

Appendix A

Worcestershire Enhanced Two Tier Working

Regulatory Services

Environmental Health, Trading Standards & Licensing



Detailed Business Case

Executive Summary

Version 3.2
November 2009

Worcestershire Two Tier Regulatory Services Detailed Business Case

Executive Summary

This document proposes a transformational two tier Regulatory Service in Worcestershire that will deliver significant improvement in services for Customers county-wide and benefits for the seven Partner Authorities

The vision:

'A fully integrated Regulatory Services function, more effectively focussed on businesses and consumers, with all partners operating within one Management Structure'

Business case Headlines

- This business case is supported by a detailed financial model.
- It proposes the bringing together of 3 professional disciplines from the seven Worcestershire Councils and across two tiers of Local Government, into a unified transformational service provision.
- The preferred business model option offers a like-for-like revenue saving of £1.26 million (17.25% reduction on current direct service cost) largely achievable by year 3 however; a £440K saving is achieved in year 2 (2011/12).
- It should be possible to achieve savings in overhead costs in the medium to long term of up to 20% of current internal recharges (approximately £354k).
- It is intended that individual partner performance against the core National Indicators for these Regulatory Services will be maintained as a minimum. This will be followed by a clear focus on raising the performance of all partners to that of the best in Worcestershire.
- The new service will utilise a centralised ICT system, linking directly into the Worcestershire Hub, enabling improved access to services and for our Customers across the region, with opportunity for continuous service improvement.

- This business model will enable Councils to achieve increased resilience, while facing the challenges and changing demands placed on the services, anticipated from Central Government in the medium / long term.

Outline of the proposal.

The business case has been developed by the Regulatory Services project team which is made up from members of each of the seven Councils across Worcestershire. It builds upon the high level business case which was prepared in May 2009. This was the point at which the Worcestershire Chief Executives & Leaders Panels decided to authorise the creation of a detailed business case to inform a final decision.

This business case supports the development of a fully integrated Regulatory Service incorporating the three professional disciplines of Trading Standards, Environmental Health and Licensing, with all Partner service teams operating within a unified management structure. This will allow an integrated team to be created which has the resilience, shared expertise and economies of scale to provide a broad and effective service base for the communities of Worcestershire, while maintaining local responsiveness, choice and identity.

The proposed model focuses on service delivery by looking from the outside in – on our businesses and customers. Delivery of services through a unified service provision is considered by the project team members to be well placed to provide a much improved service to the end user by providing a central source for all Regulatory Services from a focussed and consistent service team.

This approach will also support the Comprehensive Area Assessments (CAA) in that this model will enable better results to be delivered by providing a more joined up approach to improving outcomes for local people and businesses.

The regulatory regime and culture of this service will be firmly based on the principles developed by Philip Hampton in his March 2005 report to Government “Reducing administrative burdens: effective enforcement and inspection”. It will also provide a more joined up approach to the Worcestershire Local Area Agreement.

This model will contribute to the Local Better Regulation Office (LBRO) objective of “reducing regulatory burdens on businesses”, whilst promoting and protecting the well-being of a modern, vibrant Worcestershire economy but recognising the importance of safeguarding the health, safety, environment and economic wellbeing of its citizens.

By utilising the Worcestershire Hub to deliver a number of the more day to day services directly to the customer, the unified Regulatory Service will be able to deliver an efficient and more effective service to Customers. More complex issues can be prioritised and channelled to more specialist areas of the unified Regulatory Service, such as dealing with air quality issues and fair trading to enhance the environment and economic development of Worcestershire.

It is likely that the already well established regional dimension of Trading Standards will enrich Environmental Health and Licensing services in a unified service structure. Equally the Trading Standards service will benefit from enhanced access to local services and groups such as Small Medium Enterprises and licensing groups.

