



## Public Protection & Regulatory Services Service Assessment and Business Case



### 2020 Vision for Joint Working

“A number of councils, retaining their independence and identity, but working together and sharing resources to maximise mutual benefit leading to more efficient, effective delivery of local services”

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## 1. Purpose

The purpose of this report is to outline the business case for the future delivery of public protection and regulatory services in West Oxfordshire, Cotswold, and Forest of Dean Districts, and Cheltenham Borough.

## 2. Recommendation

To approve the creation of a Shared Public Protection and Regulatory Service between West Oxfordshire, Cotswold and Forest of Dean District Councils and for collaboration between that shared service project and Cheltenham Borough Council to include a shared ICT platform, shared back office functions, vacancy management, specialist and residual functions.

## 3. Introduction

In April 2014 a report titled *A Vision for Shared Public Protection Services<sup>1</sup>* was considered by West Oxfordshire, Cotswold and Forest of Dean District Councils' and Cheltenham Borough Council. The report outlined the financial and qualitative benefits of a shared public protection service including:

- Improved delivery to customers e.g. reducing the burden on business by simplifying processes and improving access
- Resilience e.g. improved capacity through sharing of resources and the ability to broaden technical and professional knowledge
- Cost reduction through efficiencies e.g. eliminate duplication, overlap and redundancy in processes and working
- Economies of scale e.g. reduced management/support/staffing costs and overheads, potential for rationalisation / re-use of estate over time
- Savings through improved efficiency and reduction in staffing numbers for all Councils in the short and medium term
- A more consistent approach to service delivery e.g. Policy alignment – common policy framework will be developed with flexibility to meet local needs, improvement in compliance and uniform process for "routine" regulatory work
- Standardised performance, quality, policy and processes e.g. reduction in incidents of failure through efficiency, standardisation of charges and fees and consistent approach to clients whilst maintaining local flexibility
- Business transformation e.g. shared resources – people, processes and systems as well as making staff resources more visible locally.

In June 2014 West Oxfordshire, Cotswold and Forest of Dean District Councils and Cheltenham Borough Council approved an outline business case and 2020 Vision<sup>2</sup>. The vision is for a number of councils, retaining their independence and identity, but working together and sharing resources to maximise mutual benefit leading to more efficient, effective delivery of local services.

In August 2014 the 2020 Vision Programme Board, which contains elected Member representatives from West Oxfordshire, Cotswold and Forest of Dean District Councils and Cheltenham Borough Council, considered two options for a shared public protection and regulatory service. These included all four councils operating a single service and a three way service between West Oxfordshire, Cotswold and Forest of Dean District Councils. The Board determined that it would recommend a three way shared service model and that there should be collaboration between that

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<sup>1</sup> A Vision for Shared Public Protection Services

<sup>2</sup> A 2020 Vision for joint working

new shared service and Cheltenham Borough Council to include a shared ICT platform, back office functions, vacancy management, and collaboration of specialist and residual functions.

#### **4. Scope**

The scope of the shared public protection and regulatory service includes the following functions.

- Private Sector Housing
- Regulatory Enforcement
- Community Safety (Anti-Social Behaviour)
- Environmental Pollution
- Food Safety
- Health and Safety (External regulation)
- Environmental Crime (Fly tipping, abandoned vehicles, littering etc.)
- Licensing
- Pest Control (Regulation)

#### **5. Objectives and Benefits**

The shared public protection service model will achieve the following outcomes and benefits:

1. Creating a framework that is flexible, locally accountable, and enables the service to be 'scalable'
2. Creating a more efficient and effective redesigned shared support and administration service
3. Maximising the use of existing common ICT systems
4. Providing greater service resilience and improving customer experience
5. Creating a more resilient and flexible management framework
6. Provide a transparent and effective performance framework to measure business and local outcomes and quality of life issues like anti-social behaviour and environmental crime
7. Provide a framework where all regulatory policy and licensing decisions will be made by each Local Authority independently

In order for the project to achieve the desired benefits, the project design phase will create outputs and during the implementation phase capabilities and outcomes will be delivered. The table in **Appendix i** illustrates the outcomes outlined above that the project will achieve and the benefits which will be achieved when the project is complete (Post Project Phase).

