

Overview of consultation responses to Regulatory Shared Service business case

Introduction

The business case for a Regulatory Shared Service was made available to staff and unions for consultation and comment on 10th/ 11th November 2009. By the extended closing date of 21st December 2009 a total of 26 responses had been received from unions, professional staff groups and individuals.

All responses have been analysed to identify issues of concern. These issues have been grouped together into related themes and are set out in detail in the accompanying matrix showing the issues of concern to the various respondents. The detailed individual responses have also been made available for inspection in the Members Room.

This paper provides a high level overview of the themes of concern to consultation respondents along with observations from the Regulatory Services Project Team which are shown in italics.

Staff / union consultation process and timescale

There is widespread concern over delays in making the business case available for consultation and the length of the consultation period. Some respondents favoured more time being spent further developing the business case with consultees to reduce the risks identified with the proposals and felt there was a reluctance to engage with staff and unions early on or to provide timely enough responses to questions raised at the outset of the consultation process.

There are concerns about the impact of these changes in Councils with other major change programmes, especially the County Council's BOLD (Better Outcomes through Lean Delivery) programme and the Redditch / Bromsgrove single management team restructure. Some respondents raised wider implications for the future shape of their Council following implementation of this and related proposals. There were concerns about whether the decision being sought was one of principle or specifically in relation to Option 3 and the fact that scrutiny and decision making was taking place during the consultation period.

Project Team observations: It is acknowledged the detailed business case took longer to be made available than originally planned. This was due to the need to undertake additional work to ensure robustness and acceptability to all Councils. The period for consultation was extended by 2 weeks at the request of unions and staff. This now exceeds the statutory requirements. Whilst recognising the benefits longer engagement may bring there is an urgent need to be prepared for forthcoming reductions in public sector funding. Effective implementation using structured project management will avoid any potential impacts of other major change programmes and will include active engagement of staff and stakeholders. Furthermore, the significant risks that have been identified will be properly managed during the implementation process. Redditch and Bromsgrove Councils believe that there are synergies from aligning their change programme with the WETT Programme. The wider membership of the Project Team enabled the Business Case to be challenged at all stages, particularly Option 3.

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However, after taking all of the issues into account, the WETT Programme Board was unanimously in favour of the proposal, as were the Leaders and Chief Executives.

Business model, structure and capacity

Many respondents were concerned at the lack of detail about the proposed structure arguing that it made it difficult to comment meaningfully on whether the proposed service would work or deliver the identified benefits. The majority of respondents expressed concern that the proposed 120 staff is insufficient to undertake the range of services to acceptable standards, especially when staffing ratios are compared to other councils. Staffing levels are seen by most respondents to be driven by financial considerations rather than from a detailed analysis of workload. Many dismiss the scope for closer joint working between Environmental Health and Trading Standards staff.

Widespread concerns are raised about the reduction in management, especially in relation to those managers undertaking operational work and that professional disciplines will not be properly reflected in the proposed hierarchy.

There is common concern that the proposed capacity is insufficient to provide the claimed resilience and that the service will fail during peak demand. The business case is seen by some as unproven and lacking enough information on implementation, with specific concern about adequacy of HR capacity to support the change process.

There was some feeling that the Laboratory Service should be included within the shared service.

Project Team observations: The proposed structure is indicative, reflecting that the process of transformation and the incoming senior management team will finalise the detailed organisational structure. It is acknowledged that future affordability was a major consideration in developing the proposals however the Project Team considers the proposed capacity is sufficient with the investment in transformational change which will also enable a leaner management structure. Comparisons quoted with other Councils are based on current levels and do not take account of transformational opportunities or changes that future funding pressures will necessitate of them. It should be noted that the Detailed Business Case proposes a phased reduction to the indicative 120 FTE figure over a two year period. There are many examples of closer joint working between Trading Standards and Environmental Health professionals being successfully achieved throughout the country in unitary councils, eg: Herefordshire and Wiltshire Councils. Additional resources for the host in the business case will provide for HR support to the shared service. The Group welcomed the comments in relation to the inclusion of the Laboratory Service within the scope of the project. However, this would be considered following the implementation of the services within the current Business Case.

