

WORCESTERSHIRE DISTRICT COUNCILS AND COUNTY COUNCIL

WORCESTERSHIRE REGULATORY SERVICES

MEETING OF THE WORCESTERSHIRE SHARED SERVICES JOINT COMMITTEE

THURSDAY, 21ST NOVEMBER 2013 AT 4.35 P.M.

PRESENT: Councillors Mrs. B. Behan, R. Berry, A. N. Blagg, M. A. Bullivant (Vice-Chairman), R. Davis, Mrs. L. Denham, J. Fisher, P. Harrison, M. Hart (during Minute No's 24/13 to 32/13), Mrs. L. Hodgson (Chairman), D. Hughes, K. Jennings and C. B. Taylor

Observers: Worcestershire Regulatory Services Joint Scrutiny Task Group Members, Ms. A. Scarce and Ms. J. Bailey

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

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

22/13 **APOLOGIES**

An apology for absence was received from Councillor B. Clayton, Redditch Borough Council.

23/13 **DECLARATIONS OF INTEREST**

Councillor Mrs L. Denham, Worcester City Council informed Members that she was a Member of the Worcestershire Hub Shared Service Board.

24/13 **MINUTES**

The minutes of the meeting of the Worcestershire Shared Services Joint Committee held on 26th September 2013 were submitted.

RESOLVED that the minutes of the meeting of the Worcestershire Shared Services Joint Committee be approved as a correct record, subject to Mr. I. Pumfrey being shown as attending the meeting as the Chairman, Worcestershire Regulatory Services Management Board.

25/13 **ICT PROJECT UPDATE - VERBAL UPDATE FROM THE HEAD OF WORCESTERSHIRE REGULATORY SERVICES**

The Head of Worcestershire Regulatory Services (WRS) provided Members with a verbal update on the ICT Project. Members were informed that there had been a delay with data transfer due to staffing issues and that concerns

had been raised with the Managing Director, IDOX. Due to the concerns being raised there was now a dedicated support team to deal with data transfer. Therefore the data transfer should be transferred in days. The new system was the right system for the service and would enable officers to produce relevant reports for the Joint Committee.

26/13 **WORCESTERSHIRE REGULATORY SERVICES JOINT SCRUTINY ARRANGEMENTS - VERBAL UPDATE FROM THE HEAD OF WORCESTERSHIRE REGULATORY SERVICES**

The Head of Worcestershire Regulatory Services (WRS) provided Members with a verbal update on the WRS Joint Scrutiny Task Group. The Head of WRS was invited to attend the WRS Joint Scrutiny Task Group meeting held on 22nd October 2013. Task Group Members had raised questions with regard to:-

- Communication with Members
- Performance
- Governance, both Joint Committee and Management Board

The Worcestershire Shared Services Joint Committee Chairman and Vice-Chairman were being interviewed by Members of the WRS Joint Scrutiny Task Group at its meeting being held on 21st November 2013.

27/13 **FUTURE OF FIRST CONTACT ARRANGEMENTS FOR WORCESTERSHIRE REGULATORY SERVICES**

Members were provided with an update following the receipt of a letter from Councillor P. Swinburn, Chairman, Worcestershire Hub Shared Services (WHSS) Management Board received by the Chairman, Worcestershire Shared Services (WSS), Joint Committee, in respect of funding for the work WHSS undertook on behalf of Worcestershire Regulatory Services and the withdrawal of these services at the end of October 2013. The letter was presented as urgent business at the meeting of the WSS Joint Committee held on 26th September 2013.

The Head of Worcestershire Regulatory Services (WRS) introduced the report and in doing so informed Members that a report was submitted to the WRS Management Board regarding the customer demand received by the Worcestershire Hub Shared Service (WHSS) when administering enquiries on behalf of WRS. The report was instigated for two reasons, as detailed on page 11 of the report.

Customer demand for a range of WRS related enquiries had apparently increased significantly since the service was initially migrated and this appeared to have had a direct impact on the overall performance of the WHSS's Customer Contact Centre. This had necessitated a review of the amount WRS contributed to support first contacts. A number of options were presented to the WRS Management Board in order to respond to the immediate issues:-

- That WRS fund the number of Full Time Equivalent (FTE) in accordance to a performance level that was appropriate to the service;
- That WRS fund the number of FTE in accordance to a performance level that was appropriate to the service and that this level of FTE was reviewed in line with a development programme to increase self-service contacts;
- That WRS incorporate the call handling model into their service.

Before a decision around options was made the WRS Management Board requested further clarification around the data presented to ensure that it was an accurate reflection of total and genuine demand for the service. The agreed data was presented to the WRS Management Board on 30th October 2013, as detailed on page 12 of the report.

