

Worcestershire  
**Regulatory Services**

*Supporting and protecting you*

# **Service Plan**

## **2013/14**

# **Worcestershire Regulatory Services Vision**

"That Worcestershire is a healthy, safe and fair place to live, where businesses can thrive"

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## EXECUTIVE SUMMARY

This is the third annual service plan produced by Worcestershire Regulatory Services and it broadly follows the format of the previous plans.

The plan outlines how the service will operate over the following 12 months to deliver on both national and local priorities, some of which are highlighted in the plan, and what activities the service will carry out to achieve or address those priorities and how success will be measured (performance measures relating to outcomes appendix C).

The service will enter 2013/14 with a total agreed budget of £5,626,000 the same as the previous financial year but a reduction in real terms as the service will have to fund all pay increases together with increases due to inflationary pressure on the non salary budget.

A medium term financial strategy has been developed which involves the service continuing to make small additional savings where possible whilst expanding the potential commercial activities of the service to bring in additional income. The service will also look to attract new partners to the existing arrangement and to consider carrying out work for other councils.

To date the service has achieved total savings of **24% against the business case target of 17.5%** and will continue to seek further savings.

The service is realistic about the current financial landscape and is pragmatic regarding the level of further potential savings that partners may require but proposes a more business orientated commercial approach to increase income to assist partners avoid having to make budget reductions at a level which might affect current levels of service delivery.

In making decisions regarding service delivery the service will risk assess taking into account the following criteria:

- a) Are vulnerable people impacted?
- b) Are health and Wellbeing issues involved?
- c) Is there a positive/ negative impact on the local economy?

There are two changes from last year's service plan which are of significance:

- 1) A section has been included on income generation which explains how the service is proposing to develop a range of commercial products to generate income for the service thus offsetting/reducing costs for partners. A detailed business plan is under development which will be brought before members at a later date.
- 2) The activities and outcome measures section has been rationalised from last year by combining and rewriting several of the outcomes and actions to arrive at a smaller number overall. The service will still be broadly carrying out the same activities and measuring the outcomes in the same way as last year.

## 1. INTRODUCTION

This is the third formal annual service plan to be produced by Worcestershire Regulatory Services and only the second since the co-location of all staff at Wyatt House in Worcester. It follows a similar format to the previous plans with the addition of an executive summary, with much of the detail in appendices that follow on from the commentary. It covers a single year, 2013/14, with the exception of the potential options for commercial activities which we are currently considering, and a business plan will be developed covering a 3 year period for this activity. Given the current financial uncertainties after this year and since 2014/15 represents the beginning of a new 3 year budget cycle this was agreed as appropriate by Management Board.

2012/13 was a very busy but successful year for WRS dominated by the tendering and appointment of IDOX as the successful bidder to supply WRS with a single IT platform. The service has continued to evolve and transformation activity has been virtually completed, resulting in further restructuring and staff reduction. The current structure appears at Appendix A.

The budget for 2013/14 has been agreed at £5, 626,000, the same as 2012/13 but representing a fall in real terms as the service has to provide for pay increases and inflation from within this amount. At current rates, we estimate inflation to be around 3%. Also, within this settlement, the service will be looking at a pilot with Worcester City officers that will examine the possibility of providing that authority alone with a financial saving during the year. However, the service is aware of the news of the amended government settlement for next year, the proposed settlement for 2014/15 and the adverse impacts that will result from these on a number of partners. The service faces the same challenges that face all of local government over the next few years but is in a strong position to meet those challenges through an agenda of growth.

To meet the challenges of increasing pressure on budgets coupled with an increase in demand in many areas of work, the service has developed a medium term financial strategy to meet the challenges which includes:

- a) Continuing to make small additional savings in the existing budget where possible
- b) Expanding the service's commercial activities to bring additional income to the partnership to offset potential budget reductions
- c) Look for new partners to join the current arrangement
- d) Expand the number of primary authority agreements operated by the service to increase income
- e) Consider taking on a private sector partner to deliver 'outsourced' work for other Councils.

Senior Managers from the service are currently working with the Management Board looking at how to facilitate the commercial activities mentioned above. The service is developing an additional three year business plan which will highlight how the service is going to take forward the above aims, the business model required, and how this extra income is likely to impact on the current service.

## **2. OPERATING ENVIRONMENT**

At the national level the external environment in which the Service operates continues to face unprecedented challenges. The Government continues to seek a less interventionist society where voluntarism is a strong feature and de-regulation is a key part of its agenda.

This does however need to be balanced with the need to protect and support the most vulnerable in our society, ensure that the general health and wellbeing of the community is protected and also ensure, wherever we can, that the economic vitality and growth is maintained. To meet these aims we must ensure our services are targeted, proportional and effective.

There are a number of legislative changes, plus government and European policy initiatives, which will potentially increase demand and affect the operation of WRS over the next few years. The key issues are summarised in appendix D. A Strategic Assessment has also been undertaken which can be made available to members on request.

The wider impact of poor economic growth may also be seen through the increased cutting of corners by businesses as they seek to survive in this current tough environment, for example keeping food for longer than is safe or extending use by dates, and a growth in the informal economy as people seek to make their money go further by buying cheaper products, including counterfeit and contraband items. Thus, we may see a double impact of increasing demand and need for our services at a time when the resources for delivery are falling drastically as recently highlighted by the horse meat scandal. This will be occurring at a time when our budgets and those of partners will come under increasing pressure and significant reductions in budget may become necessary. This will certainly lead to changes in the focus of resources and significant changes in the scope of service delivery.

These changes to demand, budgets and government initiatives will be taking place at a time of continued austerity and increased scrutiny of public service activities by both our regulators and the public. The lack of available funding is likely to be a key to shaping the service going forward. The service is likely to face challenging funding reductions and will seek to minimise the impact of this where it can by increased efficiencies where possible, and by looking to generate income to assist partners offset some of the affect of budget reductions. Income generation and attracting new partners is considered as part of the Finance section of the plan.

