

## Peterborough and Cambridgeshire Shared Service

### Business case

#### 1 INTRODUCTION AND BACKGROUND

- 1.1 Trading Standards plays a critical role in Cambridgeshire's economy. It provides advice and support to legitimate business, helping them to interpret and apply the applicable legislation, thereby giving them the confidence to make informed trading and investment decisions. In addition it essentially 'polices' local trading practices, ensuring that dishonest, illegal and dangerous trading practices aren't able to permeate our local economy, undermining confidence in local business. It has a statutory obligation to enforce over 80 Acts of Parliament, as well as numerous statutory instruments and regulations, ranging from ensuring the food we eat is safe for human consumption, to protecting Trade Marks; from ensuring all appropriate measures are in place to prevent and control an animal disease outbreak, to protecting consumers from unsafe products; and many more in between.
- 1.2 In addition to its economic impact, it plays a significant part in protecting vulnerable residents from rogue traders – career criminals who prey on the elderly, cheating them out of their savings, which in turn can jeopardise those victim's health, independence and financial stability.
- 1.3 Despite the vital nature of its role, Trading Standards like all other County Council services has been the subject of major financial cuts as a result of Government austerity measures. It has reduced its workforce by two thirds in the last five years, and where once it received recognition as a 'Beacon' service – a national leading light – it now simply meets its statutory obligations. With ever increasing pressures on staff and financial resources, we are being forced to consider new operating models for our service. With a significantly reduced workforce we are carrying greater risks, in particular our ability to respond effectively to major issues such as animal disease outbreaks and major consumer safety issues, as well as our ability to continue to deliver our statutory obligations.

#### **Purpose of this report**

- 1.4 The purpose of this report is to examine what solutions a shared service arrangement might bring in terms of enabling us to sustain existing, meaningful services for businesses and residents in the county, as well as increasing our capacity to deal with major issues.
- 1.5 This report seeks to consider whether we would be stronger and more resilient 'together' rather than on our own, and if so, how this might work.

## 2 EXECUTIVE SUMMARY

- 2.1 This report first considers the opportunities that shared activities could offer, followed by an assessment of possible models.

### Options Overview

A number of options have been considered during the compilation of this business case:

#### 2.2 Joint Venture

This externalisation model is constrained by the need for Trading Standards staff to have the right of entry. Whilst Section 70 of the Deregulation and Contracting Out Act 1994 allows for the contracting out of Local Authority functions, Section 71(1)(c) of the same Act specifically excludes the power or right of entry, search or seizure into or of any property from that which can be contracted out, which is essential in the discharge of Trading Standards duties. Statutory powers cannot be delegated to a joint venture organisation.

- 2.2.1 In terms of a shared service, a joint venture may be a viable option for non-statutory commercial services once sufficiently established and market tested. At this point in time there is no commercial offering to justify the establishment of a joint venture.

#### 2.3 Outsourcing

Outsourcing the service via competitive process is similarly constrained by Section 71 of the Deregulation & Contracting Out Act 1994, and lack of available service providers. As a result, there are no benefits to be gained from this model.

#### 2.4 Provision of selected services

Our current operating model largely incorporates this approach, with Cambridgeshire taking on some functions on behalf of Peterborough and vice versa. Although this is perfectly sufficient as a short term arrangement, any larger economies of scale and savings cannot be realised without a full merger of services.

#### 2.5 Mutual contracting

Whilst we may explore the options of charging out our services to other authorities (e.g., animal health, feed etc.) in the future, it is not the model we would recommend between Cambridgeshire and Peterborough where there is a relationship of reciprocal support resulting from a shared Chief Executive. Additionally, a merged service would bring about larger savings and opportunities than a charging model between Cambridgeshire and Peterborough.

#### 2.6 Do nothing option

This does not address the current issue of line management arrangements for the Trading Standards Service Manager. At the present time technical support and guidance is provided by the Peterborough Head of Regulatory Services for this post; whilst this arrangement is working well as an interim solution a longer term arrangement should be sought. In addition it does not create any flexibility or resilience to manage any peaks in service demand or cover for loss of resources.

#### 2.7 Merge with another regional Trading Standards Service

No other Trading Standards Services from within the East of England region have expressed a desire to enter into either a formal or informal arrangement to share

services. Suffolk and Norfolk had explored the provision of a shared Trading Standards service, however this has recently been rejected.

2.8 Merge with Peterborough City Council Trading Standards

After due consideration it is felt that the option that offers us the greatest resilience would be to enter into a full Shared Service agreement with Peterborough Trading Standards, with a fully integrated management team, managing teams across the two current operational bases.

- 2.9 Under the recommended option g) above, all staff would be employed by the host authority, which it is suggested should be Peterborough due to the most senior post being situated there, and its Trading Standards Service being part of a wider Regulatory Services Group. Peterborough has in addition an existing agreement in place to provide the Trading Standards service for Rutland County Council.
- 2.10 To ensure the interests of Cambridgeshire and its residents, and a proportionate approach to the budget and service delivery, a Joint Officer Panel would be established, comprising Directors from both authorities, which would set the strategic direction of the service, determine its priorities, set its performance targets, oversee its risks, make decisions on any future savings and hold the service to account. The Head of Regulatory Services (PCC) would report to this Panel. Any strategic decisions would be referred to the appropriate Service Committees in each authority, as they are at present.
- 2.11 This proposal would create a stronger, more resilient service, better able to meet future challenges and demands. It brings with it greater economies of scale, with potential savings in terms of procurement and posts, and opportunities for service improvements whilst still allowing us to maintain a local presence and retain existing partnerships. Furthermore, we can continue to deliver against our existing priorities (subject to Committee approval), prioritising the protection of vulnerable consumers, tackling the most serious/persistent criminal activities, providing high quality cost-recovery business advice and delivering our statutory responsibilities in terms of business compliance.
- 2.12 Customer impact would be minimal, with no noticeable outward change for customers, although undoubtedly longer term they would benefit from sustainable services which are better resourced to deal with emerging issues.
- 2.14 In addition, it is proposed that a new model for the Business Hub is introduced, bringing a commercial element to it and bringing it in line with the Local Enterprise Partnership (LEP) and Better Business For All agenda. It is recommended that this becomes a phase 2 of any shared service model.
- 2.13 The proposed shared service model will operate as a partnership between the two authorities, with Cambridgeshire continuing to direct our activities through the Officer Panel and Committee structure, and Trading Standards officers continuing to be based in and operating within Cambridgeshire as they do at present. For practical reasons there does need to be a host authority to streamline management reporting lines, but every other aspect of this model reflects a true partnership approach, with fluidity in terms of our ability to pool resources as necessary, but with Cambridgeshire staff still working day to day to protect the wellbeing of Cambridgeshire businesses and residents, and with Cambridgeshire's financial interests protected through the appropriate apportionment of costs and savings.
- 2.14 It is also a model fit for the future, with the option of expanding the Shared Service to incorporate further Trading Standards Services in the future as appropriate, or deliver

specific functions on behalf of other Trading Standards services, subject to the relevant approvals.

### 3 STRATEGIC CASE

#### **Professional vision**

- 3.1 The Chartered Trading Standards Institute (hereafter CTSI), which is one of the bodies that represent the profession at a national level to Government and beyond, has lobbied Government to move towards regional Trading Standards Services, overhauling the current 'local' approach to bring it more in line with the way larger businesses operate now – nationally and globally without the constraints of proximity to customers. Furthermore it is claimed that such an approach will afford Trading Standards the benefits of economies of scale, providing greater resilience in light of the major cuts to Trading Standards across the country, and enabling them to mobilize on a regional level to tackle larger crime networks.
- 3.2 This proposal has been somewhat controversial due to the lack of consultation with the Trading Standards branches which represent Trading Standards services regionally. They felt that CTSI had formed this opinion in isolation and it has not been endorsed by the Association of Chief Trading Standards Offices (ACTSO) which represents the heads of service and senior managers amongst the profession. ACTSO recognise the importance of trading standards service delivery at a local, regional and national level. Regional Trading Standards Groups and national project teams currently supplement local service delivery to enable Trading Standards to make a contribution at all levels.
- 3.3 Though ACTSO share the concern of the CTSI over future resourcing of Trading Standards, they have not supported a regional structural model as the solution.
- 3.4 National Trading Standards (NTS) which is a coordination body, made up of regional Trading Standards representatives, has not formally commented on the CTSI proposals. Lord Toby Harris Chair of NTS has advised that Government has no desire to change the structural model for Trading Standards.
- 3.5 Whilst East of England Trading Standards Authorities (EETSA), of which Cambridgeshire and Peterborough are members, do not fully support the regional approach put forward by CTSI, they have championed close working relationships between authorities for many years, particularly around regional specialists in specific topics. EETSA's reluctance is based on widespread concern that if a service becomes too large, it risks losing relationships with local regulators and partners and can become too distant from its core service customers.
- 3.6 Certainly there seems to be recognition across the profession that combining services offers many benefits. Within EETSA, Norfolk and Suffolk Trading Standards (both substantial services) have recently considered the business case for a shared service agreement (although ultimately this was not agreed), and this seems to be the direction the profession is moving in.
- 3.7 Though regional delivery of Trading Standards is not likely in the foreseeable future, there is expected to be an increase in shared services and consequently fewer but larger Trading Standards Services.

### **The corporate context**

- 3.8 Since the appointment of a joint Chief Executive for Cambridgeshire County Council and Peterborough City Council, the respective senior management teams have been keen to explore opportunities to align or merge services, including Trading Standards. In addition there is an interest in exploring whether we can work more closely with our District colleagues.

