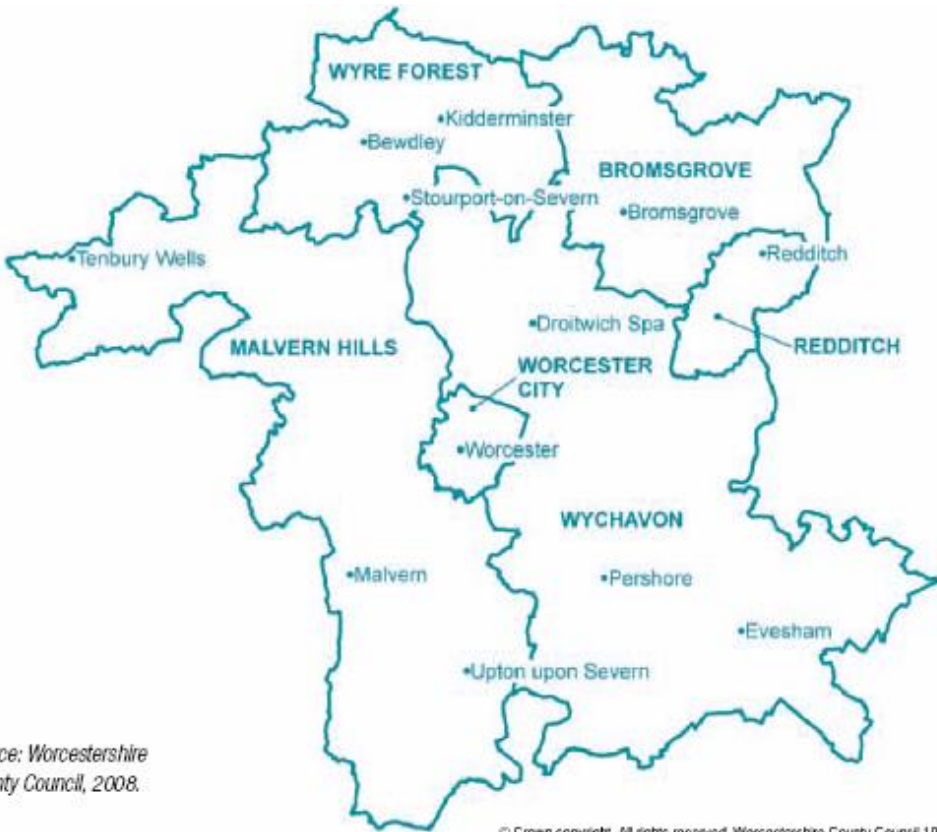


# Business Plan for Worcestershire Regulatory Services

## 2016-2019



Source: Worcestershire County Council, 2008.

© Crown copyright. All rights reserved. Worcestershire County Council 100015914. For reference purposes only. No further copies may be made.

“A Local Government Solution to Local Government Challenges “

## Contents

Heading	Page
<b>Executive Summary</b>	
<b>1. Introduction</b>	
<b>2. Business Planning &amp; Savings Realisation</b>	
<b>3. Income Generation</b>	
<b>4. Organisation and Performance</b>	
<b>5. Workforce &amp; Workforce Planning</b>	
<b>6. Meeting the budget envelope for 2015 to 2018</b>	
<b>7. Evolution of the Business Model &amp; Risk</b>	
<b>Appendices:</b>	
<b>A: Current WRS structure &amp; possible future structure</b>	
<b>B: 3 year budgets</b>	
<b>C: Risk Register</b>	

## Executive Summary

Worcestershire Regulatory Services (WRS) has a history of delivering savings whilst continuing to deliver high quality service and remains a strong and sensible solution to the delivery of local authority regulatory responsibilities.

WRS delivered above and beyond its original business case by saving over 17.5% whilst maintaining service outcomes. Spending on these aspects of regulation within the County has fallen from £7.15M at the birth of WRS to just under £3.5M. In 2009/10, the district councils' combined contribution was around £5M. At £3.05M in 2016/17, this will have fallen by 40%, yet outcomes within Environmental Health and Licensing remain good and performance, in terms of customer satisfaction and business compliance, remain high.

The table below outlines partner financial expectations and timescales as currently known, however, with the announcements in the Chancellor's Autumn 2015 Statement and the published draft settlement figures for local government for the life of the Parliament that followed it, we understand that these may well be subject to change.

<b>Partner/ Saving</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
<b>Bromsgrove</b>	50k	No addition	No addition
<b>Malvern Hills</b>	27k	No addition	No addition
<b>Redditch</b>	50k	No addition	No addition
<b>Worcester City</b>	30k	No addition	No addition
<b>Wyre Forest</b>	37k	No addition	No addition
<b>Wychavon</b>	50k	No addition	No addition

Whilst there are always small, marginal efficiency savings to be had, without a change in the paradigm for regulation, based around inspection, advice and investigation, such savings are likely to be limited in the future. WRS is already an efficient well run organisation which offers excellent value for money, as pointed out by the potential private partners to our Strategic Partnering offer. They were also clear that the derivable margins in delivering regulatory service elements are small and even for most of their wider service contracts, margins of 6-8% appeared to be the norm. This does not make delivering regulation a hugely profitable prospect, however, offering our services to other local authorities and expanding the footprint for WRS delivery would undoubtedly add to the resilience of the service for partners and new customers alike, and almost certainly help spread overhead costs further, with small margins being re-invested to support service delivery.

Going forward WRS will offer flexibility, in terms of its ability to respond to the wide range of changing partner needs and any changes to the operating environment, including its ability to respond to emergencies. Service levels will be tailored to individual partner budget envelopes, using time recording as an indicator of demand, within a wider framework of common delivery standards. The Service will offer its services more widely to other local authorities, seeking to build on the economies of scale created by the formation of WRS, maintaining resilience for existing partners and offering a flexible cost-effective service to potential new customers that a single district council could not achieve on its own in the current economic climate. The view of the market is outlined in the plan and managers remain hopeful that our current successes can continue and that they can develop further access to such opportunities.

The market appears to have concluded that Regulatory Services is not a saleable commodity, and private sector service providers will now only take these services on if bundled with a range of others. We clearly identified this as a potential outcome following the processes that we went through. This should add to the attractiveness of WRS as an option for others to consider as a vehicle for the delivery of these statutory functions; one that does not rely on the private sector and can be achieved outside the need to bundle it with other functions.

The shared service vehicle developed by the Worcestershire local authorities remains fit for purpose as a service delivery option for the next 3 years but there will be challenges for partners in agreeing budgets for 17/18 and beyond. The service is already judged as efficient; it offers excellent value for money to partners and could offer excellent services to other local authorities under contract.

The service has already demonstrated its flexibility by being able to accommodate variations in service delivery for its existing partners. Its delivery model that mixes geographically focused and centralised functions offers an expandable platform that could encompass either the delivery of individual service elements or whole regulatory type services under contract for new local authority customers.

With this in mind WRS remains the local government solution to local government challenges in the regulatory environment.

