



Report To: Leader and Cabinet

9 July 2015

Lead Officer: Director of Health & Environmental Services

Business Improvement and Efficiency Programme Business Hub Project

Purpose

1. To update Cabinet on work to progress a joint “Business Hub” partnership between South Cambridgeshire DC Health, Environmental Services, Cambridgeshire County Council Trading Standards and Cambridgeshire Fire and Rescue.
2. This is not a key decision but forms part of the Business Improvement and Efficiency Commercialisation Programme.

Recommendation

3. That Cabinet notes progress towards the creation of a multi-agency “Business Hub” on a trial basis for 12 months to create a start-up phase to draw together key business advice services from both Trading Standards, Cambridgeshire Fire Service and South Cambridgeshire District Council (SCDC) to promote joint Primary Authority Agreements and associated commercial activities.

Reasons for Recommendations

4. To provide a more customer-focused, joined-up, “one-stop-shop” for regulatory services business advice for local and national businesses by drawing together key services from both Cambridgeshire County and South Cambridgeshire District Councils and Cambridgeshire Fire Service.
5. To increase income to SCDC by increasing the number of hours that chargeable business advice can be given, developing a cost recovery model for regulatory services business advice that can be expanded in a financially sustainable way.
6. To develop an operating model that other regulatory services may join in subsequent phases, bringing in new offering of advice and support services for the Business Hub.

Background

7. As part of the implementation of the Hampton Review the Government introduced the Regulatory Enforcement and Sanctions Act 2008. This act facilitated the introduction of a Primary Authority Partnership Scheme, which began in 2009 and allowed for the

development of nationally recognised schemes whereby a regulator would work closely with a regulated business through a formal agreement to;

- Quality assure their policies and procedures
 - Provide assured advice and an inspection plan which other regulators nationally must follow
 - Provide a point of contact that other regulators must consult prior to taking any enforcement action.
8. The overall purpose being 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.
 9. Each regulatory service has a range of statutory duties. However it is also widely recognised that providing support, advice and guidance to legitimate businesses alongside, these brings great benefit to businesses and consumers, as it enables them to comply with legislation and frees-up essential resources that can be focused on targeted enforcement against rogues.
 10. As these support-type services are not statutory, they are becoming increasingly difficult to provide from existing resources. Officers are therefore developing a new model for business services in Cambridgeshire. The 'Business Hub' model is designed to become a self-financing model that provides businesses with access to quality advice/support services that are streamlined and efficient.
 11. The Business Hub is modelled on extending the existing Trading Standards Primary Authority Partnership work which provides an excellent foundation on which to develop and grow the concept.
 12. Since its introduction in 2009 the market for Primary Authority Agreements has grown steadily across the UK. There are currently around 76 District/Borough and 45 County Councils signed up to and having PA agreements with approximately 2614 companies.
 13. The Primary Authority Partnership scheme would encompass the Business Hub, as this concept is one of the centre pieces of central government policy to reduce the regulatory burden for business and simplify enforcement regimes. The delivery of all associated business advice will be self financing.
 14. All Primary Authority Partnerships operate on the basis of the regulator concerned recovering full costs relating to any of their staff involvement in the delivery of the scheme.
 15. One key conclusion from the Hampton Report was that *'the structure of regulators, particularly at local level, is complex, prevents joining up, and discourages business-responsive behaviour. Regulators should be of the right size and scope, and no new regulator should be created where an existing one can do the work'*
 16. In order to consider the opportunities for more joined-up working which will address this concern, and seek to increase income generation, an officer group has been established between Cambridgeshire County Council, South Cambridgeshire District Council and the Fire Service, to identify the options for maximising opportunities between the three authorities.

17. Initial scoping has identified two main opportunities relating to regulatory services; the creation of a Business Hub (Stage 1) and the possibility of establishing a Joint Regulatory Services Model for Trading Standards and District Environmental Health partners (Stage 2). For Stage 2, a draft regulatory services model for 2020 will be developed alongside a full business case and presented to members at a later date.
18. SCDC Cabinet has previously agreed the development of the Business Hub as part of the SCDC Corporate Plan