### **The need for greater resilience**

- 3.9 Aside from the corporate aspirations, the primary driver for a shared service approach is the need to increase resilience for Cambridgeshire County Council Trading Standards, and identify an appropriate governance model following the recent restructure of Supporting Businesses and Communities, which confirmed the deletion of the vacant Head of Service role which previously led the Trading Standards Service.
- 3.10 Both Cambridgeshire and Peterborough Trading Standards are operating with the minimum level of staff needed to deliver the Councils' statutory responsibilities. Whilst currently operating within their staffing budgets, if further cuts were required, resulting in any further loss of front line staff, it would not be possible to continue to meet their statutory duties – in fact the scale of their interventions would be such that the impact and outcome of their work would become negligible. As things currently stand, the respective services would already find it challenging to effectively deal with an animal disease outbreak or major safety issue.
- 3.11 In Cambridgeshire, the service has reduced from 48 FTEs 5 years ago to 15 FTEs in 2016/2017. Similarly, Peterborough Trading Standards has reduced in size from 13FTE to just 5FTEs. This follows a string of successive cuts which has seen a continual reduction in resources for the last 4 years. In 2013/14 Cambridgeshire had 22 FTEs and 79 high risk premises (high risk premises making up approximately one third of our visits). In comparison, our counterparts in Hertfordshire had 47.6 FTEs with 85 high risk premises, and Suffolk had 37.5FTEs with 81 high risk premises.
- 3.12 Shared services provide an opportunity to increase resilience, enabling shared resources, expertise and equipment which can enhance and enrich service delivery. It can provide greater capacity in cases of an animal disease outbreak, major investigation and to cover illness/loss of key staff. It brings with it the possibility of further efficiencies in terms of management support, back office and office based customer services, whilst maintaining a local front line service. Somerset and Devon, Surrey and Buckinghamshire, and Peterborough and Rutland have already merged their Trading Standards services, and their success has demonstrated that, with an appropriate governance model in place, political representation remains proportionate, as does the allocation of funds, so the targeting of services to meet local need is not diluted by such arrangements.

## **4 ON THE HORIZON**

### **Political sphere**

- 4.1 Devolution is high on the political agenda and following the agreement for Cambridgeshire and Peterborough to enter into such an agreement there are likely to be further discussions of wider collaboration between the two authorities beyond the deal itself.
- 4.2 There has been political support for us exploring the benefits of a shared service, with Cambridgeshire's Highways and Community Infrastructure Committee Spokes and

Peterborough's Cabinet Member having formally expressed their support. By designing and implementing a Shared Service model at this stage, we will be able to shape it in a way that works best for the service and best for our customers.

### **Potential for further budget cuts**

- 4.3 With continued financial austerity facing local authorities, further budget cuts may be inevitable and, as indicated above, further cuts to resources will mean insufficient staffing levels to fulfil our statutory obligations. Shared services would give us the resources to be better able to absorb further cuts, within reason.

## **5 THE COMPATIBILITY OF CAMBRIDGESHIRE AND PETERBOROUGH**

### **Peterborough Trading Standards**

- 5.1 Peterborough Trading Standards sits within Peterborough Regulatory Services alongside Licensing, Environmental Health and Parking Services. The Trading Standards Service has 5 FTEs (excluding the Head of Regulatory Services) - 4 full time Trading Standards Officers who are all multi-skilled and a vacant second tier (MB2 equivalent) management post. The service is overseen by the Head of Regulatory Services.
- 5.2 Peterborough has the same wide reaching statutory obligations as Cambridgeshire, yet operates in a very different economic landscape. It has many major consumer goods and services companies – both retail and manufacturers - within its jurisdiction – the likes of Indesit, British Sugar, Kiddicare and Thomas Cook - giving rise to high levels of demand for in-depth advice. New businesses are thriving so there is great scope for providing early advice to those to which Trading Standards legislation applies. In contrast to this positive side of their economy, Peterborough has many challenges when it comes to counterfeit goods, illicit goods, rogue trading and other consumer crimes, so criminal investigations are a large part of their work. Officers from other teams within Regulatory Services are brought in to support Trading Standards on operations where required.
- 5.3 With farming important to the economy across Peterborough and Rutland, animal health and animal feed work are priority areas for the service.

## **6 CURRENT BUDGET, WORKLOAD AND SAVINGS PROPOSALS**

### **Cambridgeshire Trading Standards**

- 6.1 Having recently restructured, Cambridgeshire Trading Standards now comprises a Service Manager managing 3 teams: Business Hub (providing chargeable business advice), Consumer Protection (carrying out criminal investigations) and Business Compliance (carrying out business inspections and sampling to check compliance). It has a total of 15FTEs (including the Service Manager post).
- 6.2 Cambridgeshire has a very broad mix of business sectors, with thriving rural businesses making up the majority of our work in the north of the county, and blue chip, biomed and R&D businesses making up a large part of the economy in the south of the county.
- 6.3 Cambridgeshire Trading Standards proactively pursues Primary Authority business advisory relationships from the full range of sectors, from within Cambridgeshire and

outside, and now has over 60 such agreements in place. Working with partner authorities, (South Cambs District Council and Cambridgeshire Fire and Rescue) this approach has expanded and a new concept, the 'Business Hub', has been formed to provide business advice on regulatory matters to Cambridgeshire businesses on a chargeable basis across a range of disciplines.

- 6.4 Rogue trading continues to be a large problem (as it is nationally) and considerable resource is applied to investigating and prosecuting these criminals.
- 6.5 The current service budget is £724,000 and although no further savings have been identified for Trading Standards within the County Council's Business planning process, there is a need to continually review and challenge expenditure and where possible identify further efficiencies and savings to support the Council's challenging savings targets over the next 3 years.
- 6.6 For both authorities, 97% of their budget is spent on staff.
- 6.7 Our strategic priorities are compatible, with our operational activities feeding into the three priorities that the authorities have in common.

<b>Peterborough City Council</b>	<b>Cambridgeshire County Council</b>
<ul style="list-style-type: none"> <li>• Drive growth, regeneration and economic development</li> <li>• To bring new investment and jobs</li> <li>• To support people into work and off benefits</li> <li>• To boost the city's economy and the wellbeing of all people</li> </ul>	<ul style="list-style-type: none"> <li>• Developing the local economy for the benefit of all.</li> </ul>
<ul style="list-style-type: none"> <li>• Safeguard vulnerable children and adults</li> </ul>	<ul style="list-style-type: none"> <li>• Supporting and protecting vulnerable people.</li> </ul>
<ul style="list-style-type: none"> <li>• Keep all our communities safe, cohesive and healthy</li> </ul>	<ul style="list-style-type: none"> <li>• Helping people live healthy and independent lives.</li> </ul>
<ul style="list-style-type: none"> <li>• Achieve the best health and wellbeing for the city</li> </ul>	<ul style="list-style-type: none"> <li>• Helping people live healthy and independent lives.</li> </ul>

### **Existing mutual support for one another**

- 6.8 Currently Peterborough Trading Standards has a vacant second tier management post. Cambridgeshire's managers are currently providing line management support to Peterborough's officers as a result of this vacancy, in order to reduce the burden of operational line management on the Head of Regulatory Services. In return, Peterborough's Head of Regulatory Services has agreed to provide technical advice and support to Cambridgeshire's Service Manager following the deletion of the Head of Service post at Cambridgeshire. A SLA is in place to underpin this arrangement and it is currently working well.
- 6.9 Peterborough CC does not have the qualifications or resources to deliver their statutory weights and measures functions, so Cambridgeshire is delivering this function on their behalf. In addition, they currently pay an hourly rate for our financial investigator to support their Proceeds of Crime Act (POCA) investigations. Shared services will provide a greater opportunity for both authorities in relation to financial investigations and POCA. POCA confiscation awards are payable following successful prosecution of 'lifestyle' crimes and Intelligence indicates that Peterborough has quite high levels of lifestyle crime. A shared service would increase our capacity to investigate these crimes, and subsequently both authorities would benefit from any recovered monies.

- 6.10 Both Cambridgeshire and Peterborough recognise the importance of the Business Hub going forward and have agreed to work together to develop the hub further. It is expected that Peterborough Primary Authority businesses both existing and new will be brought into and managed through the hub.
- 6.11 Cambridgeshire and Peterborough have extremely knowledgeable, multi-skilled and professional officers, which offers tremendous scope for sharing resources, and our officers are already beginning to work more closely together.

## 7 OPPORTUNITIES OFFERED BY A SHARED SERVICE ARRANGEMENT

### 7.1 Potential for greater income generation and savings

<b>Business Hub</b>	<ul style="list-style-type: none"> <li>• Opportunity to expand our PA businesses if the Business Hub were expanded to cover Peterborough. The shared service would increase our PA advice capacity, and Peterborough has many major manufacturers, retailers and service providers which we could approach for PA agreements</li> <li>• Opportunity to expand our advice service beyond the remit of PA (which is limited to cost-recovery) to add bolt-on services such as training and advice materials, licensing advice, labelling advice etc. which can potentially generate larger income</li> <li>• Opportunity to promote our ad-hoc business advice service for smaller businesses amongst the numerous start-up companies based in Peterborough, potentially through the LEP amongst other channels</li> <li>• This not only offers income generation for the local authority, but is also of tremendous benefit to local businesses and the wider economy through increased compliance.</li> </ul>
<b>Proceeds of Crime work</b>	<ul style="list-style-type: none"> <li>• POCA work has the potential to make our investigative work self-funding, but it is dependent on us uncovering 'lifestyle' crimes and successfully prosecuting those involved.</li> <li>• Intelligence indicates that Peterborough has quite high levels of lifestyle crime. A shared service would increase our capacity to investigate these crimes, and would thereby increase the opportunities for POCA recovery work.</li> <li>• In addition to the potential for greater income generation for the authority, such activities also protect legitimate businesses who work hard to comply with the law, as well as protecting the wellbeing of consumers who can be put at risk from unsafe imports, cut and shut cars, rogue traders and counterfeit goods etc.</li> </ul>
<b>Legal</b>	<ul style="list-style-type: none"> <li>• Trading Standards Services rely heavily on Solicitors and Barristers to carry out their court work. A shared service opens up the opportunity for us to share Peterborough's Solicitor (or even bring them in-house to form part of the team) which could give rise to significant savings, as well as providing more timely and responsive support.</li> </ul>
<b>Procurement</b>	<ul style="list-style-type: none"> <li>• Savings could be made on EETSA membership if we were able to join as a single authority. Currently the fee for County Councils is £13,500 and £6,750 for Unitary Authorities (both pay £1,000 for access to the IDB intelligence database) for Cambridgeshire). Therefore the saving on membership would likely be £7,750 per year.</li> </ul>