# 1. Introduction

This plan outlines how Worcestershire Regulatory Services would develop over the next 3 years to enable the service to:

- Respond to the financial pressures faced by the various partners,
- Accommodate service variations, develop the ability to use time recording as an indicator of demand
- Modify financial arrangements to avoid cross subsidy between functionality and partners,
- Continue to provide a core level of service that meets partner's statutory obligations and, offer the option to fund a higher level of service in all functional areas.
- Maintain sufficient expertise to provide resilience, beyond the financial envelope envisaged by partners through income generating activities.
- Continue with high levels of performance as measured by existing and those new KPIs suggested by Members.

The plan provides partners with a clear and deliverable way to continue to tackle the issues outlined above in a logical and cost effective way. It will mean some changes to the look of the service and to what and how certain elements are delivered but partners must accept that all but marginal efficiencies are exhausted within the existing operational paradigm for regulation and the delivery of further significant savings can only be based in mutually agreed changes in service levels.

WRS will meet the cost envelope indicated by partners by:

- Seeking further efficiencies where possible especially in relation to agile working and self-help/self-service and increasing productivity
- Whenever possible, continuing to develop new ways of working (streamlining processes and continue to innovate, first point of contact, etc)
- Establish a base level service cost equivalent to what might be determined as the statutory minimum currently required and allow partners to purchase additional services to address local needs.
- Seek income in doing work for others and obtaining grant income for defined projects.

During the Strategic Partnering process, all potential partners identified how lean the WRS organisation already was and all praised the services' drive for efficiency and the way it had transformed many areas of regulatory delivery. All said they would have done little differently given the opportunity. This is high praise indeed from some of the leading local government outsourcing businesses in the country.

The levels of efficiency achieved should be a great selling point that will allow us to take on service delivery for other local authorities in those functional areas we already cover and potentially others that are aligned e.g. EH Private Sector Housing, Enviro-crime enforcement. Following the announcements in the Autumn statement, many district councils will be looking for different ways of delivering services at a lower price, which is where WRS comes into its own as an existing, experienced local authority body with the knowledge, experience and scale to take on these technically difficult functions, offering flexible delivery both locally and remotely using our mix of geographically based and central delivery units.

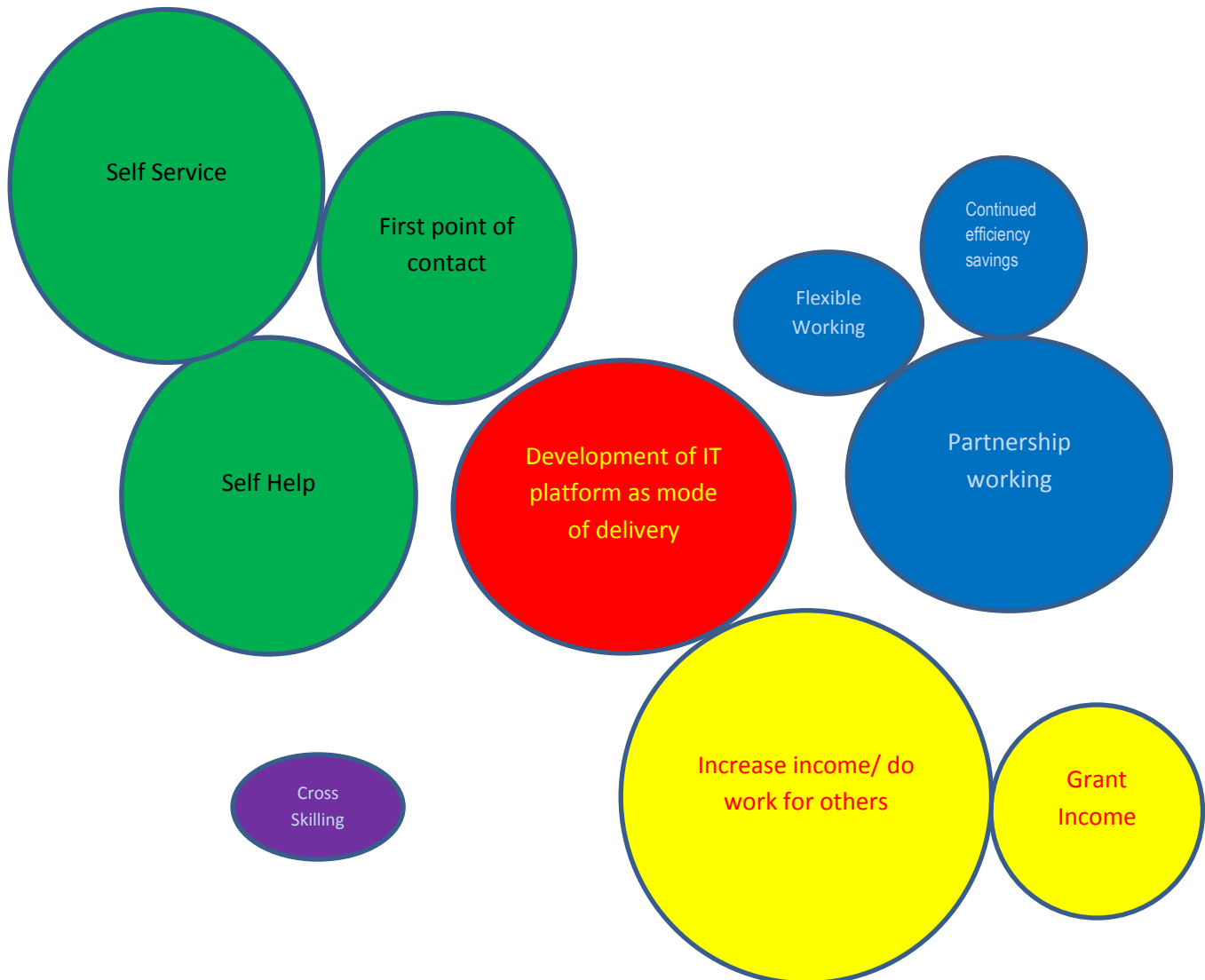
Worcestershire Regulatory Services is the local government solution to local government challenges in the regulatory environment.

## 2. Business Planning & Savings Realisation

### 2.1 Picture of the plan

Following the end of the original business case time period plans on how to take the service forward have been developed and delivered, accounting for the fiscal needs of partners. The Business Plan remains a high level strategic document that outlines the framework within which the service will build and develop. The diagram below illustrates the directions in which the service has and will continue to develop for the foreseeable future.

Fig 1: Size of bubble reflects potential contribution and/ or ease of introduction. Colours indicate work streams



The figure above outlines in a graphic format, the areas of work where the business will focus its efforts. These are:

- I) **Generate streams of income (grants, work for others, paid advice, etc.)**
- II) **Identify and implement new ways of working (self-help, first point of contact, self service)**
- III) **Create efficiencies (mobile & flexible working, partnerships, pursuit of marginal efficiencies.)**

These three streams are all predicated on the successful development of the fourth:

- IV) **Development and maintenance of a suitable, stable, customer focused and interactive IT platform in association with our new IT host**

Our cross skilling stream has reduced significantly following our systems thinking work and the departure of the County Council from the partnership. It was already clear before this that cross skilling within the professions was the key to improving efficiency in this area as opposed to the creation of generic regulatory officers.

