms for communicating information about WRS to interested parties across the County and particularly focused on the WRS Newsletter (which is circulated to all members in Worcestershire on a quarterly basis). This is a potentially informative and valuable means of communication, but in its present format the document tends to be more selective and anecdotal than systematic and comprehensive in presentation of the work and performance of WRS.

The Task Group recognises the challenges involved in communicating effectively the diverse work of a multi-functional service in a manner that is satisfactory both to elected members and to a range of other potentially interested parties. However, the Task Group believe the current format and content of the Newsletter could be much improved and that this would help to promote a better understanding of WRS and its work among the wider body of elected members and other stakeholders. The Task Group suggests that members of the Joint Committee should take a more active part in agreeing the style and content of a quarterly newsletter and that its members should be consulted about each edition before it is published.

The Task Group therefore recommends the following:

Recommendation 4

The purpose, content and circulation of the WRS newsletter should be thoroughly reviewed, with a view to it providing a more systematic and comprehensive account of the work and performance of the shared service and with the content and format being agreed by the Joint Committee.
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Since one of the key concerns raised by elected members across Worcestershire was the difficulty experienced in contacting a representative of WRS directly (despite recent re-circulation to all members of the directory of WRS staff telephone and email contact details) the Task Group considers that it would be useful for a lead member of WRS staff to be specifically assigned the role of 'Member Liaison Officer' to provide a further first point of contact, e.g. for queries and issues where there is uncertainty about who might be best placed to assist. This arrangement is felt to work well for the County Council's Highways Department, where there is an area-based structure of Member Liaison Officers.

The Task Group therefore recommends the following:

Recommendation 5
That WRS have a designated member of staff to act as a Member Liaison Officer and as a single point of contact to signpost Member enquiries.

Chapter 2

Financing of WRS

As detailed in the background section of this report, one of the key drivers for the shared regulatory service was the potential for efficiencies and cost savings. From the Task Group's interviews with the Head of Regulatory Services, it was learned that WRS had already exceeded the originally anticipated financial savings (which had benefited all the partner councils) yet the overall budget had been further reduced significantly since 2010. For 2014/15, it had been proposed that the WRS budget be further cut (by an additional £646,000 from the 2013-14 figure of £5.626m). Members also learned that the Head of Regulatory Services had advised the Joint Committee of his view that this was the absolute minimum with which WRS could realistically operate if it were to continue to deliver services at current levels. Any further reductions would, in his judgement, impact on service delivery and quality.

More generally and over the life of WRS to date, it appeared to the Task Group that the quest for cost reductions has tended to dominate debate within and between the partner authorities rather than issues of regulatory standards and public protection. Indeed, the Task Group considers finance has been the key driver both for the Management Board and the Joint Committee and has largely come to trump the other objectives that had underpinned the rationale for the shared service in the first place.

In the original partnership agreement it was determined that the budget for WRS should be considered and approved by the Joint Committee by the end of November each year. This would ensure that the partner authorities would be clear about their financial contributions ahead of their own budget setting processes. The Task Group was advised that this arrangement had worked well in the early years of the partnership but that, because of the deterioration in the financial position of partners' budgets, it would probably not be so suitable for future years. Indeed, whilst this joint scrutiny review was taking place, Worcestershire County Council proposed significant reductions in its budget contribution – to be implemented incrementally over a three year period (and which would see the County Council's contribution to WRS decreasing from £1.5m in 2014/15 to £250,000 in 2016/17).

Such a reduction, the Task Group was informed, would have significant implications for the quality and level of services of WRS. Already since 2010, staff numbers have decreased from 154 to 117 (in 2013), and the Head of Regulatory Services indicated to the Task Group that, if implemented, the further proposed budget reductions would imply further shrinkage to an estimated 102 in 2014/15 and probably still smaller numbers in subsequent years.

The Task Group was also advised more specifically of the potential implications for trading standards staff. In this respect, the indication is that,

by 2016/17, the level of funding might support just six trading standards officers for the whole of the County (compared with 25 in 2013/14). . Such a contraction clearly raises questions about resilience within WRS to respond to unforeseen challenges or emergencies such as the horse meat scandal of 2013. In this regard the Task Group was interested to learn that, nationally, the Trading Standards Institute has recently commissioned research on the impacts and cost-effectiveness of different trading standards activities to understand better the possible consequences of such funding and staff reductions.

Recognising the potential risks for all partner councils and their communities if funding is reduced to the point where capacity is unduly compromised, the Joint Committee recently agreed that the WRS budget should in future be planned on a three year rolling programme basis to facilitate longer-term planning. In the same context, a new budget matrix has been designed to assist decision-making as to the costs of different service options for partners. This matrix approach, which was also approved by the Joint Committee in September 2013, has been developed from a “zero based” budget exercise and indicates the minimum resources and budget required to meet existing levels of demand and statutory obligations in all relevant functional areas. The matrix also provides risk assessments in relation to key regulatory objectives of protecting vulnerable people, supporting the local economy and improving health and well being.

A further issue that has recently been pursued as a response to the difficult financial context for WRS and its partners is that of seeking a private sector strategic partner. Here the rationale is to look to grow WRS (either or both by acquiring more local authority partners and undertaking more work for others on a contractual basis) and for which, the argument goes, the commercial experience and marketing skills of the private sector would be especially helpful. In November 2013, during the early months of this joint scrutiny, the Joint Committee approved initial ‘soft marketing’ ahead of a decision to commence a formal procurement process in 2014.

At this early stage, the Task Group has had little information by which to form a view as to the potential of such a private sector strategic partnership in helping WRS in relation to its financial challenges. Accordingly, the Task Group do not draw any conclusion or make recommendations on this issue. However, it is fair to say that the Task Group received mixed feedback on the proposal. Some officers and members on the Joint Committee regarded it as the only viable solution while others stated their concerns that the process was being brought forward too quickly and without sufficient consideration of other options. Concerns were also articulated that a private sector partner’s interests might be selective in focusing largely on the more commercial of WRS’s services and that if capacity was further reduced as a result of shrinking partner financial contributions, the organisation might likely become less attractive to the private sector in any case. The general view taken by the Task Group was that, whilst a strategic partnership might well help to achieve some early financial stability for WRS, a more fundamental reconsideration of the business model and rebuilding of partner commitment

were probably required if the partnership were to remain viable for the longer term.

In this context, a more significant concern of the Task Group was the possibility of members of the partnership losing confidence in the venture and for financial and other reasons, deciding to withdraw and instead once again provide their own regulatory services. The Task Group's clear view here is that any such development would not just be highly regrettable but at odds with the logic of more integrated public service provision that has been pioneered within Worcestershire.

It could also be quite costly as, under the current governance arrangements, the agreement specifically states that

“... the Member Authority giving notice of termination (or if there is more than one such Member Authority then each of them in equal shares) shall bear all costs arising out of or in connection with such termination and shall indemnify the remaining Member Authorities against all costs and expenses incurred by them arising out of or in connection with that termination...”

This would include costs such as those for redundancy or redeployment of staff, termination of any leases or licenses for use of premises or equipment, procurement of alternative accommodation, preparation and disaggregation of relevant data or records and reimbursing staff or administrative overhead costs. Feedback received by the Task Group from various witnesses during the review suggested that awareness of this clause within the original agreement was less widespread amongst partners than perhaps it should have been, since, in the current economic climate at least, most authorities would struggle to afford such costs.

Instead, the Task Group is keen to propose a more constructive option for the future. This would build on the work undertaken recently by the Worcestershire Chief Executives' Panel in developing a budget matrix that indicates costs for different activities and for different levels of provision. In this way, more tailored and costed packages of regulatory services might be offered to partners to suit their local needs and budgets, which could be helpful in building partner confidence in WRS. Indeed, such a bespoke approach might well include enhanced as well as reduced services, for example, the possibility of an 'out of hours' service for partners with concerns about late night noise nuisance problems.

The Task Group therefore recommends the following:

Recommendation 6

In order to reduce the focus on financial considerations which currently play a major part in influencing partner participation, to the detriment of other equally important aspects of the service, the following should be addressed:

- (a) A new business model for WRS be developed through the Chief Executives' Panel, building on the proposals already being produced by the Panel.
- (b) Consideration be given to the option for partner authorities to purchase an "out of hours service"

Chapter 3

Governance of WRS

The partnership agreement for WRS was drawn up by Legal Services Officers representing all seven partner councils in Worcestershire and is divided into two parts; the first section introduces the framework and the second provides details on regulatory services.

In that agreement the main elements of the governance structure for WRS are defined as follows:

- **Worcestershire Shared Services Joint Committee**, comprising two councillor representatives per authority, is designated as the key strategic decision-making body.
- **The Management Board**, comprising officer representatives from each partner authority is responsible for providing advice on both strategic and operational matters.
- **The WRS Management Team** is responsible for service delivery.

As WRS was the first and only shared regulatory service in a two-tier local government structure, there has been no exemplar framework agreement or constitution available to replicate or learn from. Accordingly, the above governance arrangements were proposed and approved without knowing for sure how well they might work in practice.

Governance Review

Two years on, the Head of Regulatory Services requested that the Chief Executives' Panel conduct a review of those governance arrangements in light of concerns particularly about the Management Board. While the Task Group understand that assurances were given, no governance review had taken place ahead of this joint scrutiny Task Group. However, consultations with stakeholders have highlighted further recognition of the need for such a review and not least because of the possibility now of a private sector strategic partner also becoming involved. Indeed, several consultees alluded to the importance of getting the governance arrangements as effective and efficient as possible to ensure that WRS would be able to present itself as an attractive proposition to commercial organisations. The following comments from representatives of both the Joint Committee and the Management Board underline this viewpoint:

".... there will need to be a full governance review of both the Joint Committee and the Management Board and an alternative solution found. It would be a very different picture with much less Member involvement and would very much be at arm's length."

“I think that if a strategic partnership with the private sector is pursued further all of the governance arrangements for WRS will need to be reviewed and a different structure put in place.”

“The partnership agreement was very constrained and no one was aware at the time of how things would change. The partners now need to make changes to governance to make it more flexible.”

The Task Group has been surprised and concerned at the delay in undertaking such a governance review following the request by the Head of Service two years ago and particularly given the level of confusion encountered amongst some members of the Joint Committee about their own role and that of the Management Board (outlined in detail below). However, the Task Group's terms of reference for this scrutiny included (at point 5) an objective *‘to consider the governance arrangements between the shared service and the participating councils’* and accordingly the Task Group has paid particular attention to this issue and made a number of key recommendations which are designed to resolve some of the problems it identified.

Worcestershire Shared Services Joint Committee

In first establishing WRS as a shared service, legal requirements had to be followed (notably, that, under Section 101 of the Local Government Act 1972, there would need to be an elected member decision-making body which resulted in the formation of the Joint Committee). At the time, it was agreed by the Executive Committees/Cabinets of each partner authority that delegated power should be granted to the Joint Committee to consider and make decisions on all the regulatory functions detailed in the agreement on their behalf, albeit that any additional changes to policy should be referred back to the respective Executive Committees/Cabinets.

The particular roles of the Joint Committee, as detailed within the agreement, were as follows:

- To make strategic decisions on behalf of the partnership.
- To oversee the development, implementation and operation of the shared service.
- To establish a framework for the operation of the shared service.
- To appoint sub-committees where necessary.

Under the terms of the agreement, each member authority was required to appoint two members to the Joint Committee each year. In the case of those authorities operating Leader/Cabinet arrangements, at least one of these members has to be a member of the Cabinet/Executive Committee. The agreement also permitted substitute members to attend in place of the lead member when necessary. Some councils have chosen to appoint named substitutes each year (although this is not a requirement).

The agreement states that a minimum of one elected representative from each authority should be present at meetings of the Joint Committee in order for those meetings to be quorate (although, as a Legal Services representative informed the Task Group, this is not a general legal requirement, purely something that the partners for this particular agreement insisted upon). The quorum for the Joint Committee was reviewed in 2013 when Members decided to continue with these same requirements.

Attendance, however, is not without its problems and the Task Group learned that Democratic Services officers frequently have to spend significant amounts of time contacting and “chasing” Joint Committee representatives to ensure quorate meetings. To minimise the resources involved in this respect, the Task Group concluded that the onus should be on each partner authority, rather than the officers of the host authority, to ensure that their representatives would indeed be able to attend or to arrange substitutes.

The Task Group was also concerned about the potential for conflicts of interest to arise between membership of the Joint Committee and membership of a particular authority’s Cabinet/Executive Committee in making budgetary decisions (i.e. if the financial pressures of their own local authorities were to influence their voting in relation to the WRS budget). Further potential conflicts of interest were identified in relation to those members of the Joint Committee who were both district and county councillors; and also for the Chair of the Joint Committee in relation to their particular own local authority.

Under current arrangements the Chair of the Joint Committee is appointed on an annual basis from the membership and on a rotating basis. Of concern to the Task Group here, however, was the possibility of a member assuming the chair (because it was ‘their turn’) but without necessarily having a sufficient understanding of the nature of regulatory services or sufficient time to devote to the responsibility. The Task Group considered the alternative of having an independent chair person – someone who specialised in regulatory functions. However, it was recognised that finding such a suitable and willing person could be difficult and also that this approach might seem inappropriate for an essentially democratic decision making body. Consequently, the Task Group concluded that probably the best approach to choice of chair would be for the Joint Committee membership to elect its chair based on merit rather than rotation.

The Task Group was keen to ensure that the Joint Committee as a whole was able to operate effectively as the key decision-making body for WRS and to this end, the Task Group discussed a range of pertinent issues including, duration of appointment for members, size of committee, frequency and location of meetings and training arrangements:

- With regard to duration of appointment, the Task Group considers that members should be expected to serve a minimum term of two years (to develop the necessary understanding and experience of WRS). At present, as indicated, appointments are made on an annual basis and

this has tended to result in frequent turnover of representatives from some authorities. The Task Group believes a minimum term of two years would also help to strengthen commitment and ensure greater continuity in the composition of the Joint Committee, so enabling the level of expertise and experience as a whole to grow.

- Regarding the size of committee, the Task Group believes a committee of fourteen members (two per partner authority) to be unwieldy, especially so as there are usually at least four officers also in attendance in support roles). Indeed, when the Task Group observed a meeting of the Joint Committee, it witnessed how difficult it was for many members to engage fully in such a large 'conference-like' setting and for discussion to develop in any depth on the issues under consideration. Accordingly, the Task Group's clear view is that it would be better to have just one member nominated from each council rather than two as now. This would help to ensure more inclusive debate, it would facilitate deeper discussion and it would facilitate more efficient and effective decision-making and provision of the clear strategic steer that the Head of Regulatory Services and his team look for from the Committee.
- Rather than the current quarterly meetings, the Task Group considers that meetings every other month (i.e. six times per year) would also help to build expertise and commitment in relation to regulatory services. Additional meetings might also mean shorter agendas but create more opportunity to consider the important issues in more depth. Its own experiences as a Task Group illustrate, much time is needed together for rapport and understanding to build between representatives from different local authorities. The Task Group is sure that a leaner Joint Committee, with members meeting more frequently, will greatly help in making the Joint Committee a more effective decision-making body.
- A smaller committee would more easily support the ideal – as the Task Group sees it - of Joint Committee meetings being held at WRS's main office location where the professional staff and other supporting resources are on hand. While no doubt there are some advantages in the current arrangement of holding Joint Committee meetings at the base for the host authority, with just seven members (and supporting officers) the base of WRS would seem a more appropriate setting and one that would of course afford members with the opportunity to see more of the staff and some of the regulatory work first hand. It would also represent a suitably neutral location for all members.
- The issue of training for members of the Joint Committee was also considered – this, too, being seen as vital to the building of a stronger and more competent governance body for WRS. Accordingly, the Task Group asked all the members it interviewed about the amount of training they had received both prior to and during their periods of service on the Committee. Some longer-serving members explained

that in the first year of the shared service, a programme of training had been provided (prior to the first meeting) and that there had been follow-up half day sessions in subsequent months. However, it was understood that members appointed more recently had not received the equivalent induction or training opportunities (some having received little more than a half hour briefing from their authority's representative on the Management Board).

Some relevant comments in this regard were as follows:

"I have not received any specific training although I did receive a briefing from the Council's representatives on the Management Board and I have not had a chance to visit Wyatt House."

"I learnt by osmosis and I think it is up to members to be proactive and to find out what the role is themselves."

"I received a briefing from my Council's representative on the Management Board and I spoke with the other councillor from my authority on the Committee as he had served on it for a number of years. I also made a point of arranging to visit Wyatt House and met with the Head of Service and some of the other staff. I found the visit in particular really useful as it helped to explain the role of WRS."

"I have an understanding of the workings of a Council and the Committee as I have been a councillor for seven years. Members should make time to educate themselves. Having said that I did receive a two hour briefing from my Council's representative on the Management Board when I started."

From all such feedback the Task Group concluded that training provision was less than consistent and together with the policy permitting substitutes (who would typically be attending without any prior training at all), meant that levels of understanding and experience of regulatory services around the Committee table were likely to be, at best, variable and in many cases quite inadequate for the nature of responsibility being exercised.

The shared view of the Task Group is that something akin to the requirements for development control committees should be in place. There, members must undergo at least a basic training programme before they can play any part in development control decision-making. Whilst recognising that the decisions in relation to WRS are not quasi-judicial in the manner of those for development control, the Task Group believe that mandatory training for Joint Committee participation is similarly justified, particularly given the diverse and technical nature of the work and the importance of the governance role and the various decisions that members are entrusted to make here.

Despite the quite specific purposes and roles for the Joint Committee (as described in the original formal agreement and summarised above) the Task Group was also surprised to find some quite significant differences of

understanding and viewpoint between members, particularly about the Committee's relationship with the other key body – the Management Board. In the various interviews with members of the Joint Committee, the Task Group listened to a number of apparently conflicting accounts of the Joint Committee's role. For example, while some understood their primary role as being to make strategic decisions on behalf of the partnership, others talked of it more in terms of providing a 'critical friend' role and holding the Management Board to account, as the following comments illustrate:

"The Joint Committee is the democratic arm that considers the work of the Management Board and ensures that the delivery of services is efficient and equitable."

"We could be seen as the critical friend of the senior management of the service, holding them to account for strategic decision making as well as monitoring the budget and performance of the service. We are appointed by our Councils with some powers of delegation as laid down in the original partnership agreement."

"The Joint Committee is the critical friend of the service as well as the ultimate decision maker for the service. We are also ultimately responsible for the setting of the budget and the management of the finances as well as agreeing to the strategic direction of the service."

"The difference is that the Management Board is held in private and Joint Committee meetings are held in public."

"The Joint Committee is ultimately in charge of decision making. However the Management Board generates reports and provides advice and therefore has influence over the decisions that are made in a similar manner to Officers influencing decisions at Cabinet."

"The role of the Joint Committee is to act as a watching brief to see that the service is being provided and the money spent well"

Moreover, the Task Group's own doubts about the clarity of understanding among Joint Committee members as to their role were echoed by at least one of the members themselves, as follows:

"I do not know if all present members fully understand the governance or the structure. It may be the case that even long-term members do not fully understand it."

The Task Group is in no doubt that the prevalence of such role ambiguities and uncertainties represents a serious weakness in the governance arrangements for WRS and one that needs to be addressed as a matter of high priority. Of particular concern to the Task Group was the perspective held by more than a few members that regarded their primary objective as being to 'represent' the needs of their own local authority in relation to WRS – with the needs of WRS being very much a secondary consideration. It was

also suggested that the listing on the front page of the agenda papers for Joint Committee meetings of the names of the local authorities with members' names alongside only served to reinforce such a representational mind-set.

"I believe that members need to strongly represent the interests of their district when attending meetings of the Joint Committee, though this should be tempered by the fact that WRS is a shared service. One local authority should not be allowed to dictate the direction of the service to all the other partners, regardless of its size and status."

"... the primary role of members on the Joint Committee is to protect the interests of their council with the function of WRS being secondary".

To be fair, other members indicated feeling no conflict between the two roles and argued that they were able to represent the interests of both their Council and WRS equally.

"At a Joint Committee meeting I feel I am representing the district's needs and the needs, requirements and future of WRS across Worcestershire. I am very aware that each Council has its own individual needs and requirements but there are many things which we all share."

A number of the officers that were interviewed also commented on the tendency of some Joint Committee members to prioritise their own local authority considerations over the needs of the partnership and were similarly concerned that this risked undermining the partnership. One such interviewee suggested that *"localism has no place in Regulatory Services"*. While recognising the contentious nature of such a statement, the Task Group is clear in the view that, unless and until the full membership of the Joint Committee can demonstrate its prioritisation of a shared interest in WRS over that of individual local authority interests, this will always be a weak and fragile partnership and one that will struggle to sustain itself, let alone grow and flourish.