## **3. STRATEGIC PRIORITIES**

The Government tasked the BDRO (Better Regulation Delivery Office) with developing Priority Regulatory Outcomes for England for local authorities to consider when undertaking their service planning processes. Published in May 2011, the list is as follows:

1. Support economic growth, especially in small businesses, by ensuring a fair, responsible and competitive trading environment
2. Protect the environment for future generations including tackling the threats and impacts of climate change
3. Improve quality of life and wellbeing by ensuring clean and safe neighbourhoods
4. Help people to live healthier lives by preventing ill health and harm and promoting public health
5. Ensure a safe, healthy and sustainable food chain for the benefits of consumers and the rural economy

These are much less prescriptive than the previous priorities (Roger's Priorities,) and reflect the more localist approach favoured by the current government. The aim of these priorities is to help local authority regulators demonstrate their links to the main corporate priorities of their parent councils and, by being less prescriptive, to give those authorities a better opportunity to shape what is delivered to local need. They are not dissimilar from the priorities previously created by the service for this purpose and still dove-tail well with the priorities in the various Sustainable Community Strategies produced by the seven partners across Worcestershire.

#### **4. LOCAL PRIORITIES**

The Worcestershire Sustainable Community Strategy has three over-arching priorities:

- § A skilled and prosperous economy,
- § An environment that is cherished and resilient
- § Improving health and well-being.

**Worcester City's** has three priority areas, two of which are the economy and the environment, obviously aiming to improve performance in relation to both. The third, communities, has a number of aspects relating to wider health and well being issues.

In **Malvern Hills** the focus is on reducing inequalities, including health inequalities, reducing the impact of environmental issues including flooding and the wider impact of rurality on its communities.

**Wyre Forest** is close to the county with a prosperous economy, improved environment and improved health being the key aspects, with educational attainment as a fourth, which probably links nicely into better jobs and the economy.

**Redditch** is similar to Wyre Forest with reduced health inequalities, increased economic prosperity, better educational attainment and a focus on areas of deprivation.

**Bromsgrove** is similar to Worcester City, focusing on economic growth and improved environment with their third priority, balanced communities, including a range of things that relate to the broad health and well being agenda.

**Wychavon's** strategy includes improving the economy, developing skills and lifelong learning. Health and well-being is included along with support for older people and encouraging communities, especially young people to become more involved in their communities.

So, whilst the wording is slightly different, there are enough commonalities and similarities across the seven partners, such that the BRDO strategic priorities will enable us to engage with issues that matter across the districts and at county level. Malvern Hills priorities are slightly different from the other partners but the health inequalities link will allow us to align our activities with this aspect. Also, we know from the Department of Health's Health framework documents that employment and income can be a key determinant of health so the economic aspects of our work can be linked via this.

The service will also have the flexibility to engage with members and other stakeholders to identify any truly local priorities which may not easily fit into any of the above and this may for example cover issues around licensing and levels of enforcement of certain provisions

In taking into account the affect of the potentially challenging budget reductions and how the service can deliver against national and local priorities, there is no question that changes in service delivery will be an inevitable consequence of further significant funding reductions. The service will need to prioritise what is delivered, to whom and how.

To assist in this decision making, a risk matrix is under development which identifies 3 key criteria to consider when making decision on service provision:

- a) Are vulnerable people impacted
- b) Are there Health and Well Being issues involved
- c) Is there a positive/negative impact on economic activity

Care must also be taken to ensure that, whenever possible, demand which can no longer be met is simply not re-directed to partners in other ways e.g. complaints, and that partners do not then face challenges relating to whether they are meeting their statutory obligations.

The service is also working with the BRDO on a pilot to carry out an Economic Impact Assessment for Regulatory services to enable us to put a financial value or benefit to the work we do within the local community and especially how this benefits local business. This will be an important tool to inform members and other stakeholders considering potential changes in service delivery.

## **5. PURPOSES**

Following our detailed transformation work our service is more customer-focused and, after a lot of consultation with both businesses and the public, WRS has now established 3 purposes which will be used to underpin the way in which the Service is delivered in the future. There are two sub-purposes, in brackets below, which add further clarity to our role.

1. Help me resolve my problem (and stop it from happening to anyone else)
2. I want to assume everything is ok
3. Help me trade well (and ensure my competitors do the same).

These purposes are expressed in terms a customer might use and provide a focus for staff. They will form the basis for reporting performance of the Service focussed on outcomes and have been agreed by the Joint Committee. These purposes, combined with the priorities outlined by BRDO, encapsulate the Service's contribution to the wider community agenda, reflecting as they do the broad themes relevant to all partners.

## **6. FINANCE**

A summary of the budget position for 2013/14 is shown at Appendix B. It assumes a full contribution from Worcester City currently, but this may change dependant on the outcome of the Worcester City requested pilot to find further City specific savings from the WRS approved budget. This table only shows the main sub-categories of expenditure within the Service. A more detailed breakdown will be available to the Joint Committee in its regular financial reports.

## 7. INCOME GENERATION

A number of initiatives will be considered looking at how the service can generate income to off-set some of the budget cuts that the service is likely to face in the future. This off-setting is unlikely to prevent changes in service delivery if the budget reductions are at the levels anticipated (20% plus,) but it will allow the service to maintain a critical mass of staff to support wider service delivery.

Having said this, care must be taken to fully investigate the impact of any potential changes in service delivery to ensure that they do not result in costs elsewhere within partner organisations, as in many areas of our work it is impossible to reduce the demand for services. For example, a failure to investigate a nuisance that subsequently is successfully taken to Court by a resident could result in costs against the Authority concerned either as an Ombudsman penalty or through civil litigation. There will also be a need to identify a resource within each partner to deal with the likely increased dissatisfaction with the scaling back or non delivery of certain aspects of the service.

Income generation could result from a number of activities:

- i. Expanding the partnership to include new partners
- ii. Developing products and services that can be sold to businesses. Currently advice is provided free of charge, in many cases going beyond what the minimum statutory requirement would be for service delivery. Businesses value this element of service and there may be the opportunity to expand this
- iii. Offering to provide services to other local authorities. WRS has strength in a number of areas and would be well placed to bid for outsourced regulatory services from other authorities. This may involve working with a strategic partner.

A market analysis has been commissioned, which will report on the nature and size of the potential markets and what if any barriers to entry exist. This market analysis will shape our strategy moving forward and has influenced the development of the business objectives. Senior Managers are working with the Management Board on a possible plan for delivery, which may involve some sort of trading entity linked to the service.