## 2.2 The Savings Picture

Savings requirements for 2016/17 are known and planned for. At this stage, although partners have stated that no further savings are required for 2017/18/19, we know that this could be subject to change particularly in light of the 2015 Autumn Statement, which introduces some serious uncertainties and potential risks, particularly with the change in the basis of funding streams. The table below summaries the current situation in relation to partner financial savings requirements:

<b>Partner/ Saving</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
<b>Bromsgrove</b>	50k	No addition	No addition
<b>Malvern Hills</b>	27k	No addition	No addition
<b>Redditch</b>	50k	No addition	No addition
<b>Worcester City</b>	30k	No addition	No addition
<b>Wyre Forest</b>	37k	No addition	No addition
<b>Wychavon</b>	50k	No addition	No addition

The areas in which such savings are to be delivered for the partners have already been identified. Licensing is treated separately in the savings process due to the cost recovery nature of the activity. Some efficiency gains will be yielded from this area during 2016/17 by better integrating it with the Support Services section of WRS. This should yield savings for all partners that will be reinvested to improve the existing regimes and controls on operation following on from the decisions in the Westminster case which confirm that some elements of ensuring compliance can be included in the fees regime.

All partners have agreed to introduce self-help as a pre-requisite for all domestic nuisance issues as part of the efficiencies required. Few such cases will ever meet the level for statutory nuisance and, in a time of austerity with the dominant philosophy being one that urges a reduction in the role of the state in people's lives, this is a logical approach. Some other changes have been introduced for those partners requesting the highest levels of saving, where the focus of what is delivered on Food Hygiene and Health and Safety at work has changed.

These savings are on top of the common savings accrued to all partners via changes to hosting costs, being introduced by Bromsgrove D.C. over this time period.

### 3. Income Generation

#### 3.1 Current Market for Local Authority Regulatory Services as a potential source of income generation

There are differing views on how the market for regulatory services may develop in the foreseeable future but this is the evidence currently. Only a very small number of services have been let as part of an outsourcing. These in the main were done by metropolitan authorities as part of a wider outsourcing tender process of which regulation was a minor part. More recently we have seen the first offer of a tender for regulatory services from a district council, again bundled together with other wider environmentally related services. Discussion with regulatory colleagues around the country indicates that there appears to be no great appetite for a repeat of these models in relation to regulation currently, although again, the impact of the local government financial settlement may mean local authorities looking more closely at the potential for private sector involvement.

This is particularly relevant given the drive for higher tier and all types of unitary authorities to become commissioning organisations. It seems logical that, if they do pursue an outsourced model of delivery, they are likely to bundle regulatory services with a larger group of other functions. WRS would never be in a position to tender for this type of work alone. If one or more of the existing local authority partners decided they want to enter the market for delivering services themselves, WRS could support this type of wider bid for work. Equally, if a private company approached WRS to be a partner in bidding for this type of contract, the service would be well placed to consider such an offer following member approval. There may also be other opportunities which WRS could consider if the financial benefits made them attractive.

The sharing of services remains a developing area for Regulatory Services Delivery. A number of Welsh authorities are going down this route (although Welsh local government may be subject to re-organisation in the near future,) and a number of London Boroughs are using the model as are some districts e.g. Cotswold and West Oxfordshire Districts. Devon and Somerset County Councils have been operating a shared Trading Standards service for some time now and recently Buckinghamshire and Surrey County Councils have followed suit, with Hampshire County Council likely to joint this pairing in the very near future. The DCLG has been funding the development of shared management teams across District Councils, suggesting that shared workforces may be the next step for such authorities. The WRS story and experience may be saleable on a consultancy basis to such organisations.

Those authorities not considering these options, district councils in particular, are looking for experienced staffing resource that they struggle to retain themselves. This is mainly specialist expertise in areas such as Air Quality and Contaminated Land and for the wider support of planning consultation, but also includes short term cover in areas like nuisance investigation. These are all areas where WRS has significant local and even national expertise. These authorities may start to look at commissioning collectively as a model, as we saw in Gloucestershire with the dog warden contract that WRS was successful in obtaining, but this is a relatively new approach for regulatory service delivery. WRS is already providing cover activity for these services so will be well placed to bid for a range of opportunities should they arise.

Finally, a few authorities have set up arms-length trading companies from whom they will buy their regulatory services following TUPE transfer of staff into them (e.g. Shropshire.) These business units are well placed to compete for any regulatory work that is available. It seems likely that the Shropshire business unit and any others developed will become the local competitors for work that WRS is currently picking up, meaning we must continue to improve our ability to deliver in a cost effective manner.

Looking at these options, the obvious area for WRS focus is the cover for district council activity and, in the medium to longer term, bidding for district council grouped regulatory contracts. With the County Council's departure from the partnership, WRS is unlikely to succeed in bidding alone for Trading Standards work should it arise, however, given the



likely on-going co-location of the County Council's team with WRS staff, there remains the opportunity of working together to secure such opportunities.

To further enhance its ability to win work, WRS is currently recruiting a Business Relationship Manager to optimise income generation for the service. At the time of writing, WRS is carrying out work for other districts/organisations in the following functional areas:

- Dog warden services
- Nuisance Investigations
- Air quality and IPPC
- Contaminated Land
- Petroleum licensing

### **3.2 Other Public Sector Income**

Income generation need not just be related to delivering services for other local authorities. The service will continue to look at the potential for grant money from other public bodies to deliver related work. On-going austerity measures are likely to limit the availability of funding from other public sector bodies and, currently there are limited areas for the service to access grants. This may widen in the future, and even now includes:

- Local Enterprise Partnerships
- The Police & Crime Commissioner
- Community Safety Partnerships
- Local Authority Public Health
- Central Government Departments (BIS, Food Standards Agency, etc)

The LEP has provided £60,000 pa for two years (2015/16 and 2016/17,) to fund a project looking at reducing burdens on food and horticulture businesses linked to earned recognition. WRS has also successfully bid for an FSA grant for research in respect of the Food Hygiene Rating System.

Health and Well-being project work continues using external income sources, supplemented by a small residue of specific grant income. This work will continue year on year as long as it is sustainable through cost recovery. The Healthy Eating Award programme was developed in this way, but this will also enable some efficiencies to be developed within the food hygiene sector by encouraging 4-star and 5-star businesses to maintain their hygiene standards, reducing the need for routine interventions by food officers. Hence, the right kind of health and well-being interventions can also provide benefits to those statutory areas.

### **3.3 Commercial income generation opportunities**

The report commissioned by WRS through the County Council Research and Intelligence team showed that, whilst businesses do spend a significant amount of money with private consultants, most of this was in the area of Health and Safety at Work which is already a well-served market. The legal advice provided to WRS made it clear that there were risks associated with charging regimes where the advisor might, at some point, have to become the enforcer with the same business.

There is also a marked reluctance amongst the business community to accept advice from anyone associated with their regulatory body, unless this was on a formal footing and free of charge or from within the auspices of a Primary Authority agreement, which allows charging. This was highlighted where a commercial business that we sought to partner with offered one of our staff to a company outside of Worcestershire for advice on IPPC issues. The business decided it did not want a local authority officer to attend its premises in this role.