The key Drivers & Benefits

Ref: 'Section 7' (Drivers for Change) of the WETT Regulatory Services Detailed Business Case V10

From the outset the Worcestershire Chief Executives & Council Leaders have made it clear that any shared service must consider three key principles i.e.;

1. Service Improvement & Increased Efficiency
2. Cost Savings & Return on Investment
3. Centralised Service Delivery

Examples from the business case include:

- **Improved delivery to Customers** e.g. reducing the burden on business by avoiding duplication of inspections.
- **Resilience** e.g. improved capacity –through sharing of resources and ability to absorb financial pressure from Government spending reviews through service unification.
- **Savings** e.g. an accumulative direct cost saving of £1.26 million (approx. 17%) in realised savings between Partners.
- **Cost reduction through Efficiencies** e.g. eliminate duplication, overlap & redundancy in processes & working
- **Economies of scale** e.g. reduced management/support costs & overheads, rationalisation / re-use of estate and ICT integration
- **Consistent approach in service delivery** e.g. Policy alignment (customer perception is the key driver – common policy framework will have flexibility to meet local needs, Improvement in compliance and uniform process for "routine" regulatory work (where possible through the Hub).
- **Standardised performance, quality, policy & processes** e.g. reduction in incidents of failure through efficiency, standardisation of charges and fees and consistent approach to clients
- **Business transformation** e.g. shared resources – people, processes & systems, minimise geographic boundaries between services to customer and minimise political boundaries between services to the customer

Scope

Ref: 'Section 6' (Scope) of the WETT Regulatory Services Detailed Business Case V10

The business case scope will contain the following for Regulatory Services.

Food Standards (labelling and composition) - Food Safety - Health and Safety – Metrology - Animal Health and Welfare (inc Dog Warden Service) – Licensing - Air Quality - LAPPC – Pollution Control - Contaminated Land - Nuisance investigations - Infectious Diseases - Product Safety - Fair Trading / anti rogue trader activities - Under age sales - Consumer & business advice - Environmental packaging - Public Health (burials, drainage, water supplies etc) - Health Promotion - Pest Control

Finances & Cost Savings

Ref: 'Section 11' (Financial Analysis) and 'Financial Appendices (F1 - F11) of the WETT Regulatory Services Detailed Business Case V10

Overview

Detailed financial modelling has been carried out to assess all proposed structural options against the aim of delivering at least a 15% saving against current direct expenditure budgets. Only Option 3 achieves this aim, returning a saving of 17.2% (£1,261,000) against current direct expenditure.

The proposed implementation approach delivers savings of £438,000 (6.0%) in Year 2 (2011/12), rising to £1,202,000 (16.4%) in Year 3 and the full £1,261,000 by Year 5 (2014/15).

Capital investment of £1.5 million is needed to achieve the proposed business model, of which £270k is to be potentially grant-funded by Improvement & Efficiency West Midlands and CLG. The business case delivers a return on investment (payback) against net capital expenditure by Year 4 (2013/14).

In addition to the target 17.2% saving against direct expenditure, it is anticipated that a saving of £354k (20%) against indirect (internal recharge) expenditure can be achieved, via self-managed efficiencies at individual authorities.

Calculation of Future Costs and Savings

The aggregate direct gross expenditure on Regulatory Services across the seven County and District Councils in 2009/10 is £7.3 million. The largest component of this direct expenditure is employee costs (76% of aggregate direct costs), representing 165 full time equivalents (FTE).

The preferred "Option 3" projects an ongoing annual saving of £1,261,000 (17.2%) per annum (Table F1).

REGULATORY SERVICES – Option 3 Projected Direct Expenditure Savings (Table F1)	Current Expenditure 2009/10 £	Option 3 £
Employee costs	5,595,000	3,981,000
Premises costs	294,000	324,000
Transport costs	254,000	240,000
Supplies & Services costs	524,000	551,000
Other additional costs of Shared Service	0	360,000
Contractor costs	645,000	595,000
TOTAL DIRECT EXPENDITURE	7,312,000	6,051,000
Annual Saving (after implementation period)		1,261,000
Percentage Saving		17.2%

The direct expenditure savings under Option 3 are delivered through a reduction in headcount from 165 to 120 FTE. Reductions in management are achieved through the

removal of duplication in line management, policy development and inter-authority liaison, while reductions in professional, technical and support staff are achieved through structural rationalisation and fundamental service transformation.

Non-pay costs have been reduced in those areas where savings are considered to be achievable through improvements in efficiency and procurement, and to reflect lower future headcount.

Specific ongoing additional costs have been included to cover service charges made by the host authority to the shared service (£250,000), ICT licensing and systems maintenance, additional accommodation costs, and increased capacity of the Worcestershire Hub Shared Service.

In addition to the target 17.2% saving against direct expenditure, it is anticipated that a saving of 20% against indirect (internal recharge) expenditure can be achieved, via self-managed efficiencies at individual authorities.

