



BROMSGROVE DISTRICT COUNCIL

YOU ARE HEREBY SUMMONED to attend a MEETING of BROMSGROVE DISTRICT COUNCIL to be held in the Council Chamber at The Council House, Burcot Lane, Bromsgrove at 6.00 p.m. on Wednesday 20th January 2010, when the business referred to below will be brought under consideration:-

The meeting will be opened with a prayer.

1. **To receive apologies for absence**
2. **To confirm the accuracy of the minutes of the meeting of the Council held on 18th November 2009 (Pages 1 - 10)**

3. **Declarations of Interest**

(Members are reminded that they need to keep their register of interest forms up to date)

4. **To receive any announcements from the Chairman and/or Head of Paid Service (Pages 11 - 12)**
5. **To receive any announcements from the Leader (Pages 13 - 14)**
6. **Recommendations from the Cabinet (Pages 15 - 190)**

To consider the recommendations from the meeting of the Cabinet held on 6th January 2010 on the following items *(the full Cabinet reports are enclosed for background information as part of the Council agenda book)*:

- Worcestershire Enhanced Two Tier (WETT) Programme – Business Cases for Regulatory, Audit and Property Services
- Medium Term Financial Plan 2010/11 to 2012/2013 (The Budget)
- Comprehensive Area Assessment – Organisational Assessment
- Investigation Costs
- Programme of Council and Committee Meetings 2010/11
- Dolphin Centre – Transfer of Management to a Leisure Trust

7. **To receive the minutes of the meetings of the Cabinet held on 2nd December 2009 and 6th January 2010** (Pages 191 - 204)

8. **Questions on Notice** (Pages 205 - 206)

To deal with any questions on notice from Members of the Council, in the order in which they have been received.

9. **Motion - Presentation/Awards** (Pages 207 - 208)

To consider the following motion submitted by Councillor P. M. McDonald:-

“That all presentations/awards made by the Chairman of the Council fully comply with a criteria agreed by this Council.”

10. **Motion - CO2 Emissions** (Pages 209 - 210)

To consider the following motion submitted by Councillor S. P. Shannon:-

“That this Council demonstrates its commitment to reduction of CO2 emissions in the district by pledging support for the 10-10 campaign.”

11. **Motion - Start time of Meetings** (Pages 211 - 212)

To consider the following motion submitted by Councillor C. J. K. Wilson:

“That Full Council Meetings should now commence at 19.00 along with Board Meetings.”

12. **Recommendations from the Licensing Committee** (Pages 213 - 216)

To consider recommendations from the Licensing Committee held on 7th September 2009

13. **Report of the Independent Remuneration Panel on Members' Allowances for 2010/11** (Pages 217 - 224)

14. **To consider, and if considered appropriate, to pass the following resolution to exclude the public from the meeting during the consideration of item(s) of business containing exempt information:-**

"RESOLVED: that under Section 100 I of the Local Government Act 1972, as amended, the public be excluded from the meeting during the consideration of the following item(s) of business on the grounds that it/they involve(s) the likely disclosure of exempt information as defined in Part I of Schedule 12A to the Act, as amended, the relevant paragraph of that part, in each case, being as set out below, and that it is in the public interest to do so:-

<u>Item No.</u>	<u>Paragraphs</u>	
16	4	
17	1	"

15. **Recommendations from the Shared Services Board** (Pages 225 - 232)

To consider the recommendations from the meeting of the Shared Services Board held on 7th January 2010 regarding requests for Voluntary Compulsory Redundancy

16. **Recommendation from the Appointments Committee (To Follow)** (Pages 233 - 234)

To consider the recommendation from the Appointments Committee held on 14th January 2010 regarding the appointment of an independent member to the Standards Committee

K. DICKS
Chief Executive

The Council House
Burcot Lane
BROMSGROVE
Worcestershire
B60 1AA

TO ALL MEMBERS OF THE BROMSGROVE DISTRICT COUNCIL

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Agenda Item 2

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE COUNCIL

WEDNESDAY, 18TH NOVEMBER 2009, AT 6.00 P.M.

PRESENT: Councillors C. R. Scurrall (Chairman), Mrs. J. M. L. A. Griffiths (Vice-Chairman), Mrs. J. M. Boswell, A. N. Blagg, Mrs. M. Bunker, Miss D. H. Campbell JP, S. R. Colella, R. J. Deeming, G. N. Denaro, Mrs. R. L. Dent, Mrs. A. E. Doyle, J. T. Duddy, Mrs. J. Dyer M.B.E., D. Hancox, R. Hollingworth, Ms. H. J. Jones, B. Lewis F.CMI, Dr. G. H. Lord, Mrs. J. D. Luck, Ms. J. A. Marshall, Mrs. C. M. McDonald, P. M. McDonald, D. L. Pardoe, S. R. Peters, S. P. Shannon, Mrs. M. A. Sherrey JP, R. D. Smith, Mrs. C. J. Spencer, C. B. Taylor, E. C. Tibby, C. J. Tidmarsh, L. J. Turner, M. J. A. Webb, P. J. Whittaker and C. J. K. Wilson

54/09 **WELCOME**

The Chairman welcomed the Reverend Chris Wingfield to his first meeting of the Council.

55/09 **PRAYER**

At the request of the Chairman, the Reverend Chris Wingfield opened the meeting with a prayer.

56/09 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors D. McGrath, E. J. Murray and W. R. Newnes.

57/09 **MINUTES**

The minutes of the meetings of the Council held on 9th September and 16th September 2009 were submitted.

RESOLVED that the minutes of both meetings be approved as a correct record, subject to the amendment of Minute No. 53/09 (4) in relation to Proposals for a Single Management Team to refer to 2010 not 2009.

58/09 **DECLARATIONS OF INTEREST**

No declarations of interest were received from Members.

The Chief Executive advised that he had an interest in agenda item 7 (Joint Chief Executive Appraisal Process) and would leave the meeting during consideration of this item. He also advised that the Heads of Service present had an interest in agenda item 15 (Proposals for a Single Management Team to serve Bromsgrove District Council and Redditch Borough Council) and would leave the meeting during consideration of this item.

59/09 **ANNOUNCEMENTS FROM THE CHAIRMAN**

- (a) The Chairman drew attention to the following forthcoming events and hoped that as many Members as possible would support these:

Christmas Lights Switch-on in Bromsgrove on 21st November 2009 at 5.30 p.m.

Christmas Lights Switch-on in Rubery on 28th November 2009 at 5.30 p.m.

Carol Service in the Spadesbourne Suite on 16th December 2009 at 6.30 p.m.

Staff Christmas Party in the Spadesbourne Suite on 18th December 2009 at 4.30 p.m.

- (b) The Chairman made a presentation to Mrs. N. Trigg in recognition of her services as an independent member of the Standards Committee for eight years and Chairman of that Committee for six years.
- (c) The Chairman made a presentation to Mr. P. Lammas, Chief Reporter at the Bromsgrove Advertiser/Messenger in recognition of his service to the local community during his forty year career with this newspaper.

60/09 **ANNOUNCEMENTS FROM THE LEADER**

The Leader made the following announcements:

- (a) The Procurement Team had received an award from the Society of Procurement Officers for the £1.7m insurance savings achieved for the six Worcestershire District Councils and Staffordshire Moorlands.
- (b) The Council had been awarded 'Loo of the Year' for its new high dependency toilets.
- (c) The Council was finally out of Voluntary Engagement.
- (d) With regard to the Regional Spatial Strategy, the proposed 5,000 houses for Birmingham to be located in Bromsgrove had been rejected; the number of Redditch houses to be located in Bromsgrove had been reduced to 3,000 with local determination by Bromsgrove of where these should be sited; the Bromsgrove housing allocation had increased to 4,000 with the possibility of another 3,000 from 2020; Redditch would not be classed as an area for significant development which would reduce the future pressure on Bromsgrove; the Council's approach had been commended and the Secretary of State had recommended that the Council's approach be adopted elsewhere; and finally it had been recommended that the A435 be upgraded and future Redditch expansion should be south towards Warwickshire.

- (e) Due to the possibility of a General Election in early May 2010, the Annual Meeting of the Council had been put back a week to avoid a potential clash.
- (f) The qualification received with regard to the Council's Statement of Accounts was considered to be a technicality and the Council would appeal.
- (g) Information reports received from Members with regard to attendance at meetings of Outside Bodies would be made available in the Members' Room.
- (h) The Council's current budget was projected to overspend and officers had been asked to address this and provide a plan by the end of November 2009 of how this would be achieved. As a small gesture by Members towards reducing expenditure, sandwiches would cease to be provided before meetings. Other actions such as reducing travel rates would also be explored.

61/09 **RECOMMENDATION FROM THE CABINET MEETING HELD ON 7TH OCTOBER 2009**

TRANSFER OF BROMSGROVE MUSEUM

RESOLVED that any transfer of the Norton Collection to the Friends of the Norton Collection be conditional upon the Friends becoming a registered charity with a registered charity number and that the Collection be transferred to the registered charity.

62/09 **RECOMMENDATIONS FROM THE CABINET MEETING HELD ON 4TH NOVEMBER 2009**

(i) **SHARED SERVICES BOARD- CAPITALISATION DIRECTION**

The recommendation from the Cabinet was moved by Councillor G. N. Denaro and seconded by Councillor R. Hollingworth.

On a requisition under Council Procedure Rule 17.5, the following details of voting were recorded:

For the recommendation: Councillors A. N. Blagg, Mrs. J. M. Boswell, Mrs. M. Bunker, Miss D. H. Campbell, S. R. Colella, R. J. Deeming, G. N. Denaro, Mrs. R. L. Dent, Mrs. A. E. Doyle, J. T. Duddy, Mrs. J. Dyer M.B.E., Mrs. J. M. L. A. Griffiths, D. Hancox, R. Hollingworth, Ms. H.J. Jones, B. Lewis, Dr. G. H. Lord, Mrs. J. D. Luck, D. L. Pardoe, S. R. Peters, Mrs. M. A. Sherrey JP, R. D. Smith, Mrs. C. J. Spencer, C. B. Taylor, E. C. Tibby, C. J. Tidmarsh, L. J. Turner, M. J. A. Webb and P. J. Whittaker (29);

Against the recommendation: Councillors Ms. J. A. Marshall, Mrs. C. M. McDonald, P. M. McDonald, S. P. Shannon, and C. J. K. Wilson (5).

RESOLVED that a capitalisation direction be pursued with regard to expenditure on potential severance costs associated with the Single Management Team.

(ii) **INTEGRATED FINANCIAL AND PERFORMANCE REPORT - QUARTER 2**

The recommendation from the Cabinet was moved by Councillor G. N. Denaro and seconded by Councillor R. Hollingworth.

In response to comments from Councillor P. M. McDonald with regard to the Revenue Budget, the Monitoring Officer advised that the discussion should be limited to the Capital Programme as the Council was required only to make a decision on a recommendation which related purely to a change to the Capital Programme.

RESOLVED that the 2009/2010 Capital Programme be reduced by £1,148,000 to take account of the projects listed in appendix 7 to the report, which for the reasons set out will not be delivered in 2009/2010, and that these projects be included in the 2010/2011 Capital Programme.

(iii) **SUSTAINABLE COMMUNITY STRATEGY 2010-13**

RESOLVED that the Sustainable Community Strategy 2010-13 be approved.

(iv) **BROMSGROVE LOCAL STRATEGIC PARTNERSHIP ANNUAL REPORT 2008-09**

RESOLVED that the Annual Report of the Local Strategic Partnership be approved and the progress made to date in respect of each High Level Action Plan be noted.

(v) **STATEMENT OF GAMBLING PRINCIPLES 2010-2013**

RESOLVED that the Statement of Gambling Principles be approved.

(vi) **JOINT CHIEF EXECUTIVE APPRAISAL PROCESS**

RESOLVED:

- (a) that with effect from 2010, the Joint Chief Executive's PDR/appraisal be set and reviewed by a single panel comprising the Leaders of Bromsgrove District Council and Redditch Borough Council, facilitated by an external advisor and that targets specific to each individual Council be set by panels at each Council with joint targets being set by the Shared Services Board;
- (b) that it be noted that the composition of both informal soundings groups is to be determined by each individual Council and that

- the informal soundings group for Bromsgrove comprise the Leader, Deputy Leader and an Opposition Leader;
- (c) that the informal soundings groups and the formal appraisal panel be supported by a jointly agreed external facilitator and that the associated costs be split jointly between the two Councils;
 - (d) that it be noted that the report is also to be submitted to Redditch Borough Council for consideration and until the report has been approved by both Councils its provisions will not come into effect.
- (Note: Mr. K. Dicks left the meeting prior to consideration of the item referred to in (vi) above).

63/09 **MINUTES OF THE MEETINGS OF THE CABINET HELD ON 7TH OCTOBER AND 4TH NOVEMBER 2009**

The minutes of the meetings of the Cabinet held on 7th October 2009 and 4th November 2009 were received for information.

64/09 **QUESTIONS ON NOTICE**

The Chief Executive announced that three questions on notice had been submitted which would be taken in the order received.

1. Question submitted by Councillor Mrs. J. D. Luck to the Leader

“Will the Leader confirm whether or not the Council has received any expressions of interest from any company, commercial or retail, wanting to develop the Market Hall site, and if so, what has been the Council’s response?”

The Leader replied that the Council had been approached by three organisations, two of which had backed out and the third had been informed that the Council had decided to proceed through the OJEU (Official Journal of the European Union) process and that they could pursue the matter through that route.

Councillor Mrs. Luck asked a supplementary question as to why it was felt necessary to tell the third organisation about the OJEU route but not the other two organisations?

The Leader replied that that at the time the Council was approached by the first two organisations the Council was hoping to develop the site in partnership with another body, but when these fell through a decision had been taken through the Chamber to proceed via the OJEU route.

2. Question submitted by Councillor Mrs. C. M. McDonald to the Leader

“Is the Leader as angry and disappointed as we are who represent Charford in that the police have proposed to discontinue with PACT

Meetings in Charford and condemn such actions obviously condoned by the Chief Constable, as a backward step, treating the residents of Charford as second class citizens and therefore join the Labour Group in calling on the Chief Constable to intervene and ensure that PACT Meetings continue in Charford?"

The Leader replied to the effect that it was matter for individual organisations to decide what they wished to do and that whilst the Charford PACT meetings had not been well attended he agreed with Councillor Mrs. McDonald and that he and the Chief Executive would accompany her, and Councillor S. P. Shannon if he wished, to meet with the police.

Councillor Mrs. McDonald asked a supplementary question that the Labour Group had already been in touch with the Chief Constable and would the Leader join us in meeting with him?

The Leader replied yes as he had indicated in his earlier reply.

3. Question submitted by Councillor Ms. J. A. Marshall to the Chairman of the Council

"Would the Chairman please explain why parking places for the disabled were located so far away from the entrance to the building when they could have been so easily located at the entrance where cars park at the moment or indeed located where parking is reserved for Cabinet Members?"

The Chairman referred this question to Councillor G. N. Denaro.

Councillor Denaro replied referring to the needs of attendees to the Disabled User Group and the Equality and Diversity Forum and to all other car park users including staff, Members and visitors. Some of the issues taken into consideration included access for fire and emergency vehicles, the need for the parking spaces to have sufficient space around them to accommodate mobility vehicles, and the safety of the spaces allocated given that some areas of the car park were in the path of traffic gaining access and egress to and from the car park. He explained why the spaces allocated to the Chairman and Cabinet Members were not suitable to have been used as disabled parking spaces being largely due to the insufficient space they occupied. He indicated that neither the Chairman nor Cabinet Members had expressed any views on where the spaces should be allocated and that this had been left to professional determination based on the size and location within the car park that was best suited.

Councillor Ms. Marshall asked a supplementary question in which she indicated that the area occupied by the disabled parking spaces was uneven and hazardous.

Councillor Denaro replied that he would raise this matter with officers.

65/09 **CHANGE TO THE CONSTITUTION**

Members considered a report of the Head of Legal, Equalities and Democratic Services on a proposal to remove the role of Leader of the Opposition from the Council's Constitution.

Having been proposed by Councillor G. N. Denaro and seconded by Councillor R. Hollingworth, it was

RESOLVED:

- (a) that approval be given to the proposal that the Leader of the Opposition's role be removed from the Constitution with immediate effect;
- (b) that the Council note and agree that all posts currently allocated within the Constitution to the current "Leader of the Opposition or her nominee" and all seats on any Board, Committee or Working Group currently allocated to the current "Leader of the Opposition or her nominee" continue as named appointments with the current incumbent as the named appointment until the end of this municipal year;
- (c) that the Council note the need for the Monitoring Officer to undertake a detailed review into the structure of the Boards and Committees and report back to the full Council in January 2010 with any other consequential changes that will need to be considered as a result of removing this role;
- (d) that authority be delegated to the Monitoring Officer to make the necessary alterations and consequential amendments to the Constitution.

66/09 **SCHEME OF DELEGATION**

Members considered a report of the Head of Legal, Equalities and Democratic Services on some proposed changes to the Council's Scheme of Delegation.

Having been moved by Councillor G. N. Denaro and seconded by Councillor R. Hollingworth, it was

RESOLVED that approval be given to the revised Scheme of Delegation as set out in Appendix 1 to the report.

67/09 **APPOINTMENTS TO OUTSIDE BODIES**

(a) **Joint Bromsgrove and Redditch Planning Advisory Board**

RESOLVED that the relevant Portfolio Holder (Councillor Mrs. J. Dyer M.B.E.), Ward Member for Tardebigge (Councillor P. J. Whittaker) and two Ward Members for Alvechurch (Councillors Mrs. J. M. L. A. Griffiths and R. Hollingworth) be appointed to serve on the Joint Bromsgrove and Redditch Planning Advisory Board for 2009/10.

(Under Council Procedure Rule 17.7 Councillor S. R. Peters requested that his name be recorded as having voted against the above resolution).

(b) Shared Services Board

Having been moved by Councillor R. Hollingworth and seconded by Councillor G. N. Denaro, it was

RESOLVED that the Councillors Mrs. J. M. L. A. Griffiths and M. J. A. Webb be appointed as substitute members for the Leader, Deputy Leader and Councillor S. R. Colella on the Shared Services Board.

Having been moved by Councillor R. Hollingworth and seconded by Councillor G. N. Denaro, it was

RESOLVED that the place on the Shared Services Board for the Leader of the Opposition be changed to a place for a member of the opposition.

Having been moved by Councillor Mrs. J. D. Luck and seconded by Councillor Mrs. A. E. Doyle, it was

RESOLVED that the Councillor S. R. Peters be appointed to the place on the Shared Services Board for a member of the opposition.

68/09 **LOCAL GOVERNMENT ACT 1972 EXCLUSION OF THE PUBLIC**

A motion to exclude the public prior to consideration of agenda item 14 (recommendation from the Appointments Committee) and agenda item 15 (recommendations from the Cabinet with regard to proposals for a Single Management Team to serve Bromsgrove District Council and Redditch Borough Council) was moved by Councillor R. Hollingworth and seconded by Councillor G. N. Denaro on the grounds that agenda item 14 involved the likely disclosure of exempt information as defined in paragraph 1 of Part 1 of Schedule 12A to the Act as amended, being information relating to an individual and that agenda item 15 involved the likely disclosure of exempt information as defined in paragraph 1 of Part 1 of Schedule 12A to the Act as amended, being information relating to any ongoing or contemplated consultations or negotiations in connection with any labour relations matter between the Council and officers. Members needed to consider whether the public interest in maintaining the exemption outweighed the public interest in disclosing the information by debating the matter in public.

Having been put to the vote it was

RESOLVED that under Section 100 I of the Local Government Act 1972, as amended, the public be excluded from the meeting during the consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A to the

Act, as amended, the relevant paragraph of that part, in each case, being as set out below, and that it is in the public interest to do so:-

<u>Minute No.</u>	<u>Paragraph</u>
69/09	1
70/09	4

69/09 **RECOMMENDATION FROM THE APPOINTMENTS COMMITTEE HELD ON 2ND NOVEMBER 2009**

APPOINTMENT OF INDEPENDENT MEMBER TO THE STANDARDS COMMITTEE

On a requisition under Council Procedure Rule 17.5 the following details of voting were recorded on the recommendation from the Appointments Committee with regard to the appointment of an independent member to the Standards Committee:

For the recommendation: Councillors Mr. M. Bunker, Mrs. A. E. Doyle, J. T. Duddy, Mrs. J. D. Luck, D. L. Pardoe, S. R. Peters and L. J. Turner (7);

Against the recommendation: Councillors A. N. Blagg, Mrs. J. M. Boswell, S. R. Colella, R. J. Deeming, G. N. Denaro, Mrs. R. L. Dent, Mrs. J. Dyer M.B.E., Mrs. J. M. L. A. Griffiths, D. Hancox, R. Hollingworth, Ms. H. J. Jones, B. Lewis, Dr. G. H. Lord, Ms. J. A. Marshall, Mrs. C. M. McDonald, P. M. McDonald, S. P. Shannon, Mrs. M. A. Sherrey JP, R. D. Smith, Mrs. C. J. Spencer, C. B. Taylor, E. C. Tibby, C. J. Tidmarsh, M. J. A. Webb, P. J. Whittaker and C. J. K. Wilson (26);

Abstention: Councillor Miss D. H. Campbell (1)

RESOLVED that the recommendation from the Appointments Committee be not approved.

70/09 **RECOMMENDATIONS FROM THE CABINET MEETING HELD ON 18TH NOVEMBER 2009**

PROPOSALS FOR A SINGLE MANAGEMENT TEAM TO SERVE BROMSGROVE DISTRICT COUNCIL AND REDDITCH BOROUGH COUNCIL

(Heads of Service left the meeting prior to consideration of this item).

The recommendations from the Cabinet were moved by Councillor R. Hollingworth and seconded by Councillor G. N. Denaro.

On a requisition under Council Procedure Rule 17.5, the following details of voting on the recommendations were recorded:

For the recommendations: Councillors A. N. Blagg, Mrs. J. M. Boswell, Mrs. M. Bunker, Miss D. H. Campbell, S. R. Colella, R. J. Deeming, G. N. Denaro, Mrs. R. L. Dent, J. T. Duddy, Mrs. J. Dyer M.B.E., Mrs. J. M. L. A. Griffiths, D. Hancox, R. Hollingworth, Ms. H. J. Jones, B. Lewis, Dr. G. H. Lord, Mrs. J. D. Luck, D. L. Pardoe, S. R. Peters, Mrs. M. A. Sherrey JP, R. D. Smith, Mrs. C. J. Spencer, C. B. Taylor, E. C. Tibby, C. J. Tidmarsh, L. J. Turner, M. J. A. Webb and P. J. Whittaker (28);

Against the recommendations: Councillors Ms. J. A. Marshall, Mrs. C. M. McDonald, P. M. McDonald, S. P. Shannon and C. J. K. Wilson (5);

Abstention: Councillor Mrs. A. E. Doyle (1).

RESOLVED:

- (a) that the Executive Director (Section 151 Officer) be retitled Executive Director (Finance and Resources);
- (b) that the title "Joint Chief Executive" be amended to "Chief Executive";
- (c) that the responses to the consultation and the management response, as set out at Appendix 2 to the report be received and noted;
- (d) that the union's response to the consultation as set out at Appendix 3 to the report and the management response set out within the report be received and noted;
- (e) that subject to the variations and additions detailed in (a) and (b) the proposed structure as set out at Appendix 4 to the report be endorsed for implementation with effect from 19th November 2009;
- (f) that the proposal to open the initial ring fence for the Executive Director (Section 151 Officer) to Heads of Service who possess the appropriate qualifications be endorsed;
- (g) that the proposed selection criteria for Voluntary Compulsory Redundancy/Early Retirement be endorsed, as set out at section 6.2 of the report and as detailed below;
- (h) that the three applications received for Voluntary Compulsory Redundancy/Early Retirement as detailed at Appendix 5 to the report be noted and accepted;
- (i) that the opportunity for Voluntary Compulsory Redundancy be extended beyond the original 29th October 2009 deadline to officers whose posts are currently affected, in order to receive any further applications arising through the recruitment process.

The meeting closed at 7.45 p.m.

Chairman

Agenda Item 4

THERE ARE NO ENCLOSURES FOR THIS AGENDA ITEM

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Agenda Item 5

THERE ARE NO ENCLOSURES FOR THIS AGENDA ITEM

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COUNCIL

20TH JANUARY 2010

RECOMMENDATIONS FROM THE CABINET

The following reports considered by the Cabinet on 6th January 2010 are submitted to the full Council as background information to the recommendations from the Cabinet on these items:

- Worcestershire Enhanced Two tier (WETT) Programme – Business Cases for Regulatory, Audit and Property Services
- Medium Term Financial Plan 2010/11 to 2012/13 (The Budget)
- Comprehensive Area Assessment – Organisational Assessment
- Investigation Costs
- Programme of Council and Committee Meetings 2010/11
- Dolphin Centre – Transfer of Management to a Leisure Trust

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CABINET

RECOMMENDATIONS TO THE COUNCIL

6TH JANUARY 2010

1. WORCESTERSHIRE ENHANCED TWO TIER (WETT) PROGRAMME
– BUSINESS CASE FOR REGULATORY, AUDIT AND PROPERTY
SERVICES

The Cabinet has considered a report on the WETT programme and in particular the detailed business cases for Property Services, Regulatory Services and Internal Audit.

It is therefore RECOMMENDED IN PRINCIPLE:

- (a) that the two tier and joint working proposals for Property Services, Regulatory Services and Internal Audit contained within the WETT detailed business cases attached to the report be approved, on the basis that the associated risk implications and governance arrangements are to be finalised;
- (b) that subject to the agreement of the Worcestershire Councils i.e. Worcestershire County Council, Worcester City, Bromsgrove District, Redditch Borough, Malvern Hills District, Wychavon District and Wyre Forest District, a unified Regulatory Service for the Worcestershire Councils, jointly hosted by Bromsgrove and Redditch Councils (with Bromsgrove as the employing authority) be established from 1st June 2010 under the auspices of a Joint Committee; on the basis set out in the Regulatory Service Detailed Business Case V10, Part 1 and Part 2 (Rev.1) and supported by the Regulatory Services Detailed Business Case Executive Summary V3.2 attached as an appendix to the report;
- (c) that this Council's functions in relation to Environmental Health and Licensing Services (other than those licensing functions which cannot be delegated) be delegated to a Joint Committee in accordance with Section 101 of the Local Government Act 1972 and Section 20 of the Local Government Act 2000 and the Local Authorities (Arrangement for the Discharge of Functions) (England) (Regulations) 2000;
- (d) that subject to such an agreement being concluded, relevant staff from all Councils agreeing to the Regulatory Services Business Case be transferred to this Council under TUPE arrangements;
- (e) that the financial arrangements for the new Regulatory Service as set out in the Detailed Business Case V10 be approved as the basis for Regulatory budgets;
- (f) that subject to the agreement of the participating Worcestershire Councils i.e. Worcestershire County, Worcester City, Bromsgrove District and Redditch Borough, a Shared Property Service (hosted by Worcestershire County Council) be established on the basis set out in the Property Services Detailed Business Case V6 and the supporting Detailed

Business Case Executive Summary V1 attached as an appendix to the report;

- (g) that the transfer of staff to Worcestershire County Council as service provider be approved on the terms proposed from the commencement date;
- (h) that this Council enters into a Service Level Agreement on the basis set out in the Property Services Detailed Business Case V6 and supporting Property Services Detailed Business Case V1, as amended to reflect any final agreement made between the Partner authorities;
- (i) that the Head of Legal, Equalities and Democratic Services be authorised to finalise the terms of the collaboration agreement and the Service Level Agreement and to execute the agreements on behalf of the Council;
- (j) that subject to the agreement of the participating Worcestershire Councils i.e. Worcester City, Bromsgrove District, Redditch Borough, Wychavon District and Malvern Hills District, agreement be given to the creation of a Shared Service Internal Audit Service on the basis set out in the Internal Audit Detailed Business Case V10 and the supporting Detailed Business Case Executive Summary V2 as attached as an appendix to the report;
- (k) that the proposal that Worcester City Council acts as service provider be supported;
- (l) that the transfer of staff to Worcester City Council as service provider be approved on the terms proposed from the commencement date;
- (m) that this Council enters into a Service Level Agreement on the basis set out in the Internal Audit Detailed Business Case V10 and supporting Internal Audit Detailed Business Case V2 attached as an appendix to the report as amended to reflect any final agreement made between the Partner authorities;
- (n) that the Head of Legal, Equalities and Democratic Services be authorised to finalise the terms of the Service Level Agreement and to execute the agreement on behalf of the authority;
- (o) that the proposed timeline attached as an appendix to the report, containing the order and dates for each consultation and decision point relating to the detailed business case development for Property Services, Regulatory Services and Internal Audit be approved;
- (p) that the establishment of a Joint Appointments Committee with appropriate terms of reference in relation to the appointment of the proposed Head of Regulatory Services be approved on the basis the Committee comprises one member of each participating Council ;
- (q) that the consequential amendments to the Council's Constitution to reflect the Shared Services arrangements be approved.

2. MEDIUM TERM FINANCIAL PLAN 2010/2011 TO 2012/2013

The Cabinet has given consideration to the Medium Term Financial Plan 2010/2011 to 2012/2013 relating to revenue and capital expenditure.

The Portfolio Holder for Resources referred to the current position relating to the Medium Term Financial Plan and to the proposal to produce an Older Persons Directory of Services at a one off cost of £8,000 as included in Appendix A. It was proposed and agreed that this should be designated as a high pressure rather than a medium pressure and should be funded from balances. Reference was also made to additional capital expenditure required as a result of the agreement in principle of the WETT programme proposals as referred to in Minute No. 136/09 above.

It is therefore RECOMMENDED:

- (a) that the budget pressures identified as high in Appendix A of the report (now including the Older Persons Directory) be included within the Medium Term Financial Plan as follows:

2010/11	£100,000
2011/12	£69,000
2012/13	£69,000

- (b) that the budget pressures identified as unavoidable in Appendix B of the report be included within the Medium Term Financial Plan as follows:

2010/11	£725,000
2011/12	£699,000
2012/13	£677,000

- (c) that the savings identified in Appendix C of the report be included within the Medium Term Financial Plan as follows:

2010/11	£1,088,000
2011/12	£1,348,000
2012/13	£1,787,000

- (d) that the capital bids identified as high in Appendix D (i) of the report (now including the WETT programme proposals) be included within the Medium Term Financial Plan as follows:

2010/11	£365,000
2011/12	£140,000
2012/13	£110,000

- (e) that the use of reserves totalling £593,000 as set out in Appendix E of the report be approved;

- (f) that the virements as set out in Appendix F of the report be approved; and

- (g) that the efficiency savings to be delivered during the period of the Medium Term Financial Plan as set out in Appendix D of the report be noted.

**3. COMPREHENSIVE AREA ASSESSMENT (CAA) –
ORGANISATIONAL ASSESSMENT**

The Cabinet has given consideration to a report on the Audit Commission's Organisational Assessment of the Council.

It is therefore RECOMMENDED:

That the Audit Commission's report be noted, in particular the areas identified for improvement which will be included within the 2010/2013 Council Plan and the 2010/2011 Improvement Plan.

4. INVESTIGATION COSTS

The Cabinet has considered a report requesting approval for the transfer of funds of £45,000 from balances to cover the costs relating to the investigation and hearings into complaints made to the Standards Committee following the Council meeting on 29th July 2009.

It is therefore RECOMMENDED:

That £45,000 be transferred from balances to meet the costs relating to the investigation and hearings into the complaints made to the Standards Committee following the Council meeting on 29th July 2009.

**5. PROGRAMME OF COUNCIL AND COMMITTEE MEETINGS
2010/2011**

The Cabinet has considered a report containing the proposed programme of Council and Committee meetings for 2010/2011.

It is therefore RECOMMENDED:

- (a) that the Committee Programme for 2010/2011 as set out at Appendix 1 to the report be approved;
- (b) that authority be delegated to the Head of Legal, Equalities and Democratic Services, in consultation with the Leader and relevant Portfolio Holder, to agree the programme of Council and Committee meetings for future years; and
- (c) that the responsibility for considering and formally approving by resolution the Council's Statement of Accounts in accordance with Regulation 10 (3) of the Accounts and Audit Regulations 2003 be transferred from the Audit Board to the full Council; and that, as a consequence, the proposed June meeting of the Council be changed to 30th June 2010

6. **DOLPHIN CENTRE – TRANSFER OF MANAGEMENT TO A LEISURE TRUST**

The Cabinet has considered a report outlining the case for re-opening discussions with Wychavon Leisure and Community Association Limited (WLCAL) regarding the transfer of the management of the Dolphin Centre to the Trust.

It is therefore RECOMMENDED:

That negotiations be completed to enable the transfer of the management of the Dolphin Centre to WLCAL to take place, based on the production of a business case that meets the savings proposed in the Medium Term Financial Plan and on a range of targets that will further improve the efficiency of the Dolphin Centre.

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BROMSGROVE DISTRICT COUNCIL

CABINET

6 JANUARY 2010

Worcestershire Enhanced Two Tier

Responsible Portfolio Holder	Councillor Roger Hollingworth
Responsible Head of Service	Kevin Dicks
Key Decision – Yes	

1. SUMMARY

- 1.1 This report seeks agreement in principle for the detailed business cases for Worcestershire Enhanced Two Tier and approval to allow the business cases to be further progressed and presented to full Council during January 2010 for a final Member decision.

2. RECOMMENDATION

- 2.1 It is recommended that Cabinet support in principle the two tier and joint working proposals for Property Services, Regulatory Services and Internal Audit presented within the Worcestershire Enhanced Two Tier (WETT) detailed business cases referenced in this report. This will allow the business cases to be progressed to Council for Members to consider these proposals for final decision in January 2010. It is therefore recommended that Cabinet support in principle:-
- 2.1.1 Subject to the agreement of the Worcestershire Councils e.g. Worcestershire County, Worcester City District, Bromsgrove District, Redditch Borough, Malvern Hills District, Wychavon District and Wyre Forest District:

A unified Regulatory Service for the Worcestershire Councils, jointly hosted by Bromsgrove and Redditch Councils (with Bromsgrove District Council as the employing authority), is established from 1st. June 2010 under the auspices of a Joint Committee; on the basis set out in the Regulatory Service Detailed Business Case V10, Part 1 & Part 2 (Rev.1) and supported by the Regulatory Services, Detailed Business Case Executive Summary V3.2 at '**Appendix A**' of this report.

- 2.1.2 This Council's functions in relation to Environmental Health and Licensing Services (other than those licensing functions which cannot be delegated) be delegated to a Joint Committee in accordance with Section 101 of the Local government Act 1972 and Section 20 of the Local

Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) (Regulations) 2000.

- 2.1.3 That, subject to such an agreement being concluded, relevant staff from all Councils agreeing to the Regulatory Services business case are to be transferred to Bromsgrove District Council under TUPE arrangements;
- 2.1.4 That the financial arrangements for the new service as set out in the Detailed Business Case V10 be approved in principle allowing the business cases documentation to be presented to full Council in January 2010 for final ratification and recommended to each authority as the basis for Regulatory budgets.
- 2.1.5 Subject to the agreement of the participating Worcestershire Councils e.g. Worcestershire County, Worcester City, Bromsgrove District and Redditch Borough that a Shared Property Service (hosted by Worcestershire County Council) on the basis set out in the Property Services, Detailed Business Case V6 and the supporting Detailed Business Case Executive Summary V1 at 'Appendix B' of this report is established.
- 2.1.6 The transfer of staff to Worcestershire County Council as service provider on the terms proposed from the Commencement Date.
- 2.1.7 To enter into the service level agreement on the basis set out in the Property Services Detailed Business Case V6 and supporting Property Services Detailed Business Case V1 (Appendix B), as amended to reflect any final agreement made between the Partner authorities.
- 2.1.8 The proposal to authorise the Head of Legal, Equalities and Democratic Services to finalise the terms of the collaboration agreement and Service Level Agreement and to execute the agreements on behalf of the Council.
- 2.1.9 Subject to the agreement of the participating Worcestershire Councils e.g. Worcester City District, Bromsgrove District, Redditch Borough, Wychavon District and Malvern Hills District; that agreement in principle is given to the creation of a Shared Internal Audit Service on the basis set out in the Internal Audit, Detailed Business Case V10 and the supporting Detailed Business Case Executive Summary V2 at '**Appendix C**' of this report.
- 2.1.10 Supports in principle Worcester City Council to act as the service provider.
- 2.1.11 Agrees in principle to the transfer of staff to Worcester City Council as service provider on the terms proposed from the Commencement Date.
- 2.1.12 Agrees in principle to enter into the service level agreement on the basis set out in the Internal Audit Detailed Business Case V10 and

supporting Internal Audit Detailed Business Case V2 (Appendix B), as amended to reflect any final agreement made between the Partner authorities.

- 2.1.13 Agrees in principle to authorise the Head of Legal, Equalities and Democratic Services to finalise the terms of the service level agreement and to execute the agreement on behalf of the authority.
- 2.1.14 To support the proposed timeline at '**Appendix D**' of this report. The time line shows the order and dates for each consultation and decision point relating to the detailed business case development for Internal Audit, Property and Regulatory Services.
- 2.1.15 Agrees to the creation of and terms of reference for a Joint Appointments Committee comprising one member of each participating Council for the proposed Head of Regulatory Services.
- 2.1.16 The proposal to make any consequential changes required to the Council's constitution to reflect the shared services arrangements.