The above-mentioned survey involved face to face meetings and telephone interviews with local businesses and they were asked if they would commission a local authority provider even if badged as a private contractor. There was a marked reluctance to use expertise associated with the regulator even when provided at “arms-length” and this casts doubt on claims from some organisations that there is substantial income available locally for advising local business.

Primary Authority has been touted as a way of getting businesses to pay for assured advice but, up and down the Country, the scale of support that this is providing for services is very limited. Even a service like the West Yorkshire shared TS service (serving a population of 2.2M, covering Leeds/ Bradford and the rest of the old West Yorks Metropolitan County area and which is Primary authority for the likes of Asda and Morrisons) only fund approximately 5FTE through Primary Authority arrangements. The service will seek to expand Primary Authority work as a means of recovering cost but the example above shows its limitations. Work with the Bangladeshi Catering Association on improving the performance of businesses in Worcestershire has sparked their interest in a potential Primary Authority arrangement and a number of other local businesses have signed up during 2015/16.

Another development in this area is the partnerships being developed by Ashfords LLP solicitors with bodies like the Chartered Trading Standards Institute and the City of Salford Council. With the solicitors’ partnership being approved by BRDO for delivering co-ordinated partnerships, this may give other legal firms the idea of joining up with a regulatory authority (or a group of them,) to offer Primary Authority Partnerships to Trade Associations in particular. This may be an opportunity to consider further if a local law firm was so minded.

These factors have been recognised and, whilst the service will seek to develop paid for business advice as part of its income generation strategy, even with recent widening of what business types can have a Primary Authority it has been recognised that this income stream will be limited and that the service must avoid any allegations of conflicts of interest in its dealings with businesses.

### 3.4 Income Targets

The table below outlines the annual turnover targets.

Year	Forecast Turnover
16/17	£250,000
17/18	£300,000
18/19	£350,000+

The table below identifies a potential breakdown of sources of income by year:

Turnover by area for Income Generation/ Year	Business Advice & Primary Authority	Health & Well-being and similar activities	Service Delivery/ Consultancy for others	Pre-application advice and similar	Other miscellaneous activities including Grants	Total turnover of income
<b>2016/17</b>	<b>£7000</b>	<b>£25000</b>	<b>£130000</b>	<b>£13000</b>	<b>£75000</b>	<b>£250000</b>
<b>2017/18</b>	<b>£7000</b>	<b>£25000</b>	<b>£180000</b>	<b>£13000</b>	<b>£75000</b>	<b>£300000</b>
<b>2018/19</b>	<b>£7000</b>	<b>£25000</b>	<b>£230000</b>	<b>£13000</b>	<b>£75000</b>	<b>£350000</b>

Proposed areas to target are identified below and include some aspects that currently are not delivered to partners in Worcestershire, demonstrating the flexibility in the existing workforce:

- Air Quality and Contaminated Land work for district councils
- Managing entire services for district councils
- Dog warden services for District Councils

- Enviro-crime and fly tipping work for district councils
- Providing nuisance work support for district councils
- Training including food hygiene training
- Processing of licensing applications for others
- Charging for some advice
- Grants from central government/WLEP, etc,
- Housing standards work for housing associations and district councils

The list above demonstrates that the focus for income generation will be delivering services for other local authorities and grant income. Private sector income from business advice, primary authority and consultancy work will be limited. The vast majority of income for service delivery/ consultancy will come from the public sector.

Going into 2016/17, the responsibility for income generation will sit mainly with nominated individual managers with support provided by the Business and Relationship Manager, who, once appointed, will be required to take a greater role in developing and following up leads for new business. Income levels will be reviewed on a monthly basis and will feature in the quarterly reporting process. There may be a need for further individual development of managers to facilitate this, especially as it is likely to feature in the PDRs of managers in the future.

Each potential source of income will need to be evaluated in a business case and a risk assessment be undertaken, in terms of potential financial yields versus the levels of investment required upfront and the on-going costs of any contract. There may be other factors such as reputation that need to be accommodated in terms of risks of failure during the contract, or customer dissatisfaction arising from poor performance. Finally, where the service is looking at income generation from businesses, the service will need to focus income generation activity outside of Worcestershire, to avoid conflicts of interest.

The service needs to look for full cost recovery being the norm for all of its contracts as there needs to be an element of financial return for the existing partners, which the service will utilise to maintain resilience within the service.

## **4. Organisation & Performance**

### **4.1 Introduction**

The service has operated to a suite of outcome style measures which address key areas of member concern. There are no national indicators anymore, making it difficult for members to benchmark the performance of their service against others. Also, as historically we have not participated in CIPFA, we have not had other external benchmarks for comparison.

The outcome measures have been supplemented with activity data to provide members with reassurance that the service is addressing relevant issues in their areas. These are a regular feature at Joint Committee meetings. This has had the desired effect, and the wider member awareness of WRS activity generated by the joint Overview and Scrutiny exercise in 2014/15 seems to have settled many members' concerns.

The service asked Joint Committee members to review the performance indicators in November 2015 and the suite for 2016/17 reflects the comments received as part of this consultation. This, combined with the improved activity data report for 2016 onwards, is designed to give members full confidence in the standard of service delivery, when the indicators are maintained or improved and targets are met. The service will also look to utilise its developing time recording data to calculate some of its unit costs as a final piece in the jigsaw that should fully demonstrate the levels of efficiency that the shared services model has delivered.

Intelligence has been the main driver for Trading Standards and Animal Health activity for some time, supported by our investment in our single database and the development of better activity reporting, as well as the adoption of a new operating model (the Trading Standards Intelligence Operation Model developed by the National Trading Standards Board,) and the use of the regional Intelligence Database (IDB.) In the coming years the use of intelligence will be developed to support Environmental Health delivery, particularly to try and develop preventive activities to help reduce demand on the service. This will be particularly relevant for nuisance work.

### **4.2 Core Level of Service.**

As part of the development of the last Business Plan, managers outlined a model service that would deliver the statutory minimum level of service to all partners across the County. This was to illustrate the necessary staffing levels and to give partners a picture of the level from which they could "buy back" additional levels of functionality. It is anticipated that most district partners will wish to operate at similar service levels to those currently delivered, however, it is accepted that the forecast financial settlements may cause this to alter. The following paragraphs explain how a core service will look to partners in terms of service delivery.

### **4.3 Environmental Health**

The core service would be developed on the platform of the minimum common elements of delivery that meet statutory requirements, with partners choosing to increase the service level in the areas they wish. This minimum common service is outlined below.

#### **4.3.1 Food Hygiene and Infectious Disease Function**

Subject to formal approval by Joint Committee and following the transformation work over recent years, this is now delivered using the Food Hygiene Rating Scheme as a means of determining visit requirements to food businesses. This applies only to food manufacturers and caterers, representing around 50% of food businesses, leaving the other 50% of businesses outside of our routine inspection regime. These businesses are currently visited either, as and when a complaint arises or when intelligence suggests there may be an issue. The service has had discussions with the Food

Standards Agency as to how closely its delivery model must come to their requirements to match the brand standard for FHRS nationally and we have sought to ensure that we have met this in relation to the relevant businesses.