The financial benefit of shared ICT software, back office collaboration, and shared specialist and residual public protection functions with Cheltenham Borough Council will be established during the project design phase and will be in addition to the projected efficiency savings outlined in this report.

#### **6. Service Assessment**

The initial assessment of a four way shared public protection service indicated that savings of between 22% and 24% (which have been achieved by the GO Shared Service Partnership and the Worcestershire Shared Regulatory Services Partnership) could be achieved. During the development of the business case a Resource Allocation Model (RaM) was created to determine the level of staff that is required to meet service demands, statutory responsibilities, and manage risk. The RaM takes into account the demand for services in each authority area as well as the environment. The model provides an indication of the future service costs and annual efficiency savings which are estimated to be £832,000 for a three way service model. Savings from the 'new' baseline position for each authority will be in proportion (via % allocation) to the original baseline position for the three authorities. A long-term aspiration is to move to a unit cost, in accordance with the RaM. More importantly, the model will allow future partners to join at competitive costs.

The project set-up costs are estimated to be £1,425,000 which are similar to those in the GOSS project<sup>3</sup>. The estimated service savings demonstrate that these costs will be paid back in less than two years. The intention is that the set-up costs will be shared equally on the basis that each authority will benefit equally from the investment - this is the same principle that was used for the GOSS project. The costs associated with this project will be part of the 2020 Vision Programme Budget managed by the 2020 Programme Board.

A table that illustrates the baseline costs for each authority, the level of efficiencies, and set up costs is contained in **Appendix ii**.

In addition, an application has been made to the Government's Transformation Challenge Award Scheme to meet some of these costs; the outcome of this should be known in November/December 2014 and will be reported to each respective Cabinet if it is known. If that application is successful, some of it could be used to offset the project costs and will need to be reflected in each authority's budget setting process.

The project budget will provide capacity to enable the transition from an existing service framework to a new shared service and include ICT costs, HR, and project resource costs. A number of existing staff will be involved in the design and implementation of the new service and the project budget includes the funds to 'backfill' posts where there is a 'critical risk' to public health; this will minimise the impact on service delivery during the transformation. The intention is that the Shared Public Protection Programme Manager is given responsibility to design and implement the new shared service and also manage services during the transitional period (from January 2015 until project close down) and report to those Directors responsible for public protection at each authority.

The 2020 Vision Programme Board believes that The Regulatory Services Transformation Project at Cheltenham Borough Council and the Shared Public Protection and Regulatory Service Project should collaborate and this should include a shared ICT platform, shared back office functions, vacancy management, and specialist and residual public protection and regulatory functions. This approach would allow a four way shared service being implemented in the future. Should Cheltenham Borough Council choose to join the shared service at a later date then it would need to meet the proportion of the set up costs that it would have borne had it been in at the start as well as any additional costs associated with the transfer. Such costs would need to be identified at the time and would form part of the relevant business case at that time.

This business case takes into account only savings against public protection staff costs (direct expenditure) and not efficiencies that could be made against indirect costs (internal support), collaborative procurement, and improvements to business processes. These will be identified during the project design phase and considered as part of the new shared services budget setting process.

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<sup>3</sup> Some of these costs relate to the overall 2020 Vision Programme and therefore the set-up costs for this project could reduce if that Vision is agreed by the four partner councils'

## 7. Service Framework and Delivery

The objectives and benefits of a Shared Public Protection and Regulatory Service will maintain services to local communities and businesses. A 'Blueprint' for shared service delivery has been developed and this outlines three functions including:

- Local services and support
- Shared operational services
- Shared support and administration services

The functions would enable the service to deliver locally agreed outcomes for each authority and maintain local responsiveness, accountability and decision making. The integrated support and administration service would be more resilient than current local models, deliver efficiencies, and improve the service to businesses and customers. The shared operations function will enable services to be delivered locally within a single framework, reducing duplication and improving resource management which will deliver efficiencies. A diagram illustrating the service framework is contained in **Appendix iii**.

During the project an assessment of service governance will be completed and this will include who will employ staff in the new shared service. This will be reported back to each authority for consideration.

The creation of a shared service also provides the opportunity to review public protection information systems. Each authority currently uses the same software system (Idox Uniform) for public protection. The creation of a single platform will enable shared working and reduce the support needed to maintain four systems.