	<ul style="list-style-type: none"> <li>Both Cambridgeshire and Peterborough have entered calibration agreements with Norfolk, and whilst these are currently self-funding, when the agreements come to an end a shared service would enable us to pool equipment, bringing down the cost of ongoing calibration charges.</li> </ul>
<b>7.2 Increasing resilience</b>	
<b>Shared management</b>	<ul style="list-style-type: none"> <li>Currently Peterborough Trading Standards has a vacant second tier management post. Cambridgeshire is providing line management support to Peterborough's officers due to this vacancy.</li> <li>In return, Peterborough's Head of Regulatory Services has agreed to provide technical advice and support to Cambridgeshire's Service Manager following the deletion of the Head of Service post at Cambridgeshire.</li> <li>An SLA is currently in place to underpin this arrangement and it is currently working well. It is proposed that as part of this shared service, arrangements are reviewed and put on to a more formal footing, maximising any opportunities for savings, and clearly defining reporting lines and accountability.</li> </ul>
<b>Specialist knowledge and expertise</b>	<ul style="list-style-type: none"> <li>With a greater number of officers, shared services would offer greater resilience to deal with peaks in service demand, and afford the opportunity to 'up skill' officers to create additional 'specialists' across the service, with each specialist leading or covering a specific subject area (providing training, monitoring legislative changes, maintaining documents on the document control system etc.) on behalf of Cambridgeshire and Peterborough, whilst continuing to carry out a mixed workload. For instance, Cambridgeshire has entered into a memorandum of understanding with Peterborough to deliver all of their weights and measures work as Peterborough do not have an operational qualified weights and measures officer.</li> </ul>
<b>Animal disease</b>	<ul style="list-style-type: none"> <li>A shared emergency plan and emergency management team would bring about tremendous advantages in terms of response co-ordination and our overall strategic effectiveness.</li> <li>Current staffing levels at both authorities threaten our ability to be able to effectively address and contain an animal disease outbreak. By bringing the services together it provides improved resilience, enabling the single emergency management team to deploy the most appropriate staff accordingly, having a wider spread of staff at their disposal. Peterborough can also utilise staff from their wider Regulatory Services if required operating under the direction of Trading Standards.</li> </ul>
<b>Large enforcement operations</b>	<ul style="list-style-type: none"> <li>For larger enforcement operations it would be beneficial to be able to utilise staff from across the authorities in order to have a greater impact and increase the safety of officers, for example, the Bank Holiday market operations and larger raids.</li> </ul>
<b>Proceeds of Crime work</b>	<ul style="list-style-type: none"> <li>A shared service would also give rise to the potential to sharing National Anti-Fraud Network membership.</li> </ul>
<b>7.3 Efficiencies and economies of scale</b>	
<b>Shared database</b>	<ul style="list-style-type: none"> <li>Peterborough is currently sourcing a new web-based database designed specifically for regulators, due to be launched in September. Everyone within Peterborough's regulatory service will share this database. If a shared service approach were supported, Cambridgeshire would be looking to adopt the same system in order that we can work from a single shared database. A full merger</li> </ul>

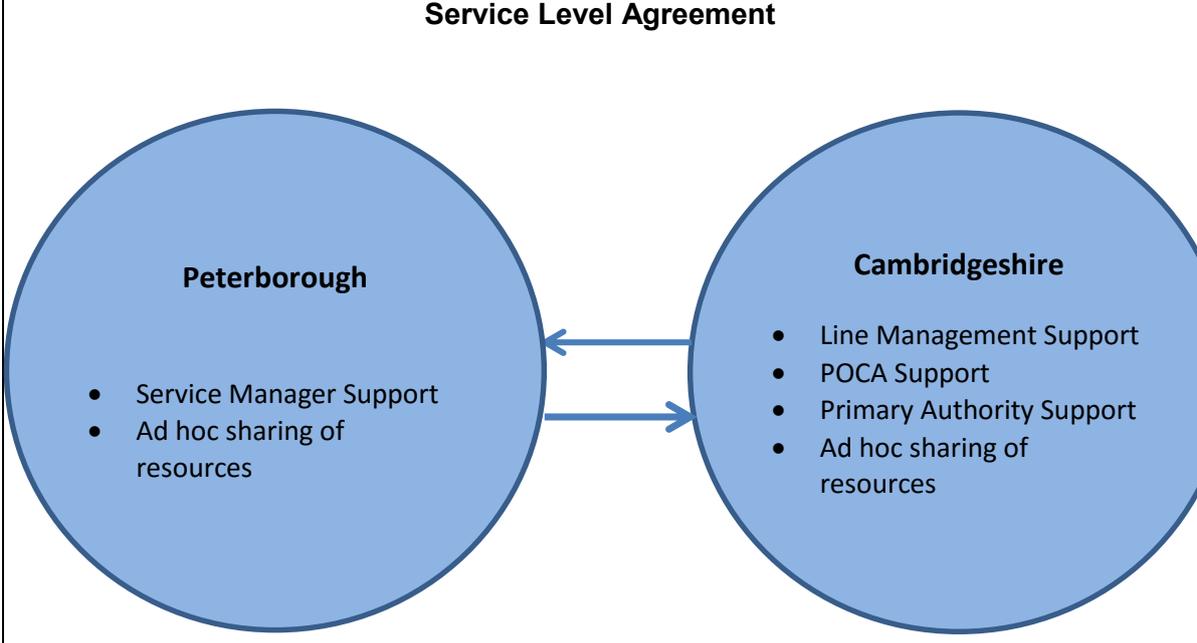
	<p>would allow us to pay a single licence fee, thereby making this more cost effective. The benefits are as follows:</p> <ul style="list-style-type: none"> <li>• Each service would be able to access information about businesses across Cambridgeshire and Peterborough, thereby facilitating cross-authority inspection plans/sampling plans/projects (W&amp;M, Food, Feed, Petroleum, Explosives, Animal Health), led by a subject specialist, based on a co-ordinated approach to 'risk' scoring and coding. Although no specific savings have been identified as yet this could be up to £10,000 per year revenue savings.</li> <li>• It would underpin a joint approach to Intelligence giving a better picture of issues across the Greater Cambridgeshire area</li> <li>• It would enable the services to have a single 'duty officer' answering the duty phone, monitoring incoming issues from the contact centres and customers, and allocating the work to the appropriate teams.</li> <li>• It potentially offers savings in terms of licensing administration, as it has advanced automated licensing capabilities, thereby freeing up administrator time</li> <li>• Efficiencies on database administration would be realised.</li> <li>• It would support greater mobile working, essential if officers need to cover a greater geographical area</li> <li>• It offers full integration with other related systems (e.g. FS net)</li> <li>• It is capable of being shared with other regulators should this shared service develop beyond Cambridgeshire and Peterborough Trading Standards.</li> </ul>
<b>Strategic Management</b>	<ul style="list-style-type: none"> <li>• A shared service would reduce the overall management time required to undertake business and financial planning, compose service and team actions plans and create and maintain service policies, statutory plans and annual returns. It would stop the duplication of many 'management' functions and activities, including attendance and representation at local, regional and national forums. Although there would be redundancy costs associated with the deletion of a management post there is a potential year on year saving of circa £64,750.</li> </ul>
<b>Single approach to tasking</b>	<ul style="list-style-type: none"> <li>• The availability of Intelligence across the two authorities would support a single approach to Tasking, enabling us to identify the greatest/emerging issues overall and target resources from both authorities accordingly.</li> </ul>
<b>Shared document control system</b>	<ul style="list-style-type: none"> <li>• A shared service would enable us to maintain a single set of documents within a document control system, halving the amount of monitoring and updating that would otherwise be required. Furthermore, the ownership of these documents could be shared between a greater number of staff</li> </ul>
<b>Shared systems to support investigations</b>	<ul style="list-style-type: none"> <li>• A single evidence database could be introduced, with one person in charge of managing the evidence stores (arranging booking in, disposal of evidence etc.)</li> <li>• We could operate a single Altia licence to support POCA analysis</li> <li>• We could share resources when it comes to PACE transcripts.</li> </ul>
<b>Doorstep response</b>	<ul style="list-style-type: none"> <li>• We have managed to stop significant amounts of money falling into the hands of rogue traders as a result of our rapid response to reported incidents. By having colleagues based in the north of the county, it will increase our ability to reach potential victims in the north of Cambridgeshire as quickly as possible.</li> </ul>
<b>Training and development</b>	<ul style="list-style-type: none"> <li>• We can combine our PDP skills gaps analysis to come up with a shared training plan so that we can share the cost of training where a relevant course is not being provided by our regions. Aside from formal training, our services differ in their areas expertise, and so</li> </ul>

	there would also be valuable training to be had through mentoring and shadowing across services.
--	--

**8 MODELS**

**8.1 Option 1: Continue as we are**

**What would this look like?**



8.1.1 This would see both Councils supporting each other on capacity issues, with the sharing of management support, sharing of training, best practice, knowledge and Intelligence, and potentially the sharing of Primary Authority (officers can provide advice to businesses based outside their own County under PA), POCA and legal support.

**Advantages:**

- 8.1.2 The advantages are as follows:
- Provides reciprocal management support without resourcing a full restructure
  - Can fulfil short term skill or capacity gaps
  - Minimal cost
  - No effect on Cambridgeshire staff, with the benefit of increased line management for Peterborough staff
  - No change for customers
  - Some Business Hub opportunities can still be realised with development of an MOU with Peterborough
  - POCA opportunities can still be realised

- Combined approach to Tasking (although the analysis will be time consuming without a shared database)
- Benefits of combining forces to tackle animal disease
- Benefits of sharing training and expertise
- Can continue to benefit from supporting each other in the rapid response to doorstep incidents
- Political representation continues as is

#### **Disadvantages:**

##### **8.1.3 Resilience:**

- The informal management arrangements are not sustainable long term as there is no accountability or overall responsibility under these under arrangements.
- As the management arrangements are informal there is still a need to have formal line management support in place for staff, thus creating a potential duplication between informal and formal lines of support.
- Further cashable savings and efficiencies cannot be realised without streamlining processes and reducing duplication
- Officers will have to access two back office systems if closer working arrangements are supported
- Greater resilience would not be realised without being able to fully share and direct operational officers and taking a holistic approach to the direction of both services.

