

COUNCIL

25 March 2024

PETERBOROUGH SHARED SERVICE AGREEMENT FOR REGULATORY SERVICES

Report of the Portfolio Holder for Transport, Environment and Communities

Strategic Aim	All	
Exempt Information	No	
Cabinet Member(s) Responsible:	Cllr Christine Wise, Portfolio Holder for Transport, Environment and Communities	
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Ward Councillors	All	

1 SUMMARY AND RECOMMENDATIONS

1.1 Summary

- 1.1.1 The report considers options for the future provision of regulatory services through a shared service level agreement and makes recommendations for a new agreement with Peterborough City Council with additional resource to meet increased demand in taxi licensing.

1.2 Recommendations

1. Approves the proposal to enter into a service level agreement to deliver Regulatory Services with Peterborough City Council from 1st April 2024 for a 5 year period.
2. Authorises the Strategic Director for Place, in consultation with the Portfolio Holder with responsibility for Transport, Environment and Communities, to enter into the agreement.

1.3 Reasons for Recommendations

- 1.3.1 The existing contractual arrangements with Peterborough and the excellent working relationship will ensure that in a new service level agreement, the continued shared service will provide seamless business continuity at a time of high demand in

environmental services.

2 REPORT

2.1 Introductory Paragraph

2.1.1 The existing shared service agreement with Peterborough City Council for Regulatory services expires on 31st March 2024. The wide range of functions within Regulatory Services include;

- Food Safety & Health and Safety
- Housing Enforcement
- Pollution Control
- Licensing
- Trading Standards

2.1.2 The shared Regulatory Services team at Peterborough provides an efficient and effective way to deliver holistic regulatory solutions to address non-compliance as well as support business growth and the service integrates well with their own legal services team. The shared service has been in operation since 2011 for 5 years. The current agreement was made in 2016 for 5 years and was extended in March 2021.

2.1.3 Rutland and Peterborough's combined service provides greater flexibility and resilience in use of resources, shared Environmental Health management costs and gives improved access to technical expertise and enhanced staff retention and development. Peterborough City Council, a unitary council delivering the full spectrum of regulatory services within the remit of Public Protection, is an ideal partner for Rutland. The existing contractual arrangements with Peterborough and excellent working relationship will ensure that the shared service provides seamless business continuity at a time of high demand in environmental services.

2.2 Options Considered

2.2.1 A number of alternative options for the shared service have been considered as set out in table 1 below;

2.2.2 Table 1

	Options	Consideration	Recommendation
1	Add inflation to the current contract value in line with existing contract	Not financially viable for PCC	Not recommended
2	Add inflation to the full cost recovery contract cost without additional licensing resource	Not deliverable with existing resources	Not recommended
3	Add inflation to the full cost recovery contract cost plus additional licensing resource	Deliverable and costs off-set	Recommended

		through additional licensing income	
4	Add inflation to the full cost recovery contract plus additional licensing resource and reduce resources in the contract to lower full cost recovery price	Potential redundancy costs and increased risk to service delivery	Not recommended
5	Add inflation to full cost recovery of higher level of service	Unaffordable within cash limits	Not recommended

- 2.2.3 Legal costs are not included within the Service Level Agreement (SLA). Environmental Health Officers have experience in regulatory services and work autonomously with minimal reference to internal PCC legal colleagues, however this is available on an informal basis. Whilst there is no charge for informal reference to legal colleagues at Peterborough, this will be explored so it is better understood in the new SLA.
- 2.2.4 At present when PCC's legal team have engaged third party legal support for litigation work such as recent health and safety cases, or potentially a substantial matter such as major policy development, the cost is billed separately. Under the existing SLA, all policy making, and renewal is excluded and remains a function of Rutland County Council.
- 2.2.5 In the new agreement, if legal work is required which would result in an additional cost to RCC, this will now be undertaken by RCC Legal Services. The SLA will reflect that change. RCC's Legal Services has considerable expertise and experience in undertaking regulatory work.

Background

- 2.2.6 The current contract charge is £532,960 per annum. In 2023, Peterborough City Council (PCC) conducted a corporate review of the shared service and found that the current contract value does not reflect full cost recovery for the shared service provision.
- 2.2.7 Based on the resource level agreed within the contract, the contract value required for cost recovery is £601,545, a shortfall of £68,555. When the shared service was set up, costs factored into the agreement related to staffing, the services transport, supply and services costs. No account was taken of corporate overheads or of the associated support costs that enable front line services to operate.
- 2.2.8 The review has also revealed that more resource has been used to deliver the contract than was agreed in the shared service. The full cost including the additional extra resource is estimated to be £781,834. A gap of £248,874 between contract value and cost recovery has been identified following a corporate wide review by PCC using modelling adopted by a number of councils and has been met by Peterborough City Council.
- 2.2.9 Significant additional demand in licensing through increased numbers of applications has continued and has brought in additional revenue to Rutland County

Council. However, the resource required to meet the demand has increased from 2.1 full time equivalents (FTE) to 3.1 FTE in order to meet the council's licensing function, which equates to an additional £60,024 with overheads.