One further small change that the Task Group feels could help make a significant difference in this respect would be a change of title from one that tends particularly to emphasise the 'representational' role of members in relation to their local authorities (i.e. 'Joint Committee'), to one that more specifically focuses on the shared responsibility for WRS governance (i.e. 'Board'). Accordingly, the Task Group considers that switching to a new title - 'the WRS Board' - could be an important step forward.

The Task Group therefore recommends the following:

Recommendation 7

A new strategic decision making board for WRS should replace the Joint Committee, comprising one elected member per partner authority and supported by relevant officers. This should be called the WRS Board.

- (a) Meetings of this Board should take place at the base of WRS.
- (b) Responsibility for attendance at Board meetings should lie with each authority's representative and the quorum for meetings should be set at 5 representatives in attendance.
- (c) Meetings of the Board should take place bi-monthly.
- (d) Elected members appointed to the Board should be provided with an induction programme and sufficient ongoing training to enable them to fulfil their role effectively.
- (e) Members appointed to the Board be expected to serve a minimum of two years to ensure continuity.
- (f) The Chair of the WRS Board should be elected annually by the members of the Board.

Management Board

The other key body in the governance structure for WRS - the Management Board - was similarly the subject of careful consideration by the Task Group. As with the Joint Committee, a set of roles for the Management Board were defined in the original partnership agreement, these being as follows:

- To oversee and guide the development of WRS, in particular in relation to operational matters.
- To help develop a shared vision and strategy for the partners that takes into account partners' varying needs and priorities.
- To contribute to the transformation of service delivery.
- To resolve matters of concern to the partnership.
- To advise elected Members and to make recommendations to the Joint Committee (alongside the Head of Regulatory Services).
- To report back to their local authorities on the work of WRS and the decisions of the Joint Committee.

Membership of the Management Board comprises the Head of Regulatory Services together with one senior officer representative from each partner authority. Meetings of this Board are also attended by the lead Finance Officer from the host authority and the two Business Managers from WRS, while chairing is undertaken in (annual) rotation by one of the partner authority representatives.

The Task Group heard various viewpoints on the Management Board but, above all, the good news that, in recent times at least, it was felt to have been working more effectively than in the past. Several members of the Joint

Committee that were interviewed highlighted the value to them of the briefings they themselves had received from the representatives on the Management Board of their own authorities regarding the agendas of business and generally, the Management Board was considered to have contributed helpfully to recent discussions on key matters such as the possibility of a strategic link with a private sector partner. Joint Committee members also valued the corporate management expertise that officers appointed to the Management Board were able to add to deliberations and the useful links their representatives also had with other relevant services, such as the Hub shared service.

The Task Group also learned of several other aspects about the Management Board and its role that were concerning, including the following:

- Most of the officers on the Management Board, as representatives of partner authorities, are not from a regulatory services background and may not, therefore, necessarily have the specialist experience to appreciate fully the requirements of and expectations upon WRS.
- Engagement by the officer representatives tends to be variable and with a small core of officers being particularly influential in shaping thinking and conclusions.
- Some of the officers tend to prioritise their own Council's interests over and above those of the partnership.
- Differences of viewpoint between the Head of Regulatory Services and some of the other officers comprising the Management Board have frequently arisen and been quite difficult to resolve because only the Joint Committee has the authority to direct the Head of Service.
- Officers on the Management Board tend to be inconsistent in reporting back to their councils about developments in relation to WRS and do not always act as "advocates" for the shared service within their authorities.

The Task Group was also concerned about apparent differences of viewpoint as to the appropriate role of the Management Board amongst its officers. In particular, some such officers clearly regard their role legitimately as including the provision of advice on operational matters and the Task Group learned of a worrying tendency by the Board to attempt to micro-manage the Head of Regulatory Services.

The Task Group's clear view is that this is both unhelpful and inappropriate and that WRS itself – with its professionally qualified cadre of managers and staff - should be entrusted with full operational responsibility under the leadership of the Head of Regulatory Services. Two principal benefits here, as identified by the Task Group are as follows:

- WRS officers should be the source of advice to elected members about operational matters based on their professional expertise and experience (as, of course, is the case in most other specialist public service contexts – e.g. children's and adult services, highways and transport and planning).

- Officer leadership from WRS itself would be likely to result in a stronger focus on the needs of the partnership as a whole rather than on those of individual councils.

The Task Group's conclusions go further than this. For it does not see a sufficient case for retaining a Management Board as well as a Joint Committee (WRS Board) within the governance structure for WRS. Instead, the Task Group thinks that the disestablishment of this additional layer of management would greatly simplify, clarify and unify the governance structure. Instead, the Task Group considers a more appropriate role for officer representatives from the partner authorities to be in attendance at the WRS Board (Joint Committee) meetings as non-voting participants – sitting alongside and supporting their respective elected members, and providing additional advice (particularly from the perspective of the partner authorities).

The Task Group therefore recommends the following:

Recommendation 8
The Management Board be disbanded, with the WRS Management Team taking the lead responsibility for operational decision making under the leadership of the Head of Regulatory Services.

The WRS Management Team

The Head of Regulatory Services leads the WRS team and should, the Task Group suggests, be formally accountable to the WRS Board (Joint Committee) as the corporate governing body. At present, line management and oversight of his role (including conduct of his annual performance development review) is provided by the Chief Executive of Bromsgrove District Council as head of paid service at the host authority. This arrangement generally works well; the Task Group learned and felt it to be entirely appropriate that the Head of Service should enjoy the benefits of chief officer support (from the host authority) and the additional accountability that this involves. The recommendation to disband the Management Board would, be further beneficial in protecting the Head of Service from feeling over-managed and accountable to multiple senior officers.

The Task Group recommends the following:

Recommendation 9
(a) The Head of WRS should be fully accountable to the WRS Board (as the strategic decision making body). (b) The Chief Executive of the host and with the host authority to act in a mentoring role as and when necessary.

Chapter 4

Lessons Learned

The Task Group has undertaken a wide ranging and detailed review of a complex shared service and in the process, inevitably, a number of lessons have been learned of potential value to other shared service arrangements and indeed, for other joint scrutiny exercises. In this chapter the key such lessons are summarised.

Communications between a Shared Service and Partner Authorities

At the launch of the WRS shared service, consideration was given to the most appropriate methods by which the work of the new organisation and the decisions of its Joint Committee might be reported back to partner authorities. A formal protocol was developed for the referral of decisions to partner authorities and this stipulated that the following arrangements should be in place:

- The committee clerk for each meeting should draft and circulate minutes from the meetings within ten working days to Joint Committee and Management Board members as well as to the Democratic Service teams from across the county.
- The minutes should be submitted to the next Executive Committee/ Cabinet meetings at each authority for consideration, both in cases where decisions have been taken under delegated powers and where recommendations have been proposed.
- In cases where the minutes contain a recommendation, the supporting reports should be provided for the consideration of the Executive Committees/Cabinets at each authority.
- The Executive Committee/Cabinet at each authority should make a decision about any recommendations referred for their consideration, the result of which should be referred back to the Democratic Services Officer of the host authority who maintains appropriate records.
- In the event that any recommendations are not approved by all partners the Head of Regulatory Services is required to report this fact back to the next Joint Committee meeting.

Despite the specificity and clarity of these protocols, the Task Group investigation identified that partner authorities were not always complying with the expectations, particularly in relation to the handling of minutes of the meetings of the Joint Committee. While in some cases, minutes were consistently being presented for consideration by the Executive Committee/ Cabinet, in others they were only circulated when there happened to be a particular recommendation within them requiring partner approval. In very few instances, the Task Group learned, was there much, if any, discussion at partner authorities of the issues presented in the minutes of WRS Joint Committee meetings.

One consequence of such variable practices is that the majority of elected members in partner authorities have very limited awareness and understanding of the work of WRS, or of the decisions of its Joint Committee. In discussion with Joint Committee members the shortcomings of the communications process with the wider membership of partner authorities was recognised, as was their personal responsibility, as Joint Committee members, to report back to their respective councils. As one acknowledged:

“There is also a need for the Joint Committee member to promote the service back at their Council and ensure that members are kept informed of how the service is developing”.

On the other hand, another member of the Joint Committee argued that it was the responsibility of every elected member in the County, not just those appointed to the Joint Committee, to familiarise themselves with the work of WRS:

“There are few problems with internal communications. At some councils, the minutes of each Joint Committee meeting are considered at Executive meetings and copies are also published on every Council’s website. It is the responsibility of every member to read these minutes and to familiarise themselves with the subject”.

While some may well subscribe to such a point of view, Task Group members were concerned about the reality that, in practice, the wider body of elected members across the County (i.e. those who had not been involved with the Joint Committee) had very limited knowledge or understanding of WRS and its important public protection functions. Indeed, the Task Group was persuaded that this was a significant enough problem, which needed to be addressed by the following circumstances:

1. Concerns about performance data (e.g. the National Indicators) not being provided to Overview and Scrutiny Committees suggested that scrutiny members had not been aware of the decisions taken by WRS to change their performance monitoring arrangements. At some councils there was also surprise that the partnership agreement for WRS did not allow for scrutiny by local Overview and Scrutiny Committees.
2. When the Scrutiny Task Group consulted with other elected members across the County (and with parish council representatives) several of the responses referred to aspects outside the remit of WRS, demonstrating the level of misunderstanding.
3. Several months after the Joint Committee’s decision to explore the potential for a strategic partnership with a private sector partner for WRS, the Head of Regulatory Services presented a series of updating briefings on the subject to different partner authorities, but encountered at one, widespread ignorance of the decision (and dismay at not having been aware of, or consulted on, the matter).

Such apparent failures in communication have underpinned the Task Group's conclusion that more systematic processes need to be put in place to ensure that all decisions made by the Joint Committee (WRS Board) are indeed communicated back to all elected members of partner authorities and that regular updates of WRS and its work are provided to partner councils. The Task Group suggest that a common approach should be followed in all partner authorities, whether this takes the form of written reports to Executive Committees/Cabinets and/or to Overview and Scrutiny Committees and full Council meetings.

It would also help if Democratic Services officers in partner councils took responsibility for drawing their elected members' attentions to the publication of both the agendas and minutes of each meeting of the WRS Board (Joint Committee) and by highlighting the web links to the relevant pages of the WRS website).

Although the website for WRS was updated and refreshed during the time that the scrutiny Task Group was underway, it noted that copies of agendas and minutes from meetings of the Joint Committee were not always uploaded promptly on to the WRS webpages and available for viewing via the websites of partner authorities. Not least for the purposes of transparency, the Task Group considers it important that such documents are indeed made accessible to all at the earliest opportunities (along with other relevant information about WRS and its operation and governance structures).

Such lessons about the importance of good communication and transparency are relevant of course to all shared services and it is to be hoped that the recommendations in this respect will promote like-minded actions in relation to other such partnership arrangements.

The Task Group therefore recommends the following:

Recommendation 10
(a) All decisions made by the WRS Board be formally reported back to all elected members of the partner authorities in a timely manner. (b) Attention should be paid to communicating updates about any planned changes to WRS services to all elected members of partner authorities. (c) The agendas and minutes of all WRS Board meetings should also be uploaded on to the WRS website in a timely fashion.

Sharing Services

In conducting this scrutiny review the Task Group inevitably encountered and debated the many strengths and weaknesses that apply to any shared service arrangement, particularly those involving multiple partners. For example, the opportunity to share resources and skills across several councils and so have better overall capacity and capability was widely recognised as a positive outcome by members and officers alike. Similarly, the financial savings that

could be achieved through this way of working were also universally welcomed, especially in the current climate of public sector austerity.

The following comments illustrate such positive perspectives on multi-partner shared services arrangements:

“In my experience smaller district councils often struggle to attract the good, qualified, professional staff needed to deliver regulatory services. Amalgamation with other local authorities has helped us to attract and retain these types of staff”.

“Because the countywide model inevitably involves working with a larger team and a bigger budget, you can attract the professional and skilled staff you need to deliver the services.”

“One of the benefits of sharing regulatory services, particularly for district councils, is that it enables those councils to access expertise and resources that might not otherwise have been available. For example, as a result of this shared service, Bromsgrove District Council has been able to directly access officers with expertise in the field of air quality, which has been useful because there are significant problems with air pollution in Bromsgrove district.”

However, the scrutiny consultations also underscored some of the problems often associated with shared service arrangements, particularly where multiple partners are involved. Above all is the potential for shared service operations to seem remote and detached from the councils they serve, at least for most councillors and officers. Indeed, there is a tendency for bodies like WRS to seem to operate more like separate organisations, delivering services on behalf of the councils, akin to contract-based provision rather than as partnerships of the councils and in which there is a common interest and responsibility.

The following comments expressed to the Task Group epitomise such perspectives:

“Sometimes we are all partners. Sometimes, usually when something goes wrong, there is a feeling that WRS is acting as a contractor providing services rather than being an integral part of the local government offering”.

“Some partners have tended to regard WRS as having been outsourced once the shared service was launched. For example, some of the early problems with ICT were exacerbated by the fact that partner organisations were not always willing to engage in discussions about how to resolve the problem”.

Such a sense of distance and detachment between the councils and WRS probably also explains, in part at least, the determination of some partners to impose financial reductions on WRS that to regulatory service professionals at

least seem quite unreasonable and unrealistic, as illustrated in the following comment:

“Very disappointingly some partners have come forward seeking very large reductions but without any clear idea of the necessary changes to their services to achieve this.”

Compounding this distancing and detachment problem has been some widespread negativity about WRS arising early on in its life as a result of difficulties encountered by councillors (and the public) in contacting regulatory staff and in getting apparently small and simple problems resolved (e.g. complaints about barking dogs or odour problems). It is to be hoped that the new in-house customer contact arrangements now in place will help overcome such negativity and that WRS’s reputation for responsivity will quickly improve. A key lesson is that, under shared service arrangements and particularly one where staff are located elsewhere from the local authority, contact and communication arrangements need to be especially well planned and managed for confidence in the venture to be sustained.

In this context the Task Group was also intrigued as to why, after much initial interest in the Worcestershire initiative from other local authorities, WRS remains the only two-tier regulatory partnership in England. Probably part of the reason has been inertia and fear, particularly on the part of district councils, of surrendering more public service responsibility to their counties and so inadvertently bolstering arguments for unitary council status in the future. Perhaps also a reason has been concern among district councils at the prospect of losing control of some important protective services, notably environmental health and licensing and of councillors feeling that this would weaken their ability to directly address many of the problems routinely raised by local people and businesses. But once again, the key lesson here concerns the quality of the contact and communication arrangements that are put in place between councils and the shared service and the confidence that the partnership body is able to instil among councillors and the general public.

The Task Group therefore recommends the following:

Recommendation 11

The lessons learned from the WRS shared service experience, particularly as detailed in this report, should be heeded by elected members and senior officers when considering any future proposals for shared services arrangements involving multiple partners.
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Joint Scrutiny

This scrutiny is not the first such joint scrutiny review to be undertaken in Worcestershire, although it is the first one involving all seven councils and hosted by one of the district councils. Perhaps because of the increasing number of shared service arrangements now being established within the

County there will be more such joint exercises in the future. Assuming so, the Task Group considers the lessons that it has learned during the process of this joint scrutiny should be of considerable value for others to follow.

The Task Group's review was conducted in accordance with the Framework for Joint Overview and Scrutiny in Worcestershire (which was approved by all councils in 2011). That framework details the principles underlying joint working, processes to be followed and conduct to be expected during such work, resource requirements, meeting arrangements and other matters conducive to effective collaborative working. (A copy of the framework can be viewed at Appendix 2).

As in this case, joint scrutiny reviews are normally hosted by an individual council, usually the one that first proposed the review or the host authority if the subject is a shared service. However, the expectation with all joint scrutiny work is that there should be representation and participation from all the relevant authorities and full co-operation with the process by all parties, for example, in providing evidence and participating in proceedings.

During this joint scrutiny, members of the Task Group sought evidence from a wide range of parties – both elected members and officers from each of the seven partners and of course, from WRS as well. In most instances the Task Group encountered very positive co-operation and generous support, including willingness to travel some distances to attend interviews and preparedness to provide written, as well as verbal, responses to questions. The Task Group wishes to thank all the witnesses who gave evidence during the review for their time and their helpful contributions.

Unfortunately, the Task Group have to report that it did not encounter the same level of co-operation and support from every quarter. It struggled, in particular, to obtain the evidence needed from Worcestershire County Council, particularly regarding the authority's proposed budget reductions for the next three years. Initially, the Task Group sent a letter to the Leader of the Council and to a senior officer (in early February), prior to the authority's setting of its budget. The letter outlined the Task Group's concerns about the implications of budget reductions for the viability of WRS and requested that the Council consider postponing the decision on funding until this joint scrutiny review had been completed. It proved necessary to chase the County Council for a response to this letter and the Task Group subsequently invited a representative to attend one of its meetings (in early April) to respond to various questions. Although a written response was eventually received, the Task Group was disappointed that no-one from the County Council offered to attend the meeting and indeed, the written response itself was quite short and generally less helpful than those received from other witnesses.

The Task Group was also disappointed that not all partners played an equally active part in the joint scrutiny exercise. While most authorities were consistently represented at the meetings, one council, Wyre Forest, was represented at only 5 out of the Task Group's 15 meetings (and this despite the fact that this Council, as with all seven, had designated a substitute as

well as a lead member). While recognising the extra time pressures that participation in such scrutiny exercises creates for members and the various legitimate reasons for absence, the Task Group was nevertheless surprised at the persistent failure to submit apologies or to propose a change in the nomination to ensure due representation from Wyre Forest and the opportunity, with other partners, to shape the final recommendations.

There are lessons here, for sure, for other joint scrutiny exercises and the Task Group considers that in future, particular care should be taken to minimise such missed opportunities for participation. To this end the Task Group suggests that some aspects of the formal framework should be revisited and perhaps amended. In particular, it would be useful to give more consideration to the barriers and constraints likely to affect participation in such Task Groups and to ways of ensuring the desired level of commitment on the part of all members and partner authorities. It would be good to give early priority to reviewing the framework for joint scrutiny and to giving thought to how engagement might be maximised since it is understood that another joint exercise – this on joint arrangements for waste collection and disposal - is about to commence.

The Task Group therefore recommends the following:

Recommendation 12
(a) The Joint Scrutiny Protocol should be reviewed in order to take on board the lessons learned during this review. (b) Consideration should be given to the reinstatement of the Worcestershire Overview and Scrutiny Chairs Group as a means of feeding back the monitoring of recommendations from Joint Scrutiny exercises, as and when required.

Conclusion

The perspectives of the membership of the Joint Scrutiny Task Group on WRS changed quite markedly during the course of this exercise as the evidence was gathered and as more of the realities of the situation became clear. At the start of the review there was some scepticism among Task Group members about the quality of service being provided by WRS, particularly based on anecdotal evidence from customer complaints and members own experiences of trying to get problems resolved. However, by the conclusion, the Task Group members had developed a much better understanding of the challenges and pressures being experienced by the shared service and of the difficulties and shortcomings in relation to governance. Indeed, the Task Group had developed greater empathy with the situation and this has inspired its desire to see the weaknesses and problems addressed and to ensure a better future for WRS.

Some of the proposals to this end may seem radical. But in the Task Group's analysis, significant changes are called for in a number of respects if WRS is to survive and flourish in the manner expected of it at the outset.

The Task Group recognises that, if the recommendations are accepted by partners, each council is likely to have to relinquish a further measure of control and place more trust in the practitioners in WRS to lead and manage the service in Worcestershire's best interests. The Task Group recognises and supports all the efforts currently being made to improve the viability and prospects for the shared service in difficult financial times, including consideration of the possibilities offered by a private sector partner. However, it also considers that a number of other changes – particularly to the governance framework and to the communication processes between WRS and partner authorities – need to be made as well and with similar priority.

Returning to the old (fragmented) way of providing regulatory services at both district and county levels is, the Task Group is sure, not a sensible or realistic option for Worcestershire - tempting though it might perhaps appear in present times when the challenges of partnership working and of coping with financial pressures seem so daunting. Instead, the Task Group concludes, the way ahead lies in building on the foundations that have already been laid; in learning the lessons of the first few years of WRS and in being prepared to adjust and adapt in light of those lessons. The way forward, the Task Group is sure, is to address the challenges as a partnership with renewed commitment and with confidence. Worcestershire's pioneering work in developing a more integrated regulatory service has indeed already been worthwhile and not just in achieving financial savings but also in ensuring higher quality protection for citizens and businesses across the county and beyond.

Appendix 1

Joint Scrutiny of Worcestershire Regulatory Services

Terms of Reference

Objectives

1. To review the final business case for the Shared Service (as agreed by the participating Councils) against current operation, including:
 - resilience in the model to cope with fluctuations in workload;
 - efficiencies achieved;
 - cash savings and how these have been used;
 - its level of fitness for purpose;
 - the impact of the model on service levels/quality.
2. To compare the previous service levels of each participating Council compared with current levels and those outlined in the final business case.
3. To establish the performance of the service to participating Councils prior to and since the establishment of the shared service.
4. To review levels of customer satisfaction prior to and following establishment of the shared service and how feedback informs practice.
5. To consider the governance arrangements between the shared service and the participating Councils to include how changes to the service requested by one or more Councils can be achieved.