Cash Flow and Return on Investment

Table F4 illustrates the forecast cash flow of Option 3, based on the proposed implementation approach.

Capital investment requirements of £1.5 million in total are largely ICT-related, based on the report of the Mouchel consultancy. Capital costs are to be partially funded by a contribution of capital grant (£270,000) from Improvement & Efficiency West Midlands and CLG.

In order to calculate the payback year, it is assumed that all net revenue savings available after interest financing costs are used to repay capital borrowing in the first instance. The potential revenue impact of capital borrowing is factored into the payback year calculation and is shown separately below, for clarity.

The model shows that payback of capital is achieved in Year 4, with a significant proportion of annual target savings (£1,234k being realised from Year 3 and the full impact of savings (£1,261,000) from Year 5 onwards.

REGULATORY SERVICES – Implementation Cash Flow (Table F4)	Current 2009/10 £'000	2010/11 Year 1 £'000	2011/12 Year 2 £'000	2012/13 Year 3 £'000	2013/14 Year 4 £'000	2014/15 Year 5 £'0000
Base revenue budget expenditure	7,312	7,312	7,312	7,312	7,312	7,312
<i>Annual planned (saving)/ additional cost</i>	0	25	(843)	(1,261)	(1,261)	(1,261)
<i>Transitional costs (revenue)</i>	0	741	405	59	49	0
Net revenue impact of programme – (saving)/additional cost	0	766	(438)	(1,202)	(1,212)	(1,261)
Total Shared Service revenue budget expenditure	7,312	8,078	6,874	6,110	6,100	6,051
Capital expenditure (total £1.5 million)	0	557	671	275	0	0
IEWM capital grant (total £0.3 million)	0	(150)	(150)	0	0	0
PAYBACK ACHIEVED					Year 4	
Revenue impact of capital borrowing	0	0	51	117	152	152

Governance

Ref: 'Section 9' & 'Appendix 4' of the WETT Regulatory Services Detailed Business Case V10

In developing governance options the project team received legal advice from Philip Kolvin QC, a Barrister well versed in licensing matters and Peter Keith Lucas QC, an expert on shared service governance in Local Government.

Following this advice the project team opted to appoint a joint committee of elected members to oversee all activity, with the seven authorities having delegated decision making and policy approval to that authority from the committee and officers of the joint service. This option is legally acceptable under sections 101 and 102 of the Local Government Act 1972.

In essence, the proposal is for a central management structure, reporting to the joint committee. The functions to be undertaken by the shared service include all aspects of licensing, environmental health and trading standards and follow the governance decision process shown in 'fig. G1' within the 'Appendix 9' of the WETT Regulatory Services detailed business case V10.

The overall impact of these provisions is that each local authority can delegate its functions to either the proposed joint committee or to the Head of the proposed Service.

The important caveat to all of the above is that the Licensing Act 2003 amended the Local Government Act 1972, adding section 101(15), the impact of which is that section 101 does not apply to the exercising of any function of a licensing authority under the Licensing Act 2003.

There does not appear to be scope to transfer the exercise of the powers outside the authority altogether; however it appears possible to second the appropriate level of resource from the shared service to the individual licensing authorities to undertake the specific licensing functions required by the 2003 Licensing Act. The model therefore proposes to retain the existing licensing committees as is.

The functions under the 2003 and 2005 Acts that must remain with the specific licensing authorities are listed below:

- decision making
- policy adoption
- decision to institute legal proceedings,
- determining an application
- inspecting and licensing taxis
- licensing enforcement

The Hackney Carriage provisions, sex shop licensing, street trading and tattooing regimes under the Local Government (Miscellaneous Provisions) Acts 1976 and 1982 are not subject to the same restrictions and are therefore able to be administered by any joint arrangements.

The decision making process is detailed in **Appendix 4** of the detailed business case V10.

Management & Staffing arrangements

Ref: 'Section 8 (Service Delivery Option Appraisal)' & 'Appendix 2' (Resource Allocation Summary) of the WETT Regulatory Services Detailed Business Case V10

Teams will not all be co-located but will be dispersed across the County occupying existing accommodation used by present teams, with a move for staff to be increasingly home-based over time. Dispersed staff will be supported by new ICT applications capable of supporting mobile and flexible working. The host for the unified service will provide additional accommodation for up to 15 personnel i.e. the core management team and other professional Officers.