Infectious diseases are where Environmental Health interfaces with Public Health. Food poisonings are probably the largest in volume, linked obviously to caterers and home cooking, however the service must also support public health colleagues with outbreaks like TB in humans where the behaviour of infected individuals may need intervention through the legal process.

#### **4.3.2 Health and Safety at Work function**

The way this is delivered has changed dramatically in recent years, with the Health and Safety Executive pushing local authorities into less routine work and more focused proactive work using projects tackling potential problem areas. The minimum core service in this area would be a fully reactive one with no proactive work or initiatives. This poses a level of risk as a cessation of preventative work could lead to an increase in the number of accidents and serious near misses, thus negating any potential savings. Trend analysis will be undertaken to monitor if this is the case. Officers will review the on-line notification system investigating those which are serious accidents or serious near misses. Other minor accidents will not be investigated.

The Health and Safety Executive has noted the significant reduction in local authority commitments to health and safety activity and it may consider amending its previous guidance in an attempt to encourage local authorities to do more. In the current financial climate, it is difficult to see this succeeding.

#### **4.3.3 Statutory Nuisance**

This is a somewhat contentious area as the statutory duty could be interpreted as meaning that all complaints must be investigated immediately. WRS has agreed with partners to adopt the self-help approach by asking people to try to resolve the matter for themselves before the statutory enforcement body intervenes as this is the best way of achieving a long lasting outcome and natural justice. It avoids the expensive and time consuming option of legal action as, where a statutory nuisance is identified, the officer **MUST** serve notice according to the law.

Domestic nuisance issues are the main driver of this as they represent a relatively high volume and seldom reach the legal threshold to be deemed as statutory nuisances. As the dominant philosophy in government is one of reducing state intervention in people's lives, this is a logical development.

Initially the pilot measures for this applied only to non-noise related nuisances and have subsequently been expanded to cover all domestic nuisance issues. This approach was piloted in 2015/16 for both Worcester City and Wyre Forest and has since been extended to cover all districts. 2016/17 will be the first full year where the approach will apply county-wide. Where self-help does not deliver, the service will intervene as it would previously. Equally, where the complainant is a member of a particularly vulnerable group, the requirement for self-help will continue to be waived.

#### **4.3.4 Technical Pollution (air quality /contaminated land/planning applications)**

This covers a range of the more detailed aspects of pollution work like air quality, contaminated land, planning consultations and IPPC inspection. This last regime is supposed to be self-funding, with licensed premises paying to cover the cost of the inspection regime. DEFRA have agreed, as part of their "Red Tape Challenge" contribution, that they will deem inspection of 70% of premises that could be due as acceptable performance. It seems likely that this could be pushed further should partners be willing, hence savings could be achieved by focusing on known problem outlets, leaving the compliant alone and using resources to try to identify processes that should be authorised when they are not. Obviously, in such a situation, where compliant premises have been trusted to operate within legal parameters and they breach their permit, such breaches of trust will be treated very seriously. We would look to the partners to support any legal action required.

A number of operations without permits have been identified and a case brought through Worcester City in 2015/16 yielded a significant fine, demonstrating that the Courts do take operating these processes without a permit seriously. In the era of Better Business for All, tackling those who flout the law whilst allowing compliant businesses to trade with the minimum necessary interventions is the obvious route to follow.

Planning consultation is another key area of district council support. A checklist has been devised to improve the efficiency of decision making, allowing the Development Control process teams and Planners to make decisions without the intervention of EH staff. This is known to deliver some increased efficiency but there has been some reluctance from planning colleagues to acknowledge this and see a reduction of resourcing in this particular area. The fact that these aspects of service are not statutory combined with the current and developing financial climate may make such changes inevitable, however, no significant reductions are planned in this area currently, and it appears to be a marketable service.

#### **4.3.5 Miscellaneous Functions**

These are relatively small in volume and tend to be tackled reactively with little or no proactive interventions taking place e.g. public burials. It is difficult to see how to increase efficiency for these areas without changes to the statutory controls that they deliver.

#### **4.3.6 Dog Warden Service and Pest Control**

The Dog Warden Service is another high profile area of service, adequately staffed currently but addressing high levels of demand and delivering tendered work outside of Worcestershire. It also delivers on a number of other “dog related issues” (dangerous dogs, dog fouling for one partner, re-homing of strays,) so goes beyond simple collection of strays dogs.

Our experience and expertise in this area is in demand as a number of other local authorities buy their dog warden service from us. The development of contracts provides alternative income streams that contribute to the delivery of the level of savings anticipated in the plan. Given the numbers of contracts that come up for tendering, there appears to be a large potential market, so we will continue to develop this as a unit that delivers income.

Pest control is currently only offered by 4 of the 6 district partners to people on various forms of benefit. It is outsourced via a framework contract to 6 suppliers operating in different parts of the County. The service had a significant overspend in this area for 2014/15 and 2015/16 will be a repeat of this. Going forward, partners may wish to consider the viability of continuing to offer this service.

#### **4.3.7 Environmental Health Delivery Options for the core service**

Reductions in the management team have left the Head of Service and three team managers, two of which cover Environmental Health functionality. Given that:

- no partners have currently asked for reductions in the Technical Pollution area,
- there are high levels of demand across these functions and there currently appears to be significant potential for contract development in these areas,
- nuisance is politically sensitive with a lot of district elected member interactions,

Retaining two posts at this level seems logical, given the need for the capacity, flexibility and resilience to deal with all of these existing and developing situations within the broad EH functionality. The table below outlines what we believe the minimum staffing capacity for the delivery of all of the functions identified in section 1 at the minimum core service levels. This excludes Senior Practitioner roles, management and support. Volumetrics for some of the main areas of demand are included in the activity column of the table.

<b>Functional Area</b>	<b>Minimum Staff requirement for core work NB: can be flexed upwards from income generation</b>	<b>Activity to be undertaken linked to SOPR</b>
<b>Food Hygiene and Food Safety/ Infectious Diseases</b>	6.5 staff, mix of EHO and Technical Officer grades	Food Hygiene inspections (1300-1500 per annum) following FHRS Other food inspection on intelligence led basis Infectious Disease investigation (650-675 per annum), Food Hygiene complaints (450-500 per annum)
<b>Health &amp; Safety</b>	2.5 staff, mix of EHO and Technical Officer grades	Reactive enforcement only in relation to serious accidents and potentially serious near misses only (up to 400 interactions per annum)
<b>Statutory Nuisance &amp; Miscellaneous Other</b>	9.5 staff, mix of EHO and Technical Officer grades	All nuisance complaints subject to self-help approach before service intervention. All relevant miscellaneous complaints/ service requests investigated (up to 8000 reported per annum)
<b>Technical Pollution</b>	8.0 staff, mix of EHO, Technical Officer grades and a Technical Support Officer	Servicing of district air quality (10 AQMAs and 4 potential additions) and contaminated land needs except for Worcester City. Inspection of IPPC premises at rate exceeding 70% minimum performance standard (202 premises permitted) all required planning consultations (approximately 1700 per annum.)
<b>Dog Warden Service</b>	3.6 Dog Wardens	Given the success of obtaining three contracts in Gloucestershire and talks with other authorities, WRS will continue to market its in-house dog warden function more widely and develop business opportunities wherever possible
<b>Pest Control</b>	N/A	Requires only Management and Support time for monitoring of contracts and for the process of re-letting.

