

TITLE	Public Protection Shared Service
FOR CONSIDERATION BY	The Executive on 24 November 2016
WARD	None specific
DIRECTOR	Josie Wragg, Interim Director of Environment
LEAD MEMBER	Pauline Jorgenson, Executive Member for Resident Services

OUTCOME / BENEFITS TO THE COMMUNITY

- The new intelligence led operational model allows the service to focus resource on priorities in a proactive way
- There will be a cost saving to the Council and improved efficiency will result in improved value for money
- There will be an increased level of control to the Council over the strategic direction, policies and financial arrangements of the shared service

RECOMMENDATION

That the Executive agrees:

- 1) for Wokingham Borough Council to enter into a shared service arrangement for the delivery of Public Protection services with Bracknell Forest Council and West Berkshire Council (host) commencing January 2017;
- 2) to delegate authority to the Borough Solicitor, in consultation with the Director of Resources and Executive Member for Resident Services to finalise Inter Authority Agreement between the three Councils;
- 3) to delegate WBC Executive functions in respect of public protection to the Joint Committee with West Berkshire Council (host) and Bracknell Forest Council through the Public Protection Partnership (PPP) and to enable the joint Committee to further delegate the operational functions to the managers of the shared service.
- 4) to agree the fees and charges (based on a cost recovery basis) for the Public Protection Shared Services as set out in Appendix 3.

SUMMARY OF REPORT

The current shared service agreements for the Environmental Health, Licensing and Trading Standards Services between WBC and West Berkshire Council are due to expire in January 2017.

The proposal is to enter into a new shared service arrangement with West Berkshire (host) and Bracknell Forest Councils. This service will provide the Environmental Health, Licensing and Trading Standards Services under the new heading of the Public

Protection Partnership (PPP). This arrangement will allow the cost of the service to the Council to be reduced by £50k per annum.

The new arrangement is significantly different to the current shared service in its governance approach. A Joint Committee made up of two representatives from each partner authority will be responsible to set the strategic direction, policies and financial arrangements of the shared service. The Council's contribution to the cost of the service will be agreed through the Council's annual budget setting process. These arrangements provide WBC with greater control over the shared service.

Operationally, the service will adopt the National Intelligence Model which allows the Joint Committee to set priorities that will filter through the management structure to inform the allocation of work. This ensures that resources are targeted on priority areas and those of greatest impact and risk. This provides a greater amount of flexibility to respond to changing needs and priorities such as changes legislation or circumstances on the ground.

This report recommends that the Executive authorises establishing the Shared Service and delegates its functions to the Joint Committee. It is also necessary for Full Council to agree the following subject to the Executive authorising the Shared Service:-

- to authorise the creation of a Joint Committee with West Berkshire Council (host) and Bracknell Forest Council through the Public Protection Partnership (PPP) to determine policy, strategy and oversee the performance monitoring and management of the new PPP.
- To delegate to the Joint Committee WBC Council (non-Executive) functions in respect of public protection to enable the Joint Committee to further delegate the operational functions to the managers of the shared service.
- To authorise the appointment of two members and one substitute member onto the Joint Committee (to include the Executive Member with responsibility for the relevant functions).

Analysis of Issues

Background

In June 2010, WBC entered into a 5 year agreement with West Berkshire Council for the delivery of the Trading Standards Service, and this was then followed by further five year agreement for Environmental Health and Licensing Services in January 2012. The Trading Standards agreement has been extended and both agreements come to an end in January 2017.

Under the current shared service arrangements, all WBC Environmental Health, Licensing and Trading Standards functions are delegated to and delivered by West Berkshire Council. WBC still retains its own Licensing Committee and sub Committees / Panels as required. When the shared service was set up, all WBC staff were TUPE Transferred to the host authority West Berkshire Council.

There were several drivers for setting up the existing shared service. One of the main drivers was finance and the merger enabled WBC to realise £180k per annum mainly through reduced management costs and reduced overheads. In addition, as the Council had been finding it difficult attract staff, establishing the shared service enabled greater resilience, allowing it to recruit and retain staff, to develop specialisms, and to gain additional resource by attracting alternative funding. The quality of the service has improved significantly and performance levels have been consistently met.