The detailed business case is built on three staffing options referred to as options 1, 2 & 3 within 'section 8' of the detailed business case (V10). Option 3 is the preferred option as it delivers the required transformation and savings. The proposed Regulatory employment model suggests an overall reduction in required Officer resources with leaner processes and transformation of service delivery being achieved at managerial, technical and administrative Officer Levels.

Where possible opportunities derived from natural wastage, through turn over and retirement will be taken in order to naturally reduce the surplus staff in an effort to minimise redundancies. Existing employees who are not appointed or transferred to a post in the new Regulatory Services will be considered where possible for re-deployment to a suitable alternative post in the constituent authorities if this practice is agreed by all constituent authorities.

The TUPE transfer to a central host will aim to bring together staff to consistent job descriptions and person specifications, and operate to a central job evaluation scheme. Whilst operational staff will continue to work from different delivery locations they will all be employees of the same host authority.

The priority in terms of initial implementation will be to appoint to the senior management posts within the structure.

It is envisaged that two geographical teams i.e. Business & Customer will operate North and South of the county and will deliver services, whilst a third team (Technical,) would retain responsibility for more specialised county-wide activities that, in the main, have business as the key client group, like Animal Health, Contaminated Land and Legal Metrology.

Licensing is treated as a separate team, integrating all aspects of licensing administration and enforcement from District and County. The project team are aware of the importance that District Elected Members place on their licensing functions and the work of the local committee. Placing the Licensing Manager at the appropriate level in the structure should reflect local member's perception of where licensing should sit, and help to ease any initial concerns that the change process envisaged could erode their ability to influence or have a role in decision making.

Finally, from an operational perspective, the preferred Option 3 service model shows a compact policy and support team for the purpose of providing expertise around issues such as marketing and communications, legal administration, IT systems and data control, and most importantly, policy development. This direct support will fall outside of the remit of the host. This team will also be responsible for linking back to the districts around issues like planning applications.

The specific staffing figures, proposed reductions and associated costs / savings are contained within the Finances and Cost Savings section of this Executive Summary.

Performance

Ref: 'Section 13' (Performance & Workload), 'Appendix 2 (Resource Allocation Summary)' & 'Appendix 5 (Performance & Workload Data) of the WETT Regulatory Services Detailed Business Case V10

Regulatory Reform: Over recent years and through The Hampton Regulatory Reform Principles there has been a significant shift from routine inspections to a more intelligence led and risk based approach that recognises inspections should only be undertaken according to need, and that a wider range of interventions such as training, auditing, mentoring and advisory visits should be used to gain compliance with the wide variety of legislation administered by these services.

By combining environmental health, licensing and trading standards into one integrated, county-wide regulatory service, there will be significant opportunities to improve the overall experience for the wide variety of customers interfacing with the unified service and to improve outcomes for consumers and legitimate businesses. This satisfies the WETT principle of improving performance for our key stakeholders.

Current position: Existing National Indicators against which local authorities are already required to report levels of performance provide a number of proxies;

- **NI14** (Avoidable Contact)
- **NI182** (satisfaction of businesses with regulatory services)
- **NI 183** (fair trading indicator calculated by reference to the number of businesses generating more than 3 complaints annually and the number of VAT registered businesses in the county)
- **NI 184** (compliance of businesses with food requirements)
- **NI190** (Achievement in meeting standards for the control system for Animal Health)

The national Indicators show there are some differences between district partners but spread across a relatively narrow range, supporting the view that there are not major performance differences between Worcestershire Councils.

Service Standards and Performance Measures: It is intended that individual partner performance against these National Indicators will be maintained as a minimum. This will be followed by a clear focus on raising the performance of all partners to that of the best in Worcestershire and will help to address issues of inequality identified in the recent Place Survey. It will also ensure that partners can demonstrate the effective deployment of proposed regulatory resources to provide the optimum community benefit.

It is proposed that services will initially be delivered in accordance with current partner service standards with the aim of migrating as quickly as possible to uniform service standards. This approach may lead to a perception of a reduction in service performance for those Councils where resource levels are such that defined service standards are routinely exceeded because of the relationship between often small team sizes needed to ensure demand in specific service areas is fulfilled. This will be part of achieving greater efficiency in overall service delivery. It will be essential to ensure that this rationale is clearly communicated to customers.