In the interim, WRS, in consultation with the WRS Management Board had agreed to fund an additional two FTE (full time equivalent) posts for WHSS to deal with the existing demand until March 2014. The cost of this was approximately £26,000.

During August and September 2013 WHSS staff who took WRS calls were asked to record them following a specified protocol. The table on page 12 of the report details the information recorded over the two month period.

Three Options, as detailed in the report, were presented to the WRS Management Board on 30th October 2013, as detailed in Appendix 1 to the report. Following discussion it was agreed that Option 3, to take the service in-house, was a realistic option that could be considered, although the risks would be placed on WRS to ensure the service was delivered to an acceptable standard. WRS Managers considered Option 3 would meet their strategic direction of travel, but they would have to seek funding support from partners to make this happen. It would also need to happen in parallel with the channel shift program so that, over time, the telephony commitment could be reduced, allowing partner contributions to first contact costs to be reduced.

WRS Managers were of the opinion that the in-house service would probably be staffed at the lower suggested level on the basis that direct support could be provided via professional staff from within WRS operating on a rota basis to directly support the first contact call handlers. This would over time increase the proportion of calls that could be dealt with at first point of contact, improving the customer experience and overall satisfaction.

The WRS Management Team was tasked to work with the WHSS to cost options for taking the service in-house and to work with the host authority Human Resources (HR) team to explore Option 3. A further report would therefore be presented to the WRS Management Board in December 2013. Joint Committee Members would be updated on the outcome of this report at their next meeting.

The Head of WRS further informed Members that the host authority had given assurances that their Shore-tel system was robust enough to cope with the increasing volume. However, there was a question over the portability of the

01905 number that had been broadcast for three years onto the Bromsgrove / Redditch 01527, exchange based system.

Significant implications in relation to TUPE transfer were highlighted as part of the move. These would need to be explored more by the host authority Human Resources (HR) team and the WHSS Management Board as to the eligibility criteria for staff. This would delay the implementation to allow for the relevant consultation periods. The WRS Management Board representative from Wychavon District Council had offered a benchmark figure of £125,000 per annum on which to judge the cost of in-house provision.

The Head of WRS responded to Members questions with regard to staffing levels and service delivery, more specifically the table detailed on page 13 of the report, which detailed the service standards likely to be achievable and the number of agents required. The Head of WRS was not convinced that 7 agents were required and was of the opinion that the channel shift program would help reduce demand and that 4/5 agents could deliver the service at an acceptable level, Monday to Friday between 9.00am and 5.00pm. If there was a demand for a Saturday service, WRS would be happy to provide it, but partner authorities would have to contribute.

The Head of WRS confirmed that a link on each partner authority website would be detailed in order to enable customers to access the WRS website directly.

RESOLVED that the report be noted.

28/13 **WORCESTERSHIRE REGULATORY SERVICES BUDGET MONITORING REPORT APRIL - SEPT 2013**

Members considered the Worcestershire Regulatory Services (WRS) Budget Monitoring Report for April to September 2013.

The Executive Director, Finance and Corporate Resources, Bromsgrove District Council highlighted the significant underspends across the service due to staff vacancies, long term sick and maternity levels which would generate savings of around £426,000 in 2013/2014. Members were asked to note that the £426,000 would be offset by an anticipated overspend on agency staffing of £438,000 due to additional costs impacting on 2013/2014, where there had been an increase for the service together with supporting the implementation of the new ICT system. The Executive Director, Finance and Corporate Resources explained that this would only be a cost in the current financial year and would not impact on future year's savings realisation.

The Head of WRS responded to Members' questions with regard to vacancies, long term sick, agency staff and the generated savings of around £426,000 and agreed to provide Members with a detailed breakdown of those savings.

The Executive Director, Finance and Corporate Resources further informed the Committee that the WRS Management Board had considered a report in relation to the number of calls and enquiries on behalf of WRS. It was evident that a significantly higher number were being answered than previously anticipated. The WRS Management Board had agreed that further funding for two staff from 1st November 2013 to 31st March 2014 be made available from WRS to assist with these additional costs.

RESOLVED that the financial position for the period April to September 2013 as detailed in the Worcestershire Regulatory Services Budget Monitoring Report be noted.

29/13 **WORCESTERSHIRE REGULATORY SERVICES BUDGET 2014 / 2015**

The Committee considered a report which detailed the proposed revenue and capital budget for Worcestershire Regulatory Services for 2014/2015.