Membership

6. The Team will be made up of one representative from each of the Overview and Scrutiny Committees from Bromsgrove, Malvern Hills, Redditch Borough, Wyre Forest, Worcester City, Worcestershire County Council and Wychavon District Councils.
7. Each authority will also appoint a named substitute, who will be sent details for each meeting and may attend meetings as an observer to keep up to date with the exercise.
8. That at least one of the appointed Members to the Team or their named substitute must comprise either the Chairman or Vice Chairman of the Authority's Overview and Scrutiny Committee.

Roles

9. Members of the Panel are expected to:

- undertake appropriate reading and research, which may involve consultation, visits and evidence gathering between meetings;
 - having agreed a programme of meetings of the Team, to attend as many of them as possible;
 - to ask for support, training and development if/when they feel it is necessary;
 - to contribute fully to the drafting of any reports.
10. Each member is responsible for reporting back to parent Overview & Scrutiny Committees as appropriate.
11. Officer support will be provided by Bromsgrove District Council as the host authority, for meeting arrangements and scrutiny support, as well as liaison with officers from each authority to provide evidence and practical help (provision of meeting rooms etc)

Arrangements for Meetings

12. The Team will make its own arrangements for meetings.
13. The meetings may be held in public or in private. In considering how it will meet, the Team will balance the desire for transparency and openness with making visitors feel welcome and comfortable, to encourage frank and open discussion.
14. It will not normally be the case that full notes will be made of each meeting. In most cases a short “action list” will be sufficient for the Team’s use.

Deadline: April 2014.

Appendix 2

FRAMEWORK FOR JOINT OVERVIEW AND SCRUTINY IN WORCESTERSHIRE

Principles Underlying Joint Working

Any joint scrutiny process needs to ensure:

- a) Good quality scrutiny – which adds value and properly investigates issues of concern to participating authorities.
- b) Efficiency – avoiding duplication and bureaucracy.
- c) Confidence in the outcomes of the joint scrutiny exercise by each participating authority's Overview and Scrutiny Committee, and clear communication of expectations from the outset.
- d) Clear working planning and co-ordination.
- e) A coherent approach to scrutiny for external partner organisations
- f) Clear arrangements for reporting and follow-up to ensure action on recommendations.
- g) Reporting arrangements should not create delay through over complexity, and should not create scope for other bodies to block recommendations.
- h) Flexibility in how to carry out joint scrutiny.
- i) It does not undermine each authority's O&S Committee's remit, or officer support available.

Deciding to Scrutinise Jointly

It is for each authority's O&S Committee to decide if they wish to participate in a joint scrutiny but this needs to be done as efficiently and speedily as possible.

To initiate a joint scrutiny proposal a scoping form should be completed and circulated which will then be subject to agreement of each authority's O&S Committee.

The Worcestershire Scrutiny Officers' Network, in consultation with their respective Chairmen should make proposals for joint scrutiny for considered by the scrutiny chairmen's network (possibly in between meetings) and subsequent recommendation to individual overview and scrutiny committees.

Carrying out Joint Scrutiny

There are a number of ways that joint scrutiny can be carried out.

There may be times when an individual authority wishes to co-opt members from other authorities onto a particular scrutiny.

There may also be times when it is agreed by each O&S committee that one authority takes the lead in scrutinising an issue on behalf of all authorities.

However, it is suggested that in Worcestershire joint scrutiny should usually be carried out by joint time-limited scrutiny task and finish groups, led by the authority from which the scrutiny originated.

Agreeing Membership of Joint Scrutiny Task Group

After O&S Committees agree to participate in a joint scrutiny they then nominate members.

As the task group would not be an official council committee, political balance requirements do not apply.

The number of Members participating in a joint scrutiny will depend on how many authorities are involved but if all Worcestershire authorities take part it is suggested that one member be appointed from each authority.

Agreeing Chairmanship of a Joint Task Group

Nominations for chairing the task group will be sought from all members of the task group.

Where one authority is leading the scrutiny it may be appropriate for the Chairman to be appointed from that authority.

Agreeing Terms of Reference/Scope of the Scrutiny

Each participating authorities' Overview and Scrutiny Committee would be asked to agree terms of reference for the scrutiny as per the scoping and proposal form.

Conduct of the Scrutiny

Meetings of the joint task group will be arranged by the supporting scrutiny officer(s).

The task group should strive to conduct their business in a consensual, open, responsible and transparent way across the political divides and seek to avoid expressing views based purely on political considerations.

Equal Participation

It is important for all members to be equal participants in the process and for officer support to be available on an equal basis.

Meeting Venues

To be decided by the Review Panel as appropriate to the particular review.

Approval of Report's Recommendations

The joint task group would agree their report and recommendations, normally by consensus. The Overview and Scrutiny Committee would then be asked to endorse the report, and could submit their own comments to their Executives.

Time constraints for recommendations need to be fully considered at the scoping stage.

Publicising Outcomes from Joint Scrutiny/Sharing Findings

Once the scrutiny report is agreed by the overview and Scrutiny Committees it should be circulated to Executive members, witnesses and any others involved, by the scrutiny officers supporting the scrutiny.

It could also be put on the website of all the participating authorities.

Resourcing and Supporting Joint Scrutiny

It is intended that joint scrutiny will be supported within the existing resources available to all seven authorities for scrutiny.

Scrutiny officer support for each joint scrutiny should be agreed at the outset. Whilst the authority leading the joint scrutiny would normally provide support for it, ways of sharing the workload should be explored at the scoping stage.

Any expenses for members of a joint scrutiny should be paid by that member's authority in line with that authority's allowance scheme.

Tracking the Outcomes of the Scrutiny

The Review Panel will decide upon arrangements for tracking the implementation of recommendations.

Individual O&S Committees may wish to adopt their own methods for joint scrutiny recommendation tracking.

It is suggested that recommendation tracking for joint scrutinies should be part of the watching brief of the Joint Chairmen's meeting.

Appendix 3

SUMMARY OF MEETINGS AND ATTENDANCE

Meeting Date	Summary
26 th September 2013	Appointment of Chair / Vice Chair, endorsement of terms of reference and work planning (including setting future meeting dates).
10 th October 2013	The Task Group reviewed the content of the original business case for WRS and one of the WRS newsletters. Members also provided some initial feedback on behalf of colleagues at participating local authorities about Members' experiences of working with WRS.
22 nd October 2013	Interview with Steve Jorden, Head of Regulatory Services, and consideration of feedback on WRS experiences from other elected Members and Parish Councillors.
12 th November 2013	Consideration of WRS Partnership Agreement and Shared Services Joint Committee Protocol and consideration of further feedback as detailed above.
21 st November 2013	Observed Worcestershire Shared Services Joint Committee meeting prior to interview with the Chair and Vice Chair of this Committee.
4 th December 2013	Consideration of written responses to questions put to the Chair of the Management Board together with work planning, including questions for future witnesses.
18 th December 2013	Interview with Steve Jorden, Head of Regulatory Services, and WRS senior managers.
16 th January 2014	Interview with a member of the Management Board – Ruth Mullen (Ivor Pumfrey was unable to attend).
29 th January 2014	Interview with Kevin Dicks, Chief Executive of the Host Authority, and Jayne Pickering, Executive Director, Finance and Resources, Bromsgrove District Council.
6 th February 2014	Visit to Wyatt House.
20 th February 2014	Interview with Clare Flanagan, Principal Solicitor of the Host Authority, and Ivor Pumfrey, Chair of the Management Board.
19 th March 2014	Complaints and compliments data analysed and review of the investigation so far.
26 th March 2014	Interview with a number of Members of the Worcestershire Shared Services Joint Committee.
20 th April 2014	Agree draft recommendations and report format.
28 th May 2014	Agree the draft report.

ATTENDANCE RECORD

	TOTAL ATTENDANCE	
	Lead	Sub
Bromsgrove	11	1
Malvern Hills	13	0
Redditch	7	4
Worcester City	12	0
WCC	10	0
Wychavon	13	3
Wyre Forest	0	5

Appendix 4

LIST OF SERVICES PROVIDED BY WRS

The following services are delivered by WRS:

- Air quality.
- Animal health and welfare (including dog warden service).
- Consumer and business advice.
- Contaminated land.
- Environmental packaging
- Environmental permitting (pollution control).
- Fair trading / anti rogue trader activities.
- Food safety.
- Food standards (labelling and composition).
- Health and safety.
- Health promotion.
- Infectious diseases.
- Licensing.
- Metrology.
- Nuisance investigations.
- Pest Control.
- Product safety.
- Public health (burials, drainage, water supplies etc.)
- Under age sales.

Appendix 5

ACKNOWLEDGEMENTS

The Task Group would like to give particular thanks to Steve Jorden and members of the WRS team, especially Mark Kay and Simon Wilkes, who provided evidence, both in person and in writing, throughout the review.

Thanks also go to the following Officers:

Bromsgrove District and Redditch Borough Councils

Kevin Dicks	Joint Chief Executive
Jayne Pickering	Executive Director, Finance and Resources
Clare Flanagan	Principal Solicitor
Pauline Ross	Democratic Services Officer (responsible for clerking meetings of the Worcestershire Shared Services Joint Committee)

Management Board

Ivor Pumfrey	Malvern Hills District Council
Ruth Mullen	Worcester City Council

Worcestershire Shared Services Joint Committee - Councillors

Lucy Hodgson	Chair - Worcestershire County Council
Mark Bullivant	Vice Chair - Bromsgrove District Council
Kit Taylor	Bromsgrove District Council
Bronwen Behan	Malvern Hills District Council
David Hughes	Malvern Hills District Council
Brandon Clayton	Redditch Borough Council
John Fisher	Redditch Borough Council
Lynn Denham	Worcester City Council
Roger Berry	Worcester City Council
Anthony Blagg	Worcestershire County Council
Ron Davis	Wychavon District Council
Ken Jennings	Wychavon District Council
Marcus Hart	Wyre Forest District Council

Appendix 6

DECLARATIONS OF INTEREST

At each meeting Members were asked to declare any interests. The following declarations were received:

Councillor Cronin, Worcester City Council, declared an other disclosable interest as the publican at The Plough Inn, Broadheath, Worcester.

Legal, Equalities and Democratic Services

Bromsgrove District Council, The Council House, Burcot Lane,
Bromsgrove, Worcestershire B60 1AA

Telephone: 901527) 881288

Email: scrutiny@bromsgrove.gov.uk

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE OVERVIEW AND SCRUTINY BOARD

14TH JULY 2014 AT 6.00 P.M.

MINUTE EXTRACTS – MINUTE NUMBER 20/14.

WRS JOINT SCRUTINY TASK GROUP - FINAL REPORT

Councillor R. J. Laight, the Council's representative on the Joint Worcestershire Regulatory Services (WRS) Scrutiny Task Group and Chairman of the review, presented the group's recommendations.

During the delivery of this presentation the following issues were highlighted for Members' consideration.

- Meetings of the group had been co-ordinated by the Council's Democratic Services team because Bromsgrove District Council was the host authority for WRS.
- The subject had been reviewed as a joint scrutiny exercise partly because all of the 7 Councils in Worcestershire were members of the shared service. However, Members were also advised that it had been a requirement of the original partnership agreement that WRS would not be subject to scrutiny by the Overview and Scrutiny Boards at each partner authority.
- The review had been detailed and lengthy, involving 15 meetings.
- There had been cross party consensus within the group on their final recommendations.
- The report had already been considered by Redditch Borough Council and Wychavon District Council's Overview and Scrutiny Committees which had both endorsed all of the group's recommendations.
- Wyre Forest District Council had also considered the report, though had deferred making decisions on the subject.
- The report would be presented for the consideration of the Worcestershire Shared Services Joint Committee in October 2014. The findings of the Joint Committee would subsequently be reported back to the Cabinets at each partner authority for further consideration.
- Members were informed that meetings of the Joint Committee were open to the public. It was suggested that some Members might want to attend the meeting of the Committee in October to observe the decision making process in action.
- Any feedback from the Board about this report would be detailed in the minutes of the meeting and attached as an addendum to the report when presented to the Joint Committee.
- Members of the group had been concerned that further reductions in partners' financial contributions could have a detrimental impact on public safety, due to the nature of the services provided by WRS.

- The Task Group had been particularly concerned about the approach that had been adopted by some partners to funding the shared service. Members were suggesting that in some cases partners had prioritised their interests, particularly during discussions about finances, which was not necessarily conducive to effective partnership working.
- The Task Group had also been concerned about the governance arrangements for WRS and were proposing significant changes designed to enhance the shared service.
- Members had received evidence from a number of expert witnesses during the review. Councillor Laight noted that he was particularly keen to thank the Head of Regulatory Services for his constructive contributions to the review.

Following delivery of the presentation a number of points were raised during a discussion of the group's recommendations:

- The Head of Regulatory Services had advised the group that any further reductions beyond the current budget level would have an impact on service provision as there would be fewer Officers than needed to deliver services at their current levels.
- Budget reductions would potentially lead to further job losses and could result in a reduction in Officer capacity to react to major crises (such as outbreaks of foot and mouth disease).
- A reduction in the budget available to the shared service could also impact on the potential for Officers to undertake preventative action. In this context there was a risk that WRS would become a purely reactive service.
- Concerns were raised about accountability for WRS the difficulties that had been encountered in the first 4 years of operation. Ultimately, it was confirmed that the Joint Committee was accountable for the shared service as the elected Members appointed to the Committee made decisions about the partnership and monitored the performance of services.
- The partnership had been established in 2010. At that time the significant changes to local government that would subsequently occur, particularly those resulting from financial austerity, had not been anticipated and it had not been possible to predict that challenges would arise in the way that they had.
- Communication problems involving the Worcestershire Hub Service were highlighted within the review. It was anticipated that the new in house communications service would address these problems and improve the service to the customer. The designated Member Liaison Officer, if introduced, would also help to resolve this problem.
- Attempts had been made to consult with Worcestershire County Council regarding their proposed budget cuts. However, a letter sent to the Leader of the Council and relevant Officers had not been taken into account as part of the budget setting process and a response had only been received following further enquiries.
- The Board noted that the county Council and the district Councils had different statutory responsibilities in relation to regulatory services.
- Some Members suggested that if the budget reductions proposed by Worcestershire County Council were critical consideration might need to

be given in future to the district Councils working together alone in order to make sure that the partnership remained sustainable. However, the Board acknowledged that this idea would need to be subject to further investigation.

- The review had not necessarily been undertaken at the most appropriate time as it coincided with significant changes for the partnership, including initial discussions about the potential for WRS to enter into a strategic partnership with an external partner.
- Some concerns were expressed that due to the criticisms contained within the report some organisations might be deterred from entering into a strategic partnership with WRS and this could therefore weaken any final partnership arrangements.
- However, Officers confirmed that four organisations had already expressed an interest in the potential to enter into a strategic partnership with WRS, though no detail could be provided on the progress that had been made with this matter at the time of the meeting.
- No decisions had been made by the date of the meeting concerning the strategic partnership. Officers confirmed that any decision to enter into a strategic partnership with an external partner would need to be made by the Cabinets at each local authority.
- Members expressed an interest in learning more about the proposed strategic partnership and the implications for the future of WRS. As Officers had already delivered briefings on this subject to other partners, such as Malvern Hills District Council, it was agreed that a similar briefing should be requested for Bromsgrove.
- The Council's two elected representatives on the Joint Committee had both been consulted as part of the review. However, whilst they had been advised of the outcomes of the review it had not been felt that it would be appropriate to invite them to speak to the Board on this matter because they had been expert witnesses.
- Amanda Scarce and Jess Bayley, the Democratic Services Officers who had supported the review, were thanked for their help with the exercise. There was a suggestion that further joint scrutiny exercises would be useful in the future. However, Members agreed that in order to ensure that further joint scrutiny exercises were effective participating Councils would need to provide more constructive support to the host authority.

The level of funding reductions that had been proposed by Worcestershire County Council for the following three year period were discussed in particular detail. Members were disappointed to learn that this could lead to a significant reduction in the number of Trading Standards Officers employed by WRS and there were some concerns that this could have a detrimental impact on the quality of the trading standards service in the county. Members also noted that in order to manage any future crises involving trading standards WRS might need to hire staff on a temporary basis from other regulatory services which could potentially lead to an increase in financial costs for the partnership. Alongside these considerations Members expressed concerns that the proposed contribution from Worcestershire County Council would not cover the overheads and other costs of the partnership.

Alongside these reductions Members noted that a number of district Councils had also requested that specific savings be achieved, particularly Worcester City Council and Wyre Forest District Council. Officers advised that any reductions in financial contribution would be accompanied by a corresponding reduction in service levels within those Councils' boarders. However, Members were concerned that the cumulative impact of all these reductions would be detrimental for the partnership as a whole and, in particular, would undermine the sustainability of the shared service in the long-term.

Whilst Members concurred that the group's proposals should be endorsed the Board agreed that the concerns they had raised during their debate should also be highlighted for the consideration of the Joint Committee. The Board therefore

RECOMMENDED to the Worcestershire Shared Services Joint Committee that

1. the 12 recommendations of the Joint WRS Scrutiny Task Group be endorsed; and
2. the Board's concerns, that further reductions in the financial contributions from partners could risk the future of the partnership and the safety of residents, be noted;

RESOLVED that

1. the Head of Regulatory Services be invited to a future meeting of the Overview and Scrutiny Board, together with the relevant Portfolio Holder, to deliver a briefing on the subject of the strategic partnership plans for WRS and that all Councillors should be invited to attend the meeting in order to receive this briefing; and
2. the report be noted.

MALVERN HILLS DISTRICT COUNCIL

OVERVIEW & SCRUTINY COMMITTEE MEETING

15 JULY 2014

EXTRACT FROM MINUTES

Report of the Joint Worcestershire Regulatory Services Scrutiny Task Group

The Committee was pleased to welcome Councillor Peter Tomlinson, Vice Chairman of the Task and Finish Group, who together with John Raine, the Committee's representative on the Group, presented the report.

It was noted that the report was in the process of being presented to all participating authorities' Overview and Scrutiny Committees whose comments would be appended to the report, and submitted to the Worcestershire Regulatory Services Joint Management Committee for consideration on 2nd October 2014.

It was anticipated that the report would again be submitted to each participating authority in light of the outcome of the 2nd October.

In terms of the report, some members expressed concerns around the financial aspect and the proposals for each authority to be able to select from a menu of services, rather than to provide all, which some members considered may result in a fragmentation of services.

However, overall the Committee expressed its gratitude to the Task and Finish Group for the amount of work undertaken which had resulted in such a detailed and comprehensive report.

RESOLVED: that the report be ENDORSED.

REDDITCH BOROUGH COUNCIL

OVERVIEW & SCRUTINY COMMITTEE

17TH JUNE 2014

EXTRACT FROM MINUTES – Minute No 4

JOINT WRS SCRUTINY TASK GROUP - FINAL REPORT

The Committee welcomed Councillor Rod Laight, Chair of the Joint WRS Scrutiny Task Group, from Bromsgrove District Council, and invited him to deliver a presentation on the subject of the review.

During the delivery of this presentation the following issues were highlighted for Members' consideration:

- The review had originally been proposed in July 2012 but, due to delays arising from the consultation process with every Council in Worcestershire, it had not been possible to start the exercise until September 2013.
- Each of the seven Councils in Worcestershire had agreed to participate in the review.
- The group had proposed 12 recommendations focusing on particular themes.
- The group had found that in the past there had been inconsistent monitoring of service performance. This was partly due to ICT problems, though these had been resolved.
- Communications had been a significant weakness identified by the group. Due to poor communications the public and Councillors struggled to contact the service.
- There were also problems with the process for communicating developments with Worcestershire Regulatory Services (WRS) from members of the Worcestershire Shared Services Joint Committee to other elected Members at partner authorities.
- One of the key challenges facing the shared service was the financial support available from partner organisations. In recent years financial austerity had impacted on many of the partners and a number were requesting significant savings placing the future of the partnership at risk.
- To address these financial challenges Officers were considering entering into a strategic partnership with a private sector partner.
- The governance of the shared service had also been a significant issue considered by the group. Members had concluded that the current governance arrangements were too complex and did not enable the partnership to operate effectively. In some cases, the group had concluded that elements of the governance structure were in fact undermining the shared service.
- A number of lessons had been learned during the review, with implications both for future shared services and for any further joint scrutiny exercises.

- Despite current difficulties with WRS the Task Group had concluded that the benefits of the shared service outweighed these problems and that it was essential to retain an effective partnership for the future.

Following presentation of the group's report a number of additional issues were raised by Members.

