

Joint Committee: 19 February 2015

Creating and delivering a sustainable regulatory partnership for Worcestershire

Recommendation

The Joint Committee is recommended to:

1. Approve the proposals set out in this report for consultation with partner Councils, WRS staff and stakeholders and;
2. Receive a further report setting out detailed recommendations taking account of the consultation exercise at the June meeting of the Joint Committee.

Contribution to Priorities

Creating a sustainable regulatory partnership for Worcestershire will contribute directly to delivery of partner authorities' priorities for economic, social and environmental well-being, including the agreed priorities for WRS set out in the WRS Service Plan 2015/16.

Introduction / Summary

This report addresses the future of Worcestershire Regulatory Services following the recent unsuccessful procurement for a strategic partnership with a commercial organisation. It identifies the key pressures on the partner councils and how these impact upon sustainability of the partnership.

Options for creating and delivering a sustainable regulatory partnership are explored with recommendations made for changes to the future WRS business model, partnership agreement and how these may be implemented. These proposals also respond to recommendations 7, 8, 9 and 10 of the Joint Scrutiny Task Group June 2014, referred to officers by the Joint Committee on 2 October 2014 (minute 16/14 refers).

Background

Worcestershire Regulatory Services (WRS) was established in June 2010 as the first two-tier shared service for environmental health, trading standards and licensing. Using a joint committee mechanism under S.101 of the Local Government Act 1972, it brought together the service delivery functions of the county and six district councils into a single operational organisation. It remains unique nationally and provides a model now being adopted by other groups of local councils.

The original business model for WRS was designed to achieve savings in costs of just over 17% compared to previous arrangements. This was predicated on efficiencies arising from pursuit of a common service standard across the partnership, rationalisation of management/ support costs and transformation of service delivery. The business case setting out this approach identified a high level of congruence between service levels of the seven participating authorities.

Savings attributable to this model have exceeded 20% and all partners have achieved greater reductions in their expenditure on regulatory services than was originally forecast. Whilst delivery of services has been transformed there have been only marginal reductions in environmental health services for some partners, with more significant reductions in trading standards services.

Financial pressures on local government resulting from austerity measures have resulted in some WRS partners having to make challenging reductions in service expenditure. Most notably the county council has reduced its expenditure on trading standards proportionately far greater than any district council has reduced its expenditure on environmental health. This has resulted in increased stresses on the business and financial model underpinning WRS.

In 2013, the Joint Committee examined a number of future options for growth for WRS as a means of addressing the stresses and pressures outlined above. It concluded that the best solution would be to enter into a strategic partnership with a commercial organisation. A procurement exercise for this was undertaken in 2014 but proved unsuccessful. The Joint Committee also recommended limited changes to the WRS partnership agreement which had the effect of removing the pursuit of a common service level, enabling greater flexibility and revising the cost sharing mechanism.

Partner service requirements and financial pressures

In 2013 a Joint Scrutiny Task Group was established to review the final business case for WRS against current operation and to consider the governance arrangements between the shared service and participating councils. This Group published its findings and recommendations in June 2014 which were considered by the Joint Committee on 2 October 2014. It was resolved that *'officers be tasked to bring forward collective proposals with regard to recommendations 7, 8, 9 and 10, as detailed...., to a future meeting of the Joint Committee'* (minute 16/14 at appendix 1 refers).

The recommendations of the Task Group are directly relevant to the future sustainability of WRS and are therefore addressed within this report and its recommendations.

Recently implemented changes to the WRS partnership agreement underscore that not all partner councils are able to commit to sustaining a common future service level. This is in large part due to the impact of financial pressures and the need to respond by prioritising resources allocation to services. The pattern of government funding reductions established since 2011 has recently been confirmed in the 2015/16 settlement announced in December 2014 and is expected to continue throughout the next Parliament.

In 2010 the County Council was the largest contributor to WRS with a well established, substantial trading standards service. The County Council has been especially hard hit by government funding reductions and has had to respond with ambitious cost reduction plans focusing on sustaining key services. The response has been to continue to provide those services which local people have said are important to them but to find new ways to deliver these services.. The County Council has identified trading standards as an area for cost reduction, with the current financial plan identifying net expenditure reducing to £450k in 2016/17.