The Executive Director, Finance & Corporate Resources, Bromsgrove District Council introduced the report and in doing so reminded Members of the lengthy report presented at the last Joint Committee meeting which detailed the costs associated with the "Health and Well Being" service and the duplication of these services across the County. It was agreed that within the Statement of Partner Requirements the functional activity of "Health and Well Being" would no longer be provided by Worcestershire Regulatory Services with effect from 1st April 2014.

The Executive Director, Finance & Corporate Resources, Bromsgrove District Council introduced the report and asked Members to note that the Worcestershire County Council (WCC) budget of £1,560,766 was subject to variation following discussions in relation to the proposed reduction for 2014/2015. As Members were aware WCC had recently presented a number of reductions to their budget over the next three years. Included within the proposals was a significant reduction to the Regulatory Services (mainly Trading Standards) funding of £1.5 million. This cut was not factored into the current budget position. Due to the number of issues that this raised for WRS, the WRS Management Board had requested that a small working group comprising of Financial and Operational officers be tasked to examine the budget requirements and the financial costs associated with the delivery of savings.

The budget, as detailed at Appendix 1 to the report, was the position excluding any reduction from any partner authority. It was proposed that this was used as the basis for discussion with WCC with the aim to plan the required savings level for 2014/2015. Therefore there may be a variation to this budget and as a result of these discussions it may prove necessary to hold a special Joint Committee meeting in January 2014 to approve the revised 2014/2015 budget.

The Executive Director, Finance & Corporate Resources, Bromsgrove District Council responded to Members concerns with regard to approving the WRS Budget 2014/2015 for their participating authority. Councillor Mrs. L. Denham

Worcester City Council informed Members that Worcester City Council had not yet published their draft budget proposal position for 2014/2015 and could also be looking at potential savings on their contribution to WRS.

Further discussion followed on the impact of the proposed reduction from WCC on partner authorities and the commitment from partner authorities to approve the budget as presented.

Mr. I. Pumfrey, Chairman, WRS Management Board responded to Members concerns and highlighted that the Worcestershire Shared Services Partnership agreement protected partner authorities from any effects due to the financial WCC changes. Therefore the allocation, as detailed at Appendix 1 to the report, showed the final Budget for the six participating Councils to include the savings as reported.

Further discussion followed on the savings WCC were looking to achieve and the challenging times ahead for local authorities that were not anticipated. Mr. I. Pumfrey, Chairman, WRS Management Board responded to Members' questions with regard to the substantive one off costs and additional costs to be met by WCC, reiterating that the Worcestershire Shared Services Partnership agreement protected the other member authorities against any negative impact and that any substantive or one off costs would have to be met by WCC. Members were further informed that the WRS Management Board understood, that over the next three years, partners may want to reduce or vary their contributions, and would therefore be looking at 'ground rules' for those partners seeking changes to their budget contribution and service arrangements in order to make the process more manageable and transparent.

An alternative and additional Recommendation was put forward and the Chairman encouraged further debate on this. Following further discussion it was

RESOLVED:

- (a) that the revenue budget allocations for 2014/2015 for the District Councils, as detailed below be approved;

Bromsgrove	£492,193
Malvern	£415,639
Redditch	£581,474
Worcester City	£600,755
Wychavon	£754,516
Wyre Forest	£574,347
	£3,418,924

- (b) that the Worcestershire County Council budget of £1,560,766 was subject to variation following discussions in relation to the proposed reduction for 2014/2015, be noted, and
- (c) that an officer working group be set up to look (collectively) at the constraints and savings of all partner authorities and include in the three year financial plan.

30/13 **WORCESTERSHIRE REGULATORY SERVICES GROWTH POTENTIAL – STRATEGIC PARTNERSHIP**

Members were asked to consider a report which detailed further work undertaken to develop the growth potential of Worcestershire Regulatory Services.

The Head of Worcestershire Regulatory Services (WRS) provided Members with a brief presentation on WRS Growth Potential – Strategic Partnership.

The presentation covered:-

- Why pursue WRS growth?
- Benefits of WRS growth
- Implications of not growing
- What have we done so far?
- Strategic Partnering
- Issues to consider
- Time scales (indicative)
- Questions?

Following on from the presentation the Head of Worcestershire Regulatory Services (WRS) introduced the report and in doing so informed Members that WRS were seeking approval for the commencement of a procurement process to test the market for interest from commercial organisations in developing a strategic partnership for delivery of regulatory services. The Head of WRS highlighted that he would not be asking the Joint Committee for approval to test the market unless there was an interest.

A strategic partnership would provide a means of reducing the net cost of WRS to Joint Committee partner authorities whilst securing the capacity and resilience of WRS in an uncertain future climate. This would in turn directly support delivery of current WRS priorities.