A 3 year business plan is under development which will incorporate the findings of the above survey and will enable us to identify what markets exist and provide information on how we can plan to enter these markets. It must also be noted that WRS already produces and effectively sells some products mainly in the field of training e.g. food hygiene training for persons working within the food industry (currently provided on a cost recovery basis)

It should be noted however that WRS will be entering a competitive arena with a number of potential rivals, some already established in the market. Other new entrants such as WRS will recognise the opportunity including other local authorities. With the continued and increasing financial pressures that many Local Authorities will find themselves having to deal with, we predict that alternative delivery models will be considered by those Local Authorities. WRS is uniquely placed to take advantage of these new markets. New skill sets will be required to be successful in such an environment and we will be looking to develop some of these skills internally. However, purchasing these skills or working in partnership with a private sector organisation may prove to be the most effective way of moving forward and provide a useful source of finance for developing the concept.

## **8. AUDIT ARRANGEMENTS**

The Internal Audit Service will be provided under the current arrangement by Worcester City Council to the Host Authority. The participating authorities S151 Officers will consider the Audit Plan of the Host to ensure adequate arrangements are in place. An assurance statement and copies of relevant Audit reports will be made available to the S151 officers when audits are undertaken. External Auditors appointed by our hosts will provide an Audit opinion of the Joint Arrangement as a separate entity to the Host's financial reports.

The Financial Statement of Accounts will be presented to the Joint Committee in June for approval within the statutory deadline. Member Authorities will liaise about requests from their Overview and Scrutiny Committees and Audit Committees. They will use reasonable endeavours to agree joint scrutiny arrangements with a view to avoiding duplication of effort

## **9. ACTIVITIES & OUTCOME MEASURES**

The activities outlined below are examples of what is planned by the service, the success of which is measured by the suite of outcome measures listed in Appendix C. We believe that this will give Members the confidence that the Service is performing well, within the current financial constraints, and contributing to the wider local agenda. The approach is very much in line with Government thinking in terms of reducing burdens on and supporting local businesses whilst tackling rogues who would ignore their responsibilities and criminals who use business as a model for generating criminal assets. It also addresses the significant demand that comes into the service as complaints, covering a wide range of issues and concerns from residents, visitors and businesses within Worcestershire. The wording of a number of the outcomes below has been amended slightly to clarify what the service is seeking to achieve.

	<b>OUTCOME</b>	<b>WHAT WE WILL DO</b>	<b>PURPOSE</b>	<b>NATIONAL PRIORITY</b>	<b>MEASURES</b>
1	Businesses are supported to become successful and compliant (IPPC, H&S, Food, Fair Trading, Licensing)	<p>Provide businesses with advice and assistance using a range of channels.</p> <p>Conduct risk based/ intelligence-led interventions with businesses; targeting resources towards potentially non-compliant businesses</p> <p>Undertake intelligence led projects including sampling of various consumer products including food.</p> <p>Develop Commercial Products that businesses would be willing to pay for that would enhance business performance</p>	<p>I want to assume everything is ok.</p> <p>Help me trade well</p>	<b>1, 2, 3 and 5</b>	<p>% businesses meeting purpose at first assessment/ inspection</p> <p>% of service requests where resolution is achieved to business satisfaction</p> <p>% of food businesses scoring 0,1,2* at 1<sup>st</sup> April each year</p>
2	Doorstep crime is tackled and older people are supported and feel safer in their homes	<p>Respond to complaints and take appropriate action</p> <p>Promote alternative to doorstep interaction e.g. Trader Register</p> <p>Share intelligence with Police and other partners</p> <p>Participate in multi-agency events e.g. Rogue Trader Day</p>	<p>Help me to solve my problem</p> <p>I want to assume everything is ok.</p> <p>Help me to trade well</p>	<b>1 and 3</b>	% of service requests where resolution is achieved to customers satisfaction

3	Reduced number of complaints about businesses in Worcestershire, improving the local economy	Respond to complaints and take appropriate action  Provide businesses with advice and assistance	Help me to solve my problem	1	% of service requests where resolution is achieved to customers satisfaction  % of service requests where resolution is achieved to business satisfaction  Value (£) of contracts that are subject to intervention by officers on behalf of customers.
4	Reduction in nuisance and other pollution related issues	Respond to complaints and take appropriate action  Provide relevant advice and information, available through a range of channels.	Help me to solve my problem  Help me trade well	2 and 3	% of service requests where resolution is achieved to customers satisfaction
5	Air quality standards are met/ air is safe to breath	Undertake monitoring and develop action plans if required	I want to assume everything is ok	2 and 4	Action plans are in place where necessary
6	Reduced environmental emissions leading to reduced environmental damage	Conduct risk based/ intelligence-led interventions with businesses, especially permitted premises	I want to assume everything is ok	2	% businesses meeting purpose at first assessment/ inspection
7	Licensed premises cause no significant alcohol-fuelled crime/ disorder and ASB.	Respond to complaints regarding alcohol and similar licensing related issues e.g. underage sales, breach of conditions, poor conduct of licence holders, etc.  Provide businesses with advice and assistance	I want to assume everything is ok  Help me to solve my problem  Help me trade well	1 and 3	% of licensed businesses subject to allegations of not upholding the 4 licensing objectives
8	Taxi's drivers are suitable people to be licensed for the role and vehicles are safe whilst in use for Hackney Carriage / Private Hire activity	Conduct risk based/ intelligence-led interventions with taxi firms  Respond to complaints and take appropriate action  Provide businesses with advice and assistance	I want to assume everything is ok  Help me to solve my problem  Help me trade well	3	% of applicants for driver licenses rejected as not fit and proper  % of vehicles found to be defective whilst in service

9	Better educated, more aware consumers, who are more confident and make better informed choices	Respond to complaints within service scope as appropriate  Provide relevant advice and information, available through a range of channels.	Help me to solve my problem	<b>1</b>	% of service requests where customer indicates they feel better equipped to deal with issues themselves in future
10	Consumers able to make informed choices on where to eat or purchase food through published food hygiene ratings.	Implement and promote a county wide food hygiene rating scheme  Publish hygiene ratings and accrediting those which improve health and wellbeing of their workforce.	I want to assume everything is ok  Help me trade well	<b>4 and 5</b>	% businesses meeting purpose at first assessment/ inspection
11	High levels of customer satisfaction	Respond to complaints and take appropriate action  Enabling customer access to services, where possible, by their chosen means  Getting it right first time so, where possible, we deal with customers through a single contact  Maintain a register of compliments and complaints with actions taken	Help me to solve my problem  Help me trade well	<b>1, 2, 3 and 5</b>	% of service requests where resolution is achieved to customers satisfaction  % of service requests where resolution is achieved to business satisfaction
13	Having engaged and satisfied staff who have the right skills, tools and support	Develop a training plan  Undertake annual staff survey.  Undertake annual staff performance reviews with regular feedback sessions from supervisors and managers	All officers must be able to undertake work relating to the three purposes	<b>1, 2, 3, 4 and 5</b>	Staff sickness and absence at public sector national average or better  % of staff who enjoy working for WRS