The County Council acknowledges that a different service will be provided for the level of funding proposed. Based on the planned 2016/17 funding the trading standards service levels delivered by WRS will have moved from an initial position broadly comparable to environmental health service levels to one that is polarised. It is viewed that this polarisation has may impact adversely on service delivery for district partners and the reputation of the service and its partners. Arrangements therefore need to be considered and put in place to mitigate these potential impacts.

There is some lesser degree of variation between the district councils in their current requirements for aspects of environmental health. This is reflected in use of self-help arrangements for domestic nuisance in Worcester City and Wyre Forest District. Presently the majority of district environmental health service levels remain broadly consistent and capable of being addressed by a collective organisational approach and solution.

WRS reviewed its rolling 3 year financial plan in November 2014. No new additional cost reductions were identified compared to the previous year however it is recognised that this position may well change following the general election in 2015. None the less the present financial envelope does provide a degree of stability within which WRS may modify its business model and governance arrangements to improve its longer term sustainability. It is Management Board's view that sustainability is achievable and that suitably modified WRS continues to provide a platform for successful operation.

Future financial pressures on district councils may well see a need for some degree of cost reduction in relation to environmental health functions. Though the rate of reduction may differ between authorities, the rate and magnitude of change is likely to be one which is capable of being managed effectively within a single modified framework. At this point in time no district council has indicated any intention of achieving cost reductions from its environmental health services to the extent proposed by the County Council.

The introduction of new cost sharing arrangements in 2013 aligned funding from partners more closely to the respective individual levels of service activity undertaken by WRS. This approach was supported by the Joint Scrutiny Task Group which expressed concern about the impact of financial pressures and tensions on WRS. There is a stated desire of all partners to wish to further develop this approach and bring greater transparency to the relationship between work undertaken by and funding of WRS. As part of the introduction of these arrangements it was recognised that there needs to be a periodic review of partner activity levels to ensure that funding remains in step with patterns of demand and activity.

District council licensing services provided by WRS are for the greater part unaffected by the financial challenges described above as they are funded from fees paid by applicants and license holders. In recognition of this, in 2013 the Joint Committee agreed the principle of considering licensing separately when dealing with financial planning for

Strategic Partnership procurement – learning for the future

WRS. Service levels funded by licensing income have therefore remained unchanged where costs of provision continue to be fully met by income. There is however an opportunity to consider whether a different approach to income collection may be advantageous both to partners and future development of the service.

Whilst procurement did not deliver the hoped for strategic partnership with a commercial organisation, it has provided a useful insight into the strengths and weaknesses of WRS and how the organisation is perceived by the private sector. These insights reinforce that WRS is technically and professionally robust and provide considerable value in charting the future course for the partnership.

Bidders saw WRS as commercially valuable in a number of ways. It contains a number of nationally recognised technical experts within its substantial professional resource base. It also has well established linkages to professional networks. It remains unique nationally in being an integrated service capable of delivering a range of regulatory functions which it has transformed using systems thinking. It already has some contracts for work with other local authorities and a growing commercial awareness ripe for further development to help sustain its core capabilities.

A number of bidders indicated that WRS is already highly efficient and that it has implemented much of the transformational change they would have expected to make to an organisation transferring from the public sector. This strength clearly limited the opportunity for a strategic partner to drive out further efficiencies, even when willing to make significant investment in commercialising the organisation. The challenging future financial requirements ultimately set a financial envelope that was too tight to enable bidders to meet their own requirements for profit.

Several bidders saw clear commercial opportunity in taking WRS to the wider local authority marketplace. Possible sales pipelines were discussed indicating potential to secure work from other Midlands councils and wider afield. The most likely areas of expansion identified were in relation to specialist aspects of environmental health. Some bidders were particularly interested in using the resources of WRS to support other contracts they held elsewhere though recent discussions indicate that the narrow commercial margins these companies achieve from environmental health and trading standards work may mean there is limited scope to pursue this avenue in future.

Options for change

On the negative side, bidders expressed considerable concern about the need to secure political agreement of all seven partners to enter into a strategic partnership. There was a commonly held preconception of disunity within the partnership. Bidders that participated in dialogue expressed a strong desire for governance arrangements that would increase future cohesion.