The emergency response protocol operated by Trading Standards in relation to doorstep crime shows that a centralised organisation can be responsive to local needs and our long term aim to retain a presence in both the North and South of the county should mean that such provisions will improve, not diminish.

Included in this work are responses to licensing issues, planning consultations and complaints etc, all of which will be in line with current standards but will be subjected to robust scrutiny as part of the business transformation programme. It is expected that through the adoption of 'LEAN' systems thinking, innovative business transformation and effective use of the HUB, this area of work has the potential to benefit from a significant increase in performance as measured by customer satisfaction.

The increased potential for self service where this is appropriate will both deliver a reduction in unnecessary contacts, resulting in improvements to NI14 (Avoidable Contact) and enhance the opportunities for customers to fulfil their needs more quickly and at a time of their choosing.

Hosting for the new Service

Ref: 'Section 10' (Hosting) & 'Appendix 9' (Report by Mouchel Re: Hosting evaluation) of the WETT Regulatory Services Detailed Business Case V10

The criteria for evaluating the suitability of a potential host for the new two tier Regulatory Service was produced and agreed by the WETT Programme Management Group and approved by the Worcestershire Chief Executives Panel (CEP). The criteria included key measurements e.g. the Councils capacity to support the new service, and had been developed by further enhancing the previous approach to establishing a host for shared service Partnerships in Worcestershire e.g. the shared Revenues and Benefits service.

Wychavon, Worcestershire County and Redditch & Bromsgrove Councils each submitted a completed bid for hosting the Regulatory Service. Following presentations of the non-financial elements of the bids by each Council, the County Council received the most support from the Council group for hosting.

At the request of the Worcestershire Chief Executives Panel, independent external evaluation was sought from a private sector partner who provided their recommendations based on the same criteria, documentation and interviews with the Officers involved from each Council Partner. The final report was produced during September 2009 which concluded that Bromsgrove was the best option for the host of the new Regulatory Service.

Staff will not be co-located but will be dispersed across the County occupying existing accommodation used by present teams, with a move for staff to be increasingly home-based over time. There may be a need for the host to provide additional accommodation for up to 15 personnel. Dispersed staff will be supported by new ICT applications capable of supporting mobile and flexible working. These ICT applications will include telephony. GSX connectivity will be needed to maintain existing access for Trading Standards to police and HMRC.

The host will be expected to support the provision of the following services to support the Regulatory Service:

Accommodation, Administration of Joint Committee, Audit services, Data protection and information security, HR & personnel services, financial services, ICT services and licensing, Insurance, Legal services (excluding criminal litigation), Criminal litigation services, Pensions & Procurement.

Transformation

Ref: 'Section 5' (Transformation) of the WETT Regulatory Services Detailed Business Case V10

The business case for creating a Worcestershire two tier Regulatory Service gives a clearer and stronger focus to the main groups of business and non-business customers of environmental health, trading standards and licensing services. The aim is to meet better the needs of these customer groups by delivering services that are joined up, responsive and more accessible.

The model has been developed to create a transformational shift from the way some of these services are currently delivered to tackle the triple challenges of customer engagement, improved value for money and improved service quality that drives out failure demand.

Customer focused service design: Service redesign will use lean principles to drive through efficiencies and aim to deliver customer outcomes with the least possible bureaucracy, subject to any legal restrictions that may apply.

Customers will be involved in service re-design from initial development of service requirements to post implementation reviews. Ongoing customer feedback will contribute to continuous improvement.

Customer Access: The aim will be to reduce barriers to accessing services by providing access to services across a range of service channels to enable business and non-business customers to access services in a manner, at a time and location that most appropriately suits their needs. In doing this we recognise the importance of 'getting it right first time'.

- Access through Consumer Direct will be maintained for consumer trading standards enquiries. Consumer Direct is already well established with consumers and is funded by central government.
- The new Business Link portal will provide on-line access for licensing/ permit applications. Central government is also funding the new Business Link portal which will meet the requirements of the EU Services Directive in providing a central on-line source for applicants for licenses and permits.
- The existing much valued relationship between local businesses and regulatory professionals will be developed by the creation of formal "relationship management" with each business having a lead regulatory professional as a personal point of contact with local regulatory services.
- In all other cases, customers will access services through the Worcestershire Hub.