3. BACKGROUND

- 3.1 The Worcestershire Enhanced Two Tier (WETT) programme was created during 2009. This followed the successful bid by the Worcestershire Councils for £350K of funding made available by the Improvement & Efficiency Partnership (IEP), West Midlands. This funding was provided specifically to support the development of two tier, shared working within the region.
- 3.2 During 2009 Officer teams representing all of the Worcestershire Councils have worked together to produce a number of proposals for two tier, joint working which include key community facing and support service areas e.g. Regulatory Services, Street Scene, Human Resources and Property Services.
- 3.3 High Level Business Cases were produced in May supporting proposals relating to ten service areas and the Worcestershire Chief Executives and Council Leader panels supported the prioritised development of three of these into detailed business cases i.e. Regulatory, Property and Internal Audit.
- 3.4 Stakeholder groups such as the County Treasurers and HR Managers have been involved at key stages in challenging and validating the detailed business cases. A Programme Management Group comprising of senior managers from all seven Worcestershire Councils has directly supported the development process.
- 3.5 The proposed detailed business cases were presented to the Worcestershire Chief Executives & Council Leaders Panel during

October 2009. Agreement was reached by the participating Partners for each of the three business cases to be taken forward for consideration by the Executive Members of each Council during December 2009.

- 3.6 The report to Council will include detail on the outcomes of the formal consultation with staff and trade unions regarding the business cases.
- 3.7 The WETT programme has been structured in such a way to enable development of the other High Level Business Cases to continue in further phases of prioritised development following the completion of necessary work on the current detailed business cases.

4. BUSINESS CASE OVERVIEW

- 4.1 The current WETT detailed business cases were circulated to all affected staff, the Trade Unions and Elected Members of the participating Worcestershire Councils on the 11th November 2009. This followed initial presentations regarding the business cases to these groups by the WETT programme team during the first two weeks of November.
- 4.2 Each of the detailed business cases for the WETT programme is supported by an Executive Summary document which has been produced to offer a concise representation of the key elements of the broader document e.g. proposed Scope, Finances, Governance, Management & Staffing, Performance, service Transformation, ICT requirements, Implementation approach and Risks.
- 4.3 The Executive Summary documents form part of the appendices of this report and are referenced throughout.
- 4.4 Attached at '**Appendix D**' of this report is the current 'time line' which provides detail on the order of key dates for the consultation and decision making process in relation to the detailed business cases for Regulatory, Property Services and Internal Audit.
- 4.5 Below is a high level overview of the proposals contained within the business case documents however; Executive Members are asked to refer to the appendices of this report when considering the recommendations contained within 'section 1'.

(a) Regulatory Services:

- 4.6 The business case proposes that a transformational two tier Regulatory Service be created in Worcestershire that will deliver significant improvement in services for Customers county-wide and benefits for the seven Partner Authorities. This would involve creating a fully integrated Regulatory Services function which will be more effectively focussed on businesses and consumers, with all partners operating within a unified Management Structure.

- 4.7 The proposed service will incorporate 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.
- 4.8 The business case highlights a number of key benefits which can be achieved for Partners through this new approach e.g.
- 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.
 - Improved delivery to Customers e.g. reducing the burden on business by avoiding duplication of inspections.
 - 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

- 4.9 Details on the proposed costs and saving per Council Partner can be found at 'Appendix E' of this report which includes an extract from the Regulatory Services detailed business case V10, Finance Appendix F9 – Implementation Approach D proposed partner cash flow forecast.
- 4.10 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.
- 4.11 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).
- 4.12 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).
- 4.13 The direct expenditure savings under the recommended service model i.e. 'Option 3' shown in the Regulatory Services detailed business case V10 are delivered through a reduction in headcount from 165 to 120 FTE.
- 4.14 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.
- 4.15 Having received legal advice regarding shared service governance, the Regulatory Services 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. Sections 101 and 102 of the Local Government Act 1972 provide the statutory authority for this.
- 4.16 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. However; 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.

- 4.17 The two tier Regulatory Service model described in the detailed business cases V10 therefore proposes to retain the existing licensing committees to deal with those licensing and gambling functions which cannot be delegated to another authority.
- 4.18 Recommendation (a) of this report asks Cabinet to agree in principle the business case at 'Appendix A' of this report for a two tier Regulatory Service for the six Worcestershire Districts and County Council.
- 4.19 If supported, Cabinet are asked to approve the recommendation that the business case be taken forward to the Council meeting in January 2010 for a final decision. The report to Council will include detail on the outcomes of the formal consultation with staff and trade unions regarding the business case.
- 4.20 The service would be operational by 1st June 2010, and would be hosted by Bromsgrove District Council.

(b) Property Services:

- 4.21 The proposed business case supports the development of an integrated Property Services function with all participating Council partners operating within a single management structure. This will allow a central team to be created which has the resilience, shared expertise and economies of scale to provide a broad and effective property service base for the communities of Worcestershire.
- 4.22 The business case highlights a number of key benefits which can be achieved for Partners through this new approach e.g.
- **Economies of scale:** Rationalisation of estate, combined procurement through combined purchasing power and reduced support costs & overheads
 - **Resilience:** Improved capacity – sharing of resources and skills, improve career structure, personal development and ergonomics & improved partnership working.
 - **Best Services for Local People:** Better position to meet local service user
 - **Savings:** Accumulative savings of 15% revenue against existing revenue budgets over 3 years for District Partners. Opportunities for additional savings for the County Council through increasing efficiency over the initial 3 years of the Partnership.
 - **Increased flexibility and opportunities to optimise resources & staff:** No geographic boundaries between services to customers, no political boundaries between services to customers, shared resources – people, processes, systems & shared allegiance

- **Future proof services:** Protection of Political Sovereignty within 2 Tier (Governance – process 'all decisions will be signed by all relevant authorities')
- **Value for Money / Performance:** Partner performance will be sustained during economically challenging Local Government environment, at a reduced cost.
- **Continuous improvement at a reduced cost:** Eliminate duplication, overlap & redundancy in processes & working practices, standardised services and quality.
- **Consistent approach in service delivery for common problems (asbestos, carbon, energy management):** Uniform processes for common problems (asbestos, carbon & energy management), policy alignment (customer perception is the key driver – common policy framework needs to have flexibility to meet local needs) & improvement in compliance

4.23 The business case proposes that the County Council would provide the entire range of Property Services under 'service level agreement (SLA)' to participating District Council Partners.

4.24 Section 101 Local Government Act 1972 enables an authority to make arrangements for the discharge of its functions by a committee, sub-committee or officer of the authority or by another authority. Sections 19 and 20 Local Government Act 2000 contain similar powers regarding executive functions.

4.25 It is important to stress that the proposed arrangements have been structured as collaboration between the four authorities, with the ability of other Partners e.g. Malvern Hills District Council to join at a later date.

4.26 Advice has been sought on the procurement rules which govern these proposals. This has confirmed that, given the fact that each participating authority is proposing to operate this service through the provision of a Service Level Agreement, any adverse procurement risk is minimal. The fact that the County Council currently provides part of these services under a Service Level Agreement further minimises any risk.

4.27 In practice this means that the County Council's Head of Property Services is carrying out the property functions contained within the detailed business case on behalf of the other participating authorities and the collaboration agreement records the terms upon which costs will be shared and the other practical issues which have been documented within the detailed business case V6 for the arrangements.

4.28 It is anticipated that efficiencies through economies of scale will be achieved, benefitting all participating partners and providing a viable

response to impending further budget pressures expected over the coming years.

4.29 The combined Property Service will contribute to other local government services such as planning, highways, education and the wider sustainability agenda will be enhanced.

4.30 The business model will include a core of Property Service functions which would form the initial service portfolio, with opportunities for a broader portfolio as the service is developed and embedded.

4.31 Under the Service Level Agreement, each District Council will receive a service to at least the same level as is currently delivered in-house; each District Council will also receive a cumulative saving of 5% against total employee, supplies & services and repairs & maintenance expenditure for each of the first three years of operation of the shared service (15% cumulative saving after three years).

4.32 'Table 1' below shows the Indicative savings delivered to District Councils through the proposed shared service:

Table 1 – Indicative savings delivered to District Councils		Current Budget £	Year 1 £	Year 2 £	Year 3 £
Target saving (cumulative):		N/a	5%	10%	15%
Bromsgrove DC	Savings (cumulative)	N/a	(14,000)	(27,000)	(40,000)
	Total expenditure (excl facilities)	269,000	255,000	242,000	229,000
Malvern Hills DC	Savings (cumulative)	N/a	(8,000)	(17,000)	(25,000)
	Total expenditure (excl facilities)	169,000	161,000	152,000	144,000
Redditch BC	Savings (cumulative)	N/a	(62,000)	(124,000)	(187,000)
	Total expenditure (excl facilities)	1,244,000	1,182,000	1,120,000	1,057,000
Worcester City	Savings (cumulative)	N/a	(67,000)	(133,000)	(200,000)
	Total expenditure (excl facilities)	1,331,000	1,264,000	1,198,000	1,131,000
All District Councils	Savings (cumulative)	N/a	(151,000)	(301,000)	(452,000)
	Total expenditure (excl facilities)	3,013,000	2,862,000	2,712,000	2,561,000

4.33 Facilities-related expenditure will also be included in the scope of the Shared Service, but will be treated as a separate expenditure budget line. While savings are likely to accrue to District Councils from premises-related items, for example through the negotiation of joint contracts for utilities procurement, these savings are not quantified in this business case, but will be allocated to Shared Service partners as they arise. The detailed methodology for savings distribution will be set out in the Service Level Agreement.

4.34 It should be noted that there are no fixed savings planned against the County Council's direct expenditure budget as, since 2006/07, total savings of £423,000 have already been delivered by the County

Council's Property Services department against staffing budgets. However, under the current model, the County Council will benefit from any savings which are delivered in addition to the agreed levels in Table 1 above.

- 4.35 The business case proposes that Worcestershire County Council will be the host employer under this proposed Property Service. Staff would therefore transfer to the employment of the County Council with effect from 1 April 2010.
- 4.36 **'Recommendation 2.1.5'** of this report asks Cabinet Members to agree in principle the business case for Property Services at **'Appendix B'** for a two tier Property Service for the Councils of Worcestershire County, Worcester City District, Redditch Borough and Bromsgrove District.
- 4.37 If supported, Cabinet are asked to approve the recommendation that the business case be taken forward to the Council meeting in January 2010 for a final decision. The report to Council will include detail on the outcomes with staff and trade unions regarding the business case.
- 4.38 The service would be operational by 1st June 2010, and would be hosted by the County Council.

(c) Internal Audit

- 4.39 This business case supports the development of an integrated Internal Audit function with all participating District Council Partners (scalable for other councils to join at a later date) operating within a single management structure. This will allow a central team to be created which has the resilience, shared expertise and economies of scale to provide a broad and effective service base for the District Councils, hosted by Worcester City Council.
- 4.40 Once the proposed District Partnership has been implemented there will be scope for the County Council and the Districts to review the potential for increased Partnership working.
- 4.41 The Project Team established that Worcester City Council has a substantial Internal Audit team in comparison to the other Districts and is already carrying out work on behalf of Partners e.g. Malvern Hills District Council. The City Council generates 50% of its Internal Audit costs from completing work for other Authorities and this is built into the agreed budget for the Council. It is an organisation which is looking to expand its Internal Audit work or at least maintain its current volume to protect budget commitments.
- **Resilience** – combining the Internal Audit teams will provide the participating authorities with a larger pool of Internal Auditors with a greater breadth of expertise. Availability of staff and skills, developing expertise & Developing new areas of auditing.

- **Savings** – the financial business case delivers ongoing revenue savings of £144,000 per annum (20.1% of direct expenditure) by Year 3 (2012/13).
- **Staff retention & development** – an improved career structure for staff, with increased variety of work and professional development opportunities. Achieve consistent high standards and increased morale and motivation.
- **Improved support to other Shared Services** – streamlined and uniform assurances will be provided to existing and future Shared Services
- **Increased Quality:** Sharing organisational best practice, Increased influence in negotiation – 3rd parties & External Audit, Opportunities for growth (%age of audit plan), Researching best practices, Uniformity of product delivery with robust methodology, Single point of contact for External Audit.
- **Economies of Scale & Transformational Changes:** Overall cost saving.
- **Consistency of standards and quality:** Standardise services and quality, consistency of audit approach to ensure best practice is applied at all sites: Eliminate duplication and overlap in processes & working practices, best practice audit methodologies, elimination of barriers when working with other 'shared services'.

4.42 The model proposed focuses on service excellence and service resilience through building on existing good practice. Delivery of Internal Audit functions through a centralised hosted service provision is considered by the project team members to be well placed to provide a much improved service to each participating partner.

4.43 The model also provides opportunities for consistency of standards, quality and audit approach which will feed into Use of Resources Assessments, External Audit opinions and CIPFA Code of Practice compliance.

4.44 The Project Team believe that there is potential for savings to be achieved as a result of this shared service relationship. The City Council highlighted the fact that existing savings / income created from current Partnership working would have to be maintained by the City Council as part of agreed Council budget commitments. All additional savings could be shared with Partners as part of the new shared service model, subject to confirmation.

4.45 Table 2 below shows the proposed costs (excluding Support Costs) and savings for each Partner which can be achieved through the new service

Table 2: Proposed Costs of Service by District (excluding Support Costs)

	Cost 2009/10	Cost 2010/11	Cost 2011/12	Cost 2012/13
Bromsgrove DC	£92,510	£102,312	£92,125	£81,488
Malvern Hills DC	£92,950	£76,553	£66,450	£58,884
Redditch BC	£160,854	£164,004	£146,421	£128,410
Worcester City	£88,047	£89,956	£77,735	£66,668
Wychavon DC	£127,549	£131,472	£118,051	£104,694
Wyre Forest DC	£29,800	£28,372	£26,758	£25,156
Subtotal	£591,710	£592,670	£527,540	£465,299
Saving p.a.		£960	(£65,130)	(£62,242)
Saving recurring p.a.		£960	(£64,170)	(£126,411)

4.46 The proposed service would operate through a service level agreement (SLA) approach. Thereby each authority buys the service from the host under an SLA arrangement.

4.47 Section 101 Local Government Act 1972 enables an authority to make arrangements for the discharge of its functions by a committee, sub-committee or officer of the authority or by another authority (sections 19 and 20 Local Government Act 2000 deal with executive functions). Internal Audit Services are classified as non-Executive functions under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 SI 2000/2853 as amended (Paragraph 1 39 of Schedule 1), as are staffing matters under Section 112 Local Government Act 1972 and for the supply of professional and technical services from other authorities under s1 of the Local Authorities (Goods and Services) Act 1970. As a result, any decision about the future provision of the service would need to be made by a non-Executive body, such as full Council.

4.48 It is important to stress that the proposed arrangements have been structured as collaboration between the five authorities, with the ability of other Partners to join at a later date.

4.49 Advice has been sought on the procurement rules which govern these proposals. This has confirmed that, given the fact that each participating authority is proposing to operate this service through the provision of a Service Level Agreement, any adverse procurement risk is minimal.

4.50 In practice this means that the City Councils 'Head of Internal Audit' (to be appointed) is carrying out the Internal Audit functions contained within the detailed business case on behalf of the other participating authorities and the collaboration agreement records the terms upon which costs will be shared and the other practical issues which have been documented within the detailed business case V10 for the arrangements.

4.51 Recommendation 2.1.15 of this report asks Cabinet to agree in principle the business case at 'Appendix C' of this report for a shared Internal Audit Service for the Councils of Worcester City District, Redditch

Borough, Bromsgrove District, Wychavon District and Malvern Hills District.

- 4.52 If supported, Cabinet are asked to approve the recommendation that the business case be taken forward to the Council meeting in January 2010 for a final decision. The report to Council will include detail on the outcomes with staff and trade unions regarding the business case.
- 4.53 The service would be operational by 1st June 2010, and would be hosted by Worcester City Council.

5. STAKEHOLDER INVOLVEMENT

- 5.1 A number of key Stakeholder groups have been involved in the development of the WETT programme, the high level & detailed business cases.
- 5.2 The Worcestershire Chief Executives & Council Leaders have been established as the WETT Programme Board, providing strategic direction since the initiation of the programme. The programme board have supported the WETT Team throughout the development stages of the business cases and their leadership and decision to support these during October 2009 has allowed proposals to be taken forward to Executive Members for further consideration prior to Council.
- 5.3 The County Treasures and HR Managers groups have played a key role in developing, challenging and validating the detailed business cases to ensure that Members are presented with proposals which are robust and 'fit for purpose', offering the best options for the participating Council Partners.
- 5.4 A Programme Management Group (PMG), comprising of senior managers representing all seven Worcestershire Councils has provided key leadership and support to the programme and project teams involved in producing the WETT proposals. PMG have ensured that appropriate resources have been sourced and made available to the WETT programme to enable the progress to date to have been made.
- 5.5 Project Teams of Officers representing all Worcestershire Councils have worked hard to develop and produce the detailed business case proposals. What they have undoubtedly achieved is the production of new and innovative service option proposals which offer increased resilience, efficiency, improvement and savings to Partners at a time where Local Government is starting to really feel the negative pressures of the recession.
- 5.6 The detailed business cases highlight how Customers will be involved in the design of the services for implementation and this approach will become the standard for implementing continuous improvement once the services become established.

6. NEXT STEPS

- 6.1 The consultation and decision stages involved in taking the detailed business cases forward for Internal Audit, Property and Regulatory Services are illustrated in the time line at '**Appendix D**' of this report.
- 6.2 If the business case proposals are supported by both the Cabinet and Councils of all participating Council Partners, further consultation will take place with staff and Trade Unions in line with the schedule illustrated in Appendix D.
- 6.3 Detailed implementation plans will be produced prior to launching the proposed new services.

7. FINANCIAL IMPLICATIONS

- 7.1 Contained in the report and the detailed business cases.

8. LEGAL IMPLICATIONS

Legal Implications of the Regulatory Services Proposal

- 8.1 Section 101 of the Local Government Act 1972 as amended permits two or more local authorities to arrange for the discharge of any of their functions by a joint committee of theirs, or by an officer of one of the authorities, either of which may in turn arrange for the discharge of any of those functions by an officer of the authority. This section enables the joint committee to be set up. The following would be required to enable the joint committee to discharge the functions of the participating authorities:
 - An identical resolution by the Council of each participating authority would be required to establish the joint committee and its terms of reference and to agree other matters such as the sharing of the expenses of the joint committee;
 - consideration would need to be given to whether the terms of reference would need to include powers for the joint committee to deal with the appointment, dismissal and disciplinary matters relating to the Head of Services engaged by the host authority, or at least to make recommendations to the host authority's Council;
 - each participating authority would need to amend its scheme of delegation/discharge of functions schedule in its Constitution to reflect the discharge of the regulatory functions by the joint committee;
 - the joint committee will need to prepare its own scheme of delegations in relation to the functions delegated to it;
 - each participating authority would need to appoint members to the joint committee in such a way as to reflect the political balance of the participating authority;

- the joint committee would be responsible for selecting its chairman, subject to any provisos on chairmanship included in the terms of reference.

8.2 The terms of reference for the joint committee would need to make it clear whether the joint committee was exercising executive functions, non-executive functions or a combination of both.

8.3 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 which includes certain functions relating to premises licences under the Gambling Act 2005. Each participating authority will retain a Licensing Committee and Sub-Committees to deal with those functions.

The legal implications of the Property Services and Internal Audit Proposals

8.4 The service provider will provide services to the participating authorities by way of a Service Level Agreement under Section 101 Local Government Act 1972 as amended and s1 of the Local Authorities (Goods and Services) Act 1970.

9. COUNCIL OBJECTIVES

9.1 The proposals support the overall objective of Improvement and Value for Money.

10. RISK MANAGEMENT

10.1 Separate risk registers exist for each business case.

11. CUSTOMER IMPLICATIONS

11.1 The Customer is at the heart of the proposals

12. EQUALITIES AND DIVERSITY IMPLICATIONS

12.1 Contained in the report

13. VALUE FOR MONEY IMPLICATIONS

13.1 Value for money is key to these proposals.

14. OTHER IMPLICATIONS

Procurement Issues
These are set out in the report
Personnel Implications

Formal consultation with affected staff and Trade Unions regarding the WETT detailed business cases commenced on the 10th November 2009 and is scheduled to conclude on the 21st December 2009.

This is the first of three stages of formal consultation relating to the Property, Internal Audit and Regulatory Services proposals. The time line at '**Appendix D**' of this report shows the agreed schedule for the consultation and decision making leading up to the implementation stages for the proposed services.

During the period of consultation, local events will take place at the County & District Councils which will include staff, Member and Trade Union briefings and further consultation.

It is proposed that any comments or views regarding the detailed business case received thus far from staff and Trade Unions will be tabled at each of the Cabinets /Executive Boards, and the full outcomes of formal consultation will also be included along with the report to Council during January 2010.

It should also be noted that whilst the majority of HR implications are detailed within the respective business cases it is important to highlight a number of additional points specifically relating to the Worcestershire Regulatory Service given that Bromsgrove District Council is the recommended employing authority, notably:

- If the business case for implementing a shared Worcestershire Regulatory Service is approved by the 7 partner Councils, Bromsgrove District Council will be responsible for transferring approximately 148 additional staff into the employment of the Council in June 2010. Whilst this number will clearly increase the Council's employee establishment significantly, it may be offset slightly by the number of employees who would be transferring out of the Council's employment in the event that the business cases for Audit and Property Services are approved.
- A bid to secure an additional HR Advisor to support the new Worcestershire Regulatory Service was made as part of the bid submitted by Bromsgrove and Redditch Councils to host the proposed service. This additional resource will be essential to not only support the transfer process but also the ongoing day to day management of such an increased workforce.
- Notwithstanding the fact that the Worcestershire Regulatory Service would be hosted by Bromsgrove and Redditch Councils, and that Bromsgrove would be the employing authority (if the business case is approved), it is

<p>recommended that in order to secure the confidence and buy in of each of the 7 Councils to the new Service and its hosting arrangements, that responsibility for the appointment of the Head of the Worcestershire Regulatory Service be delegated to a Joint Appointments Committee comprising 1 councillor from each of the participating councils.</p> <ul style="list-style-type: none"> • It should be noted that the business case recommends that an appointment to the Head of the Worcestershire Regulatory Service be made ahead of the transfer date in order to ensure as smooth a transition as possible.
<p>Governance/Performance Management</p> <p>Contained in the business cases</p>
<p>Community Safety including Section 17 of Crime and Disorder Act 1998</p> <p>None</p>
<p>Policy</p> <p>None</p>
<p>Environmental</p> <p>None</p>

15. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Chief Executive	Yes
Executive Director - Partnerships and Projects	Yes
Executive Director - Services	Yes
Assistant Chief Executive	Yes
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal, Equalities & Democratic Services	Yes

Head of Organisational Development & HR	Yes
Corporate Procurement Team	Yes

16. WARDS AFFECTED

All wards

17. APPENDICES

- Appendix A: Regulatory Services, Detailed Business Case Executive Summary V3.2 - Supports Detailed Business Case V10 Part 1 (Business Case) & Part 2 Rev.1 (Appendices)
- Appendix B: Property Services, Detailed Business Case Executive Summary V1 - Supports Detailed Business Case V6
- Appendix C: Internal Audit, Detailed Business Case Executive Summary V2 - Supports Detailed Business Case V10
- Appendix D: WETT Programme Business Case Time Line V4
- Appendix E: Regulatory Services, Proposed partner cash flow forecast - Extract from the Regulatory Services detailed business case V10, Finance Appendix F9 – Implementation Approach D proposed partner cash flow forecast.

18. BACKGROUND PAPERS

1. Property Services, Detailed Business Case V6.
2. Internal Audit, Detailed Business Case V10.
3. Regulatory Services, Detailed Business Case V10, Part 1 (Business Case)
4. Regulatory Services, Detailed Business Case V10, Part 2 Rev. 1 (Appendices)

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Worcestershire Enhanced Two Tier (WETT) Programme

Response to the issues arising from the staff consultation

Introduction

This report summarises and provides responses to the key points arising from the staff consultation exercise relating to the Business Cases for Regulatory, Internal Audit and Property Services.

Background

Following the presentation of the Business Cases to Members on November 5th, the staff consultation exercise started on November 10th with presentations to staff on November 10th and 11th at Worcester Rugby Club. At that stage, it was planned for the staff consultation on the three Business Cases to end on December 7th. However, in response to requests from unions and individual members of staff, the consultation period was extended until December 21st.

During the intervening period many different consultation events have taken place. Local consultation events have been held for all staff within the affected services, at each authority involved. Union representatives and individual members of staff have had the opportunity to discuss the Business Cases with local Managers, members of the Project Teams, HR representatives and members of the WETT Programme Team. This approach goes beyond the legal obligations on individual councils to consult with staff on such matters.

Throughout the process, a large number of submissions have been received. The purpose of this report is to summarise those submissions for the benefit of Members. All of those submissions will be made available to Members prior to their formal Cabinet or Council meetings.

The nature of the submissions falls into the following categories:

- Unions: a number of submissions were received from Unison and GMB, on behalf of their members. Some relate to individual services, some to individual authorities and others to the overall WETT Programme
- Individual members of staff
- Teams: both small and large, within individual authorities
- Professional Groups: a number of groups of staff from within the various elements of Environmental Health (eg: Food Safety, Health and Safety Liaison, Pollution Liaison, Contaminated Land) have formulated submissions themselves.

The next three sections of this report contain summaries of the issues raised in the various submissions, along with the observations and responses of the Project Teams, as appropriate. The final three sections of this document are rather large matrices. These contain the key points from each submission, and they are included as a means of indicating the number of submissions received and the range of views expressed. As mentioned above, the full set of submissions is being made available to all Members of the seven councils.

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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.

Overview of consultation responses to Regulatory Shared Service business case

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

Overview of consultation responses to Regulatory Shared Service business case

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.

Overview of consultation responses to Regulatory Shared Service business case

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.

Overview of consultation responses to Regulatory Shared Service business case

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

Overview of consultation responses to Regulatory Shared Service business case

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

Overview of consultation responses to Internal Audit Shared Service business case

Introduction

The business case for an Internal Audit 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 7 responses had been received from unions 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 by Members at each of the councils.

This paper provides a high level overview of the themes of concern to consultation respondents along with observations from the Internal Audit Project Team, which are shown in italics. To avoid duplication, staff responses and Project Team observations regarding the consultation process and timescale are the same as for Regulatory Services and so have not been repeated here.

Staff / union consultation process and timescale

As for Regulatory Services. In addition, some comments were made about the unclear wording and inconsistencies in the Business Case.

Project Team observations: Given the nature of the task, and the number of individuals involved in producing the different elements of the Business Case, some inconsistency / lack of clarity is perhaps inevitable.

Business model, structure and capacity

Specific concerns were expressed about the structure – not very flat – and that Internal Audit Services have suffered from cuts in recent years, are already operating at minimum staffing levels and therefore that the savings are unachievable.

Project Team observations: The structure is indicative but is designed to allow for different levels of expertise / experience, and reflects the current range of job levels across the partners. The Project Team is confident that the savings are achievable and that adequate audit coverage will continue.

Impact on service delivery and performance

Concerns were raised about proposals to reduce the number of Audit days required by each authority, and yet deliver the same level of Audit assurance; in addition, how would the “optional” areas be covered from year two. There was also a concern expressed about achieving and delivering transformational change, which is beyond merely a shared service.

Overview of consultation responses to Internal Audit Shared Service business case

Project Team observations: Reductions in the number of Audit days delivered will be subject to local requirements, but achieved by a combination of improved efficiency from economies of scale, as well as the adoption of best practice. It is anticipated that councils will continue to receive (if they so choose) those services described as optional in the business case which they receive in year one. Transformational change will also arise from new approaches such as the proposed Audit Management System and “hot-desking”.

Finance, savings and investment

Most respondents were concerned about the financial assumptions built into the Business Case, including issues such as support costs, the reliability of income from external sources, and the “profit” element for Worcester City as host of the service. A specific concern was raised about the degree of certainty of the 100 days purchased from Wyre Forest, and the impact on the finances if this is not taken up.

Project Team observations: The financial model is considered robust and fit for purpose having been thoroughly challenged by the County Treasurers group. All participating authorities will benefit financially from this proposal over the period projected in the Business Case. If Wyre Forest decided not to proceed with the full 100 days, the service management would seek to replace that income through work for another external client.

ICT and technology

Concerns were expressed that the ICT networks of all participating authorities would not be linked in time for the implementation of this shared service. Questions have also been raised about how the ICT equipment would work in practice. Also, a concern about what happens if the investment funding from RIEP isn't forthcoming.

Project Team observations: The seven ICT Managers have agreed to link the various networks in the timescales required or all of the proposed WETT shared services. This will enable the flexible deployment of staff, as required. The implementation for the proposed Audit Management System will be carried out in accordance with recognised project management best practice. The application for RIEP funding is proceeding very positively, so there is a high degree of confidence in it being forthcoming. In the unlikely event that it is not forthcoming, the individual authorities would seek to share the investment costs between them.

Worcestershire Hub

Not applicable for Internal Audit Services.

Impact on staff terms, conditions and career prospects

Overview of consultation responses to Internal Audit Shared Service business case

As for Regulatory Services, 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. Specific concerns have been expressed about changes such as “hot-desking” and additional travel time arising from relocation / flexible working arrangements.

Project Team observations: It is proposed to transfer staff in accordance with TUPE and there will be 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. We are confident that the experiences of staff in other services, where “hotdesking” and more flexible working is standard practice, will be a reassurance to staff.

Hosting proposals

Some concern expressed regarding the practicalities of a physical move to buildings already overstuffed, with poor parking provision.

Project Team observations: For the proposed shared Internal Audit service, it is anticipated that the same level of accommodation will be required and made available as now. So, there will be no additional strain on accommodation or parking arrangements at any one location.

Governance

In addition to the general concerns as for Regulatory Services, most respondents expressed concern about proposal for a Service Level Agreement (SLA), rather than a Joint Committee form of governance for Internal Audit.

Project Team observations: SLAs are a tried and tested method of delivering Internal Audit Services. Worcester City – the proposed host – already provides such services to its existing customers, including Malvern Hills District Council. A Joint Committee is considered unnecessarily bureaucratic for Internal Audit, particularly when there are already audit committees, or equivalent, at each council. A management board comprising the service management, together with the Section 151 officers from each council, is expected to oversee the arrangements.

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

Overview of consultation responses to Internal Audit Shared Service business case

be carried out and for some councils this has already taken place and the results made available.

Stakeholder consultation

No issues were raised with regard to Internal Audit Services.

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 Internal Audit Shared Service.

WETT Internal Audit Project Team

4th January 2009

Overview of consultation responses to Property Shared Service business case

Introduction

The business case for a Property 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 6 responses had been received from unions 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 by Members at each of the councils.

This paper provides a high level overview of the themes of concern to consultation respondents along with observations from the WETT Property Services Project Team which are shown in italics. To avoid duplication, staff responses and Project Team observations regarding the consultation process and timescales are the same as for Regulatory Services and so have not been repeated here.

Staff/ union consultation process and timescale

As for Regulatory Services. In addition, some comments were made about unclear wording and inconsistencies in the Business Case.

Project Team observations: Given the nature of the task, and the number of individuals involved in producing the different elements of the Business Case, some inconsistency / lack of clarity is perhaps inevitable.

Business model, structure and capacity

Concerns were expressed about the TUPE process, and particularly the implementation timescale, given the present commitments regarding the number of initiatives that the County's Property Services are undertaking.

Project Team observations: Assuming the decision is taken to proceed with a shared Property service, a consultation exercise will be conducted specifically to deal with TUPE issues – a statutory requirement in such circumstances. One of the challenges of all change programmes is to prioritise the work to enable a number of workstreams to proceed in parallel. The transition to a shared Property service will be no different.

Impact on service delivery and performance

There are concerns about claims that a shared service will be better placed to meet local service needs, and that it might be too remote and less responsive to the needs of service users and members. A number of respondents expressed concern about the general lack of detail regarding structures, and the lack of clarity that the staffing levels would be adequate to deliver the required service levels. Differences between District and County property portfolios were also highlighted as an issue.

Overview of consultation responses to Property Shared Service business case

Project Team observations: The key benefit of a shared Property service is the increased flexibility of staff and resources that it offers. This provides the opportunity to allocate resources where they are needed, when they are needed, and enables timely responses to service users and members' requirements. It is this flexibility that enables economies of scale to deliver the savings whilst protecting service levels. The differences in portfolios are to do with scale and in some cases the nature of the portfolio as stated in the business case. The skills of the Property personnel however are readily transferrable across the combined portfolios.

Finance, savings and investment

Some respondents express concern over the accuracy of data upon which the financial model is built, given the different accounting structures of the participating authorities. The combination of delivering fixed savings and implementation being different in practice than theory is felt to be a high risk. The hidden costs of change are also felt to be an issue, particularly training / skills transfer.

Project Team observations: The financial model is considered robust and fit for purpose having been produced by Finance Managers and scrutinised by Treasurers from the participating councils. It is planned that the process of change during the implementation phase be gradual, and will take into account the need to develop and train staff as required.

ICT and technology

Concern was expressed regarding the capacity of the shared service to cope with the implementation of the new iProp system, during the TUPE process. The potential impact on management time was highlighted.

Project Team observations: The project to implement the County's iProp system is well established and progressing as planned. Officers will attend both iProp and WETT implementation project groups to ensure continuity. As referred to above, one of the challenges of all change programmes is to prioritise the work to enable a number of work streams to proceed in parallel. The transition to a shared Property service will be no different.

Worcestershire Hub

Not applicable for Property Services.

Impact on staff terms, conditions and career prospects

As for Regulatory Services, 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. Specific concerns have been expressed about changes such as "hot-desking" and additional travel time arising from relocation / flexible working arrangements. Some concerns were expressed regarding the proposed

Overview of consultation responses to Property Shared Service business case

reduction in the numbers of agency staff, and a potential consequential reduction in skills and capacity; and the possible impact on future training and development of staff.

Project Team observations: It is proposed to transfer staff in accordance with TUPE 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. We are confident that the experiences of staff in other services, where “hot-desking” and more flexible working is standard practice, will be a reassurance to staff. The references to a possible reduction in agency staff is a general point in the Business Case which demonstrates the intention to protect permanent staff. Ongoing training and development of staff will be crucial to the flexibility of resources on which the future success of the service will depend.

Hosting proposals

Concern was expressed that the host (in this case the County Council) would not have sufficient capacity to house all of the additional staff.

Project Team observations: The County’s use of accommodation is based on flexibility. It is not anticipated that this will cause any problems.

Governance

In addition to the general concerns as for Regulatory Services, most respondents expressed concern about proposal for a Service Level Agreement (SLA), rather than a joint Committee form of governance for Property Services.

Project Team observations: SLAs are a tried and tested method of delivering Property Services. In this case, the imbalance between the resources of the partners – 70% County; 30% Districts – makes it the most practicable arrangement.

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

No issues were raised with regard to Property Services.