##### **8.1.4 Economies of scale:**

We would not be able to take advantage of the economies of scale afforded by the following:

- single database licence
- single EETSA membership
- shared back office systems, policies procedures
- Business Hub unlikely to become a platform to deliver wider business services across both local authority areas other than Primary Authority advice

In addition we would be unable to achieve potential savings through the sharing of legal services due to the need to use LGSS services.

##### **8.1.5 Reporting lines:**

Reporting lines are a little blurred under the current arrangement, with the Head of Service reporting to one Director, and the Service Manager reporting to another, and line managers overseeing Peterborough staff yet reporting to the Service Manager of Cambridgeshire. There is the potential for there to be a conflict of interest at some point, where mixed reporting lines could cause added complications.

#### **Costs**

£0

#### **Savings**

Minimal.

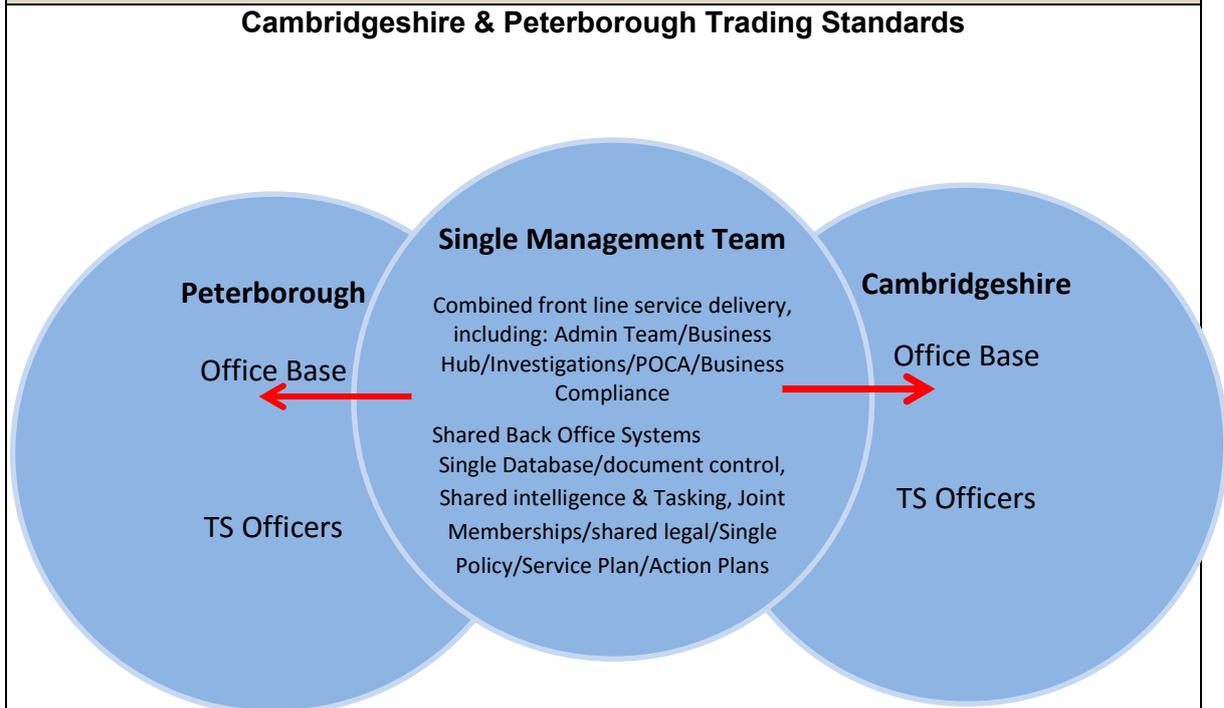
#### **Conclusion**

This is the simplest option, but the issues with direct reporting lines make it unsustainable for any length of time.



## 8.2 Option 2: Full Shared Service

### What would this look like?



8.2.1 This model sees a central team, shared by both authorities, incorporating the management team, admin team, Business Hub officers and POCA officer. Operational staff would continue to cover their respective areas as they do currently, with the option to re-deploy them as necessary to support officers in the other teams.

#### Governance

8.2.2 In order to ensure that the authorities continue to proportionately represent the interests of their respective tax payers, it is proposed that we would adopt a similar approach as colleagues in other authorities who have entered shared service arrangements, and with other existing shared service arrangements (e.g. Cambridgeshire and Peterborough Coroner Service). It would see us create a Joint Officer Panel comprising one Director from each partner authority. The Head of Service would report to the Panel. The Executive functions of the Council's that fall within the remit of the Trading Standards Services would be discharged by the relevant committees in both Councils, who would continue to make any strategic decisions. Alternatively, if Members preferred, a Member Joint Committee could be established. Elsewhere, the Surrey/Buckinghamshire Committee comprises only Members, whilst the Devon and Somerset model includes Members and Directors. However, since Cambridgeshire has a Committee rather than a Cabinet structure, with no overall political control, it is suggested that a senior Officer Panel to set strategic direction, with strategic decisions continuing to be made by the relevant committees in each authority, would be a better approach for a CCC / PCC shared service.

8.2.3 The Panel would be responsible for shaping the strategic direction and priorities of the shared service, as well as recommendations on where to make savings if further cuts were required, and on the resolution of 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. It would meet 3

times a year during service planning, for 6 monthly reviews and for an end of year report, or by exception. This structure will ensure both governance and accountability are retained by each of the authorities. This approach sits well with Peterborough's existing governance arrangements with Rutland under which Peterborough delivers a Trading Standards service on their behalf.

- 8.2.4 A single service plan would be produced by the 'Head of Service' (whether that be the Head of Regulatory Services at Peterborough or the Service Manager at Cambridgeshire, depending on which authority becomes the 'host' authority), in conjunction with both Directors, incorporating the strategic direction and priorities set by both authorities, and defining the desired outcomes for the shared service and how these will be delivered operationally. It will also explain how savings will be achieved and how performance will be measured. This Service Plan will be signed off by the two local authority Service Committees, and the 'Head of Service' will report quarterly to the Panel on progress against the service plan.
- 8.2.5 Day to day management and decision making would continue to be made by the 'Head of Service', within the parameters set by the Panel, with the 'Head of Service' line managed by the Director who oversees Regulatory Services at Peterborough if Peterborough were the host, or Director or appropriate Head of Service at Cambridgeshire if Cambridgeshire were the host. The remaining Director (of the non-host authority) will oversee 'performance' as part of their role within the Committee.
- 8.2.6 The Scheme of Delegation set out in the host authority's constitution will apply to the new Shared Service, and the non-host authority will delegate all its statutory roles to the host authority, yet retaining sign-off on operational plans including the Food and Feed plans.
- 8.2.7 The 'Head of Service' will represent the Service at Panel and relevant Committee meetings.
- 8.2.8 This 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.

### **Advantages**

- 8.2.9 The advantages are as follows:
- Maximises our resilience in terms of cementing our joint working arrangements – formalising the management support arrangements, permanently increasing resources that can be called upon during times of pressure, increasing the pool of knowledge and experience that can be called upon
  - Allows us to maximize the savings relating to procurement, in terms of EETSA membership, shared database, shared legal advice and shared document control system, as well as benefitting from a shared Business Hub.
  - Maximise opportunities to benefit from economies of scale in terms of back office systems, administration, document control management, review of policies, evidence control, training, tasking and Intelligence management.
  - Merged management team alleviates issues with reporting lines, providing clarity and leadership, and potentially makes savings from reduction of an MB4 post (see proposed structure below)
  - Committee provides for proportionate political representation
  - Service stays 'local' due to retaining local office bases – no difference for customers, can continue with existing local partnership arrangements and can continue to feed in to local agendas

- Can create significant savings by recruiting to the MB2 (equivalent) vacant post at Peterborough, with a view to this role undertaking line management responsibility across the Business Compliance Team. This appointment could negate the need for the Service Manager MB4 post within Cambridgeshire. If the two Trading Standards services were to enter a shared service arrangement, it is unlikely that both the role of Service Manager and Head of Regulatory Services would be required. Both posts are currently responsible for service planning, budget management, Policy decisions and strategic direction etc. As such only one of these posts would be required for a fully integrated joint Trading Standards Service.
- Would mean Peterborough is able to continue to deliver a Trading Standards service for Rutland County Council as part of their shared Regulatory Service agreement without the need to seek to alter the existing arrangement.

#### **Disadvantages:**

8.2.10 The disadvantages are as follows:

- Potential corporate objection from Cambridgeshire County Council at loss of direct control over a service that operates within its jurisdiction. The 'Head of Service' will only report to one Director on a regular basis, likely to be Peterborough's (see below), so there is also a risk that the Service may fall out of sync with the direction of travel for Cambridgeshire County Council if priorities etc. change between Committee meetings.
- Potential for political opposition within Cambridgeshire County Council at loss of sovereignty
- Transfer of employment to the host authority is required, which, despite having little tangible effect on staff, may well be perceived negatively by staff
- Further cuts may impact disproportionately, leaving one service providing substantial support to the other

#### **Costs to implement:**

8.2.11 The costs of implementation are as follows:

- HR, Legal and officer time to prepare and consult on the restructure document and TUPE implications
- Legal to prepare s.101
- Cost to Peterborough of recruiting to the vacant MB2 post (though this cost is not attributed specifically to this business case as this was a prior existing vacancy)
- Officer time to deliver IT implementation plan
- Cost of buying new database licence (although this cost will likely be recovered within a year as a result of greater efficiencies)