Central process and work-flow: Re-designed service delivery will minimise bureaucracy by using the smallest number of distinct processes/ process components necessary to achieve customer need within any legal parameters.

Work-flow tools will be integrated with other systems to ensure end-to-end service delivery and minimise duplication of data storage.

Implementing transformation: Transformational capacity is created within the proposed structure but this is insufficient in itself to deliver the full transformational model described in this business case. The proposed transformation post is in practice a focal point for linking with transformational capacity elsewhere within the Worcestershire local government family, including the WETT programme management team and Worcestershire Hub Shared Service Development Team. This federated approach will ensure that transformational activity is optimised across business strands within the partner organisations.

New ICT approach to Regulatory Services

Ref: 'Section 14' (ICT), 'Appendix 7 (ICT Issues Log)' of the WETT Regulatory Services Detailed Business Case V10

During 2009 the WETT Regulatory Service project received external capital funding from the Department for Communities and Local Government (DCLG) to the sum of £200K. This was allocated specifically to support the development of a central ICT platform for the proposed unified Regulatory Service.

A review of the current system architecture and the options available for developing a central ICT platform for the new service has been completed. Mouchel PLC was commissioned to complete the review during August & September 2009 and their full report can be made available on request.

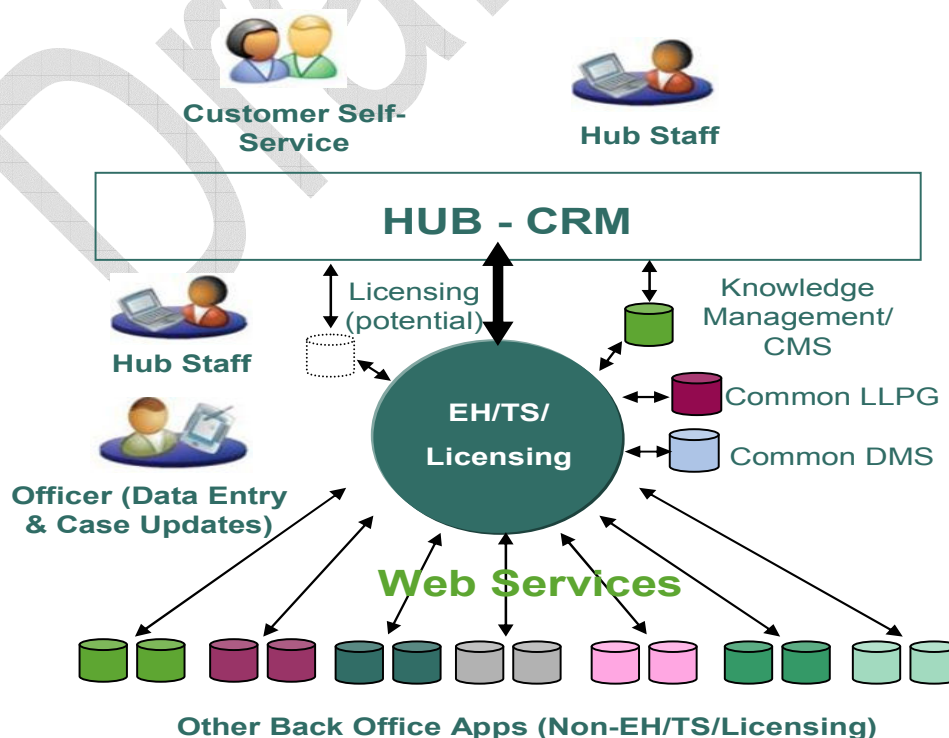
The preferred ICT option for WETT Regulatory Services is to replace all incumbent back-office solutions (Environmental Health, Trading Standards and Licensing) with a central shared solution that will support the combined shared service.

Integration with the Hub customer relationship management system (CRM) will be required to enable Hub staff to view the status of a case should a citizen call the Hub to enquire of progress. Initial data entry by Hub staff or Officers will be through either the CRM or the shared back-office solution.

Integration will be required between the central shared solution and any other Authority Back-Office solutions that currently provide seamless integration (e.g. Housing, Planning, Land Charges etc).

Flexible and remote working / transition issues: The business model assumes that there will be "hot desk" facilities at a number of locations around the County. When the core systems are fully live, these will provide access to systems provided by the host authority.