- Disappointment was expressed regarding the limited number of responses that had been received from other Councillors consulted during the review about WRS.
- The potential impact of proposed budget reductions on service levels. In particular, concerns were expressed that if Worcestershire County Council's budget cuts went ahead as planned the trading standards function in Worcestershire would not necessarily have the resilience to cope with local demand.
- The benefits of having a Member Liaison Officer for Councillors to contact.
- Concerns were expressed that residents as well as local public sector bodies did not always appreciate the valuable contribution made by Regulatory Services to public health, safety and fair trading.
- The benefits of preventing issues from arising and the risk that as a result of budgets being reduced too heavily the shared service would become more reactive than proactive.
- The fact that budgets had already been reduced significantly. There would come a point where further reductions could not be undertaken without the future of the partnership being placed at risk.
- The progress that had been made in relation to the proposed strategic partnership between WRS and a private sector partner. Five companies had already expressed an interest in entering into a strategic partnership, though no final decisions had been made on the subject by the date of the meeting.
- The development of the existing budget matrix to enable partners to reduce budgets whilst continuing to receive services that met local needs. The matrix had been designed to enable partners to assess the risks involved in reducing budgets for particular service areas.
- The benefits of sharing services across such a large number of partners. In particular, it was noted that as a result of sharing services partners were able to access expertise and resources that would not have otherwise been available to their customers if the service had been retained in house.
- The need for Members of the WRS Board (currently the Joint Committee) to be appropriately trained and briefed on the subject of regulatory services and who were willing to commit to learning about and engaging with the service effectively.
- The potential impact, in terms of workload, if the Chief Executive of the host authority was to assume a mentoring role for the Head of Regulatory Services. Officers confirmed that this would not have a significant impact as this mentoring role was largely already implemented.
- The benefits involved in disbanding the Management Board as proposed by the group. The Task Group had found that members of the Management Board tended to interfere in operational matters, despite

the fact that many did not have experience or training in this sphere unlike members of WRS staff. This was making it difficult for WRS staff, particularly senior Officers, to undertake their jobs and was encouraging both Members and Officers to focus on the needs of individual authorities rather than on how to make the shared service and effective partnership.

- The role of the Joint Committee which had been delegated with the power to make some decisions on behalf of all partner organisations. For this reason the Task Group's recommendations would be referred to the Joint Committee before the Council's Executive Committee was invited to consider the group's findings.

The Committee also discussed the value of joint scrutiny exercises. Members noted that this was the first joint scrutiny exercise involving every local authority in Worcestershire that had been hosted by a district Council. Members suggested that it would be useful to undertake further joint scrutiny reviews, as and when appropriate, in future as the experience had been largely positive. Due to the complicated nature of this joint scrutiny exercise two Democratic Services Officers, Jess Bayley and Amanda Scarce, had supported the review. The Chair of the review thanked them for the support that they had provided to this exercise, however, it was suggested that if further joint scrutiny exercises were to take place in the future all partners should be encouraged to contribute equally to the review process at both a Member and Officer level. This would help to minimise stress levels amongst both Officers and Members and ensure that there was a common level of understanding of the review's aims and outcomes when reports were delivered back to participating authorities.

RECOMMENDED to the Worcestershire Shared Services Joint Committee that

- 1) Performance Management Information should continue to be made available for Members' consideration at every meeting of the Joint Committee and be sufficiently high on the agenda to be discussed in detail;**
- 2) twelve months after the new contact centre arrangements for WRS have been introduced, replacing the use of the Worcestershire Hub; the Joint Committee should review the effectiveness of these arrangements for communicating with the public;**
- 3) the web-pages of each partner authority should be regularly monitored to ensure they are kept up to date, with the inclusion of a prominent and obvious link to the WRS website;**
- 4) the purpose, content and circulation of the WRS newsletter should be thoroughly reviewed, with a view to it providing a more systematic and comprehensive account of the work and performance of the shared service and with the content and format being agreed by the Joint Committee;**

- 5) that WRS have a designated member of staff to act as a Member Liaison Officer and as a single point of contact to signpost Member enquiries;
- 6) in order to reduce the focus on financial considerations which currently play a major part in influencing partner participation, to the detriment of other equally important aspects of the service, the following should be addressed:
 - a) a new business model for WRS be developed through the Chief Executives' Panel, building on the proposals already being produced by the Panel;
 - b) Consideration be given to the option for partner authorities to purchase an "out of hours service";
- 7) a new strategic decision making board for WRS should replace the Joint Committee, comprising one elected member per partner authority and supported by senior officers. This should be called the WRS Board.
 - a) Meetings of this Board should take place at the base of WRS;
 - b) responsibility for attendance at Board meetings should lie with each authority's representative, and the quorum for meetings proceeding should be set at 5 representatives in attendance;
 - c) meetings of the Board should take place bi-monthly;
 - d) elected Members appointed to the Board should be provided with an induction programme and sufficient ongoing training to enable them to fulfil their role effectively;
 - e) Members appointed to the Board be expected to serve a minimum of two years to ensure continuity;
 - f) the Chair of the WRS Board should be elected annually by the members of the Board;
- 8) The Management Board be disbanded, with the WRS Management Team taking the lead responsibility for operational decision making under the leadership of the Head of Regulatory Services;
- 9 a) the Head of WRS should be fully accountable to the WRS Board (as the strategic decision making body);
 - b) the Chief Executive of the host authority to act in a mentoring role as and when necessary;
- 10 a) all decisions made by the WRS Board be formally reported back to all elected members of the partner authorities in a timely manner;
 - b) attention should be paid to communicating updates about any planned changes to WRS services to all elected members of partner authorities;
 - c) the agendas and minutes of all WRS Board meetings should also be uploaded on to the WRS website in a timely fashion;
- 11) The lessons learned from the WRS shared service experience, particularly as detailed in this report, should be heeded by elected

members and senior officers when considering any future proposals for shared service arrangements involving multiple partners;

- 12 a) the Joint Scrutiny Protocol should be reviewed in order to take on board the lessons learned during this review; and**
- b) consideration should be given to the reinstatement of the Worcestershire Overview and Scrutiny Chairs Group as a means of feeding back the monitoring of recommendations from Joint Scrutiny exercises, as and when required.**

WORCESTER CITY COUNCIL
SCRUTINY COMMITTEE

16th July 2014

Present: Councillor Adrian Gregson in the Chair

Councillors Cawthorne, Cronin, S. Hodgson, Johnson, Lacey, Lamb, Mackay, Prodger, Smith, Squires and Whitehouse (Vice-Chairman)

Also in Attendance:

Councillors Berry, L. Denham, P. Denham, Laurenson and Williams

Officers:

Ruth Mullen, Corporate Director – Resources
Gemma Poxon, Policy and Performance Manager
Sally Kelsall, Strategy and Partnership Team Manager
David Blake, Service Manager – Economic Development & Planning Policy
Henry Primarolo, Assistant Planning Officer

9 Declarations of Interest

None.

10 Public Participation

None.

11 Minutes

RESOLVED: That the minutes of the meeting held on 4th June 2014 be approved as a correct record and signed by the Chairman.

12 Call-In Items

None.

13 Worcestershire Regulatory Services Joint Scrutiny - Report of Task Group

The Committee considered the report of the Joint Task Group and any comments for incorporation into the final report. Bromsgrove District Councillor Rod Laight, the Chairman of the Joint Task Group and Councillor Cronin, the Committee's representative, presented the report. They were supported by Amanda Scarce, Democratic Services Officer, Bromsgrove District Council.

The 11 recommendations contained in the final report were highlighted and members of the Committee were invited to comment on each.

In the ensuing discussion the following main comments were made:

- The need to present performance information relevant to individual partner authorities was highlighted. It was commented that WRS will be expected to provide local information as well as the performance information that is provided to the Joint Committee.
- The Task Group found there to be a limited amount of relevant performance information available prior to the formation of WRS. However, with a tailored ICT system now in place, there is the basis for provision of good quality management and performance information.
- Members commented on the matrix approach to finance based on the "zero based" budget exercise that was undertaken in 2013 and associated findings. In response, it was explained that provision has been made in the City Council budget for savings of approximately £90k to be delivered over the next three years.
- The task group acknowledged that each partner authority is under pressure to achieve budget reductions. WRS provides statutory services and the risks associated with making further cuts were highlighted. The Task Group was concerned that WRS might be faced with further budget cuts and therefore a new business model was being recommended.
- The Joint Committee's decision to proceed with "soft testing" of a potential private sector partnership had been taken after the commencement of the scrutiny review. Reference had been made to this in the report although limited information was available at this stage. The group's main concern was the potential for local authority partners to withdraw from the shared service in the event of this model being adopted.
- The review recognised the need for local authority representatives on the proposed WRS Board to be trained. It is acknowledged that each partner authority has a different political complexion but elected members appointed to the Board would serve a minimum of two years to ensure continuity.
- It was not possible to use comparative data as this is the only shared service of its kind in the UK.

It was explained that the comments from each authority would be added as an addendum to the report, which would be considered by the Shared Service Joint Committee on 2nd October 2014.

RESOLVED: That the Committee comment on the report as follows:

- **In broad terms the Committee support all the recommendations that have been put forward.**
- **The Committee's main concern is in relation to future finance of the service and being bound to a three year commitment. However, it is difficult to comment further until more details of any proposed new business model are forthcoming.**

WCC - OVERVIEW & SCRUTINY PERFORMANCE BOARD 16 JULY 2014

Regulatory Services Joint Scrutiny: Final Report

and approve the joint scrutiny report on Worcestershire Regulatory Services. Councillor Peter Tomlinson (Wychavon District Council), Vice Chair of the Joint Scrutiny Task Group, had been invited to the meeting to present the draft report. The Chairman of the OSPB, Councillor Richard Udall, had also been a member of the task group. Councillor Lucy Hodgson (the County Council's representative on the WRS Joint Committee) and Rachel Hill, Programme Director (BEC) were also in attendance.

Members were reminded that it had recently been agreed as part of the Overview and Scrutiny Work Programme, that the Economy, Environment and Communities O&S Panel would undertake an investigation into the work of Trading Standards in the County.

The Board received a presentation from Cllr Tomlinson on the background to the report. He made the following main points:

- There had been three key principles underpinning the design of the shared service:
 1. Achievement of service improvement and increased effectiveness.
 2. Achievement of greater efficiency, cost savings and return on investment.
 3. Achievement of a greater degree of sharing of resources for service delivery.
- The scrutiny task group saw that the second key principle had been achieved quite spectacularly with the service having saved over £2.5 million since WRS had been set up. It was suggested that this key principle was the one that everyone had concentrated on, perhaps to the detriment of the other two.
- The scrutiny exercise had originally been set up in response to a number of complaints received by councillors from residents, including difficulty getting through to the service, and no response when registering complaints. There was concern that there may have been something fundamentally wrong with the way the service was being run.
- The task group had been informed that the systems of performance information used by the individual councils were all different and it had taken 4 years for good performance information to be available to service managers. The issue of performance management information needed to be sufficiently high up the management agenda.

- Following the identification of a number of issues with access to the service via the Worcestershire Hub, the service had been taken out of the Hub and a new contact centre had been set up. This had led to a discussion of the usefulness of the Hub and it was suggested that the WRS Joint Committee may wish to look into this further.
- It was acknowledged that there was always scope for improvement in the area of communication. However, some partners had been shy of publicising that there was a shared service and there was, perhaps, a need to make this clearer. The service's newsletter offered an opportunity to communicate the substance of WRS more clearly.
- Members were reminded that the Joint Committee was made up of 14 members, two from each participating authority. The Management Board consisted of officer representation, including regulatory services professionals.
- It was acknowledged that all Councils were currently experiencing financial pressures and the effect of these was being felt severely by regulatory services. All elected members were coming under pressure from their own Authority to try to reduce their contribution to the service. There was enormous pressure to reduce the budget and members were being put in a very difficult situation. It was clear that the members on the Joint Committee were split in their view of what their role was. Some felt they were there to fight for their own Authority, whereas others saw their role as to look at the service as a whole. This had resulted in tensions and conflict, and put the Chairman in a very difficult position. The OSPB was reminded that, in the private sector, members of a company board had a specific duty to that company and were required to put the interests of that company first. It was suggested that this would be a good model for elected members to understand and follow. These were important services for the residents of Worcestershire and the possible conflict of interest was an obstacle that should be removed.
- Members were informed that the Worcestershire Chief Executives' group had been working on a new financial model for the service which was based on the idea that WRS was a 'club', which the different Authorities could choose to join for a fee. An Authority could choose to put in more money if it wished to receive an enhanced service. For example, Authorities would be able to

purchase an out of hours service if they wished. It was suggested that this would take some of the pressure off the elected members.

- Recommendation 7 suggested a radical change to the model of governance of the service. A membership of 14 was unwieldy for a Board that was required to make strategic decisions. The recommendation suggested that a new board should be set up, comprising one elected member per partner authority, and meetings should take place at the Worcester headquarters of the WRS. This leaner board would allow members to become better informed and would meet bi-monthly (instead of quarterly as currently). Members should be appointed to serve for two years and the Chairman should be elected annually. There had been a suggestion that the Chairman should be independent as it was difficult for him or her to represent their local authority and the Board at the same time. For example, until recently the Board had been chaired by the County Council representative and she had been put in the difficult position of having to tell the Board that the County Council would be reducing its funding for the service.
- Recommendation 8 suggested that the Management Board should be disbanded as officers often appeared to focus on representing their own local authorities.
- Recommendation 9 sought to make the Head of Service directly accountable to the WRS board as would be the case in a private company.
- The Chief Executives' group, which was meeting at the same time as the scrutiny task group, had also reported to the Joint Committee and had come to conclusions and recommendations that were very different to those of the task group. The scrutiny task group had asked for the Management Board to delay consideration of the Chief Executives' report until after the task group had completed its work.
- Members were informed that everyone who had come to the task group had been open and honest, and extraordinarily helpful, even when there had been differing views.
- It was suggested that a revised structure would allow members to properly examine the performance of the Head of Service.
- Recommendation 10 referred to arrangements for reporting back to partner authorities and the Board was informed that Wychavon's O&S committee

would now be receiving an annual report from WRS. It was suggested that this would enhance the knowledge of elected members who were not involved with WRS.

- Recommendation 11 suggested that the experience of WRS should be taken into account by those setting up other shared service arrangements, and it was likely that there would be more in the future, given the financial situation faced by all local authorities.
- The Board was informed that throughout the scrutiny exercise, attendance by the representative of Wyre Forest District Council had been minimal and this had not helped the scrutiny process. The task group's concerns had recently been reported to WFDC.
- At the beginning of February 2014 the County Council debated whether to withdraw £1.5 million from WRS. The scrutiny task group, knowing what this would do to the service, wrote to the Leader of the County Council 3 weeks before the Council was due to meet to make a final budget decision. No reply was received so a phone call was made to the Leader to chase a response. However, the Leader reported that the original letter had not been received.
- The scrutiny task group asked if an officer from the County Council could come to a task group meeting to answer questions about the budget proposals, as a face to face meeting was felt to be more useful than answers given in written form. However, no one was available to attend. It was suggested that this was discourteous to the scrutiny.
- The effect of the reduction in funding on trading standards was of particular concern as it would result in a reduction from 26 officers to just six. This was also a concern for the Police Service, and the Police and Crime Commissioner.

The Chairman of the OPSB reminded members that the Board was being asked to endorse the joint scrutiny task group's report. The Board also had the opportunity to add other comments if it wished.

He added that he had been embarrassed to be a County Councillor when officers had not been able to attend the scrutiny task group meeting. He asked for the support of the Board to write to the Leader of the County Council to ask for an explanation as to why the letter had gone missing and requesting that officers are made available

to attend future joint scrutiny exercises.

Members were reminded that the Chairs of Worcestershire Overview and Scrutiny Committees used to meet on an ad hoc basis. Recommendation 12 of the joint scrutiny report (that this group should be reinstated as a means of feeding back the monitoring of recommendations from joint scrutiny exercises) would give these meetings a clear purpose.

Councillor Hodgson reminded members that she was no longer the Chair of the Joint Committee and she was attending the OSPB meeting as a County Councillor.

The Programme Director (BEC) informed members that she was no longer a member of the WRS Management Board, but she acted as a sub for the current WCC representative (Andy Baker). She went on to make the following main points:

- The shared service had been set up in 2010 and since that date had seen budget savings and service transformation. However, since 2010 all local authorities had found themselves in a difficult financial position. The County Council had looked at Trading Standards and Animal Health and had drawn up ambitious plans for a significant amount of savings and service improvement. Overheads and fixed costs remained high and this would need to be looked at.
- One option was for regulatory services to look for a strategic partner in order to grow the business and provide greater resilience, and work to identify a suitable partner was ongoing.
- There was a need for the service to be flexible and to recognise that partners were in different positions. The suggestion was that there could be a core service beyond which there would be a degree of flexibility in service provision.
- With reference to officer attendance at the scrutiny task group meeting, she confirmed that she was one of the officers who had been invited. However, although officers would always try to be as flexible as possible, on this occasion they had been offered one date and this happened to be a date when none of the officers were available. The officers had explored alternative arrangements but this had not proved to be possible. A written response to questions had been provided, but she acknowledged that this was not the same as attending in person. On a

personal level, she offered apologies to the task group that she had not been able to attend.

Councillor Hodgson, the County Council's representative on the Joint Committee and the Cabinet Member with Responsibility for this area of work, confirmed that she had until recently been the Chair of the Joint Committee as it was the County Council's turn. She reminded Members that it had been a decision of Cabinet and Council to reduce funding to the service. She believed that she had been able to do what was best for the service.

In response Councillor Tomlinson reminded the Board that the scrutiny task group had felt that Councillor Hodgson had been put in a difficult position. Despite this, she had remained impartial at all times. He suggested that a revised governance structure, as outlined in the scrutiny report, would mean that the service would be more attractive to a potential strategic partner.

Members of the Board were given the opportunity to ask questions and the following main points were raised:

- The suggested improvements to the accountability of the service were welcomed as was the recommendation to move to a smaller, better informed management committee. Better mechanisms for reporting back to partner authorities should also be encouraged.
- [At this point Councillor Duffy had to leave the meeting. However, she wished to record her agreement with the recommendations of the Libraries Scrutiny report (Agenda Item 7) and her support for any move to protect the Library Service.]
- A member reported that he had previously heard a presentation on the Joint Scrutiny report from the Chairman of the scrutiny task group. This presentation had given a different slant on the exercise and the Chairman had stated that 'safety [in Worcestershire] was hanging by a thread'. It was suggested that this was a reference to the proposed reduction in the number of Trading Standards officers from 26 to 6.
- Bringing together different services was not as simple as it may appear, as different services had been operating on different systems. The Joint Committee had been frustrated in its work as a result of not having accurate performance information. In future, performance information

systems should be worked out before bringing services together.

- It was suggested that, given the ongoing reduction in funding from both District and County Councils, it had been a mistake not to put minimum requirements in at the start of the process. In response, Members were reminded that, when the service had been set up, arrangements had to conform to local government regulations and the service had to be set up in a way that was legally acceptable under the Local Government Act. The legality of any new proposals would also need to be considered. In setting up the original arrangements, no one had been able to foresee the financial squeeze that would follow.
- It was suggested that this report was a potential game changer but, to succeed, it would need 'buy in' from all 7 partners at Cabinet/Executive level. A question was asked about whether this was likely to happen. Councillor Tomlinson informed the Board that, in his personal view, the report would be endorsed by the 7 scrutiny committees, but then it would be for the Joint Committee to come to its own conclusions. It was difficult to say whether the decision makers in each partner authority would see this as the way forward or would be concerned that it may cost more money. However, it was suggested that the cost of any partner leaving would be enormous and so there was no going back with the shared service. The report would be considered by the Joint Committee in October and, by then, discussions with a strategic partner might be further down the line. It was suggested that, if all 7 overview and scrutiny committees offered their support, the Joint Committee would have to have very good reasons not to accept the recommendations.
- Concern was expressed that the most important people in each authority, the Cabinet, had been excluded from the governance arrangements and this had led to a level of disengagement from the shared service and an attempt to get away with the bare minimum. It was suggested that a useful learning point from this scrutiny was that, for future shared services, a basic Service Level Agreement should be put in place at the beginning. Concern was expressed at the suggestion that the service was in crisis as, although this was now a shared service, all County Councillors retained responsibility for the service.

- In response, it was suggested that something should have been put in place at the start of the shared service to deal with the issue of future financial pressures. Checks and balances were built into the system but these were not being respected.
- It was suggested that having a quorum of 5 for a body of 7 members was a recipe for disaster. In response, it was suggested that having a high quorum would concentrate the minds of members.
- A question was asked about the proposed out of hours service and whether such a service was practical. It was confirmed that the District Councils could buy into this service but, currently, the majority do not. It was suggested that a full out of hours service would cost more money and require more people, something that was not going to happen. Members were reminded that an out of hours service might simply mean an officer being on call at home to determine whether an issue required an immediate response.
- It was confirmed that the letter to the Leader of the County Council had been sent by post and email and had been copied to the Leader's PA.