14	<p>Maintained preparedness for response to emergencies, including disease outbreaks.</p> <p>Maintenance of profitability in farming industry and consumer confidence in its products</p>	<p>Take part in partner exercises to test plans, as appropriate</p> <p>Conduct risk based/ intelligence-led interventions with businesses</p> <p>Respond to disease notifications and outbreaks</p> <p>Respond to complaints regarding farmed animal welfare</p>	<p>I want to assume everything is ok</p> <p>Help me to solve my problem</p> <p>Help me trade well</p>	<p><b>1 and 5</b></p>	<p>Disease response plans are maintained, reviewed and updated on a regular basis</p> <p>Business Continuity plans are maintained, reviewed and updated on a regular basis</p> <p>% businesses meeting purpose at first assessment/ inspection</p>
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## 10. PERFORMANCE REPORTING

Performance against outcomes will be reported to Management Board and Joint Committee quarterly, six-monthly or annually, depending on the measure. It should however be noted that the new single IT platform will enable for the first time the collection and analysis of measures data which will be both accurate and robust. It is hoped that the system will be available from 1<sup>st</sup> April 2013 for use however all elements are unlikely to be functional before 1<sup>st</sup> July 2013. Members will continue to be engaged so that we can update the type and extent of performance and activity type information required by them to feel that the service is delivering what is required.

## 11. STRUCTURE

During 2012 the structure of senior management was finalised, with the permanent appointment of Mark Kay to the second Business Manager post in August. The year also saw the departure of two Team Managers at the level below. Given the budget situation, neither of these officers was replaced, which led to the requirement to carry out a mini re-structuring, resulting in the new structure shown at appendix A. The service is well aware of some concerns over management capacity but given the current financial pressures, now is not the time to replace like for like. However if the commercialisation of WRS progresses it is likely that a Commercial Manager post will be needed to support this new area of work, full budget consideration will be given.

In deciding how the service may be best delivered to meet the purposes of customers, the new structure comprises of a mixture of geographical and central teams as follows:

- 1) Two Geographical Teams operating East and West dealing with a broad range of environmental health and trading standards work
- 2) The Central Operations team dealing with Animal Health, Air Quality and Contaminated Land, Dog Wardens and overseeing pest control
- 3) The Licensing Team dealing with all administrative aspects of licensing, (and taxi related enforcement, supported by the other teams.)
- 4) Strategic Services Team covering Planning, Env. Permitting, Health and Well-Being, Manufacturer/ Importer/ multi-site business support.

The East/West split still offers a better balance of workloads for our teams compared with the commonly used North: South alignment.

## **12. TRAINING AND DEVELOPMENT OF MULTI-FUNCTIONAL TEAMS**

Initial thinking when developing the service was that multi-functional officers could provide a wider range of options for intervention creating a more cost effective service. What we are beginning to see from our activities is that where an activity requires good communication skills but can be undertaken with limited technical knowledge, a wide range of officers can undertake this work. Domestic nuisance complaints are probably the best example of this type of activity and they represent quite a large volume of reactive work. However, as soon as technical knowledge becomes a significant input into an activity, it requires a person with higher levels of competence to undertake this. So other activities, for example consumer civil legal advice, industrial noise nuisance investigation, food factory inspection, all need both good communication skills and a high degree of competence to ensure correct legal process is followed and accurate legal advice is given. Hence, they require staff with significantly better specialist knowledge.

Similarly, with proactive work, businesses tend to fall into different spheres of influence, where the main focus of regulatory interest is either Food Hygiene/ Health and Safety/ Pollution or Food Standards/ Product Safety/ Fair Trading/ Weights and Measures. This fits with an assessment by the Trading Standards Service in Essex, where there was only a 3% overlap in businesses commonly contacted by both district EH teams and the county TS service. Given the key messages from businesses seem to be that they want a single point of contact, knowledgeable about the things that matter, it seems likely that their main contact will be either an officer with an Environmental Health background or an officer with a Trading Standards background.

We will continue to test these ideas going forward, mainly with our two geographic teams. Those two Managers will deal with demand in their areas without calling on staff from the other team, unless it is necessary, so prioritising activities and directing resource accordingly. This will help to show how far we can push our concept of making staff more generic and how helpful this actually is to service delivery.

We will continue to use the BRDO toolkit (RDNA) to support our officers in identifying the gaps in their competence. This tool, based on a model used by the Health and Safety Executive, has yet to provide a comprehensive suite of modules covering all local authority regulatory work, but there are plans to make this a reality over the coming year or two. The original modules (covering Food (Hygiene and Standards,) Weights and Measures, Health and Safety at Work and Animal Health are available along with a core Regulatory Skills module and a Leadership module for managers,) have been supplemented with further modules covering Fair Trading, some elements of Pollution Control and Product Safety. BRDO are continuing to look for support from local authority services to complete the suite of modules and the toolkit is likely to feature in the Department for Business, Innovation and Skills (BIS) plan to replace the statutory weights and measures qualification. Currently, the only aspect of Trading Standards work with a specific qualification requirement is Weights and Measures, and BIS are seeking to replace this with one based on a code of practice which comprehensively covers all of BIS's legislative areas (Products Safety, Fair Trading, Weights and Measures, Credit, Underage Sales, etc). In addition a number of 'in house' technical training days are held to support cross training and increase awareness of the different professions knowledge base. This is proving to be a cost effective way of increasing the skills base of our work force and will therefore continue over the next 12 months and beyond as appropriate. The leadership team will continue its leadership development programme to increase business knowledge and improve leadership through strategic awareness.

## **13. BUSINESS CONTINUITY**

Business continuity plans for the service are in development and we hope to take these through the process of Management Board and Joint Committee for information during 2013/14.