Overview of consultation responses to Property Shared Service business case

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 Property Services Project Team

4th January 2010

Theme	Issue	UNISON - County Trading Standards (A. Gregson letter 15th December 2009)	UNISON - Worcester City Branch (21 December 2009 & Initial response 3 December 2009)	UNISON - Redditch Branch (Ron Colebrook)	UNISON - Wychavon branch (Mark Cox)	Wye Forest Joint Staff and Unions Response	GMB - Worcester City branch	County Licensing Officers Group	Chartered Institute of Environmental Health - Herefordshire and Worcestershire Branch	Countywide Food Safety and Health and Safety Liaison Groups	Herefordshire and Worcestershire Contaminated Land Officers Group	Herefordshire and Worcestershire Pollution Liaison Group	Wychavon DC Contaminated Land and Dog Warden Service	Worcestershire Trading Standards Team
	No reviews seem to have taken place to ensure lessons learned from previous shared services (Risks and benefits) are being more focus on implementation issues.			Comments reflected in the UNISON Worcester City response										
	Loss of local accountability, local knowledge and loyalty to a local employer which could lead to a drop in service level; fragmentation of knowledge and difficulty in managing, Service standards not identified or will be reduced		Loss of local accountability, local knowledge and loyalty to a local employer which could lead to a drop in service level.	Comments reflected in the UNISON Worcester City response	Service standards not identified or will be reduced				Concern that teams will be locally based, leading to fragmentation of the knowledge and difficult to manage.				Concern that teams will be locally based, leading to fragmentation of the knowledge and difficult to manage.	
	Worcester City Contaminated Land must remain in scope but no resources has been allocated									Service standards not identified or will be reduced	Worcester City Contaminated Land must remain in scope but no resources has been allocated			
	Pride and conscientiousness with which the "Wychavon brand" is delivered will inevitably be lost				Pride and conscientiousness with which the "Wychavon brand" is delivered will inevitably be lost									
Finance, savings and investment	Lack of detail to demonstrate service proposals are financially beneficial as not all services or costs are included		Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response							
	Little scope for savings from joined-up working and lack of details about how this will be done		Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response										
	Proposed senior management positions are not identified whilst cost savings are demanded elsewhere.													
	Finances are too restrictive and job cuts already decided upon.													
	Inaccurate or misleading data on staffing workloads, performance and potential hidden costs of "additional" services which may already be delivered but will now have to be paid for.		Inaccurate or misleading data on staffing workloads, performance and potential hidden costs of "additional" services which may already be delivered but will now have to be paid for.											
	No consideration of impact on (or alternatives) to existing options, especially in relation to learning		No consideration of impact on (or alternatives) to existing options											
	Achieving procurement savings will cause local businesses to be out.		Migration of service contracts to WCC will cause local (Redditch) companies to be out											
	Alternative ways of achieving savings should be explored				Alternative ways of achieving savings should be explored									
	Recognition that efficiency savings and transformational change, including Shared Services are inevitable				Not against shared services in principle								Recognition that efficiency savings and transformational change, including Shared Services are inevitable	
ICT & technology	Significant costs to the implementation - a huge risk for a well performing council				Significant costs to the implementation - a huge risk for a well performing council									
	Insufficient analysis of ICT and telephony implementation including practicality, reliability, maintenance, together with the ability to support flexible working.		Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response							
	Shared Service being set up at same time. How this will join up and work in practice.		No reference to South Worcs ICT Shared Service being set up at same time. How this will join up and work in practice.											
	ICT system must be in place before Shared Service can be undertaken													
	Concerns over the risks and timescales of ICT implementations				Concerns over the risks and timescales of ICT implementations									
Worcestershire Hub	Over reliance on the Hub which has been shown to be unable to cope in other areas of demand		Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response. Wye Forest claimed to already use Hub close to its maximum potential.		Comments reflected in the UNISON co-ordinated response						
	Allocation of 4 staff within Hub is unclear													
	The majority of this service is delivered in person by people on the Hub cannot replicate this with low graded telephony posts.		Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response		Comments reflected in the UNISON co-ordinated response						
	HUB won't be able to provide an alternative to the current service in incidents that could increase the risks to public health													
Impact on staff terms, conditions and career prospects	Adequacy of safeguards for employees in redundancy, reduction in productivity, alternative employment across partner councils including vacancy freeze, redeployment, alternative work.		Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response		Comments reflected in the UNISON co-ordinated response						
	Honouring existing pay and grading mechanisms		Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response		Comments reflected in the UNISON co-ordinated response						
	Proposed structure and ways of working staff career progression resulting in difficulty in retaining staff seeking alternative employment		Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response		Comments reflected in the UNISON co-ordinated response						
Hoisting proposals	Decision on hosting based on politics not rational argument with question of how hosts ability to perform adequately		Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response		Comments reflected in the UNISON co-ordinated response						
	District paying higher wages avoided as host.													
Governance	Long term commitment sought to keep Regulatory Services in-house as a public sector shared services project.													
	Lack of detail of future governance arrangements beyond proposal for joint committee with locally elected members to have influence on decision making.		Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response		Comments reflected in the UNISON co-ordinated response						
	No details of scrutiny or monitoring No details of joint trade union consultation leading to lack of engagement with taxpayers		Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response		Comments reflected in the UNISON co-ordinated response						

Theme	Issue	Consultation UNISON co-ordinated (A. Gregson letter 17th December 2009)	UNISON - County Trading Standards (A. Gregson letter 15th December 2009)	UNISON - Worcester City Branch (21 December 2009 & Initial response 3 December 2009)	UNISON - Redditch Branch (Ron Colebrook)	UNISON - Wychavon branch (Mark Cox)	Wye Forest Joint Staff and Unions Response	GMB - Worcester City branch	County Licensing Officers Group	Chartered Institute of Environmental Health - Herefordshire and Worcestershire Branch	Countywide Food Safety and Health and Safety Liaison Groups	Herefordshire and Worcestershire Contaminated Land Officers Group	Herefordshire and Worcestershire Pollution Liaison Group	Wychavon DC Contaminated Land and Dog Warden Service	Worcestershire Trading Standards Team
	Licensing functions raise issues relating to committee structure which do not exist within other areas of regulatory services		Licensing functions raise issues relating to committee structure which do not exist within other areas of regulatory services				Comments reflected in the UNISON Worcester City response and lack of providing original advice		Comments reflected in the Wye Forest Joint Staff and Unions response						
	Concerns over external scrutiny from Food Standards Agency, Health and Safety Executive, etc			Concerns over external scrutiny from Food Standards Agency, Health and Safety Executive, etc			Comments reflected in the UNISON co-ordinated response		Comments reflected in the UNISON co-ordinated response						
	Difficulty in providing accurate info for Statutory returns.						Comments reflected in the UNISON co-ordinated response		Comments reflected in the UNISON co-ordinated response						
	No evidence of equality impact assessment	No evidence of equality impact assessment													
Equalities															
	Inadequate consultation with stakeholders including service recipients, expert and professional bodies and public	Inadequate consultation with stakeholders including service recipients, expert and professional bodies and public							Comments reflected in the UNISON co-ordinated response						
Stakeholder consultation									Comments reflected in the UNISON co-ordinated response						
	Public needs to be informed that introduction of a shared service on these grounds, in these conditions, will be a change in services and cuts in standards.	Public needs to be informed that introduction of a shared service on these grounds, in these conditions, will be a change in services and cuts in standards.							Comments reflected in the UNISON co-ordinated response						

Theme	Wychavon Admin Team	Worcester City Council Environmental Health and EH Business Support Staff	Bromsgrove DC Environmental Health Pollution and General Team	Worcestershire Trading Standards Services - Compliance and Investigation Team	Wychavon DC Commercial Services and Licensing Teams	Wychavon's Environmental Services Department - submission to OAS on 1st Dec	Worcestershire Trading Standards Home Authority Service Team	Toni Atkinson, Environmental Health Officer, Wychavon DC	Paul Saunders, Technical Officer, Wychavon DC	Richard Williams, Principal Pollution Control Officer, Wye Forest DC	Peter Maloney, Principal EHO, Wye Forest DC	Dobbe Herbert, Commercial Services Manager, Wychavon DC
Staff / union consultation process and timescale		Comments reflected in the UNISON co-ordinated response										
Insufficient time for consultation on business cases. Timetable shows a concerted rush since TUPE notices will be given to staff even before the last Councils have made their decisions.		Comments reflected in the UNISON co-ordinated response										
It is surely worth spending some extra time to allow for fine tuning of business cases following proper consultation with unions, staff, elected members and stakeholders to reduce risk of failure or unexpected costs												
Reluctance to engage in early discussions with unions and others contrary to statutory advice on redundancy and change management												
Implications of heavy cuts from both local change programmes (County BOLD programme, Fledgich Bromsgrove merger) and WETT programme	Implications of the Rudditch/Bromsgrove merger											
Delay in dealing with responses from unions and staff with the bulk of responses received on 18th December when response being finalised.												
Clearly moving towards being an enabling Council (Worcester City) - is this what we mean in practice?												
Unclear what Members are being asked to vote for - outline business case or just Option 3. What happens if Members accept principles but not Option 3?												Unclear what Members are being asked to vote for - outline business case or just Option 3. What happens if Members accept principles but not Option 3?
Scrutiny meetings and local briefings being held during the consultation period reinforcing the point that the consultation is an exercise not aimed at producing a robust response.												
Business model, structure and capacity		Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response		Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response						Comments reflected in the UNISON co-ordinated response
Lack of detail about structures making it difficult to comment on whether services will work or deliver improvements for local communities		Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response		Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response						Comments reflected in the UNISON co-ordinated response
Lack of clarity that staffing levels will be sufficient to deliver the competences and statutory needs/ desired services. Proposed structure does not appear to be fit for the population than similar LA services.		Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response		Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response						Comments reflected in the UNISON co-ordinated response
Financially driven with service resources fitted to savings rather than fitness reflecting resources required for service delivery		Comments reflected in the UNISON co-ordinated response			Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response						Comments reflected in the UNISON co-ordinated response
Reduction in managerial support and experience amongst staff is a concern. Many current managers are who carry out day to day front line work.		Comments reflected in the UNISON co-ordinated response			Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response						Comments reflected in the UNISON co-ordinated response
Loss of 25% of the current staff group cannot be sustained without reductions in services to the public or resilience.		Comments reflected in the UNISON co-ordinated response			Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response						Comments reflected in the UNISON co-ordinated response
Professionals leads in whatever disciplines are not fully represented at senior management level												
Neither HR capacity nor capability across county to deal with shared services. Many delays in dealing with questions thus far?												
Concern that service will fail during peak demand due to reduced capacity					Concern that service will fail during peak demand due to reduced capacity							
Capacity Services should be increased												
Synergy between EHO's and TSO's not as clear as being proposed and difference between skills and qualifications more significant than DEC suggests												Synergy between EHO's and TSO's not as clear as being proposed and difference between skills and qualifications more significant than DEC suggests
Wider in Business Case is upoven												
Lack of information on implementation												
Impact on service delivery & performance		Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response		Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response						Comments reflected in the UNISON co-ordinated response
Different service levels, costs comparison, resources needed to inconsistent service delivery and future planning.												Comments reflected in the UNISON co-ordinated response
Little room to increase risk-based working as most councils already operate on this basis												
Delivering transformational change as proposed which is beyond merely a shared service and implies increased risks financially, legally and to public health		Comments reflected in the UNISON co-ordinated response			Comments reflected in the UNISON co-ordinated response							Comments reflected in the UNISON co-ordinated response
Concern of post-code lottery from inconsistent service delivery across local areas												Comments reflected in the UNISON co-ordinated response
Examples quoted from other parts of the County suggest that proposals will fail (Lincolnshire)												
List of services currently provided is not complete and there are things being done that do not feature in the new structure. Will they not be done or have they been overlooked.												
Generic readings need treating differently to specific readings. Requirements and which are optional.												
Exactly what levels of improvement against Nt's are expected as a result of the new service structure?												
No reference to OAI Collectives												

Theme	Wychavon Admin Team	Worcester City Council Environmental Health and EH Business Support Staff	Bromsgrove DC Environmental Health Pollution and General Team	Worcestershire Trading Standards Service - Compliance and Investigation Team	Wychavon DC Commercial Services and Licensing Teams	Wychavon's Environmental Services Department - submission to O&S on 1st Dec	Worcestershire Trading Standards - Home Authority Service Team	Toni Ainscough, Environmental Health Officer, Wychavon DC	Paul Saunders, Technical Officer, Wychavon DC	Richard Williams, Principal Pollution Control Officer, Wye Forest DC	Peter Maloney, Principal EHO, Wye Forest DC	Dobbie Herbert, Commercial Services Manager, Wychavon DC
		No reviews seem to have taken place to ensure lessons learned from previous shared services (flats and shared services) are fully focus on implementation issues.										
		Loss of local accountability, local knowledge and loyalty to a local employer which could lead to a drop in service level, fragmentation of knowledge and difficulty in managing.	Concern that teams will be locally based, leading to fragmentation of the knowledge and difficult to manage.	Concern that teams will be locally based, leading to fragmentation of the knowledge and difficult to manage.					Comments reflected in the UNISON co-ordinated response			
		Service standards not identified or will be reduced	Service standards not identified or will be reduced	Service standards not identified or will be reduced	Service standards not identified or will be reduced	Service standards not identified or will be reduced		Service standards not identified or will be reduced			Service standards not identified or will be reduced	Service standards not identified or will be reduced
Finance, savings and investment	Worcester City Contaminated Land must remain in scope but no proposals are financially beneficial as not all services or costs are included											
		Prize and concision with which the "Wychavon brand" is delivered will inevitably be lost.										
		Lack of detail to demonstrate service proposals are financially beneficial as not all services or costs are included	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response		Comments reflected in the UNISON co-ordinated response			Comments reflected in the UNISON co-ordinated response	
		Little scope for savings from joined-up working and lack of details about how this will be done	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response		Comments reflected in the UNISON co-ordinated response				
		Proposed senior management roles are based on what cuts already decided upon.										
		Finances are too restrictive and job cuts already decided upon.										
		Inaccurate or misleading data on staffing, workload, performance and potential hidden costs of "add-on" services which may already be delivered but will now have to be paid for.										
		No consideration of impact on or for other services, especially in relation to funding										
		Achieving procurement savings will cause local businesses to lose out.										
		Alternative ways of achieving savings should be explored	Alternative ways of achieving savings should be explored	Alternative ways of achieving savings should be explored	Alternative ways of achieving savings should be explored	Alternative ways of achieving savings should be explored		Alternative ways of achieving savings should be explored				Alternative ways of achieving savings should be explored
		Recognition that efficiency savings and transformational change, including Shared Services are inevitable	Recognition that efficiency savings and transformational change, including Shared Services are inevitable	Recognition that efficiency savings and transformational change, including Shared Services are inevitable	Recognition that efficiency savings and transformational change, including Shared Services are inevitable	Recognition that efficiency savings and transformational change, including Shared Services are inevitable		Recognition that efficiency savings and transformational change, including Shared Services are inevitable				
		Implementation of a huge risk for a well performing council										
ICT & technology	Insufficient analysis of ICT and telephony implementation including flexibility, reliability, maintenance, cost and how to integrate with other services together with the ability to support flexible working.											
		No reference to South Worcs ICT Shared Service being set up at same time. How this will join up and work in practice.										
		ICT system must be in place before Shared Service can be undertaken	ICT system must be in place before Shared Service can be undertaken									
		Concerns over the risks and timescales of ICT implementations										
Worcestershire Hub	Over reliance on the Hub which has been shown to be unable to cope in other areas of demand	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response					Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response			
		Allocation of 4 staff within Hub is insufficient										
		The majority of this service is delivered in person by professional staff, often working on the frontline - the Hub cannot replicate this with low graded telephony posts.	HUB won't be able to respond adequately to the variety of issues currently being dealt with by professional staff.	HUB won't be able to respond adequately to the variety of issues currently being dealt with by professional staff.								
		HUB won't be able to provide an effective response to the variety of incidents that could increase the risks to public health										
Impact on staff terms, conditions and career prospects	Adequacy of safeguards for staff terms, conditions and career prospects	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response					Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response			
		No evidence of intent to secure alternative employment across partner councils including vacancy freeze, redeployment, alternative work.										
		Honouring existing pay and grading mechanisms	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response								
		Proposed structure and ways of working stifle career progression resulting in difficulty in retaining staff	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response								
		Uncertainty leading to staff actively seeking alternative employment	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response								
Hosting proposals	Decision on hosting based on politics not rational argument with question of how to ensure we have the ability to perform adequately											
		District paying higher wages avoided as host.										
Governance	Long term commitment sought to be made by Wychavon Council to ensure as a public sector shared services project.											
		Lack of detail of future governance arrangements beyond proposal for joint committee with locally elected representatives and across finance and decision making.	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response		Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response			
		No details of scrutiny or monitoring										
		No details of joint trade union arrangements										
		Organisational deficit leading to lack of engagement with tax payers										

Theme	Issue	Wychavon Admin Team	Worcester City Council Environmental Health and EH Business Support Staff	Bromsgrove DC Environmental Health Pollution and General Team	Worcestershire Trading Standards Service - Compliance and Investigation Team	Wychavon DC Commercial Services and Licensing Teams	Wychavon's Environmental Services Department - submission to OAS on 1st Dec	Worcestershire Trading Standards Home Authority Service Team	Toni Atiscough, Environmental Health Officer, Wychavon DC	Paul Saunders, Technical Officer, Wychavon DC	Richard Williams, Principal Pollution Control Officer, Wye Forest DC	Peter Maloney, Principal EHO, Wye Forest DC	Debbie Herbert, Commercial Services Manager, Wychavon DC
	Licensing functions raise issues relating to committee structure which do not exist within other areas of regulatory services												
	Concerns over external scrutiny from Food Standards Agency, Health and Safety Executive, etc												
	Difficulty in providing accurate info for Statutory returns.								Difficulty in providing accurate info for Statutory returns.				
Equalities	No evidence of equality impact assessment									Comments reflected in the UNISON co-ordinated response			
Stakeholder consultation	Issues with consultation with stakeholders including service recipients, expert and professional bodies and public		Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response	Comments reflected in the UNISON co-ordinated response			Comments reflected in the UNISON co-ordinated response				
	Public needs to be informed that introduction of a shared service on these grounds in these conditions will result in a reduction in services and cuts in standards.												

Theme	Issue	Consultee	Consultee	Consultee	Consultee	Consultee	Consultee	Consultee	Consultee	Consultee
		UNISON co-ordinated (A. Gregson letter 17th December 2009)	UNISON Redditch branch letter received 21st December	UNISON Worcs City branch letter received 3rd December	GMB response re Internal Audit	Response from Bromsgrove DC Audit Team	WDC Audit comments on Business Case	WDC Senior Auditor		
Staff/ union consultation process and timescale	Delay in providing Business Cases for comment	Delay in providing Business Cases for comment								
	Insufficient time for consultation on business cases	Insufficient time for consultation on business cases	Comments reflected in the UNISON co-ordinated response							
	Reluctance to engage in early discussions with unions and others contrary to statutory advice on redundancy and change management	Reluctance to engage in early discussions with unions and others contrary to statutory advice on redundancy and change management								
	GMB (Worcester City Council) supports the WETT Programme Business Case for Internal Audit and makes the following comments and recommendations: GMB be invited to be present on all the Job Evaluation Panels for the WETT Programme. Compulsory redundancies be avoided wherever possible. Information on recognised Unions be made available to all staff in scope before their transfer. Pension impacts on staff in scope be made apparent in plain English and affected staff be signposted to external advice services. All support services in Worcester City Council be consulted in good time on the implementation of the shared services to allow them to adapt to the changes faced and reduce work-related stress, particularly in the light of the volume of work the shared service agenda presents to the Council. Emotional support services be in place for all staff involved to reduce				GMB (Worcester City Council) supports the WETT Programme Business Case for Internal Audit and makes the following comments and recommendations: GMB be invited to be present on all the Job Evaluation Panels for the WETT Programme. Compulsory redundancies be avoided wherever possible. Information on recognised Unions be made available to all staff in scope before their transfer. Pension impacts on staff in scope be made apparent in plain English and affected staff be signposted to external advice services. All support services in Worcester City Council be consulted in good time on the implementation of the shared services to allow them to adapt to the changes faced and reduce work-related stress, particularly in the light of the volume of work the shared service agenda presents to the Council. Emotional support services be in place for all staff involved to reduce					
	Request input to accommodation issue going forward					Request input to accommodation issue going forward				
	There were some concerns about unclear wording in the Business Case document leaving it open to different interpretations. Eg: Best practice methodology - badly worded; Vision - not really a vision.						There were some concerns about unclear wording in the Business Case document leaving it open to different interpretations. Eg: Best practice methodology - badly worded; Vision - not really a vision.			
	Inconsistencies in the Business Case were highlighted; e.g. regarding quality of service v savings							Inconsistencies in the Business Case were highlighted; e.g. regarding quality of service v savings		
Structure and capacity	Lack of detail about structures making it difficult to comment on whether service will work or deliver improvements for local communities	Lack of detail about structures making it difficult to comment on whether service will work or deliver improvements for local communities								
	Lack of clarity that staffing levels will be sufficient to deliver the competences and statutory needs/ desired services	Lack of clarity that staffing levels will be sufficient to deliver the competences and statutory needs/ desired services				Comments reflected in the UNISON co-ordinated response				
	Structure not very flat - 5 levels. How is this cost effective?	Structure not very flat - 5 levels. How is this cost effective?								
	The proposed structure is not very "flat" (5 levels if trainees are counted as a separate level). Why is this the case as it would not appear to be the most cost effective arrangement?		The proposed structure is not very "flat" (5 levels if trainees are counted as a separate level). Why is this the case as it would not appear to be the most cost effective arrangement?			Comments reflected in the UNISON Redditch branch response				

Staff consultation summary: Internal Audit business case

	<p>Audit Sections within the County have cut staff in recent years and are already operating on minimum staffing levels. Therefore it is difficult to see how further savings on staff time can be achieved whilst still giving assurance on the systems of internal control to the Section 151 Officers (In Redditch's case it has not been able to complete its planned programme of Service Unit audits for the last two years because of the number of fraud/ad hoc investigations that have had to be carried out). The provision for contingency works in WIASS plan requires defining.</p>		<p>Audit Sections within the County have cut staff in recent years and are already operating on minimum staffing levels. Therefore it is difficult to see how further savings on staff time can be achieved whilst still giving assurance on the systems of internal control to the Section 151 Officers (In Redditch's case it has not been able to complete its planned programme of Service Unit audits for the last two years because of the number of fraud/ad hoc investigations that have had to be carried out). The provision for contingency works in WIASS plan requires defining.</p>						
<p>Impact on service delivery & performance</p>	<p>Professionals concern about achieving and delivering transformational change as proposed which is beyond merely a shared service</p>	<p>Professionals concern about achieving and delivering transformational change as proposed which is beyond merely a shared service</p>					<p>Comments reflected in the UNISON co-ordinated response</p>		<p>Comments reflected in the UNISON Redditch branch response</p>
	<p>We have concerns regarding the fact that it is anticipated that the shared service will generate savings by decreasing the total number of audit days required by each of the participating authorities. We feel that these savings are not achievable and will raise false expectations particularly in the early years of the shared service because of:- (a) staff having to get used to new auditing methods and systems; (b) the changing audit requirements in Redditch and Bromsgrove because of their proposed shared service arrangements for all services; (c) the changing audit requirements within the County because of the WETT programme of shared services. The detailed business case ASSUMES that the same level of audit assurance is provided despite the reduced number of days.</p>		<p>We have concerns regarding the fact that it is anticipated that the shared service will generate savings by decreasing the total number of audit days required by each of the participating authorities. We feel that these savings are not achievable and will raise false expectations particularly in the early years of the shared service because of:- (a) staff having to get used to new auditing methods and systems; (b) the changing audit requirements in Redditch and Bromsgrove because of their proposed shared service arrangements for all services; (c) the changing audit requirements within the County because of the WETT programme of shared services. The detailed business case ASSUMES that the same level of audit assurance is provided despite the reduced number of days.</p>						
	<p>Concern is expressed over how the optional areas of work will be dealt with from Year 2 onwards as the Business Case states only these will be "subject of discussions with WIAS"</p>		<p>Concern is expressed over how the optional areas of work will be dealt with from Year 2 onwards as the Business Case states only these will be "subject of discussions with WIAS"</p>						
<p>Finance, savings and investment</p>	<p>Lack of detail to demonstrate service proposals are financially beneficial as not all services or costs are included</p>	<p>Lack of detail to demonstrate service proposals are financially beneficial as not all services or costs are included</p>				<p>Assurance of quality - risk of management failure? Is the risk register accurate?</p>	<p>Comments reflected in the UNISON co-ordinated response</p>		
	<p>Little scope for savings from joined-up working and lack of details about how this will be done</p>	<p>Little scope for savings from joined-up working and lack of details about how this will be done</p>					<p>Comments reflected in the UNISON co-ordinated response</p>		
<p>We have concerns surrounding the fact that Worcester City Council "generates 50% of its internal audit costs from completing work for other Authorities" in view of the contractor/client relationship in place for this work. If this income and therefore work is to be protected under the new arrangements then what will the status of this work be and will it be carried out on a "for profit basis"?</p>	<p>We have concerns surrounding the fact that Worcester City Council "generates 50% of its internal audit costs from completing work for other Authorities" in view of the contractor/client relationship in place for this work. If this income and therefore work is to be protected under the new arrangements then what will the status of this work be and will it be carried out on a "for profit basis"?</p>	<p>We have concerns surrounding the fact that Worcester City Council "generates 50% of its internal audit costs from completing work for other Authorities" in view of the contractor/client relationship in place for this work. If this income and therefore work is to be protected under the new arrangements then what will the status of this work be and will it be carried out on a "for profit basis"?</p>					<p>Comments reflect UNISON Redditch branch response</p>	<p>Comments reflect UNISON Redditch branch response</p>	

	There is an assumption in the Business Case that Wyre Forest D.C. will continue to purchase 100 days from Worcester City. Is this income guaranteed under a contract between the two authorities? and if the arrangement ceased would it impact on the viability of the shared service arrangement.		There is an assumption in the Business Case that Wyre Forest D.C. will continue to purchase 100 days from Worcester City. Is this income guaranteed under a contract between the two authorities? and if the arrangement ceased would it impact on the viability of the shared service arrangement.		Comments reflect UNISON Redditch branchy response	
	Support costs - how were these calculated for individual councils?				Support costs - how were these calculated for individual councils?	
ICT & technology	The Business Case states it is important to ensure that the various I.T. networks are compatible with each other. We have concerns that this issue will not be fully dealt with within the timescales available if this is not completed by the time the shared service begins it will significantly impact on audit productivity.		The Business Case states it is important to ensure that the various I.T. networks are compatible with each other. We have concerns that this issue will not be fully dealt with within the timescales available if this is not completed by the time the shared service begins it will significantly impact on audit productivity.			
	Concern about what happens if the £49 RIEP funding isn't received				Concern about what happens if the £49 RIEP funding isn't received	
	ICT equipment to support new structure - how will this work in practice?				ICT equipment to support new structure - how will this work in practice?	
	In effect are those authorities with low non-direct costs not subsidising those who are allowed to apply high non-direct costs?					In effect are those authorities with low non-direct costs not subsidising those who are allowed to apply high non-direct costs?
Impact on staff terms, conditions and career prospects	Adequacy of safeguards for employees facing relocation, reductions in pay or redundancy. Why have participating authorities not agreed a standard level of benefits / protection / assimilation for services subject to shared / partnership working, especially those being dealt with through the WETT process?		Adequacy of safeguards for employees facing relocation, reductions in pay or redundancy.			Why have participating authorities not agreed a standard level of benefits / protection / assimilation for services subject to shared / partnership working, especially those being dealt with through the WETT process?
	No evidence of intent to secure alternative employment across partner councils including vacancy freeze, redeployment, alternative work.					
	Honouring existing pay and grading mechanisms		Honouring existing pay and grading mechanisms			
	Proposed structure and ways of working stifle career progression resulting in difficulty in retaining staff		Proposed structure and ways of working stifle career progression resulting in difficulty in retaining staff		Comments reflected in the UNISON co-ordinated response	
	Uncertainty leading to staff actively seeking alternative employment		Uncertainty leading to staff actively seeking alternative employment			
	How many staff are at risk through this proposal now and in the longer term? Neither Property nor IA specify which leaves a cloud of uncertainty over the services		How many staff are at risk through this proposal now and in the longer term? Neither Property nor IA specify which leaves a cloud of uncertainty over the services		Comments reflected in the UNISON co-ordinated response	
	Are there any issues concerning job grades, equal pay and so on?		Are there any issues concerning job grades, equal pay and so on?			
	What are the difficulties created by increased travel time and attendance at different locations? Are there significant personnel issues which could hinder the levels of delivery of service which is anticipated in the report?		What are the difficulties created by increased travel time and attendance at different locations? Are there significant personnel issues which could hinder the levels of delivery of service which is anticipated in the report?		Comments reflected in the UNISON co-ordinated response	

Staff consultation summary: Property Services business case

Theme	Issue	Consultee UNISON co-ordinated (A. Gregson letter 17th December 2009)	Consultee UNISON Worcester City branch Initial response to WETT Programme (received 3rd December 2009)	Consultee UNISON Redditch branch (received 21st December 2009)	Consultee GMB Worcester City branch (received 21st December 2009)	Consultee UNISON Worcestershire (received 21st December 2009)	Consultee Phil Harris, Chief Engineer, Worcestershire County Council
Staff/ union consultation process and timescale	Delay in providing Business Cases for comment Insufficient time for consultation on business cases Reluctance to engage in early discussions with unions and others contrary to statutory advice on redundancy and change management Inadequate feedback about the implementation of previous shared services such as Revenues and Benefits and the Hub Inconsistencies in the Business Case, regarding service improvements / financial savings	Delay in providing Business Cases for comment Insufficient time for consultation on business cases Reluctance to engage in early discussions with unions and others contrary to statutory advice on redundancy and change management	Inadequate feedback about the implementation of previous shared services such as Revenues and Benefits and the Hub		Comments reflected in the UNISON co-ordinated response Comments reflected in the UNISON co-ordinated response Comments reflected in the UNISON co-ordinated response		
Structure and capacity	Lack of detail about structures making it difficult to comment on whether service will work or deliver improvements for local communities Lack of clarity that staffing levels will be sufficient to deliver the competences and statutory needs/ desired services Will all new staff required by the County Council be TUPE transfers from District partners, or, if not, where will these staff be recruited from? The proposed timescale for implementation is unrealistic, given the present commitment of Property Services managers to existing corporate initiatives such BOLD, the Contractor Framework, the Gateway Process, iProp, the BSF programme, the Academy programme and the Wyre Forest primary schools programme	Lack of detail about structures making it difficult to comment on whether service will work or deliver improvements for local communities Lack of clarity that staffing levels will be sufficient to deliver the competences and statutory needs/ desired services				Will all new staff required by the County Council be TUPE transfers from District partners, or, if not, where will these staff be recruited from? The proposed timescale for implementation is unrealistic, given the present commitment of Property Services managers to existing corporate initiatives such BOLD, the Contractor Framework, the Gateway Process, iProp, the BSF programme, the Academy programme and the Wyre Forest primary schools programme	
Impact on service delivery & performance	Different service levels across participating authorities leading to inconsistent service delivery and future planning There are concerns about the claim that a shared service will be better placed to meet local service needs. A shared property service may be more remote and consequently less responsive to the needs of service users and members In the absence of a detailed Service Level Agreement, claims regarding the benefits of transformational change and efficiency savings are difficult to substantiate Property portfolios of the districts and the county differ significantly	Different service levels across participating authorities leading to inconsistent service delivery and future planning			There are concerns about the claim that a shared service will be better placed to meet local service needs. A shared property service may be more remote and consequently less responsive to the needs of service users and members In the absence of a detailed Service Level Agreement, claims regarding the benefits of transformational change and efficiency savings are difficult to substantiate		Property portfolios of the districts and the county differ significantly

Staff consultation summary: Property Services business case

	<p>Property Services operates an established and successful staff training and development programme, which has helped the Division secure and retain Investor in People status since 2005 and to recruit and retain high quality staff. I note from the Revenue Budgets statement on Page 33 of the Detailed Business Case that Bromsgrove, Redditch and Malvern Hills Districts currently appear to invest nothing in staff training. This is likely to dilute the overall available budget available for training, and jeopardise Property Services' Investor in People status, unless a pro-rate injection of finance is made available for training</p>						<p>Property Services operates an established and successful staff training and development programme, which has helped the Division secure and retain Investor in People status since 2005 and to recruit and retain high quality staff. I note from the Revenue Budgets statement on Page 33 of the Detailed Business Case that Bromsgrove, Redditch and Malvern Hills Districts currently appear to invest nothing in staff training. This is likely to dilute the overall available budget available for training, and jeopardise Property Services' Investor in People status, unless a pro-rate injection of finance is made available for training</p>
	<p>The assumption that staff directly employed by the Council's can be protected by reducing the numbers of agency staff is questionable. Agency staff employed today will all have to have been fully justified. The new shared service will not necessarily change the justification for the skills of agency staff. This is a very major risk to the achievement of the predicted savings</p>		<p>The assumption that staff directly employed by the Council's can be protected by reducing the numbers of agency staff is questionable. Agency staff employed today will all have to have been fully justified. The new shared service will not necessarily change the justification for the skills of agency staff. This is a very major risk to the achievement of the predicted savings</p>				
<p>Finance, savings and investment</p>	<p>The ICT implementation costs (£11,000 per district, page 22) should be shown in the Financial Analysis. At present it seems reasonable to deduct this sum from the assumed savings.</p> <p>The combination of fixed savings and implementation being different in practice than theory means there is a very high risk that the reconfigured service will provide less than the current service.</p>		<p>The ICT implementation costs (£11,000 per district, page 22) should be shown in the Financial Analysis. At present it seems reasonable to deduct this sum from the assumed savings.</p> <p>The combination of fixed savings and implementation being different in practice than theory means there is a very high risk that the reconfigured service will provide less than the current service.</p>			<p>Comments reflected in the UNISON Worcester City Initial response</p>	
	<p>The finances within the Property case do not stack up – budgets do not seem to be comparable ie utilities in one Council's budget but not shown in another etc. It is unclear how the figures have been arrived at. In Worcester City Council, for example, individual service areas have maintenance budgets etc. Have these been included or not?</p> <p>"Cost" of re-educating staff who would normally contact RBC staff directly</p>		<p>The finances within the Property case do not stack up – budgets do not seem to be comparable ie utilities in one Council's budget but not shown in another etc. It is unclear how the figures have been arrived at. In Worcester City Council, for example, individual service areas have maintenance budgets etc. Have these been included or not?</p> <p>"Cost" of re-educating staff who would normally contact RBC staff directly</p>		<p>The Financial part of the business case is not clear and comparable due to the different accounting structures of the participating authorities. More detailed information has been requested</p>	<p>Comments reflected in the GMB response</p>	
<p>ICT & technology</p>	<p>Concerns over the TUPE transfer of staff during the implementation of the new iProp ICT system</p>						<p>Concerns over the TUPE transfer of staff during the implementation of the new iProp ICT system</p>

Staff consultation summary: Property Services business case

	Management time required to implement TUPE transfer and integrate staff may divert managers from other existing initiatives								Management time required to implement TUPE transfer and integrate staff may divert managers from other existing initiatives
Impact on staff terms, conditions and career prospects	Adequacy of safeguards for employees facing relocation, reductions in pay or redundancy. UNISON cannot and will not support proposals that result in compulsory redundancies	Adequacy of safeguards for employees facing relocation, reductions in pay or redundancy.							UNISON cannot and will not support proposals that result in compulsory redundancies
	No evidence of intent to secure alternative employment across partner councils including vacancy freeze, redeployment, alternative work.	No evidence of intent to secure alternative employment across partner councils including vacancy freeze, redeployment, alternative work.							
	Honouring existing pay and grading mechanisms	Honouring existing pay and grading mechanisms							
	Proposed structure and ways of working stifle career progression resulting in difficulty in retaining staff	Proposed structure and ways of working stifle career progression resulting in difficulty in retaining staff							
	Uncertainty leading to staff actively seeking alternative employment	Uncertainty leading to staff actively seeking alternative employment							
	How many staff are at risk through this proposal now and in the longer term? Neither Property nor IA specify which leaves a cloud of uncertainty over the services	How many staff are at risk through this proposal now and in the longer term? Neither Property nor IA specify which leaves a cloud of uncertainty over the services							
	Are there any issues concerning job grades, equal pay and so on?	Are there any issues concerning job grades, equal pay and so on?							
	What are the difficulties created by increased travel time and attendance at different locations? Are there significant personnel issues which could hinder the levels of delivery of service which is anticipated in the report?	What are the difficulties created by increased travel time and attendance at different locations? Are there significant personnel issues which could hinder the levels of delivery of service which is anticipated in the report?							
	Hot-desking is not necessarily a concept as well understood or practiced across all councils - there is a severe culture shock when moving to this pattern of working and, in most cases where it has been implemented, there is little evidence of support	Hot-desking is not necessarily a concept as well understood or practiced across all councils - there is a severe culture shock when moving to this pattern of working and, in most cases where it has been implemented, there is little evidence of support							
	Are travel expenses taken into account in the Business Case? If the team moves to Worcester with consequent increased work mileage, will the mileage be changed to essential car user mileage as it visits will increase?	Are travel expenses taken into account in the Business Case? If the team moves to Worcester with consequent increased work mileage, will the mileage be changed to essential car user mileage as it visits will increase?							
	Appendix 6 – Financial Information (Page 32 of the Detailed Business Case) states in item 4 that "Final grade ranges are dependent on the re-evaluation of all posts by the host following TUPE transfer of all identified staff within scope". Can it be clarified whether the term "all posts" refers to all 48 incoming posts, or all 156 posts in the proposed combined Property Services structure?	Appendix 6 – Financial Information (Page 32 of the Detailed Business Case) states in item 4 that "Final grade ranges are dependent on the re-evaluation of all posts by the host following TUPE transfer of all identified staff within scope". Can it be clarified whether the term "all posts" refers to all 48 incoming posts, or all 156 posts in the proposed combined Property Services structure?							

Hosting proposals	What are the practicalities of a physical move to buildings already overstuffed with poor parking provision?	What are the practicalities of a physical move to buildings already overstuffed with poor parking provision?	Comments reflected in the UNISON co-ordinated response		
Governance	No details of scrutiny or monitoring No details of joint trade union negotiation Democratic deficit leading to lack of engagement with tax payers The different form of governance for Property (and Internal Audit) should be more thoroughly examined, particularly key is the longevity of any SLA, how it is manufactured, monitored, and evaluated, as well as its flexibility The business case does not explore the drawbacks and merits of either SLA or Joint Committee. Is the SLA a "take it or leave it" offer from the County? What happens after year 3 of the SLA?	No details of scrutiny or monitoring No details of joint trade union negotiation Democratic deficit leading to lack of engagement with tax payers The different form of governance for Property (and Internal Audit) should be more thoroughly examined, particularly key is the longevity of any SLA, how it is manufactured, monitored, and evaluated, as well as its flexibility The business case does not explore the drawbacks and merits of either SLA or Joint Committee. Is the SLA a "take it or leave it" offer from the County? What happens after year 3 of the SLA?	Comments reflected in the UNISON co-ordinated response		
Equities	No evidence of equality impact assessment. Request a copy as a matter of urgency	No evidence of equality impact assessment	No evidence of equality impact assessment . Request a copy as a matter of urgency		
Issues specific to individual authorities	A number of points specific to Redditch BC's local circumstances: set out in the corporate plan; existing contracts; existing budgets / DSO costs; buildings included / excluded; on-site caretakers; its green credentials; "Cost" of re-educating staff who would normally contact RBC staff directly;	A number of points specific to Redditch BC's local circumstances: set out in the corporate plan; existing contracts; existing budgets / DSO costs; buildings included / excluded; on-site caretakers; its green credentials; "Cost" of re-educating staff who would normally contact RBC staff directly;			
	A number of points specific to Worcester City's local circumstances: City / County portfolio differences; Hopmarket Trustees issue; relationship to other Shared Service proposals; "SLA = outsourcing"	A number of points specific to Worcester City's local circumstances: City / County portfolio differences; Hopmarket Trustees issue; relationship to other Shared Service proposals; "SLA = outsourcing"			
	What is the contractual position for the County Council, should there be disagreements between authorities over the course of the shared service? Is there suitable protection in place for the County's existing service?	What is the contractual position for the County Council, should there be disagreements between authorities over the course of the shared service? Is there suitable protection in place for the County's existing service?			