WRS Management Board has considered a wide range of possible options for creating and delivering a sustainable regulatory partnership for Worcestershire. Options include continuing with the current arrangements, dissolving the partnership and reverting to individual service delivery, restructuring the partnership and a further procurement for a strategic partnership. In evaluating each of these options, the Board has also drawn upon the findings and recommendations of the Joint Scrutiny Task Group regarding governance and structure.

Current arrangements

Continuing with the current arrangements is not considered a sustainable long term solution as the polarisation in service levels and available funding between County and district partner poses significant risks to district partner service delivery. Risks to district partners include disruption of routine service delivery, and reputational damage, as demand for trading standards services is expected to continue to present to WRS despite reduced resources being available to respond to it. An unintended outcome of this is that as well a potential risk transfer, polarisation is likely to lead to cross subsidisation. The checks and balances within the recently revised partnership agreement to enable greater flexibility in partner service provision are not adequate to control these risks.

The current arrangements have proven suitable for delivering a limited amount of income generating work for non-partner local authorities which helps to sustain core WRS capabilities. Some interest has also been shown by specialist private sector companies operating in markets where input from a regulator would provide competitive advantage. These arrangements have however also created some limitations because of varying partner risk appetite and perceptions of potential external customers about the cohesion and sustainability of the WRS partnership. Management Board considers it unlikely that continuation of the current arrangements would maximise the potential for exploiting income generation opportunities because of the level of WRS resources needing to be invested inwardly rather than externally.

Dissolution of partnership and reversion to individual service delivery

Dissolving the current partnership and reverting to individual service delivery does not provide a solution. At their current contribution levels, partners would be unable to fund even the most basic individual service delivery arrangements. The current specialist capabilities sustained within WRS could not be sustained by individual partners and would become lost. There would also be substantial costs associated with wholesale dissolution of WRS including the need for new investment in ICT systems and licensing. Historic investment in WRS would be lost, especially investment in business transformation and ICT.

It is considered unlikely that individual partners will have the capacity to take advantage of current and potential income generation opportunities as many external customers are attracted by the specialist capabilities of WRS. It is also likely that current and potential customers will take their business to emergent competitors to WRS which may increase loss of key personnel from unsustainable individual teams.

Restructuring the partnership

Restructuring of the current partnership to a smaller partnership of those authorities continuing to have closely aligned service levels with separate, distinctly defined arrangements with other councils is capable of offering future sustainability. A smaller partnership, continuing to take advantage of the proven Joint Committee mechanism, based on common or near-common service levels and interests is capable of sustaining many of the benefits currently delivered by WRS including its specialist capabilities. Close alignment of partner interests will provide the necessary stability to continue to undertake work for other Worcestershire councils on preferential agreed terms, buffering partners from unacceptable risks to their own service delivery arrangements.

To facilitate reduction in the current partnership, preferential arrangements would be established for other Worcestershire councils in which they would continue to receive the service delivery from WRS under Service Level Agreements on an 'at-cost' basis. Such preferential terms reflect the investment made by these councils in establishing WRS and would extend to the full range of potential work undertaken by WRS, for example in relation to the public health agenda.

A sustainable partnership, with established service delivery agreements with other councils, including preferential arrangements for other Worcestershire councils, provides a firm foundation for further commercial development to take advantage of identified income generation opportunities. These could continue to be facilitated through Bromsgrove DC on behalf of the partnership building on current arrangements.

Management Board's current assessment of partner service levels and financial requirements demonstrates that a smaller partnership based on the 6 district councils is achievable and sustainable. The County Council has indicated a willingness to consider realigning its relationship to such a partnership as this continues to provide it with a cost effective future service solution. This is therefore the Board's preferred future option for WRS and in line with recommendation 7 of the Joint Scrutiny Task Group it is proposed that this includes restructuring of the Joint Committee.

Further procurement for a strategic partnership

Management Board has given careful consideration to a further procurement for a strategic partner taking account of the lessons learned from the recent exercise. Given the reasons why the recent procurement was unsuccessful the Board believes that a further attempt at procurement at this time would be no more likely to succeed and that any future procurement should only proceed once WRS has been re-structured for long term sustainability.