#### **14. LOCAL ENTERPRISE PARTNERSHIPS**

The year has seen the service increasingly engaged with the two Local Enterprise Partnerships (Greater Birmingham and Solihull, and Worcestershire,) with the aim of improving our relationships with local businesses, identifying their needs with a view to contributing to the growth of the local economy. The Business Charter for Regulators, launched during 2012 in both LEPs, clearly outlines the relationship that we are seeking to have with the business community in Worcestershire. We are currently engaged in a jointly funded project with the Worcestershire LEP which will seek to improve further the engagement of local businesses with WRS and highlight areas where we can assist them to trade well.

#### **15. OTHER PARTNERSHIPS**

The service continues to need to work closely with a range of partners to deliver what is required against a number of agendas. The importance of the seven local authority partners is recognised and we will continue to maintain our existing interfaces with other elements of these organisations e.g. Planning, Worcestershire Hub, Economic Development teams, etc. Customer demand will have a significant impact on the nature of these interfaces as we move the service forward. Close partnership working with a range of professional and community groups is key to further developing the service to deliver the outcomes required. Key partners for engagement include:

- West Mercia Police
- Hereford & Worcester Fire & Rescue Service
- The Environment Agency
- The Health and Safety Executive
- Health Protection Agency (will eventually return to the Department of Health)
- Local Partnership bodies e.g. District Crime and Disorder Reduction Partnerships (often known as Community Safety Partnerships)
- Citizens Advice Consumer Service, local Citizens Advice Bureaux and other 3<sup>rd</sup> sector organisations
- GP Consortia and Public Health team at the County Council
- Regional Regulatory Partnerships and National Bodies (TSI, ACTSO, NTSB, CIEH).
- West Mercia Police and Crime Commissioner

Existing links to these bodies will be maintained, along with our commitment to other groups operating under the umbrella of the Worcestershire Partnership.

#### **16. CONSULTATION/ ENGAGEMENT**

In relation to national consultations on legislative changes, we will address these through the relevant professional channels at both local and regional level. We will continue to engage local members in relation to local policy issues, especially around licensing matters. Some of the key areas for 2013/14 are mentioned in the Operating Environment description in Appendix D.

For general engagement with the wider community of elected members, we will provide at least 3 Member Newsletters per year so that all are updated on the various activities that the service undertakes across the County. We will try to make this information specific to districts where it is relevant to reassure members that our activities are seeking to protect everyone and support businesses across the whole of Worcestershire. Licensing specific newsletters will also be produced for committee members and these may be more frequent due to the nature of this function.

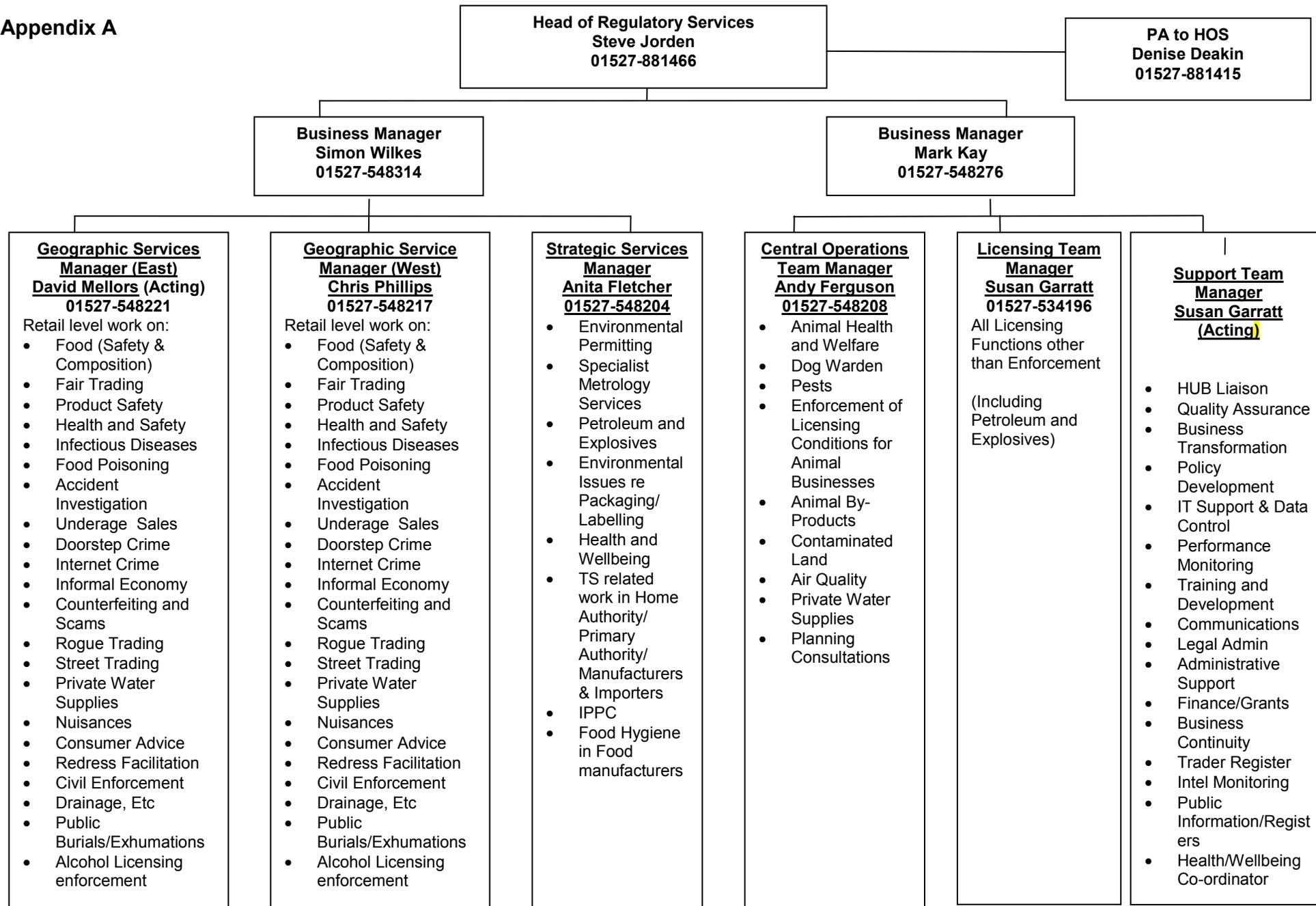
In terms of customer engagement, we will continue to work with colleagues at both the Worcestershire LEP and the Greater Birmingham and Solihull LEP on engaging with our business customers to improve our ability to address their needs. The approach outlined in our business charter will provide the basis for our interactions with the business community. We will continue to survey those businesses subject to interventions to identify how to improve and to help ensure businesses remain satisfied with our performance. We have also commissioned some work from the County Council's Research and Intelligence Team to look at the market for paid for business support service relating to regulation to help the service shape any commercial offering that WRS may wish to put into the market.

