

# Current Practice of Shared Working in Regulatory Services

Summary Report

May 2009



LCS Limited



Local Better Regulation Office

# Summary Report: Current Practice of Shared Working in Regulatory Services

## Executive summary

- 1 Shared services have been widely recognised as offering numerous benefits to the delivery of local authority services, addressing issues of capacity, resourcing and efficiency. Shared working arrangements, either within or across authorities, can also increase service resilience, enhance training opportunities for professional staff and release resources for reinvestment in front line services.
- 2 Together, the current challenging financial climate and the wider operational efficiency agenda within local services, characterised by the recent Bichard review, create renewed interest in exploring opportunities for shared working.
- 3 In February 2009, the Local Better Regulation Office (LBRO) invited LCS Limited to undertake initial research across English local authorities to identify the potential benefits from shared working in regulatory services and identify and share good practice examples from the sector. This research forms part of LBRO's ongoing research and evaluation activity and commitment to drive evidence based policy regarding local better regulation.
- 4 This report is a summary of our findings, covering:
  - The key drivers for local authorities to share working in regulatory services.
  - Barriers to developing shared working.
  - Criteria for success.
  - Potential benefits to be gained from shared working.
- 5 A full report with examples of good practice and recommendations for LBRO will follow.
- 6 This initial research concludes that shared working in regulatory services potentially offers significant benefits to local authorities, providing improved services to consumers and businesses as customers of regulatory services and realising efficiency gains. However, genuine barriers to implementing shared working solutions exist, including the perception of loss of democratic control, political will and idiosyncratic circumstances at the local level – all of which are explored further in this summary report.

## Background

- 7 The Local Better Regulation Office is a non-departmental public body, accountable to the Department for Business, Innovation and Skills through the Better Regulation Executive. It was established by the Regulatory Enforcement and Sanctions Act 2008 to drive the wider regulatory reform agenda at local level and to support and incentivise improvement in local authority regulatory services – environmental health, fire safety, licensing and trading standards – to reduce unnecessary burdens on businesses and support economic prosperity.

- 8 LBRO's mission is to secure the effective performance of local authority regulatory services in accordance with the principles of better regulation. Improved regulatory services can demonstrate their significant contribution to the delivery of economic prosperity and community wellbeing, while unnecessary burdens on well-run compliant businesses can be significantly reduced.

What is shared working?

- 9 In its broadest terms, a shared working arrangement can be defined as two or more authorities (or, within an authority, services) working together to commission and/or deliver a service or function for the purposes of service improvement or to gain organisational efficiencies. This implies a very broad range of possible collaborative scenarios.

Summary of findings

- 10 Our research identified a wide range of arrangements for shared working which have been categorised into three broad types:
- 1) Shared working with one other or several local authorities in a local area (including those in two tier areas).
  - 2) Shared working with other local authorities on a regional or sub regional basis and typically characterized by working across the same professional discipline.
  - 3) Shared working internally within a local authority through organising traditional regulatory services into multi skilled teams with a single budget or service plan.

The key drivers for local authorities to share working in regulatory services

- 11 The majority of local authorities interviewed for the research said the main reason for developing shared working was to deliver efficiency savings, reflecting the focus of the Richard review on improving the efficiency of local public services. Only two of the local authorities have been driven by the need to improve services for customers, though all stated that shared working has resulted in better customer service. Other reasons for shared working were also given and vary according to the type of shared working adopted.
- 12 For sharing services with other local authorities, the key drivers were the need or wish to:
- Realise economies of scale in sharing back office support functions between local authorities.
  - Have access to a wider staff resource in order to maintain specialist expertise against cuts in resources and increasing demands.
  - Respond to a crisis, such as Foot and Mouth disease, by working closer together.
  - Maintain or create a strategic regulatory presence and resource.
- 13 For sharing services regionally, the key driver was a:
- Recognition that responding to cross border issues can only be achieved effectively and deliver value for money through regional collaboration and the maximisation of collective effort, expertise and resources.

14 For sharing services internally within the local authority, key drivers were:

- The Hampton Report recommendation to reduce unnecessary burdens on compliant businesses through comprehensive use of risk assessment and intelligence sharing between different regulatory officers.
- The Anderson Report recommendation to broaden the skills of regulatory officers to provide a sector-based approach to advice and guidance for businesses.
- The need for a more joined up, responsive and customer focused approach to service delivery.
- The national shortage of qualified officers, such as in environmental health and trading standards, and difficulties of recruiting.
- Recognition that in order to improve services for customers there is a need to maximise the flexibility in service provision by making the best use of skills, competences and human potential.