Future business model

In identifying a restructured, smaller partnership as the preferred option, the Management Board recognised there is also a need for internal change within WRS to both meet future partner service requirements and position the partnership to take advantage of opportunities for income generation. The Board propose a new vision for WRS reflecting this refocusing of approach to become '*a leading commercially oriented professional regulatory services provider delivering flexible, individually agreed service outputs at agreed costs and against clear performance measures without cross-subsidy between partners and generating financial benefit for its partners*'.

This vision will be achieved by leveraging the core capabilities of WRS and the investment in WRS' UNIFORM management information system (MIS) to move to a commercial 'fee earner' model that can both align partner funding more closely to individual levels of regulatory activity and enable income generation from external organisations.

This approach will focus on those key core capabilities identified in the recent procurement exercise as of high external income generation potential including contaminated land, air quality, dog control and licensing.

The core professional and technical structure of WRS will be modified to allow for greater flex to meet variations in demand over time. This will be accompanied by increased internal focus on productivity at individual and team level, utilising improved information for managers to intervene in a timely and appropriate manner. It will also provide a casework activity and cost database that will facilitate periodic reviews of partner contributions and provide a firm foundation for pricing of external income generating work.

The current management and support structure of WRS will need to be re-organised to ensure that the organisation has the right capacity to both optimise internal performance and realise external income generating opportunities. Learning from the recent procurement exercise it is proposed that rather than seek to expand WRS management structure to provide all the necessary commercial capability, this is provided through the creation of a network of delivery partners. Establishing this network has legal implications because of limitations on local authorities trading powers and this aspect requires further investigation to find out how it could be achieved. The commercial opportunity which the Management Board is seeking to explore includes whether WRS could undertake work for some of the bidders from the recent procurement.

The proposed delivery partner network will be underpinned by a combination of contracts and service level agreements facilitated either through Bromsgrove DC or a local authority trading company owned by the partners. This provides flexibility to match the type of agreement to the type of external partner recognising some local authorities may wish to engage through traditional public sector mechanisms whilst most private sector relationships will need the tighter definition of a contract. The service level agreements former WRS partners would be on a preferential 'at cost' basis as noted in the preceding section. This is illustrated diagrammatically in appendix 2.

The current WRS funding arrangement provides for income generated from external sources to be shared between the partners in proportion to their contributions to the overall gross running cost of the shared service. Continuation of this approach is advocated as it is the Management Board's view that it most equitably reflects the level of investment and risk borne by each partner. Given the proposed restructuring of the WRS partnership described in section 5

above it is likely that this mechanism will also provide stability in projecting partner financial benefit from each income generating agreement.

Governance

In line with recommendation 7 of the Joint Scrutiny Task Group, it is proposed that the Joint Committee is retained as the mechanism for governing WRS but re-titled the WRS Board to make its purpose more explicit to external stakeholders. It is also proposed that the membership of the WRS Board is reduced from two elected members to one per partner, with clear arrangements for attendance by substitutes. In addition, and in response to recommendations 7 and 8, the Board will be attended by each partner's senior officer representative (though in a non-voting capacity). This will improve strategic decision making and remove much of the work associated with supporting both the Joint Committee and Management Board though it is acknowledged there will still be a need for the senior officer representatives to meet with WRS managers to deal with routine business matters and partner liaison.

A smaller WRS Board provides greater flexibility in how it may operate, including meeting from time to time at WRS offices to enable greater interaction with WRS personnel. It is also proposed to introduce provisions for urgent business to be dealt with by the Board Chair and Chief Financial Officer to the Board (Joint Committee).

To ensure that the future re-structured WRS partnership is protected from the risks associated with divergence of partner aims and requirements, it is proposed to include a provision obliging any partner unable or unwilling to maintain its position consistent with its peers to leave the partnership. This would be subject to a notice period of 12 months from 1 April annually and an entitlement to continue to receive WRS services under a Service Level Agreement on a preferential 'at cost' basis. The proposed threshold for application of this provision will need to be agreed as part of the recommended detailed engagement exercise.