For members of the public, we will continue to survey customers who have used the service to look at how we dealt with their issues, not only from a satisfaction point of view, but also to see if they feel better equipped to deal with future problems. Helping people to help themselves is at the heart of "the Big Society" model of public service engagement and it is essential we move people down this route and reduce the expectation that we will always do it for them. We are currently looking at ways of engaging the wider public in relation to priorities for service delivery in the future. In the past, elements of the service have engaged with focus groups from the Worcestershire Citizens Panel and had questions in the various surveys run via this arrangement. We are looking at how we might use this process once again to get a picture of which aspects of our activities the general public regard as most important.

## **17. RISKS**

The service risk register is completed and has been approved by Management Board. It is included in the service forward plan so it is reviewed routinely at Board meetings by exception and fully on an annual basis. Therefore no other mention of risk will be included in this plan. A copy of the current Risk Register is appended at Appendix E.

**Appendix A**



## Appendix B: Regulatory Services Budget Table 2013/14

Revenue Budget	£ x 1000
Employees	4150
Premises	194
Transport	215
Supplies & Service	647
Contractors	423
Income	-3
<b>Total</b>	<b>5626</b>

## Appendix C: Performance Measures Relating to Outcomes

	Measure	Reporting Frequency	What Good looks Like
1	% of service requests where resolution is achieved to customers satisfaction	Quarterly	Stable or Improving trend from baseline year 1
2	% of service requests where resolution is achieved to business satisfaction	Quarterly	Stable or Improving trend from baseline year 1
3	% businesses meeting purpose at first assessment/ inspection	Annually	Stable or Improving trend from baseline year 1
4	% of food businesses scoring 0,1 or 2 at 1 <sup>st</sup> April each year	Annually	Stable or Improving trend from baseline year 1
5	Value (£) of contracts that are subject to intervention by officers on behalf of customers.	Annually	Stable or Improving trend from baseline year 1
6	Air Quality Action plans put in place where necessary to support delivery of improvement	Annually	Work completed
7	% of applicants for driver licenses rejected as not fit and proper	6-monthly	Stable or Improving trend from baseline year 1
8	% of vehicles found to be defective whilst in service	6-monthly	Stable or Improving trend from baseline year 1
9	% of service requests where customer indicates they feel better equipped to deal with issues themselves in future	Quarterly	Stable or Improving trend from baseline year 1
10	Review of register of complaints and compliments	Quarterly	Increasing compliments/ Reduced complaints
11	Staff sickness absence at public sector average or better	Quarterly	Average 8.75 or better
12	% of staff who enjoy working for WRS	Annually	Stable or Improving trend from baseline year 1

## Appendix D: Operating Environment

Government initiatives and policy changes likely to impact in the short to medium term.

### 1. “Better Regulation” agenda

The Government response to their consultation titled “Transforming Regulatory Outcomes” outlined where they felt this agenda needed to be taken. There was a clear dichotomy in Government’s view of local authority regulatory activity. BIS’s report stated *“there is evidence of good practice of regulators and business working together on compliance, there are too many areas where on the enforcement of regulation is heavy-handed, inefficient, overly prescriptive and culturally risk-averse,”* and, *“None of this should be taken as overlooking the important role regulation plays, safeguarding public health, for example, or protecting consumers and the environment”*.

The dominant view was and still is one of local authority regulators being a burden on business, introducing unnecessary bureaucracy in a risk-averse way that hinders economic growth. The Government view is that greater accountability; recognising and promoting good practice and greater transparency should form the basis of their strategy to improve the outcomes of enforcement activity. The report does recognise local authorities are

*“...responsible for securing compliance with a large and diverse range of regulations. They also provide support and high quality tailored advice of the kind which is particularly important to smaller business” and “Local regulatory professionals can provide low cost authoritative advice that can make a real difference to the way that local businesses operate.”*

Key changes expected in the next 1- 2 years from Government remain:

- The introduction of a web based tool to collect information and views on regulators and enforcement (including local authorities);
- A review of all regulators to see where fundamental reform is required but a specific requirement that “they want a **sharp** reduction in overall unnecessary inspections and have a presumption that regulators primary role is to help businesses comply rather than to penalise them for not doing so”. It is clear that central government enforcement agencies will be subject to a rolling programme of these reviews and that these will impact on local authorities due to changing policies or guidance, but it is not clear if/how any reviews will be applied directly to local authorities;
- Publication of data listing all regulators, size, budget, level of activity including numbers of inspections and prosecutions and business views on behaviour and performance. Again there is no clarity as yet as to how this will apply to local authorities;
- Increasing focus on the Primary Authority (PA) scheme and Local Enterprise Partnerships as being critical going forward. In particular they quote LEPS as having, *“...a lead role in transforming the way that regulation impacts at a local level”*. WRS is looking to engage both of the LEPS that our constituent authorities are supporting and we will look at the best ways to engage. PA is view by Government as a positive measure (i.e. where a local authority provides support and guidance to a business with its head office in its area and this advice must be borne in mind by other regulators,) and the way to address many of the perceived issues of businesses and government;

- An extension of the PA scheme to cover other business models not currently covered (e.g. franchises, trade associations etc), an extension in scope to include age-related sales including gambling and knives. A pilot extension of PA into fire safety. At this point there is no intention to extend it to the Licensing Act due to concern raised by police and local authorities about the loss of local decision making and accountability BUT the report states "*..we will continue to consider this issue carefully in consultation with local authorities and the police, including the consideration of a pilot within existing legislation*".
- The devil will be in the detail in relation to such an implementation and WRS will contribute to any further consultations on implementation;
- The Government also want to promote the role of co-regulation (i.e. the formal sharing of responsibility for compliance between the state and third parties). They state that "*businesses should be rewarded for consistently good behaviour for example by reducing the burden of inspections*". WRS is seeking to deploy this approach for those areas where it is felt possible to make it work but also recognises that co-regulation is a misnomer in some areas (e.g. rogue trading, counterfeiting, etc). Primary authority is again quoted by Government as a key tool in delivering this vision. However, it is possible that both elected members and the public may express concerns about businesses not receiving inspections at their historical frequency and the closeness of the relationship engendered by the PA scheme between business and the regulator;
- A review and reinforcement of the Regulators Compliance Code.