The Leader of the Labour Group was invited to address the Board. He made the following main points:

- With reference to all 57 members having responsibility for the service, this was not the case for Labour members as they had opposed the setting up of the shared service from the start.
- It was not possible to undertake any benchmarking as there had been too great a rush to bring the services together in order to save money.
- There was also a lack of succession planning, something that had not been mentioned in the report.
- Before the setting up of the shared service, the local knowledge of the environmental health officers had been invaluable. It was now often the case that officers of WRS were not aware of the history of previous issues.
- It was suggested that there were double standards in setting up a shared service for the whole county and then giving district councils the option of choosing whether to buy in to the out of hours service.
- It was suggested that the foundations of the

service were not secure. Partners could not keep reducing funding and staff, and expect to receive the same service, as the remaining officers would have too much work.

- In response, the Board was reminded that the scrutiny task group had not been able to go back to the beginning as this would be too costly. The group had tried to come up with radical proposals to tackle the problems in a professional way against a background that money was extremely tight. In the end there was a need to produce a report that could be agreed by the whole task group.

The OSPB was informed that an email had been received from Councillor Banks, who been unable to attend the meeting due to illness. This was reported to the Board as follows:

I have read the report particularly for item 6 on today's agenda on WRS Joint Scrutiny Final Report. It is obvious that Peter Tomlinson's committee have worked long and hard and very thoroughly on this and they are to be congratulated on their hard work.

However I believe there ought to be more clarity in the recommendations as to the best way forward. In parts of the report rather disparaging remarks regarding marketing can be seen but business development is something to be commended certainly in my opinion and if the sales base could be increased no doubt that would be no bad thing. There is no conflict of interest here. I am certainly not in agreement with many of the recommendations made under Chapter 3 particularly on Pages 34, 35 & 36.

In summary what I would see as being the best way forward is urgent and meaningful discussions regarding the formation of a strategic partnership with a specialist outside provider. If this could be achieved along the same lines as what has been done with Revs & Bens then we would achieve a number of key objectives:

- 1. A much better service to our customers*
- 2. An ability to grow the business*
- 3. An ability to grow the numbers of staff and also obtain for them better job security*
- 4. This arrangement would mean we could monitor via a service level agreement or similar which would be less time consuming, less labour intensive and much more commercial which is*

what we ought to be.

As a Member of the Joint Committee, Councillor Hodgson made the following points:

- With reference to money earmarked for Health and Well Being that had been recently returned to individual councils, the Board was informed that this was not felt to be part of the core work of WRS and other agencies were carrying out this work more successfully.
- It was confirmed that a newsletter was regularly produced and was circulated to all Members.
- It had been much more difficult to bring together 7 services than anyone had thought. Performance data was now available on the Members' intranet page.
- Agendas and minutes of all meetings would soon be available on the County Council website and meetings would be listed on the meetings list at County Hall.
- A question was asked about when the portfolio holder would have told the Council about the issues with the shared service if this scrutiny exercise had not been undertaken. She confirmed that issues had been raised through the budget process, performance information was available and the service had been vigorously scrutinised by the Joint Committee and via meetings with the Head of Service. She disagreed that there was a sense of crisis in the service.
- Councillor Hodgson was asked to further clarify how she reported back to the County Council from meetings of the Joint Committee. She confirmed that there was no formal mechanism for reporting back. However, she had requested that, in the interests of transparency, the Head of Service briefed members on progress towards a strategic partnership. It was suggested that there was a need to consider the County Council's mechanism for reporting back from the Joint Committee.

The OSPB agreed that it would wish to:

- endorse the Worcestershire Regulatory Services Joint Scrutiny report;
- write to the Leader of the County Council asking for an explanation of why the joint scrutiny task group's letter went missing;

Wychavon District Council

Minutes of A Meeting of the Overview and Scrutiny Committee Held In The Council Chamber, Civic Centre, Queen Elizabeth Drive, Pershore On Tuesday, 17 June 2014 Commencing At 6.15 p.m.

Present: Councillor G O'Donnell – Chairman
Councillor A A J Adams – Vice-Chairman

Members:-

Councillors:-

G Beale
B Brookes
N J Dowty

C D Homer
Mrs F S Smith
P Tomlinson

C G J Tucker
Mrs V A Wood

Executive Board

Members:-

Councillors:-

R Davis
R J Morris

P Middlebrough
Mrs J A Pearce

Mrs E K Stokes

Non-Members:-

Councillors:-

D Brotheridge
A L Dyke

A P Miller

Mrs E B Tucker

1. Apologies for Absence and Notification of Substitutes

Apologies for absence were received from Councillor P Pinfield.

2. Declarations of Interests

There were no declarations of interest.

3. Minutes of Previous Meeting

Resolved

That the Minutes of the meeting of the Committee held on 6 May 2014 be approved as a correct record and signed by the Chairman.

4. Questions from Members of the Public

There were no questions received from members of the public.

5. **Calendar of Meetings 2014/15**

The Committee was requested to approve its Calendar of Meetings for 2014/15.

Resolved

That the following Calendar of Meetings for 2014/15 be approved:-

15 July 2014
16 September 2014
28 October 2014
9 December 2014
20 January 2015
10 , 17 or 24 February 2015 (TBC)
14 April 2015

6. **Worcestershire Regulatory Services Joint Scrutiny Team Final Report**

Councillor P Tomlinson, gave a presentation to the Committee on the findings of the Joint Worcestershire Regulatory Service Scrutiny Task Group, taking Members through each of the Group's recommendations one by one while explaining the rationale behind them.

The Committee noted that the Joint Task Group had found that, of the three key principles underpinning the design of Worcestershire Regulatory Services (WRS), the pursuit of the achievement of greater efficiency, cost savings and return on partners investment had been pursued at the detriment to the other key principles – achievement of service improvement and increased effectiveness and the achievement of a greater degree of sharing of resources for service delivery.

It was confirmed that since WRS had commenced in 2010, £2.5m had been saved when compared to the pooled budgets of the partner authorities on providing the services themselves, with the number of staff reducing from 154 FTE (Full Time Equivalent) to the current level of 99.5 FTE of which three posts were externally funded.

Members were informed that with regard to evidence gathering the Joint Task Group had been pleased with the response it had received from both Members and Officers requested as witnesses, with the vast majority being very accommodating and open. However, Councillor Tomlinson was disappointed to report that during the course of the review representatives sought from Worcestershire County Council did not make themselves available to meet with the Joint Task Group and that their written responses in relation to questions posed by the Joint Task Group were inadequate.

The Committee thanked Councillor Tomlinson for his informative presentation and the hard work he and other Members of the Joint Task Group had undertaken on behalf of the Committee.

The Chairman noted that a number of the Group's recommendations had resource implications requiring additional Officer time and queried whether this

had been taken into consideration by the Group. Councillor Tomlinson confirmed that this had been considered by the Group and that it was felt that the additional resources required would be offset by the Officer time freed up by the removal of the Management Board.

The Committee sought clarification as to the process for the approval of the Group's recommendations and the consequences if partner authorities did not agree them.

It was confirmed that Group's report would be considered by each participating authority's Overview and Scrutiny Committee, before being presented to the Worcestershire Shared Services Joint Committee in October. Any appropriate recommendations would then be considered by each Council's Executive. It was noted that there was a risk that the Group's recommendations would receive differing levels of support from different authorities.

The Committee unanimously

Resolved

That the recommendations set out below from the Joint Worcestershire Regulatory Services Scrutiny Task Group be endorsed:

1. That Performance Management Information should continue to be made available for Members' consideration at every meeting of the Joint Committee and be sufficiently high on the agenda to be discussed in detail.
2. Twelve months after the new contact centre arrangements for Worcestershire Regulatory Services have been introduced, replacing the use of the Worcestershire Hub, the Joint Committee should review the effectiveness of these arrangements for communicating with the public.
3. That the web-pages of each partner authority should be regularly monitored to ensure they are kept up to date, with the inclusion of a prominent and obvious link to the WRS website.
4. The purpose, content and circulation of the WRS newsletter should be thoroughly reviewed, with a view to it providing a more systematic and comprehensive account of the work and performance of the shared service, and with the content and format being agreed by the Joint Committee.
5. That Worcestershire Regulatory Services have a designated member of staff to act as a Member Liaison Officer and as a single point of contact to signpost Member enquiries.
6. That in order to reduce the focus on financial considerations which currently play a major part in influencing partner participation, to the detriment of other equally important aspects of the service, the following should be addressed:
 - (a) A new business model for Worcestershire Regulatory Services be developed through the Chief Executives' Panel, building on the proposals already being produced by the Panel.

- (b) Consideration be given to the option for partner authorities to purchase an "out of hours service".
- 7. A new strategic decision making board for WRS should replace the Joint Committee, comprising one elected member per partner authority and supported by senior officers. This should be called the WRS Board.
 - (a) Meetings of this Board should take place at the base of WRS.
 - (b) Responsibility for attendance at Board meetings should lie with each authority's representative, and the quorum for meetings proceeding should be set at five representatives in attendance.
 - (c) Meetings of the Board should take place bi-monthly.
 - (d) Elected members appointed to the Board should be provided with an induction programme and sufficient ongoing training to enable them to fulfil their role effectively.
 - (e) Members appointed to the Board be expected to serve a minimum of two years to ensure continuity.
 - (f) The Chair of the Worcestershire Regulatory Services Board should be elected annually by the members of the Board.
- 8. The Management Board be disbanded, with the Worcestershire Regulatory Services Management Team taking the lead responsibility for operational decision making under the leadership of the Head of Regulatory Services.
- 9. (a) The Head of WRS should be fully accountable to the WRS Board (as the strategic decision making body).
 - (b) The Chief Executive of the host authority to act in a mentoring role as and when necessary.
- 10. (a) All decisions made by the WRS Board be formally reported back to all elected members of the partner authorities in a timely manner.
 - (b) Attention should be paid to communicating updates about any planned changes to WRS services to all elected members of partner authorities.
 - (c) The agendas and minutes of all WRS Board meetings should also be uploaded on to the WRS website in a timely fashion.
- 11. The lessons learned from the Worcestershire Regulatory Services shared service experience, particularly as detailed in this report, should be heeded by elected members and senior officers when considering any future proposals for shared service arrangements involving multiple partners.

12. (a) The Joint Scrutiny Protocol should be reviewed in order to take on board the lessons learned during this review.

(b) Consideration should be given to the reinstatement of the Worcestershire Overview and Scrutiny Chairs Group as a means of feeding back the monitoring of recommendations from Joint Scrutiny exercises, as and when required.

7. **Q4 2013/14 Signals of Success - Performance Report**

Jack Hegarty, Managing Director, introduced the Q4 2013/14 Signals of Success – Performance Report to the Committee. Each section of the report was outlined to Members with the key performance issues and successes highlighted.

The Committee sought clarification about the satisfaction levels with keeping land clear of litter and refuse, as it was reported that the Council had failed to meet a key measure relating to this, while further into the report it was stated that the Council had maintained its satisfaction levels.

Phil Merrick, Head of Community Services, confirmed that satisfaction with the service had not declined but that the target set for improving customer satisfaction had not been achieved.

The Committee discussed the performance of the Planning Service noting that only 51% of major applications had been determined within the 13 week target, compared to the Council's target of 70%. Councillor Mrs J A Pearce, Executive Board Member for Planning, Infrastructure and Housing, informed Members that performance would increase once agreed negotiations with applicants to go beyond the 13 week deadline to enable the best outcome possible, were not included within the statistics provided.

Councillor Mrs F Smith queried why the Council was monitoring the percentage of children aged four to five (reception year) that were obese, and how the Council can reduce this figure. She was concerned that this duplicated the role of other bodies such as the NHS and the County Council.

The Managing Director informed Members that the Government expected all public bodies to contribute to the health agenda and that the Council had facilities that could help impact on the areas highlighted such as leisure centres.

Councillor C G J Tucker, Strong Environment Champion, was concerned that there had been a 5kg increase per household of waste going to landfill when compared with the same quarter for the previous year. The Head of Community Services confirmed that a recycling review report would be going to the Executive Board which would cover this issue. Members were also made aware that currently street cleaning waste was incorporated into the figure for household waste going to landfill but would not in future and so the Council's performance would benefit from this change.

The Vice-Chairman requested that clarification be sought for the performance figures relating to Worcestershire Regulatory Services, specifically point 6 - % of vehicles found to be defective whilst in service, as the percentage figure provided

WYRE FOREST DISTRICT COUNCIL

SPECIAL OVERVIEW & SCRUTINY COMMITTEE

23RD JULY 2014

DRAFT MINUTE EXTRACT

Joint Worcestershire Regulatory Services Task Group – Final Report

The Committee considered the final report from the Joint Worcestershire Regulatory Services Task Group. Members received a comprehensive presentation from the Chair and Vice Chair of the group at the meeting of the Overview and Scrutiny Committee on 3rd July 2014, where the item was deferred for further consideration by Members.

The Director of Economic Prosperity and Place led Members through a general briefing note on Worcestershire Regulatory Services (WRS), which had been circulated prior to the meeting. Members were advised WRS was a shared service of Worcestershire County Council and the six District Councils which was formed on 1st June 2010, and is hosted by Bromsgrove District Council.

Councillor H E Dyke clarified the issues raised regarding the Council's attendance record of the task group meetings. A request had been made by Councillor Dyke to amend the draft terms of reference to include a nominated member, as it was proposed the membership of the group should consist of the Chair or Vice Chair of each authorities Scrutiny Committee. Councillor Dyke had raised concerns at the outset that she may find it difficult to attend due to work and commitments, however the request was declined.

The Committee discussed each of the task group's recommendations in turn, and agreed the following:

- **Recommendation 1 – agreed.**
- **Recommendation 2 – agreed.**
- **Recommendation 3 – agreed.**
- **Recommendation 4 – agreed.**
- **Recommendation 5 – agreed, with a proposal to review the effectiveness of the post in 12 months time.**
- **Recommendation 6 a – agreed.**
- **Recommendation 6b – rejected until further information is provided.**
- **Recommendation 7 – rejected as no clear reason to change current arrangements.**
- **Recommendation 8 – rejected.**
- **Recommendation 9 – rejected.**
- **Recommendation 10a, b & c – agreed, subject to substituting 'WRS Board' for 'Joint Committee'.**
- **Recommendation 11 – agreed.**
- **Recommendation 12a – agreed.**
- **Recommendation 12b – rejected, the group proved to be ineffective in the past due to the difficulty in arranging meetings.**



Joint Committee 2nd October 2014

Regulatory Services Internal Audit Report 2013/14 ~ Update Report

Recommendation

Members note the report and appendix

Contribution to Priorities

The development of robust financial and operational controls will ensure the priorities of the service are delivered.

Introduction/Summary

As part of the objectives as set out in the Bromsgrove Internal Audit Plan for 2013/2014 as approved by the Audit Board on the 14th March 2013, Worcestershire Internal Audit Shared Service were required to undertake internal audit activity in the Regulatory Services area. The work that was undertaken provides an assurance to all partners of the service.

Background

There will be regular audit activity within the Regulatory Services area due to the nature of the Service. The reviews were full system audits that were carried out by Worcestershire Internal Audit Shared Service.

Report

Attached at Appendix 1 are the Regulatory Services audit reports for 2013/14 detailing the findings and recommendations of two audits. The reports have been reported in their entirety to the Joint Committee for information.

The reports contained in Appendix 1 provide a confirmation of background information, the audit scoping, an executive summary of audit findings and an assurance opinion. Detailed findings and recommendations along with the action plan proposed by management are also included, and, the definitions of the assurance categories and the priority applied to each of the points.

All the findings and recommendations have been discussed

Agenda Item 5

	with management prior to the audit report being issued. In summary there was: One 'high' and two 'medium' priority recommendations with regard to the Shared Services audit. One 'high', one 'medium' and one 'low' priority recommendation with regard to the Hackney Carriage and Private Hire Licensing. No issues were brought forward from a previous audit. The recommendations are being addressed by management within an acceptable time frame due to their nature. Follow up monitoring of the 'high' priority recommendations will take place during 2014/15 due to the implementation time requirement. A further audit of Regulatory Services is planned to take place this year and the audit days have been included in the Bromsgrove 2014/15 audit plan as Bromsgrove is the host of the service. The scoping of the audit is to be agreed by the Partner s151 Officers and Senior Management from the service area.
Financial Implications	None other than those stated in the Appendix
Legal Implications	None other than those stated in the Appendix
Sustainability	None as a direct result of this report
Contact Points	Andy Bromage – 01905 722051
Background Papers	Held in Worcestershire Internal Audit Shared Service

Worcestershire Internal Audit Shared Service



(Final) Internal Audit Report Shared Services 2013/14 30th May 2014

Distribution:

To: Steve Jorden - Head of Regulatory Services
Sue Garratt - Licensing and Support Services Team Manager
CC: Jayne Pickering - Executive Director (Finance & Resources)
Kevin Dicks - Chief Executive
S.151 Officers

1. **Introduction**

- 1.1 The audit of the Shared Services – Worcestershire Regulatory Services Management process was carried out in accordance with the Worcestershire Internal Audit Shared Service Audit plans for Redditch Borough Council as approved by the Audit & Governance Committee on 18th March 2013, and Bromsgrove District Council as approved by the Audit Board on 14th March 2013. The audit was a risk based systems audit of the Shared Services – Regulatory Services Management process.
- 1.2 Worcestershire Regulatory Services (WRS) provide a County wide service for issues relating to Trading Standards, Environmental Health and Licensing. Worcestershire Regulatory Services is a shared service acting on behalf of Worcestershire County Council, Redditch Borough Council, Bromsgrove District Council, Wyre Forest District Council, Worcester City Council, Malvern Hills District Council and Wychavon District Council, and is hosted by Bromsgrove District Council. The full year budget for 2013/14 was £5,626m.
- 1.3 The following entries on the corporate risk register were relevant to this review:
- COR7 – Shared Services fail to deliver/ satisfy the needs of the councils.
- 1.4 The following Service Risk Register entries were relevant to this review:
- Effective and efficient budgetary control;
 - Level of savings required outstrips ability of business transformation and change processes to deliver efficiencies;
- 1.5 This audit work was completed by Philip Griffiths (Auditor) in March 2014.

2. **Audit Scope and Objectives**

- 2.1 The review assessed whether the following control objectives of the Shared Services – Worcestershire Regulatory Services Management process were being achieved:
- To ensure budget holder responsibilities have been defined for each budget area, and budget monitoring practices occur in a regular and timely manner, critically analysing actual expenditure against budgets and financial forecasts.
 - To ensure financial and non-financial performance targets have been defined in the service business plan, including the identification and monitoring of efficiency savings, cost reductions and income generation;
 - To ensure that financial savings identified by partner Councils are assessed for their impact on service delivery;
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- That there are appropriate procedures in place for monitoring chargeable activities, to ensure income is properly accounted for and notified to partner authorities;
- To ensure that provision of information to member Councils for completion of government returns and setting of fees is based on data that is comprehensive and accurate;
- That there are appropriate procedures in place to ensure reporting of financial information to the Worcestershire Shared Services Joint Committee and the Worcestershire Regulatory Services Management Board is correct, and represents a fair view of the current financial position of the service.

- 2.2 The review was a full system audit, and concentrated on the Shared Services – Worcestershire Regulatory Services Management process from the host authority’s point of view during April 2013 to March 2014.
- 2.3 Therefore the audit did not cover the individual services undertaken for and on behalf of other clients or partner organisations of Worcestershire Regulatory Services, except where they relate to the above objectives. However a separate audit was undertaken for 2013/14 of Hackney Carriage and Private Hire Taxi licensing and a separate audit report issued.

3. **Audit Opinion and Executive Summary**

From the audit work carried out we have given an opinion of **moderate assurance** over the control environment in this area. The level of assurance has been calculated using a methodology that is applied to all Worcestershire Internal Audit Shared Service audits and has been defined in the “Definition of Audit Opinion Levels of Assurance” table in Appendix A. However, it should be noted that statements of assurance levels are based on information provided at the time of the audit in respect of the specific audit objectives. Where there is no specific reference to an audit objective in the findings and recommendations table at point 4 below, recipients of this report can take reassurance that a reasonable level of assurance was determined during audit testing for those objectives.

We have given an opinion of **moderate assurance** in this area because there is a generally sound system of financial control in place, albeit recent events concerning the need to make high value savings within the service have been problematic including a delayed agreement of the Service budget, which had a knock-on affect on the ability to achieve the desired savings in the necessary timeframe. Several areas of system weakness have also been identified with regards to the performance monitoring process, following the recent implementation of the new Uniform system developed from the merger of multiple different systems previously managed by the different partner organisations, which monitors work activity undertaken by the shared service. The information on this new system is currently subject to extensive data cleansing, although management practices have been recently introduced to identify and rectify these issues. A full reconciliation between license records held by Worcestershire Regulatory Services and the payments received by District Councils is not being completed. The issue is currently being addressed, however this has an impact on the overall audit assurance level for this work.