Impact on service delivery and performance

There is broad concern that different service levels across partner councils will lead to inconsistent service delivery and future planning. Many describe this as likely to lead to a “post-code lottery”. Many respondents express concern about the scope of services to

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be included and whether the detail of this has been adequately addressed to avoid risk of work going undone or incurring additional costs.

Many respondents are concerned about delivering the proposed transformational change which is widely seen as going beyond simply a shared service and increasing risks both financially and to public health. Examples of proposals elsewhere in the country that have faltered, in particular Lincolnshire, are cited as indicative of what may happen in Worcestershire. Concerns are also raised about whether learning from other Worcestershire shared services has been incorporated in developing the business case.

Many raise questions and concerns about proposed levels of service and exactly what improvements will be delivered and how. This lack of definition of service standards is seen by some as likely to lead to reduced performance. Many express concern about the consequences of the loss of local knowledge both for service recipients and managers. Some concern was expressed regarding the lack of reference to LAA objectives; and also the need to learn lessons from the Revenues and Benefits Shared Service.

Project Team observations: The Business Case recognises the need to locally tailor the proposed core services to meet the needs of each council. It is intended that individual partner performance against National Indicators will be maintained as a minimum. Performance will be monitored by the Joint Committee. There are risks to performance from these proposals which we consider are addressed in the business case. The proposals in this business case are not comparable to other models and the difficulties encountered elsewhere have been researched, are understood and no additional risks have been identified for the Worcestershire model. With regard to the post code lottery – this is the situation we currently have: this proposal opens up opportunities to standardise services across the county where this is desirable – and with Member agreement. With regard to the LAA, any changes in delivery arrangements should not impact upon the overall delivery of the service. Lessons from the Revenues and Benefits Shared Service have been taken into account, and will continue to feed into future phases of the project. (NB: It is delivering annual savings of over £1,000,000 for the South Worcestershire authorities, so the lessons are invaluable.)

Finance, savings and investment

Many respondents consider there is a lack of detail to demonstrate the proposals are financially beneficial and that not all services or costs are included. There is concern that this may lead to additional costs for services compared to current arrangements. Many express concern that the business case is financially driven and the accuracy of data upon which the financial model is built is questioned.

Many respondents recognise the inevitable need to deliver efficiency savings and transformational change including shared services and question the extent to which alternative ways in which this might be achieved have been considered though no respondent directly offers any alternative proposition. Some concerns are raised about the impact of the proposals on Council income from licensing and of the proposed procurement savings adversely impacting some local businesses.

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Project Team observations: The financial model is based on current information from each council, and is considered fit for purpose having been thoroughly challenged by the County Treasurers group acting independently. The Chief Executives and Leaders are clear that the need to meet future reduction in public service funding is an unavoidable imperative and no credible alternative proposals are available at this time. Each council will continue to determine its own licensing charges and will retain the income. The impact of procurement decisions on local businesses is not considered to be significant because of the nature of this expenditure.

ICT and technology

Many respondents expressed concern about the ICT proposals within the business case, in particular the adequacy of analysis, the potential for cost escalation and the practicability, reliability and security of future systems. Many felt the proposed ICT system should be implemented before the shared service organisation and some expressed concern about the impact of a South Worcestershire ICT shared service being set up in parallel with these proposals.

Project Team observations: The ICT proposals are based on well established and proven systems and technologies and do not represent an untested application. Costs have been established in conjunction with external consultants and are considered adequate and include implementation costs. Additional resources are allowed for the ongoing IT support by the host and the joining of council IT functions across the County will provide additional resilience to support projects such as this. The need to meet future reductions in public spending does not allow the extended implementation suggested. Separating the ICT investment from the overall transformational package would not allow the return on investment to be achieved within the timescales agreed by the Chief Executives and Leaders.

Worcestershire Hub

Most respondents consider the business case places an over reliance on the Worcestershire Hub which is regarded as being unable to cope in other areas of demand. Concerns are raised about the proposed level of additional Customer Service Adviser capacity and the extent to which the Hub will be able to deliver services in place of professional staff or cope in the event of a major incident, increasing risks to public health.