This level is being set by identifying the minimum common level of service required and taking into account any other significant efficiency that can otherwise be delivered. The numbers indicated are for field staff only. Partners wanting a higher level of service would need to buy additional capacity that would be added to the above structure.

#### **4.4 Licensing**

The nature of Licensing is such that it is not subject to the same financial pressures as other elements of regulation i.e. most elements can only be on a cost recovery basis. However, WRS has sought to increase the efficiency of the licensing process and it will continue to do this going forward.

Going into 2016/17, Licensing and Support Services will be re-organised to better integrate the two units to improve efficiency and reduce costs. This will leave a very lean administrative support arm linked to the licensing team, with the focus being on work being done at the right cost. Licensing administration will, where possible, be separated from the more difficult activities such as report preparation, committee work and enforcement, to ensure maximum efficiency. The decision in the Westminster case, which allows a reasonable amount of fee money to be allocated to compliance activities, means that savings will be re-invested in a better compliance regime for partners.

The more specialist support officers, covering technical roles like IT and Legal Administration, will be re-allocated from a line management perspective, to allow the Licensing and Support Services Manager more time to drive these changes.

#### **4.5 Cost**

The approximate cost of the core level service for each of the partners would be calculated based on performance requirements identified for 2016/17. These figures would come with some caveats as they are based on a single year's activity data and activity will vary somewhat from year to year. It is hoped that these calculations will be completed when confidence in the time recording data can be assured discussion with the Board.



## 4.7 Performance

The service operates to a suit of performance indicators which are supplemented by activity data tables to give reassurance to members as to activity levels in their areas. The table of PIs for 2016-19 are outlined below. These were developed in consultation with both Management Board and members of the Joint Committee in October 2015.

**Table of PIs 2016/17**

	<b>Measure</b>	<b>Reporting Frequency</b>	<b>Background</b>
1	<b>% of service requests where resolution is achieved to customers satisfaction</b>	<b>Quarterly</b>	<b>Based on questionnaires send out to a significant number of members of the public who use the service.</b>
2	<b>% of service requests where resolution is achieved to business satisfaction</b>	<b>Quarterly</b>	<b>Based on questionnaires send out to a significant number of businesses inspected or otherwise contacted by the service.</b>
3	<b>% businesses broadly compliant at first assessment/ inspection</b>	<b>Annually</b>	<b>Based on the proportion of businesses meeting the key purpose from a regulatory perspective i.e. food businesses produce safe food.</b>
4	<b>% of food businesses scoring 0,1 or 2 at 1<sup>st</sup> April each year</b>	<b>Annually</b>	<b>Based on proportion of businesses scoring 1-2 star on a national Food Hygiene Rating Scheme assessment (2 stars and below is deemed to be at risk of not producing safe food.)</b>
5	<b>% of drivers licence renewal applications issued within 5 working days.</b>	<b>6-monthly</b>	<b>New for 2016/17</b> <b>Based on the proportion of drivers licence renewals issued within 5 working days of receipt of application.</b>
6	<b>% of vehicles found to be defective whilst in service</b>	<b>6-monthly</b>	<b>Percentage of vehicles stopped during enforcement exercises that are required to be removed from service for remedial work before being allowed to carry on operating.</b>
7	<b>% of service requests where customer indicates they feel better equipped to deal with issues themselves in future</b>	<b>Quarterly</b>	<b>Based on questionnaires send out to a significant number of members of the public and businesses who have used the service.</b>

8	Review of register of complaints and compliments	Quarterly	All are recorded Increasing compliments/ Reduced complaints
9	Staff sickness absence at public sector average or better	Quarterly	Sickness recorded using host processes. Public sector average 8.75 or better
10	% of staff who enjoy working for WRS	Annually	Taken from the staff survey.
11	% of licensed businesses subject to allegations of not upholding the 4 licensing objectives	6-monthly	Indicator, linked to Crime & Disorder agenda, looking at performance of premises license holders and control on their activity.
12	Rate of noise complaint per 1000 head of population	6-monthly	Place indicator, potential link to quality of life and health and well-being.
13	Total income	6-monthly	New for 2016/17  Expressed as a % of district base revenue budget (16/17)
14	Cost of regulatory services per head of population	Annually	New for 2016/17  Will be total spend divided by the total population, based on the most recent mid-year estimate available at the time of publication. NB: Calculation will offset income against revenue budget to account for external income sources

The level of service required by each partner is set out in the revised statement of partner requirements, which is linked to the new legal agreement.

## **5. Workforce and workforce planning**

### **5.1 Current Workforce**

The service enters 2016/17 with a new Head of Service, Simon Wilkes, and a change in governance will see the Management Board and Joint Committee disbanded and replaced by a single governance Board with both officer and elected member representation from the 6 partners but only the members having a vote.

By this time, the workforce will be approximately 78 FTE posts, which includes the Trading Standards team that will depart part-way through 2016. There remain some concerns about the age profile of the workforce as it is highly biased towards those over 40 and a significant proportion over 50. This introduces risk in terms of the potential to lose staff of significant value and the service needs to consider how to address this. With current budget constraints this is not easy. The service engaged its first apprentice in Licensing in April 2015. There is some question as to whether or not this approach is suitable for the other professional areas.

In a number of areas, the service has officers with a regional and national profile who are highly regarded technical experts in their respective fields. This enables WRS to deliver high quality, high value services and to do work for others. Again, losing these key individuals could have a serious impact on the service's ability to deliver, especially in relation to income generation.

### **5.2 Staff Retention**

Managers have identified that staff are critical for the on-going high-performance of WRS and giving the best potential for income generation. Being able to continue to offer opportunities for professional development and the ability to engage with the wider professional environment will help to retain people. Indeed the service has been successful in developing and promoting from within its own ranks.

Managers will continue to support these individuals and ensure that they and the service benefit from applying their skills and knowledge to a bigger stage. This will include, where appropriate, interaction with the private sector and the ability to use their knowledge on a consultancy basis to benefit the service. There are some obvious dangers in this approach however some of the other opportunities offered by the public sector will mitigate this risk.

### **5.3 Staff Development and succession planning**

It remains crucial that the service retains a reasonable training budget, both to ensure the competency of existing staff but also to ensure that we can develop staff for the future. The service has been successful in assisting staff to take steps forward in their careers, both from field officer to first line supervisor and upward into the formal Management team.

With the need to focus on income generation, there will need to be some emphasis on developing the commercial acumen of staff to growth the streams of income coming into WRS. It is clear that our staff have taken some steps on this road already and they show a willingness to go further. The steps previously taken need to be built upon in order that staff can recognise commercial opportunities when they arise.

### **5.4 Staff Appraisal**

The service continues to follow the standard pattern of Personal and Professional Development Reviews on an annual basis, with a 6-monthly update, to ensure staff are competent. The new computer and performance management systems enable managers to review the performance of their staff in more detail, allowing individual performance to be scrutinised and assessed. Managers can now see who their best performers are and identify those needing additional support and improvement. Going forward this can only improve performance at both individual and service level.