## 8. Project Governance

Control points will be established to ensure that the project is governed and monitored effectively. A Director will act as the Project Sponsor and monitor progress against milestones and risks. A Project Manager will have responsibility for project resources and the delivery of the outcomes and benefits.

A detailed project plan has been created to determine the level of resources that will be required to design and implement a new shared service. The Gantt chart below illustrates the indicative project plan.

Project Phase	2014	2015				2016			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Set Up									
Design									
Implementation									

The project will also have interdependency with the Regulatory and Environmental Services Transformation (REST) project at Cheltenham Borough Council.

## **9. Risk**

The most significant risk to each of the councils' in the future is their ability to deliver their statutory functions when local authorities are being required to provide 'more' or 'the same' level of services for less. This position is unlikely to improve and the creation of a shared service will provide a more efficient and resilient model that will reduce this risk.

Clearly there are risks with any change and transformation programme or project. An initial project risk assessment has been completed and will form part of the project management and monitored by the Project Manager and Sponsor.

## **10. Alternative Options**

Each council could decide not to approve the creation of a shared Public Protection and Regulatory Service between West Oxfordshire, Cotswold, Forest of Dean District councils and collaboration with Cheltenham Borough Council. The financial and qualitative benefits of a shared service are outlined in the report and provide a significant opportunity to all four authorities. If a council decided not to pursue a shared public protection and regulatory service then the same level of service improvements and efficiencies could not be achieved by each authority individually or by two councils' operating in partnership because of the economies of scale that can be achieved by three councils'.

## **11. Background Papers**

- A 2020 Vision for joint working
- A Vision for Shared Public Protection Services
- Report on Public Protection to the 2020 Board



## Appendix I

The table below illustrates the outcomes that the project will achieve and the benefits which will be achieved when the project is complete (Post Project Phase).

Project Design Phase: Output	Project Implementation Phase		Post Project Phase
	Capability	Outcomes (As outlined in Section 5)	Benefits
All Public Protection processes redesigned	All processes and systems tested and approved for go-live	1.2. 3. 4. 5. 7	<ul style="list-style-type: none"> <li>• Efficiency savings of £832,000 annually between the three councils'</li> <li>• Financial benefit of shared ICT software and back office collaboration to be established</li> </ul>
The design of a three way shared public protection service	Management and staff resources appointed and trained.	1.2. 3. 4. 5. 7	<ul style="list-style-type: none"> <li>• Efficiency savings of £832,000 annually between the three councils'</li> <li>• Financial benefit of shared ICT software and back office collaboration to be established</li> </ul>
The design of a four way shared public protection ICT platform and back office function in collaboration with Cheltenham Borough Council (REST Project)	<p>All processes and systems tested and approved for go-live.</p> <p>Management and staff resources appointed and trained.</p>	1.2. 3. 4. 5. 6. 7	<ul style="list-style-type: none"> <li>• Efficiency savings of £832,000 annually between the three councils'</li> <li>• Financial benefit of shared ICT software and back office collaboration to be established</li> </ul>
The design of a four way sharing of specialist and residual public protection functions in collaboration with Cheltenham Borough Council (REST Project)	<p>All processes and systems tested and approved for go-live.</p> <p>Management and staff resources appointed and trained</p>	1.3.4	<ul style="list-style-type: none"> <li>• Efficiency savings of £832,000 annually between the three councils'</li> <li>• Financial benefits of shared specialist and residual public protection functions to be established</li> </ul>

## Appendix II

The table below illustrates the baseline service costs, the level of efficiencies, and the set up costs for each authority.

<b>Authority</b>	<b>Baseline</b> (£,000)	<b>Revised</b> <b>Baseline</b> <b>Cost</b> (£,000)	<b>Annual</b> <b>Efficiencies</b> (£,000)	<b>Set Up</b> <b>Costs</b> (£,000)	<b>Pay</b> <b>Back</b> <b>Period</b> (Months)	<b>10 Year</b> <b>Efficiency*</b> (£,000)
Cotswold	834	536	298	475	19	2,505
Forest of Dean	579	372	207	475	28	1,595
West Oxfordshire	913	586	327	475	17	2,795
<b>Total</b>	<b>2,326</b>	<b>1,494</b>	<b>832</b>	<b>1,425</b>	<b>-</b>	<b>6,895</b>

\*Total efficiencies minus set-up costs

The diagram below illustrates the service framework.