#### **Savings:**

8.2.12 The savings are as follows:

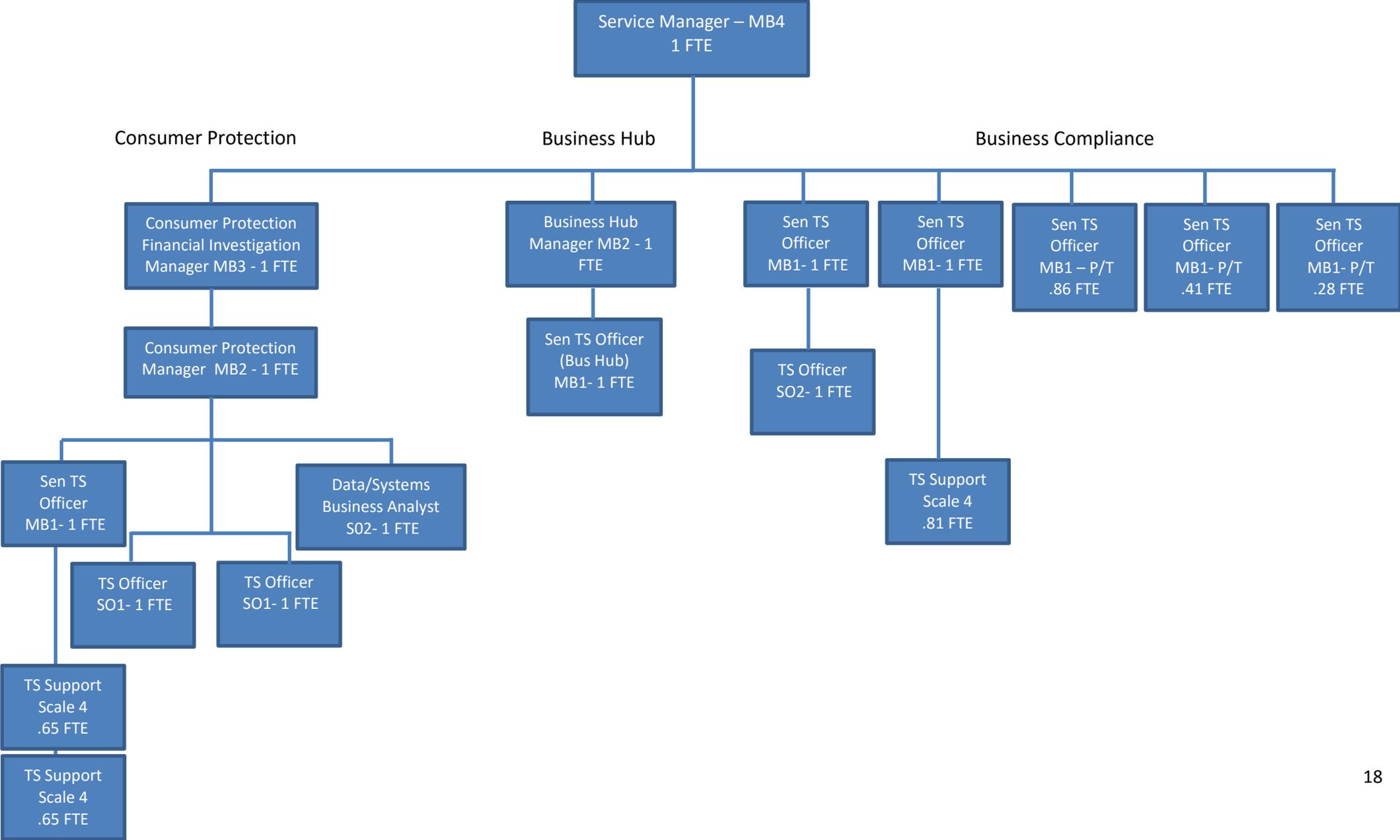
- MB4 post (see structure below) circa £65k savings
- EETSA membership savings – approx. £5K
- Database savings – approx. £5K year on year savings
- Potential further rationalisation and efficiencies generated through shared budgets, policies, systems, documents and intelligence – approx. £5 - £10k

**Total: Approx. £80k - £85k per annum after year 1. Likely to be cost neutral in year 1**

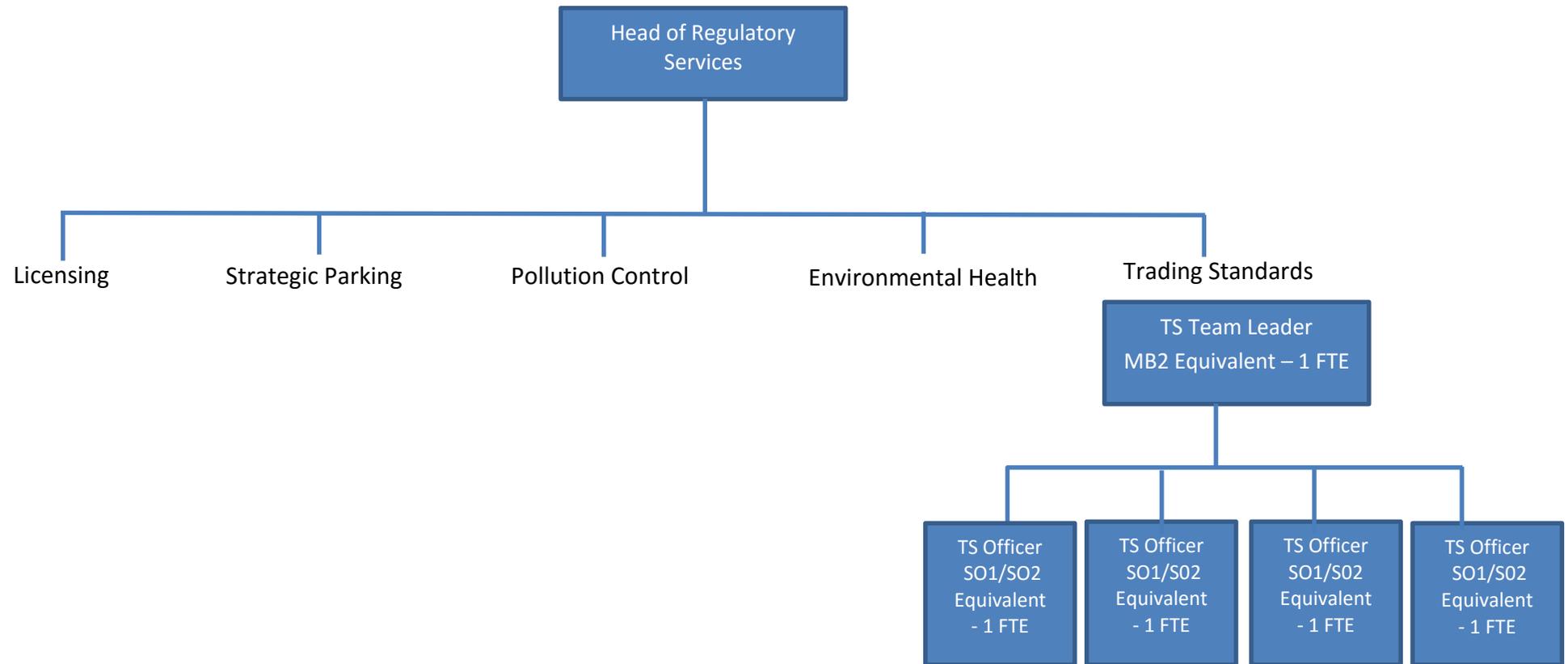
#### **Conclusion:**

8.2.13 This is the strongest long term model due to it offering the greatest resilience, efficiencies, savings and opportunities. This is the optimum model for a shared service between ourselves and Peterborough.

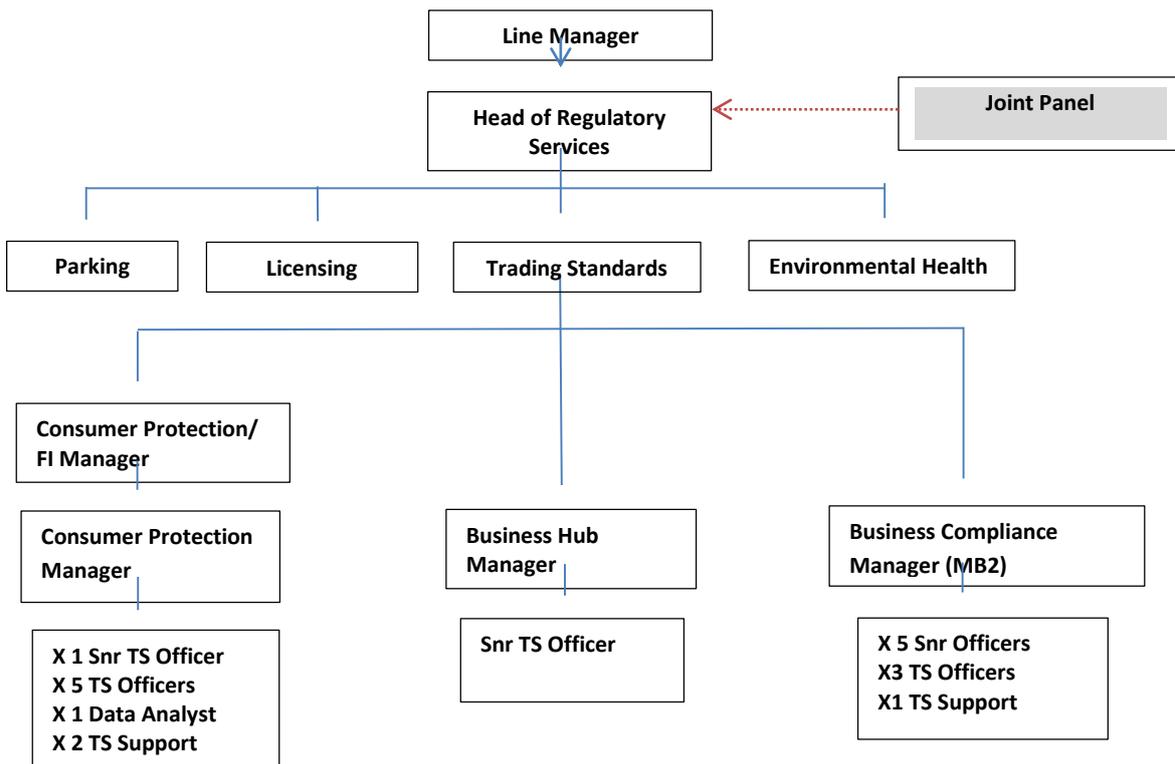
# CAMBRIDGESHIRE COUNTY COUNCIL - TRADING STANDARDS (Fig 1)



## PETERBOROUGH CITY COUNCIL - REGULATORY SERVICES (Fig 2)



### 8.3 Option 2 – Fig 3: Cambridgeshire to Peterborough



8.3.1 The current Cambridgeshire Trading Standards structure would move in its entirety to Peterborough Trading Standards, with the Head of Regulatory Services undertaking the role of Head of Service as at present, but line managing 3 direct reports - Consumer Protection/FI Manager, Business Hub Manager and Business Compliance Manager. The latter post is the currently vacant MB2 post at Peterborough. By filling this post it will reduce the day to day operational line management responsibilities of the Head of Regulatory Services. The Service Manager Post would be redundant due to the duplication in roles between that post and the Head of Regulatory Services, and the transfer of line management responsibilities to the newly created Business Compliance Manager post.