Recommendation 9 of the Joint Scrutiny task Group was that the Head of WRS should be fully accountable to the WRS Board with the Chief Executive of the host authority acting as mentor. This is already the arrangement under the current partnership agreement though inclusion of the Head of WRS on the present Management Board does create some confusion. Implementation of the proposed WRS Board set out above resolves this issue which will also be underpinned by improved partner relationship management arrangements.

Implementing the change

The recommendations of the Joint Scrutiny Task Group regarding communicating decisions of the new WRS Board, set out in Recommendation 10 all underpin the increased transparency and engagement at the heart of the re-structured partnership. It is proposed that these are incorporated into updated procedural provisions within the refreshed partnership agreement.

The financial pressures on the WRS partnership mean that implementation of these proposals needs to be rapid and at minimal additional cost to current and future partners. Proposals have been developed with these needs in mind. It is also important that the proposed changes gain the widest possible support to avoid delay or derailment. To achieve these aims, three complementary strands of implementation are recommended – engagement, governance and organisational.

The engagement strand will concentrate on building understand of and support for the proposed changes. The audiences will be elected members, WRS personnel and other stakeholders including current and potential customers. Briefing sessions proved highly effective in building a non-partisan coalition of support for WRS in 2009/10 and it is intended to mirror this approach over the coming months. Direct engagement through briefings will be underpinned by email circulars, etc. This work will be largely undertaken by WRS Joint Committee members, WRS Management Board representatives, key senior officer and elected members.

Governance activities will concentrate on detailed negotiation of the terms of dissolution of the current partnership agreement, the preparation and engrossment of a new partnership agreement and a service level agreement covering County Council services. This work can proceed in parallel with engagement and be informed by it. As no TUPE transfer of staff is envisaged and many of the terms of the new agreement can be taken from the current this work could proceed and conclude over a period of a few weeks. Input will be necessary from partner legal teams, WRS Management Board representatives, senior financial officer and elected members.

Organisational activities will need to focus on internal structural change within WRS including any appointments to new roles. Again this work can proceed in parallel with engagement and be informed by it. Whilst no TUPE transfer of staff is envisaged there is likely to be some redeployment/re-designation which is likely to take some weeks. This work will need to be led by the acting Head of WRS and

input will be necessary from WRS Management Board representatives, senior financial officers and elected members.

Financial Implications

The proposals in this report are intended to ensure the future financial sustainability of the WRS partnership. There will be some costs of change arising from implementation however these cannot be clarified until after the engagement process recommended above.

The further report to this Committee proposed for June this year will contain detailed financial implications of final recommendations for the future of the WRS partnership.

Legal Implications

The proposals in this report have a number of legal implications. These include replacing the current WRS partnership agreement with a new one reflecting a reduced, more closely aligned partnership. This will incorporate a number of wider additions and revisions to improve the operation of the shared service.

The reports highlights that to achieve some of the identified potential for income generation there will have to be a number of service level agreements with non-partner public authorities, facilitated through Bromsgrove District Council. With reference to the issue of trading with private sector companies the legal position is that could only be achieved by the creation of a Local Authority Trading Company. As referred to in the main body of the report this aspect is going to require further investigation to assess the likely benefit that could be achieved as against the time and costs involved in establishing and operating a trading company.

Legal implications will be addressed as part of the recommended engagement process and reported in full to the June meeting of the Joint Committee.

Risk

There will be a number of risks associated with the preferred option described in this report and these will be addressed as part of the recommended engagement process and reported in full to the June meeting of the Joint Committee.

Without doubt the greatest risk identified is doing nothing to address the weaknesses in the current business model and governance arrangements.

Sustainability

These proposals are designed to achieve the long term sustainability of WRS and the WRS partnership.

Contact Points

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Background Papers

Worcestershire Shared Services Partnership Agreement 1
June 2010

Appendix 1

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE WORCESTERSHIRE SHARED SERVICES JOINT COMMITTEE

THURSDAY, 2ND OCTOBER 2014 AT 4.30 P.M.