## **6. Meeting the budget envelope 2016-2019**

A year by year explanation of how the budgetary envelope will be met across this time frame is included in Appendix B with the relevant budget sheets. Savings realisation sheets for 2016/17 are included however at this time further savings beyond this period have not been discussed.

### **6.1 Management Restructure**

Savings have been achieved from a restructure in the management team, reducing the number of management posts from 7 to 5, one of which is a 2 year contract appointment to test how far income generation can be taken.

### **6.2 Service Variations and Self-Help**

The thrust of business plan development recently has been to cost the provision of a base level of service equivalent to the service for the partner requiring the largest reductions. Having created this, as outlined in the section above, partners could then buy back work to bring them to the level they wish to offer.

From 2015/16, Worcester City and Wyre Forest re-focused their Health and Safety at Work activities to cover enforcement only. They have also accepted a realignment of food inspection programmes facilitated by the use of FHRS and the Healthy Eating Award to limit the need for intervention at 4 and 5 star premises.

During 2015/16, self-help was introduced across the board for all district partners in relation to nuisance service requests (with exceptions for vulnerable customers.) Other benefits such as increases in efficiency through flexible working, more resolution at first contact by the Duty Officers and increases self-service for business via the website will also accrue to all partners. This approach will be extended to all nuisance service requests in 2016/17 for all partners. Experience from the original pilot suggests that self-help processes can take up to a year to bed in with both residents and members, so 2016/17 should start to show full efficiency yield for changes to nuisances

Also, the Duty Officer team will have fully bedded in and be fully trained to maximise the volume of demand that can be dealt with at first point of contact. Re-organisation of the Licensing team has created a number of new posts that will provide support to the Duty Officer team and increase our potential resource at the first point of contact. WRS IT will also be fully developed and operating for both self-service for advice for business and with public access allowing people to register service requests and apply for licenses electronically. More FOI requests will be dealt with by referral to already published data and allowing customers access to sanitised data within the database will allow them to track progress without having to speak to the service. All of these will marginal improvements in efficiency of delivery.

### **6.3 Detail of Income Generation**

The service has had some focus on income generation since its inception, focused on grants and training, so this is not a new idea for the teams.

Business advice for District Council functions will remain available free of charge unless partners decide to change this policy. The service will offer training to businesses in areas like Food Hygiene and, again, we will seek to use this as an income generation platform to off-set costs. Licensing training may also be an area for consideration, particularly outside of Worcestershire, to avoid conflict of interest allegations.

The largest potential area for income generation to off-set cost and retain staffing numbers is by delivering work for other local authorities. Another area of income yet to be tapped is pre-application advice for planning and licensing services. Partner planning services already charge for this but without reference to the cost that this can impose on WRS in terms of our staff attending meetings and providing advice. We will seek to address this area in consultation with planning colleagues.

A similar approach could be developed for some areas of licensing, however, consideration would need to be given as to how the service would separate such advisory activity from its delegated decision making functions to avoid any perceived conflicts of interest.

Overall, required income estimated for 2016/17 is **£250,000**.

Income in 2016/17 and 2017/18 and 2018/19 will continue to focus on:

- Developing Primary Authority arrangements where possible,
- Considering how to increase income in the area of business advice and support to the LEP
- Considering further options for the development of training packages
- Continuing to seek business opportunities for delivering services for others.
- Continuing to develop pre-application advice processes

Continued austerity may lead to an increase in opportunities for picking up commissions or for the delivery of consultancy services around the development and delivery of shared service platforms. Overall, required income estimated for 2016/17 is between **£200K and £250K** and for 2017/18 is between **£250K and £300K**, and 2018/19 **£300k and 350K**.

## 7. Evolution of the Business Model & Risk

A variation on the original 2012/13 activity matrix was developed to help calculate what the minimum service looks like. This will be refreshed in 2016/17 using the existing data. Now that we have several years of data within Uniform it should be a more accurate reflection. Over the next two years, the matrix can be further refined to accommodate a wider spread of data, improving its accuracy and increasing its capability to demonstrate the actual cost of delivery.

Management Board have previously expressed a wish to investigate the possibility of moving to a charging model that reflects what is delivered on behalf of each partner rather than on historical contributions. A formal review every three years, commencing 2017/18 is proposed so that partners can be reassured that their level of contribution accurately reflects the need for service deliver in their area. This would dovetail with the proposal in the new legal agreement to move formally to activity based charging in 2019.

The main risks faced by the service going forward will be:

- Risk to sustainability of the service if partners cannot maintain core funding during the extended period of austerity
- Achieving income targets where non-partner local authorities may be reticent about outsourced delivery in these areas and prefer to develop new partnerships along WRS lines with their neighbours
- Retaining our highest quality staff and maintaining the range of competences necessary across the very broad range of functions required
- Changes to partner specifications for service fail to meet customer expectations of what should be offered creating a risk for the service's reputation with both customers and back-bench elected members

The existing service risk register is attached as appendix C.

**Appendices:**

**A: Current WRS structure**

**B: 3 year budgets**

**C: Risk Register**

**Appendix A –Structure 2016/17**

**Head of Regulatory Services**

**Simon Wilkes**

**Environmental Health and  
Trading Standards Manager  
David Mellors**

**Technical Services Manager  
Mark Cox**

**Licensing and Support Services  
Manager  
Susan Garratt**

**Business  
Relationship Manager  
(Vacant)**

**Community Environmental  
Health**

- Food Safety
- Health and Safety
- Infectious Diseases investigation
- Food Poisoning investigation
- Accident Investigation
- Private Water Supplies
- Nuisances
- Drainage,
- Public Burials/Exhumations
- Alcohol Licensing enforcement
- Health and Wellbeing Projects
- Legal Administration

**Trading Standards and Animal  
Health**

- Metrology
- Food (Composition & Labelling)
- Fair Trading
- Product Safety
- Underage Sales
- Doorstep Crime
- Internet Crime
- Counterfeiting and Scams
- Rogue Trading
- Enterprise Act Civil Enforcement
- Animal Health
- Animal By-Products
- Animal Feed
- Trader Register
- Intelligence Monitoring

**Acting Technical Pollution, Dog  
Wardens and Pest Control  
Team Manager**

- Dog Warden
- Pest Control Contract Monitoring
- Environmental Permitting
- Petroleum and Explosives licensing enforcement
- IPPC
- Contaminated Land
- Air Quality
- Planning Consultations
- IT Support & Data Control

**Licensing and Support  
Services Team Manager**

Administration of all Licensing Functions (Including Petroleum and Explosives)

- Hackney & Private Hire licensing enforcement
- Enforcement of Licensing Conditions for Animal Businesses
- Policy Development
- Performance Monitoring
- Training and Development
- Communications
- Administrative Support
- Finance/Grants
- Business Continuity
- Public Information/Registers
- Risk Management



## Appendix B: 3 Year budget

NB: Only budget for 2016/17 is shown as, at this stage partners have not identified changes for future years, so assume same finances are available