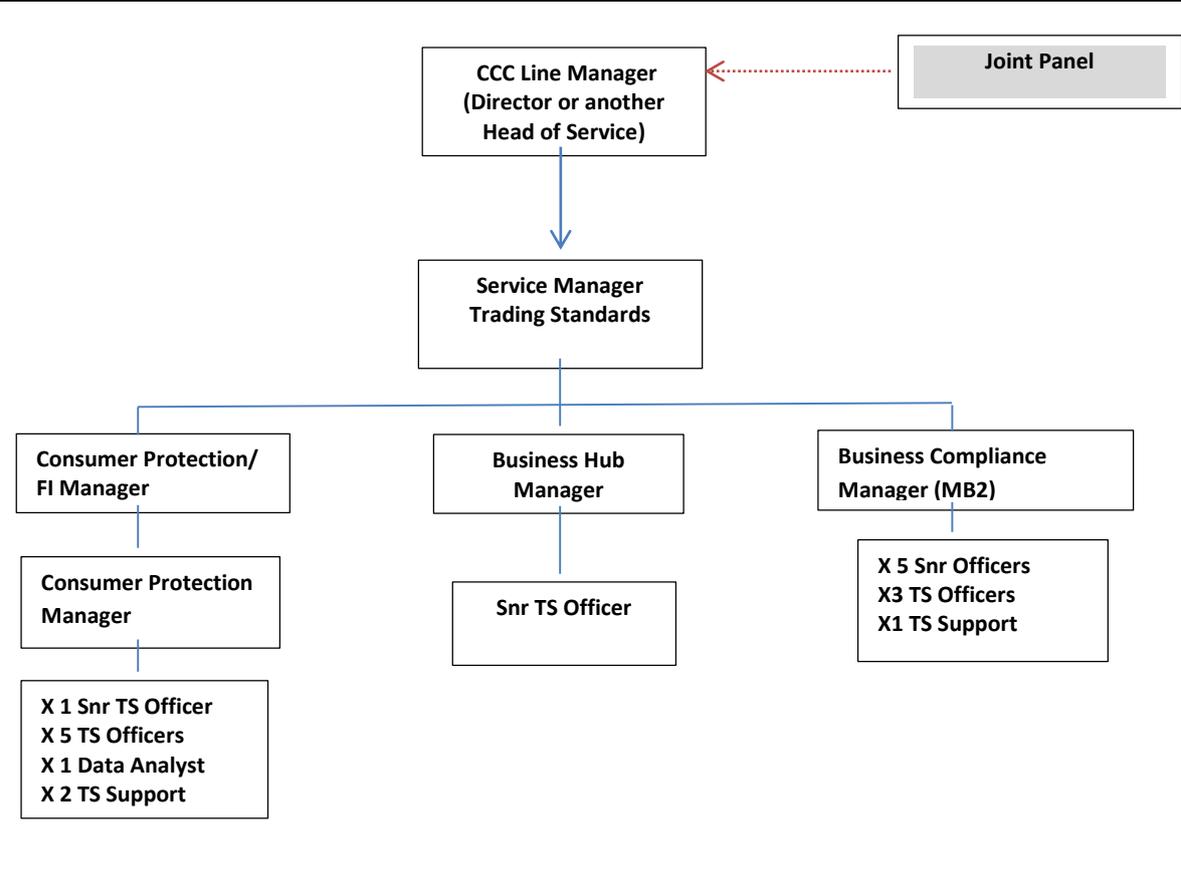
8.3.2 Peterborough Trading Standards Officers would be incorporated within this structure, with two of the officers sitting within the Consumer Protection Team as Trading Standards Officers, and two within the Business Compliance Team as Trading Standards Officers. There would be no other change over and above a change in line management for the Peterborough officers.

8.3.3 Whilst it may seem more natural for Peterborough staff to move to within Cambridgeshire County Council's employment with it being the larger authority, in practical terms it is the least preferable due to the impact it would have on Peterborough's Shared Service arrangements with Rutland; the fact that the more senior post, Head of Regulatory Services, sits within Peterborough, and that it is that post that has the requirement for in-depth legislative knowledge and experience. The existing Service Manager post has no such requirement, and the required technical support could not be expected to be provided by the Head of Regulatory Services if the Trading Standards Service was not part of their remit. The current Head of Regulatory Services for Peterborough is a formally qualified

Trading Standards Officer with many years' experience of managing not only Trading Standards but other regulatory services such as Environmental Health and Licensing.

8.3.4 In considering this option, we have of course considered the position of Cambridgeshire staff who would be affected by TUPE if Option 2 were selected. An in depth meeting was held with HR to discuss every possible implication for staff. The conclusion was that the only real impact for staff would be the name of the Council by whom they were employed. Their employment terms and conditions, work location and pensions would remain unaltered.

#### 8.4 Option 2 Fig 4: Peterborough to Cambridgeshire

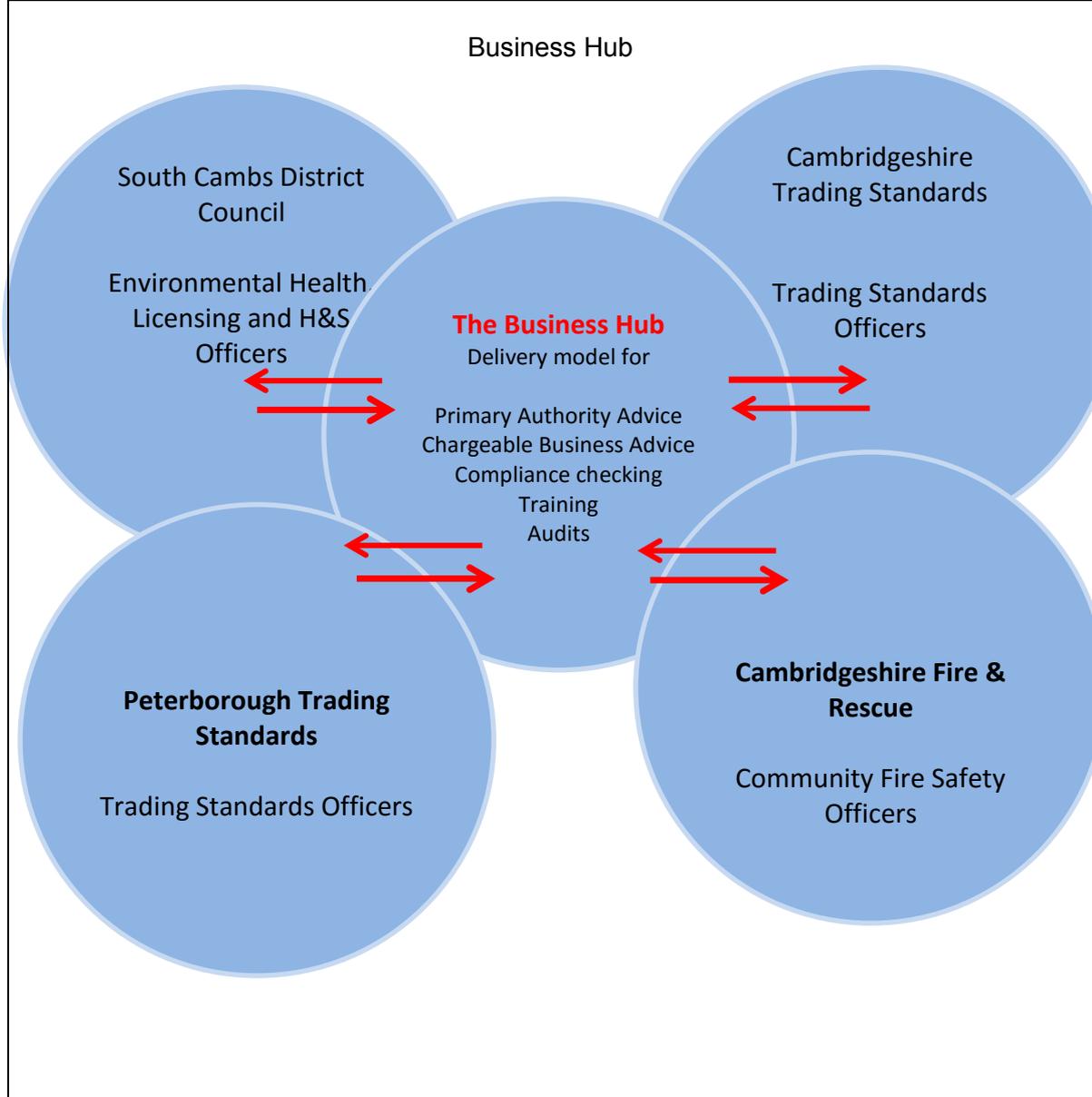


8.4.1 The structure would be identical to the above, but Peterborough employees would be TUPE'd to Cambridgeshire County Council and be managed by the Cambridgeshire Trading Standards Service Manager. The Head of Regulatory Services at Peterborough would no longer manage a Trading Standards Service. As with Structure A, Peterborough's MB2 post would be filled to increase management capacity.

8.4.2 In addition to the issues outlined in Structure A relating to the knowledge/expertise of the most senior post within the Service, it would lack appropriate reporting lines, with the Service Manager reporting directly to a Director or another Head of Service, neither of whom would have in-depth knowledge of Trading Standards legislation.

**8.5 COMMERCIAL SERVICES – BUSINESS HUB – COMBINE WITH OPTION 1 OR 2**

**What would this look like?**



8.5.1 A partnership agreement is currently in place between South Cambs District Council, Cambridgeshire Fire and Rescue and Cambridgeshire Trading Standards to provide a single point of contact for businesses to access advice services across a number of key regulators. Advice is provided by those partners at cost recovery, in the main through formal Primary Authority Partnerships. The overall purpose is to provide businesses with a consistent approach to regulation and support across all of their premises nationally. This in turn reduces regulatory burden on business and enables them to focus on growth, thereby supporting the local and national economy.