16/14

JOINT WORCESTERSHIRE REGULATORY SERVICES SCRUTINY TASK GROUP - FINAL REPORT

The Chairman welcomed Councillors R. J. Laight, Bromsgrove District Council, Chairman and P. Tomlinson, Wychavon District Council, Vice-Chairman of the Joint Worcestershire Regulatory Services Scrutiny Task Group who would present the Committee with the Task Group's final report and recommendations.

Councillor Laight gave his thanks to all Members of the Task Group and was of the opinion that the work of the Task Group although hard, had been conducted without any political influence in the Task Group discussions, deliberations or conclusions. Councillor Laight gave his sincere thanks to Councillor J. Raine, Malvern Hills District Council for his valuable input into the Task Group's final report. Councillor Laight also conveyed his thanks to Worcestershire Shared Service Joint Committee Members and senior officers (from Bromsgrove District Council and Redditch Borough Council), who had been invited and attended Task Group meetings to provide evidence as witnesses throughout the Task Group process.

Councillor Tomlinson then delivered a presentation on the Joint Worcestershire Regulatory Services (WRS) Scrutiny Task Group. The presentation provided background information on the original proposal from Wychavon District Council in July 2012 and the four specific areas covered in the final report:-

- WRS Performance and Communications
- Financing of WRS
- Governance of WRS
- Lessons Learned

Councillor Tomlinson highlighted what had been achieved at the time of the Task Group's report. The Joint Committee had managed to reduce the overall budget from £7.2 million to £4.6 million in a short period of time making significant savings for all partner authorities. Staffing had been reduced from 154 to 99.5 Full Time Equivalent posts.

Councillor Tomlinson briefly explained the reasons for each of the Task Group's recommendations. The Task Group saw themselves as a critical friend and had suggested recommendations that could help with improvements to WRS. The intention was none other than to come up with recommendations that helped the Joint Committee and therefore benefitted county residents. As mirrored in the private sector, ethical principles that the Joint Committee should adopt in order to ensure that the customer was first. Following on from the presentation Councillor Laight stated that as Chairman of the Task Group it was clearly established that WRS was a world class service that was recognised throughout the United Kingdom as a leader in partnership working.

There was detailed discussion on the recommendations contained within the final report. Joint Committee Members questioned the suggested governance arrangements and were of the opinion that any changes to governance arrangements should be considered following the outcome of the Strategic Partnering project, this would provide a more cohesive idea of the governance arrangements required. Members also questioned why Joint Committee meetings should be held at the base of WRS, as the host authority currently provided support for Joint Committee meetings. With regard to Members appointed to the Joint Committee for a period of two years; Joint Committee Members felt this was not practical since political parties could change within that two year timescale. Members agreed that the current quorum for meetings ensured fair political representation from each partner authority and were of the opinion that this would not be the case if the quorum was reduced to five representatives in attendance as suggested in recommendation 7.

In response Councillor Tomlinson informed the Committee that the Task Group had not taken into account the Strategic Partnering Project when looking at WRS, the Task Group had looked at WRS as it stood. The revised quorum of five had been recommended so that decisions to be made could be concentrated on and there was no pressure on Joint Committee Members to attend meetings.

The Joint Committee then considered the recommendations of the Task Group in detail.

Recommendation 1

Performance Management Information should continue to be made available for Members' consideration at every meeting of the Joint Committee and be sufficiently high on the agenda to be discussed in detail.

This was approved.

Recommendation 2

Twelve months after the new contact centre arrangements for WRS have been introduced, replacing the use of the Worcestershire Hub; the Joint Committee should review the effectiveness of these arrangements for communicating with the public.

This was approved.

Recommendation 3

The web-pages of each partner authority should be regularly monitored to ensure they are kept up to date, with the inclusion of a prominent and obvious link to the WRS website.

This was approved.

Recommendation 4

The purpose, content and circulation of the WRS newsletter should be thoroughly reviewed, with a view to it providing a more systematic and comprehensive account of the work and performance of the shared service and with the content and format being agreed by the Joint Committee.

The purpose, content and circulation of the WRS newsletter should be thoroughly reviewed, with a view to it providing a more systematic and comprehensive account of the work and performance of the shared service, this part of the recommendation was approved; but Members decided that there was not a need for the content and format of the WRS Newsletter to be approved by the Joint Committee.