Project Team observations: Hub managers have been closely involved in the development of the business case. The proposed role of the Hub is both necessary and deliverable within the additional capacity identified. The Hub is a key component of service transformation which will ensure professional staff can be freed up to add real value from their skills and expertise. The wider range of access channels, the extended opening hours and the improvements in the use of technology to enable scripting and workflow, all provide the ability to enhance the service to the customer. Furthermore, significant additional resources have been made available by the County Council for the Hub in order to address previous capacity issues.

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Impact on staff terms, conditions and career prospects

There are broad concerns about the adequacy of safeguards for employees facing relocation, reductions in pay or redundancy and the honouring of existing pay and grading mechanisms. A particular concern is the intent to secure alternative employment across partner councils including vacancy freezes, redeployment and alternative work.

There is a widespread feeling that the proposed structure and ways of working will stifle career progression and that uncertainty around the shared service proposals will lead to staff seeking alternative employment.

Project Team observations: It is proposed to create the new service following transfer of staff in accordance with regulations that provide a statutory framework of protection and with ongoing consultation with staff and unions. We recognise the need to reach an early agreement on many of the issues identified and will work to achieve this. Given future pressures on public sector finances we consider the proposals provide a positive framework for career development and future employment.

Hosting proposals

A number of respondents express concern that the decision on hosting has been based on politics rather than rational argument raising questions over the proposed hosts ability to perform adequately. Some concern is also expressed that Councils paying higher salary levels have been avoided as host.

Project Team observations: Suitability of the hosting arrangements have been tested by external consultants who confirm the proposed host. Additional resources are included within the proposed shared service funding to meet the additional costs to the host of supporting the Shared Service. Each post will be subject to Job Evaluation, and not based simply on existing pay grades.

Governance

UNISON has sought a long-term commitment to keeping regulatory services in-house as a public sector shared service. Many respondents are concerned at the lack of detail of arrangements beyond the proposed Joint Committee and over reduction in influence and decision making by locally elected Members. There is concern that this “democratic deficit” will lead to a lack of engagement with tax payers.

Specific concerns are raised about licensing functions and how committee structures will relate to the proposed shared service. Many respondents are concerned at the lack of detail on scrutiny, monitoring and joint trade union negotiation.

Professional respondents expressed concerns over external scrutiny from central government agencies and possible difficulties in providing statutory returns.

Project Team observations: This proposal is a long term public sector. Detailed arrangements for representation on the Joint Committee will need to be agreed as part

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of concluding the legal agreement which coupled with detailed service specifications for each Council will ensure opportunities for input from elected Members. Furthermore, each Council will retain their licensing committees and sub-committees for relevant local decision making. The South Worcestershire Revenues and Benefits Shared Service provides a good model for joint scrutiny and external liaison. Existing Scrutiny functions at each authority will continue to exist and can call in issues if they so wish.

Equalities

Many respondents were concerned there was no evidence of equalities impact assessment of the proposals.

Project Team observations: Equality impact assessments are for each council to carry out and report on in accordance with their own policies / arrangements. It is recognised that full equality impact assessments will need to be carried out following further consultation with stakeholders in order to minimise any adverse impacts of the proposals. The impact of the proposals on staff following this first consultation can now be carried out and for some councils this has already taken place and the results made available.

Stakeholder consultation

Most respondents were concerned at inadequate consultation with stakeholders including service recipients, expert and professional bodies and the public. Some considered the public needed to be informed that introduction of a shared service in the form proposed will mean a reduction in services and standards.

Project Team observations: Initial engagement has been undertaken with a number of stakeholders which has been largely supportive of the proposals. The need for further consultation is set out in the business case (See Transformation section page 10).

Conclusion

There has been a wide ranging and detailed response to the consultation process that has raised many issues, with a good deal of common concerns. Many of the issues and concerns raised are understandable given the nature of the proposals and the impact they will have on individual employees. It was with this in mind that a commitment was given to staff and unions that the outcome of the consultation would be made fully available prior to decision making by the councils. The issues and concerns raised will be fully addressed in implementing the proposals should all partners commit to the Regulatory Shared Service.

WETT Regulatory Services Project Team

4th January 2010