The proposed ICT architecture for the unified Regulatory Service is shown in the model below



Worcestershire Hub

Ref: 'Section 15' (Worcestershire Hub) & 'Appendix 8 (Worcestershire Hub Data)' of the WETT Regulatory Services Detailed Business Case V10

The Worcestershire Hub will play a key strategic role in the new service model proposed in this business case. It enables a more Customer focussed and streamlined delivery for the unified Regulatory services and will enable a leaner Regulatory staffing structure to operate and perform to its optimum. The Hub is the enabler for Customer access to services across Districts and tiers of Local Government in Worcestershire and is nationally regarded as an exemplar of best practice.

The Regulatory Project Team noted the acknowledgement by the Hub team that the impact of the current recession on demand for Revenues and Benefits services has caused a significantly higher demand on the Hub teams than was originally expected and that this is in the process of being rectified in partnership with the Revenues and Benefits Shared Service.

This business case recommends that the Hub will have specific additional capacity to provide the levels of self service that the proposed business model envisages.

The section below provides some background information and assurances to Stakeholders of this business case that the Hub is a suitable proposal for supporting the transformation of the services outlined in this business case.

In 2008/9 across the Worcestershire Hub, almost 800,000 calls were received. Over 75% of calls were answered within 20 seconds with an average speed of answer of 19 seconds.

- The Worcestershire Hub enables a wide range of council services to be accessed and already includes many Regulatory Services.
- The Worcestershire Hub is the first point of contact for council enquiries made in person and over the phone.
- Customers will be encouraged to "self serve" via the web – including accessing information and advice and licence applications.
- As far as possible (and appropriate), enquiries will be dealt with at the first point of contact. Where enquiries are more complex they will be channelled to the relevant specialist area within Regulatory Services as per an agreed process.
- A robust, single complaints process will be operated.
- A recent move to a single contact centre (for the Worcestershire Hub Shared Service) is driving benefits in standardising performance management, processes and robust disciplines.
- Having a wide range of council services that are accessed via the Worcestershire Hub provides greater focus customers. (1) By better understanding the collective impact of council services on customers, (2) improving communication with customers and (3) joining up services for the benefit of customers rather than just responding to the question asked.
- The systems used by the Hub enable....(1) Robust performance management and control of telephone calls, (2) logging and progressing of enquiries via the CRM, (3) workflow and (4) self service (with developments specific to service). Further system developments are also planned.
- Having clear, single, simplified processes that are customer focused will reduce unnecessary (avoidable) contacts, through (1) standardising the front-end part of the process and customer interface as well as (2) dealing with enquiries as far as possible at the first point of contact, (3) reducing avoidable contact and (4) enabling and encouraging self service will enable service transformation.

Worcestershire Hub: The Worcestershire Hub has provided the initial customer interface for many high demand services since its inception in 2002. As the Hub operation has matured over a period of time, the role of customer advocacy has been adopted which has had a direct influence on the priorities of individual authorities.

There are clear opportunities and benefits for an integrated operation whereby the Worcestershire Hub can deliver a number of Regulatory Service functions to customers and facilitate the design of self service methods of access that will contribute to the transformational change described in the Regulatory Services detailed business case V10

Access to Services: In designing an integrated approach between the Worcestershire Hub and the unified Regulatory Service, there is an opportunity to define transformational changes within the working processes and accessibility options.

The model recognises that:

- The Worcestershire Hub provides customers with a choice of access channels. This sits alongside other methods of access for specific service types;
- Direct contact with specialist officers of the unified Regulatory Service will still be required where a customer/officer relationship has been developed during the course of an on-going enquiry and where the nature of the enquiry requires technical advice and intervention;
- There is a clear need to develop transactional capability that provides customer focussed content so that the web sits as a genuine alternative access channel to other methods of access providing true end-to-end self service;
- Consumer Direct will continue to play a role in providing consumer advice on behalf of Trading Standards;
- As described in Appendix 7 of the business case, a new Business Link portal will provide further on line capability for licensing and permit applications.

Implementation

Ref: 'Section 16' (Implementation Plan) of the WETT Regulatory Services Detailed Business Case V10

The implementation of the new service will follow the phases outlined in the detailed financial profile within the detailed business case document however; it is anticipated that the senior management structure for the new service will be in place for May / June 2010.