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 £'000
Base revenue budget expenditure	7,312	7,312	7,312	7,312	7,312	7,312
Annual planned (saving)/ additional cost	0	25	(843)	(1,261)	(1,261)	(1,261)
Transitional costs (revenue)	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.

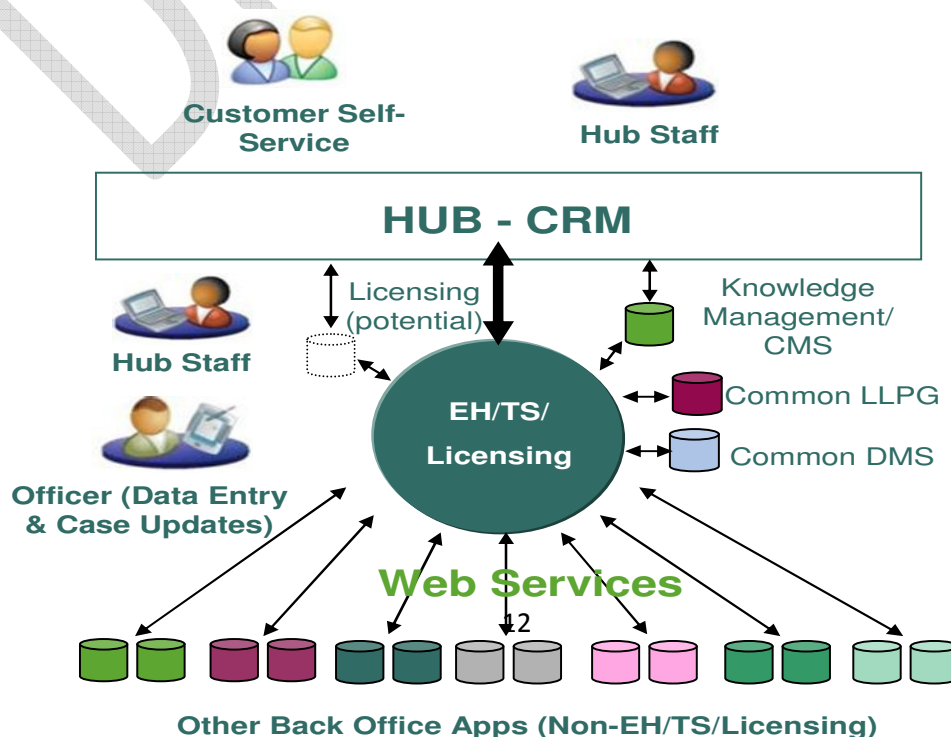
The preferred ICT option for WETT Regulatory Services is to replace all incumbent back-office solutions (Environmental Health, Trading Standards and Licensing) with a central shared solution that will support the combined shared service.

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.

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Appendix B

Worcestershire Enhanced Two Tier Working Property Services



Detailed Business Case Executive Summary

Version 1
November 2009

Worcestershire Two Tier Property Services Detailed Business Case

Executive Summary

This document proposes a District & County Council Partnership for delivering shared Property Services in Worcestershire.

The vision:

County Council as host of a combined Property Service, operating within a single management structure, providing the entire range of Property Services under agreement to District Council Partners, which will enable a more coherent approach to the management of property assets across Worcestershire.

Business case Headlines

- **Economies of scale:** Rationalisation of estate, combined procurement through combined purchasing power and reduced support costs & overheads
- **Resilience:** Improved capacity – sharing of resources and skills
- **Savings:** Accumulative savings of 15% revenue against existing revenue budgets over 3 years i.e. £452K of savings for District Partners. Opportunities for additional savings for the County Council through increasing efficiency over the initial 3 years of the Partnership.
- **Value for Money / Performance:** Partner performance will be sustained during economically challenging Local Government environment, at reduced cost.

Outline of the proposal.

The business case supports the development of an integrated Property Services function with all participating Council partners operating within a single management structure. This will allow a central team to be created which has the resilience, shared expertise and economies of scale to provide a broad and effective property service base for the communities of Worcestershire.

The model proposed focuses on service excellence and service resilience through building on existing good practice. Delivery of property functions through a centralised hosted service provision is considered by the project team members to be well placed to provide a much improved service to each participating partner.

It will provide an integrated coherent approach to strategic asset management and act as a vehicle to follow the recommendations as set out in the Audit Commission's recent publication – 'Room for Improvement'. It will also provide a more joined up approach to the Worcestershire Local Area Agreement themes.

By combining property functions both strategic and operational, it is anticipated that efficiencies through economies of scale will be achieved, benefitting all participating partners and providing a viable response to impending further budget pressures expected over the coming years.

In combining property services its contribution to other local government services such as planning, highways, education and the wider sustainability agenda will be enhanced. The business model will include a core of Property Service functions which would form the initial service portfolio, with opportunities for a broader portfolio as the service is developed and embedded.

The following Councils are contributors to the business case:

- Worcestershire County Council
- Worcester City Council
- Bromsgrove District Council
- Redditch Borough Council
- Malvern Hills District Council

Wyre Forest District Council and Wychavon District Council are not part of this business case at this stage however; they have been involved in the entire programme and have the opportunity to join at a later stage.

From the outset the Chief Executives Panel has made it clear that any shared service must consider three key principles:

- Delivery of service improvements and improved performance for all stakeholders
- Reduced pressure on the budget both overall and for each participating local authority
- Increased resilience to meet the demands placed on the service.

The integration of these services will result in a more coordinated service delivery that will benefit the people and businesses of Worcestershire.

Subject to the approval of this business case, the Shared Service approach for Property Services could become a mentor for further Shared Service initiatives.

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:

Best Services for Local People: Better position to meet local service user needs

Provide central resilience: Improved capacity – sharing of resources and skills, improve career structure, personal development and ergonomics & improved partnership working.

Continuous improvement at a reduced cost: Eliminate duplication, overlap & redundancy in processes & working practices, standardised services and quality.

Economies of scale: Rationalisation of estate, combined procurement, ICT integration & reduced support costs & overheads

Consistent approach in service delivery for common problems (asbestos, carbon, energy management): Uniform processes for common problems (asbestos, carbon & energy management), policy alignment (customer perception is the key driver – common policy framework needs to have flexibility to meet local needs) & improvement in compliance

Increased flexibility and opportunities to share staff: No geographic boundaries between services to customers, no political boundaries between services to customers, shared resources – people, processes, systems & shared allegiance

Future proof services: Protect Political Sovereignty within 2 Tier (Governance – process 'all decisions will be signed by all relevant authorities'), control own destiny

Scope

Ref: 'Section 6' (Scope) of the WETT Property Services Detailed Business Case V6

The overarching scope for this business case is about bringing together the District and County Council Property Services function to deliver an enhanced and robust service to all the customers who currently sit in each authority. The overall intention is to improve customer focus coupled with optimising the less visible elements of the service through simplification, standardisation and sharing.

It was agreed that the scope will contain the following for Property Services.

- Strategic Asset Management advice
- Financial Control
- Estate Management
- General Services
- Capital Improvement Projects
- Premises Management
- Asset Maintenance

Finances & Cost Savings

Ref: 'Section 10' (Finance) and 'Appendix 6' (Financial Data) of the WETT Property Services Detailed Business Case V6

Methodology and Savings Delivery: Governance for the shared Property Service will be through Service Level Agreements between the County Council, as the host, and each of the participant District Councils. It is envisaged that each District Council will bring into the Shared Service its full current Property Service expenditure budget, including all direct employee costs and related supplies and services, as well as repairs and maintenance budgets.

Under the Service Level Agreement, each District Council will receive a service to at least the same level as is currently delivered in-house; each District Council will also receive a cumulative saving of 5% against total employee, supplies & services and repairs & maintenance expenditure for each of the first three years of operation of the shared service (15% cumulative saving after three years).

Facilities-related expenditure will also be included in the scope of the Shared Service, but will be treated as a separate expenditure budget line. While savings are likely to accrue to District Councils from premises-related items, for example through the negotiation of joint contracts for utilities procurement, these savings are not quantified in this business case, but will be allocated to Shared Service partners as they arise. The detailed methodology for savings distribution will be set out in the Service Level Agreement.

Table F1 below sets out the current expenditure budget of each District Council, as provided by the Councils' Finance Departments, at 2009/10 levels.

Table F1 – Current District Council budgets	Bromsgrove DC £	Malvern Hills DC £	Redditch BC £	Worcester City £	Total DC Expenditure £
Employee Costs	147,000	93,000	597,000	396,000	1,233,000
Supplies & Services Costs	4,000	4,000	35,000	77,000	120,000
Repairs & Maintenance Budget	118,000	72,000	612,000	858,000	1,660,000
Total Baseline Expenditure for savings calculation	269,000	169,000	1,244,000	1,331,000	3,013,000
<i>Facilities-related Expenditure</i>	<i>288,000</i>	<i>241,000</i>	<i>1,325,000</i>	<i>160,000</i>	<i>2,014,000</i>
Total Property Service Budgets 2009/10	557,000	410,000	2,569,000	1,491,000	5,027,000

Table F2 shows the level of savings which will accrue to each district. The table demonstrates the achievement of 15% savings by Year 3 based purely on direct expenditure. It should be noted that there is further potential for Districts to increase their savings achieved through reductions in internal support costs (recharges) via self-managed efficiencies. Figures are not modelled in detail in this business case, but it is thought that an additional saving of up to 20% of support costs could be achieved by each District Council.

Table F2 – Indicative savings delivered to District Councils		Current Budget £	Year 1 £	Year 2 £	Year 3 £
Target saving (cumulative):		N/a	5%	10%	15%
Bromsgrove DC	Savings (cumulative)	N/a	(14,000)	(27,000)	(40,000)
	Total expenditure (excl facilities)	269,000	255,000	242,000	229,000
Malvern Hills DC	Savings (cumulative)	N/a	(8,000)	(17,000)	(25,000)
	Total expenditure (excl facilities)	169,000	161,000	152,000	144,000
Redditch BC	Savings (cumulative)	N/a	(62,000)	(124,000)	(187,000)
	Total expenditure (excl facilities)	1,244,000	1,182,000	1,120,000	1,057,000
Worcester City	Savings (cumulative)	N/a	(67,000)	(133,000)	(200,000)
	Total expenditure (excl facilities)	1,331,000	1,264,000	1,198,000	1,131,000
All District Councils	Savings (cumulative)	N/a	(151,000)	(301,000)	(452,000)
	Total expenditure (excl facilities)	3,013,000	2,862,000	2,712,000	2,561,000

Savings Realisation: It is envisaged that savings will be realised in three main ways: procurement savings on construction, maintenance and service contracts, savings in agency staff costs, and a minimal level of savings in direct employee costs.

The source of the procurement savings is twofold:

- Reductions in unit costs due to bulk purchasing - the County Council currently manages much larger building maintenance and service contracts than any of the other authorities and, as a result, is able to achieve a lower unit cost. By adding the District Councils' properties to the County contracts, the benefits of these lower unit costs can be extended.
- Reductions in the cost of procuring work - currently each District has to organise its own cyclical maintenance contracts. By adding these building maintenance requirements to the County's current contracts, the unit cost of procuring the service can be reduced.

The business case shows procurement savings being phased in over three years on the assumption that it will be necessary to run down legacy arrangements and contracts before the full benefits of the collective purchasing arrangements can be delivered.

The County Council currently incurs approximately £345,000 per annum in external agency staff costs. By rationalising the staffing structure and redeploying employees within the Shared Service, it is forecast that the majority of these agency staff costs can be eliminated, to deliver savings of £275,000 after three years. In addition to savings on agency staff, it is also envisaged that rationalisation of the staffing structure will enable some level of savings in direct employee costs from the second year of operation.

Table F3 below shows the detail of how savings are forecast to be realised:

Table F3 – Savings Realisation		Year 1 £	Year 2 £	Year 3 £
Procurement savings	Annual	(100,000)	(60,000)	(60,000)

	Cumulative	(100,000)	(160,000)	(220,000)
Agency staff savings	Annual	(75,000)	(100,000)	(100,000)
	Cumulative	(75,000)	(175,000)	(275,000)
Employee savings	Annual	0	(50,000)	(50,000)
	Cumulative	0	(50,000)	(100,000)
Total savings	Annual	(175,000)	(210,000)	(210,000)
	Cumulative	(175,000)	(385,000)	(595,000)

Funding of Shared Service: Additional support costs for Worcestershire County Council as the host of the Shared Service have been forecast, based on 48 additional employees (FTE rate), and a workspace occupancy rate of 65%. Costs have been allowed for accommodation, ICT recharges and Human Resources recharges. It is assumed that legal support costs will be retained by individual councils. Additional costs have been phased in over the three year implementation programme.

It should be noted that there are no fixed savings planned against the County Council's direct expenditure budget as, since 2006/07, total savings of £423,000 have already been delivered by the County Council's Property Services department against staffing budgets. However, under the current model, the County Council will benefit from any savings which are delivered in addition to the agreed levels in Table F2 above.

The following table (F4) indicates how the Shared Service is to be funded, based on a model of fixed savings delivery to District Councils. It should be noted that under this model, the risk of non-delivery of savings lies with the County Council, as District Council savings would be delivered at a fixed level under the Service Level Agreement. The indicative model below shows a £6,000 deficit on the Shared Service in Year 1, during implementation, which it is assumed can be absorbed by the County Council. By Year 3, the model shows that net savings of £475,000 can be achieved, of which £452,000 will be allocated to districts, leaving a small annual surplus of £23,000.

Table F4 – Funding of Shared Service	Current £	Year 1 £	Year 2 £	Year 3 £
Total savings (cumulative)	N/a	(175,000)	(385,000)	(595,000)
Total additional costs (cumulative)	N/a	30,000	70,000	120,000
Net savings	N/a	(145,000)	(315,000)	(475,000)
Total cost of service (excluding premises)	9,969,000	9,824,000	9,654,000	9,494,000
Funding from Districts (see Table F2)	3,013,000	2,862,000	2,712,000	2,561,000
County budget	6,956,000	6,956,000	6,956,000	6,956,000
Total funding available	9,969,000	9,818,000	9,668,000	9,517,000
Deficit/(Surplus) on Shared Service	0	6,000	(14,000)	(23,000)

Governance

Ref: 'Section 9' of the WETT Property Services Detailed Business Case V6

The project group have discussed two clear governance options that could be in place for a Property Shared Service.

Option 1: Direct management by Worcestershire County Council on behalf of all. Thereby each authority buys the service from the host under an SLA arrangement; however there is a performance board in place to manage performance on quarterly basis.

Option 2: Appointing a joint committee of elected members to oversee all activity with the participating authorities delegating decision making and policy approval to the committee and officers of the joint service.

The group have recommended Option 1 for the shared Property Service.

Service Managed by SLA vs Joint Committee

The table below outlines the positive and negative aspects of options 1 & 2 for the management/ oversight of the proposed shared service.

SLA Managed Service vs Joint Committee			
SLA Approach (Option 1)		Joint Committee (Option 2)	
Advantage	Disadvantage	Advantage	Disadvantage
Robust and Flexible SLA	Members perceive lack of political influence	Ensures political link back to constituent authorities. No democratic deficit	Bureaucracy around organising committees & associated costs
Able to agree clear output levels for some aspects of work.	Members may feel that they do not have enough influence on the host authority	Decision making based in one area	Lose the benefit of economies of scale and stream lining the services by not adopting the host authorities scheme of delegation
Can agree some specifics of local provisions through SLA			May not take into account variations in property functions across the participating councils.
Members can generally get involved in performance management of service on output. Oversee and influence			Timescales for making commercial decision may be affected
			May tend towards standardisation of service provision.

Management & Staffing arrangements

Ref: 'Section 11' (HR) & 'Section 8 (Option Appraisal)' of the WETT Property Services Detailed Business Case V6

Central to the realisation of a combined Property Services function is the effective retention, management and development of the workforce.

Partners will treat this as a TUPE situation and the transfer of staff will be as it would be in a TUPE situation. This approach was pursued under the Hub Shared Service arrangements, and both County and District Councils have experience and understanding of the process involved.

It has already been provisionally agreed that Worcestershire County Council will be the host employer under this proposed Property Service. Staff will therefore transfer to the employment of the County Council with effect from 1 April 2010.

In order to realise the key objectives outlined above in this paper, some redesign of service delivery will be necessary following the transfer. Service integration will be primarily achieved in the following way:

- 1) At the date of transfer, those staff within scope will transfer to Worcestershire County Council as the host employer on their existing job descriptions and terms and conditions of service under TUPE. It is anticipated that the effective date of transfer will be 1 April 2010.
- 2) In line with the business plan and key objectives and in order for the new service to become fully integrated it is envisaged that the service will be delivered in a significantly different way going forward. To achieve this there will be a requirement to restructure the workforce in order to deliver a more streamlined and efficient service. This may involve substantial changes to duties and responsibilities of much of the workforce and may lead to staff reductions. A proposed new staffing structure will be developed with appropriate job descriptions. This will be supported by a protocol which will agree the process for appointing and assimilating staff to the new structure. It is proposed that posts within the new structure would fall under a single set of terms and conditions of service i.e. those of Worcestershire County Council. All of the above will be subject to collective and individual consultation with staff and unions as applicable, and following required notice arrangements.
- 3) Future costs will be agreed via legal agreement between the relevant parties to ensure costs are shared proportionately in relation to any redundancy liabilities and any subsequent claims associated with achieving the new structure and service integration.

Performance

Ref: 'Section 12' (Performance & Workload), 'Appendix 4 (Performance & Workload Data) of the WETT Property Services Detailed Business Case V6

Appendix 4 shows the main property measurements in order to briefly describe the combined portfolios of the five councils and the scale of organisation the County will become to manage that portfolio. These figures may be taken as a guide as each authority formulates their own data and sometimes follows different methodology.

The combined asset valuation of the portfolio is £968 million made up of £922 million operational buildings and £46 million non operational, which are income generating properties rather than service delivery facilities.

The type of operational buildings held by the County is significantly different from that of the Districts, due largely to its education function (i.e. 241 schools). This variety in the portfolio

requires an understanding of the different clients needs. Different levels of professional expertise and experience as well as expenditure on, for example, listed buildings, require careful management.

Non Operational buildings however show an even more disparate variation of types and here the Districts hold much more value (actually and proportionally) than the County. The Districts hold a large portfolio of holdings of £32m, which are a vital income source.

The Property Performance Indicators are recognised industry standard measures but are subjective. In simple terms the more properties in the higher conditions of A and B should relate to a lower total maintenance backlog estimated cost and an appropriate level of maintenance to keep those buildings there. This is a subjective analysis but shows that the County's portfolio is in better condition and therefore has a reduced backlog liability. The Districts have less in good condition and a higher proportionate backlog. There are however significant differences in approach to maintenance spend which is both policy and portfolio driven as the type of building may require significantly different approaches to maintenance i.e. at the two extremes - new build and historic listed buildings.

Levels of capital (£71 million compared to £2.3m) and revenue repair & maintenance expenditure are also significantly different as the County currently has a large Building Schools for the Future initiative.

These various factors affect the staffing levels and officer expertise contained in each organisation. The County has a higher proportion of designers for the major capital programme works and Districts concentrate on maintenance and estate management staff. There is a risk for each District that they will not be able to afford the same enhanced property service as that of the County. Therefore the individual Service Level Agreements need to match staff and building funding with appropriate service aspirations to avoid conflict with actual performance.

Transformation

Ref: 'Section 5' (Transformation) of the WETT Property Services Detailed Business Case V6

The participating Councils each vary in the way in which they deliver property services. By bringing together Property Service functions under a single management structure it will be possible to provide a more coherent and consistent approach to the management of property assets across Worcestershire.

Once the model is in place the new Property Service will be able to transform service provision by providing a more comprehensive and co-ordinated service in the following areas: procurement, rationalisation of staff and structures, rationalisation of estate, and joined-up thinking and other stakeholder sector opportunities. Once the procurement model and rationalisation of staff and structures have been initiated the more robust transformational change will be possible by rationalising the combined estate to achieve capital and revenues savings and pursue a more collaborative joined up thinking approach with the 3rd sector and other stakeholders to achieve a genuine lean thinking approach to assets and the way services are delivered across Worcestershire.

In order for this business case to deliver transformational change and efficiency it is important to adhere to challenging timescales which are detailed below:

Procurement: The collaborative procurement initiative will be in place from the 1st April 2010 and will be delivering initial savings by 31st March 2011. Please refer to section 10 - Financial Analysis of the detailed business case.

Rationalisation of staff and structures & working practices: The process will begin on the 1st April 2010. In the first year the host council will align and rationalise staff structures to the broad model of the host Council. Phased savings will be realised commencing from the 1st April 2011 to the 31st March 2013.

Rationalisation of estate: There may be some quick wins through easily identified early disposals and minor rationalisation, however it is envisaged that the majority of capital receipts and revenue savings will be captured after 1st April 2013 onwards.

Joined up thinking, 3rd sector opportunities and other stakeholders: This will be on the agenda from 1st April 2010 as a national challenge and will impact on all of the above elements of transformational change.

ICT

Ref: 'Section 13' (ICT) & 'Appendix 7 (ICT Issues Log)' of the WETT Property Services Detailed Business Case V6

The Business Case assumes that the County will host this service. County's Property Service is planning to modernise its core systems, both to reflect current requirements and to enable further transformation of the service and deliver internal efficiencies.

In light of the Shared Service proposal, the project to update this system has been broadened to include the additional requirements that would arise from providing property services to a range of district council customers.

On that basis, it is not anticipated that there will be any significant ICT application development costs to be borne by this project.

Flexible and remote working / transition: 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.

During the transition phase, it is anticipated that staff at any one location will need access to systems located at other locations.

The business model assumes that there will be "hot desk" facilities at a number of locations around the County. Staff at any one location will need access to systems located at other locations. This will put an additional strain on the capacity and resilience of the authorities' ICT networks, and the links between them.

Following discussions between the various ICT Managers, an approach has been agreed to fund additional county wide network capacity from existing budgets. The County Council will meet the capital cost as part of its forthcoming infrastructure upgrade. Revenue costs will be shared amongst the partners. It is anticipated that the additional revenue costs for districts will be offset by equivalent savings from existing network links.

It is not anticipated that there will be any investment needed with regard to telephony requirements specifically for the Property Service. However, it is worth noting that a significant increase in flexible working arrangements will at some stage put a strain on telephony facilities across the WETT partnership.

Appendix 7 of the Property Services detailed business case sets out a log of potential ICT issues.

Implementation

Ref: 'Section 14' (Implementation Plan) of the WETT Property Services Detailed Business Case V6

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 key issues 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 SLA Managed Service
2. Establish scheme of delegation which fits in with the districts
3. Draft SLA's
4. Agree and sign off SLA's

HR

1. Consultation with Staff and Unions
2. Clarify TUPE and redundancy arrangements
3. Identify Training and Development needs
4. Allow time to embed the team

Organisational

1. Finalise operational structure
2. Confirm where teams will be based
3. Confirm with Host Authority support arrangements for shared service
4. Develop job descriptions for shared services staff
5. Arrange Job Evaluations where necessary
6. 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. 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 15' (Risks) of the WETT Property Services Detailed Business Case V6

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 15 of the Property Services detailed business case V6

No	Risk	Impact	Mitigation
1	ICT Integration -Data compatibility -system compatibility -To develop on time	Lack of being able to share property data easily and system not ready on time	Making sure at the very least we have web enabled property databases. Possibility of all authority adopting the single system database
4	Lack of political buy in	DBC will fail if all members aren't signed up	Robust communication plan and regular exchange of information between staff, senior officers and members.
6	Lack of property staff buy-in (inter-council)	Resistance from staff, lack of buy in so timescales aren't met and a dip in performance may occur	Regular and open dialog with staff. Robust communication plan. Standardise the messages cascaded.
7	Fail to achieve the savings	Failure to deliver the business case	Clear action plan for savings
8	Staff not operating out of County Hall / host authorities base on the transfer date	Makes it more difficult to integrate staff into the new system so therefore may impact on performance and service delivery	Ensure that the staff are integrated at the earliest opportunity. Review the host accommodation and HR process to enable the staff to be located at the host as soon as practically possible.
9	Staff consultation process not achieved in the timescales	Staff may not be in a position to TUPE transfer at the business case date	Implement the system for consultation to start as soon as possible

Conclusion

The business case presents a core of Property Service functions which would form the initial service portfolio, with opportunities for a broader portfolio as the service is developed and embedded.

This offers economies of scale & increased resilience with a breadth of service provision being available to the Customer from a combined service, under a unified management structure. There will be savings to be achieved for District Partners and further scope for the County Council host to achieve additional savings once the service is embedded.

The model would see the County Council managing the combined service on behalf of the Districts, providing a long-term resilience in what is anticipated to be an extremely challenging financial environment over the next three years for Local Government.

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Worcestershire Enhanced Two Tier Working Internal Audit



Detailed Business Case
Executive Summary
Version 2
November 2009

Worcestershire Two Tier Internal Audit Detailed Business Case

Executive Summary

This document proposes the development of an integrated Internal Audit function in Worcestershire with participating District Council Partners operating within a unified operation.

The vision:

A District Council shared service, with co-location of staff operating within a single management structure and hosted by Worcester City Council.

The original Detailed Business Case was developed on the basis that all six District Councils would participate in the shared service. However, at the Chief Executives and Leaders meeting on 3 November 2009, Wyre Forest District Council indicated that it did not wish to join the service at this time. However, the revised Detailed Business Case assumes that Wyre Forest will continue to purchase 100 audit days per year from Worcester City Council which will be provided by the shared service.

Business case Headlines:

- **Resilience** – combining the Internal Audit teams will provide the participating authorities with a larger pool of Internal Auditors with a greater breadth of expertise.
- **Savings** – the financial business case delivers ongoing revenue savings of £126,400 per annum by Year 3 (2012/13).
- **Staff development** – an improved career structure for staff, with increased variety of work and professional development opportunities.
- **Improved support to other Shared Services** – streamlined and uniform assurances will be provided to existing and future Shared Services.

Outline of the proposal.

This business case supports the development of an integrated Internal Audit function with participating District Council Partners (scalable for other councils to join at a later date eg Wyre Forest District Council) operating within a single management structure. This will allow a central team to be created which has the resilience, shared expertise and economies of scale to provide a broad and effective service base for the District Councils.

The model proposed focuses on service excellence and service resilience through building on existing good practice. Delivery of Internal Audit functions through a centralised hosted service provision is considered by the project team members to be well placed to provide a much improved service to each participating partner.

The model also provides opportunities for consistency of standards, quality and audit approach which will feed into Use of Resources Assessments, External Audit opinions and CIPFA Code of Practice compliance.

The Project Team established that Worcester City Council has a substantial Internal Audit team in comparison to the other Districts and is already carrying out work on behalf of Partners e.g. Malvern Hills District Council. The City Council generates 50% of its Internal Audit costs from completing work for other Authorities and this is built into the agreed budget for the Council. It is an organisation which is looking to expand its Internal Audit work or at least maintain its current volume to protect budget commitments.

The other Districts identified an opportunity for the City Council to become a host for a District shared Internal Audit service. This would operate under a single management structure however resource would not necessarily be restricted to operating out of a single location.

By merging the individual teams together a more resilient and flexible service can be developed, with shared expertise across a broader team. The City Council would deliver services to agreed requirements and costs for the Partnering District Councils subject to review at key stages.

The Project Team believe that there is potential for savings to be achieved as a result of this shared service relationship. The City Council highlighted the fact that existing savings / income created from current Partnership working would have to be maintained by the City Council as part of agreed Council budget commitments. All additional savings could be shared with Partners as part of the new shared service model, subject to confirmation.

The combined District team would be of similar size to that of the County Council Internal Audit team. There is a possibility of reduced overhead costs if the City staff relocates to County and then work on a cohabitation basis but retain their separate identity. This can be reviewed as part of the later stages of implementing the District Shared service. Once the District Partnership has been implemented there will be scope for the County Council and the Districts to review the potential for increased Partnership working.

The key Drivers & Benefits

Ref: 'Section 6' (Drivers for Change) of the WETT Internal Audit 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:

Resilience:

Availability of staff and skills, developing expertise & Developing new areas of auditing.

Increased Quality:

Sharing organisational best practice, Increased influence in negotiation – 3rd parties & External Audit, Opportunities for growth (%age of audit plan), Researching best practices, Uniformity of product delivery with robust methodology, Single point of contact for External Audit.

Staff retention and development:

Achieve consistent high standards and increased morale and motivation.

Economies of Scale & Transformational Changes:

Overall cost saving.

Consistency of standards and quality:

Standardise services and quality, consistency of audit approach to ensure best practice is applied at all sites: Eliminate duplication and overlap in processes & working practices, best practice audit methodologies, elimination of barriers when working with other 'shared services'.

Scope

Ref: 'Section 5' (Scope) of the WETT Internal Audit Detailed Business Case V10

The project team have agreed that the Internal Audit (IA) Shared Service would deliver the core IA service including IT Audit. However Value for Money review, Non Housing Benefit Fraud, Risk Management and Corporate Governance could be bought from the Shared Service if required.

The intention in the first year of operation is to include the 'optional' areas where the relevant Internal Audit section is currently carrying out the function and includes days in its existing audit plan. Any areas which are not included in existing audit plans will need to be the subject of discussions with WIASS about available resources.

Additional areas of audit work which are emerging e.g. Environmental Auditing, could also be highlighted and factored in to future proof the service from an early stage.

Finances & Cost Savings

Ref: 'Section 8' (Financial Analysis) of the WETT Internal Audit Detailed Business Case V10

Assumptions:

Wyre Forest

- 100 audit days currently provided under SLA by Worcester City are assumed to continue for the purpose of this Business Case
- Potential redundancy costs have not been apportioned to Wyre Forest. This would need to be revisited if they became part of the 'shared service' or if they withdraw from the current contract

Inflation/Pensions

- Pay award set at 1% for 2009/10, no increases reflected thereafter
- No inflation has been included for non-pay items

- Pensions rate reduced to common rate of 11.2% (i.e. no back-funding) as per other business cases.

Audit Days/Activity

- Audit Plans based on schedules provided including latest version from Bromsgrove
- For the model purposes, Districts buying audit days from Worcester City also receive a pro-rata share of absence and support days as appropriate
- Audit days are modelled on 68:32 split from year 1 (2010/11) and then 70:30 split from thereafter
- Chargeable days are reduced by 5% in 2011/12 and 6% in 2012/13, to reflect transformation improvements.
- It is assumed that the same level of audit assurance is provided despite the reduced number of days.

Other External Activity/Income

- It is assumed that no other external activity takes place in 2010/11.
- There is currently a net profit of £26k p.a. generated from contracted activity in Worcester City. This is protected for Worcester City each year through the model.
- It is assumed that the same level of external activity as now is restored by 2012/13 with a net contribution/profit of £26k (as now) shared between the Districts.
- It is assumed that 50% of current external activity as now is restored by 2011/12 with a net contribution/profit of £13k shared between the Districts.
- No additional staff/non-pay costs have been included for this external activity, apart from the contribution/profit element, this is assumed to be revenue neutral with additional income

Staff Transfers/TUPE

- It is assumed that the WIASS Manager is appointed/assimilated w/e from 1st June 2010 and any protection is in place for a period of 12 months thereafter.
- It is assumed that the two other managers are appointed/assimilated on the 1st June 2010 and any protection is in place for a period of 12 months thereafter.
- It is assumed that the remaining staff TUPE to WCC with effect from 01/06/10 on existing T&Cs.
- It is assumed that the new structure is implemented from 01/12/10 and any protection is in place for 12 months from this date

Redundancies

- It is assumed that there will be no redundancies from the appointment/assimilation of the three managers
- It is assumed that there could be two redundancies from the remaining staff at an average estimated cost of £25k each
- It is assumed that the redundancy costs will be shared equally amongst the participating Districts (excluding Wyre Forest, see 2 above)

Staff Costs/Non-Pay Costs

- It is assumed that a new structure will be implemented from 1/12/10, and a further reduction of 2.00 fte will take place thereafter to reflect the reduced number of audit days.

- It is assumed that non-pay costs will reduce in proportion to FTE except for Travel which will increase
- It is assumed that a new IT Audit system will be implemented with a new recurring annual maintenance cost of £5k p.a. from 2010/11

Hosting Costs

- It is assumed that there will be a small increase of £6K pa of support costs for the host – Worcester City

Support Costs/ICT Support Costs

- It is assumed that no savings will arise from the existing level of support costs across the districts
- It is assumed that each district will provide accommodation, desktop PCs and ICT infrastructure as per existing levels
- Although the level of corporate support (HR/Finance etc) provided by the other Districts will reduce, this has not been quantified and no savings have been reflected

Implementation Costs

- It is assumed that the implementation is undertaken by the WIASS Manager and no additional costs arise.
 It is assumed that IT implementation costs for the new system of £49k are met fully from RIEP funds

Table 1: Current Costs of Service

	Current Budget 2009/10	Current Support Costs 2009/10	Base Budget 2009/10	Chargeable Audit Days 2009/10	Cost per Chargeable Audit Day 2009/10	Direct Cost per Chargeable Audit Day 2009/10
Bromsgrove DC	£92,510	£68,648	£161,158	428	£377	£216
Malvern Hills DC	£92,950	£0	£92,950	310	£300	£300
Redditch BC	£160,854	£26,530	£187,384	673	£279	£239
Worcester City	£88,047	£46,990	£135,037	602	£224	£146
Wychavon DC	£127,549	£24,515	£152,064	552	£276	£231
Wyre Forest DC	£29,800	£0	£29,800	100	£298	£298
Total	£591,710	£166,683	£758,393	2,665	£285	£222

Table 2: Proposed Costs of Service

	Current Budget 2009/10	Cost 2010/11	Cost 2011/12	Cost 2012/13
Service Costs	£591,710	£592,670	£527,540	£465,299
Support Costs	£166,683	£166,683	£166,683	£166,683
Total Costs	£758,393	£759,353	£694,223	£631,982
Cost / (Saving)		£960	(£64,170)	(£126,411)
Chargeable Audit Days	2,665	2,665	2,532	2,380
Cost per chargeable Audit Day	£285	£285	£274	£266
Add provision for redundancies		£50,000		

Table 3: Proposed Costs of Service by District (excluding Support Costs)

	Cost 2009/10	Cost 2010/11	Cost 2011/12	Cost 2012/13
Bromsgrove DC	£92,510	£102,312	£92,125	£81,488
Malvern Hills DC	£92,950	£76,553	£66,450	£58,884
Redditch BC	£160,854	£164,004	£146,421	£128,410
Worcester City	£88,047	£89,956	£77,735	£66,668
Wychavon DC	£127,549	£131,472	£118,051	£104,694
Wyre Forest DC	£29,800	£28,372	£26,758	£25,156
Subtotal	£591,710	£592,670	£527,540	£465,299
Saving p.a.		£960	(£65,130)	(£62,242)
Saving recurring p.a.		£960	(£64,170)	(£126,411)

Governance

Ref: 'Section 8' (Governance Arrangements) of the WETT Regulatory Services Detailed Business Case V10

The Internal Audit Project Team discussed two clear governance options that could be in place for an Internal Audit Shared Service:

Option 1: Direct management by Worcester City Council on behalf of all. Thereby each authority delegates their Internal Audit functions to the host under an SLA arrangement; however there is a performance board in place to manage performance on quarterly basis.

Option 2: Appointing a joint committee of elected members to oversee all activity with the participating authorities delegating relevant decision making to the committee and officers of the joint service.

The Internal Audit Project Team originally recommended Option 2 for the shared Internal Audit Service. Following the Chief Executives and Leaders meeting on 3 November 2009, it is now recommended to proceed with Option 1.

Service Managed by SLA vs. Joint Committee

The table below outlines the positive and negative aspects of options 1 & 2 for the management/ oversight of the proposed shared service.