Recommendation 5

That WRS have a designated member of staff to act as a Member Liaison Officer and as a single point of contact to signpost Member enquiries.

This was approved.

Recommendation 6

In order to reduce the focus on financial considerations which currently play a major part in influencing partner participation, to the detriment of other equally important aspects of the service, the following should be addressed:

- (a) A new business model for WRS be developed through the Chief Executives' Panel, building on the proposals already being produced by the Panel.
- (b) Consideration be given to the option for partner authorities to purchase an "out of hours service".

This was noted.

Recommendation 7

A new strategic decision making board for WRS should replace the Joint Committee, comprising one elected member per partner authority and supported by senior officers. This should be called the WRS Board.

- (a) Meetings of this Board should take place at the base of WRS.
- (b) Responsibility for attendance at Board meetings should lie with each authority's representative, and the quorum for meetings proceeding should be set at 5 representatives in attendance.
- (c) Meetings of the Board should take place bi-monthly.
- (d) Elected members appointed to the Board should be provided with an induction programme and sufficient on-going training to enable them to fulfil their role effectively.
- (e) Members appointed to the Board be expected to serve a minimum of two years to ensure continuity.
- (f) The Chair of the WRS Board should be elected annually by the members of the Board.

Recommendation 8

The Management Board be disbanded, with the WRS Management Team taking the lead responsibility for operational decision making under the leadership of the Head of Regulatory Services.

Recommendation 9

- (a) The Head of WRS should be fully accountable to the WRS Board (as the strategic decision making body).
- (b) The Chief Executive of the host authority to act in a mentoring role as and when necessary.

Recommendation 10

- (a) All decisions made by the WRS Board be formally reported back to all elected members of the partner authorities in a timely manner.
- (b) Attention should be paid to communicating updates about any planned changes to WRS services to all elected members of partner authorities.
- (c) The agendas and minutes of all WRS Board meetings should also be uploaded on to the WRS website in a timely fashion.

Members agreed that officers be tasked to bring forward collective proposals with regard to recommendations 7, 8, 9 and 10, as detailed above, to the next meeting of the Joint Committee.

Recommendation 11

The lessons learned from the WRS shared service experience, particularly as detailed in this report, should be heeded by elected members and senior officers when considering any future proposals for shared service arrangements involving multiple partners. Recommended that partner Council's approve this recommendation.

Recommendation 12

- (a) The Joint Scrutiny Protocol should be reviewed in order to take on board the lessons learned during this review.
- (b) Consideration should be given to the reinstatement of the Worcestershire Overview and Scrutiny Chairs Group as a means of feeding back the monitoring of recommendations from Joint Scrutiny exercises, as and when required.

This was noted.

In summary:-

RESOLVED:

- (a) that Recommendations 1, 2, 3 and 4, as detailed at Appendix 1 to the report be approved;
- (b) that Recommendation 5, as detailed in the preamble above, be approved,
- (c) that Recommendations 6 and 12, as detailed at Appendix 1 to the report, be noted; and
- (d) that officers bring forward collective proposals with regard to Recommendations 7, 8, 9 and 10, as detailed at Appendix 1 to the report, to the next meeting of the Joint Committee.

RECOMMENDED

That each partner authority approves Recommendation 11, as detailed in Appendix 1 to the report.

Appendix 2 - Relationship options

Relationship	Eligibility criteria	Relationship mechanism	Controlling stake/ strategic influence	Financial benefit share	Risk share
Partner	Minimum service level Risk sharing	Joint Committee	Yes via JC	Yes – share of net income	Yes – share of risks
Worcestershire local authority	Previous WRS partner	SLA via BDC	No	Preferential 'at-cost' terms defined by SLA	Defined by SLA
Local authority customer	None	SLA or contract via BDC	No	No – unless defined by SLA	Defined by SLA
Public sector customer	None	SLA or contract via BDC	No	No – unless defined by SLA	Defined by SLA
Third sector customer	No conflict of interest	Contract via LA trading company	No	No – unless defined in contract	Defined in contract
Commercial customer	No conflict of interest	Contract via LA trading company	No	No – unless defined in contract	Defined in contract