8.5.2 The model detailed in 8.4 above sees the potential to expand this current partnership to create a separate legal entity which would deliver chargeable advice services to businesses, not only within Cambridgeshire but regionally and nationally, building on true commercialisation whilst continuing to support local business growth. Due to it being a trading entity, it is able to charge for advice at a profit, rather than being confined to cost-recovery as is often the case for local authority services. Whilst it could employ administrative and sales personnel (the latter potentially being employed on a performance related pay basis), it would not employ business advisers. It would instead act as a referral 'body', referring advice requests to the appropriate local authority who would then provide advice directly to the business so that advice remains 'Assured' under the terms of Primary Authority. The local authority would be reimbursed at cost-price for the advice they have provided, and the Business Hub would accumulate any excess. There is potential for advice to be provided on a 'consultancy' basis by external advice providers for non-Primary Authority matters should demand for services out-grow the available resources within the partner authorities.

8.5.3 It could be expanded to incorporate advice from other organisations, beyond its existing members, such as Planning and Health & Safety, thereby providing the majority of bespoke regulatory advice through a single channel. This would be very much in line with the Government's 'Better Business for All' agenda, and this could lead to a project with the Greater Cambridge Greater Peterborough LEP to increase knowledge of this regulatory advice service amongst businesses, particularly start-up businesses.

8.5.4 The Business Hub would have a Board of Directors, made up of representatives from each service, to steer the business – overseeing the marketing, managing budgets, determining how to invest the profits etc.

8.5.5 Regardless of the model that is ultimately adopted, there is consensus between Cambridgeshire and Peterborough that it must remain a Trading Standards Business Hub at its core.

### **Advantages**

8.5.6 The advantages are as follows:

- Free from the restrictions applicable to local authorities that prohibit us from making a profit. Whilst we would not be able to charge above cost for Primary Authority advice, through the Business Hub we would be able to charge on a profitable basis for other advice services, training etc.
- Free from the employment benefits offered by the County Council, so marketing officers could be employed on a performance-related-pay basis and outside of the County Council pension schemes.
- Advantageous for customers in that they only have to contact a central administrator for the Business Hub, and they will then be referred to the

<p>appropriate adviser. They do not have to hazard a guess at which service to contact on a food issue etc.</p> <ul style="list-style-type: none"> <li>• Relatively cheap to set up</li> <li>• Brings the benefits of economies of scale with regards to marketing and billing</li> </ul>
<p><b>Disadvantages:</b></p>
<p>8.5.7 The disadvantages are as follows:</p> <ul style="list-style-type: none"> <li>• We are stepping into matters of employing staff on a commercial basis without being experts in this field</li> <li>• We would need to ensure the Business Hub was marketed in such a way that businesses recognise its local authority assured advice to distinguish it from competitors</li> <li>• Indemnity and reputational implications if we 'get it wrong'</li> </ul>
<p><b>Costs to implement:</b></p>
<p>8.5.8 The set up costs for an online incorporation are £15. In addition there are administration and regulatory related costs e.g. VAT registration, stationary, accounting, appointment and notification of directors and officers etc., none of which are significant according to Peterborough's Legal Services. The larger costs come down to how we chose to resource the company's operations e.g. external recruitment</p>
<p><b>Savings:</b></p>
<p>8.5.9 Unquantifiable at the moment due to the need to explore employment possibilities further.</p>
<p><b>Conclusion:</b></p>
<p>8.5.10 Further work is needed to fully explore this option, for instance, identifying whether or not we have sufficient expertise to operate a private company, employ staff on a performance basis, and direct a commercial marketing programme. If the business case found in favour of such an approach, it is recommended that its implementation forms Phase 2 the Shared Service implementation plan.</p>

**8.6 OTHER 'SHARED SERVICE' OPTIONS EXPLORED AND DISCOUNTED**

**Joint Venture**

8.6.1 This would take the form of a Joint Venture between two authorities in the form of a local authority-controlled company which would supply services back to both councils (and which could expand to provide services to other authorities).

<b>For</b>	<b>Against</b>
<ul style="list-style-type: none"> <li>• Economies of Scale and potential to expand client base</li> </ul>	<ul style="list-style-type: none"> <li>• The cost and resources involved in setting up a separate legal entity.</li> <li>• Statutory powers cannot be delegated to a joint venture organisation therefore only commercial, nonstatutory services can be delivered through a joint venture organisation.</li> </ul>

•	• Trading Standards would need to retain a structure that delivers the authority's statutory duties

8.6.2 The opportunity joint ventures present is the ability to trade commercially with a view to making profit. Within a local authority, legal constraints remove the freedom to operate in the commercial manner available to a joint venture. Statutory functions cannot be 'for profit' services whether they remain within the local authority or part of a joint venture.

8.6.3 Furthermore, statutory powers cannot be delegated to a joint venture organisation. Section 71(1)(c) Deregulation & Contracting Out Act 1994 specifically excludes the power or right of entry, search or seizure into or of any property from a local authorities 'contracting out' provisions - powers that are essential to the discharge of Trading Standards duties.

8.6.4 In terms of a shared service, a joint venture may be a viable option for non-statutory commercial services once sufficiently established and market tested. At this point in time there is no commercial offering to justify the establishment of a joint venture and there seems to be few benefits over and above what the Shared Service model offers, but with greater costs of establishment.

8.6.5 As a result this model was not explored further.

### **Outsourcing**

8.6.6 Outsourcing the service via competitive process is similarly constrained by Section 71 of the Deregulation & Contracting Out Act 1994, and lack of available service providers. Due to the nature of the Trading Standards Service and make-up of the associated funding there is not the value in the contract to make it worthwhile for an external provider. Any significant savings come from reducing staffing. This has already been done and as such there is no value in the service that would make this option attractive for an external provider.

8.6.7 In 2012 North Tyneside Council was successful in outsourcing its Trading Standards Service. However this was part of a wider group of services and the financial value for the external provider came from the other services. In addition, in order to be able to discharge their statutory duties, all Staff continued to be employed by the Council, and were seconded to the new entity. Again, we cannot see any particular benefits to be gained from this model as the process to outsource is expensive and time consuming and there would be less benefits than that which a Shared Service model would offer.

8.6.8 As a result this model was not explored further.

### **Provision of selected services**

8.6.9 Selected services transfer to Peterborough, with Cambridgeshire selecting parts of its services to transfer under a service level agreement, or vice versa.

<b>For</b>	<b>Against</b>
• Partial shared service	• Potential TUPE of staff – could be complicated by split of duties. Legal advice would need to be obtained.
• Targeted input of services	• Some loss of access/control for Cambridgeshire
• Potential for some economies of scale	• Could lead to disjointed delivery of services

8.6.10 Our current operating model largely incorporates this approach, with Cambridgeshire taking on some functions on behalf of Peterborough and vice versa. As stated above, this is perfectly sufficient as a short term arrangement, but the larger economies of scale and savings cannot be realised without the full merger of services.

### **Mutual contracting**

8.6.11 Under mutual contracting arrangements each council identifies services they could offer to the other through priced contractual arrangements.

<b>For</b>	<b>Against</b>
<ul style="list-style-type: none"> <li>• Relatively simple contractual arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• Limited opportunities for economies of scale</li> <li>• or efficiencies</li> </ul>
<ul style="list-style-type: none"> <li>• No TUPE</li> </ul>	<ul style="list-style-type: none"> <li>• Uncertainty of availability of resources in</li> <li>• particular cases</li> </ul>
<ul style="list-style-type: none"> <li>• Very targeted to needs</li> </ul>	<ul style="list-style-type: none"> <li>• Each arrangement would require careful monitoring</li> <li>• from the 'client side'</li> </ul>
<ul style="list-style-type: none"> <li>• Local authority being able to charge for the services under the Local Authorities (Goods and Services) Act</li> </ul>	<ul style="list-style-type: none"> <li>• Depending upon value, potential procurement implications for authority seeking the services.</li> </ul>

8.6.12 Whilst we may well explore the options of charging out our services to other authorities (e.g., animal health, feed etc.) in the future, it is not the model we would recommend for Cambridgeshire and Peterborough where there is a relationship of reciprocal support resulting from a shared Chief Executive. Additionally, a merged service would bring about larger savings and opportunities than a charging model between Cambridgeshire and Peterborough.

## **8.7 OTHER BUSINESS HUB MODELS EXPLORED AND DISCOUNTED**

### **Direct trading**

8.7.1 The Local Authority (Goods and Services) Act 1970 permits Local Authorities to obtain and provide goods and services to other authorities subject to the restrictions set out below in respect of unincorporated trading.

### **Unincorporated trading with partners**

8.7.2 The provision of services by an unincorporated LA vehicle is restricted:-

- by the 1970 Act to the provision only to other authorities that are empowered to undertake the service themselves.
- by the Local Government Act 2003 s95 to the provision of statutory services which are not available in an open market of non-public sector providers.

8.7.3 As a result of the limitations underlined above, we felt that the benefits from either of these approaches were very limited.

**Implementation**

- 9.1 Consultation and changes to the existing structures for both services would be required to formally incorporate the new management structure and Governance arrangements. It is anticipated that the transfer of staff would take 4-6 months to complete using existing resources. An implementation timetable would then begin with regards to all other aspects of the Shared Service – the implementation of the shared back office systems and database, merging of licenses, policies, document control systems etc.

**Staff/personnel implications**

**Pay**

- 9.2 Pay scales across both services are relatively comparable so addressing inequalities of pay should not be a significant issue, although it is recognised there will be some sensitivities around these issues.

**Contracts & job descriptions**

- 9.3 HR has advised that the employment terms are comparable apart from a provision about sick pay and a difference in mileage reimbursement costs. Peterborough's terms are more detrimental than Cambridgeshire's so there would be a two tier system for sickness

**Pensions**

- 9.4 Pensions would remain unchanged as a result of TUPE and us all being members of the same pension scheme.