SLA Managed Service vs. Joint Committee			
SLA Approach (Option 1)		Joint Committee (Option 2)	
Advantage	Disadvantage	Advantage	Disadvantage
Robust and Flexible SLA	Members may perceive lack of political influence	Ensures political link back to constituent authorities. No democratic deficit	Bureaucracy around organising committees & associated costs
Able to agree clear output levels for some aspects of work.	Members may feel that they do not have enough influence on the host authority	Decision making based in one area	Less responsive to commercial timescales and pressures for external contracts
Can agree some specifics of local provisions through SLA		Takes advantage of existing joint committee infrastructure	
		May assist standardisation of service provision.	
		Districts are "equal partners"	
		Stronger links with Audit Committees or equivalent	

Agreed Service Delivery Model

Ref: 'Section 7' (Agreed Service Delivery Model) of the WETT Internal Audit Detailed Business Case V10

General Principles

- Local knowledge base retention i.e. 'lead' auditors would be relied on for local knowledge for each site but not necessarily based permanently at those sites.
- Staff would be based/tasked depending on the work and skill requirements i.e. no guarantee that they would be based at their current offices - ongoing allowance implications.
- Work life balance would be a consideration in all assignments
- Clear agreement required in respect of current terms and conditions re. Leave, mileage, overtime, etc.
- Other joint working / shared services are being introduced across the Districts and these will have an effect on audit plans which will need to be taken into account
- Best practice methodology to be introduced across the shared service will require time and resource and this will have implications e.g. the new working practices will need to be introduced and time taken for consultation with individual employees.
- Each authority's audit plan would be based on a standard risk assessment methodology and tailored to the needs of each authority with s151, Chief Executives, Heads of Service and External Audit inputs.
- IT Audit Management software requirement to modularise the LA's but link resource to manage the potential of 5 sites – see ICT section
- If all participating authorities become part of the shared service at 1 June 2010 then this will require existing audit plans to be 'adopted' for the nine months of the shared service
- There will be standard localised audit plan provision from a centralised function; a need to keep it real and personalised for each authority.
- Political requirements – the WIASS Manager will report to an Audit Committee or equivalent at each authority
- Clear communication channels will need to be set up so that audit advice is available at any time and at any site

Accommodation

- The Internal Audit lead Manager will be located at the host authority
- The Audit Managers will have access to a desk and workstation at the sites they are managing.
- The Internal Auditors will be located at the authority at which they are auditing at any one time.

Please note: No extra accommodation will be needed. Accommodation needs could be matched to audit resource placement requirements.

Timescale: It is envisaged that the Internal Audit shared service will start from 1 June 2010; however there could be a phased approach but the following will need to apply:

- commitment needed from all LAs that are to become part of the shared service even if on a phased basis

- infrastructure and governance needs to be in place from the start
- the numbers and the costings are based on 5 authorities but if an authority drops out then the business case will be revisited
- The detailed costings are based on the WIASS Manager being in post by 1st June 2010, the Audit Managers being in post from 1st June 2010 and the Internal Auditors being in post in the new structure from 1st December 2010.

Structure: Please see attached Structure Chart at **Appendix 3** of the Internal Audit detailed business case

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

Workload: It is important to note that each participating District has a different way of annual audit planning and uses different headings for the subjects that are audited. However it is planned that under the shared service audit plans will be standardised.

It is anticipated that benchmarking will be carried out using CIPFA benchmarks and subsequently each authority will decide the level of auditing that is required under the shared service. This will then define the number of Internal Auditors required under the new arrangement for subsequent years.

Performance: The Performance Indicators to be used to ensure the service can be monitored for comparison and continual improvement are:

- Cost per audit day based on the CIPFA benchmark
- % of audit plan delivered
- Audit time as a % of time available
- Annual Survey of the Audits delivered
- Feedback sheets after each audit
- % of CIPFA Internal Control self assessment
- Recommendation tracker – 3 month follow up with HOS prior to CMT and then potentially the Audit Committee (or equivalent) meeting

Heads of Audit: It is recognised that during the last few years a number of Local Authorities within Worcestershire have made reductions in staff within Internal Audit, roles which include the Chief Internal Auditor. The move to closer partnership working will improve the senior support which is available to participating Councils.

Transformational Benefits

Ref: 'Section 15' (Transformational Benefits) of the WETT Regulatory Services Detailed Business Case V10

Resilience: Combining the Internal Audit teams will provide the participating authorities with a larger pool of Internal Auditors with a breadth of expertise that that does not currently exist in the constituent authorities.

Savings: It is anticipated that the shared service will generate savings by decreasing the total number of audit days required by each of the participating authorities. This will be achieved by increasing the chargeable audit days as a percentage of total days to 68% in 2010/2011 and 70% subsequently (from the existing 65% average across the districts) and then in the second and third years decreasing the number of chargeable days by 5% and then 6%. This will mean that audits are carried out in fewer days and in practice will be achieved by economies of scale, standardising and sharing working practices (using best practice) and the use of appropriate software to manage multi-site activity and the most appropriate deployment of resource. (The software will also provide a repository for all working papers to ensure consistency).

Staff Development: There will be an improved career structure for Internal Auditors plus the added benefits that will be gained by working at different authorities, with different systems, different environments and different working practices. In addition there will be the opportunity to obtain further professional qualifications and satisfy CPD requirements.

Other shared services: The benefit of an Internal Audit shared service will be that not only will the auditing of current shared services e.g. Revs & Bens, Building Control be more streamlined but also future shared services coming on-line (whether in the North or the South) will also benefit. It will eliminate the need to decide which LA is responsible for auditing the newly formed service and the assurances provided will be uniform and acceptable to all the local authorities and External Audit.

ICT

Ref: 'Section 12' (ICT) of the WETT Internal Audit Detailed Business Case V10

There are two key areas of consideration with regard to the ICT issues around the proposed Shared Internal Audit Service:

- The need for an **Audit Management System** to help manage audit progress and performance effectively
- The issues regarding **flexible and remote working**.

Audit Management System: The Business Case assumes that Worcester City will host this service.

Currently, neither the City, nor any other participating district Audit team, uses an Audit Management System, as the size of the teams has not justified the investment.

During the course of this project, the WETT Audit Project Team has identified an Audit Management System as now not only justifiable, but essential, in order to make most effective use of resources.

From investigations carried out so far, the most suitable systems, including all hardware and maintenance costs are priced at approximately £50,000. They are well developed packages that would require minimal technical implementation beyond that provided by the supplier. This would allow for a flexible implementation timescale for the Shared Audit Service.

Flexible and remote working: The business model assumes that there will be "hot desk" facilities at a number of locations around the County. Staff at any one location will need access to systems located at other locations. This will put an additional strain on the capacity and resilience of the authorities' ICT networks, and the links between them.

Following discussions between the various ICT Managers, an approach has been agreed to fund the additional network capacity from existing budgets. County will meet the capital cost as part of its forthcoming infrastructure upgrade. Revenue costs will be shared amongst the

partners. It is anticipated that the additional revenue costs for districts will be offset by equivalent savings from existing network links.

In order to make best use of the additional network capacity, it will also be necessary to ensure that the various networks are fully compatible with each other. Experience in the South Worcestershire Revenues and Benefits Shared Service has shown how important it is to ensure that changes to user network access requirements can be made quickly, to avoid impacting on service quality. Incompatibilities between networks impact on the speed of such changes.

It is not anticipated that there will be any investment needed with regard to telephony requirements specifically for the Audit Service. However, it is worth noting that a significant increase in flexible working arrangements will at some stage put a strain on telephony facilities across the WETT partnership.

Depending on the nature and extent of flexible and remote working, there may be a requirement for additional IT equipment. A figure of £9,500 should cover most likely requirements.

Human Resources:

Ref: 'Section 10' (HR) of the WETT Internal Audit Detailed Business Case V10

The current 2009/2010 staffing structure in summary shows 16.82 FTE at a cost of £604,660

Partners will treat this as a TUPE situation and the transfer of staff will be as it would be in a TUPE situation. This approach was pursued under the Worcestershire Hub and the Revenues & Benefits Shared Service arrangements, and therefore District Councils have experience and understanding of the process involved.

It has already been agreed that Worcester City Council will be the host employer under this proposed Internal Audit Shared Service. Staff will therefore transfer to the employment of Worcester City Council as detailed below:

The preferred option is to appoint the senior manager and Audit Managers (this was the model used by the Hub). Then transfer all other employees from the participating districts on existing Terms and Conditions on 1st June 2010. N.B. New posts would be on Worcester City Council Job Evaluation and Terms & Conditions.

The costings are based on two Audit Managers – one for the South Worcestershire authorities and one for the North Worcestershire authorities (including the Wyre Forest contract work).

Bromsgrove and Redditch have recently announced a single management structure to be in place from April 2010 onwards and many of their systems will therefore be merged. This does however pose a significantly enhanced risk environment during the first year of the merged Bromsgrove and Redditch operation because of new & merging working practices and disruption of employees.

In order that the shared service can be implemented from 1st June 2010 it is necessary for the senior Manager and the Audit Managers to be in place from 1st June 2010. However that means that existing Heads of Audit will have to put together IA plans, discuss with relevant stakeholders and present to Audit Committees before 1st April 2010.

Future costs will be agreed via legal agreement between the relevant parties to ensure costs are shared proportionately in relation to any redundancy liabilities and any subsequent claims associated with achieving the new structure and service integration.

Implementation

To be completed by Worcester City as part of the final stage of detailed business case development.

Risks

Ref: 'Section 14' (Risks) of the WETT Internal Audit 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 some of the key risk areas identified by the project group. Further detail around these risks and the associated 'mitigation' plans are contained within Section 14 of the Internal Audit detailed business case V10

Risk 1 - Loss of local knowledge & expertise

Reduction in performance

Mitigation: Make sure experience is utilised correctly and build a framework for each authority into the legal case

Risk 14 - LA pulls out of the shared service negotiations at the '11th' hour

Potential for higher costs (e.g. start up) for remaining LAs and project failure.

Mitigation: Binding commitment from LAs from an early stage that they will join the shared service.

Risk 20 - Drop in productivity due to new working practices

The annual audit plans may not be achieved

Mitigation: Manage the introduction of new working practices so that the impact is as little as possible

Risk 25 - The Internal Auditors operating at the different sites within the shared service will not be able to access and share electronic files as and when required

The Internal Auditors will not be able to work as efficiently and effectively as is necessary to give the required savings.

Mitigation: Suitable network capacity and 'sharing' needs to be in place from the start of the shared service

Conclusion

Ref: 'Section 16' (Conclusion) of the WETT Internal Audit Detailed Business Case V10

- The Internal Audit shared service will use best practice working methods adopted from current practices throughout the participating Districts in addition to Professional Organisations' advice.
- The main objectives of the Internal Audit shared service are transformation, resilience, increased quality, staff retention and development, economies of scale, consistency of standards and consistency of audit approach all of which will benefit the end client.
- This business case is supported by costings which show that savings will be made and when pay protection no longer applies and economies of scale and more efficient working practices start to kick in, the savings will increase.

**WETT Programme Business Case
Consultation and Decision Timeline 2009/10
(Version 11 – December 2009)**

21 October.....	Issue consultation letter and invite to staff & TU
12 October	Programme Management Group Meeting
16 October.....	Chief Executives Panel Meeting
3 November.....	Chief Executives' & Leaders Panel Meeting
5 November.....	Single Consultation Event – All Councillors
10 November.....	Consultation Event with Staff & TUs Internal Audit, Property and Regulatory (Session 1)
11 November.....	Consultation Event with Staff & TUs (2 nd Regulatory Services Session)
12 November.....	Bromsgrove – Trade Union consultation event
13 November.....	Wyre Forest – staff consultation event
16 November (w/c).....	Individual Councils local consultation to commence
16 November (am).....	Redditch – staff consultation event – all three services
16 November (pm).....	Bromsgrove – staff consultation event – all three services
16 November.....	Malvern – staff consultation event – Reg. Services
16 November.....	Worcestershire County – staff consultation event – Property Services
17 November.....	Wychavon – staff consultation event – Internal Audit
17 November.....	Worcester City – staff consultation event – Reg. Services
18 November.....	Worcester City – staff consultation event – Property
18 November.....	Wyre Forest – Member consultation event
19 November.....	Worcester City – staff consultation event – Internal Audit
19 November.....	Wychavon – staff consultation event – Reg. Services
19 November.....	Worcestershire County – staff consultation event – Regulatory Services
24 November.....	Malvern Hills – Executive Committee
26 November.....	Wyre Forest – staff consultation event – Regulatory
1 Dec to TUPE transfer...	Regular consultative meetings with TUs
1 December.....	Wychavon – Overview and Scrutiny – pre-Scrutiny
2 December	Worcestershire County – staff consultation event – Regulatory Services with Director

WETT Timeline V11, December 2009

3 December.....	Redditch – Member consultation event – Conservative
4 December.....	Redditch – Member consultation event – Labour
7 December	Worcester City – Scrutiny
9 December	Worcester City – Member consultation
16 December	Worcester City – Member consultation
17 December.....	Worcestershire County – Cabinet
21 December (w/c).....	Deadline for TU response on proposals

2010

1Jan – 28 Feb	Prepare H of S JD/person spec/advert
5 January.....	Wychavon – Executive Board
6 January.....	Redditch - Cabinet
6 January.....	Bromsgrove – Cabinet
10 January	Wyre Forest – Cabinet
11 January	Redditch – Council
12 January.....	Malvern Hills – Council
14 January	Wyre Forest – Scrutiny
19 January	Wyre Forest - Cabinet
20 January.....	Bromsgrove – Council
26 January	Wychavon – Council
27 January	Worcester City - Cabinet
1 February (w/c)	Write to staff informing them of TUPE transfer to host subject to formal sign-off by Council
8 February.....	Worcestershire County – Cabinet
18 February.....	Worcestershire County – Council
23 February.....	Worcester City – Council
24 February	Wyre Forest - Council
1 March to 31 April.....	Complete senior appointments process (subject to legal advice on associated risks); consult upon and make staff transfer arrangements
1 June 2010.....	Implementation date

APPENDIX E

Regulatory Services:

Finance Appendix F9 – Implementation Approach D proposed partner cash flow forecast

	Year									
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16			
Revenue										
Baseline service direct costs (adjusted)	7,312,391									
Forecast gross WRSRS revenue budget (Implementation D)		8,078,302	6,874,140	6,079,496	6,069,496	6,020,896	6,020,896			
Bromsgrove	766,040									
WRSRS revenue budget share		844,531	718,644	635,569	634,524	629,443	629,443			
Accommodation charge adjustment		-32,859	-32,859	-32,859	-32,859	-32,859	-32,859			
Pension back funding (estimate)	31,898	31,898	31,898	31,898	31,898	31,898	31,898			
Forecast budget requirement		843,569	717,682	634,608	633,562	628,482	628,482			
Direct cost saving against 2009/10 baseline		-77,529	48,358	131,432	132,478	137,558	137,558			
Future savings in internal recharges		14,249	28,498	56,997	56,997	56,997	56,997			
Total savings		-63,280	76,856	188,429	189,474	194,555	194,555			
City	892,130									
WRSRS revenue budget share		994,421	846,192	748,373	747,142	741,159	741,159			
Accommodation charge adjustment		-35,798	-35,798	-35,798	-35,798	-35,798	-35,798			
Pension back funding (estimate)	27,689	27,689	27,689	27,689	27,689	27,689	27,689			
Forecast budget requirement		986,312	838,082	740,263	739,032	733,050	733,050			
Direct cost saving against 2009/10 baseline		-94,182	54,048	151,867	153,098	159,080	159,080			
Future savings in internal recharges		11,900	23,800	47,601	47,601	47,601	47,601			
Total savings		-82,282	77,848	199,467	200,698	206,681	206,681			
County	2,119,526									
WRSRS revenue budget share		2,334,617	1,986,616	1,756,965	1,754,075	1,740,030	1,740,030			
Accommodation charge adjustment		-75,210	-75,210	-75,210	-75,210	-75,210	-75,210			
Pension back funding (estimate)	90,065	90,065	90,065	90,065	90,065	90,065	90,065			

APPENDIX E

Forecast budget requirement		2,349,473	2,001,472	1,771,821	1,768,931	1,754,885	1,754,885
Direct cost saving against 2009/10 baseline		-229,947	118,054	347,705	350,595	364,641	364,641
Future savings in internal recharges		17,270	34,539	69,078	69,078	69,078	69,078
Total savings		-212,677	152,593	416,783	419,673	433,719	433,719
Malvern Hills	713,173						
WSRS revenue budget share		789,738	672,018	594,334	593,356	588,605	588,605
Accommodation charge adjustment		-12,511	-12,511	-12,511	-12,511	-12,511	-12,511
Pension back funding (estimate)	26,661	26,661	26,661	26,661	26,661	26,661	26,661
Forecast budget requirement		803,888	686,169	608,484	607,507	602,755	602,755
Direct cost saving against 2009/10 baseline		-90,715	27,004	104,689	105,666	110,418	110,418
Future savings in internal recharges		14,112	28,223	56,447	56,447	56,447	56,447
Total savings		-76,604	55,227	161,135	162,113	166,864	166,864
Redditch	761,230						
WSRS revenue budget share		839,901	714,704	632,085	631,046	625,993	625,993
Accommodation charge adjustment		-19,772	-19,772	-19,772	-19,772	-19,772	-19,772
Pension back funding (estimate)	31,112	31,112	31,112	31,112	31,112	31,112	31,112
Forecast budget requirement		851,241	726,044	643,425	642,385	637,333	637,333
Direct cost saving against 2009/10 baseline		-90,011	35,186	117,805	118,845	123,897	123,897
Future savings in internal recharges		6,974	13,949	27,898	27,898	27,898	27,898
Total savings		-83,037	49,135	145,702	146,742	151,795	151,795
Wychavon	1,311,312						
WSRS revenue budget share		1,421,224	1,209,375	1,069,572	1,067,813	1,059,263	1,059,263
Accommodation charge adjustment		-43,900	-43,900	-43,900	-43,900	-43,900	-43,900
Pension back funding (estimate)	75,855	75,855	75,855	75,855	75,855	75,855	75,855
Forecast budget requirement		1,453,180	1,241,330	1,101,527	1,099,768	1,091,218	1,091,218
Direct cost saving against 2009/10 baseline		-141,868	69,982	209,785	211,544	220,094	220,094
Future savings in internal recharges		8,740	17,480	34,960	34,960	34,960	34,960
Total savings		-133,128	87,462	244,745	246,504	255,054	255,054
Wyre Forest	742,490						
WSRS revenue budget share		853,870	726,591	642,598	641,541	636,404	636,404
Accommodation charge adjustment		-69,950	-69,950	-69,950	-69,950	-69,950	-69,950
Pension back funding (estimate)	229	229	229	229	229	229	229
Forecast budget requirement		784,149	656,870	572,877	571,820	566,683	566,683
Direct cost saving against 2009/10 baseline		-41,659	85,620	169,613	170,670	175,807	175,807

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BROMSGROVE DISTRICT COUNCIL

CABINET

6th JANUARY 2010

MEDIUM TERM FINANCIAL PLAN 2010/11-2012/13

Responsible Portfolio Holder	Councillor Geoff Denaro
Responsible Head of Service	Jayne Pickering – Head of Financial Services

1. Summary

- 1.1. To provide information to enable Cabinet to recommend to Full Council the approval of the Medium Term Financial Plan (revenue and capital) 2010/11 – 2012/13.

2. Recommendations

- 2.1. It is recommended that Executive Cabinet recommend to Full Council :

- 2.1.1 Approval of the high pressures as identified in Appendix A of:

2010/11 £92,000
2011/12 £69,000
2012/13 £69,000

- 2.1.2 Approval of the unavoidable pressures as identified in Appendix B of:

2010/11 £725,000
2011/12 £699,000
2012/13 £677,000

- 2.1.3 Approve the savings as identified in Appendix C of:

2010/11 £1,088,000
2011/12 £1,348,000
2012/13 £1,787,000

- 2.1.4 Approve the high capital bids as detailed in Appendix D (i) of:

2010/11 £314,000
2011/12 £ 90,000
2012/13 £ 90,000

- 2.2 Approve the use of reserves totalling £593,000 as detailed in Appendix E.

- 2.3 Approve the virements reported in Appendix F

2.4 Note the efficiency savings to be delivered during the period of the medium term financial plan as detailed at Appendix G

3. Background

3.1. The Council on 7th January 2009 approved a medium term financial plan that included the Revenue and Capital budget requirements for 2009/10 - 2011/12.

3.2. On 7th October 2009 the Executive Cabinet approved the budget process and timetable to be followed to review the medium term financial plan for 2010/11 – 2012/13.

3.3. As part of the approved budget process Executive Cabinet proposed a revised set of 6 priorities against the Council objectives for focus of resources which were approved by Council on 16th September 2009. These were:

1. Economic Development
2. Town Centre
3. Value for Money
4. One Community
5. Housing
6. Climate Change

3.4. The approved objectives and priorities have been used to drive the budget process as follows:

- Budget pressures have only been proposed to members by senior management if they have been identified as unavoidable / or they are fundamental in achieving the Council's priorities.
- Financial savings have been focused on more efficient working practices and alternative methods of service delivery
- Disinvesting in non priority areas.
- Capital Projects to be proposed only if they meet the priorities of the Council

3.5 The current financial plan covers a period of 3 years. The plan is developed in conjunction with treasury management and ICT strategies to deliver a coordinated approach to the delivery of the Councils priorities.

4. Consultation

4.1 During the summer, a number of consultation exercises were conducted at the Street Theatre events in Bromsgrove, Hagley, Rubery and Wythall, and at the TRUNK in Charford. Residents were asked about their priorities and how the area could be improved. The two main issues that came out of this consultation were Bromsgrove Town Centre and

activities for young people in the District, which is consistent with our 6 priorities.

- 4.2 Three out of the four Council objectives came up as issues, with jobs, housing and council tax all being cited as important issues by residents. The only objective, and associated priorities, that was not mentioned directly was the Environment. Recycling was important to some of those polled, but climate change, CO2 emissions and flooding were not raised as issues during these consultations. Everyone is very aware of the potential consequences of climate change (Copenhagen Summit) but it may be that residents fail to see the link between Bromsgrove District Council and saving the world! All of us will need to play our part and we may need to educate the public on this area.
- 4.3 The budget jury for 2009 was suspended due to shared services, although it was very well received the previous year, with very positive feedback. Next year we plan to do a budget jury for adults and a shadow version in a school, linked to the Internet. We are progressing with work with young people in this area however, with the U Decide project allowing children and young people to consider budgets and decision making. We are also running project around local democracy with South Bromsgrove High School, which will see a magazine being produced and useful consultation data gathered.
- 4.4 As in previous years the Equality and Diversity Forum has put forward a number of bids to meet community needs across the District. These are included in the new bids Appendix B attached to this report.

5. Base budget information

- 5.1 The current budget book that was sent to all members in February 2009 includes the Base budget for 2010/11 and 2011/12. These budgets are been updated for this financial plan together with the proposed plans for 2012/13.
- 5.2 The base budget for 2010/11-2011/12 included a number of approved changes to the funding of services from the financial position of 2009/10. These included:
 - Savings in relation to delivering services by alternative methods. (£523k). This includes the savings relating to the shared management team with Redditch Borough Council.
 - Council Tax level to increase at 4.45% per annum
 - Savings from co-mingle recycling service (£200k)
- 5.3 During the current review of the medium term financial plan the pay structure has been amended to reflect the impact of the Job evaluation appeals and the reduction in any pay as a result of the reduction in grading for a number of posts whose protection will run out in May 2011.

- 5.4 In addition the pay model reflects no increase in pay for any staff in 2010/11 and a 1% increase in 2011/12 -2012/13. This is due to the anticipated reduction in Government Grant and the associated financial pressures that the Council is facing over the next 3 years.
- 5.5 The following assumptions have been made for the main elements of the budget:

Pay awards	0%/1%/1% (Note 1)
Utility costs	5.0% per annum
Business rates	5.00% per annum
Other costs	2.5% per annum
Government Grants	Based on confirmed settlement for 2010/11 and 5% reduction for 2011/12 & 2012/13 (Note 4)
Council Tax	2.5% (2010/11 & 2011/12) , 4.45% 2012/13
Investment interest	1.75%/2.75%% per annum (Note 2)
Pension fund increase	Note 3
Vacancy Management	4.0%
Council Tax Base increase	0.2% - 0.5%

Notes:

1. For the purposes of these projections it has been assumed that there will be no pay award in 2010/11 and 1% in 2011/12 -2012/13. This is in line with discussions held with other Councils due to the impact of the future financial pressures
 2. Investment interest for 2010/11-2012/13 has been included at 0.75%/2.%. This is based on the most recent information obtained from our treasury advisors.
 3. Following the presentation of the 2007 Pension Fund Valuation the actuaries have assessed that in order to move toward a fully funded pension scheme the rate needs to increase in incremental steps to a maximum of 20.8% by 2013/14. The applicable rate for 2010/11 is 19%. The rate payable from 2011/12 will be further revised following the next valuation of the Pension Fund on 31 March 2010.
 4. There has been a confirmed grant settlement for 2010/11. The current assumption is that there will be a real terms decrease in grant from 2011/12 of 5% per annum. This impact has been built into the future projections.
- 5.6 Savings of 4% each year on the pay bill have been assumed through vacancy management excluding the new shared management structure and front line services. These savings will also be used to cover the costs of recruitment.

- 5.7 The Job Evaluation Scheme was implemented in May 2009. The protection period is for 2 years and will finish in May 2011.

6 Budget Pressures

- 6.1 Officers have identified a number of budget pressures that have either been deemed “unavoidable” or “high” priority. Unavoidable includes the ongoing effects of pressures identified during 2009/10 together with any corrections in the budget. A high priority is something that is in direct pursuit of the Council’s priorities. Each unavoidable and high pressure has a specific “funding request” schedule completed which reflects how the funding required meets the Council objectives. The current high pressures are detailed in Appendix A and unavoidable pressures in Appendix B
- 6.2 A number of other budget pressures have been identified but these have been categorised as medium and low following discussions with officers and do not form part of the current financial projections. These are also included within Appendix A.
- 6.3 Members are asked to consider any changes to the unavoidable costs and priority of pressures identified.

7. Budget reductions

- 7.1 The savings have been proposed by Corporate Management Team who have sought to identify areas which could demonstrate:
- Additional income generation
 - Reduction to costs with no impact on service delivery
 - Alternative methods of service delivery / more efficient working practices / shared / collaborative working to realise savings
 - Reduction in cost of services which do not directly impact on the Councils priorities
- 7.2 The savings/ additional income details are shown in Appendix C.
- 7.3. As part of the review of the Financial Plan officers have included proposals to generate efficiency savings through joint working or alternative ways of providing our services over the next 3 years. Included in the 2010/11 budget as approved in January 2009 is a target of £523k saving with a further £100k in 2011/12.
- 7.4. Further savings have been identified for delivery in 2010/11 these include; joint working on CCTV and ICT with Redditch (£143k 2010/1) and the additional savings realised from proposed changes in the operating arrangements at the Dolphin Centre (£95k 2010/11).
- 7.5. The Worcestershire Enhanced Two Tier project will deliver savings initially in respect of property services (£14k in 2010/11) and regulatory (£46k in 2011/12, £126k in 2012/13) and Internal Audit (£11k in 2012/13).

7.6. It is anticipated that more efficient working practices and procedures following the joint management team will realise further savings in 2011/12 and 2012/13. An additional £349k has been built into the budget for 2011/12 to reflect these savings.

8. Government Grant

8.1 The Council had received the formal settlement for 2010/11. The financial increase in the grant is shown below:

	2009/10 £'000	2010/11 £'000	Increase £ (%)
Formula Grant (FG)	4,946	5,047	2%

8.2 Following discussions with other authorities and in consideration of the national economic climate it is assumed that there will be a cash reduction in the Grant awarded to Local Authorities from 2011/12. An estimate of 5% for each year has been included in the current position.

8.3 The impact of this reduction from 2011/12 is as follows

	2011/12 £'000	Value of decrease (5%) £'000	2012/13 £'000	Value of decrease (5%) £'000	Total Value of 5% reduction £'000
Formula Grant (FG)	4,795	252	4,555	240	492

9. Investment Interest

9.1 An element within the overall medium term financial plan is Investment Interest. Members will be aware that due to the current financial climate a decision has been taken to hold investments in very low risk organisations which offer a lower rate of return than those institutions which may be considered as slightly higher risk. The projections from our treasury advisors are less optimistic than previously estimated in the increases over the 3 year period. The projections contained within this report include investment increases of 0.75% to 2% by 2012/13.

9.2 The quarterly integrated finance and performance report will report the position on the investments generated by the Council and detail any changes as a result of changes to the base rate.

10. Capital Programme

10.1 As part of the Medium Term Financial Plan and Capital Strategy members approved a number of criteria in relation to the Capital Programme including:

- The capital programme is limited to £1m per annum funded from the Council's own resources (in order to maximise the investment interest);
- Cabinet give consideration to fund housing grants over and above the £1m.

10.2 Cabinet also approved the capital investment criteria (as part of the Capital Strategy) that a scheme should satisfy for inclusion in the capital budget as follows:

- Enable delivery of the Councils priorities
- Maintain existing assets to standards suitable for service delivery.
- Improve and acquire assets to meet service and customer needs.
- Improve the stewardship of assets; spend to save (innovative schemes that will secure the Council a better rate of return than the investment interest earned); to reduce longer-term problems and liabilities.
- Satisfy legal obligations of the Council (e.g. health and safety requirements, and compliance with the disability discrimination legislation).
- Develop community assets in areas of need.
- Maximise the use of other funds to encourage investment in specific areas such as energy efficiency, economic development and infrastructure developments (using funds derived from Section 106 agreements with developers).
- Maximise the benefits of partnership working.

10.3 The Capital Programmes for 2010/11 and 2011/12 were approved as part of the 3 year Financial Plan for 2009/10. The projects approved have been reviewed with the aim to reduce funding requirements whilst still maintaining service delivery. In addition the consideration of the service Business Plans has resulted in new schemes being proposed for 2010/11 – 2012/13 to meet the priorities of the Council. The proposed new bids for the Capital Programme are attached at Appendix D (i) for consideration.

In November 2009 members approved a revised Capital Programme to realign the projects to be delivered during 2009/10. There are a number of projects that are to be delivered in 2010/11 from this review that have been identified as “roll forward” and are included in the proposed Capital Programme. The details of these schemes are:

- £15k - Grants to Registered Social Landlords
- £700k – Social Housing Grants
- £203k – Improvements to Houndsfield Lane caravan park

- £215k – provision of sports facilities across the District

10.5 A summary of the proposed capital programme including; approved programme, roll forward and new capital schemes is shown in the following table and in detail at Appendix D (ii):

PROPOSED CAPITAL PROGRAMME	2010/11	2011/12	2012/13
	£'000	£'000	£'000
Approved as part of 2009/10 budget process including grant funded schemes and support service recharges	2,161	1,510	509
Expenditure b/f to 2009/10 to facilitate procurement of vehicles	-1,143	0	0
Roll forward from 2009/10 approved November 2009	1,133	0	0
New schemes	314	90	90
TOTAL PROPOSED CAPITAL	2,465	1,600	599

10.6 The capital programme will be financed from a variety of sources including Government Grants, Section 106 Funds, capital receipts (including those that the Council has been allowed to retain under the new capital 'pooling' arrangements), and borrowing. Details of the proposed financing arrangements for the capital programme are shown below:

	2010/11	2011/12	2012/13
Capital Receipts	£'000	£'000	£'000
Capital receipts or borrowing	1,877	1,227	226
Government Grants/S106	588	373	373
Total Programme	2,465	1,600	599

10.7 If Members approve the level of Capital Spend to 2012/13 the effect on capital receipts will be as follows based on expected expenditure and receipts in 2009/10:

	2010/11	2011/12	2012/13
	£'000	£'000	£'000
Opening Balance	4,152	2,375	1,248
Used in Year	-1,877	-1,227	-226
Received in year	100	100	100
Closing Balance	2,375	1,248	1,122

The figures in the above table include general capital receipts for funding of projects across the District. In addition an estimate of capital receipts has been made of £100k per annum in relation to any sales of assets that the Council may make during the financial plan period.

11. Overall Position

11.1 Based on the assumptions, proposed pressures (high only) and savings the current position for each of the three years is as follows:

	2010/11 £'000	2011/12 £'000	2012/13 £'000
Base cost of General Fund Services	12,482	12,860	13,433
Pressures – High bids & unavoidable	817	768	746
Savings	-1,088	-1,348	-1,787
Investment Income	-67	-93	-85
Recharge to capital programme	-136	-136	-136
Net operating expenditure	12,008	12,051	12,171
Area Based Grant	-29	-22	-22
Collection Fund Surplus	-51	0	0
Government Grant	-5,047	-4,795	-4,555
Council Tax @ 2.5%/2.5%/4.45%	-7,023	-7,234	-7,594
Funding from(-)/to balances	142	0	0
Overall Shortfall	0	0	0

12. Council Tax

12.1 The present budget projections for 2010/11 – 2012/13 are based on a Council Tax increase of 2.5%/2.5%/4.45% respectively.

12.2 The impact of this increase will be an additional £4.70 on Band D with a revised charge of £192.85. This will be formally considered by Council in February as part of the Council Tax resolutions which cannot be considered until details of Parish Council and other precepting bodies' figures are received.

13 Collection Fund

13.1 Every year the Council has to estimate the surplus or deficit on the Collection Fund. The surplus as at the 31st March 2010 has been estimated in accordance with statutory requirements. The surplus was calculated as £368,472. This is then distributed to the major precepting authorities pro rata to their Band D charge, thus the surplus will be paid as follows:

Worcestershire CC Share	69.23%	£255,077
*Bromsgrove DC Share	14.03%	£51,699
West Mercia Police Share	11.86%	£43,687
Hereford & Worcester FB	4.88%	£18,009
Totals		£368,472

- 13.2 The Council will receive £51,699 in 2010/11 to help fund the revenue budget. This is built into the proposed budget.
- 13.3 The main way in which the Collection Fund generates a surplus is if the Council collects more council tax, in percentage terms, than was assumed when setting the Council Tax base. When setting the Council Tax base for 2010/11 the collection rate was set at 99.0%.

14 Balances

14.1 The current projected level of balances at 31.03.10 is £1.472m assuming all costs approved are spent.

14.2 The impact on the use of balances are shown in the table below:

	2010/11 £000	2011/12 £000	2012/13 £000
Balance available at start of year	1,472	1,619	1,619
Contribution to balances	147	0	0
Balance available at end of year	1,619	1,619	1,619

14.3 The level of balances can be utilised for one off costs and it is proposed that the funds required for any redundancy or early retirement costs are met from this area.

14.4 The Local Government Act 2003 requires the Chief Finance Officer to report on the adequacy of financial reserves when consideration is given to the General Fund budget requirement for the year.

14.5 In February 2003 CIPFA published a guidance document on Local Authority Reserves and Balances. The guidance does not prescribe the minimum level of balances to be held but recommends that consideration is given to the strategic, operational and financial risks facing the authority. During the consultation on this document it was suggested that the recommended minimum should be 5% of net expenditure and this has been followed by a number of authorities.

14.6 5% for Bromsgrove would mean maintaining balances at or around £600k. However, just a 1% variation in gross income and gross expenditure is equivalent to £340k which would result in a significant reduction in balances. The increased pressures on limited resources as demonstrated by the projected decreases in formula grant and the fluctuations in income receipts and investment income together with the impact of the economy on increased service demand may impact on the delivery of services within existing budgets over the 3 year period

14.7 The delivery of the shared service and joint arrangements with Redditch Borough Council may result in additional costs in relation to harmonisation of terms and conditions and the integration of systems.

14.8 It is therefore considered, taking the above issues into account that a general fund revenue balance of £1.6m reflects an appropriate level of balances.

15 Fees and charges

15.1 The financial plan 2010/11-2012/13 currently assumes a 2.5% increase in all income.

16 Local Government Act 2003

16.1 There are a number of requirements that the Council's Section 151 officer has to include in the budget report. These are set out below, together with S151 comments on each of the issues:

16.2 The level and use of reserves to be formally determined by the Council must be informed by the judgement and advice of the Chief Financial Officer (CFO).

Section 151 officer's comments: Review of general fund balances included in report.

16.3 The CFO to report the factors that have influenced his/her judgement in the context of the key financial assumptions underpinning the budget, and ensure that his/her advice is formally recorded. Where that advice is not accepted, this should be formally recorded in the minutes of the meeting.

Section 151 officer's comments: The main assumptions included in the calculation of the budget are as follows:

<i>pay awards</i>	<i>0%, 1%, 1% over 3 year plan</i>
<i>utility costs</i>	<i>5% increase per annum</i>
<i>business rates</i>	<i>5% increase per annum</i>
<i>other costs</i>	<i>2.5% increase per annum</i>
<i>Government grants</i>	<i>Actual figures provided by Government then 5% reduction to reflect national economy</i>
<i>investment interest rate</i>	<i>See 9.1</i>
<i>employer's pension fund</i>	<i>increase to 19% from April 2010</i>
<i>vacancy management</i>	<i>4% per annum</i>
<i>Council Tax</i>	<i>2.5%, 2.5%, 4.45% over 3 year period</i>
<i>Council Tax base</i>	<i>0.35% – 0.5% increase per annum.</i>

16.4 The report should include a statement showing the estimated opening balance on general fund reserves for the year ahead, any contribution to/from the fund, and the estimated closing balance.

Section 151 officer's comments: statement included in this report.

16.5 The report should show the extent to which reserves are financing ongoing expenditure.

Section 151 officer's comments: no ongoing expenditure funded by reserves.

- 16.6 The report should include a statement from the CFO on the adequacy of general reserves and provisions both for the forthcoming year and in the context of the medium term financial plan.