15 A number of these drivers, and subsequent benefits, were also visible in shared working between local authorities and cross border working.

Barriers to developing shared working in regulatory services

16 Our research identified the following issues which, where they arise, can be barriers to developing shared working in regulatory services:

- Absence of a strategic focus within the local authority to develop shared working which builds on and actively promotes successful examples of working in this way.
- Insufficient attention to investigating and communicating the benefits of shared working, including lack of resources to develop feasibility studies, cost benefit analyses and implementation of shared working.
- Approaches to shared working which are led only at officer level leading to a lack of political leadership of the shared working agenda, except in times of crisis.
- Developments arising from the importance of community leadership of the local area which can prevent agreement to shared working because of perceptions that local authorities will lose influence over service delivery in their local area.
- Differing visions, ambitions or priorities for the services, based on context, culture or background at either a political or professional level.
- Perceptions that the complications of implementing shared working will prove excessive or that the efficiencies to be gained will be insufficient.

Criteria for success

17 For the development of shared services to move towards a more strategic, outcome focused approach, the following criteria for success apply:

- Aligning the business case for shared working to corporate objectives and strategic priorities, building in sufficient implementation time for business case information to be gathered, evaluated and acted upon.
- Agreeing the outcomes to be delivered and means of measuring them at the outset, and making sure that a baseline is set and reporting intervals agreed with all shared working partners.
- Delivering both efficiency savings and clear benefits to customers of regulatory services, including consumers and businesses.

- Clearly articulating and demonstrating the benefits of shared working to stakeholders, including local elected members.
- Ensuring good communication, liaison and relationships with all parties involved, including consumers and businesses, to encourage and maintain trust and enable a clear understanding of each others' respective positions.
- Taking advantage of learning from other authorities.
- Building in opportunities for staff involvement to develop the new service model.
- Developing staff locally using apprenticeships and training, rather than having to solely rely on the professional bodies for training and professional development.

Potential benefits to be gained from shared working

18 Overall, significant potential benefits can be secured from shared working:

- Shared working can release resources which may be used to move services beyond inspection and into long term prevention via innovative work with others, either locally, to reflect the place shaping role of local authorities, regionally, or through national collaboration.
- Having a single point of contact for customers leads to greater consistency in the advice and support given to them.
- Efficiency gains can be used to increase flexibility and staffing resources to deliver local and national priorities in a context of challenging financial settlements.

19 For those local authorities which have shared services internally, additional advantages are:

- Enhanced flexibility, which is delivered through integrated teams with a single budget and staff members equipped with a variety of skills and competencies, enabling authorities to realise the vision of the Anderson review.
- Efficiencies can be realised through the transfer of resources and capacity, according to circumstances, ensuring regulatory activity is targeted according to risk. This is made possible through a single budget.
- Cross sector projects can be developed and resourced using the time released through integrated teams.
- Unnecessary burdens on compliant businesses can be reduced and intelligence sharing improved through greater collaboration between different regulatory services and targeted activity on reducing consumer detriment and ensuring a level playing field for businesses.
- Multiple visits to business premises can be reduced through the use of multi skilled staff and there can be improved response times, creating the conditions for an improved relationship between businesses and local regulators.
- Higher levels of staff satisfaction can be achieved when a greater variety of regulatory work is available to staff and there are more opportunities for personal development and sharing learning. This can play an important role in recruitment and retention of professional staff.
- Integrated delivery and strategy can attract additional funding to focus on priority matters at local or national level.

## Conclusions and next steps

- 20 During the course of the research, the predominant approach to shared services identified was largely ad-hoc, somewhat piecemeal in approach and often on a small scale, with the exception of some regional working. However, recent months have seen a notable change in circumstances for many local authorities, and as incentives for exploring shared working within local regulatory services have increased, some far more innovative approaches are starting to emerge, including collaborative working across the Olympic London boroughs.
- 21 Nevertheless, it remains that in regards to shared working in regulatory services, the barriers to implementation can seem stronger than the drivers for sharing services. Whilst the initiatives we identified clearly have value, a more outcome focused approach is required to ensure both service improvement and efficiency gains are realised across the sector. This approach will require the support of regulatory partners at both central and local level, recognising that solutions must contribute to the delivery of national priorities but also be responsive to local community and business needs.

LCS Limited,  
May 2009