The recommendations identified during the audit have been prioritised according to their significance/ severity in the table below. We have used this prioritisation to inform our audit opinion. The definitions for high, medium and low priority are set out in the “Definition of Priority of Recommendations” table in Appendix B.

Priority	Number of Recommendations
High	1
Medium	2
Low	0

4. Detailed Findings and Recommendations

The issues identified during the audit have been set out in the table below along with the related risks, recommendations, management responses and action plan. The issues identified have been prioritised according to their significance / severity. The definitions for high, medium and low priority are set out in the “Definition of Priority of Recommendations” table in Appendix B.

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
New matters arising					
1	High	<u>Performance Monitoring Data</u> There have been a number of issues with the implementation of the new Idox Uniform system during the 2013/14 financial period. Difficulties have been experienced with historic data from previous systems being merged together into the single system. A number of duplicated records have been found, as well as incomplete information. Temporary staff members have been hired to rectify many of the records. The individual teams are managing information in an inconsistent manner, requiring different key fields to be completed. Mandatory field entries are not required on this system. These errors and inconsistencies with information management have resulted in the need to perform extensive cleansing and manipulate extracted information to ensure integrity and suitability of the data provided for performance monitoring purposes.	Inaccurate or incomplete data used for performance monitoring, leading to reputational damage.	Additional development is required on the recently implemented Idox Uniform system to normalise the quality of entered information, to enable a more time effective and reliable performance reporting process, and to provide a consistent approach to data management and reporting within the Service across all partner organisations.	Responsible Manager: Licensing and Support Services Team Manager Implementation date: On-going data cleansing of all permanent licensing records i.e. Premises Licenses to be cleaned and finalised by September 2014. Annual licenses should be cleansed and finalised at the end of the implementation year December 2014. On-going training in the use of the software system will be provided to support consistency of data inputting. Training on software changes/updates will be given as and when necessary.

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
2	Medium	<u>Budget Setting</u> The setting of the Worcestershire Regulatory Service budget should be approved by September prior to the financial period in question. The budget for 2014/15 was not approved until 20th February 2014 due to on-going negotiations regarding the individual financial savings required, and the timing of individual partner budget setting practices. In addition, the final approved budget for Worcestershire Regulatory Services does not correspond with the financial information provided in the Service Plan for 2014/15.	Lack of timely approval, leading to reduced capacity to achieve identified savings reductions in the desired financial period.	The timing of the budget preparation needs to be re-assessed to synchronise with the different budget setting practices at each partner organisation. All reported budget information should be correct at the time of approval by the Worcestershire Shared Service Joint Committee.	Responsible Manager: Head of Worcestershire Regulatory Services Implementation date: There is a process for agreeing the WRS budget clearly laid out in the SLA, however due to some partners having to respond to a changing financial position during this period, final agreement was not reached until after the due date. Plans to better align WRS budget setting with partner budget setting processes are being developed by the WRS Management Board in time for the 2014/15 financial year.
3	Medium	<u>Information for Fee Setting</u> Partner Councils are expected to provide information to the Worcestershire Regulatory Services on the income received for each licensing activity, along with their individual costs for supporting the process. The Service is then required to proportion the costs of managing license arrangements. Currently this is being done using the number of applications per district, and does not currently take into account individual time requirements of each type of work. This information is to be recorded during 2014/15, for use in future fee setting activities. Once	Incorrect charging leading to inappropriate profits or unacceptable losses for this process.	There needs to be a formal process for requesting and receiving financial information from each of the district partners, for the purposes of setting license fees.	Responsible Manager: Head of Worcestershire Regulatory Services Implementation date: There is a formal process currently in place but not written down. A review of the roles and responsibilities and operation of the Management Board is currently being undertaken by the Chairman of MB. Management board representatives will be contacted

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
		done, the Service recommends whether each partner Council should change their license fees for the period. There is no formal procedure for receiving financial information from each of the partner councils. At the time of the audit, information had not been received for Malvern Hills District Council or Worcester City Council. Councils are not allowed to make a profit on licensing activities over a 3-yearly rolling period. Each individual council is liable for their own profits and losses incurred.			in future where partners fail to respond to financial information requests in a timely manner.

APPENDIX A

Definition of Audit Opinion Levels of Assurance

Opinion	Definition
Full Assurance	The system of internal control meets the organisation's objectives; all of the expected system controls tested are in place and are operating effectively. No specific follow up review will be undertaken; follow up will be undertaken as part of the next planned review of the system.
Significant Assurance	There is a generally sound system of internal control in place designed to meet the organisation's objectives. However isolated weaknesses in the design of controls or inconsistent application of controls in a small number of areas put the achievement of a limited number of system objectives at risk. Follow up of medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.
Moderate Assurance	The system of control is generally sound however some of the expected controls are not in place and / or are not operating effectively therefore increasing the risk that the system will not meet its objectives. Assurance can only be given over the effectiveness of controls within some areas of the system. Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.
Limited Assurance	Weaknesses in the design and / or inconsistent application of controls put the achievement of the organisation's objectives at risk in many of the areas reviewed. Assurance is limited to the few areas of the system where controls are in place and are operating effectively. Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.
No Assurance	No assurance can be given on the system of internal control as significant weaknesses in the design and / or operation of key controls could result or have resulted in failure to achieve the organisation's objectives in the area reviewed. Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.

APPENDIX B

Definition of Priority of Recommendations

Priority	Definition
High	Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. Immediate implementation of the agreed recommendation is essential in order to provide satisfactory control of the serious risk(s) the system is exposed to.
Medium	Control weakness that has or is likely to have a medium impact upon the achievement of key system, function or process objectives. Implementation of the agreed recommendation within 3 to 6 months is important in order to provide satisfactory control of the risk(s) the system is exposed to.
Low	Control weakness that has a low impact upon the achievement of key system, function or process objectives. Implementation of the agreed recommendation is desirable as it will improve overall control within the system.

Worcestershire Internal Audit Shared Service



(Final) Internal Audit Report

Worcestershire Regulatory Services Hackney Carriage & Private Hire Taxi Licensing 2013~14

23rd June 2014

Distribution:

To: Steve Jorden ~ Head of Regulatory Services
Mark Kay ~ Business Manager
Sue Garratt ~ Licensing and Support Services Team Manager
Section 151 Officers
Kevin Dicks ~ Chief Executive

CC: John Moyles ~ Interim Financial Services Manager
Sam Morgan ~ Financial Services Manager



Introduction

- The audit of Regulatory Services (Hackney Carriage/Private Hire Taxi Licencing) was carried out in accordance with the Worcestershire Internal Audit Shared Service Audit Plan for Bromsgrove District Council for 2013/14 as approved by the Audit Board on 14th March 2013. The audit was a risk based systems audit of Worcestershire Regulatory Services as hosted by Bromsgrove District Council.
- The following entry on the corporate risk register was relevant to this review:
 - i. **COR7** – Shared Services fail to deliver / satisfy the needs of the councils
- Worcestershire Regulatory Services is responsible for assessing all license applications received for all Worcestershire authorities, including Hackney Carriage/Private Hire Taxi Licences. Delegated authority has been given for Worcestershire Regulatory Services' Technical Officers to approve all licences apart from where the application is outside the normal scope/criteria. These cases must be referred to the Licensing Committee of the relevant council for a decision. The level of fees charged is set by each council, however charges must be set at a level which is 'designed to meet but not exceed the cost the Council reasonably believes will be incurred' unless a justifiable reason can be produced.
- The cost of licensing services to all of the Worcestershire districts was £350,000 in 2013/14.
- This audit was undertaken by Catherine Turnock during the months of February and March 2014.

2. Audit Scope and Objectives

- The review assessed whether the following control objectives of Worcestershire Regulatory Services (Hackney Carriage/Private Hire Taxi Licencing) were being achieved:
 - i. Hackney Carriage and Private Hire Taxi new application licences haven only been granted with the appropriate supporting evidence, including for appropriate payment, in line with legislation and each council's agreed Policy;
 - ii. Renewal application licences have only been granted with the appropriate supporting evidence, including appropriate payment, in line with legislation and each council's agreed Policy;
 - iii. There was a process in place to ensure licences are renewed at the appropriate time;

iv. Monitoring and enforcement arrangements are in place to ensure the public is protected.

- The review was a full system audit concentrating on Hackney Carriage / Private Hire Taxi Licencing processes and enforcement activity of Worcestershire Regulatory Services Shared Service, hosted by Bromsgrove District Council. It covered the period from 1st April 2013 to the date of the audit.
- The audit did not cover any other types of licensing carried out by Worcestershire Regulatory Services as a shared service, for example Alcohol Licences.

3. Audit Opinion and Executive Summary

From the audit work carried out we have given an opinion of **moderate assurance** over the control environment in this area. The level of assurance has been calculated using a methodology that is applied to all Worcestershire Internal Audit Shared Service audits and has been defined in the “Definition of Audit Opinion Levels of Assurance” table in Appendix A. However, it should be noted that statements of assurance levels are based on information provided at the time of the audit in respect of the specific audit objectives. Where there is no specific reference to an audit objective in the findings and recommendations table at point 4 below, recipients of this report can take reassurance that a reasonable level of assurance was determined during audit testing for those objectives.

We have given an opinion of **moderate assurance** in this area because some of the expected controls are not in place or are not operating effectively. Assurance can, therefore, only be given over the effectiveness of controls within some areas of the system. New and renewed licences for Hackney Carriage / Private Hire Taxi drivers, vehicles and operators are issued by Regulatory Services Licensing Officers only on receipt of required supporting documents and with evidence of payment to districts, which is in line with each council’s policy and the legislation. The Uniform system has been live since June 2013 and is being used to record all new applications with renewal records being updated on an ongoing basis. Work is underway in team meetings to further standardise officers’ use of the system, and is moving towards full roll out of the Electronic Document and Records Management System (ERDMS) so that all supporting evidence will be scanned to Uniform. However, there remain issues with the integrity of the historical data transferred to Uniform from previous systems, and data cleansing has not yet been fully completed. A new Licensing Officer with an Information Technology background has been recruited and will be working on Uniform as a ‘project’ from early 2014/15 to improve the integrity of the data held. Due to the data issues, a full reconciliation of licences issued by Worcestershire Regulatory Services compared to income received for licensing to districts cannot yet be completed.

A plan for regular licence checks and safety inspections is in place, which at least meet individual Licensing Committee’s requirements, and a new process has been developed to centrally record all issues raised with drivers, vehicles and operators by district area. This will,

from early April 2014, be recorded on Uniform. It is currently too early to judge how successful this is, but ongoing monitoring will be undertaken by the Worcestershire Shared Service Joint Committee as one of the performance measures in the 2014/15 Service Plan. The recommendations identified during the audit have been prioritised according to their significance / severity in the table below. We have used this prioritisation to inform our audit opinion. The definitions for high, medium and low priority are set out in the “Definition of Priority of Recommendations” table in Appendix B.

Priority	Number of Recommendations
High	1
Medium	1
Low	2

4. Detailed Findings and Recommendations

The issues identified during the audit have been set out in the table below along with the related risks, recommendations, management responses and action plan. The issues identified have been prioritised according to their significance / severity. The definitions for high, medium and low priority are set out in the "Definition of Priority of Recommendations" table in Appendix B.

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
New matters arising					
1	High	<u>Reconciliation of Income</u> There is currently no full annual reconciliation of payments received by districts for taxi licences to licences awarded. This is planned but has not yet been undertaken due to the significant issues experienced with the integrity of the data held on the Uniform system. In addition, testing has shown that there is variation in the way in which districts record income from taxi licensees, which would make some reconciliations challenging, for example there are not always references to the licensee/receipt number in the general ledger for Bromsgrove District Council and Worcester City Council. There is also variation in the consistency of data held in hard copy files.	Risk that licences are issued without proper payment being made/coded to the correct ledger account, leading to financial loss and reputational damage.	• Worcestershire Regulatory Services to continue to work to cleanse data in Uniform and hard copy files so that accurate information on licence income received can be provided to districts for reconciliation to ledgers. • Worcestershire Regulatory Services and Head of Finance Services in Worcester City Council and Bromsgrove District Council to review and consider processes that will make reconciliation possible.	Responsible Manager: Licensing & Support Services Team Manager (Worcestershire Regulatory Services) Interim Financial Services Manager (Worcester City Council) Financial Services Manager (Bromsgrove District Council) Implementation date: By December 2014

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
2	Medium	<u>Fee Setting</u> There is considerable variation between councils in terms of Licence fees and the duration for which they are held prior to requiring renewal. For some authorities there needs to be a more transparent process for setting taxi licence fees annually by Licensing Committees. There is no current requirement for standardisation, but the legislation states that no profit can be made by licensing authorities from licensing income. The Deregulation Bill, when it receives Royal Assent, will standardise licence durations, but this will further highlight disparity between licence fees across districts.	Risk of challenge regarding why fees and durations of licences vary which cannot be responded to, leading to reputational damage.	Worcestershire Regulatory Services to complete the planned fees exercise for taxis across all districts to calculate an approximate 'cost' to the Shared Service. Districts to consider the cost of licensing at a district level to arrive at a total actual cost. Districts to consider how/whether to move to more transparent charging processes.	Responsible Manager: Licensing & Support Services Team Manager (Worcestershire Regulatory Services) All district councils' Section 151 Officers Implementation date: WRS are watching the journey of the Deregulation Bill closely; a report outlining the impact of the Deregulation Bill has already been presented to the Management Board for their consideration and agreement. Finance teams will need to work with WRS to arrive at an actual cost of a licence once the impact of the Bill is realised and implementation timescales understood. In the meantime, WRS will be undertaking the planned fees exercise for taxis from September 2014 onwards. Districts to consider implications of fees exercise by April 2015 for 2015/16.

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
3	Low	<u>Payments</u> Payment (usually in cheque form) is sometimes received directly by Worcestershire Regulatory Services accompanying a licensee's returned renewal slip. In these cases, Licensing Officers write applicant's details on the backs of any cheques, which are then taken to customer service centres for depositing. The exception to this process is for Worcester City Council, where cheques received direct at WRS are written on (as above) and sent on a daily basis direct to the finance team through internal post for processing. However, there is no process for Worcester City Council acknowledging receipt of cheques or for providing receipts to confirm deposit. This does not, reportedly, happen too frequently currently, but if the renewal slip becomes a more standardised method of renewal it will become more frequent in future.	Risk that licences are awarded where no payment has been made, leading to financial loss and reputational damage.	Worcestershire Regulatory Services and Worcester City Council to work together to consider putting in place a process whereby receipt and banking of cheques sent through internal post is confirmed.	Responsible Manager: Licensing & Support Services Team Manager (Worcestershire Regulatory Services) Interim Financial Services Manager (Worcester City Council) Implementation date: Immediate A meeting will be arranged between Finance and WRS to discuss processes and ensure immediate implementation.
4	Low	<u>Websites – reporting of complaints</u> District council's Licensing Committees stipulate the number and frequency of scheduled enforcement exercises required for regulation by Worcestershire Regulatory Services. This requirement varies between authorities but, for most authorities, the main method of ensuring public safety	Risk that any action to ensure breaches in conditions is not undertaken promptly or efficiently leading to potential reputational damage and public concern.	In updating of districts' websites, which is a project scheduled by Worcestershire Regulatory Services for early 2014/15, consider including clear links to districts' complaints policies for Licensing Complaints.	Responsible Manager: Licensing & Support Services Team Manager (Worcestershire Regulatory Services) Implementation date: July 2014 Work has already begun in this area;

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
		currently is through acting upon complaints received about drivers, vehicles or operators. Expectations are that complaints are to be addressed by Worcestershire Regulatory Service in line with each council's corporate complaints procedure. However, this is not currently publicised so that the public is clear about how and where to make complaints or what they can expect to happen. There is no link on the district councils' Licensing websites to complaints policies.		Ensure Worcestershire Regulatory Service staff are trained on the requirements of individual council processes.	Licensing Officer is now in post who has taken on this role; however, implementation is delayed slightly due to Districts moving to a different support platforms for their webpages. In the meantime the Licensing Officer responsible for websites already has 3 of the 6 district log ons and is doing some background information gathering. Clear links to WRS complaints procedure will be included on all district and WRS website pages.

APPENDIX A

Definition of Audit Opinion Levels of Assurance

Opinion	Definition
Full Assurance	The system of internal control meets the organisation's objectives; all of the expected system controls tested are in place and are operating effectively. No specific follow up review will be undertaken; follow up will be undertaken as part of the next planned review of the system.
Significant Assurance	There is a generally sound system of internal control in place designed to meet the organisation's objectives. However isolated weaknesses in the design of controls or inconsistent application of controls in a small number of areas put the achievement of a limited number of system objectives at risk. Follow up of medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.
Moderate Assurance	The system of control is generally sound however some of the expected controls are not in place and / or are not operating effectively therefore increasing the risk that the system will not meet it's objectives. Assurance can only be given over the effectiveness of controls within some areas of the system. Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.
Limited Assurance	Weaknesses in the design and / or inconsistent application of controls put the achievement of the organisation's objectives at risk in many of the areas reviewed. Assurance is limited to the few areas of the system where controls are in place and are operating effectively. Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.
No Assurance	No assurance can be given on the system of internal control as significant weaknesses in the design and / or operation of key controls could result or have resulted in failure to achieve the organisation's objectives in the area reviewed. Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.

APPENDIX B

Definition of Priority of Recommendations

Priority	Definition
High	Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. Immediate implementation of the agreed recommendation is essential in order to provide satisfactory control of the serious risk(s) the system is exposed to.
Medium	Control weakness that has or is likely to have a medium impact upon the achievement of key system, function or process objectives. Implementation of the agreed recommendation within 3 to 6 months is important in order to provide satisfactory control of the risk(s) the system is exposed to.
Low	Control weakness that has a low impact upon the achievement of key system, function or process objectives. Implementation of the agreed recommendation is desirable as it will improve overall control within the system.

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2756Project Title:	Strategic Procurement	Client:	Bromsgrove District Council on behalf of SWBC and WRS	Job No:	12116
Project Manager:	Chris Lunn	Date:	29 th September 2014	Document No:	007

Completed tasks for reporting period from	1 st August 2014	to	29 th September 2014
Project Management - The project plan has been updated and issued to the project team and is being used as the basis of reporting going forward. The project team continue to meet monthly during this quieter period in the procurement, these meetings are at Bromsgrove DC at 9:30. Minutes of the meetings are taken and distributed. Key communications are sent out following all project team meetings to key stakeholders from WRS and SWBC. Due to the reduced number of bidder, the project plan is being updated to reflect shortened timescales. ITPD/ISOS – The second round of dialogue meetings was held on 11th and 12th August, with additional dialogue session held week beginning 18th August. During these dialogue session it has become evident that Capita will submit a variant bid to deliver both lots as a single service. During this stage minutes were taken of all dialogue sessions, these minutes were shared with that bidder and where appropriate shared with all bidders. A second site visit was requested by one supplier and held during this dialogue stage. ITCD/ISDS – WRS have arranged sessions with management board to address the issues and risks for each lot. These include questions over accommodation, scope, HR, IT etc. WRS also are identifying the performance measures they will expect to be included within the contract and that will be shared with bidders during this stage. A draft set of ITCD documents (based on those used at ITPD stage) has been created and circulated to the project team, who are in the process of updating them, ready for issuing to bidder on the 3rd October. Outline Submissions – The closing date for bidder to submit their outline solutions was noon on the 12th September. Only one submission was received, from Capita. The submission has been evaluated and moderated, the decision being to progress the submission through to the next phase for further more detailed discussions.			

Tasks to be completed for reporting period from	1 st October 2014	to	30 th November 2014
Project Management - The project team will hold regular meetings throughout October and November to monitor the dialogue sessions, plan the next phase and highlight any key risks and issues. The risk log will again be reviewed and updated, by the Project Team, working closely with the Management Board to address any areas of concern. ITCD – Further dialogue session will be held throughout October and parts of November to establish a better understanding of the bidders' solution, including the detail that sits behind			

Tasks to be completed for reporting period from	1st October 2014	to	30th November 2014
their outline submission. Reference site visits, and supplier presentations will also be held during this stage			

Project Status:	On going	On time?	yes	On budget?	No
Due to the fortnightly (rather than monthly) project board and the level of support that has been required through the ITPD stage, slightly more days have been used than expected to this point. Currently the project is running 5 days over plan.					



Joint Committee Meeting

Date 02 October 2014

Transformation Work Update

Recommendation

That the Joint Committee notes the report.

Executive Summary

Feedback from the private sector companies participating in dialogue sessions of the Strategic Partnering procurement project have all acknowledged how well WRS has done in driving out waste and improving efficiency and admitted that they would struggle to do better given the savings we have already delivered.

This transformation has been achieved by applying systems thinking principles in a pragmatic way to service delivery. First contact telephony has been brought in-house, self-help packages have been developed for appropriate service areas and work flows have been streamlined to reduce waste and improve resolution times for service requests.

