

WRS Board

16th February 2016

WORCESTERSHIRE REGULATORY SERVICES Business Plan for Worcestershire Regulatory Services 2017-2020

Recommendation

That the Board approve the updated approach outlined in the WRS business plan 2017-2020

Report

Following on from the procurement exercise and in line with the leadership training undertaken by the management team, it was determined that Worcestershire Regulatory Service needed a plan to ensure both the viability of the service and its ability to operate within the financial envelopes available to the partners. This plan became the high level document that informs the development of the service for the foreseeable future. It was updated last year following the changes to the partnership arrangement and, given developments and experiences during the last year it has been updated again, with the new time scale taking us through to the next general election.

The Business Plan shows how WRS will:

- Provide a viable service within projected partner cost envelopes
- Understand what a base level of service, would look like for partners who need to reduce their financial contributions further in the current economic climate.
- Support other partners to maintain service levels above this, where this is desired.
- Provide details of plans to “Grow the Business” and increase income to maintain resilience in the face of continued austerity.

Local government finance remains difficult. The expected stability that 4-year budgets were expected to bring has not really been achieved with Government's changes to the new homes bonus and the on-going lack of certainty about what business rates retention will deliver. The Municipal Journal's headline of 12th January 2017, which said "Breaking Point," highlights the difficulties faced by the sector. Currently partners are not looking for further savings from WRS and the service has been clear that the significant efficiencies have all been delivered.

Income generation will remain the key factor in the service's business strategy. It is possible that authorities may be encouraged to engage more with WRS and look more widely at contracting services to those who can offer expertise and resilience in service delivery. This will make the plan's challenging income targets more deliverable. The demise of Shropshire's outsourced regulatory team has meant there are fewer serious competitors, the 2020 partnership, around West Oxfordshire, Cotswold and Forest of Dean District Councils, remaining the main challenger. However, authorities are now recognising income generation as a strategy so we may see others entering the market place, albeit they are unlikely to be able to match WRS's scale. Support from partners at all levels, but particularly Director, Chief Executive and Leader level will be necessary in selling WRS in what remains a significantly more competitive environment.

Understanding our costs and with good support from the Host's Finance team, we have been able to forecast our income needs going forward even beyond this period of the plan, which takes us up to the next general election. On the assumption of cash standstill from partners, the service will need to be generating in excess of £350,000 in income by 2020 to continue to be able to offer the current service levels to partners and clients. This will be challenging but the management team believe that this is achievable.

It will require that we continue to build on income streams like Primary Authority and doing work for other local authorities. We will need to maintain the levels of grant income that we bring in and we will need to tap into new income streams like pre-application advice, if the forecast requirements are to be met. This can only be done if the service retains its current flexibility to re-invest income in resources where necessary. We must also retain the current flexible and well qualified staff cohort and build on it where we can.



The previous plan was predicated on only taking on business from authorities through contract. Our experience in bidding for the work of Stratford on Avon district suggested that this would not always be a winning strategy, especially where there was a partnership option available. Although the proposed partnership between Stratford and the 2020 Group of authorities did not come to fruition, it is still important that we give consideration to how we might look at opening up the partnership in the right circumstances to new members. As was discussed with members, this would need to be to the benefit of all and the Head of Service will continue to work up the idea with senior officers from the partners, albeit that the authorities that we have approached have yet given a strong indication of interest. We need to be prepared for this eventuality and put ourselves in the position where we could move quickly if it was to our advantage.

Financial Implications

In their search to make savings in-house, partners may consider building on the WRS platform as an option to potentially rationalise cost and maintain service levels in some of their other enforcement related and similar services. The existing legal agreement allows for this kind of addition, so this is open to the partner authorities to consider.

The completed business plan will provide a template for delivering services within agreed cost envelopes and to defined standards.

Are included in the business plan

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Background Documents

WRS Business Plan 2017-2020