- 2.2.10 A reduction in posts has been considered in order to reduce contract costs, however this would reduce the resources available in both pollution control and food safety resulting in unmet demand, reduced resilience and additional risk.
- 2.2.11 Other options, for example to bring in-house can be explored during the next service level agreement period.
- 2.2.12 There will also be a pay award for 2023/24 and inflation.

2.3 Consultation

- 2.3.1 No further consultation is planned.

3 IMPLICATIONS OF THE RECOMMENDATION

3.1 FINANCIAL IMPLICATIONS

This section has been approved by Andrew Merry, Head of Finance

- 3.1.1 Costed proposals were made by Peterborough City Council as set out in section 2.2. The recommended option is to agree the full cost recovery put forward by PCC based on the service level in the agreement at a cost of £601,545. A pay award for 2023/24 has not yet been added to the figures other than senior management. Inflation will also be applied for 2024/25.
- 3.1.2 The difference of £68,555 can be met within the budget of £632,171 for 2024/25 and this will cover the additional inflationary uplift without the need for reduction in head count.
- 3.1.3 The significant rise in demand for Licensing has brought in additional revenue to RCC. The resourcing required for Licensing in future will need to be 3.1FTE to fulfil the Councils Licensing function, equating to an additional £60,024 with overheads.
- 3.1.4 This additional licensing cost will be partly off-set through additional licensing fees in the first year and an increase to fees and charges is recommended to meet any gap which will be undertaken when the new taxi licensing policy is implemented in the new financial year.

3.2 LEGAL IMPLICATIONS

This section has been approved by Sarah Khawaja, Head of Legal & Democratic Services.

- 3.2.1 In 2011, Council approved the delegation of the delivery of the public protection function and enforcement of the relevant legislation to Peterborough City Council. The current delegation specifically excludes the policy making function.
- 3.2.2 The Legal Services function is no longer delegated to PCC and will not be included in the SLA. Legal support to Regulatory Services will be provided by RCC's Legal Services.

3.3 Risk Management Implications

[Please identify each risk, assessment of risk level, mitigations residual risk and where risk is recorded]

3.3.1 The main risks to this Report and the Council achieving its objectives are as follows:

3.3.2 Risk/s: Without a new service level agreement, there is a risk to continuity of the regulatory function on public health, licensing and pollution control.

3.3.3 Assessment of Risk; Medium

3.3.4 Mitigation: The new service level agreement will ensure continuity of the regulatory function with no additional risks to the provision. Changes to the arrangements are minimal.

3.3.5 Residual Risk Low

3.3.6 Record of Risk (Corporate Risk Register/Directorate Risk Register/Programme Risk Register/Project Risk Register).

3.4 DATA PROTECTION IMPLICATIONS

3.4.1 A Data Protection Impact Assessments (DPIA) has not been completed because there are no identified risks or issues to the rights and freedoms of individuals.

3.5 EQUALITY IMPLICATIONS

3.5.1 An Equality Impact Assessment (EqIA) has not been completed as the proposal is for a continuation of the current provision so there is no change to assess.

3.6 COMMUNITY SAFETY IMPLICATIONS

3.6.1 The Council has a duty in accordance with S17 Crime and Disorder Act 1988, when exercising its functions, to have due regard to the likely effect of that exercise of those functions on and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social behaviour).

3.6.2 This duty has been considered and there are no community safety implications relating to the recommendations.

3.7 HEALTH AND WELLBEING IMPLICATIONS

3.7.1 There are no health and wellbeing implications from the report.

3.8 ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS

3.8.1 On 11 January 2021 Rutland County Council acknowledged that it was in a climate emergency. The Council understands that it needs to take urgent action to address it.

3.8.2 There are no environmental and climate change implications of the Recommendations.

3.9 PROCUREMENT IMPLICATIONS

3.9.1 There are no procurement implications.

3.10 HR IMPLICATIONS

3.10.1 There are no HR implications.

4 BACKGROUND PAPERS

4.1 There are no background papers.

5 APPENDICES

5.1 There are no appendices to the report.

An Accessible Version of this Report is available upon request – Contact 01572 722577.