Section 151 officer comments: the Council does not hold any additional reserves outside the general fund reserves and those earmarked for specific purposes

- 16.7 The report should include a statement on the annual review of earmarked reserves showing:

- list of earmarked reserves
- purpose of reserve
- advice on appropriate levels
- estimated opening / closing balances
- planned additions / withdrawals

Section 151 officer's comments: detailed at Appendix E.

- 16.8 Prudential indicators and related matters

Section 151 officer's comments: This will be covered by the Treasury Management Strategy which will be presented to Cabinet in March.

17 FINANCIAL IMPLICATIONS

- 17.1 None other than those included in the report.

18 LEGAL IMPLICATIONS

- 18.1 The Council has a legal responsibility to set a balanced budget under the Local Government Act 2003.

19. CORPORATE OBJECTIVES

- 19.1 The delivery of a balanced budget demonstrates the Councils ability to fund objectives and priorities within a reasonable level of increase to residents.

20. RISK MANAGEMENT

- 20.1 The main risks associated with the details included in this report are:

20.2 Non compliance with the statutory deadlines to set a balanced budget.

20.3 Poor use of resources scoring in relation to consideration of the budget

20.4 These risks are being managed as follows:

20.5 Non compliance with statutory deadlines

Risk Register: Financial Services
 Key Objective Ref.: 6
 Key Objective: Effective and Efficient Accountancy Service

20.6 Poor use of resources scoring in relation to consideration of the budget

Risk Register: Financial Services
 Key Objective Ref.: 6
 Key Objective: Effective and Efficient Accountancy Service

20.7 Key actions and controls to manage these risks include:

- Detailed timetable in place to manage the budget process with departments and accountancy support
- Allocation of qualified and professional staff to focus on budget setting accounts
- Regular updates at Corporate Management Team in relation to budget processes

Risk Identified	Proposed Measures
<ul style="list-style-type: none"> • Employee related costs will be more than assumed 	<ul style="list-style-type: none"> • Figures based on known commitments and estimated future costs. Any further pressures will need to be matched by additional identified savings
<ul style="list-style-type: none"> • Pension fund contributions will be higher than expected after the next actuarial. 	<ul style="list-style-type: none"> • The financial plan will continue to be reviewed and updated annually for a three year period, based on known changes.
<ul style="list-style-type: none"> • Planned budget reductions will not be achieved 	<ul style="list-style-type: none"> • Close monitoring of budgets will be carried out in each financial year. Alternative savings will be identified, or contingency arrangements agreed.
<ul style="list-style-type: none"> • Government Grant revised to greater /or less than anticipated 	<ul style="list-style-type: none"> • There will be sufficient funds in balances to fund any short term reduction in grant. Efficiency savings will be monitored on a monthly basis. Settlement confirmed for 2010/11. A reduction of 5% per annum has been assumed for 2011/12 and 2012/13.
<ul style="list-style-type: none"> • Income from fees, charges and other sources will not be as high as planned. • Impact of recession has greater impact than first anticipated 	<ul style="list-style-type: none"> • Close monitoring of income budgets will be carried out in each financial year. Alternative savings will be identified or alternative methods of service delivery to generate income will be developed • Income streams to be monitored

	monthly with service budget holders to identify any areas of shortfall and to present action plan to redress.
<ul style="list-style-type: none"> • Timing of Capital receipts may be earlier than estimated • Timing of Capital payments may be earlier than estimated 	<ul style="list-style-type: none"> • Close monitoring of the timing and payments of capital expenditure/income will be carried out in each financial year. Alternative savings will be identified, or contingency arrangements agreed.

21. CUSTOMER IMPLICATIONS

- 21.1 The setting of the budget against the Corporate Priorities will ensure that the Council demonstrates to the customer that we have aligned our resources to the key services required.

22. OTHER IMPLICATIONS

Procurement Issues N/A
Governance/Performance Management N/A
Community Safety including Section 17 of Crime and Disorder Act 1998 - N/A
Policy - N/A
Environmental -N/A
Equalities and Diversity -N/A

23. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Chief Executive	Yes
Corporate Director (Services)	Yes
Assistant Chief Executive	Yes
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal & Democratic Services	Yes

Head of Organisational Development & HR	Yes
Corporate Procurement Team	Yes

24 APPENDICES

Appendix A – Unavoidable pressures
Appendix B – High, Medium and Low Pressures
Appendix C – Savings / additional income generated
Appendix D (i) – Capital Programme – High Bids
Appendix D (ii) – Total Capital Programme
Appendix E – Earmarked Reserves
Appendix F – Virements to be approved
Appendix G – Efficiency Savings

25 BACKGROUND PAPERS

Budget timetable
Detailed budget working papers

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NEW REVENUE BIDS

APPENDIX A

Description	2010/11 £'000	2011/12 £'000	2012/13 £'000	H/M/L	Commentary
CORPORATE COMMS & POLICY					
Funding for LSP	25	25	25	H	To increase funding to the LSP to ensure delivery of Council Objectives in priority areas
Mosaic	8	0	0	H	To purchase Mosaic for 1 year to enable Council to identify customers and to target services to these customers
STREET SCENE & COMMUNITY					
Age Well Scheme	10	20	20	H	The development of an Age Well Scheme for Bromsgrove would link directly to the new corporate priority One Community and Wellbeing, being focussed on provision of a range of opportunities for older people including smoking cessation and physical activity.
FINANCIAL SERVICES					
Discretionary Housing Payment	5			H	To fund an increase in the Discretionary Housing Payments made by the Council - Links to Sense of Community and Customer Satisfaction
E-GOV AND CUSTOMER SERVICES					
Upgrade to corporate resilient link between RBC & BDC	20	15	15	H	To improve link (resilience) between RBC & BDC to allow for additional shared services
PLANNING & ENVIRONMENT					
Strategic Plan development - flooding	15	0	0	H	To support the development of a strategic plan for flooding and watercourse management
LEGAL, EQUALITIES & DEMOCRATIC					
Equality & Diversity Forum- Black History celebrations	3	0	0	H	Nationally in October Black history month has emerged as a way of the black community to acknowledge their roots, educate and promote ethnic cohesion.
Equality & Diversity Forum - Diwali celebrations	2	0	0	H	The Diwali celebrations have been celebrated for 2 years and this event has been supported partly by the Indian community. This bid is the Councils contribution in continuing this highly successful community cohesion event.
Equality & Diversity Forum- Just us	1	0	0	H	The disabled community have requested some funds to support specialist speakers throughout the year. This small group of service users enables the community to meet and support each other and their disabilities.
Equality & Diversity Forum - Blind internet access	1	0	0	H	This new bid will seek to develop an internet friendly access policy compiled by blind service users and will work in partnership with the council and other stakeholders.
Equality & Diversity Forum- Muslim network	2	0	0	H	This new bid has been made by the muslim community in support of the councils duty to prevent violent extremism. It intends to engage all communities and faiths in an attempt to encourage intergration and inclusion.
STREET SCENE & COMMUNITY					
Arrix Holding Trust	1	1	1	M	To fund proposed equality & diversity bids
Climate Change - operational budget	10	10	10	M	To be funded from other budgets To provide a budget for the climate change officer to deliver projects and meet statutory targets
Roundabout landscape Improvements	22	0	0	M	To improve appearance of roundabouts and image of Bromsgrove, enable further sponsorship of the roundabouts. Puddlewharf - Plant 2000 crocuses around perimeter (50 no ornamental grasses in existing border) £670.00 Buntsford - Plant 3000 Crocuses
PLANNING & ENVIRONMENT					
Energy Efficiency	10	0	0	M	To enable funding for the home insulation project
Homelessness Prevention Grant	0	50	50	M	To maintain the funding for homeless prevention grants - this bid on basis of funding being withdrawn
HR & OD					

NEW REVENUE BIDS

APPENDIX A

Description	2010/11 £'000	2011/12 £'000	2012/13 £'000	H/M/L	Commentary
Inter-generational Officer (post only no op's budget)	24	24	25	L	An inter-generational officer would be able to focus on areas of work across a number of teams within street scene and community in order to deliver against the new corporate priorities of older people, stronger communities and being healthy. The post will enable an action plan to be developed to encompass youth work, health priorities, arts, sports, education and community safety partnership objectives. The key remit of this post however will be a strategic one to align local partners to build inter-generational aspects into existing work. The post will also be able to support the work of the community safety partnership through contributions to the high level action plan for safer communities theme group of the LSP.
Officer Climate Change	17	17	17	L	To provide an operational budget for the climate change officer
Recycling in Schools Project	2	2	3	L	To support the incentive of increasing recycling in schools
Whats on Guide	5	5	5	L	To provide a Whats On guide to market activities across the District
CORPORATE COMMS & POLICY					
Distribution of Together Bromsgrove	38	38	38	L	To increase the coverage of Together Bromsgrove by using Royal Mail for direct postage
Life Channel	5	0	0	L	To link the Council Services to the television network celebrating life and health
Older Persons Directory	8	0	0	L	One off cost for older persons directory
HR & OD					
Health & Safety Training	33	33	33	L	To be funded from Corporate Training budget
MS Office Training - project	10	10	10	L	To provide training for officers in the microsoft office project software
LEGAL, EQUALITIES & DEMOCRATIC					
Equality and Diversity Forum - Fair Trade	1	0	0	L	This bid has been made to the council urging district support for the fair trade scheme.
Equality and Diversity Forum - Girl Guide event	1	0	0	L	In 2010 the Girl Guides celebrate their 100th anniversary and would like to mark with a district wide event for all Girl Guides within Bromsgrove district.
Equality and Diversity Forum - Indian Network	1	0	0	L	The Indian community have asked for some funds to hold an inter-faith event that would be open to all members of the community to encourage a greater understanding and greater partnerships within a faith environment.
PLANNING & ENVIRONMENT					
Historic Buildings Grant	20	20	20	L	To provide grants for owners to carry out essential repairs on listed buildings
E-GOV AND CUSTOMER SERVICES					
Microsoft Project	5	0	0	L	To enable Microsoft Project to be implemented across the Councils and to provide training
TOTAL NEW BIDS - REVENUE	473	414	420		
Total High	92	69	69		
Total Medium	132	113	113		
Total Low	249	232	238		
TOTAL NEW BIDS - REVENUE	473	414	420		

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UNAVOIDABLE PRESSURES - REVENUE BUDGET

APPENDIX B

Description	2010/11 £'000	2011/12 £'000	2012/13 £'000	Commentary
<u>COUNCIL WIDE</u>				
Repairs and Renewals funds	130	130	130	To provide a fund for future repairs and renewals reserves for equipment and vehicles in the future
Audit/Inspection Fees	30	30	30	Additional cost increases from the Audit Commission in relation to inspection fees
Bromsgrove Rovers rent	15	15	15	Pepper corn rent implications if a success bid is submitted in due course following winding up order
<u>CORPORATE COMMS / POLICY</u>				
Payment to Royal Mail for delivery pre noon	3	3	3	To fund the costs associated with the delivery of the post before 12pm

E-GOV AND CUSTOMER SERVICES

Elections systems support	27	27	27	Support / License cost for the shared elections service
ICT - Shared Service ongoing costs	30	30	30	To meet costs associated with the shared ICT service BDC & RBC
Census	10	0	0	To fund the costs associated with delivery of the statutory census
<u>FINANCIAL SERVICES</u>				
Bank Charges	12	12	12	Cost of giro charges for the Council Tax payments made by the customers
Bank Charges	7	7	7	Cost of bank charges for council tax and NDR payment
Bank Charges	41	41	41	Cost of standard bank charges now impacting on the Council for the general account following the free period of banking
Housing Benefit Admin Grant	45	65	85	Impact of the proposed reduction in housing benefit administration grant as included correspondence from DWP
<u>LEGAL, EQUALITIES AND DEMOCRATIC SERVICES</u>				
Ballot Boxes	12	0	0	Health & Safety requirement - to purchase new ballot boxes to ensure security and safety of customers and staff
Members Allowances	5	5	5	To meet the approved level of approved spend on members allowances - link to saving rate change

Elections			40		To meet additional costs associated with District Council elections - 60k already in budget
Elections	100				Parliamentary - costs to be offset by grant received from Governemnt
Aston Fields and Sherwood road loss income due to sale of units	65	67		69	Budgeted income targets but will not be met if industrial units are sold.
<u>PLANNING AND ENVIRONMENT</u>					
Market Hall loss of income	16	16		16	Net income shortfall from original budget for market hall compared with new market facility
Income from BDHT re sale of houses	0	50		50	Income not being received from sale of houses via BDHT due to recessions
<u>STREET SCENE AND COMMUNITY</u>					
Concessionary Travel Claims	50	50		50	Increase in use of service based on volume for 2009/10
60+ swimming programme	12	0		0	To maintain the level of financial support to the over 60s swimming programme
Museum costs until transfer (over and above 2014)	4	4		0	Budget to meet increased cost of keeping the museum in usable condition but closed. Expect situation to be resolved by 12/13 removing the need for funding.
Health & Safety Inspections	8	4		4	H&S Requirements cemetery wall repairs & Memorial
Car Parking refunds	20	20		20	To meet costs associated with the refunds given to the public for use of the car park at the Dolphin Centre
BDHT cleansing income	50	50		50	Termination of contract - offset by savings delivered in base budget
Rental of Burcot Room	33	33		33	Offset by savings realised from the hosting of regulatory services - built into business case

TOTAL UNAVOIDABLE PRESSURES

725

699

677

SAVINGS AND INCOME GROWTH

APPENDIX C

Description	2010/11 £'000	2011/12 £'000	2012/13 £'000	Commentary
<u>CORPORATE COMMS & POLICY</u>				
General Savings	10	10	10	General savings identified
Local Neighbourhood Partnerships	90	120	123	Removal of LNP's across the district
<u>COUNCIL WIDE</u>				
Additional investment income	20	0	0	Additional capital receipts c. £1m generating cash available for investment at least for 2010/11 from sale of industrial units
Alternative Methods of Service Delivery	24	349	356	Additional efficiencies to be realised from further joint working and shared service opportunities.
Catering budget	5	5	5	Impact of reducing catering budgets for meetings across the Council
Procurement Review	100	100	100	Savings anticipated from improvements in procurement and realising efficiencies
Change in salary budget requirement including effect of reduced pay award %	142	197	480	Savings from reducing initial pay award built into the budget -2010/11 @ 0%; 2011/12 @ 1%; 2012/13 @ 1%
<u>CF-GOV & CUSTOMER SERVICES</u>				
ICT Shared Service	62	62	62	Savings realised from the shared service - based on 50% of £124k
Customer Service Centre - County Funding	20	20	20	To reflect level of funding receivable
Partnership office - One Stop shop	25	25	25	Approval was granted in 2008/09 to establish a satellite one stop shop. This funding is now to be redirected to the LSP to fund priorities across the district.
<u>FINANCIAL SERVICES</u>				
Housing Benefits - recovery of overpayments (may allocate p/t post)	10	10	10	Additional income generated by focus on recovery of debt outstanding
Late payments fee to be levied	12	12	12	Based on % of current C Tax Direct Debits to levy £10 fee per late/returned DD
Savings from WETT project - Internal Audit Services	0	0	11	Initial set up costs to be funded from reserves. Savings identified from year 3.
<u>HR & OD</u>				
OD budget	20	20	20	To reduce OD corporate budget to £120k as required to meet training needs
<u>LEGAL & DEMOCRATIC SERVICES</u>				
Equality & Diversity	7	7	7	Removal of base budget figure in anticipation of new bids - new bids included in Appendix B
Elections	100	0	0	Parliamentary Election grant offset by expenditure pressure (unavoidable pressure)
Reduce members car allowance to 0.40p per mile	5	5	5	Reduction would meet the current additional costs being incurred

Elections	0	0	60	Budget rolled forward into 2013 - budget not required.
Savings from WETT project - Property Services	14	27	40	Proposed savings as part of business case. Further negotiation being undertaken as part of the service level agreement
PLANNING AND ENVIRONMENT				
Street Trading Consents	15	15	15	Income generated from street trading consents
Savings from WETT project - Regulatory Services	0	46	126	Initial set up costs to be funded from reserves. Savings identified from year 2 for regulatory service being hosted by BDC & RBC
STREET SCENE & COMMUNITY				
Grant funding re concessionary fares	90	0	0	Estimated additional grant to be received in 2010/11
Review of Ryland Centre Funding	0	0	6	To remove BDC's grant support to the Ryland Centre
Increased Income at Sanders Park	1	2	3	Hire Fees, Pavilion Rent & Resales
HGV Car Parking Introduced	2	2	2	Stourbridge Road car park charges
Multit Storey Lighting savings.	8	8	8	Capital bid to improve efficiency of lighting provision would generate savings
Parking Increased Income	83	83	83	Based on additional volume of car park sales during 2009/10
Parking Increased Income	25	25	0	From Market Hall site - temporary car park - 2 years
Parking Increased Income	22	22	22	Based on net impact of pay on foot changes
Proposed service changes at Dolphin Centre	95	95	95	Savings due to the transfer of the service to Leisure Trust. Net of savings already identified in base budget of £55k.
CCCTV Control Shared Service	81	81	81	Based up an overall saving of £280k - with allocation to BDC based on usage
TOTAL SAVINGS	1,088	1,348	1,787	

NEW CAPITAL BIDS

APPENDIX D (i)

Description	2010/11 £'000	2011/12 £'000	2012/13 £'000	H/M/L	Commentary
North Bromsgrove Cemetery Phase 2 Expansion	95	0	0	H	North Bromsgrove Cemetery was planned as a three phase development. Phase 1 opened in 2006 has approximately 1-2 years of full burial space left in consecrated ground. In order to continue to provide burial space for residents we need to develop Phase 1 - this funding would provide additional spaces for a number of years
Multi Storey Lighting linked to savings	25	0	0	H	To install more energy efficient lighting in the multi storey car park
Funding contribution to risky play/diversionary scheme at Catshill (Shelley Close).	12	0	0	H	To provide play equipment / diversionary activities in Catshill - the funding of £12k will be used with £50k from DCFS to meet overall project costs
Play Area removals and Upgrades	12	0	0	H	To remove a number of play areas that are unsuitable and to upgrade the facilities where
Depot Site Alarm System	25	0	0	H	To provide a more suitable alarm system at the depot
Funding for DFGs	90	90	90	H	To increase funding for DFGs to level expected in the statutory provision
Pavilion Roof and Toilet Enhancements (Sanders Park)	55	0	0	H	The roof is in need of replacement/repair. It has been patched up over the years but leaks have impacted on the facilities within the building. The toilets are also in need of updating/improving in response to seasonal complaints of facilities.
TOTAL HIGH BIDS	314	90	90		
Pay on Foot expense	200	80	0	M	Additional Pay on Foot installations
Boleyn Road Football Pitch	115	0	0	M	Following the recent PPG17 Audit and the issues addressed with lack/qualities of provision, we are looking to enhance current provision by improving drainage of existing pitches, creating a new car parking area and creating 1 senior, 2 Junior and 1 mini
King George Football Pitch	85	0	0	M	Following the recent PPG17 Audit and the issues addressed with lack/qualities of provision, we are looking to enhance current provision by improving drainage and the creation of two changing rooms to support the senior pitch.
Allotments- New Inns Lane Frankley	20	0	0	M	Following the recent PPG17 audit the District has a current shortfall for allotments. Where possible we want to utilise existing BDC land. This area of land will provide the district with a further 45 plots at 1/32 Acre and car parking area.
Allotment extensions- Watt Close	18	0	0	M	Following the recent PPG17 audit the District has a current shortfall for allotments. Where possible we want to utilise existing BDC land. This extension will create 18 plots at 1/32 Acre and a small car parking area.
Play Area removals and Upgrades	64	64	50	M	Further play area removals due to facilities being of inadequate standard
BRFC	50	0	0	M	Partnership contribution for enhanced facilities and playing pitches.
Mower with Grass Collection	15	0	0	M	Additional plant & machinery
Luton Van	25	0	0	M	Additional vehicle
Grants to RSLs	250	0	0	M	To provide grants to RSLs for provision of affordable housing
TOTAL MEDIUM BIDS	340	0	0		
Old Cemetery Toilets	17	0	0	L	The toilets in the Old Cemetery do not comply with DDA regulations. There is no lighting or handwashing facilities and no wheelchair access.
3 Small RCVs	210	0	0	L	To deliver recycling service to whole of district
15000 Wheelie Bins	450	0	0	L	To deliver recycling service to whole of district
Fork Lift for Stores	25	0	0	L	Additional plant & machinery
Gates & Barrier	35	0	0	L	Enhanced security
BURT	25	0	0	L	To fund an additional vehicle for the BURT service
TOTAL LOW BIDS	762	0	0		
BIDS - CAPITAL	1,635	162	115		

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PROPOSED CAPITAL PROGRAMME 2010/11-2012/13

APPENDIX D (ii)

Service Area	Description of Bid	2010/2011 £'000	2011/2012 £'000	2012/2013 £'000	Commentary	Funding
Legal & Democratic	Remedial Work to Council Buildings following Stock Condition Surveys	50			To deliver the planned programme of maintenance required for the Council buildings as identified via external assessments	Capital Receipts/Prudential Borrowing
Planning & Environment	Discretionary Home Repair Assistance & Housing Renewal Grants (Private Sector Only)	100	63	63	Home Repair & maintenance assistance grants	Capital Receipts/Prudential Borrowing & Gov Grants £63k pa
Planning & Environment	Grants to Principal Preferred Partners (BDHT/ W Mercia) for the development of affordable housing in the district.	700			Grants to preferred partners to deliver affordable housing across the District - not delivered during 2009/10 due to issues with economy and development of housing property	Capital Receipts/Prudential Borrowing
Planning & Environment	Grants to RSL's	15			Balance of funding relating to Buy Back Scheme	Capital Receipts/Prudential Borrowing
Planning & Environment	Town Centre Development	100			Improvements and redevelopment of Town Centre	Capital Receipts/Prudential Borrowing
Planning & Environment	Mandatory Disabled Facilities Grants (DFG's) - Private & BDHT Grants	500	400	400	Mandatory Disabled facilities Grants	Government Grant (£310k) & Capital Receipts/Prudential Borrowing
Planning and Environment	Upgrading of Houndsfield Lane Caravan Park	203			Contribution toward seeking Government Grant for the refurbishment and extension of the Gypsy and Traveller caravan site at Wythall.	Capital Receipts / Prudential Borrowing
Street Scene & Community	Replacement of CCTV Equipment	79			Planned programme of replacement CCTV cameras	Capital Receipts/Prudential Borrowing
Street Scene & Community	Street Scene Depot Vehicle Replacement Programme (Garage Services)	25			Maintain the planned programme of replacement vehicles for garage services fleet	Capital Receipts/Prudential Borrowing
Street Scene & Community	Street Scene Depot Vehicle Replacement Programme (Grounds)	54	17		Maintain the planned programme of replacement vehicles for grounds maintenance fleet	Capital Receipts/Prudential Borrowing
Street Scene & Community	Street Scene Depot Vehicle Replacement Programme (Refuse Collection)	14	984		Maintain the planned programme of replacement vehicles for refuse collection service	Capital Receipts/Prudential Borrowing

PROPOSED CAPITAL PROGRAMME 2010/11-2012/13

APPENDIX D (ii)

Service Area	Description of Bid	2010/2011 £'000	2011/2012 £'000	2012/2013 £'000	Commentary	Funding
Street Scene and Community	Contribution to risky play/diversionary scheme at Catshill	12			To remove a number of play areas that are unsuitable and to upgrade the facilities where appropriate	Capital Receipts
Street Scene and Community	Multi Storey Lighting linked to savings	25			To install more energy efficient lighting in the multi storey car park	Capital Receipts
Street Scene and Community	Pavilion Roof and Toilet Enhancements (Sanders Park)	55			The roof is in need of replacement/repair. It has been patched up over the years but leaks have impacted on the facilities within the building. The toilets are also in need of updating/improving in response to seasonal complaints of facilities.	Capital Receipts
Street Scene and Community	District Wide Provision/Enhancements of Sports Facilities	215			To provision park/sports facilities across the District - not delivered in 2008/09 due to awaiting outcome of PPCG 17 to identify areas of need	Grant Funded - S106
Street Scene & Community	Depot Site Alarm System	25			To provide a more suitable alarm system at the depot	Capital Receipts
Street Scene & Community	Play area removal & upgrades	12			To undertake works to comply with Health & Safety requirements to include changes to paths and access	Capital Receipts / Prudential Borrowing
Street Scene & Community	Repairs & maintenance of bridges	50			To repair the bridges under LA ownership	Capital Receipts / Prudential Borrowing
Street Scene & Community	North Cemetery Phase 2 Expansion	95			North Bromsgrove Cemetery was planned as a three phase development. Phase 1 opened in 2006 has approximately 1-2 years of full burial space left in consecrated ground. In order to continue to provide burial space for residents we need to develop Phase 1 - this funding would provide additional spaces for a number of years	Capital Receipts / Prudential Borrowing
Corporate	SUPPORT SERVICES RECHARGES TO CAPITAL	136	136	136	Recharge from Revenue in relation to staff spending time on capital projects	Capital Receipts/Prudential Borrowing
TOTAL SCHEMES PROPOSED		2,465	1,600	599		

**Earmarked Reserves
Position Statement 2010/11**

APPENDIX E

Description	Anticipated Balance as at 31 Mar 2010	Planned Usage 10/11	Anticipated Balance as at 31 Mar 2010	Comment/Purpose
	£'000	£'000	£'000	
Shared Services Agenda incl Joint CE	219	-219	0	To fund costs relating to extension of shared services
Local Plans Inquiry	202	-202	-0	Examination in public budget
Single Status/JE	147	-147	-0	To fund costs associated with pay protection period
Litigation Reserve	50	0	50	Potential liability arising from ongoing legal cases
Leisure Reserves	45	-8	37	Government grant to be used for leisure purpose
Housing Services Reserves	14	-14	-0	Housing needs assessment; surveys & nightstop
Building Control Partnership Reserve	5	0	5	Ring fenced surplus re building control fees
Local Strategic Partnership	5	0	5	External funding received towards LSP
Business Start up grants	3	-3	-0	Funding retained to assist with future years start ups
	690	-593	97	

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**Future Years Budget
Virements to reflect changes
in service delivery**

APPENDIX F

Service	Employee Costs £'000	Income £'000	Premises Costs £'000	Supplies & Services £'000	Transport Costs £'000	Grand Total £'000
Depot - Miscellaneous	0	0	1	-147	-3	-149
Street Scene & Culture Management & Admin	0	0	0	0	7	7
Streets and Grounds	0	0	9	12	24	45
Transport & Waste	-200	28	16	323	-70	97
Grand Total	-200	28	26	188	-42	0

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Efficiency Savings

APPENDIX G

Description	2010/11 £'000	2011/12 £'000	2012/13 £'000
<u>Built in as part of previous budget rounds</u>			
Alternative methods of service delivery	523	654	654
Co Mingled waste collection service	200	200	200
	<u>723</u>	<u>854</u>	<u>854</u>
<u>Identified as part of the current budget review</u>			
Savings from WETT project - Regulatory Services	0	46	126
Savings from WETT project - Property Services	14	27	40
Savings from WETT project - Internal Audit Services	0	0	11
Additional investment income	20	0	0
Proposed service changes at Dolphin Centre	95	95	95
Alternative Methods of Service Delivery	24	349	356
ICT Shared Service	62	62	62
CCTV Control Shared Service	81	81	81
Procurement Review	100	100	100
	<u>396</u>	<u>760</u>	<u>871</u>
Total Efficiency Savings	<u>1,119</u>	<u>1,614</u>	<u>1,725</u>
As a percentage of 2007/08 baseline (£17.339m as per DCLG requirements)	6.45%	9.31%	9.95%

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BROMSGROVE DISTRICT COUNCIL

CABINET

06 JANUARY 2010

ORGANISATIONAL ASSESSMENT

Responsible Portfolio Holder	Roger Hollingworth, Leader of the Council
Responsible Head of Service	Hugh Bennett, Assistant Chief Executive
Non-Key Decision	

1. SUMMARY

- 1.1 To formally report the Audit Commission's Organisational Assessment of the Council.

2. RECOMMENDATION

- 2.1 It is recommended that:-
- i. Cabinet consider the Audit Commission's report, in particular, the areas for improvement.
 - ii. Note that the areas identified will be built into the 2010/2013 Council Plan and 2010/11 Improvement Plan.

3. BACKGROUND

- 3.1 The Organisational Assessment is part of the new performance regime for local government, which came into force on the 01 April 2009. The overall framework is Comprehensive Area Assessment (CAA) and replaces Comprehensive Performance Assessment (CPA). CAA is more complex, involving new National Indicators, a statutory Place Survey, an area (non-organisation specific) assessment for Worcestershire and an Organisational Assessment, made up of Managing Performance and the Use of Resources. CAA places more emphasis on outcomes, rather than the previous focus on process and output measures. Good examples of outcomes might include: lower carbon emissions, improved resident satisfaction, improved health etc.
- 3.2 This report is the most positive report from the Audit Commission the Council has received. The Council is described as "performing adequately" overall i.e. 2 out of 4, which is really the same as being "Fair" under CPA; however, it is interesting to note that the County Council, Malvern and Wychavon councils have scored 3 out of 4 "performing well" and not 4 out of 4 "performing excellently".

3.3 There is much positive commentary in the report, but clearly we need to concentrate on the identified areas for improvement. Areas to note are:-

- That it is judged more difficult to regenerate the town centre because of the recession;
- Similarly plans to regenerate the Longbridge site are at a “temporary” standstill” because of the recession;
- That the Council needs to improve its understanding of its costs in order to deliver value for money; and
- That older people are a significant demographic factor for the District.

3.4 Actions are in place to respond to all of these points.

3.5 The report also highlighted that, in the Audit Commission’s opinion, the Council should have accounted for aspects of the spatial project differently. The Council does not accept this as we have accounted for it in the same way as others who have undertaken similar projects. We are currently in discussions with the Department of Communities and Local Government (DCLG) on this issue.

3.6 The release of the report, although given positive coverage in the press, also raised the issue of the wording in the report around the Foyer Scheme. The Council has issued a press statement correcting the position and is in discussions with the Audit Commission about re-wording this aspect of the report. Similarly, a point has been raised by a ward councillor about the accuracy of a statement regarding allotments. Officers intend to review how we ensure the accuracy of reports when they are embargoed.

4. FINANCIAL IMPLICATIONS

4.1 The Council is in discussions with the DCLG about the spatial project and is seeking a capitalisation directive.

5. LEGAL IMPLICATIONS

5.1 There are no legal matters arising.

6. COUNCIL OBJECTIVES

6.1 This report relates to all the Council’s objectives and priorities. It is interesting to note that both Value for Money and Older People have been identified by the Audit Commission, both of which are now reflected in the Council’s priorities and key deliverables.

7. RISK MANAGEMENT INCLUDING HEALTH & SAFETY CONSIDERATIONS

7.1 The main risks associated with the details included in this report are:

- DCLG decision not to capitalise spatial spend.
- Council not building areas for improvement into future plans and therefore less likely to deliver excellence.

7.2 These risks are being managed as follows:

- DGLG decision not to capitalise spatial spend.

This is a new risk and will need to be added to the Financial Services risk register.

- Council not building areas for improvement into future plans and therefore less likely to deliver excellence.

Risk Register: CCPP

Key Objective Ref No: 5

Key Objective: Drive delivery of improvement plan and prepare for CAA.

8. CUSTOMER IMPLICATIONS

8.1 The main customer implication arising from the report is the need to respond to the changing demographics of the District.

9. EQUALITIES AND DIVERSITY IMPLICATIONS

9.1 See previous point about older people.

10. VALUE FOR MONEY IMPLICATIONS

10.1 The report highlights the need to get better at understanding our costs as a way of improving our value for money.

11. CLIMATE CHANGE AND CARBON IMPLICATIONS

11.1 The report is positive about the Council's response to climate change and Worcestershire as a whole is "green flagged" i.e. identified as an area of best practice and innovation; however, we should guard against complacency. The task of reducing emissions at 2% per annum is considerable.

12. OTHER IMPLICATIONS

Procurement Issues: None.
Personnel: None.
Governance/Performance Management: None.
Community Safety including Section 17 of Crime and Disorder Act 1998: None.
Policy: None.
Biodiversity: None.

13. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	No.
Joint Chief Executive	No.
Executive Director - Partnerships and Projects	No.
Executive Director - Services	No.
Assistant Chief Executive	Yes.
Head of Service	No.
Head of Financial Services	No.
Head of Legal, Equalities & Democratic Services	No.
Head of Organisational Development & HR	No.
Corporate Procurement Team	No.

14. WARDS AFFECTED

All wards.

15. APPENDICES

Appendix 1 BDC Organisational Assessment, Audit Commission, Dec. 2009.

16. BACKGROUND PAPERS

Not applicable.

CONTACT OFFICER

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Bromsgrove District Council

Organisational Assessment

Pre-publication version dated 03 December 2009

Provided under embargo



oneplace

for an independent overview
of local public services

Page 163

Bromsgrove District Council

Overall, Bromsgrove District Council performs adequately

Managing performance	2 out of 4
Use of resources	2 out of 4
Managing finances	2 out of 4
Governing the business	2 out of 4
Managing resources	2 out of 4

Description of scores:

1. An organisation that does not meet minimum requirements, Performs Poorly
2. An organisation that meets only minimum requirements, Performs Adequately
3. An organisation that exceeds minimum requirements, Performs Well
4. An organisation that significantly exceeds minimum requirements, Performs Excellently

Summary

Bromsgrove District Council performs adequately overall. Local people recognise the Council's priorities as issues that are important to them. Improving the town centre has been made more difficult because of the recession. Crime is reducing and the Council is working with its partners to help people through the recession. But the Council knows where it needs to improve, and works closely with other councils to help it improve. The costs of some services are high and the Council doesn't always know if its services are giving good value for money.

The Council scores 2 out of 4 for managing performance.

The Council involves local people in the work it does and decisions it makes. But it knows it needs to improve the way it tells people what it has done because at the moment they don't feel they can influence decisions. The Council provides some good services, such as street cleaning and recycling, and most people are happy with these services. It uses its own resources (land or money) to help provide more housing that people can afford to rent or buy.

It is starting to understand how it can make a difference on climate change. The Council listens to vulnerable people to make sure that they have access to the services that they need. And it is working well to provide things for young people to do. People in Bromsgrove have a strong sense of belonging and feel that people from different backgrounds get on well together and treat each other with respect. Satisfaction with Bromsgrove as an area is about average.

People feel that Bromsgrove is a safer place to live in than it was. Crime is

reducing and the Council and the police work well together so that anti social behaviour is less of a problem. The Council is also working to support local people and businesses through the recession.

The Council has a good approach to engaging with black and ethnic minorities and vulnerable groups. There are now over 20 reporting centres throughout the district set up for reporting hate crimes, and the Council has been successful in recruiting local people to be trained. A special focus week for lesbian, gay, bi-sexual and trans-sexual people has been planned for February 2010. The Council encourages disabled people to have a stronger voice as demonstrated by the building of the new disabled toilet facility. Members of the Disabled User Group were on the community transport project team and will be involved in planning the new railway station. This shows that the Council listens to people though it recognises that it needs to improve the way it feedback to people about how it's responded to consultation.

The Council's performance in 2008/09 continues to show an overall marked improvement, although slightly fewer performance indicators met their (improvement) targets, 72 per cent compared to 79 per cent last year

The Council is open and honest about its achievements and the areas that it has to improve. It has strengthened the way it monitors its performance and is improving its ability to do more things better by working closely with other councils. In the Council plan for 2009-2012 the Council describes the outcomes they want to achieve from their work. This should help officers, members and the public see the benefit of actions more clearly. Councillors have good working relationships with staff. The way councillors and officers manage the Council's business has improved, but there is a concern about how to maximise involvement by all councillors at appropriate levels. Sickness levels are high and the Council is reviewing how it deals with staff who are ill.

The Council scores 2 out of 4 for use of resources. This is because the Council's understanding of its costs is improving but it doesn't always know whether its services are delivering value for money. The council's spending is higher than many others yet satisfaction is average or lower than average. There is a good system in place for making savings from non-priority services to help improve the performance of priority services. Members of the public are involved in the budget decisions through a budget jury, an on-line budget consultation and by talking to young people and staff.

Each year an independent auditor looks in detail at the Council's accounts. During the audit for the year to 31st March 2009 there was a problem with the way that certain amounts were allocated in the accounts. None of the £4.5m cost of a programme to radically transform the Councils Technology and customer access was allocated to the income and expenditure account for the year. Instead it has all been charged into capital. This is what the Council planned to do, but there was insufficient evidence available during the audit to convince the auditor that this was the right way to account for at least £2.1m of this spending. The Council is seeking government approval to enable the costs to be allocated to Capital and in addition are requesting external advice as to the treatment of this project in the accounts. If approval is not given the Council would have to meet an element of these costs from revenue balances which would impact on the medium term financial plan. Due to the lack of evidence available to demonstrate these costs met the correct criteria the auditor could not say that the accounts presented a fair

overall picture of the Council's finances.

Different ways of providing services are being looked at. The Council shares a joint Chief Executive with Redditch Borough Council. Services will be shared between the two councils and combined savings made of about £1.2 million over five years. The Council is also working with the County Council and all Worcestershire district councils to share some services. The Council is developing its staff plans to make sure it has a skilled and flexible workforce for the future. It is good at managing changes and has an open and honest way of letting staff know what is happening.

