

SHARED CAMBRIDGESHIRE AND PETERBOROUGH TRADING STANDARDS SERVICE

To: Highways and Community Infrastructure Committee

Meeting Date: 17 January 2017

From: Executive Director, Economy Transport and Environment

Electoral division(s): All

Forward Plan ref: 2017/015 **Key decision:** Yes

Purpose: The Committee is asked to consider the case for merging Cambridgeshire County Council's Trading Standards Service and Peterborough City Council's Trading Standards Service.

Recommendations: The Committee is recommended to:

- a) Approve the proposal to merge Cambridgeshire County Council's Trading Standards service with Peterborough City Council's Trading Standards Service with effect from 1st April 2017
- b) Delegate the responsibility for agreeing the details of an Inter Authority Agreement with Peterborough City Council, and implementing it, to the County Council's Executive Director of Economy Transport and Environment in consultation with the Chair and Vice Chair of the Committee.

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1. BACKGROUND

- 1.1 Trading Standards is a statutory service that plays a critical role in securing Cambridgeshire's economic growth, providing advice and support to legitimate business in achieving compliance whilst dealing robustly with dishonest, illegal and dangerous trading practices; ensuring confidence in local business and protecting vulnerable residents from rogue traders. It has a statutory obligation to enforce over 80 Acts of Parliament as well as numerous statutory instruments and regulations.
- 1.2 Despite the vital nature of its role, Trading Standards, like all other County Council services, has been the subject of significant financial cuts as a result of austerity measures. With the resulting reduction in workforce there is a greater risk to the authority's ability to effectively respond to major issues such as animal disease outbreaks or major consumer safety issues, as well as the ability to deliver their statutory obligations.
- 1.3 In order to mitigate the impact of budget constraints and consider future resilience, a business case was prepared to consider the options for delivering Trading Standards as a shared service, with analysis of the associated implications and benefits. (See **Appendix 1**).
- 1.4 Cambridgeshire Trading Standards has been working closely with Peterborough Trading Standards over the past year, enabling joint working across several areas of service delivery. The business case identified that further modest savings could be made as well as creating greater resilience and efficiencies for both authorities if the two services were formally merged.

2. MAIN ISSUES

- 2.1 In order to deliver significant savings Trading Standards has undergone a complete service transformation and is now operating with just 15 staff to cover the wide remit of Trading Standards related legislation across the whole of Cambridgeshire. Cost recovery and income generation has been maximised, Intelligence and Risk are being used to direct activities, and it is operating at a statutory minimum level in terms of service delivery.
- 2.2 Whilst it is continuing to meet its statutory obligations, the breadth of its legislative remit is such that should a major issue arise, for example a significant consumer safety matter, animal disease outbreak or large scale criminal investigation, this would place an unsustainable strain on the Service's resources. The Service already struggles to absorb any peaks in resource demands.
- 2.3 Whilst the Service is able to operate within its budget for 2016/17 it is clear that any future budget cuts would result in the further loss of front line staff and would leave Trading Standards unable to meet its statutory duties.
- 2.4 The primary driver for proposing the merger of Cambridgeshire and Peterborough Trading Standards is the need to increase resilience, so that both Services are able to respond to major issues and peaks in demand, thereby protecting the safety and interests of Cambridgeshire consumers and businesses as a whole.

- 2.5 Peterborough Trading Standards are facing similar challenges to those outlined above. It currently operates with 4 staff members and a vacant second tier management post, all of which report to the Head of Regulatory Services for Peterborough.
- 2.6 The appointment of a joint Chief Executive prompted Cambridgeshire and Peterborough Trading Standards to work more closely together. A Memorandum of Understanding is in place which underpins the current working arrangements which are to provide management support for Peterborough Trading Standards officers by Cambridgeshire, and legislative support for Cambridgeshire's Service Manager by Peterborough.
- 2.7 Additionally, Cambridgeshire Trading Standards Officers are undertaking Peterborough's 'weights and measures' service delivery, and Peterborough City Council are undertaking Cambridgeshire's statutory responsibilities in relation to safety of sports grounds and the role of coordinating officer.
- 2.8 Whilst this arrangement alleviates some of the pinch points in terms of expertise, it is apparent that greater resilience and a degree of savings could be brought about by adopting a Shared Service model between Cambridgeshire and Peterborough Trading Standards Services.
- 2.9 In developing the business case options a number of other models were examined and dismissed as they provided no significant benefit. Merging with alternative Trading Standards Services were considered from within our regional professional group, but none were considered to be suitable at the current time, and none had expressed any interest in any formal joint working arrangement.

