

## 1.0 Executive Overview

This executive Overview relates to the document (draft 2.0) entitled The Outline Business Case ('OBC') for Enhanced Collaborative Working for PSS in Worcestershire.

The purpose of the OBC is to get approval for the direction of any change before a full business case and implementation plan are developed. It is to provide support for an informed decision on which option to take forward for further consideration. The paper covers mostly operational issues, although a review of financial costs, benefits and risks are included. Progress has been started within the Partners through collaborative work that has been initiated for the standardisation of operational processes.

In order to fulfil the obligations and duties of the public and local agendas and corporate aims, Worcestershire's PSS resources need to change the way that they work through closer collaborative working so they can provide a more resilient and better service to Development Control. It has been recognised that this is becoming increasingly difficult due to a lack of capacity in some of the authorities.

Of the 32 staff that make up PSS in the Partners, only 15 FTE's are involved in specifically supporting Development Control in the District Councils (including 2 FTE's at County). Other customers for PSS services within Development Management are outside the scope of this OBC and hence the balance of 17 FTE's is excluded.

The OBC evaluates a number of options for more collaborative working including:

- Option 1: Do nothing (baseline position);
- Option 2: Undertake local performance improvements;
- Option 3: Council owned shared services ('SSA').

Outsourcing to the private sector (i.e. tender the entire PPS function to a third party as a form of 'technical consultancy') has been excluded as an option.

The base case financial data show that 15 PSS FTE's account for direct costs of £500k (an estimated £645k on an absorbed indirect overhead basis).

Option 2 identifies a number of improvement initiatives that are being worked on collaboratively before any transition to a SSA, namely:

1. Clarifying objectives, roles & responsibilities in relation to the support of Development Control;
2. Minimising avoidable contact with external applicants (eg 'free advice', site visits etc);
3. Simplifying and standardising planning specialist processes within Partners – in progress;
4. Identifying under-resourced functions by Partner in order to increase resilience.

Arising from Option 2's point 4) above is an additional 'resilience cost' of around £90k pa that relates to the potential need to recruit or redeploy additional or existing staff (2.5 FTE's) to strengthen the existing levels of PSS performance in Worcester City and Wychavon.

Option 3 considers two delivery models at a high-level evaluation and favours Option 3a which is Worcester, Wychavon and Malvern Hills forming a shared service. County would not be part of this

arrangement because it's staff (other than 2 FTE's to be transferred to the SSA) are servicing quite different customer needs than those being addressed by the District Councils. Wyre Forest has not indicated a desire to join a SSA and with only 1 FTE in PSS, it is immaterial to any outcome.

If all of the PSS processes in Option 3a achieve the average benchmark level of performance currently maintained by Malvern Hills (and capacity increased by at least 10% by managing informal demand), the overall net gain of a SSA to the current situation could be around £170k per year (£1.7m over 10 years).

For the purpose of illustration, it has been assumed that the SSA reimburses the participating Partners with a portion each of the net saving gains, namely Worcester City and Wychavon with £50k each and Malvern Hills with £70k as host.

Option 3a could be a viable option if the assumptions underpinning the OBC are valid. However, this report questions the viability of being able to 'unpick' the 15 PTE / FTE positions into discrete and whole jobs, particularly when other Development Management functions (outside of Development Control) are being serviced by the same person.

Option 3b which is Wychavon and Malvern Hills forming a shared service would not be a viable option without the critical mass of Worcester City behind the project as well. Clearly, efficiencies can be gained more significantly if there is a greater number of staff resources involved.

A realistic solution for the short term would be to address Option 2 improvements internally by working collaboratively with other participating Partners to coordinate changes in working practices, job descriptions and standardised processes. This would control the pace of change and allow the Partners to determine when to look to increase the scope to any next phase.

Further work to understand the risks attaching to, and practicalities of, implementing Option 3a (or a wider variant thereof - ie. over the total 32 PSS staff as well as the Development Management function) would be required through a subsequent design phase so that the main challenges are recognised. The OBC would need to be converted into a full business case if any future action is to be taken.