The Head of WRS drew Members' attention to the costs involved in procuring a strategic partnership. These related to specialist legal advice and project management; and were estimated in the region of £20,000. These costs would be contained within the balance of funding available from WRS set up and ICT costs. There would also be significant staff resources required from the host authority.

The value of such a contract would require it to be procured by competitive dialogue under EU procurement rules. This process was likely to take approximately nine months from formal advertising of WRS requirements. WRS Management Board had therefore advised that this procurement process began at the earliest opportunity. The Head of WRS highlighted the timescales as detailed below:-

- Nov 2013 – Joint Committee agree to procurement exercise
- Dec 2013 – procurement process begins

- June 2014 – Joint Committee receive results of procurement process and proposal
- July-Sept 2014 – partners approve proposal and governance arrangements
- Oct 2014 – If approved, Implementation Plan starts

The Head of WRS responded to Members' questions with regard to the meetings with Counties and Districts, in the immediate vicinity, who had expressed an interest and why WRS had not been able to successfully close a deal.

The Chairman, WRS Management Board informed Members that the Management Board had reached the conclusion as the Head of WRS had implied, to seize the opportunity to develop a strategic partnership and take WRS skills to the open market by offering a blended package of WRS skills to other public sector organisations and commercial companies; this would benefit Joint Committee partner authorities. The right strategic partnership would help maintain WRS.

The Chairman, WRS Management Board further responded to Members concerns with the risks involved and in doing so, referred to page 34 of the report, that the adoption of a structured project management approach would balance these risks and ensure that the project was halted if the likelihood of successful procurement became unrealistic.

The Head of WRS suggested that an evaluation framework used to assess potential partners be developed and the agreed framework be brought back to the Joint Committee.

The Executive Director, Finance & Corporate Resources, Bromsgrove District Council informed Members that Joint Committee Members would be kept fully informed, with any final decisions resting with each partner authority. Any changes to the governance arrangements for the Joint Committee, as a result of successful procurement, would have to go back to each respective partner authority for consideration.

Having been put to the vote with a majority agreement it was

RESOLVED:

- (a) that the further work undertaken to develop the growth potential of Worcestershire Regulatory Services be noted;
- (b) that the commencement of a procurement process to test the market for interest from commercial organisations in developing a strategic partnership for delivery of regulatory services, be approved. With the proviso that should the costs involved exceed the agreed amount of £20,000 it be brought back to the Joint Committee; and
- (c) that, as requested, partner councils to identify, by 1st March 2014, additional regulatory functions to include within the scope of procurement of a strategic partnership.

31/13 **PERFORMANCE AND ACTIVITY DATA - QUARTER 1 & QUARTER 2**

The Committee considered a report which detailed the Worcestershire Regulatory Services (WRS) Activity Data for Quarter 1 and 2.

Mr. S. Wilkes, Business Manager, WRS introduced the report and in doing so drew Members' attention to page 42 of the report, Performance Measures, Measures 1 and 2. Members were informed there had been a reasonable return rate to the public survey of 23%. As detailed in the report the data showed a summer spike in nuisance complaints, 50% of nuisance complaints relate to noise nuisance, officers are aware from past experience that a good summer yields additional work. Mr. Wilkes responded to Members' questions with regard to page 53 of the report 'Time to Close Complaints' data and confirmed that the longer time to close a complaint generally indicated either a more difficult complaint or one which, by its nature, resulted in formal action.

The Head of WRS responded to Members questions in respect of:

- No comparative data on performance from previous years.
- No detailed information on telephone queries or data from the Worcestershire Hub.
- 'End to end' information, how long it takes to solve a problem.

The Head of WRS highlighted that the data presented was activity data. A streamlined suite of outcomes and measures had been agreed by Joint Committee Members in February 2013 and were detailed in the WRS Service Plan 2013/2014. The Head of WRS drew Members' attention to a recent invite, extended to all Joint Committee Members, to attend an 'Away Day' – Joint Management Board and Joint Committee Workshop to be held at Wychavon District Council on Monday 20th January 2014. The workshop would provide Joint Committee Members with the opportunity to determine what information was required for each partner authority.

RESOLVED that the Worcestershire Regulatory Services Activity Data Quarter 1 and 2 report be noted.

32/13 **WORCESTERSHIRE SHARED SERVICES JOINT COMMITTEE – PROPOSED MEETING DATES 2014 / 2015**

The Committee considered the proposed meeting dates scheduled for 2014/2015.

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

- Thursday 20th February 2014
- Thursday 26th June 2014 – Annual Meeting
- Thursday 25th September 2014
- Thursday 20th November 2014 – Budget Meeting
- Thursday 19th February 2015

The meeting closed at 6.55 p.m.

Worcestershire Shared Services Joint Committee
21st November 2013

Chairman