3. **PROPOSED STRUCTURE**

- 3.1 The model proposed would introduce a fully integrated structure, with Peterborough City Council's Head of Regulatory Services leading the joint service. This is due to the seniority of his role, his existing portfolio of services and responsibilities (which also includes the discharge of all Trading Standards functions on behalf of Rutland County Council) and his extensive expertise in Trading Standards. Cambridgeshire has not had a Head of Service with the relevant experience since April 2015.
- 3.2 It is proposed that Cambridgeshire's Service Manager post is deleted, and the vacant second tier management post at Peterborough Trading Standards recruited to, with the latter undertaking the line management responsibilities for the Business Compliance team which currently lies with the Service Manager.
- 3.3 The service would be overseen by a Joint Officer Panel comprising one Director from each partner authority. Any matters requiring a strategic decision would be referred to the appropriate Service Committees in each Authority. This governance structure would ensure appropriate accountability is retained by each of the authorities, and that the merged service continues to proportionately represent the interests of the respective tax payers.
- 3.4 The Panel would be responsible for shaping the strategic direction and priorities of the shared service and addressing any strategic risks. It would provide scrutiny to the shared service, and the shared service would be accountable to it in terms of targets, performance

and meeting its statutory requirements. Furthermore it would offer challenge in terms of improvements and efficiencies.

- 3.5 It is proposed that the Panel would meet 3 times a year - during service planning, for a 6 monthly review and for an end of year report, or by exception. This approach sits well with Peterborough's existing governance arrangements with Rutland County Council, under which Peterborough already delivers a Trading Standards service on their behalf.
- 3.6 A single service plan would be produced by the Head of Regulatory Services at Peterborough in conjunction with both Directors, incorporating the strategic direction and priorities set by the respective Councils. The Plan would include defining the desired outcomes for the shared service, how these will be delivered operationally and how performance will be measured. This Service Plan would be signed off by the Panel, and the Head of Regulatory Services would report to the Committee on progress against the service plan as part of the 6 monthly review and end of year report.
- 3.7 Day to day management and decision making would be made by the Head of Regulatory Services within the parameters set by the Panel, with the Head of Regulatory Services line managed by his Director at Peterborough City Council. A suitable Cambridgeshire Director would oversee performance of the Service as part of their role within the Panel. The Head of Regulatory Services would represent the Service at County Council Committee meetings and Spokes as appropriate.
- 3.8 **Visual representation of the proposed model**

Fig A:



4. BENEFITS

- 4.1 The benefits of a merger have been identified as follows:
- Increased staffing pool to deliver regulatory service across both Cambridgeshire and Peterborough resulting in greater flexibility to utilise staff resource to tackle major issues and manage peaks in demand, whilst also increasing resilience
 - Reduced operating costs by merging management structures

- Increased knowledge, experience and expertise arising from a larger pool of staff thereby delivering services more efficiently
- Adoption of a single database and aligning back office systems and processes which will lead to greater efficiencies and longer term savings.
- Shared subscriptions to essential systems and services which will bring about savings for both authorities
- Single membership to the regional professional body which will deliver savings
- Reference to a single legal team which could also deliver savings
- Eliminates duplication, allowing us to do things once rather than twice e.g. Enforcement Policies, Regulation of Investigatory Powers Act (RIPA), budgets, service planning etc.

5. OPPORTUNITIES

- 5.1 Such an arrangement could provide significant financial benefits in terms of Proceeds of Crime recovery work, with Cambridgeshire's financial investigators able to pursue criminals operating within Peterborough.
- 5.2 There is also an opportunity to increase income generation by expanding the current client base for chargeable business advice across Peterborough. These opportunities are specific to Peterborough's economy, with it having a number of major retailers and manufacturers within its jurisdiction and a thriving 'start up' market.

6. RISKS

- 6.1 The predominant risk of embarking on a shared service is that Cambridgeshire resources could be disproportionately applied to meet the needs of Peterborough, particularly in light of the 14:5 staff ratio. The Inter Authority Agreement would ensure that day to day, staff were deployed to meet the issues affecting their own authority's constituents as they do currently.
- 6.2 The Inter Authority Agreement will, however, also allow for the sharing of resources in times of pressure on service delivery, whether that applies to Cambridgeshire or Peterborough. The Officer Panel will monitor service delivery on a regular basis to ensure the principles of the Inter Authority Agreement are adhered to. There will inevitably be some fluidity in its terms due to the nature of the Service's activities and the ever changing pressures on resources, but the sharing of staff is crucial to increasing the resilience of the Service.