**Partnership implications**

- 9.5 Due to the retention of a Cambridgeshire base and Peterborough base, as well as our existing branding, there is unlikely to be any negative impact on our partnerships. At Cambridgeshire we have established excellent connections with Cambridgeshire Police, with access to their database. We would of course wish to continue this relationship with them as it has proved extremely productive in terms of our rogue trader and counterfeiting investigative work, and we will work with them to ensure this could continue if officer employment transferred to Peterborough.
- 9.6 CitA consumer advice centre will not be affected, other than potentially needing to amend both Cambridgeshire and Peterborough's referral protocols to provide a single contact number for duty referrals.
- 9.7 Cambridgeshire Direct business advice service simply refer issues to us by email so this can continue.

**Property implications**

- 9.8 Due to our wish to remain local, there are no plans to co-locate. However Cambridgeshire will be reviewing its accommodation arrangements in light of the significantly smaller workforce post-restructure. This is a separate piece of work, unrelated to the Shared Service, and whatever the outcome staff can be assured that the service will remain in Cambridgeshire.

9.9 In terms of IT, we are currently exploring the possibility of ex-CCC staff continuing to use CCC hardware.

#### IT implications

9.10 A major project would be required to plan and implement the merger of our IT systems, although ultimately we would be looking to have a single database, single email system, single network system and single document control system, all incorporating our respective 'Cambridgeshire' and 'Peterborough' branding. The costs will be large in year 1, although this should be outweighed by the savings we have made on licensing costs. It is anticipated that this project can be managed internally.

#### Customer impact

9.11 This model enables the services to continue to deliver against local need, which in turn is informed by Intelligence, so as far as customers are concerned there should be very little impact. We would continue to have a presence in our respective localities and would continue to brand the Services as 'Cambridgeshire Trading Standards' and 'Peterborough Trading Standards' respectively. In fact, the only real impact for our customers are the benefits that this approach will afford them. Our services will be more resilient, better equipped to deal with major issues and operating as efficiently as possible to maximise time spent on front line activities.

#### Financial case

9.12 All contributions, costs, savings, additional income, budget risks and variations would be split proportionately between Cambridgeshire and Peterborough, mirroring the proportions that each contributed to the Shared Service at the outset. If the proposal to merge is supported then further detailed analysis of the budgets would be undertaken and an agreed percentage split would be incorporated into any formal agreement. This would include for POCA confiscation awards and income generated from the Business Hub activity.

9.13 It is proposed that the proposed split is reviewed periodically by the Committee. Pulling all of the above together, the financial case looks like this:

*Fig 5: 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	
<b>TOTAL</b>	<b>£87k</b>	

*Fig 6: Projected Savings and income generation*

	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
Shared database/back office systems	£5k	
Shared professional body memberships and subscriptions	£5K	

Reference to single legal team	£5k	savings will mitigate the cost of implementation.
General efficiencies and savings (sampling/inspections)	£5k	
Potential additional Income	Further develop Primary Authority Partnerships within Peterborough and seek POCA confiscation.	£ No figure given at this time
<b>TOTAL</b>	<b>£85k</b>	

9.14 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.

9.15 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 1 will offset the cost of implementing the shared service. In addition, any surplus generated throughout the financial year will also be apportioned to each authority on the agreed percentage basis.

### Legalities

9.16 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 creation of a Joint Committee is permitted under s. 102 of the 1972 Act, and the 2012 Act allows each Cabinet to determine the political representation on such a committee.

9.17 Robust Information Governance arrangements will be in place to enable us to share information and respond to FOI, DPA and complaints efficiently and effectively.

### Risks

<b>Risk</b>	<b>How to minimise the risk</b>
<ul style="list-style-type: none"> <li>Further cuts to Peterborough's budget which leads them to become dependent on the resources of Cambridgeshire to meet their statutory obligations. There is the possibility that Cambridgeshire tax payers could ultimately end up subsidising services to Peterborough. If Cambridgeshire objected, and Peterborough failed to meet its statutory obligations, Government could intervene and take over the delivery of those services at a</li> </ul>	<ul style="list-style-type: none"> <li>The Shared Service would operate for a minimum term of 5 years, plus an option of a further 2, after which either authority can give 12 months' notice to terminate the partnership.</li> <li>Monitor financial situation in each authority to quickly identify emerging issues, enabling us to act quickly to absorb/address likely impacts.</li> </ul>

<p>cost to the Council, and that would have significant reputational repercussions for a shared service.</p>	<ul style="list-style-type: none"> <li>• Be clear to financial decision makers the likely impact of additional cuts, using data and Intelligence, including the new 'Head of Service' building strong working relationships with finance teams in both authorities to support the budget setting process.</li> <li>• Future budget variations would need to be agreed by the Joint Committee</li> <li>• Any significant changes to services will ultimately need the agreement of the Joint Panel and relevant Member Committees.</li> </ul>
<ul style="list-style-type: none"> <li>• Differing political priorities/agendas between the two authorities.</li> </ul>	<ul style="list-style-type: none"> <li>• The Committee system should help to alleviate any such discord.</li> </ul>
<ul style="list-style-type: none"> <li>• Corporate objection due to the loss of control over a service operating in their jurisdiction</li> </ul>	<ul style="list-style-type: none"> <li>• Early communications with Members and corporate leaders to gain their confidence and support for the proposals and to overcome potential perceptions around loss of control and accountability;</li> <li>• Concerns should be allayed by clear explanation of the continuing role of Member scrutiny and decision making as required.</li> </ul>
<ul style="list-style-type: none"> <li>• Once implemented, one party feels there is 'democratic deficit', unable to influence the Shared Service.</li> </ul>	<ul style="list-style-type: none"> <li>• The Joint Panel structure should address this, giving each party an equal voice. Further details of dispute resolution procedures would be included in our Inter Authority Agreement.</li> </ul>
<ul style="list-style-type: none"> <li>• Incompatible IT systems which, rather than bringing about efficiencies, actually make tasks more cumbersome and require duplication of effort/or costs escalate to achieve full integration</li> </ul>	<ul style="list-style-type: none"> <li>• Early conversations will be had with IT to ensure that any issues are identified and solutions found before we invest heavily in resourcing the move to a Shared Service, such is the importance of integrated IT systems.</li> <li>• Full IT delivery plan developed and implemented.</li> </ul>
<ul style="list-style-type: none"> <li>• Discord and resistance amongst staff as a result of ineffective consultation and lack of effective engagement over the effect of TUPE and terms</li> </ul>	<ul style="list-style-type: none"> <li>• Full and open consultation involving all staff on the options, if appropriate exploring alternative options and suggestions.</li> <li>• Ensuring concerns are listened to and proposals amended as appropriate to address these where possible.</li> <li>• Involve Unions in line with HR guidance</li> </ul>

## 10 A SHARED SERVICE WITH ENVIRONMENTAL HEALTH?

- 10.1 In the beginning of this report reference was made to an interest, corporately, in exploring the possibilities of working more closely with Environmental Health.
- 10.2 South Cambridgeshire District Council's Environmental Health & Licensing Team has expressed an interest in establishing a formal shared service arrangement, in the form of a single regulatory service. At the present time there has been lesser interest expressed from the remaining Districts. As a result we have concerns about the proportionate representation that an alliance between a County Trading Standards and individual District Environmental Health Team would offer, given that Trading Standards needs to work closely with all 5 districts.
- 10.3 Furthermore, experiences from elsewhere in the country give us concern that such an arrangement would be costly to establish yet would fail to deliver any real benefits. In 2010 Worcestershire Trading Standards were the first Trading Standards authority to merge with Environmental Health and Licensing, across all the districts in Worcestershire. Despite all the Districts being involved, what they found was that there was very little benefit to Trading Standards Services. The skills are not interchangeable, the inspections and work they do have very few synergies as they target different businesses and practices, licensing took a great deal of their resource, and the arrangement was very costly (equivalent to 1.5FTE). As a result Worcestershire Trading Standards broke away from this shared arrangement in November last year.
- 10.4 For these reasons we do not feel that it would be prudent to further explore entering into such an all-encompassing arrangement with South Cambridgeshire District Council.

### Areas where we could support each other

- 10.5 Whilst we have genuine concerns about the viability of a merger with a single Environmental health team, we do recognise that there might be areas where we could support each other, building on the Better Business For All Agenda, for example - shared food groups to share knowledge and Intelligence, formal sharing of Intelligence, vapour recovery work, sharing the visits to new food premises within 28 days of registration, licensing could assist with Challenge25 etc., POCA, Business Hub (see below). Such an arrangement offers no significant savings to either Trading Standards Service so we would not be looking to lead any such project, but we would be very willing to explore the options and feed in to any business case if Environmental Health were to lead such a piece of work.

## 11 CONCLUSIONS AND RECOMMENDATIONS

- 11.1 It is recommended that we opt for a full Shared Service arrangement with Peterborough as this offers the greatest benefits to Cambridgeshire County Council in terms of resilience, savings and economies of scale, but that we continue to operate under our current SLA until implementation.
- 11.2 It is recommended that Cambridgeshire staff are TUPE transferred to Peterborough City Council, with Peterborough becoming the Lead authority, and that the Head of Regulatory Services leads the service. Office bases in Cambridgeshire and Peterborough would be retained, and officers would continue to operate from their

current base. Staff terms and conditions would remain unchanged for the foreseeable future.

- 11.3 It is recommended that the Shared Service is governed by an Officer Panel, comprising a Director from each authority and the Head of Regulatory Services. Strategic decisions would continue to be referred to the two authorities' Service Committees as required.
- 11.4 Full staff consultation and political consultation would be required if the Director was in favour of the recommendations made in this report.
- 11.5 If supported, a full implementation plan will be compiled. The planning and actual implementation will be carried out using existing resources in order to avoid additional project management costs.
- 11.6 Due to the amount of preparatory work needed ahead of its launch, it is proposed that we aim to launch the Shared Service on 1<sup>st</sup> April.
- 11.7 In addition to a Shared Service arrangement, we recommend that a full business case is compiled examining the options for putting the Business Hub on a commercial footing, with it acting as a central referral mechanism for business advice on behalf of several local authority services. If this recommendation is supported, it is recommended that this forms phase 2 of the shared service work.

## **12 EQUALITY AND DIVERSITY**

- 12.1 A Community Impact Assessment (CIA) has been completed and there are no significant implications identified associated with the merger of Cambridgeshire and Peterborough Trading Standards. The existing level of Trading Standards service delivery remains unchanged by this proposal. Residents and businesses will continue to receive the same advice, support and intervention as currently provided by each Authority.