Once the Detailed Business Case has been agreed by the participating Councils, a detailed Implementation Plan will be drawn up by the project Group. The plan will cover the following areas and set realistic timescales for completion which can be monitored by the PMG or Joint Committee. Of particular importance will be the need to create a new shared identity and culture for the service with the emphasis being on team building and developing staff.

Governance

1. Agree representation on Joint Committee
2. Establish scheme of delegation
3. Draft Service Level Agreements (SLA)
4. Agree and sign off SLA's
5. Agree Terms of Reference for Joint Committee, including decision making

HR

1. Consultation with Staff and Unions
2. Clarify TUPE and redundancy arrangements
3. Prepare Job Descriptions and Person Specs for HOS and Management posts
4. Agree selection process
5. Appoint Management Team

6. Identify Training and Development needs
7. Allow time to embed the team

Organisational

1. Confirm where management team will be based
2. Finalise operational structure
3. Confirm where teams will be based
4. Confirm with Host Authority support arrangements for shared service
5. Develop job descriptions for shared services staff
6. Arrange Job Evaluations where necessary
7. Redeploy or TUPE staff into new service

Service

1. Map existing processes and service levels
2. Consult with Staff, Members and Customers on service design
3. Agree new service level targets
4. Establish new operational and management processes based on best practise
5. Align policies where appropriate
6. Develop web content and information flow for CRM
7. Embed 'LEAN' principles into service design

ICT

1. Assess how ICT can best be integrated
2. Carry out ICT integration including data transfer
3. Purchase sufficient licenses for staff
4. Train Staff on new system
5. Explore options for home working

Risk

Ref: 'Section 17' (Risk) of the WETT Regulatory Services Detailed Business Case V10

Effective risk management includes early and aggressive risk identification through the collaboration and involvement of relevant stakeholders. Strong leadership across all relevant stakeholders is needed to establish an environment for the free and open disclosure and discussion of risk.

Below are examples of the key risk areas identified by the project group. Further detail around these risks and the associated 'mitigation' plans are contained within Section 17 of the Regulatory Services detailed business case V10

Diversity of new ICT Systems:

Sufficient expertise within the new service associated training needs and the amount of required data cleansing to move to a fully integrated system.

Mitigation: Design migration plan so that training is a key element of the process.
Design new structure to ensure that there is in-house IT database support within the Policy/ Administration team.

Risk 2 - Insufficient investment funding:

Implementation does not go ahead on time due to lack of assumed funding.

Mitigation: Resource and detail all funding opportunities clearly from the very beginning. Design a process that precisely monitors costs and highlights the cost plan at all stages.

Risk 3 -Residual Costs:

Each authority being left with internal costs that require re organisation. Financial impacts not associated with the new service may be incurred.

Mitigation: Costs need to be mapped out and a residual cost plan needs to be managed by each authority. NB: This may lead to significant additional savings to each authority as WETT progresses to other services.

Risk 4 - Level of support from constituent authorities for Regulatory Services will vary due to variations in income:

If income or maintenance funding falls, authorities may wish to contribute less to the shared service.

Mitigation: Agree budgetary contributions on the normal 3 year basis and agree that all income is retained by the individual authorities.

Risk 9 - Governance – democratic deficits (Local Member / Citizen):

Members may not buy into the Shared Service arrangement. Citizens may have concerns over loss of localised provision.

Mitigation: Ensure good communications back to the constituent authorities. If Joint Committee is chosen, have members act as Champions for the new service back at their respective authorities.
Ensure all publicity pushes the joint nature of services.
Build some "localism" back into the operational delivery elements of the structure (need not be existing district basis e.g. North /South, etc.)

Conclusion

1. This business case is supported by a detailed financial model.
2. The financial model shows clear potential for future revenue savings from a shared regulatory service. The extent to which savings are realised is dependent upon both an investment in transformational change and reductions in individual partner internally recharged overhead costs.
3. The speed of delivery of annual revenue savings is determined by the implementation approach adopted. Implementation approach D (refer to detailed business case V10) delivers revenue target savings from the third year and significant savings from the second year onwards
4. Substantial investment is needed to achieve the proposed business model. A return on investment can be achieved within 3 years.
5. Risks are significant if assumptions listed in the Regulatory Services detailed business case V10 are not fulfilled.