## **2. Review of the Consumer Landscape**

The Department of Business, Innovation and Skills (BIS) consulted on major changes to the consumer protection landscape in Great Britain during 2011/12 and many of these developments have occurred in 2012. Radical changes to the provision of consumer information, advice, education, and advocacy have taken place, with the Citizens Advice organisation becoming the lead agency for much of this work. They have taken over the running of a number of consumer advice call centres previously run by Consumer Direct and now being run on the Citizens Advice Consumer Service (CACS) umbrella. All consumer protection functions delivered regionally/nationally under various BIS direct grants (Illegal Money-lending and Scambuster teams,) and some work currently done by the Office of Fair Trading (OFT) are in the process of being delegated for delivery through the National Trading Standards Board (NTSB). A Shadow Board consisting of the former Trading Standards Policy Forum, supported by a Programme Office run on NTSB's behalf by the Association of Chief Trading Standards Officers, is currently overseeing the transfer of some functions, with the establishment of the E-Crime Unit, to be run by the Yorkshire and Humberside Trading Standards Authorities, being the first piece commissioned to be delivered by lead council trading standards services or groups of trading standards services working together. Further elements like the OFT's work on Estate Agency will follow, with the OFT as we know it ceasing to exist on 1<sup>st</sup> April 2014 at which point a Chair of the NTSB will have been appointed and the Competition and Markets Authority will take over other OFT work.

WRS is currently represented on the Shadow Board, along with the other West Midlands authorities by the Chair of CEnTSA (Central England Trading Standards Authorities,) who is currently the Head of Trading Standards in Walsall. These changes will require all Trading Standards Services to focus on working with partners in the area and ensure WRS's voice is heard at the national level via its Board representative.

These changes do not in any way affect the vast majority of Trading Standards work which will continue to be wholly delivered, funded and managed locally by councils, but it will have a big impact, and increase local authority control over, regionally and nationally delivered consumer protection work which helps Worcestershire residents in terms of dealing with loan sharks, internet frauds, major scams, etc. The delegation of functions from the OFT may also give WRS, with the support of our neighbours in CEnTSA, to bid to deliver elements of the OFT's functions on the national stage, which may assist in some of our cost off-setting activities.

### **3. Consumer Credit Regime**

The control regime for Consumer Credit will move from the Office of Fair Trading to the Financial Services Authority, which will, as part of this process, become known as the Financial Conduct Authority. The Consumer Credit Act 1974 has performed well but many in the industry now regard it as being outdated and inflexible. Some elements of the Act will remain so that some aspects of misconduct will retain criminal sanction, however, much of the current regime legislation (Regulations and Orders,) will be replaced by a handbook regime akin to that under which other financial services like mortgages and other financial securities are sold. Simon Wilkes, WRS Business Manager, has been representing the Association of Chief Trading Standards Officers during the initial consultation process, which will continue in the coming year. The new regime will commence on 1<sup>st</sup> April 2014, with a transitional period through to 1<sup>st</sup> April 2016. The Financial Services Authority is keen that local authorities continue to work locally with businesses and consumers, that they continue their commitments in relation to illegal money-lending controls and that they remain active partners within the control regime going forward.

### **4. Age Restricted Sales**

The Better Regulation Deliver Office (BRDO) have published a framework of principles clarifying responsibilities of all parties affected by sales of age-restricted products and are developing a new code of practice.

The responsibilities of regulators focus on being transparent, targeted and proportionate and WRS already operates in this way so this is unlikely to impact on our approach. However as yet the detail of the Code has not been published, nor is it clear whether or not the Government intend to make it voluntary and mandatory. This could affect the enforcement of age restricted sales legislation in all areas from next year.

### **5. Macdonald Report Into Farming Regulation**

The Farming Regulation Task Force made over 200 recommendations to DEFRA which are still working their way through the system. It concluded that ***“DEFRA, its agencies and delivery partners need to establish an entirely new approach to regulation, including a tighter risk based approach to regulation, rewarding good practice with less frequent inspection.”***

The Government has highlighted a range of developments that may change how WRS undertakes its on-farm regulation over the coming years, including:

- A review all key areas of farming regulation over the next 2 years
- an increasing emphasis on partnership approaches
- Improving Inspections through Earned Recognition
- Improved data sharing between local authorities and DEFRA
- Services and guidance will be on-line where possible

- Changes to the Nitrates Directive and the Integrated Pollution Prevention and Control regime for farms.
- Development of E-reporting of sheep movements
- Possible changes to livestock standstill controls in the event of a disease outbreak. Animal Health (formerly the State Veterinary Service) continues to express concerns regarding the disease profile in Europe and the apparent march westwards on various notifiable diseases. There is currently significant concern in relation to a number of the horse diseases which, if they arrived in the UK, could cause significant disruption and financial damage to the horse racing industry and its associated activities.

## **6. Public Health and the Health & Well-being Agenda**

Due to changes brought about by the Health and Social Care Act 2012, responsibility for public health in Worcestershire moves to The County Council and Clinical Commissioning Groups on 1<sup>st</sup> April 2013. This correspondingly sees the demise of the local Primary Care Trust. The new statutory responsibilities placed on the County Council will be discharged via the newly established Worcestershire Health and Well-being Board; the forum where local leaders will come together to improve the health and wellbeing of our population.

Through widespread consultation, the Board have developed and published Worcestershire's Joint Health and Well-being Strategy (the Strategy) which is a statement of the Board's vision, priorities and goals for 2012-15, based on the findings of the Joint Strategic Needs Assessment. The Strategy provides a basis for the public to hold local organisations to account for achieving the stated outcomes. The Strategy recognises the need for joined up action to tackle issues that will benefit from multi-agency working and the Board will work with all partners, including Worcestershire Regulatory Services, to help align policies, services, resources and activities with the Strategy.