Planning algorithms have been introduced to improve decision making and reduce reliance on WRS staff and our web site is now business and customer friendly, facilitating self-help wherever appropriate.

Our innovative risk matrix gives a clear understanding of the financial model in which we operate and enables partners to make better informed choices in respect of base budget reductions.

Business surveys probe the likely market for paid for advice/ support services within the County and WRS is now a successful provider of quality services to other local authorities.

Changes to service delivery have been accompanied by significant technical changes facilitating mobile and agile working and improving our ability to report to you, the Joint Committee, on our outcome measures.

Joint working is undertaken between colleagues from different professional backgrounds whenever appropriate and an intelligence unit has been created which coordinates, disseminates and acquires intelligence aimed at targeting resources more effectively. We have also developed a much more targeted approach to carrying out our proactive work especially in relation to food safety interventions.

The following report describes this transformational work in more detail.

Introduction

Since its launch in 2010 Worcestershire Regulatory Services has undergone major and sustained transformational change whilst experiencing a year on year reducing budget from £7.15m to £4.4m This has contributed significantly in exceeding the challenging savings indicated in the original business case (38% against 17.5%) whilst delivering high quality services and developing new and innovative ways of working which have achieved national recognition.

Joint working is undertaken between colleagues from different professional backgrounds whenever appropriate. A pilot intelligence unit was created to coordinate, disseminate and acquire intelligence aimed at assisting officers to target resources more effectively at certain trade sectors or individuals.

WRS represents a new local government business model and this report is to advise members on the evolutionary changes that have taken place since we began operations four years ago.

Report

Business Transformation (Service Delivery)

Systems Thinking has provided the challenge and drive for determining what the service is seeking to deliver. The development of purposes from a customer perspective has assisted Officers in shaping their responses to work within our framework of strategic priorities.

The clear purposes for the service are:

- Help me to resolve my problem (and stop it from happening to anyone else)
- I want to think everything is ok (for example, that the food I eat is safe)
- Help me to trade well (safely and fairly) and ensure my competitors do the same.



Agenda Item 8

We have streamlined our work “flows” with a view to eliminating waste from our systems; this could take the form of unnecessary hand-offs from one member of staff to another, ensuring that expertise is in the right place, removing unnecessary and over-complicated forms and procedures and ensuring that wherever possible the customer’s problem is properly understood and resolved at the first point of contact. Together with detailed data capture in respect of the types and volume of demand coming in to the service we have been able to re-design our way of working and adopted a “Get it right first time” approach.

The new role of Duty Officer has been created bringing first contact telephony in-house from the Hub call centre to improve service and increase resolution at first point of contact. Service requests completed and closed on the same day under the Hub in April stood at 20.2%. Since coming in house this resolution at first point of contact has risen significantly to 48.6% in May and 41.7% in June.

We have developed a self-help package for non-noise related nuisances to shift customers away from the traditional “one size fits all” direct intervention route which was adopted in all cases, whatever the individual need or circumstance. In addition we have reviewed the work flow for nuisance, including noise, to reduce end to end time and deliver a customer focused intervention. Data obtained from the Worcestershire hub for April indicated an average end-to-end time of 10.8 days across all areas covered. Under our in house arrangement in May it was just 4.2 days and 6.7 days for June. This would indicate that we have been able to significantly reduce the time taken from receiving a service request to resolving it.

A further innovation has been to develop planning algorithms to support Planning Officers in their decision making thus reducing reliance on Environmental Health professionals. This has enabled WRS to maintain referrals at the same level despite a 17% increase in applications to Worcester City.

Another strategy has been to review and develop the WRS website to be both business friendly and to promote the self-help principle for all customers. We received over 77,000 “hits” on our web site between January 1 2014 and June 23, 2014. Advice and letter templates have been posted for people to download and a pilot exercise has seen 23% of complaints successfully diverted to self-help. Initial indications suggest that this route has the potential to deliver real benefits.

Mediation skills of all WRS officers have been used for domestic nuisance issues and in the event of a significant problem we are able to push work directly out into the field.

Financial Developments

We have developed an innovative risk matrix giving us a clear understanding of the financial model we operate within and which enables partners to base budget reductions.

In addition we have developed a 3-year financial plan for delivering partner savings requirements and introduced a review of fixed costs and overheads to find efficiencies and reduce them.

We continue to survey businesses to look at the likely market for paid for advice/ support services within the County and seek income from other sources. We have successfully delivered Licensing work to Tewkesbury BC (£6k 2014), Health and Wellbeing work on behalf of NHS Worcestershire Public Health (£10k 2014), Dog Warden services to Cheltenham and Tewkesbury Councils (£5k 2014), Air Quality work to Hereford Council (£1k 2013/14) and successfully bid for 2 BDRO Grants totalling £35k to promote business friendly service delivery and primary authorities in the Animal Health sector. We are currently drawing up a contract to provide Pollution Control work to Tewkesbury Borough Council.

Channel Shift & IT Developments

Changes to service delivery have been accompanied by significant technical changes. The move to a single ICT platform and transfer of historical data has enabled the termination of ten ICT supplier contracts reducing supplier support and licensing costs by some £50k.

Efficiencies in dealing with customer queries and freedom of information requests have been realised and three FTE have been freed up from legacy system support duties to concentrate fully on operational work. Customer-focus and improved performance and efficiency have been key design features and the service has become much more self-sufficient with the formation of the internal ICT Team with much less reliance on supplier support.

Implementation of our IT platform has improved our ability to report to Joint Committee on our outcome measures. Uniform is now operating across all functions and the service will move into developing a public access front end during 2014/15 to increase channel shift and allow more direct customer interaction (e.g. direct submission of



license applications and progress monitoring of service requests.) Reports going to the Joint Committee and Management Board will have data broken down into individual Councils areas where this is relevant and deliverable.

Further features of the ICT system include a new integral document management system, spatial information and mobile access. This together with the provision of iPads and laptops gives Officers remote access to “live” information in the field, so facilitating a more efficient and customer focussed way of working. Public Access will further enable the development of channel shift within the service.

We have implemented mobile and flexible working for operational staff across the service. This is generally now the norm, with staff frequently using home as their start and finish point for work in the field. Officers come into Wyatt House two or three days per week to liaise with managers and colleagues and for meetings. On the other days they work flexibly reducing the need for office space and reducing the need for travel to and from the office. The touch-down points retained in each of the councils (excluding the City as Wyatt House is there) have provided an excellent venue for licensing surgeries and these have been welcomed by the taxi trade in particular. This move has also enabled staff to strike a better work/life balance which is essential for good morale.

Cross-Team working

Joint working is undertaken between colleagues from different professional backgrounds whenever appropriate. For example the health and safety project in relation to night clubs also looked at licensing and the high risk leisure activities and tanning salons project included colleagues from Trading Standards.

The integration of the county council’s petroleum licensing function with the district IPPC function has been a notable success and spreading this work amongst a small pool of people has improved resilience within the service.

Joint working at food businesses is undertaken where, for example, WRS has an interest in food standards and food hygiene. This not only increases our efficiency but also reduces the burden placed on businesses by reducing the number of visits made to them. It also provides the flexibility required to allocate resources to meet fluctuations in demand which may be seasonal or the result of a major incident.

Proactive intervention programmes

The service has developed a much more targeted approach to carrying out its proactive work especially in relation to food safety interventions. WRS migrated to the Food Standards Agency national Food Hygiene Rating Scheme [FHRS] in June 2012. This scheme replaces the former Scores on the Doors local scheme.

The FHRS is a Food Standards Agency/Local Authority partnership supported by government designed to help consumers choose where to eat out. It does this by providing information about hygiene standards in food outlets at the time they are inspected. We are thus able to concentrate resources on the highest risk businesses which are those within the FHRS level 0 – 3. Level 3 is “generally satisfactory”.

This approach has reduced the inspection programme by some 2,200 premises (from a base of 7,000) enabling us to target those businesses that are either struggling to comply or are operating illegally. These are the key premises that we need to actively manage and a number of closures and prosecutions reflect the effectiveness of this policy.

Those businesses not included in the FHRS are subject to a separate programme of light touch interventions such as surveys and projects with intelligence being used to ensure that the poorest premises are identified and visited.

We have also saved time and improved our service to business customers by introducing registration acknowledgements to new premises. These provide food safety advice such that food business operators are better informed and know what they are doing when we arrive.

Health and safety interventions are now intelligence-led and are carried out in response to accident reports, service requests and project work. Builders’ yards were identified as a problem area and our recent intervention in this sector has seen a rise in standards.

Intelligence-led interventions

Intelligence now plays a major role in informing our decisions and activities, particularly within the Trading Standards functions under the National Trading Standards Board’s Integrated Operating Model. We are now applying the model to aspects of our Environmental Health functions. There will not be a full fit, but some elements of the model such as its problem solving



approach will be applicable.

The creation of our own intelligence unit within the service represents a significant innovation in approach. The team coordinates, disseminates and acquires intelligence assisting officers in targeting resources more effectively at certain trade sectors or individuals. This role dovetails regional intelligence units within Trading Standards and other enforcement agencies such as Police intelligence. The Unit also monitors service and officer performance, implements the National Intelligence Operating model for Trading Standards and informs the intelligence led approach now adopted across all WRS functions. Intelligence reports produced by the unit enable the service to identify hot spots for certain categories such as noise complaints and help efficiently marshal and deploy resources. The Intelligence Unit has helped to both direct the work of the service and provides information for managers and members on outputs.

Improved Business Support

WRS has been recognised by the Department for Business Innovation and Skills as a positive, innovative and pioneering service which is leading the UK pack in working to streamline and reduce regulatory burdens on business. The Worcestershire Local Enterprise Partnership has made a significant commitment in signing the Regulatory and Business Charter 2012 and our early partnership work has attracted interest at Government level and has been identified as a "Better Business for All" Champion to other LEP Areas.

WRS has carried out original work with BRDO to promote a business friendly face through our website and printed materials. In respect of our "Help me to trade well" purpose we have been able to support five of our businesses trading nationally through the Primary Authority scheme; only one such arrangement existed prior to WRS. Two further companies are about to go "live" with us. In addition we have increased membership of the Trader Register (whereby the public have access to a list of "trusted traders") to 119 members. Income generation from that is £3,570 plus we save £2,340 on the licence fee as this is now covered by the paying members.

We have developed an active Regulators' Forum which brings together local representatives from national regulators to promote joined-up working. We are also involved in a joint bid with WLEP to Government for regulatory exemplar pilot project aimed at reducing regulatory burden in the local food/ agri-business sector

WRS has engaged in an innovative joint working partnership with Warwickshire Trading Standards Service in relation to its metrology (weights & measures) calibration function. The partnership has seen the closure of the laboratory and some work transferred to Warwickshire. Officers from Worcestershire maintain their competency and continue work involving testing weighing and measuring equipment for local businesses under the Warwickshire Quality system. This has provided a saving of one Trading Standards Officer post.

Businesses have also benefited from the improvements made within the Licensing function. Processes have been improved with the harmonisation of policies and development of generic policies for new legislation. We have created a common model for fee setting and look to achieve harmonisation of fees whenever possible. Examples of good practice are disseminated to all partners and staff work across a broader geography including licensing surgeries.

Summary

WRS has evolved from a grouping of seven disparate, widely different and independent regulatory services in the beginning to a nationally recognised, successful, innovative and forward thinking organisation delivering high quality services and developing new ways of working. All this has been achieved whilst introducing a new single IT platform, transferring all existing data from 10 legacy systems and assisting several partners and local businesses to deal with the serious impact of the recent widespread flooding and two major fire/ potential pollution incidents.

Outcomes

As described in the main body of the report.

Financial Implications

The transformational changes described above have contributed significantly to exceeding the savings indicated in the original business case (38% against 17.5%) whilst maintaining performance levels. The budget has reduced from £7.15M 2010/11 at launch to £4.4M for 2014/15 and staff resource from 154 FTE at launch to 96.5 FTE for 2014/15. 3 FTE are now externally funded. Prior to the shared service there were 33 roles having supervisory responsibilities across the 7 partners in the WRS functions. This is now down to 17. We have also been able to return £533k of the £1.5M original business case transformation budget to partners.



Agenda Item 8

As budgets contract it will become harder to deliver what individual customers want with fewer options being available. By continuing to innovate in service delivery, reviewing our processes to eliminate waste and following our philosophy of continuous improvement we will strive to deliver high levels of customer service within the financial envelope set by partners.

Contact Points

David Mellors, Community Environmental Health Team Manager

Tel: 01527 548221

email: d.mellors@worcsregservices.gov.uk

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Joint Committee 2nd October 2014

WORCESTERSHIRE REGULATORY SERVICES REVENUE MONITORING APRIL – JUNE 2014

Recommendation

It is recommended that the Joint Committee:

- 1.1 Note the financial position for the period April – June 2014
- 1.2 Note external auditor certificate and opinion 2013/14

Contribution to Priorities

The robust financial management arrangements ensure the priorities of the service can be delivered effectively.

Introduction/Summary

This report presents the financial position for Worcestershire Regulatory Services for the period April – June 2014.

Background

During the financial year quarterly financial reports are presented for consideration by the Management Board. At the end of each financial year the accounts are closed and the Annual Return is prepared to enable the accounts to be audited. This document is a prescribed form which has to be completed and approved by the Joint committee.

Report

The following reports are included for Joint committee's Attention:

- Revenue Monitoring April – June 14 – Appendix 1
- ICT System projected financial position 2014/15 – 2015/16 - Appendix 2
- WRS Annual Statement Audit Report 2013-14 – Appendix 3

Agenda Item 9

The detailed revenue report is attached at Appendix 1. This shows a final outturn underspend of £58k This underspend is mainly due to :

- A number of vacant posts within the service The underspend is offset by the costs associated with additional agency staff being used to cover the vacancies and to assist with the data cleanse of the new system
- Costs associated with additional work for partners, eg bereavement charges and works in default is offset by additional income received.
- Any grant funded expenditure is shown separate to the core service costs as this is not funded by the participating Councils.

ICT System Projected Costs

Appendix 2 details the expenditure for the one off costs associated with the implementation of the project for 2014/15. The capital budget will be spent on remote and mobile working devices once the mobile working platform has been finalised. A project team has been set up and they are evaluating a number of options, it is anticipated that this work will be completed by Autumn.

WRS Annual Statement Audit Report 2013-14

Appendix 3 is the auditors report regarding 2013/14 annual statements.

The books and records maintained by the Joint Committee treat finance leases and fixed assets consistently with the parent authority (Bromsgrove District Council) . However Audit have recommended that in future years the figures on the Annual Return should be in accordance with their Practitioners' Guide and as reported in our audit report. This will be actioned as part of the 2014/15 Annual Return and as it is not material to the accounts there are no changes proposed to the Annual Return as approved at the June meeting of the Joint Committee.

Financial Implications

None other than those stated in the report

Sustainability

None as a direct result of this report

Contact Points

Jayne Pickering – 01527-881400

Background Papers

Detailed financial business case

	Summary - Full year Budget	Summary - Budget 3 Months to June 2014	Summary - Expenditure to June 2014	Summary - Variance	Summary - Projected outturn	Summary - Projected Outturn Variance	
Direct Expenditure	£'000	£'000	£'000	£'000	£'000	£'000	
Employees							
Salary	3,401	848	839	-9	3,366	-35	Underspend is due to Vacancies, Agency staff recruited to data cleanse new system, Hub Staff April £8k funded by 13-14 Reserve
Agency Staff	0	0	25	25	82	82	
Recruitment	0	0	0	0	0	0	
Subscription	3	1	4	3	5	2	
Training	2	0	0	0	2	0	
Employee Insurance	16	4	4	-0	16	0	
Sub-Total - Employees	3,422	853	871	18	3,471	49	
Premises							
Rent	70	18	18	0	70	0	
Room Hire	6	2	1	-1	6	0	
Business Rates	40	40	38	-2	38	-2	
Cleaning	10	3	2	-1	10	0	
Repairs & Maintenance / Security	7	2	1	-1	7	0	
Service Charges	19	4	4	-0	19	0	
Secure Storage	17	2	3	0	9	-8	
Utilities	17	3	2	-1	17	0	
Water & Sewerage Services	3	1	1	-0	3	0	
Sub-Total - Premises	189	74	67	-7	179	-10	
Transport							
Vehicle Hire	14	3	2	-0	14	0	
Vehicle Fuel	8	2	0	-2	8	0	
Road Fund Tax	1	0	0	0	1	0	
Vehicle Insurance	3	1	1	0	3	0	
Vehicle Maintenance	3	0	0	-0	3	0	
Car Allowances	131	33	36	3	134	3	
Sub-Total - Transport	160	39	40	1	163	3	
Supplies and Services							
Furniture & Equipment	43	8	9	0	45	1	
Test Purchases	6	0	0	-0	6	0	
Clothes, uniforms and laundry	4	1	0	-0	4	0	
Printing & Photocopying	25	4	2	-1	25	0	
CRB Checks (taxi)	25	6	6	-1	25	0	
Publications	3	1	0	-1	3	0	
Postage	11	3	3	1	11	0	
ICT	69	31	33	2	71	2	
Legal Costs	7	0	0	0	7	0	
Telephones	39	9	12	3	40	1	
Training & Seminars	25	3	3	-0	29	4	
Car Parking & Subsistence	0	0	0	0	0	0	
Insurance	30	8	8	0	30	0	
Miscellaneous Expenses	1	0	0	0	2	1	
Third Party Payments							
Support Service Recharges	225	56	56	0	225	0	
Audit	5	1	1	0	5	0	
Sub-Total - Supplies & Service	518	132	135	3	528	10	

	Summary - Full year Budget	Summary - Budget 3 Months to June 2014	Summary - Expenditure to June 2014	Summary - Variance	Summary - Projected outturn	Summary - Projected Outturn Variance	
	£'000	£'000	£'000	£'000	£'000	£'000	
Direct Expenditure							
Contractors							
Dog Warden	145	36	36	-0	145	0	
Pest Control	40	10	15	5	53	13	Income of £12k received from Severn Trent for Sewer Baiting, offset in Income
Analytical Services - Trading Standard	25	-3	-3	-0	25	-1	
Trading Standards	10	10	10	0	11	1	
Licensing	22	3	4	1	22	0	
Other contractors/consultants	11	0	12	12	71	60	Strategic Partnering - 13-14 Reserve
Water Safety	10	2	2	0	10	0	
Food Safety	5	1	0	-1	5	0	
Environmental Protection	15	2	10	8	21	6	Bereavement / Works in Default to be charged to relevant partners
Taxi Tests	30	8	7	-0	30	0	
Grants / Subscriptions	22	6	12	6	23	1	
Advertising	11	1	0	-1	11	-0	
Publicity & Promotions	2	0	0	0	2	0	
CRB Checks	0	0	0	0	0	0	
Sub-Total	348	75	105	30	428	80	
Income							
Training Courses /	0	0	-35	-35	-121	-121	
Bereavement / Works in Default / Sewer Baiting / Secondments etc							
2013/14 Reserve - Strategic Partnering / Hub - Cont From MHDC	0	0	-19	-19	-68	-68	
Sub-Total	0	0	-54	-54	-189	-189	
Total	4,637	1,172	1,164	-8	4,579	-58	

Percentage saving from original budget £7,181 in 2010-11

36.23%

Grant Funded Spend	Spend 14-15	Remaining Balance	Funded By	
Nutrition For Older People	0		16 Primary Care Trust	Unconditional
Health & Well Being	0		47 Primary Care Trust	Conditional
Worcs Works Well	0		15 Public Health Dept	Unconditional
Grant Income	0			
Total	0	78		

ICT MANAGEMENT INFORMATION SYSTEM PROJECT 2014/15 BUDGET

APPENDIX 2

Capital Asset/ Investment description	Budget - 14/15 £'000	Spend - 14/15 £'000	Variance - 14/15 £'000	Budget 2015/16
ICT - Capital				
Software Licences (break down into individual modules if appropriate)	20		-20	
Software			0	
Mobile Working Devices	100		-100	
Hardware required including implementation (e.g. servers onsite or hosted - please describe)	25		-25	
Modifications and software customisation			0	
Systems integration and interface development (cost per interface if possible on separate lines)			0	
Data Cleansing / Transfer	48		-48	
Sub-Total Capital	193	0	-193	0
ICT - Revenue (one off only)				
Project Management / Hosting	19	2	-17	
Training for end users	19		-19	
Sub-Total Revenue	38	2	-36	0
Annual Software License etc				
Software Licences	12		-12	12
Other Licences	8		-8	8
Maintenance Costs	59		-59	59
Sub-Total Annual software license etc	79	0	-79	79

TOTAL FUNDING REQUIRED	310	2	-308	79
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Partner Transformation Project Contributions - Based on Business Case at Budget	Total Capital Contribution 14/15 £'000	Annual Revenue Funding Requirement 2014/15 £'000	Total Partner Funding Requirement 2014/15	Revised Partner Contribution % From 01.04.14
Bromsgrove	19	12	31	10.01%
Worcs City	23	14	38	12.13%
Worcs County	59	36	96	30.82%
Malvern Hills	16	10	26	8.53%
Redditch	23	14	36	11.76%
Wychavon	29	18	47	15.13%
Wyre Forest	22	14	36	11.62%
Total	193	117	310	100.00%

	£
Budget as per Business Case	1,538
Funded by:-	
Spend 2010/11 - Funded by partners	101
Spend 2011/12 - Funded by RIEP	119
Spend 2012/13 - Funded by Partners	142
Spend 2012/13 - Funded by RIEP	128
Spend 2013/14 Funded by Partners	104
Spend 2013/14 - Funded by RIEP	22
Annual Revenue Funding Requirement 15/16	79
Funding Requirement From Partners 14/15	310
RIEP Funding to be drawn down	0
Total Project	1,005
SAVINGS FROM ORIGINAL BUSINESS CASE	533

Section 1 – Accounting statements 2013/14 for:

Enter name of
reporting body here:

Worcestershire Regulatory Services

	Year ending		Notes and guidance
	31 March 2013 £	31 March 2014 £	

Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.