<b>Account description</b>	<b>Budget 2016 / 2017 £000's</b>
<b>Employees</b>	
Monthly salaries - assumes savings made to fund incremental increase	2,647
Training for professional qualifications	2
Medical fees (employees')	2
Employers' liability insurance	17
Employees' professional subscriptions	4
<b>Sub-Total - Employees</b>	<b>2,671</b>
<b>Premises</b>	
Internal repair/maint.	0
Rents	60
Utilities	0
Business Rates	0
Room hire	2
Trade Waste	0
Cleaning and domestic supplies	0
<b>Sub-Total - Premises</b>	<b>62</b>
<b>Transport</b>	
Vehicle repairs/maint'ce	3
Diesel fuel	8
Licences	1
Contract hire of vehicles	4
Vehicle insurances	3
Van Lease	9

Fares & Car Parking	5
Car allowances	85
<b>Sub-Total - Transport</b>	<b>118</b>

### Supplies & Service

Equipment - purchase/maintenance/rental	21
Materials	9
Clothing and uniforms	2
Laundry	1
Training fees	23
General insurances	30
Printing and stationery	21
Books and publications	2
Postage/packaging	11
ICT	60
Telephones	23
Taxi Tests	30
CRB Checks (taxi)	25
Legal fees	0
Support service recharges	100
Support service recharges - ICT	60
Audit	5
<b>Sub-Total - Supplies &amp; Service</b>	<b>422</b>

### Contractors

Consultants / Contractors' fees/charges/SLA's	236
Advertising (general)	4
Grants and subscriptions	13
Marketing/promotion/publicity	2
<b>Sub-Total - Contractors</b>	<b>255</b>

**Savings to be identified to keep council targets for 2016/17**

Savings for partner councils

**-134**

<b>Sub-Total - Savings to be identified</b>	<b>-134</b>
<b>DISTRICT PARTNERSHIP BUDGET 2016-17</b>	<b>3,394</b>
<b>Income</b>	
Grants / Nuisance Work / Food Training / Contaminated Land / Stray Dogs / Sewer Baiting	-216
County - 3 Month SLA	-153
<b>Sub-Total - Income</b>	<b>-369</b>
<b>TOTAL BUDGET 2016/17</b>	<b>3,025</b>

<b>BUDGET PER PARTNER COUNCIL</b>	<b>2016-17 Revised Percentages</b>	<b>Draft Budget 2016-17</b>	<b>Income 2016/17</b>	<b>Income - SLA County 3 Months</b>	<b>Budget 2016-17</b>
	%	£'000	£'000	£'000	£'000
Bromsgrove	14.52%	493	-31	-22	439
Malvern	12.77%	433	-28	-20	386
Redditch	17.49%	594	-38	-27	529
Worcester City	16.76%	569	-36	-26	507
Wychavon	23.16%	786	-50	-35	701
Wyre Forest	15.30%	519	-33	-23	463
<b>District Partnership Budget Total</b>	<b>100.00%</b>	<b>3,394</b>	<b>-216</b>	<b>-153</b>	<b>3,025</b>

## Appendix C: Risk Register

Risk Description	Consequences	When is this likely to happen	Current Position			Control measures
			Likelihood	Impact	Matrix RAG Status	
Loss of Data through IT failures	Disruption to Service Provision.  Inability to produce records and data.	On-going	Low	High	Green	Wyre Forest ICT has effective processes and business continuity plans in place.
Issues with the WRS database system	Impact on work planning.  Self-help may not enable savings required	On-going	Low	High	Amber	Initial implementation is completed. Further development of the system will be treated as business as usual, with priority going to public access and self-help/ self-service to continue the channel shift process. Service website remains key access point
Effective and efficient Business Continuity arrangements in place	Disruption to service if e.g. Major Power failures or other reasons that access to Wyre Forest House is not possible.	On-going	Very Low	Medium	Green	Staff are equipped for mobile/home working. Touchdown stations available in partner council locations. Working from WFDC depot successfully tested over Christmas period.
Maintain our capacity to achieve service delivery	Disruption to service e.g. Major staff sickness (e.g. flu pandemic) or  Unable to recruit or retain suitably qualified staff.	On-going	Low	Medium	Green	In such event, service priorities to be managed and partners informed of any changes to service. Consultants are available to provide short term cover and this has worked well where we have used them to cover peak demand periods.  We are active within regional and sub-regional groups to share resources if required. Effective training and development processes are in place to ensure recruitment and retention of staff.  Regular inventory and maintenance of equipment. In

						future budget for replace may be an issue but would be a relatively small amount for partners to share.
Pest and Dog Control contractors cease operations.	Disruption to service. Negative media coverage. Increased public health risks	On-going	Low	High	Green	New framework contract has 6 pest control suppliers so the loss of one allows work to be moved to the others.
Effective and efficient contract arrangement for dog control	Disruption to service if no kennels available. Negative media coverage. Increased public health risks	On-going	Low	High	Amber	Budget available to buy in use of other private sector providers in short term. Contracts being re-let.
Hosting support does not deliver necessary financial and HR support to ensure efficient management	Efficiency of management reduced; staffing issues remain unaddressed and performance suffers	On-going	Low	High	Amber	Some continuing issues around access to the financial system from Wyre Forest house, meaning managers are reliant on host finance officers for financial reporting. ICT team from WFDC and BDC continue to work to resolve the issue
One or more partners continue to be under great financial pressure and may consider alternatives to the partnership to deliver their service	Creates reputational issues for remaining partners and increases the need to manage overheads. Difficulties in delivering highly varied levels of service	On-going	Low-Medium	High	Amber	New legal agreement limits variations in contribution before partners have to move to contractual relationship. Leanness of organisation minimises overheads and focuses resource at the front line. Growth strategy should generate income to support partners in the future
Robust arrangements in place in relation to obtaining legal advice and monitoring legislative changes.	Loss of cases is costly and damages reputation.	On-going	Low	Medium	Green	Continued close working with BDC legal team and other partners who don't use BDC for advocacy. Technical and legal training days for staff.

Service provision complies with Government requirements	Adverse comments following audits e.g. FSA  Intervention by Government bodies i.e. FSA, whilst highly unlikely, is damaging to reputation.	On-going	Low	High	<b>Green</b>	Limited detail of what statutory minima are.  LGA clearly aware of impact of budget reductions on regulation and has made it clear Government cannot expect what it had previously. Fewer interventions/ audits by government. Service has developed systems that follow the principles of the requirements of bodies like FSA so can show some level of compliance.
Failure to deliver external contract work at the level expected by the business or local authority with whom we have the contract	Damage to reputation, loss of future income streams, financial impact of paying damages	On-going	Low	High	<b>Green</b>	Ensure contract negotiations are clear on performance criteria and these are clearly recorded in the final documentation. Monthly reviews against performance criteria. Select staff to ensure competence of those undertaking work outside Worcestershire. Maintain strong links with the customer's monitoring staff. Intervene early with corrective action
Increasing competition for contract work or move towards partnering as an alternative to buying services	Reduced opportunities for income generation, potential loss of current contracts outside of Worcestershire, need to operate on a even wider base to generate income streams	On-going	Low	High	<b>Green</b>	Currently limited competition from neighbours and one potential threat from developing partnership. Continue to minimise overhead and work on limiting support costs. Maintain levels of expertise in demand areas, trade on reputation as experienced delivery agent able to deliver services at reduced cost immediately.