The shared service has generally been effective and has met the objectives of reducing costs and improving operational performance. While there has been an Executive Member Joint Strategic Review Panel in place and a Client Officer within the Council to oversee the shared service, the Council's statutory obligations have been delegated to another authority under the current arrangement. In order to ensure that the Council has the maximum level of control over the shared service going forward, a different arrangement has been adopted (see Governance section below)

Under the current arrangement, the cost of the shared service to WBC was agreed through the legal agreement. This amount has been constant for the whole 5 year term of the agreement (with only CPI applied). West Berkshire Council had control over the shared service budgets and the fees and charges set for the shared service (on a cost recovery basis).

The new shared service model

Bracknell Forest Council approached the shared service to investigate joining the arrangement. Given the expiry date of January 2017, there was an opportunity to expand of the shared service to include them as a partner to form a three-way shared service (Bracknell Forest, West Berkshire and Wokingham Borough Councils). This service will provide the Environmental Health, Licensing and Trading Standards Services under the new heading of the Public Protection Partnership.

In order to ensure that WBC members have a greater level of influence over the shared service, in negotiating the new arrangement an alternative approach has been taken in respect of the governance arrangements. The service also differs from the current one

in respect of the operating model.

Governance arrangements

The proposed Governance arrangements are set out in Appendix 1 of this report and further explained in Appendix 2. This fundamentally differs to the current arrangement because the responsibility for the shared service will no longer be delegated directly to the host, but to a Joint Committee which will set the strategic direction, policies and oversee the financial arrangements of the shared service.

The Joint Committee will be made up of 6 members (2 from each partner authority). As a result of this new arrangement, the Executive Member, their deputy and/or substitute will sit on the board and have the influence over the service. Under the proposed arrangements, the budget and financial arrangements (including fees and charges) will be considered by the Joint Committee which will make recommendations to WBC to set the budget through the annual budget setting process. As a result, for the commencement of the shared service agreement, this report asks the Council's Executive to agree the fees and charges set out in Appendix 3.

The new arrangement will ensure that WBC has a greater level of control over the priorities and policies of the shared service, and over budget setting and other financial matters.

Operational issues

In order to enable the new shared service to make savings, operational changes to how the shared service is currently delivered are required. Environmental Health and Licencing Services will be brought into line with the existing model for Trading Standards which is based on the National Intelligence Model. In practice, this approach sets key priorities which will be agreed through the Joint Committee and filtered through the management structure identified above. Information is collected and measured against these priorities, also risk is considered and then work is allocated on this basis. The result is that resources are focussed on those cases where there is greatest level of risk and where there is the greatest potential impact. This allows the service to manage it resources more effectively and to become proactive rather than being reactive. (See Appendix 2).

Finance

There are several drivers for seeking change within all three partner councils, not least the need to contribute to the savings targets. As mentioned above, the existing shared service arrangements allowed the Council to save £180k per annum in operational costs. The new arrangements will provide an additional saving. (See Appendix 2)

Opportunities for the future

The new service would be able to seek new sources of income. This could include undertaking work on behalf of other local authorities. These decisions will be taken by the Joint Committee but if the proposal is to have another full partner join the shared service, this would be considered by each partner Council's Executive. Where efficiencies give rise to savings, the legal agreement provides a mechanism for equitable sharing of any future savings based on the original cost basis.

Contract term and time table

The initial agreement is for a ten year term. However, after 3 years, any party can give 12 months' notice of their intention to leave the shared service arrangement.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£1,132,275 total budget	Yes	Revenue
Next Financial Year (Year 2)	£1,132,275 total budget	Yes	Revenue
Following Financial Year (Year 3)	1,082,000 total budget	Yes	Revenue

Other financial information relevant to the Recommendation/Decision

There will be a reduction of £50k in year 3 as a result of the additional partner and an alternative operating model

Cross-Council Implications

Future opportunities for co-locating the shared service in one location will be considered releasing office space at Shute End

List of Background Papers

None

Contact Clare Lawrence	Service Development Management and Regulatory Services
Telephone No 01189 746444	Email clare.lawrence@wokingham.gov.uk
Date 4 November 2016	Version No. 1

This page is intentionally left blank