- | | | | |
|----|--|---------------------|---|
| 1 | Balances brought forward | 52,793 22,562 | Total balances and reserves at the beginning of the year as recorded in the body's financial records. Value must agree to Box 7 of previous year. |
| 2 | (+/-) Income from local taxation and/or levy | 0 0 | Total amount of local tax and/or levy received or receivable in the year including funding from a sponsoring body. |
| 3 | (+/-) Total other receipts | 5,550,576 5,903,467 | Total income or receipts as recorded in the cashbook less the taxation and/or levy (line 2). Include any grants received here. |
| 4 | (-) Staff costs | 4,027,152 4,218,171 | Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses. |
| 5 | (-) Loan interest/capital repayments | 0 0 | Total expenditure or payments of capital and interest made during the year on the body's borrowings (if any). |
| 6 | (-) All other payments | 1,553,655 1,618,920 | Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5). |
| 7 | (=) Balances carried forward | 22,562 88,938 | Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6) |
| 8 | Total cash and short term investments | 883,728 667,030 | The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – to agree with bank reconciliation. |
| 9 | Total fixed assets plus other long term investments and assets | 379,500 437,696 | The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the body as at 31 March |
| 10 | Total borrowings | 32,505 26,274 | The outstanding capital balance as at 31 March of all loans from third parties (including PWLB). |

I certify that for the year ended 31 March 2014 the accounting statements in this annual return present fairly the financial position of the body and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

[Signature]

Date 26/6/2014

I confirm that these accounting statements were approved by the body on:

26/6/2014

and recorded as minute reference:

9114

Signed by Chair of meeting approving these accounting statements:

[Signature]

Date 26/6/2014

Section 2 – Annual governance statement 2013/14

We acknowledge as the members of **Worcestershire Regulatory Services** our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2014, that:

	Agreed –		'Yes' means that the body:
	Yes	No*	
1 We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.	✓		prepared its accounting statements in the way prescribed by law.
2 We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3 We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of the body to conduct its business or on its finances.	✓		has only done what it has the legal power to do and has complied with proper practices in doing so.
4 We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		during the year has given all persons interested the opportunity to inspect and ask questions about the body's accounts.
5 We carried out an assessment of the risks facing the body and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered the financial and other risks it faces and has dealt with them properly.
6 We maintained throughout the year an adequate and effective system of internal audit of the body's accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of the body.
7 We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
8 We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the body and where appropriate have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.

This annual governance statement is approved by the body and recorded as minute reference

9/14

dated 26/6/2014

Signed by:

Chair

dated 26/6/2014

Signed by:

Clerk

dated 26/6/2014

*Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how the body will address the weaknesses identified.

Section 3 – External auditor certificate and opinion 2013/14

Certificate

We certify that we have completed the audit of the annual return for the year ended 31 March 2014 of:

WORCESTERSHIRE REGULATORY SERVICES

Respective responsibilities of the body and the auditor

The body is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The body prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2014; and
- confirms and provides assurance on those matters that are important to our audit responsibilities.

Our responsibility is to conduct an audit in accordance with guidance issued by the Audit Commission and, on the basis of our review of the annual return and supporting information, to report whether any matters that come to our attention give cause for concern that relevant legislation and regulatory requirements have not been met.

External auditor report

(Except for the matters reported below)* on the basis of our review, in our opinion the information in the annual return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the body:

See attached sheet

(continue on a separate sheet if required)

External auditor signature

Barrie Morris

External auditor name

Barrie Morris for Grant Thornton UK LLP

Date

29/8/14

Note: The auditor signing this page has been appointed by the Audit Commission and is reporting to you that they have carried out and completed all the work that is required of them by law. For further information please refer to the Audit Commission's publication entitled Statement of Responsibilities of Auditors and of Audited Small Bodies.

Section 4 – Annual internal audit report 2013/14 to

Worcestershire Regulatory Services

The body's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2014.

Internal audit has been carried out in accordance with the body's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the body.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A Appropriate accounting records have been kept properly throughout the year.	✓		
B The body's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D The annual taxation or levy or funding requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓	*	
F Petty cash payments were properly supported by receipts, all expenditure was approved and VAT appropriately accounted for.	✓	**	
G Salaries to employees and allowances to members were paid in accordance with body approvals, and PAYE and NI requirements were properly applied.	✓		
H Asset and investments registers were complete and accurate and properly maintained.	✓		
I Periodic and year-end bank account reconciliations were properly carried out.	✓		
J Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and, where appropriate, debtors and creditors were properly recorded.	✓		

For any other risk areas identified by the body (list any other risk areas below or on separate sheets if needed) adequate controls existed:

* The Internal Audit follow up in relation to the licensing audit for 2012/13 identified that a number of high recommendations remained outstanding. This was mainly due to the resources required for implementation of the new system. A revised timeline has been agreed.
 ** Petty cash, low value and low risk therefore not audited.
 Name of person who carried out the internal audit: A. Brumage

Signature of person who carried out the internal audit: *A. Brumage*

Date: 25/06/14

*Note: If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).



This page is part of Section 3 - External auditor certificate and opinion 2013/14

**Worcestershire Regulatory Shared Service Joint Committee
Audit Report for the year ended 31 March 2014**

**Other matters not affecting our opinion which we wish to draw to the attention
of Worcestershire Regulatory Shared Service Joint Committee for the
year ended 31 March 2014**

Accounting for Fixed Assets

It has come to our attention that Box 9 of Section 1 of the Annual Return – the Accounting Statements includes fixed assets have been depreciated.

Local councils are required to account for fixed assets at purchase cost. If this is not known a proxy cost should be substituted (e.g. insurance value). Commercial concepts of depreciation or impairment adjustments, etc are not appropriate for local councils. For reporting purposes therefore, the 'book' value of fixed assets will usually therefore stay constant until disposal. Where insurance value has been used as a proxy, it should not be adjusted for annual changes.

Guidance on accounting for fixed assets is available in the NALC / SLCC publication Governance and Accountability for Local Councils – A Practitioners Guide.

Box 10 Section 1

The borrowings included in Box 10 are the capital amounts outstanding in relation hire purchase agreements. Proper practices set out in the Practitioners' Guide para 3.94 state that capital finance, including HP or leases, which have not been classified as borrowing by DCLG should not be included in Box 10.

Therefore Box 10 for both 2012/13 and 2013/14 should be '0'.

A handwritten signature in black ink, appearing to read 'Graham M. Smith'.

for Grant Thornton UK LLP
Date 29/8/14
Our ref WRC157

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JOINT COMMITTEE Activity Data Quarter 1 2014/15

Date: 2nd October 2014

Recommendation

That members note the report

Contribution to Priorities

The report covers both district and county functionality so covers the wide range of local authority corporate priorities to which regulatory services contribute

Introduction & Report

Joint Committee members have asked the service to provide data on activity levels to help reassure local members that WRS activity continues to tackle issues broadly across the county. The attached report follows the format of previous reports comparing demand coming into the service. Members will recall that, due to difficulties with data transfer, we were unable to show a full Q1 data extract last year. Hence we cannot do clear comparisons with last year but going forward this will be possible.

This quarter's activity data report does not contain all of the features of previous quarters' reports as the team is in the process of re-building the report format to include other information and clarify some areas. The revised format will be available for quarter 2 and show data for the preceding quarter so this will be included then.

The information shows that consumer complaints relating to Trading Standards functions remain at the same level as last year. The common top areas are, as ever, second hand cars, home improvements and furniture. This reflects the fact that these are all significant purchases so, if something goes wrong, there is a larger incentive to make a complaint. Industrial/ Commercial Goods and Services made an appearance in the top 15 areas this quarter. This classification pops in and out of the top related areas and refers to business to business transactions. Frequently this relates to poor quality goods or poor service. A useful reminder that businesses can be victims as well as consumers, albeit there is an assumption in law

that they are better equipped to deal with these problems.

For those Trading Standards complaints that can be allocated to a ward, there is a reasonable spread of the top 20 wards across Worcestershire.

From the perspective of district functions, Licensing and Environmental/ Nuisances continue to be by far the largest areas of work. The spread of Nuisance complaints across the districts is similar to previous reports, with 5 wards in Redditch featuring in the top ten. Having said this, for Q1, only Wyre Forest has no wards in the top 10, showing the spread of work across the County.

We had a reasonable spring, so we see the upswing of nuisance complaints from 672 during the previous quarter (Jan to March 2014,) to 1113 from April to the end of Jun. We also see the monthly totals climb from 129 in January, during the depths of Winter, to 513 during June with the early Summer weather. If trends follow the norm, the next quarter will show our usual Summer spike in demand.

Officers in the Environmental Health Commercial team are involved in an on-going investigation into a fatality in Redditch. The investigation is being conducted jointly with HSE and the Police. The company involved is based outside of Worcestershire.

May and June showed a spike in work for the Licensing team. This was caused by a combination of the taxi renewals in Wyre Forest (requiring drivers to make appointments to present documents,) and the introduction, through policy changes, of some additional training requirements in Redditch and Wychavon, which meant drivers had to contact the service to book onto training sessions.

Only a limited amount of case work came to fruition during the period, although a number of educational and informational press releases were put out. The case outlined below was taken by WRS Trading Standards staff and Sandwell MBC Trading Standards, with the case being heard at Wolverhampton Crown Court.

Jail for plumber who defrauded vulnerable

A plumber who defrauded elderly and vulnerable victims in Worcestershire, including leaving a couple feeling “mugged” after charging them £1,200 to fix a leaky radiator, has been jailed for 16 months after a regional investigation. Steven John Greenaway, 41, of Marpool Lane, Kidderminster, pleaded guilty at Wolverhampton Crown Court to 13 fraud offences in Worcestershire and the West Bromwich area. He was sentenced by Judge Michael Challinor to 16 months in prison on May 1.

The Court heard details of offences relating to seven consumers, four from the West Bromwich area and three from Worcestershire. Greenaway overcharged for work, charged for work that wasn't necessary, and charged for work that was never carried out. Prosecutors set out details of how consumers from Fernhill Heath,

St Johns and Malvern Hills fell victim to Greenaway. One elderly couple were charged £800 by Greenaway to fix a leaking stop tap, a repair that plumbing experts said a competent plumber should have been able to complete within 45 minutes at a fair cost in the region of £120.94.

A vulnerable mother and daughter claimed that Greenaway's behaviour left them feeling "threatened" after he charged them £1,000 to fix a dripping tap, a job that experts estimated should have cost between £230 and £290.

And in the third incident in Worcestershire, a couple said they felt like they had been "mugged" after Greenaway charged £1,200 for an emergency call out to a leaking radiator valve. Unnecessary work to drain the system and fit extra pipework was carried out, and anti-rust chemicals were charged for but never actually used – with Greenaway charging an extra £84 per half hour to collect the parts. Experts estimated it to be a two hour job for a competent plumber. The radiator valve was left leaking.

Officers from the EH Commercial team participated in Food Safety week in June, and the press release below highlights one of the key messages around tackling campylobacter infections:

Don't wash raw chicken!

The message of this years Food Safety Week is "dont wash raw chicken" and Worcestershire Regulatory Services (WRS) are working to spread the word to local consumers. The Food Standards Agency is spearheading a campaign to tackle the problem of food bug campylobacter, which is often spread through washing chicken and is the most common cause of food poisoning in the UK.

Cllr Lucy Hodgson, Chair of WRS Joint Committee, said: "Food safety inspectors check that food businesses prepare and cook chicken safely but consumers also need to be aware of the risks and the best way to avoid getting ill. You can't see campylobacter, smell it or even taste it on food, but if you get it you won't forget it. At its worst, it can kill. One of the main ways to get and spread campylobacter food poisoning is through touching raw chicken – in particular, washing raw chicken can spread campylobacter by splashing it onto work surfaces, clothing and cooking equipment. If everyone works together we can eliminate the risks."

The Environmental Health Team is urging all residents to get behind the campaign and stop washing chicken at home. Here are some top tips to make sure your food is safe to eat:

- Chill food properly
- Make sure the fridge temperature is running below 5 °C.
- Don't overfill your fridge. This allows air to circulate and maintains the set temperature.
- Always store raw poultry at the bottom of the fridge and properly wrap or cover it to avoid raw juices contaminating other foods.

Financial Implications

Other press releases for the period can be seen on the WRS website by following the link below:

<http://www.worcsregservices.gov.uk/latest-news-press-releases.aspx>

Sustainability

None

Contact Points

Simon Wilkes
Business Manager
01527-548314

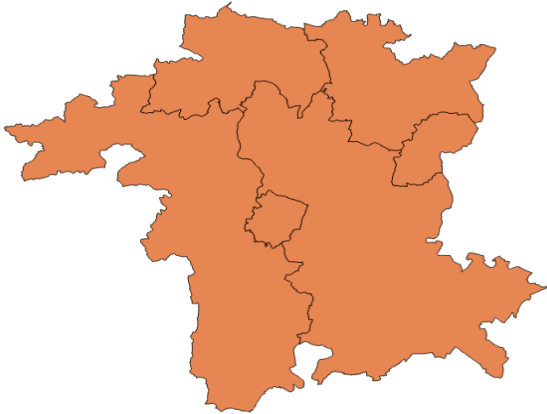
Background Papers

Activity Data Report



Quarterly Activity Report

**Worcestershire
Regulatory Services**
Supporting and protecting you

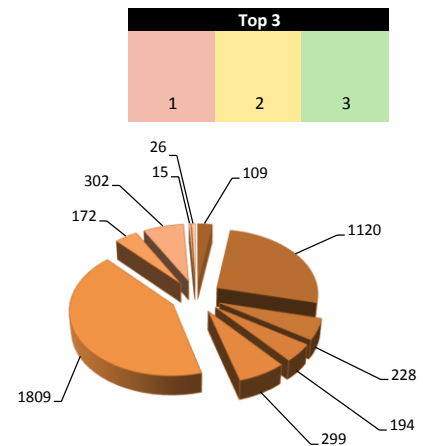


Report	<i>WRS activity report</i>
Version	V1.0
Date	20/01/2014
Year	2013/2014
By	Intelligence Team



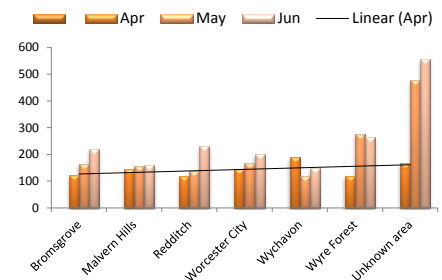
Environmental Health

By type				
Type of request	Apr	May	Jun	Q1 total
Dogs	27	25	57	109
Environmental	255	349	516	1120
Food	70	74	84	228
Health & Safety	34	66	94	194
Information Requests	87	102	110	299
Licensing	396	701	712	1809
Pest Control	31	79	62	172
Planning	92	92	118	302
Public Burial	4	5	6	15
Water Supply	7	2	17	26
Total	1003	1495	1776	4274



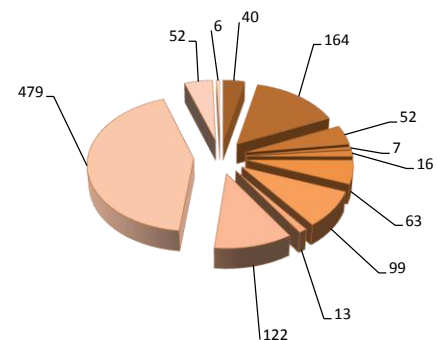
Environmental health by type Q1 Notes:

By district				
Type of request	Apr	May	Jun	Q1 total
Bromsgrove	122	166	220	508
Malvern Hills	145	156	162	463
Redditch	119	138	230	487
Worcester City	145	167	200	512
Wychavon	190	120	149	459
Wyre Forest	119	275	264	658
Unknown area	168	478	558	1204
Total	1008	1500	1783	4291



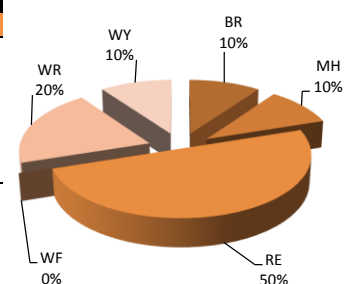
Environmental health by district Q1 Notes:

Nuisance				
Type of request	Apr	May	Jun	Q1 total
Accumulations - Commercial	12	14	14	40
Accumulations - Domestic	32	73	59	164
Drainage	17	17	18	52
Drainage - Surcharge	1	1	6	7
Light Nuisance	5	2	9	16
Odour	15	14	34	63
Smoke, Fumes and Gases	37	26	36	99
Noise - Alarm	1	5	7	13
Noise - Commercial Premises	21	42	59	122
Noise - Domestic	105	134	240	479
Noise - Industrial or Agricultural	9	14	29	52
Noise - Street	1	3	2	6
Total	255	345	513	1113



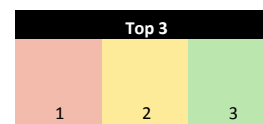
Nuisance by Ward (Top 10)			
Ward	No.	District	
Winyates	53	RE	
Cathedral	34	WR	
Greenlands	25	RE	
Bengeworth	22	WY	
Nunnery	21	WR	
Abbey	20	RE	
Sidemoor	19	BR	
Lodge Park	18	RE	
Church Hill	18	RE	
Upton and Hanley	16	MH	

Top 10% (split by district)		
District	of the 10	District
BR	1	10%
MH	1	10%
RE	5	50%
WF		
WR	2	20%
WY	1	10%

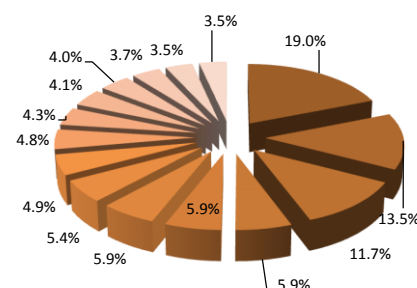


Notes

Trading Standards



Top 15 requests				
No.	quantity	Code	Discription	%
1	120	EE	Second Hand Cars	19.0%
2	85	AB	Home Maintenance And Improvements	13.5%
3	74	AD	Furniture	11.7%
4	37	GA	Industrial/Commercial Goods And Services	5.9%
5	37	DY	Professional Services	5.9%
6	37	AM	Personal Computers, Accessories, Software And Ser	5.9%
7	34	BM	Telecommunications	5.4%
8	31	DE	Ancillary Credit Business	4.9%
9	30	CZ	Other Personal Goods And Services	4.8%
10	27	AN	Large Domestic Appliances	4.3%
11	26	CE	Toiletries, Perfumes, Beauty Treatments And Hairdr	4.1%
12	25	BA	Food And Drink	4.0%
13	23	CZ	Other Personal Goods And Services	3.7%
14	22	EF	Car Repairs And Servicing	3.5%
15	22	BQ	Gardening Products And Services	3.5%



Top 20 by Ward										
No	Ward	Unknown	BR	MH	RE	WF	WR	WY	Grand Total	%
1		400							400	68%
2	Warndon						16		16	3%
3	Greenhill					16			16	3%
4	Abbey				14				14	2%
5	Stoke Prior		14						14	2%
6	Mitton					13			13	2%
7	Droitwich West							11	11	2%
8	Lovett And North Claines							10	10	2%
9	Link			9					9	2%
10	Bretforton And Offenham							9	9	2%
11	Evesham North							9	9	2%
12	Alvechurch		8						8	1%
13	Saint Johns		8						8	1%
14	Charford		8						8	1%
15	Furlongs		8						8	1%
16	Pinvin							7	7	1%
17	Greenlands				7				7	1%
18	Bedwardine						7		7	1%
19	Hartlebury							7	7	1%
20	Baldwin			7					7	1%
1 Total of Top 20		400	46	16	21	29	23	53	588	
Percentage split		68%	8%	3%	4%	5%	4%	9%	100%	

Notes: