

<b>Committees:</b>		<b>Date(s):</b>
Port Health & Environmental Services	For Decision	21/05/2018
Policy & Resources	For Decision	06/06/2019
<b>Subject:</b> Developing a London Primary Authority Hub		<b>Public</b>
<b>Report of:</b> Interim Director of Consumer Protection & Market Operations		<b>For Decision</b>
<b>Report author:</b> Tony Macklin, Assistant Director (Public Protection)		

### Summary

This report seeks Members approval to explore with other local authorities, the potential for working together in partnership to pilot a Primary Authority 'Hub' delivery model for 12 months.

A number of local authorities including the City of London Corporation would pool their collective regulatory and technical expertise and service both their existing and new Primary Authority Partnerships established after the commencement of Hub arrangements.

All the incumbent administrative and account management functions of each Primary Authority Partnership would be handled by two staff in the 'Hub', operating out of the City of London but servicing all member local authorities Primary Authority partners.

Finally, the pilot would test whether or not additional income could be increased from within existing technical staff resources and also if chargeable non-Primary Authority advice is also a viable offering to businesses.

### Recommendations

That:-

- a) Members endorse the approach taken by the Port Health & Public Protection Division to-date; and that
- b) Members further request that:-
  - (i) the Interim Director of Consumer Protection & Markets Operations seeks partnership relationships with other willing local authorities to set up and pilot a Primary Authority "Hub" delivery model as described above in order to test out its efficacy for the future; and
  - (ii) reports back at the end of the pilot.

## Main Report

### Background

1. Primary Authority is a government scheme which establishes a working partnership between a business and its chosen local authority regulator for Environmental Health, Trading Standards, Fire and certain Licensing services.
2. The chosen regulator (i.e. the chosen local authority) becomes the Primary Authority for that business, helps it interpret and comply with legal requirements and provides Primary Authority advice to the business which, when implemented by the business at all of its sites, outlets, shops, etc., cannot easily be challenged by other regulators.
3. Primary Authority, therefore, provides confidence for a business, reduces the cost of compliance and ensures consistency of approach. It is the government's preferred means of delivering high-quality regulatory services. Any business can opt into Primary Authority if it chooses and once in place, the statutory scheme operates according to legislation and statutory guidance.
4. There are currently 63,000 partnerships in the UK., the majority of which are for Co-ordinated Primary Authority Partnerships - e.g. involving Trade Associations and all their members. The City of London Corporation (City Corporation) currently operates 15 Primary Authority partnerships, 4 of which are of the Co-ordinated variety with multiple members.
5. In 2017/2018, the consultants, **OneResolution**, carried out a research project across the Port Health & Public Protection Division to evaluate our existing Primary Authority partnerships and to make recommendations about whether to upscale, reduce or maintain those current partnerships. This work has resulted in improvements to our existing primary authority offer, our own in-house quality and has focused our efforts on those partners who will derive the most benefit. As a result, we can be assured that the primary authority services we provide are of top quality and that we are well-positioned to consider next steps. Such an evaluation and the confidence it brings is relatively rare amongst UK local authorities.
6. The potential for joining up with up with other local authorities to offer Primary Authority partnerships as a collective 'Hub' was also explored as this is an increasingly popular delivery model in the UK because of its potential for drawing on a wider pool of technical expertise, of boosting resilience for partnerships, minimising risk and for maximising income.
7. Those preliminary discussions with other London local authorities with similar values have revealed an enthusiasm in up to five of them to start developing ways of working closer together around a 'Hub' model.
8. The project also examined options for the provision of non- Primary Authority business support as well as cost recovery/income generation potential.

## Current Position

9. The 'Hub' model will offer Primary Authority and non-Primary Authority support to businesses, which will generate income to be shared between 'Hub' partners, as well as funding an Account Manager (0.5 FTE) and Admin Support Officer (0.8 FTE).
10. These two posts will collectively together an develop and drive the operation, devise its processes and procedures, promote its services, secure business partnerships and recover income; this leaves the technical expertise of the local authorities to be the technical experts, sharing expertise for niche market advice on specialist subjects - .e.g. working at height
11. The next stage is to test the efficacy of this 'Hub' model and run a pilot project for up to 12 months. However, none of the local authorities whom we have so far discussed this with so has indicated that they have the resources to finance such a pilot, but we feel that this is an opportunity still worth exploring.
12. We, therefore, hope to secure funding of £63,000 through either carry-forward monies or failing that, at a reduced scale initially, through local risk budgets across the Division, given the range of its functions currently and potentially involved in Primary Authority work.

## Options

13. Therefore, there are two essential options:-

**Option One** – do nothing and simply retain our existing Primary Authority partnerships, managed from within existing resources but not growing through our inability to take on any new Primary Authority work that we are periodically approached about. Businesses we turn away would then seek partnerships with other local authorities instead.

or

**Option Two** – seek to increase our income over time through piloting a Primary Authority 'Hub' delivery model with Administrative and Account Management support, offering a collective delivery model which maximises the regulatory expertise of a number of local authorities, all of whom will increase their income initially through full-cost recovery and through potentially providing non-Primary Authority advice on the free market and all without the cost of administrating partnerships and chasing new "leads".

## Recommendations

14. That:-
  - a) Members endorse the approach taken by the Port Health & Public Protection Division to-date; and that
  - b) Members further request that:-

- (i) the Interim Director of Consumer Protection & Markets Operations seeks partnership relationships with other willing local authorities to set up and pilot a Primary Authority “Hub” delivery model as described above in order to test out its efficacy for the future, and
- (ii) reports back at the end of the pilot.

### **Financial Implications**

- 15. Should the proposed carry-forward funding of £63,000 not be forthcoming, then a reduced scale pilot, funded through local risk budgets would have to be deployed but would not be able to test the full efficacy of the delivery model.

### **Corporate & Strategic Implications**

#### ***Legal Implications***

- 16. Primary Authority Partnerships operate on a standard government template agreement which can be terminated easily by either party. It is proposed that any relationships entered into between the City Corporation and other local authorities will be under the auspices of a simple Memorandum of Understanding, the route preferred by the Department for Business, Energy & Industrial Strategy (BEIS) who govern the scheme and after consultation with the Comptroller & City Solicitor.

### ***Corporate Plan 2018-2023***

- 17. The principle of regulators supporting businesses underpins a wide cross-section of Corporate and High-Level Business Plan objectives and in particular, the M&CP High-Level Business Plan 2019/2020 as follows:

#### ***Contribute to a flourishing society***

**Outcome 1:** People are safe and feel safe.

**Outcome 2:** People enjoy good health and wellbeing.

#### ***Support a thriving economy***

**Outcome 5:** Businesses are trusted and socially and environmentally responsible.

**Outcome 6:** We have the world’s best regulatory framework and access to global markets.

- 18. Primary Authority also supports the guiding principles from our local Service Plans of:-
  - a) working with businesses and other regulatory partners to make workplaces safer and healthier and more hygienic by providing a level playing field for responsible businesses through advising, promoting, and where necessary, enforcing good standards of risk-based control in all fields;

- b) developing services that contribute to improved management and control of risks by sharing our knowledge and that of other regulatory partners; and
- c) using the range of tools at our disposal effectively to influence businesses' behaviour, keeping the interests of both business and consumers at the heart of what we do.

## **Conclusion**

19. The Primary Authority 'Hub' delivery model offers, through partnership working, the opportunity to maximise the regulatory expertise of a number of local authorities and at the same time generate additional income:-

- a) firstly, from Primary Authority Partnerships; and then going forward,
- b) from non-Primary Authority business advice.

## **Appendices**

None.

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