About Bromsgrove District Council

Bromsgrove is a mostly rural district in north Worcestershire. It has a population of around 92,300 with a high number of older people, greater than regional and national averages. Many people in Bromsgrove are White British residents, with its ethnic minority population much lower than the national average.

Bromsgrove is an affluent district. Unemployment is below the national average but there have been more job losses as a result of the recession. The number of benefit claimants is lower than regional and national averages. Average house prices are higher in Bromsgrove than the regional and national average. People living in Bromsgrove enjoy better health than elsewhere in the region but children are not active enough.

The Council has 39 councillors. At the moment there are 26 Conservative councillors, 6 Labour councillors, 5 Independent councillors and 2 Residents Association councillors.

The Council's priorities are: town centre, housing, a sense of community, and clean streets and climate change.

Organisational assessment

A sense of community

People in Bromsgrove have a stronger sense of belonging to their community than most other Worcestershire districts. The number of people who are satisfied with where they live is about average compared to those in similar areas. Crime and disorder in Bromsgrove is reducing, and residents are less likely to think that anti social behaviour is a problem. Despite this, many people still fear being a victim of crime.

The Council is good at addressing what matters to local people and demonstrates good community leadership. For example, a mini festival to be held in Cofton Hackett this summer had raised local fears of an increase in anti social behaviour and the Council, together with the police, and festival organisers attended a public meeting to address and calm concerns. Local people were worried about planning approval being granted for the Foyer Scheme, a scheme for homeless people. However, officers have talked to

people about their concerns and what action could be taken. The Chief Executive has offered to meet with local residents.

The Council works with the County Council to meet the needs of young people. Working together means that funding is available from both the County's FLOSS (Funds Lots of Super Stuff) budget and the District Council's budget. As a result a wider age range of children in Bromsgrove are involved in deciding what their needs are, compared to the rest of the county. Children and young people have said they want improved parks, safer play areas, for example, at the Asda supermarket so that they don't have to go around the store with parents/carers.

Schools are also being made more eco friendly. People are being helped to become healthier. For example, sessions for fathers and sons are being held at allotments in Charford, and taster sessions for sports. As a result of the Council using its own budget, the work with children and young people is more likely continue when the FLOSS funds finish in 2011, and so children and young people will benefit in the longer term. Play schemes continue to be re-equipped, and children tell the manufacturers about the designs they would like. The newly refurbished Dolphin Leisure Centre is meeting the targets set for new joiners, and usage and income figures are improving. The number of adults doing sport is above the national average.

A lot of older people live in the district. The Council has not done enough to meet the needs of the growing number of older people, but this is changing. The Council is working with its partners to provide more and better accommodation for older people. Exercise sessions for older people have been set up working with NHS Worcestershire and with Bromsgrove District Housing Trust. More and smaller allotments have been made available, some with raised beds which are more suitable for older people. A community transport scheme will start in the autumn. A new high dependency toilet has opened. Councillors are reviewing how better to meet the needs of older people. The Council has achieved level three of the equality standard which means it is providing services that are fair for everyone and is one of only a few district councils to do so.

Town centre and housing

The Council wants to make a difference in the town centre, but regenerating this area is a difficult project because of the recession. Talks to move the 'blue light' emergency services to a new location to free up sites in the town centre are progressing. A new medical centre is set to go ahead. Plans to regenerate the Longbridge site are at a temporary standstill because of the recession.

Providing enough housing is a challenge for the area. A number of schemes are helping to provide housing that meets local needs. The number of affordable homes has increased (145 units in 2008/09) though there are still too few houses that people can afford to buy or rent. The Council uses its own resources to help provide affordable housing, offering land for housing development and funding for Bromsgrove District Housing Trust (BDHT). Affordable housing is being provided in rural areas such as Stoke Prior where lettings will be restricted to those who live or have previously lived in the parish. The housing needs of the more vulnerable people in the community

are being addressed. Funding has been obtained for the Foyer Scheme - a hostel for young people helping them in the move from prison to living on their own - with the Council using its own funding to help encourage others to provide finance.

The number of households in temporary accommodation has fallen which means that more families are settled. Bromsgrove District Housing Trust was given grant funding by the Council and BDHT now have a pool of flats to use for temporary accommodation. The Council with BDHT was until August 2009, the regional centre of excellence for youth homelessness, and together with the youth homelessness forum held an event recently to share their good practice. 'Step up', a private tenancy scheme for vulnerable people to access private rented accommodation, has been set up. The scheme gives a deposit of one months rent up front to people so they can have more choice of housing. The client pays back the deposit on more flexible terms. A mortgage rescue scheme has been put in place with the Citizens Advice Bureau and an information pack is available so that people can properly prioritise debts, and be aware of what benefits and advice are available.

With growing numbers of older people, a 'choices for older people' board is in place. This has looked at housing and support needs for older people. As a result the Council with the housing association, County Council and Primary Care Trust partners, are planning another extra care scheme at Perryfields. This is being designed to have bungalows with easily manageable gardens suitable for more independent older people as well as extra-care facilities for those who need more help.

Clean streets

The Council has been encouraging more people to recycle and compost their waste - and more people are. During 2009/10 the Council recycled 43 per cent of household waste. The overall amount of household waste collected per person is dropping though it is still relatively high, and the service remains quite expensive. Charges are now made for green waste collection and people are using this service.

Streets are cleaner. Local people say they are pleased with the standards of cleanliness of streets and open spaces. Operators are being trained to use more machinery so they can clear undergrowth and improve levels of cleanliness. Campaigns to improve waste collection and recycling continue and much is being done to keep local people informed. Fast food outlets are being encouraged to reduce the amount of litter they produce, and get these businesses to take more responsibility for the litter produced by encouraging people to put rubbish in bins.

Climate change

A new group has been formed to help contribute to climate change work. A climate change officer has been jointly recruited with Redditch Borough Council. The Council knows what its own carbon emissions are, and it has a travel plan to reduce mileage for staff. A survey was sent to more than 4000 households claiming benefits, to find the best way of helping those struggling with fuel bills. The Council aims to use the information along with results from

the countywide thermal flyover project (where all properties were thermally imaged so that heat loss could be seen) and make people aware of the various grants that are available.

A water course and flooding group has been set up to look at problems with flooding. A risk assessment has been carried out about where flooding is most likely to happen. The state of culverts and water courses has been reviewed. Properties affected by flooding in 2007 are issued with 'flood blox's' - self inflating flood blockers - in response to severe weather warnings. The flood blockers are easier to store and carry, and are more hygienic than sandbags. The Council is clear what it needs to do about flooding. It also recognises the need to make sure that land owners understand their responsibilities and plans to contact them about this.

CAA looks at how well local public services, working together, are meeting the needs of the people they serve. It's a joint assessment made by a group of independent watchdogs about the performance of local public services, and how likely they are to meet local priorities. From 9 December you will find the results of Comprehensive Area Assessment on the Oneplace website - <http://oneplace.direct.gov.uk/>



for an independent overview
of local public services

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BROMSGROVE DISTRICT COUNCIL

CABINET

6 JANUARY 2010

INVESTIGATION COSTS

Responsible Portfolio Holder	Councillor Geoff Denaro
Responsible Head of Service	Claire Felton, Head of Legal, Equalities & Democratic Services
Non-Key Decision	

1. SUMMARY

- 1.1 This report seeks authority to transfer funds from balances to cover the costs relating to the investigation and hearings into complaints made to the Standards Committee arising from the full Council meeting on 29 July 2009.

2. RECOMMENDATION

That the Cabinet recommends to Council that £45,000 be transferred from balances to cover the costs relating to the investigation and hearings into the complaints.

3. BACKGROUND

- 3.1 As a result of events occurring at the full Council meeting on 29 July 2009 a number of complaints have been made to the Standards Committee alleging that a number of Members of Bromsgrove District Council might have failed to follow the Council's Code of Conduct. Those complaints have been assessed by the Standards Assessment Sub-Committee and 73 have been referred to the Monitoring Officer for local investigation.
- 3.2 The work involved in conducting an investigation of this magnitude is likely to be in excess of 280 hours. For this reason there are insufficient resources in-house to be able to absorb this quantity of additional work.
- 3.3 It is fair to say that the officer time that has already been expended on this matter is causing considerable strain within the Legal Team and that it is envisaged that this will continue throughout the period of investigation as the team will need to provide in house support to whoever is appointed to undertake the investigation.
- 3.4 A procurement exercise has been carried out and it is expected that an investigator will have been appointed by the date of this meeting. In addition to the investigator, costs will be expended on engaging an

independent legal advisor for the assessment, review and determination of the complaints.

- 3.5 It is estimated that the likely costs of the investigation and legal advice will be approximately £45,000 for which there is no provision in the Medium Term Financial Plan. It is therefore requested that this sum be made available from balances.

4. FINANCIAL IMPLICATIONS

- 4.1 These are set out in the report.

5. LEGAL IMPLICATIONS

- 5.1 The Local Government Act 2000 introduced primary legislation to enable the implementation of a Members' Code of Conduct, and this was amended by the Local Government and Public Involvement in Health Act 2007 insofar as it related to the application of the Members' Code of Conduct to their private lives. The local assessment regime was introduced by the LGPIHA 2007, and further expanded in the Standards Committee (England) Regulations 2008 which also set out the rules and procedures governing the investigation and determination of complaints.

6. COUNCIL OBJECTIVES

- 6.1 The Council must ensure that public confidence is maintained in the decision making process and all of its objectives are affected by this.

7. RISK MANAGEMENT INCLUDING HEALTH & SAFETY CONSIDERATIONS

- 7.1 The main risk associated with the details included in this report is:
- *Inability to perform the statutory function of investigating and determining complaints due to lack of funding*
- 7.2 This risk is being managed as follows:
- Risk Register: *Legal, Equalities and Democratic Services*
Key Objective Ref No: 3
Key Objective: *Effective ethical governance*

- 7.3 There are no health and safety considerations

8. CUSTOMER IMPLICATIONS

- 8.1 N/a

9. EQUALITIES AND DIVERSITY IMPLICATIONS

9.1 N/a

10. VALUE FOR MONEY IMPLICATIONS

10.1 A procurement exercise has been undertaken to ensure that value for money considerations have been taken into account.

11. CLIMATE CHANGE AND CARBON IMPLICATIONS

11.1 N/a

12. OTHER IMPLICATIONS

Procurement Issues	
Personnel	None
Governance/Performance Management	None
Community Safety including Section 17 of Crime and Disorder Act 1998	None
Policy	None
Biodiversity	None

13. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Joint Chief Executive	Yes
Executive Director - Partnerships and Projects	No
Executive Director - Services	No
Assistant Chief Executive	No
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal, Equalities & Democratic Services	Yes

Head of Organisational Development & HR	No
Corporate Procurement Team	

14. WARDS AFFECTED

All wards

15. APPENDICES

None

16. BACKGROUND PAPERS

None

CONTACT OFFICER

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BROMSGROVE DISTRICT COUNCIL

CABINET

6TH JANUARY 2010

COMMITTEE PROGRAMME 2010/11

Responsible Portfolio Holder	Councillor G. N. Denaro
Responsible Head of Service	Head of Legal, Equalities and Democratic Services

1. SUMMARY

1.1 This report presents the proposed programme of Council and Committee meetings for 2010/11.

2. RECOMMENDATIONS

2.1 That the Cabinet recommend the Council to approve the Committee Programme for 2010/11 as set out at Appendix 1.

2.2 That the Cabinet recommend that authority be delegated to the Head of Legal, Equalities and Democratic Services, in consultation with the Leader and relevant Portfolio Holder, to agree the programme of Council and Committee meetings for future years.

3. BACKGROUND

3.1 The proposed Committee Programme for 2010/11 is on similar lines to the current year in that the Cabinet is scheduled to meet on a monthly basis and the ordinary meetings of the Council will normally be every two months. The full Council is scheduled to meet two weeks or more after the Cabinet to allow time for recommendations from the preceding Cabinet to be included within the Council agenda book.

3.2 In collating the proposed Committee Programme for 2010/11 due regard has been taken of the schedule of Council and Committee meetings for Redditch Borough Council in view of the fact that both Councils' programme of meetings will be supported by a single management team. Efforts have been made to avoid clashes of Cabinet and full Council meetings where possible. Whilst there are still some clashes of Committee meetings it is intended that these will be overcome by different officers being in attendance at the respective meetings.

3.3 Although the Cabinet usually meets on the first Wednesday in the month, this cannot always be the case. In early May 2010 it is possible there will be a General Election and in 2011 there will be Local Elections on 5th May.

The Cabinet will also meet on the last Wednesday in June 2010 to avoid a clash with Redditch Council's Executive on the first Wednesday in July.

- 3.4 The Overview Board will, in general, meet at the start of the month, prior to Cabinet in order to facilitate consideration of the Forward Plan of executive decisions in a timely manner. Two meetings of the Joint Overview and Scrutiny Board have been scheduled in December and January for budget consultation purposes. Additional meetings of the Joint Board will be arranged as and when required.
- 3.5 In line with the practice established in the past couple of years, it is proposed that as few meetings as possible be scheduled during August 2010. The exceptions at this stage include the Cabinet and the Planning Committee which will require a meeting due to the timescales to be met for the determination of major planning applications. The Overview Board will meet on the last day of August to tie in with the September Cabinet on the first of that month.
- 3.6 A series of proposed dates based on the Licensing Committee meeting every six weeks has been incorporated within the Programme for 2010/11, on the basis that any meeting not required will be cancelled.
- 3.7 The Standards Committee has been scheduled to meet six times which reflects the programmed meetings for the current municipal year. Any further meetings will be arranged if and when required.
- 3.8 A meeting of the Audit Board has been scheduled for late June 2010 in order to approve the Council's accounts. It is a statutory requirement that the accounts be approved by the end of June.
- 3.9 Historically, prior to the function with regard to the approval of accounts being transferred to the Audit Board, an extraordinary meeting of the Council was held in late June for this purpose. It is proposed that an ordinary meeting of the Council continue to be scheduled in late June to avoid having a long gap between the last ordinary meeting of the Council in April of the preceding municipal year and the first ordinary meeting of the Council in the new municipal year.
- 3.10 An extraordinary meeting of the Council has been included in late February 2011 for the setting of the Council Tax.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications.

6. COUNCIL OBJECTIVES

6.1 The forward planning of the Council's decision-making processes links to the Council's Improvement and Sense of Community objectives.

7. RISK MANAGEMENT INCLUDING HEALTH & SAFETY CONSIDERATIONS

7.1 There are no direct risks or health and safety considerations arising from this report.

8. CUSTOMER IMPLICATIONS

8.1 Once approved the programme of Council and Committee meetings will be publicised within the Council and on the Council's website to provide advance notice of future meetings.

9. EQUALITIES AND DIVERSITY IMPLICATIONS

9.1 Efforts have been made to avoid meetings clashing with key religious festivals.

10. VALUE FOR MONEY IMPLICATIONS

10.1 There are no Value for Money implications directly relating to this report.

11. CLIMATE CHANGE AND CARBON IMPLICATIONS

11.1 There are no direct climate change and carbon implications directly relating to this report.

12. OTHER IMPLICATIONS

Procurement Issues – None
Personnel Implications – None
Governance/Performance Management – covered in the main body of the report
Community Safety including Section 17 of Crime and Disorder Act 1998 – None
Policy – None
Biodiversity – None

13. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Chief Executive	No

Executive Director - Partnerships and Projects	No
Assistant Chief Executive	No
Head of Service	Yes
Head of Financial Services	No
Head of Legal, Equalities & Democratic Services	Yes
Head of Organisational Development & HR	No
Corporate Procurement Team	No

14. WARDS AFFECTED

All Wards

15. APPENDICES

Appendix 1 Committee Programme 2010/11

16. BACKGROUND PAPERS

None

CONTACT OFFICER

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COUNCIL AND COMMITTEE DATES 2010-11

Bank Holidays:

2010 – 3rd May, 31st May, 30th August

2011 – 2nd May, 30th May, 29th August

Easter:

2010 – 2nd April (Good Friday), 5th April (Easter Monday)

2011 – 22nd April (Good Friday), 25th April (Easter Monday)

Christmas:

2010 – 27th December (Christmas Day), 28th December (Boxing Day)

2011 – 27th December (Boxing Day)

New Year:

2011 – 3rd January (New Year's Day)

Elections:

2010 – General Election possible early May

2011 – Local Elections 5th May

Wednesday 12th May 2010

Monday 17th May 2010

Monday 17th May 2010

Wednesday 19th May 2010

Monday 24th May 2010

Tuesday 25th May 2010

Council (Annual Meeting)

Planning Committee

Performance Man. Board

Standards Committee

Licensing Committee

Scrutiny Board

Tuesday 1st June 2010

Wednesday 2nd June 2010

Monday 7th June 2010

Monday 14th June 2010

Monday 14th June 2010

Tuesday 15th June 2010

Wednesday 23rd June 2010

Monday 28th June 2010

Tuesday 29th June 2010

Wednesday 30th June 2010

Overview Board

Cabinet

Audit Board

Planning Committee

Performance Man. Board

Scrutiny Board

Council

Audit Board (Accounts)

Overview Board

Cabinet

Monday 12th July 2010

Tuesday 13th July 2010

Wednesday 14th July 2009

Monday 19th July 2010

Wednesday 21st July 2010

Monday 26th July 2010

Tuesday 27th July 2010

Planning Committee

Scrutiny Board

Standards Committee

Performance Man. Board

Council

Licensing Committee

Overview Board

Wednesday 4th August 2010

Monday 9th August 2010

Tuesday 31st August 2010

Cabinet

Planning Committee

Overview Board

Wednesday 1st September 2010	Cabinet
Monday 6th September 2010	Planning Committee
Monday 6th September 2010	Licensing Committee
Monday 13th September 2010	Audit Board
Wednesday 15th September 2010	Council
Monday 20th September 2010	Performance Man. Board
Wednesday 22nd September 2010	Standards Committee
Tuesday 28th September 2010	Scrutiny Board
Tuesday 5th October 2010	Overview Board
Wednesday 6th October 2010	Cabinet
Monday 11th October 2010	Planning Committee
Monday 18th October 2010	Performance Man. Board
Monday 25th October 2010	Licensing Committee
Tuesday 26th October 2010	Scrutiny Board
Monday 1st November 2010	Planning Committee
Tuesday 2nd November 2010	Overview Board
Wednesday 3rd November 2010	Cabinet
Monday 15th November 2010	Performance Man. Board
Wednesday 17th November 2010	Council
Tuesday 23rd November 2010	Scrutiny Board
Wednesday 24th November 2010	Standards Committee
Monday 29th November 2010	Licensing Committee
Tuesday 30th November 2010	Joint Overview & Scrutiny Board (Budget Briefing)
Wednesday 1st December 2010	Cabinet
Monday 6th December 2010	Planning Committee
Monday 13th December 2010	Audit Board
Monday 20th December 2010	Performance Man. Board
Tuesday 4th January 2011	Joint Overview & Scrutiny Board (Budget Review)
Tuesday 4th January 2011	Overview Board
Wednesday 5th January 2011	Cabinet
Monday 10th January 2011	Planning Committee
Monday 10th January 2011	Licensing Committee
Monday 17th January 2011	Performance Man. Board
Wednesday 19th January 2011	Council
Tuesday 25th January 2011	Scrutiny Board
Wednesday 26th January 2011	Standards Committee
Tuesday 1st February 2011	Overview Board
Wednesday 2nd February 2011	Cabinet
Monday 7th February 2011	Planning Committee
Monday 14th February 2011	Performance Man. Board
Monday 21st February 2011	Licensing Committee
Wednesday 23rd February 2011	Council (Extraordinary Meeting – Council Tax)
Thursday 24th February 2011	Scrutiny Board

Tuesday 1st March 2011
Wednesday 2nd March 2011
Monday 7th March 2011
Monday 14th March 2011
Wednesday 16th March 2011
Monday 21st March 2011
Tuesday 22nd March 2011
Wednesday 23rd March 2011
Monday 28th March 2011

Overview Board
Cabinet
Planning Committee
Performance Man. Board
Council
Audit Board
Scrutiny Board
Standards Committee
Planning Committee

Tuesday 5th April 2011
Wednesday 6th April 2011
Monday 11th April 2011
Monday 18th April 2011
Tuesday 19th April 2011
Wednesday 20th April 2011
Tuesday 26th April 2011

Overview Board
Cabinet
Planning Committee
Performance Man. Board
Scrutiny Board
Council
Overview Board

Wednesday 11th May 2011

Council (Annual Meeting)

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BROMSGROVE DISTRICT COUNCIL

CABINET

6TH JANUARY 2010

TRANSFER OF THE DOLPHIN CENTRE TO A LEISURE TRUST

Responsible Portfolio Holder	Roger Smith
Responsible Head of Service	Phil Street
Key Decision	

1. SUMMARY

- 1.1 The report outlines the case for re-opening discussions with Wychavon Leisure and Community Association Ltd (WLCAL) regarding the transfer of the Dolphin Centre to the Trust.

2. RECOMMENDATION

- 2.1 The Cabinet recommend to full Council to approve completion of negotiations for the transfer of the Dolphin Centre to WLCAL based, first, on the production of a business case that meets the savings as proposed in the Medium Term Financial Plan.(MTFP) and second, on a range of targets that will further improve the efficiency of the Dolphin Centre.
- 2.2 The Cabinet delegates authority to the Executive Director – Partnerships and Projects, the Deputy Head of Street Scene and Community and the Section 151 Officer to undertake negotiations with WLCAL and subject to a satisfactory business case complete the transfer of the Dolphin Centre to WLCAL by 1st April 2010.
- 2.3 The Cabinet delegates authority to the Executive Director – Partnerships and Projects to sign on behalf of the Council the agreements required to effect the transfer.
- 2.4 The Cabinet delegates authority to the Head of Legal, Equalities & Democratic Services in consultation with the Executive Director – Partnerships and Projects to undertake negotiations with WLCAL to agree a suitable lease and to execute it on behalf of the Council.

3. BACKGROUND

- 3.1 In 2007 Bromsgrove District Council opened discussions with Wychavon Leisure Trust (WLCAL) regarding the transfer of its leisure centres. These discussions made significant progress, but complications with job

evaluation salaries at the centres and new case law around equal pay legislation meant that discussions could not be satisfactorily completed.

- 3.2 The discussions with WLCAL were not concluded in 2008 as Bromsgrove's job evaluation scheme had introduced a degree of differential between Bromsgrove District Council's employees and those of WLCAL's. WLCAL thought this may destabilise their organisation. WLCAL reluctantly took the decision to close the discussions with Bromsgrove whilst they consider the impact of the case law on their organisation,. Once satisfied that they could manage such issue moving forward they made contact and asked if discussion could be recommence.
- 3.3 Bromsgrove District Council had originally entered into discussion with WLCAL as they offered the opportunity to provide a more effective and efficient service delivery and had a proven track record in providing high quality services to customers that maximise income generation opportunities and increases residents and user satisfaction. The current user satisfaction rating in Herefordshire and Worcestershire for leisure facilities provided by Sport England clearly shows the WADC scores to be the highest in the area.
- 3.4 Once the discussions with WLCAL came to a close Bromsgrove commenced a service review of its leisure centres provision to realise greater efficiencies and to ensure the effective use of resources. This review led to a fundamental overall of the Dolphin Centre in order to generate the savings identified with in the MTFP and the implementation of the Cabinets decision to surrender our interest in the dual use site at Haybridge High School.
- 3.5 The service review was undertaken in parallel with preparations to open the new fitness suite at the Dolphin Centre. The combination of the service review and the opening of the fitness suite offered the opportunities for the Council to achieve efficiencies at the centre.
- 3.6 When the service review of the Dolphin was concluded there was a determination to promote a more entrepreneurial culture within the centre that could respond to market forces more effectively and met the increasing high standards customers expect for leisure providers. This became particularly important in marketing and promoting the fitness suite as the service business case was predicated on attracting over direct debit 600 members. It was considered that the management arrangements and the culture that was created within the staff at the Centre was central to delivering the standards of service required to realise the aspirations of the Council.
- 3.7 Although revised senior management responsibilities were identified with in the service review its was officer opinion that due to the tight timescales involved with the new services going live and the limited opportunities that a single site offers to potential applicants an alternative route should be considered for the management of the site in the interim.

3.8 Despite the closure of the discussions regarding transfer of the sites operational delivery to WLCAL, dialogue with WLCAL did not end and the relationship between both parties had remained positive. Therefore, a discussion was held with WLCAL to explore the benefits of them providing interim management support of the centre. Following discussions agreement was reached to have WLCAL manage the centre for one year. This decision has been vindicated in terms of improved standards across the centre. There has been increased user satisfaction, a reduction in complaints and accidents and the level of membership recruited to the fitness suite has exceeded targets and led to increased income generation.

3.9 It is apparent that during the interim period that the benefits of WLCAL management can not be under estimated. The benefits of working with a specialist leisure services provider are far reaching and have enhanced training and development and have provided quality marketing skills.

3.10 The success WLCAL have experienced in managing the centre encouraged them to approach the Council about reopening discussions about the transfer of the future delivery of the service.

3.11 Meetings have been held with WLCAL and they have indicated they would want to seek an agreement with the Council. The discussions have opened with WLCAL. This report proposes the conclusion of these discussions resulting in the transfer of the Dolphin Centre.

3.12 It is recognised that the transfer is being proposed as this Council is entering into a joint management arrangement with Redditch Borough Council. However, it needs to be recognised that the proposed transfer will not compromise any further reviews of the leisure service delivery nor limit the options available for future service delivery across Bromsgrove or Redditch.

3.13 The consequences of job evaluation have been addressed by WLCAL and these are no longer a barrier to an agreement. Therefore,

- Union and staff consultation has been commenced around TUPE and pension implications.
- A business case has been developed and shows a level of saving in year one rising to £170,000
- It is proposed that a 3 year term be agreed with the option of a further two year roll over.
- Discussions are taking place between officers of the Council and WLCAL regarding the distribution of additional efficiency savings generated over the deficit funding.

3.14 A project group has been established as a forum for negotiations. The project group have prepared a project plan. This includes

- human resources
- pensions -delete
- property matters,
- transfer documents
- business proposal.

4. FINANCIAL IMPLICATIONS

- 4.1 During 2009/10 Wychavon Leisure have implemented a number of revised procedures and processes that have improved the financial management arrangements and clarity in the budgets required for operating the centre in a more effective and efficient way.
- 4.2 The initial discussions in relation to the trust taking over the responsibility for the service delivery at the Dolphin Centre have identified savings that could be made under this arrangement. These include savings due to charitable relief on business rates together with the reduced spend and increase in income that can be achieved by an organisation whose sole focus is leisure provision and therefore has an increased leverage in the market to negotiate deals with supplier and market the facilities.
- 4.3 The current savings identified equate to £140k in 2010/11 arising to £170k in 2014/15 which relates to a 5 year contract being in place. Further review and discussions are ongoing to identify further savings to enable the council to maximise the income share whilst improving service delivery to the residents.

5. LEGAL IMPLICATIONS

- 5.1 There are significant legal implications associated with:
- 5.2 It will be necessary for an appropriate agreement to be prepared and executed on behalf of the Council which details responsibilities and payments, ensures local representation in the operations of the leisure facilities and minimises the Council's ongoing risks. External legal opinion has been obtained on this and a number of other issues to provide members and officers with comfort that the agreement is reasonable and legally sound.
- 5.3 Preparation of a lease - a lease is at an advanced stage of preparation that proposes the Council would enter into a five year lease with the Trust for the Dolphin Centre with the Council retaining responsibility for the building structures and major plant. The Council will still retain the freehold of the Dolphin Centre and will ensure that the right to renewal is removed.

5.4 A management document is at an advanced stage of preparation that will secure and identify monitoring and governance involvement by the Council. The management agreement will include defining and preserving the following:

- Service level outcomes
- Local representation
- Management Group Composition
- Priority Users
- Insurance
- Accounting arrangements
- Information exchanges

The management document will clearly define the service outputs expected in return for the Council management fee support.

5.5 The Council has a number of powers available to it to transfer the Dolphin Centre to a leisure trust and to enable it to enter into the proposed financial and operational arrangements:

- Section 19 of the Local Government (Miscellaneous Provisions) Act 1976 states that 'a local authority may provide inside or outside its area, such recreational facilities as it thinks fit' and assist 'by way of grant or loan towards the expenses incurred.... by a voluntary organisation in providing any recreational facilities';
- Section 111(1) of the Local Government Act 1972 provides that 'Without prejudice to any powers exercisable apart from this section a local authority shall have power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to the discharge of any of their functions.
- The Local Government Act 2000 allows for the promotion or improvement of the economic, social and environmental well-being of an area. S2 (1) includes a power to incur expenditure, give financial assistance to any person, enter into arrangements or agreements with any person, co-operate with or facilitate or co-ordinate the activities of any person.

5.6 Procedures have been put in place to prevent staff being transferred having undue influence on the negotiations which could be seen to be to the disadvantage of the Council.

6. COUNCIL OBJECTIVES

6.1 The transfer of the Dolphin Centre to a leisure trust will contribute to the Council's Objective 2 (improvement) by providing effective and efficient services that meet the needs of residents and provide additional

activities to support the council values of leadership and partnership. Through the additional activities provided within the centre and the increased usage generated the site will also contribute to the Sense of Community & Well Being Objective (3) by increasing participation in physical activity and by bringing different sectors of the community together in one location/venue for leisure pursuits.

7. RISK MANAGEMENT

7.1 The transfer doesn't take place due to failure to reach agreement. The result will be that further savings will not be achieved.

Negotiations have to be transparent and thorough and after the experience of earlier negotiations it is important to scan the environment for impending issues that affect discussions.

7.2 The transfer does not result in the savings predicted.

The business case put forward by WLCAL has to meet our expectations and has to be included in a binding agreement.

7.3 We are challenged that we have not gone out to tender.

We have taken external specialist legal advice on this matter and we are assured that the arrangements we are pursuing are acceptable and appropriate.

7.4 Despite our best endeavours the negotiations are not completed.

This will mean that the Council will continue to operate the Dolphin Centre on our current arrangements, but we will not achieve the level of savings predicted and other actions will be required to identify savings opportunities.

8. CUSTOMER IMPLICATIONS

8.1 The Council wants to secure high quality service delivery to the residents and ensure the Council's resources are used to maximum community benefit. The Council has engaged WLCAL to provide interim management support at the Dolphin Centre since April 2009 and during this period the standard of service delivery has increased month on month. This is supported by a number of operational performance measures that have shown a marked improvement when compared to the previous level of service provision. The effective management of the service, the commitment to improving service standards and the customer experience along with improvement to both the buildings presentation and the standard of staff training have ensured that the overall experience of visiting the Dolphin Centres has become more rewarding and satisfying.

9. EQUALITIES AND DIVERSITY IMPLICATIONS

9.1 There are not any direct equalities and diversity implications.

10. VALUE FOR MONEY IMPLICATIONS

- 10.1 In respect of UK law the Council has a fiduciary duty to demonstrate best value on behalf of its taxpayers. Whilst a competitive process may do this other methods are also justifiable. In this case the likely partner has an excellent track record of delivering these services and the comparison with the in-house operation shows demonstrable VFM.
- 5.7 The study by the Audit Commission, published in summer 2006 mentioned earlier in the report also acknowledges that transfer to a Trust is a cost effective alternative to direct provision.

11. OTHER IMPLICATIONS

Procurement Issues – Legal advice has been sought on the approach being taken to engaging WLCAL as this is a key issue for the Council as Members will wish to be sure of the legality of the process being undertaken. The Council has taken advice from a senior external legal consultant who is satisfied that the Council does have the power to do as it proposes. The advice is that European and UK legislation is satisfied and that the process is robust enough to enable the Council’s Financial Regulations and Contract Procedure Rules] to be suspended in this case. In simple terms the award of a contact for leisure services is not subject to a requirement for competitive procurement in the EU as it is classed as a part B service. Given the above advice it is recommended that Council’s Financial Regulations/Contract Procedure Rules are suspended in relation to this matter in order that the transfer can be progressed.
Personnel Implications – Consultation will take place with trades unions, employees and other stakeholders. Staff would be subject to TUPE should negotiations be concluded successfully.
Governance/Performance Management – Performance improvement will be sustained and continually improved.
Community Safety including Section 17 of Crime and Disorder Act 1998 - Not applicable
Policy - Not Applicable
Environmental - Not applicable

12. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	
Chief Executive	Yes

Executive Director (Partnerships and Projects)	Yes
Executive Director (Services)	Yes
Assistant Chief Executive	Yes
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal, Equalities & Democratic Services	Yes
Head of Organisational Development & HR	Yes
Corporate Procurement Team	No

13. WARDS AFFECTED

All wards, but particularly St Johns

14. APPENDICES

Not applicable

15. BACKGROUND PAPERS

None

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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY, 2ND DECEMBER 2009, AT 6.00 P.M.

PRESENT: Councillors R. Hollingworth (Chairman), G. N. Denaro (Vice-Chairman),
Dr. D. W. P. Booth JP, J. T. Duddy, Mrs. J. Dyer M.B.E.,
Mrs. M. A. Sherrey JP, R. D. Smith, M. J. A. Webb and P. J. Whittaker

Observers: Councillors D. L. Pardoe and C. B. Taylor

Officers: Mr. K. Dicks, Mr. T. Beirne, Mr. P. Street, Mr. H. Bennett, Mr. M.
Bell, Mrs. C. Felton, Mr. D. Hammond, Ms. J. Pickering, Ms. J. Pitman,
Ms. D. Poole, Mr. J. Godwin, Mr. A. Coel and Ms. R. Cole.

111/09 **APOLOGIES**

No apologies for absence were received.

112/09 **DECLARATIONS OF INTEREST**

Councillor R. D. Smith declared a personal interest in agenda item 10 (Choice Based Lettings Scheme) as an employee of a housing association.

113/09 **MINUTES**

The minutes of the meetings of the Cabinet held on 4th November and 18th November 2009 were submitted.

RESOLVED that the minutes be approved as a correct record in each case.

114/09 **SCRUTINY BOARD**

The minutes of the meeting of the Scrutiny Board held on 27th October 2009 were submitted.

RESOLVED that the minutes be noted.

115/09 **OVERVIEW BOARD**

The minutes of the meeting of the Overview Board held on 3rd November 2009 were submitted.

The Leader referred to the recommendations of the Board relating to the Communications Strategy Review. Whilst these had been considered at the previous Cabinet meeting, he stated that the Portfolio Holder for Community

and Customer Engagement would be considering the recommendations further and reporting to the next meeting if appropriate.

RESOLVED that subject to the above the minutes be noted.

116/09 **PERFORMANCE MANAGEMENT BOARD**

The minutes of the meeting of the Performance Management Board held on 16th November 2009 were submitted.

RESOLVED that the minutes be noted, including the recommendation that Portfolio Holders continue to work with Heads of Service to ensure overspend is managed and brought back into line with the budget.

117/09 **TO RECEIVE VERBAL UPDATES FROM THE LEADER AND/OR OTHER CABINET MEMBERS ON ANY RECENT MEETINGS ATTENDED IN AN EX-OFFICIO CAPACITY**

The Leader reported on three meetings he had recently attended:

- Joint Commissioning Board for New Children's Trust
- Meeting on Areas of Highest Need for Funding
- Central Technology Belt Board meeting

Councillor G. N. Denaro reported on an Award Ceremony he had attended together with the Head of Legal, Equalities and Democratic Services in relation to the Member Development Charter. Reference was also made to an additional award presented in recognition of the success of a recent procurement project undertaken jointly with other Districts, which had resulted in a significant saving in insurance costs.

Councillors R. D. Smith and Mrs M. A. Sherrey JP reported that they had attended a meeting of the Bromsgrove Arts Centre Operating Trust.

Councillor Mrs M. A. Sherrey JP reported that she had attended a meeting of the Citizen' Advice Bureau.

Councillor P. J. Whittaker reported that he had attended a meeting on Climate Change.

The Leader confirmed that Portfolio Holders would be able to answer questions from other Members on the meetings they had attended and that further information would be placed in the Members' Room where appropriate.

118/09 **MEDIUM TERM FINANCIAL PLAN REVIEW (DRAFT REVENUE BASE BUDGET)**

The Cabinet considered a report on the current position with regard to the Medium Term Financial Plan 2010/2011–2012/2013. The Portfolio Holder and the Head of Financial Services also gave a verbal update.

RESOLVED that the current position be noted and Heads of Service be requested to continue to review the budget with a view to presenting a balanced budget to the Cabinet meeting in January 2010.

119/09 **SCRUTINY BOARD REPORT ON HOT FOOD TAKEAWAYS**

The Cabinet considered the report of the Scrutiny Board on Hot Food Takeaways. The Leader welcomed the Chairman of the Scrutiny Board, Councillor D. L. Pardoe to the meeting. Councillor Pardoe briefly introduced the report and highlighted some key points. Following discussion it was

RESOLVED:

- (a) that in relation to Recommendation 1, the Strategic Planning Section be requested to scope the extent to which the issues identified in the report contribute to the negative impact on a sense of community and well being and the environment and how these issues can be addressed by the adoption of a Supplementary Planning Document on Hot Food Takeaways, with a report detailing the findings and the draft policy being submitted to the Cabinet;
- (b) that in relation to Recommendation 2, consideration of the adoption of a draft Supplementary Planning Document on Hot Food Takeaways be referred to the Local Development Framework Working Party to be considered at the next possible meeting of the Working Party;
- (c) that in relation to Recommendation 3, officers be requested to carry out further research into healthy eating and healthy lifestyles and the means by which through working with partners in the Local Strategic Partnership, the Council could contribute to the delivery of services to address the Local Area Agreement targets on obesity in children, mortality rate from circulatory diseases for under 75s, adult participation in sport and children and young people's participation in high-quality PE and sport. It was requested that the report be submitted to Cabinet by June 2010.