The Board's vision is that ***Worcestershire residents are healthier, live longer and have a better quality of life, especially those communities and groups whose health is currently poorest.*** Its priorities are:

- Older people and management of long term conditions
- Mental health
- Obesity
- Alcohol

A key threat to our health and well-being is the growing burden of lifestyle related ill-health, particularly obesity and excess alcohol consumption, which is placing growing pressure on health and social care services. Two thirds of adults in Worcestershire and one third of children at eleven years old are overweight. One in five adults drink alcohol at a level which poses a risk to their health and nearly half of 11-15 year olds have drunk alcohol. Smoking is on the decline but a fifth of adults continue to smoke.

To meet this challenge, WRS will contribute to initiatives around prevention, early intervention and early help to preserve people's health and independence and avoid the need for expensive medical treatments and specialist services.

## **7. Changes to Powers**

The Consumer Rights Bill is expected to contain provision to simplify and rationalise many different sets of powers which are currently contained in a plethora of different legislation covered by the Department for Business, Innovation and Skills (BIS). This is claimed to be partly to assist

officers in ensuring that powers are common across Acts, however part of the driver is undoubtedly the Home Office's remit to protect public freedoms and to reduce and limit powers of entry unless they are necessary.

The Home Office has published guidance on this and each Department of State will be required to review any legislation with powers that fall within its remit and establish if those powers are proportionate to what is sought to be achieved. Concerns have been expressed that through this process, government will seek to remove the local authority officer's ability to enter some premises without a court warrant and to limit the exercise of unannounced entry powers (entering to inspect without pre-obtained permission,) to situations where officers have reason to believe offences have been committed. Indeed, the Home Office's guidance makes it quite clear that this should be the default position.

This would limit officer's ability to undertake unannounced inspection activity. As yet the detail is not entirely clear but, from the response to the consultation process, it seems almost certain that BIS will:

- Require officers to obtain a magistrates entry warrant before going unannounced into premises, part of which is used as a domestic dwelling,
- Remove the right of entry without permission unless an officer has reason to believe an offence has been committed.

This will not impact on officer's ability to purchase or sample products without announcing who they are, however, it may curtail officer's ability to undertake unannounced inspection for weights and measures, product safety and fair trading functions. Given the changes in approach to delivering these Trading Standards functions, by becoming more intelligence led, we believe that these changes will have limited implications.

The Home Office also seems to accept that, where an EU Directive requires unannounced inspection as part of the enforcement regime, this overrides their view, so the Food enforcement regime should be unaffected by these changes. It does however create an interesting conundrum where an officer can enter premises unannounced to inspect food, but not any BIS-regulated product sold or practice undertaken in a shop.

## **8. Food Standards Agency Fundamental Review Of Enforcement**

A change at the top of the Food Standards Agency has led to the feeling that this process will not be the threat originally envisaged to local authority involvement in the food enforcement regime. Previously concerns were expressed that the Agency was looking at options to centralise activities totally, creating its own inspectorate to undertake Food Hygiene, Food Standards (Composition and Labelling) and Animal Feed (Hygiene, Composition and Labelling) enforcement work. These are the three aspects of our work currently overseen by the Food Standards Agency and upon which the Code of Practice and the Local Authority Enforcement Framework would have us report.

These latter two documents are likely to be reviewed significantly with the Code of Practice becoming slimmer and less prescriptive. There is still a possibility that the Agency will want to centralise Animal Feed related work. This is because various EU Feed and Veterinary Missions have been highly critical of the lack of activity being undertaken by local authorities on this aspect of work. There is a possibility that the FSA could seek to commission this work through the National Trading Standards Board (NTSB) mechanism, where it would be subject to bidding from local authority groups for funding to undertake the work in their wider regions.

### **9. Licensing Act 2003 – Changes to Fee-setting arrangements and consultation**

From 1<sup>st</sup> April 2013, the centralised approach to fee setting for the Licensing Act 2003 where central government set a fee structure based on the rateable value of properties will be revoked and local authorities will be able to set their own fees.

However, the usual caveat of fees being on a cost recovery basis only, which according to case law excludes the cost of enforcement activity, will apply. An initial examination of the current income against cost profile undertaken by officers would suggest that fees are unlikely to be affected anywhere in Worcestershire.

In 2014/15, the Licensing Act 2003 policies of all of the 6 district partners will be up for review. To ensure that this is done in a timely fashion, officers intend to begin the engagement process with local elected members towards the end of 2013/14 as a number of changes to the provisions of the Act will have to be included within the new policy documents.

### **10. IPPC - Reduced Burdens**

DEFRA seem keen to reduce the burdens on businesses operating permitted processes, however, we have yet to see a fully coherent stream emerge from the Department. Initial conversations with the Ministry have been more around what an acceptable reduction in the inspection regime from local authorities would look like, with DEFRA suggesting no adverse comment would be made if authorities undertook at least 70% of their scheduled visit related activity. This misses the point of government's de-regulation agenda and tallies poorly with the work undertaken by WRS in relation to systems thinking, which suggests that the vast majority of IPPC inspection is pointless and that the targeting of poorly performing premises based on intelligence and complaints, plus broader reviews of business activity to identify those operating processes illegally without permits ought to be the priorities. We will continue to lobby DEFRA to see if they are willing to adopt a more logical approach to regulation in this area.

### **11. Air Quality – Change to Delivery of function**

During 2012/13 it was suggested that there may be a change of location for the air quality function from lower tier to higher tier authorities. This was on the basis that the majority of air quality issues related to traffic management, a higher tier (County) function, so the separation of the two made it difficult to address the issue corporately. This has yet to appear on the legislative timetable but we will continue to monitor DEFRA's outputs to see if this is still on their agenda.

### **12. Health and Safety Executive – Change of emphasis away from inspection-based interventions**

With de-regulation and reducing burdens in mind, the Health and Safety Executive (HSE) has amended its guidance to local authorities to ensure that only those highest risk businesses are subject to intervention, with others being dealt with by other strategies. This approach has been adopted for the majority of Trading Standards related functions for a number of years and is likely to be continued in other areas of work like Food Safety.

**Appendix E: Risk Register**

**(See attached spreadsheets)**