Considerations

19. Consideration as to location has been given and at present the project group supports the Business Hub being located at South Cambridgeshire District Council.
20. In presenting the attached outline business case **APPENDIX 1**, a number of reasonable assumptions have been made. It has been necessary to make these assumptions where there are unknown factors at play.
21. **IT Systems** - The Business Hub will use the existing CCC Trading Standards IT systems to support the delivery of the scheme, which can be accessed and used by a range of regulatory services partners across a range of organisations. Whilst this is a reasonable assumption to make, it is acknowledged that as the 'Business Hub' grows, it may be necessary to commission and pay for a bespoke system to be developed.
22. **Employment** - It is assumed that for the pilot period, staff members delivering 'Business Hub' activities will continue to be employed by their respective authorities. However, the Hub would provide a 'one stop shop' for business to access assured advice under Primary Authority status under the three regulators. It is envisaged that this will not only provide greater consistency and support for business to comply but also provide a more sustainable and cost effective model for public services enabling resources to be focussed on those areas at most risk. Opportunities to provide services to businesses outside of Primary Authority will also be explored in order to maximise income generation
23. **Investment of income** - There is an assumption that any income generated in the early stages of this project will be able to be reinvested in the growth of the 'Business Hub' to enable the model to become a fully commercial and self-sustainable enterprise.
24. Consideration has been given to some key objectives that the Business Hub should achieve to be fit for purpose, which are :-
 - Offer highly professional, chargeable advice to businesses
 - Develop a one-stop shop for regulatory advice required by both local and national businesses
 - Ensure Regulatory services work in a joined-up, customer-first, streamlined manner to offer a better regulatory service, using joint systems and intelligence.
 - Improve economic growth through better regulation
 - Deliver a Service to the ethos of Regulators' Code and Better Regulation Agenda (i.e. to improve regulatory outcomes without imposing unnecessary burdens on business)
 - Commercial venture – to recover costs and become self-sustaining

- Create a service not just for businesses but also for other local authorities – i.e. a Business Hub that other authorities can pay to deliver business advice on their behalf
25. In designing a model to meet the above objectives, it is recognised that ultimately all Regulatory Services would need to be involved to create a true ‘one-stop shop’ objective. However, it is also recognised that this would not be feasible immediately and that a 2 stage approach should be taken to build the Business Hub in phases that increase the offering to businesses by bringing in more of the County’s Regulatory Services and their respective remits.

Options

26. Whilst each regulatory service has a range of statutory enforcement duties, it is also widely recognised that providing support, advice and guidance to legitimate businesses alongside this brings great benefit to businesses and consumers as it enables them to comply with legislation and free up essential resources that can be focused on targeted enforcement against rogue businesses. This is consistent with the SCDC Enforcement & Inspection Policy previously agreed by Cabinet in November 2014.
27. One option is to do nothing and maintain the status quo, however, continuing financial pressures will adversely services that are not statutory and will become increasingly difficult to provide from existing resources which is unlikely to be reversed in future years.
28. The second option is the proposal of a new model for business services in Cambridgeshire. The ‘Business Hub’ model is designed to become a self-financing model that provides businesses with access to quality advice/support services that are streamlined and efficient.

Implications

29. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered: -

Financial

30. There are upfront financial costs incurred including marketing costs and costs to back fill existing posts subject to workloads as identified in more detail at **Appendix 1**. SCDC’s £20,000 contribution to these pilot costs will be made from existing H&ES budgets.

Staffing

31. In order to test this concept, it is proposed that a ‘trial Business Hub’ is established in 2015. The ‘trial Business Hub’ would look to initially replicate the Trading Standards model so would include the 2 x Trading Standards Officers that currently give chargeable advice, plus 1 x Fire Officer. In addition, 1x officer from SCDC’s Environmental Health & Licensing team will made available as part of this team. This will serve to not only widen the range of assured advice available to businesses, but will also increase the potential number of hours of business advice that could be delivered. This post would be backfilled as required, probably for an initial six months through the SCDC corporate contract for temporary staff.

Legal

32. Legal support will be required as part of the project, in particular support in designing any inter-authority contracts over provision of services, staff etc.

Risk Management

33. Any risk management issues will be covered by existing risk management processes in place as part of the H&ES Risk Register and via a dedicated Project Risk Register.
34. A set of business rules will be agreed which would include a risk register and cover the access, security, storage and disposal of information in order to manage Data Protection principles.
35. The benefit of this model is that if existing staff are used then there is little risk to both authorities whilst the 'Business Hub' is established as existing staff members can be called upon to deliver 'chargeable' advice as the model grows
36. The 'Business Hub' model would allow a relatively low cost, low risk trial period to enable both authorities to monitor the potential for future development. If the pilot is successful, then eventually work would be undertaken to assess whether it was viable to move the 'Business Hub' towards a self sustaining model.

Consultation responses

37. Consultations have taken place with regulatory partners and the Better Regulation Delivery Office (BRDO) to design the Business Hub model.

Effect on Strategic Aims

Aim 1 - We will listen to and engage with residents, parishes and businesses to ensure we deliver first class services and value for money.

38. By projects from the business efficiency programme, working with services to reduce costs and deliver better ways of working.

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