120/09 **CHOICE BASED LETTINGS SCHEME - UPDATE**

The Cabinet considered a report which detailed the progress made during the first year of operation of the "Home Choice Plus" Choice Based Lettings Scheme for the allocation of social housing across the District.

The report also suggested that Members consider the possibility of introducing a charging mechanism for Registered Social Landlords (RSLs) who wish to advertise their properties through the Scheme.

RESOLVED:

- (a) that the success of the Home Choice Plus Scheme in raising awareness of the Housing Register and the 14% increase in the number of applicants registered since the implementation of the Scheme be noted;
- (b) that the introduction of a charging mechanism for RSLs who make use of the Scheme be approved in principle; and

- (c) that authority be delegated to the Head of Planning and Environment in consultation with the Portfolio Holder, the Section 151 Officer and the Head of Strategic Housing to determine the level of charges for all RSLs, subject to separate arrangements being agreed in respect of Bromsgrove District Housing Trust, in view of its role as a Large Scale Voluntary Transfer organisation and its partial funding of the Choice Based Lettings Scheme.

121/09 **COUNCIL TAX BASE CALCULATION 2010/2011**

The Cabinet considered the Council's Tax Base Calculation for the financial year 2010/2011. The Head of Financial Services circulated an amended appendix 1 to the report.

RESOLVED that in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, the Council's Tax Base for 2010/2011, assuming a collection rate of 99%, be calculated at £36,416.56 for the area as a whole, with individual Parishes as shown at the amended Appendix 1 of the report.

122/09 **LOCAL NEIGHBOURHOOD PARTNERSHIPS - TERMS OF REFERENCE AND BUSINESS CASE**

The Cabinet considered a report on the Business Case for Local Neighbourhood Partnerships (LNPs).

It was felt that the operation of the three existing pilot LNPs covering Alvechurch and Beoley, Rubery and Hagley and Rural had proved to be costly in terms of finance and of officer time. It was noted that the LNP in Charford had been agreed but had not "gone live". In view of the change in the economic climate and the Council's current financial position together with the reduction in the level of attendance at the LNP meetings, it was

RESOLVED:

- (a) that all LNPs be closed as at 31st March 2010;
- (b) that it be noted that the closure will produce a revenue saving of £90,000 in 2010/2011 and £120,000 in 2011/2012;
- (c) that it be noted that the continued expansion of the LNPs would have resulted in a saving of £150,000 in 2012/2013 if the LNPs had continued to expand at a cost of £30,000 per annum (the existing Medium Term Financial Plan runs until 2011/2012);
- (d) that the Charford LNP be closed with immediate effect and the resulting 2009/2010 revenue saving of £10,000 be directed to The Trunk;
- (e) that £25,000 of the annual revenue saving for 2010/2011, 2011/2012 and 2012/2013 be used to fund the shortfall in the Medium Term Financial Plan.

123/09 **CORPORATE SAFEGUARDING POLICY (CHILDREN, YOUNG PEOPLE AND VULNERABLE ADULTS)**

The Cabinet considered a report on a draft safeguarding Policy for Children Young People and Vulnerable Adults. It was recognised that it was essential

that the Council had suitable arrangements and procedures in place to safeguard and promote the welfare of children, young people and vulnerable adults.

RESOLVED:

- (a) that the draft Safeguarding Children, Young People and Vulnerable Adults Policy as attached as an appendix to the report be approved;
- (b) that in the context on a Shared Services Corporate Management Team, an appropriate Senior Officer be nominated as the Corporate Safeguarding Officer and that they receive appropriate training;
- (c) that those staff who have regular and on-going contact with children, young people and vulnerable adults receive appropriate training in respect of the Corporate Safeguarding Policy.

124/09 **IMPROVEMENT PLAN EXCEPTION REPORT (OCTOBER 2009)**

Consideration was given to the Improvement Plan Exception report for October 2009 together with the corrective action being taken.

RESOLVED:

- (a) that the revisions to the Improvement Plan Exception report together with the corrective action being taken be approved;
- (b) that it be noted that for the 94 actions highlighted for October within the plan 74.5 percent were on target (green), 9.6 percent were one month behind (amber) and 2.1 percent were over one month behind (red). In addition it was noted that 13.8 percent of actions had been reprogrammed or suspended with approval.

125/09 **PERFORMANCE REPORT (OCTOBER 2009)**

The Cabinet considered a report on the Council's performance as at 31st October 2009 (period 7).

RESOLVED:

- (a) that it be noted that 68 percent of Performance Indicators were stable or improving;
- (b) that it be noted that 73 percent of Performance Indicators that had a target were meeting their target as at the month end and 89 percent were projected to meet their target at the year end;
- (c) that the performance figures for October 2009 as set out in the report be noted;
- (d) that the particular areas of improvement as set out in section 3.5 of the report be noted;
- (e) that the particular areas of concern as set out in section 3.6 of the report be noted.

126/09 **LOCAL GOVERNMENT ACT 1972**

RESOLVED that under Section 100 I of the Local Government Act 1972, as amended, the public be excluded from the meeting during the consideration of the item of business the subject of the following minute on the grounds that it

involves the likely disclosure of "Exempt Information" as defined in part 1 of schedule 12A to the Act, as amended, the relevant paragraph of that part being as set out below and that it is in the public interest to do so.

Minute No.

Paragraph

127/09

7

127/09 **COUNCIL TAX AND BUSINESS RATES WRITE OFFS**

The Cabinet considered a report on a request to write off a number of debts in relation to Council Tax and Business Rates.

RESOLVED that the Council Tax and Business Rate debts listed in the appendix to the report be written off as irrecoverable in accordance with the Council's Write Off Policy.

The meeting closed at 7.30 p.m.

Chairman

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY, 6TH JANUARY 2010 AT 6.00 P.M.

PRESENT: Councillors R. Hollingworth (Chairman), G. N. Denaro (Vice-Chairman), Dr. D. W. P. Booth JP, J. T. Duddy, Mrs. J. Dyer M.B.E., M. J. A. Webb and P. J. Whittaker

Officers: Ms. J. Pickering, Mrs. C. Felton, Mr. D. Hammond and Ms. K. Firth.

128/09 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Mrs. M. A. Sherrey JP and R. D. Smith.

129/09 **DECLARATIONS OF INTEREST**

No declarations of interest were received.

130/09 **MINUTES**

The minutes of the meeting of the Cabinet held on 2nd December 2009 were submitted.

RESOLVED that the minutes be approved as a correct record.

131/09 **SCRUTINY BOARD**

The minutes of the meeting of the Scrutiny Board held on 24th November 2009 were submitted.

RESOLVED that the minutes be noted including the recommendation relating to the Scrutiny Report on Hot Food Takeaways, which had been previously agreed by the Cabinet.

132/09 **AUDIT BOARD**

The minutes of the meeting of the Audit Board held on 14th December 2009 were submitted.

RESOLVED that the minutes be noted.

133/09 **LOCAL DEVELOPMENT FRAMEWORK WORKING PARTY**

The minutes of the meeting of the Local Development Framework Working Party held on 16th December 2009 were submitted.

RESOLVED that the minutes be noted.

134/09 **PERFORMANCE MANAGEMENT BOARD**

It was noted that the meeting of the Performance Management Board scheduled to take place on 21st December 2009 had been cancelled as inquorate.

135/09 **VERBAL UPDATES FROM THE LEADER AND/OR OTHER CABINET MEMBERS ON ANY RECENT MEETINGS ATTENDED IN AN EX-OFFICIO CAPACITY**

The Leader reported on two meetings he had recently attended:

- Children's Trust Board
- Local Strategic Partnership

The Leader also reported on the discussion which had taken place at the West Midlands Leaders Board Member Panel as reported in the minutes of that meeting.

136/09 **WORCESTERSHIRE ENHANCED TWO TIER (WETT) PROGRAMME - BUSINESS CASE FOR REGULATORY, AUDIT AND PROPERTY SERVICES**

The Cabinet considered a report on the WETT Programme and in particular the detailed business cases as they stood at present for Property Services, Regulatory Services and Internal Audit. Consideration was also given to the feedback received arising from the staff consultation exercise and the responses thereto. It was reported that the matters would be further progressed and considered at Council on 20th January 2010.

Following discussion it was

RECOMMENDED IN PRINCIPLE:

- (a) that the two tier and joint working proposals for Property Services, Regulatory Services and Internal Audit contained within the WETT detailed business cases attached to the report be approved, on the basis that the associated risk implications and governance arrangements are to be finalised;
- (b) that subject to the agreement of the Worcestershire Councils i.e. Worcestershire County Council, Worcester City, Bromsgrove District, Redditch Borough, Malvern Hills District, Wychavon District and Wyre Forest District, a unified Regulatory Service for the Worcestershire Councils, jointly hosted by Bromsgrove and Redditch Councils (with Bromsgrove as the employing authority) be established from 1st June

- 2010 under the auspices of a Joint Committee; on the basis set out in the Regulatory Service Detailed Business Case V10, Part 1 and Part 2 (Rev.1) and supported by the Regulatory Services Detailed Business Case Executive Summary V3.2 attached as an appendix to the report;
- (c) that this Council's functions in relation to Environmental Health and Licensing Services (other than those licensing functions which cannot be delegated) be delegated to a Joint Committee in accordance with Section 101 of the Local Government Act 1972 and Section 20 of the Local Government Act 2000 and the Local Authorities (Arrangement for the Discharge of Functions) (England) (Regulations) 2000;
 - (d) that subject to such an agreement being concluded, relevant staff from all Councils agreeing to the Regulatory Services Business Case be transferred to this Council under TUPE arrangements;
 - (e) that the financial arrangements for the new Regulatory Service as set out in the Detailed Business Case V10 be approved as the basis for Regulatory budgets;
 - (f) that subject to the agreement of the participating Worcestershire Councils i.e. Worcestershire County, Worcester City, Bromsgrove District and Redditch Borough, a Shared Property Service (hosted by Worcestershire County Council) be established on the basis set out in the Property Services Detailed Business Case V6 and the supporting Detailed Business Case Executive Summary V1 attached as an appendix to the report;
 - (g) that the transfer of staff to Worcestershire County Council as service provider be approved on the terms proposed from the commencement date;
 - (h) that this Council enters into a Service Level Agreement on the basis set out in the Property Services Detailed Business Case V6 and supporting Property Services Detailed Business Case V1, as amended to reflect any final agreement made between the Partner authorities;
 - (i) that the Head of Legal, Equalities and Democratic Services be authorised to finalise the terms of the collaboration agreement and the Service Level Agreement and to execute the agreements on behalf of the Council;
 - (j) that subject to the agreement of the participating Worcestershire Councils i.e. Worcester City, Bromsgrove District, Redditch Borough, Wychavon District and Malvern Hills District, agreement be given to the creation of a Shared Service Internal Audit Service on the basis set out in the Internal Audit Detailed Business Case V10 and the supporting Detailed Business Case Executive Summary V2 as attached as an appendix to the report;
 - (k) that the proposal that Worcester City Council acts as service provider be supported;
 - (l) that the transfer of staff to Worcester City Council as service provider be approved on the terms proposed from the commencement date;
 - (m) that this Council enters into a Service Level Agreement on the basis set out in the Internal Audit Detailed Business Case V10 and supporting Internal Audit Detailed Business Case V2 attached as an appendix to the report as amended to reflect any final agreement made between the Partner authorities;

- (n) that the Head of Legal, Equalities and Democratic Services be authorised to finalise the terms of the Service Level Agreement and to execute the agreement on behalf of the authority;
- (o) that the proposed timeline attached as an appendix to the report, containing the order and dates for each consultation and decision point relating to the detailed business case development for Property Services, Regulatory Services and Internal Audit be approved;
- (p) that the establishment of a Joint Appointments Committee with appropriate terms of reference in relation to the appointment of the proposed Head of Regulatory Services be approved on the basis the Committee comprises one member of each participating Council ;
- (q) that the consequential amendments to the Council's Constitution to reflect the Shared Services arrangements be approved.

137/09 **MEDIUM TERM FINANCIAL PLAN 2010/2011 TO 2012/2013**

The Cabinet considered a report on the Medium Term Financial Plan 2010/2011 to 2012/2013 relating to revenue and capital expenditure.

The Portfolio Holder for Resources referred to the current position relating to the Medium Term Financial Plan and to the proposal to produce an Older Persons Directory of Services at a one off cost of £8,000 as included in Appendix A. It was proposed and agreed that this should be designated as a high pressure rather than a medium pressure and should be funded from balances. Reference was also made to additional capital expenditure required as a result of the agreement in principle of the WETT programme proposals as referred to in Minute No. 136/09 above.

RECOMMENDED:

- (a) that the budget pressures identified as high in Appendix A of the report (now including the Older Persons Directory) be included within the Medium Term Financial Plan as follows:

2010/11	£100,000
2011/12	£69,000
2012/13	£69,000

- (b) that the budget pressures identified as unavoidable in Appendix B of the report be included within the Medium Term Financial Plan as follows:

2010/11	£725,000
2011/12	£699,000
2012/13	£677,000

- (c) that the savings identified in Appendix C of the report be included within the Medium Term Financial Plan as follows:

2010/11	£1,088,000
2011/12	£1,348,000
2012/13	£1,787,000

- (d) that the capital bids identified as high in Appendix D (i) of the report (now including the WETT programme proposals) be included within the Medium Term Financial Plan as follows:

2010/11	£365,000
2011/12	£140,000
2012/13	£110,000

- (e) that the use of reserves totalling £593,000 as set out in Appendix E of the report be approved;
- (f) that the virements as set out in Appendix F of the report be approved; and
- (g) that the efficiency savings to be delivered during the period of the Medium Term Financial Plan as set out in Appendix D of the report be noted.

138/09 **COMPREHENSIVE AREA ASSESSMENT (CAA) - ORGANISATIONAL ASSESSMENT**

The Cabinet considered a report on the Audit Commission's Organisational Assessment of the Council. It was noted that under the new Comprehensive Area Assessment the Council was described as "performing adequately" which equated to "fair" under the Comprehensive Performance Assessment.

RECOMMENDED that the Audit Commission's report be noted, in particular the areas identified for improvement which will be included within the 2010/2013 Council Plan and the 2010/2011 Improvement Plan.

139/09 **INVESTIGATION COSTS**

Consideration was given to a report requesting approval for the transfer of funds of £45,000 from balances to cover the costs relating to the investigation and hearings into the complaints made to the Standards Committee arising from the Council meeting on 29th July 2009.

RECOMMENDED that £45,000 be transferred from balances to meet the costs relating to the investigation and hearings into complaints made to the Standards Committee following the Council meeting on 29th July 2009.

140/09 **PROGRAMME OF COUNCIL AND COMMITTEE MEETINGS 2010/2011**

Consideration was given to a report containing the proposed programme of Council and Committee meetings for 2010/2011.

The Portfolio Holder for Resources proposed that the responsibility for considering and formally approving the Council's Statement of Accounts be transferred from the Audit Board to the full Council and referred to the necessary amendment to the programme of meetings.

RECOMMENDED:

- (a) that the Committee Programme for 2010/2011 as set out at Appendix 1 to the report be approved;

- (b) that authority be delegated to the Head of Legal, Equalities and Democratic Services, in consultation with the Leader and relevant Portfolio Holder, to agree the programme of Council and Committee meetings for future years; and
- (c) that the responsibility for considering and formally approving by resolution the Council's Statement of Accounts in accordance with Regulation 10 (3) of the Accounts and Audit Regulations 2003 be transferred from the Audit Board to the full Council; and that, as a consequence, the proposed June meeting of the Council be changed to 30th June 2010.

141/09 **DOLPHIN CENTRE - TRANSFER OF MANAGEMENT TO A LEISURE TRUST**

Consideration was given to a report outlining the case for re-opening discussions with Wychavon Leisure and Community Association Limited (WLCAL) regarding the transfer of the management of the Dolphin Centre to the Trust. Following discussion it was

RECOMMENDED that negotiations be completed to enable the transfer of the management of the Dolphin Centre to WLCAL to take place, based on the production of a business case that meets the savings proposed in the Medium Term Financial Plan and on a range of targets that will further improve the efficiency of the Dolphin Centre.

RESOLVED:

- (a) that authority be delegated to the relevant Executive Director, the Deputy Head of Street Scene and Waste Management and the Section 151 Officer to undertake negotiations with WLCAL and subject to the production of a satisfactory business case, complete the transfer of the Dolphin Centre to WLCAL by 1st April 2010;
- (b) that authority be delegated to the relevant Executive Director to sign on behalf of the Council the agreements required to effect the transfer;
- (c) that authority be delegated to the Head of Legal, Equalities and Democratic Services in consultation with the relevant Executive Director to undertake negotiations with WLCAL to agree a suitable lease and to execute it on behalf of the Council.

142/09 **PERFORMANCE REPORT (NOVEMBER 2009)**

The Cabinet considered a report on the Council's performance as at 30th November 2009 (period 8). It was recognised that the action undertaken in order to address the performance in relation to sickness absence levels had been effective and that levels of sickness absence were now showing a reduction.

RESOLVED:

- (a) that it be noted that 47 percent of Performance Indicators were stable or improving;

- (b) that it be noted that 76 percent of Performance Indicators that had a target were meeting their target as at the month end and 90 percent were projected to meet their target at the year end;
- (c) that the performance figures for November 2009 as set out in the report be noted;
- (d) that the particular areas of improvement as set out in section 3.5 of the report be noted;
- (e) that it be noted there are no particular areas of concern at present.

143/09 **IMPROVEMENT PLAN EXCEPTION REPORT (NOVEMBER 2009)**

Consideration was given to the Improvement Plan Exception report for November 2009 together with the corrective action being taken.

RESOLVED:

- (a) that the revisions to the Improvement Plan Exception report together with the corrective action being taken be approved;
- (b) that it be noted that for the 95 actions highlighted for November within the plan 74.7 percent were on target (green), 5.3% was one month behind (amber) and 2.1% was over one month behind (red). In addition it was noted that 17.9% of actions had been reprogrammed or suspended with approval.

The meeting closed at 7.17 p.m.

Chairman

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Agenda Item 8

THERE ARE NO ENCLOSURES FOR THIS AGENDA ITEM

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Agenda Item 9

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Agenda Item 10

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Agenda Item 11

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LICENSING COMMITTEE – 7TH SEPTEMBER 2009

RECOMMENDATIONS TO THE COUNCIL

STREET TRADING CONSENT

The Licensing Committee has considered a report which reviewed the Council's policy in respect of Street Trading Consent, including the proposed fee structure. The Committee agreed to extend the designated Consent Streets area to cover the whole of Bromsgrove District, with the exception of Bromsgrove High Street and surrounding streets which were designated as Prohibited Streets. The Committee also approved a revised Street Trading Policy including model conditions in respect of Street Trading consents. It was further agreed that applications for Street Trading Consents which do not fall within the Street Trading Policy or those in respect of which objections are received will be determined by the Licensing (Miscellaneous) Sub-Committee. The Sub-Committee will also determine revocations of Street Trading Consents.

The proposed fee structure for Street Trading Consents is detailed in the attached appendix. This also includes details of the fees charged by neighbouring authorities as reported to the Licensing Committee.

The report considered by the Licensing Committee also proposed amendments to the current delegation to the Head of Planning and Environment Services in respect of street trading licences so as to reflect the relevant legislation better.

RECOMMENDED:

- (a) that the Council approves and adopts the proposed fee structure (as set out in the appendix hereto);
- (b) that the Scheme of Delegation be revised in respect of street trading as follows:
 - (i) to authorise the Head of Planning and Environment Services to be responsible for inspections of premises to ensure compliance with street trading consent legislation, Council Policy and any conditions attached to a consent; and
 - (ii) to authorise the Head of Planning and Environment Services to determine applications for consents for street trading in consent areas designated by the Council.

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APPENDIX

STREET TRADING CONSENT – FEE STRUCTURE

It is proposed that the following fees will apply:

- Annual Street Trading Consent - £552.00 per annum
- Occasional Street Trading Consent - £25 per day

Should a consent be refused, surrendered or revoked, the Council is under a duty to remit or refund the whole or part of any fee paid. It is proposed that any refund of the application fee is pro-rata depending on the remainder of the term left on the consent, less an administration fee of £25.00.

The fees charged by neighbouring authorities are as follows:

Wychavon District Council	Hot Food	£564 per annum
	Cold Food	£396 per annum
	Non food	£564 per annum
	Renewal fee	£206 per annum
	Occasional consent up to one calendar month	10% of appropriate charge
Worcester City Council	Single Unit 10x10	£3168 per annum
	Single unit over 10x10	£5884 per annum
	Day fee	£58 plus £16 per additional trading day
	Mobile traders	£87 per annum
Wyre Forest District Council	Mobile traders	£572 per annum
Redditch Borough Council	Mobile traders (They have not issued an annual consent)	£84 plus VAT per trading day

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BROMSGROVE DISTRICT COUNCIL

REPORT OF THE INDEPENDENT REMUNERATION PANEL ON MEMBERS' ALLOWANCES FOR 2010/11

1. Introduction

- 1.1 In accordance with statutory requirements the Independent Remuneration Panel was appointed by the Council to consider and make recommendations on Members' Allowances. The Panel has agreed that it wishes to continue to review and make recommendations on an annual basis.
- 1.2 The Council has a duty to have regard to the recommendations made to it by the Panel before it agrees any amendments to the Council's Scheme of Members' Allowances.
- 1.3 This report presents the Panel's recommendations on Members' Allowances for the 2010/11 financial year. In reaching its conclusions the Panel has taken into account the prevailing economic climate and a wish to be fair and equitable to both councillors and local Council Tax payers.

2. Summary of Recommendations

The Panel unanimously recommends:

- (1) That based on the new simpler formula as set out in section 4.9 of the report, the Basic Allowance payable to every Member of the Council be increased by 1% from £3,640 to £3,676.40 for 2010/11.
- (2) That a new Special Responsibility Allowance be payable for the position of Chairman of the Joint Overview and Scrutiny Committee and the level of payment for 2010/11 be set as shown in the table at recommendation (3) below;
- (3) That based on a multiplier of the Basic Allowance for 2010/11, the following levels of Special Responsibility Allowances be payable in 2010/11, representing an average increase of 1%:

Position	Current SRA	Multiplier of Basic Allowance	Recommended SRA for 2010/11
Leader of the Council	£7,385 plus £132 x number of members of their group (total = £10,817)	2.972	£10,925.17
Minority Group Leaders	£132 x number of members of their group	0.036	£133.32 x number of members of their group
Deputy Leader	£6,594	1.812	£6,660.36

Position	Current SRA	Multiplier of Basic Allowance	Recommended SRA for 2010/11
Other Cabinet Members	£4,748	1.305	£4,796.16
Chairman of Planning Committee	£3,429	0.942	£3,463.26
Chairman of Performance Management Board	£3,165	0.870	£3,197.10
Chairmen of Overview Board and Scrutiny Board	£3,165	0.870	£3,197.10
Chairman of Joint Overview and Scrutiny Board	N/A	0.435	£1,598.55
Chairman of Audit Board	£1,055	0.435*	£1,598.55*
<i>(* subject to caveat in 5.5.2)</i>			
Chairman of Standards Committee <i>(to be paid as a co-optee's allowance to independent person)</i>	£1,829	0.503	£1,847.56
Chairmen of Overview and Scrutiny Task Groups	£211 (payable on completion of task)	0.058	£213.14 (payable on completion of task)
Members of Overview and Scrutiny Task Groups	£106 (payable on completion of task)	0.029	£107.09 (payable on completion of task)
Chairman of Licensing Committee	£106 per meeting	0.029	£107.09 per meeting
Chairman of Licensing Sub-Committee	£106 per meeting	0.029	£107.09 per meeting
Chairman of Standards Sub-Committee <i>(to be paid as a co-optee's allowance to independent persons excluding the Chairman of the parent Committee)</i>	£106 per meeting	0.029	£107.09 per meeting
Chairman of Appeals Committee	£106 per meeting	0.029	£107.09 per meeting
Chairman of Electoral Matters Committee	£106 per meeting	0.029	£107.09 per meeting
Chairman of Appointments Committee	£106 per meeting	0.029	£107.09 per meeting

- (4) That for 2010/11, travelling expenses for approved duties be paid at a mileage rate of 40p per mile irrespective of vehicle engine capacity; and that the cycling allowance be payable at the same mileage rate as for vehicles for 2010/11 and beyond.
- (5) That no change be made to subsistence allowances for 2010/11.

3. **Background**

- 3.1 The Panel held a series of meetings during October to December 2009 to undertake the review of allowances for the 2010/11 financial year. We were pleased to note that since our last review the Council had achieved a Fair Comprehensive Performance Assessment (CPA) rating.
- 3.2 During our review we were supplied with benchmarking information as to the level of allowances paid by a family group of similar district councils and those paid by the other district councils within the County. All the benchmarked councils had a CPA rating of Fair, Good or Excellent (we recognise that future comparisons will need to relate to outcomes under the new Comprehensive Area Assessment regime).
- 3.3 In line with the consultation arrangements adopted in recent years, we had intended to meet collectively with Group Leaders and/or their representatives. However, in response to specific requests, we agreed to have an individual meeting with representatives from each Group. Accordingly we met separately with Councillors S. R. Peters and D. L. Pardoe, representing the Independents and Wythall Residents' Coalition; Councillor P. M. McDonald, Leader of the Labour Group; and Councillors R. Hollingworth and G. N. Denaro, Leader and Deputy Leader of the Conservative Group. We would like to formally express our thanks to these Members.
- 3.4 As in previous years, the Panel wishes to re-affirm its view that people who seek Council office should do so out of a sense of public service and not purely for the remuneration that may be available. However, the Panel also believes that the time and effort put in by councillors should be recognised and rewarded.

4. **Basic Allowance**

- 4.1 The Council is reminded that Basic Allowance is payable to all Members of the Council and is intended to recognise the time commitment of all councillors, including calls on their time such as meetings with officers, constituents, political group meetings, etc.
- 4.2 Last year the Panel recommended a formula for the calculation of Basic Allowance based on a commonly adopted approach of:
hours for the job x rate for the job x public service contribution.
- 4.3 The Panel's formula also included a 'sensitivity factor' as part of the 'hours for the job' element. This was because the Panel recognised that small increases to individual elements of the formula, once multiplied, could have a compound effect and thus lead to the calculation of significant future increases in the level of Basic Allowance.

4.4 The Panel acknowledges that including the 'sensitivity factor' within the formula last year made it difficult to understand and explain. Last year we indicated that we would keep the formula under review and we now recognise that a simpler formula would be more transparent and easier for councillors and the public to understand.

4.5 ***'Hours for the job'***

Last year the Panel was guided by the findings of the 2006 Councillor Census undertaken on behalf of the Local Government Association and the Improvement and Development Agency. This year the Panel has been guided by the 2008 Councillor Census (published in January 2009). For the Census councillors were asked to indicate how much time they spent on attending meetings or committees; engaging with constituents, conducting surgeries and answering enquiries; and other council business such as external meetings, travel, training events or seminars. The average time for a shire district councillor amounted to 18.5 hours.

4.6 ***'Rate for the job'***

Last year the Panel chose to adopt the average (median) hourly earnings for 2008 for the West Midlands as published by the Office of National Statistics. The Panel has re-considered this element of the formula and taken into account views expressed during the consultation meetings. The Panel has now chosen to adopt the national minimum wage (currently £5.80) as the 'rate for the job'. In reaching this conclusion the Panel has also taken into account the level of annual percentage increases in the national minimum wage in recent years.

4.7 ***'Public service contribution'***

4.7.1 This is the proportion of councillors' time that is considered voluntary service (i.e. not remunerated). The Government Guidance stresses that it is important that some element of the work of councillors continues to be voluntary. This must be balanced against the need to ensure that financial loss is not suffered by councillors.

4.7.2 Last year the Panel chose to adopt a public service contribution of 50% which was based on benchmarking with a small sample of other family group councils who had adopted a formula approach. The Panel has re-considered this element of the formula and taken into account the contents of a paper '*Members Remuneration*' published by the Councillors Commission in December 2007 which stated that the public service discount most often used is 30-33% (although it could vary from 25-50%). For illustration, this means that if a councillor spends 18 hours per week on Council business then 6 hours of this would be deemed voluntary.

4.8 The Panel is mindful of the current economic climate and during its deliberations the rate of inflation was around 1% or less but with indications that this may increase in 2010/11. The Panel was also mindful that Council staff had received a national pay award of 1% during the current year. The Panel is also keen to retain the relative position of Bromsgrove Council's

allowances in comparison with other benchmarked councils. Under these circumstances the Panel felt that an increase of around 1% in Basic Allowance would be appropriate.

- 4.9 In summary, the new formula adopted by the Panel for the calculation of Basic Allowance for 2010/11 is:

(18.5 hours less 34.11% public service contribution) x £5.80 x 52 weeks = **£3,676.40***

**** This equates to a 1% increase in Basic Allowance.***

- 4.10 In the new formula the public service contribution is shown as 34.11%. In general terms, this means that Bromsgrove councillors would be remunerated for two-thirds of the notional 18.5 hours spent on Council business, whilst a third of that time would be treated as a voluntary public service contribution.

- 4.11 *The Panel wishes to highlight that very small changes to the public service contribution can significantly affect the outcome. Rounding down the percentage figure would increase the Basic Allowance further; whilst any increase to the percentage figure would reduce the Basic Allowance. For example, a slightly reduced figure of 33% would generate an increase in Basic Allowance of 2.71%. A slightly higher figure of 35% would generate a reduction of -3.6%.*

- 4.12 The new formula and particularly the public service discount element will be kept under review by the Panel to determine future changes to the level of Basic Allowance. Any changes desired by the Council would need to be referred to the Panel for consideration.

5. **Special Responsibility Allowances**

- 5.1 In order to calculate the recommended levels of Special Responsibility Allowance (SRA) payable for various positions in 2010/11, the Panel has applied a multiplier based on the recommended level of Basic Allowance. This approach will lead to an average increase of 1% in SRAs.

- 5.2 In reviewing SRAs the Panel was broadly satisfied with the established differentials between the various positions for which an SRA is payable and with the multipliers that it had recommended last year. As with last year the Panel has avoided rounding up or down the multiplier as this would lead to discrepancies in the percentage increases. This has ensured a consistent approach which is fair to the various positions of responsibility. In addition, the Panel does not wish to elevate the Council's SRAs to a level way above similar councils and again is mindful of the economic climate.

5.3 **Chairman of Joint Overview and Scrutiny Board**

- 5.3.1 The Panel's attention has been drawn to the establishment of a new Joint Overview and Scrutiny Board and to the specific functions allocated to this Board which include scrutiny of the Council's budgets, councillor Calls for Action and scrutiny of the Crime and Disorder Reduction Partnership. The Panel has taken into account the likely number meetings per year of the Board and the related time, effort and responsibility required of its Chairman.

5.3.2 We recommend that an SRA be attached to this post and that this be equivalent to 50% of the SRA payable to the Chairmen of the Overview and Scrutiny Boards.

5.4 Overview and Scrutiny Task Groups

5.4.1 The Panel has re-considered the question of whether an SRA should be payable to those Members who serve on Overview and Scrutiny Task Groups. At present an SRA is payable to such Members.

5.4.2 The Panel is aware that Members volunteer to serve on Task Groups and that in doing so they are required to attend a number of meetings within a short period of time to enable a Task Group to complete its scrutiny exercise. We recognise that those who choose to participate in Task Groups incur additional time and effort above and beyond those councillors who refrain from such involvement. We therefore consider that an SRA should continue to be payable to each Member who serves on a Task Group.

5.5 Chairman of the Audit Board

5.5.1 The Panel has re-considered the level of SRA payable to the Chairman of the Audit Board. For the current year the level of SRA for the Chairman of the Audit Board was reduced to the equivalent of one third of that payable to the other Board Chairmen, having previously been paid at the same level. This reduction was based on the frequency of Audit Board meetings compared to the other Boards.

5.5.2 Having taken into the account that the Audit Board now meets around 6 times per year (rather than 4 times as reported last year) and this year has been given additional responsibility for approval of the Council's Statement of Accounts, the Panel is now of the view that the SRA payable to the Chairman of this Board should be increased to half that payable to other Board Chairmen. However, should this responsibility change, the Panel recommends that the SRA payable should revert to being paid at a level equivalent to one third of that payable to the other Board Chairmen.

5.6 Minority Group Leaders

5.6.1 The Panel has noted that, following a decision made at the meeting of the full Council on 18th November 2009, the role of Leader of the Opposition has ceased to exist and therefore we no longer need to recommend an SRA for this position.

5.6.2 The Panel has given further consideration to the SRAs payable to minority group leaders and has concluded that the current arrangement of an SRA payable according to the size of the group membership should continue. We would point out that SRAs for minority group leaders have been included within the Council's Members' Allowances Scheme for the past 6 years and that it is not uncommon for other councils to pay SRAs for such positions.

5.6.3 The 2003 Members' Allowances Regulations require that where members of an authority are divided into at least two political groups and a majority of members belong to the same political group (the controlling group), an SRA shall be paid to at least one member who is not a member of the controlling group and who has special responsibilities as a leader/deputy of a political group or acts as a spokesman of a political group on a committee.

5.7 **Licensing Sub-Committees**

5.7.1 The Panel has noted that the former Taxi Licensing Sub-Committee has been replaced with two new fixed membership Licensing (Miscellaneous) Sub-Committees A and B which have broader terms of reference including taxi licensing, street trading consents and various other licence applications.

5.7.2 The list of SRAs currently includes a payment per meeting for chairing meetings of Licensing Sub-Committees. Previously this included the Taxi Licensing Sub-Committee and the Licensing Sub-Committee (which deals with deals with matters under the Licensing Act 2003 and Gambling Act 2005). During the current municipal year the use of this SRA has been extended to include meetings of the new Licensing (Miscellaneous) Sub-committees A and B. It is intended that this practice will continue.

5.8 **Other Developments**

5.8.1 Last year the Panel recommended that an SRA should be not payable for a new post of Shadow Portfolio Holder. We note that this role has now ceased to exist.

5.8.2 The Panel has also noted the decision taken by the Cabinet on 2nd December 2009 with regard to the cessation of Local Neighbourhood Partnerships (LNPs). The Panel had previously recommended that no SRA be payable to the Chairman of LNPs as they were not formally constituted committees of the Council.

5.8.3 The Panel is aware that the Council will, in due course, consider a report on the Local Government and Public Involvement in Health Act 2007 in order to form a view on the executive arrangements it wishes to adopt and the extent (if any) to which decision-making powers are to be delegated to individual Members. The Panel will take account of any developments as part of its future reviews of allowances.

6. **Travelling and Subsistence Allowances**

6.1 Under the 2003 Members' Allowances Regulations there is local discretion as to the payment of travelling allowances. Based on a previous recommendation from the Panel, the Council's Scheme of Members' Allowances has for several years provided that travelling expenses will be paid at the same mileage rates agreed for Council staff by the National Joint Committee, and that such rates will be increased annually in line with staff rates. The mileage rates currently payable vary according to vehicle engine size. At present all Members who claim travelling allowances are paid at the top rate of 60.1p per mile for vehicles of 1200cc and over. In accordance with current Inland Revenue rules, 40p of this rate is tax-free

- 6.2 In view of the current economic climate, the Council's commitment to climate change and comments made during the consultation meetings, the Panel has re-considered the question of travelling expenses for councillors. The Panel now recommends that travelling allowances be paid at a flat rate of 40p per mile in 2010/11, irrespective of vehicle engine size.
- 6.3 In addition, the Panel recommends that the current cycling allowance (20p per mile) be increased and be paid at the same rate as for vehicles for 2010/11 and beyond.
- 6.4 During our consultation meetings we received representations with regard to the possibility of introducing an enhanced travelling allowance for Members representing the relatively large geographic Wards. However, we noted that the criteria for the payment of travelling allowances as set out in the 2003 Members' Allowances Regulations does not include general Ward-based duties and therefore the Panel cannot make a recommendation in this regard.
- 6.5 Having taken into account the changes made in recent years to the list of "approved duties" which qualify for the payment of travelling and subsistence allowances, the Panel does not wish to recommend any further changes for 2010/11.
- 6.6 Having reviewed the levels of subsistence allowance payable under the Council's Scheme of Allowances, the Panel does not wish to recommend any further increases for 2010/11. This will be the second year that such allowances have remained unchanged.

7. **Conclusion**

- 7.1 The Panel wishes to reiterate that, as was the case last year, we have taken into account the economic climate and we are aware of the financial constraints facing Bromsgrove District Council and other councils. Under these circumstances we have striven to be fair to councillors and local Council Tax payers. We unanimously commend our recommendations to the Council for approval.

Independent Remuneration Panel
16th December 2009

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