7. COSTS AND SAVINGS

Fig B: The financial implications

	2016/2017	Costs (year 1 2016/2017only)
Staff costs (deletion of management post)	£67K	Costs relate to year 1 only and are likely to be offset by the savings
Merger of back office systems and adoption of new shared database	£20K	
TOTAL	£87k	

Fig C: Projected Savings

	2016/2017	Savings will be year on year 2016/2017 onwards
Deletion of Service Manager post	£65k	These revenue savings will be achieved year on year and will be apportioned on a percentage basis to each authority and included in the budget setting process. Year 1 savings will mitigate the cost of implementation.
Shared database/back office systems	£5k	
Shared professional body memberships and subscriptions	£5K	
Reference to single legal team	£5k	
General efficiencies and savings (sampling/inspections)	£5k	
TOTAL	£85k	

- 7.1 The savings detailed above have been estimated based on the known potential at the present time. It is difficult to accurately predict the exact amount of savings until the IT solution has been agreed and costs for combining back office systems have been provided.
- 7.2 Each authority will calculate the budget required to continue to operate independently and then a budget will be calculated based on a merged service. The savings identified through the merger will be apportioned on a percentage basis to each authority, based on those budget figures. As an indication this is likely to be approximately 70% for Cambridgeshire and 30% for Peterborough. It is anticipated that the savings accrued in year one will off-set the costs of implementing the shared service. Any surplus generated throughout the financial year will also be apportioned to each authority on the agreed percentage basis.

8. STAKEHOLDER IMPACT ASSESSMENT

- 8.1 There would be no implications for constituents, local businesses or partner organisations. Whilst management structures will merge, outwardly front line service delivery would remain unchanged. Overall, stakeholders will benefit from a service that is more resilient, efficient and more flexible to respond to local needs.
- 8.2 It is not proposed to make any changes to the respective office bases and current contact details would be maintained. Branding would consist of dual badging, Cambridgeshire and Peterborough Trading Standards, and budgets would be merged. Full records of historical budgets would be held to ensure proportionality of service delivery and expenditure across the two authorities is maintained.
- 8.3 Cambridgeshire staff would be subject to TUPE to Peterborough City Council's employment, on the same terms as they have at present. Whilst their line management arrangements and systems may alter, their day to day activities would remain the same.

9. LEGAL IMPLICATIONS

- 9.1 The respective Cabinet / Committees have the power to agree to such a joint working arrangement for the purposes of fulfilling the Council's executive functions by virtue of s.101(5) Local Government Act 1972, section 9E of the Local Government Act 2000 and the Local Authorities (Arrangement for the Discharge of Functions (England) Regulations 2012. The Scheme of Delegation set out in the Peterborough's constitution will apply to the new Shared Service, and Cambridgeshire will delegate all its statutory roles to Peterborough, yet retaining sign-off on operational plans including the Food and Feed plans. The arrangement would be underpinned by an Inter Authority Agreement setting out the legal arrangements for the partnership, including how risks and liabilities will be shared between the authorities as well as provisions for dealing with disputes in the unlikely event that any arise.
- 9.2 It is proposed that the initial term for the arrangement is 5 years, although the intention is that this is a long term, ongoing partnership.

10. ALIGNMENT WITH CORPORATE PRIORITIES

- 10.1 This proposal fully aligns with Cambridgeshire's current corporate priorities.

- **Developing the local economy for the benefit of all**

There are no significant implications for this priority.

- **Helping people live healthy and independent lives**

There are no significant implications for this priority.

- **Supporting and protecting vulnerable people**

There are no significant implications for this priority.

11. SIGNIFICANT IMPLICATIONS

- 11.1 The following bullet points set out details of significant implications identified by officers:

- **Resource Implications** – The staff resource implications are referred to in paragraph 2.10 and 2.21

Although this is a change to the current structure the financial implications for the County Council are associated with the initial costs associated of the merger and will be for 2016/2017 only as detailed in 2.18 Fig B. Future savings are detailed in 2.18

- **Statutory, Legal and Risk** – These are referred to in paragraph 2.22 in more detail.
- **Equality and Diversity** – There are no significant implications within this category. This proposed change does not affect the current level of service delivery for either authority.

- **Engagement and Communications** – There are no significant implications within this category as the proposal to merge Cambridgeshire and Peterborough Trading Standards services will not impact on front line service delivery for either authority, and will in fact create greater efficiencies and resilience.
- **Localism and Local Member Involvement** – There are no significant implications within this category. Both Cambridgeshire and Peterborough Trading Standards are delivering a statutory service and there are therefore no areas of current service delivery that could be taken on by communities or that require community involvement. The level of service delivery will not be affected by the proposed merger.
- **Public Health** – There are no significant implications within this category.

Source Documents	Location
Trading Standards Shared Service Business Case	2 nd Floor South Cambs District Council South Cambs Hall Cambourne Business Park Cambourne CB23 8EA

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Sarah Heywood
Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?	Yes Lynne Owen
Are there any Equality and Diversity implications?	No Emma Middleton
Have any engagement and communication implications been cleared by Communications?	Yes Ed Strangeways
Are there any Localism and Local Member involvement issues?	No Paul Tadd
Have any Public Health implications been cleared by Public Health	Yes Tess Campbell Trading Standards makes substantial contribution to public health especially in the areas of tobacco control and underage alcohol sales. This proposal indicates that it would help maintain these important services and the merger will facilitate further joint working which is particularly helpful to public health areas such as illicit tobacco.