

Agenda Item 7

**OVERVIEW & SCRUTINY
(SOCIAL WELL BEING)**

2th July 2013

CABINET

18th July 2012

CCTV Operations - Shared Service Proposal

1. PURPOSE

- 1.1 To seek in principle approval for establishing a joint CCTV service with Cambridgeshire City Council and to delegate authority to the Head of Operations, in consultation with the Executive member for Healthy and Active Communities to establish a shared service, based in Huntingdon, on the basis of a detailed business case

2. BACKGROUND

- 2.1 The CCTV service has been operating in Cambridge for 16 years and in Huntingdonshire since 1997. In Cambridge CCTV monitoring service in addition to the city's public space cameras monitors internal and commercial customer cameras. In addition it operates a lone worker and customer help line outside of normal working hours in relation to emergency housing repairs and other incidents.
- 2.2 In Huntingdonshire the CCTV service monitors the public space cameras and some cameras on Pathfinder and Eastfield Houses.
- 2.3 Successive reviews of Cambridge City Council's CCTV operations in 2008 and 2011 have confirmed the contribution of the local authority's provision of CCTV services to the overall community approach to reducing crime in Cambridge, and its contribution to community safety, particularly at night. Both reviews also resulted in restructured services that produced significant reductions in operating costs to the Council.
- 2.4 The stated objectives of the existing CCTV services in Cambridge are centred on creating confidence within the public perception of a safe environment by:
 - Protecting areas and premises used by the public.
 - Deterring and detecting crime.
 - Assisting in the identification of offenders leading to their arrest and successful prosecution.
 - Reducing anti-social behaviour and aggressive begging.
 - Reducing the fear of crime.
 - Encouraging better use of city facilities and attractions.
 - Maintaining and enhancing the commercial viability of the city and encouraging continued investment.
 - Encouraging the public to act responsibly in their own and in the

wider community to assist in the fight against crime and anti-social behaviour.

- Cooperating with stakeholders and other CCTV providers on a local, regional and national level to share best practice.

2.5 Huntingdonshire District Council has a purpose-built control centre, based in Eastfield House, Huntingdon. However, the CCTV budget was reduced in 2012/13 as part of the contribution to budget savings. Discussions with the Town councils in establishing a CCTV partnership resulted in agreement from the partners to provide funding to maintain a 24/7 service.

2.6 Fresh discussions began between the two authorities in October 2012, following an agreement by the two leaders of the councils to investigate the possibility of working more collaboratively. This report recognises the benefits and risks of a jointly managed CCTV service between Cambridge City Council and Huntingdonshire District Council and identifies areas for further detailed work.

3. The Case for a Shared Service

3.1 The current CCTV structure in Cambridge is lean and effective, and has an excellent reputation at both local and national level. While successive restructures of CCTV services in 2008 and 2011 have considerably reduced the costs of running the service, and integrated the Out of Hours service into its operations, further savings opportunities are limited.

3.2 Bringing together two neighbouring operations of a similar scale offers clear advantages to both CCC and HDC, and particularly in terms of:

- Greater resilience for managing combined CCTV and Out of Hours services
- Shared knowledge and experience from staff in both authorities
- Lower operating costs, particularly in the areas of staffing, communication and equipment costs;
- Increased opportunities to market and compete for additional business, in relation to external customers of CCTV and Out of Hours services.
- Increased opportunities to share a more efficient technical platform for exchanging data and images between the two authorities and with other agencies such as the Police and retail organisations;

Staffing costs

3.3 A joint group of officers have considered the potential for savings from implementing a shared service arrangement. It is possible to deliver significant reductions, in revenue costs by operating and managing both services from a single control room, either in Cambridge or in Huntingdon, under a single management structure, albeit a move to Huntingdonshire provides the highest level of savings. Savings will result from combining operations, through reductions in the overall

number of staff from the number required at present to operate in each authority.

- 3.4 The operation of a joint control room will necessitate one authority operating the service. Staff would transfer to the 'host' employer and would retain the terms and conditions of their original employer. A restructure would then be required to determine the structure of the shared service.
- 3.5 The staffing costs have been modelled to allow for different outcomes and assumptions about the composition of the shared service team and about the 'host' employer. The business case assumes that the combined service will consist of a mix of staff drawn from both authorities, and assumes a median level of staffing costs.

Other operating costs

- 3.6 Savings are also expected to accrue from a combined operation through reductions in overall communications costs, and the level of provision for repairs and renewals of equipment, on the assumption of a ten year cycle of renewals for most equipment. Further detailed work is continuing to identify the level of savings that may be achievable.
- 3.7 Some support costs (recharges) may need to be charged to the shared service where they are inextricably linked with the service, for example in relation to continuing support from senior management, back office processing of expenditure and accountancy to manage cost sharing arrangements. Further work is required to quantify these costs.
- 3.8 Transmission Costs. The transmission of the images and data between Cambridge and Huntingdon is required to operate a joint CCTV service. This is an additional cost associated with operating a shared service. More detailed work is being undertaken to determine the costs of transmitting images between the two councils, and for supporting existing communications systems such as the retail radio network in both authorities.
- 3.9 The Cambridgeshire Public Service Network (CPSN) is considered to provide the best solution but work is still continuing to establish the actual costs and timescales for achieving this. The CPSN is the favoured option because HDC is currently being connected to it as an authority and CCC will follow suit later this year.

Set-up costs

- 3.10 Both authorities will incur costs associated with the establishment of a shared network for communicating and transmitting CCTV images and data between authorities, and with configuring the CCTV control room to operate as a shared service.

- 3.11 Costs associated with staff relocation and potential redundancies will also be likely in establishing a single operational base, and the business case is based on an assumption of an average level of costs for these purposes. However, on current estimates the savings from moving to a shared service, £200k, will be sufficient to pay for the set-up costs by the end of the first year of operation.
- 3.12 Transfer of Undertakings (TUPE) A shared service will require the TUPE transfer of staff from one authority to the other. Once this has been completed an exercise will be required to restructure the existing services to provide an effective operating structure. This will be subject to consultation with staff. A selection is likely to be necessary which may result in staff being at risk of redundancy. As the employer the host authority will take the lead in managing the restructure process in liaison with the partner authority. The cost of any redundancies will vary depending on which members of staff are affected, and agreement will need to be reached about the basis for apportioning such costs. For modelling purposes the business case also assumes a median position for these costs.
- 3.13 The business case is summarised in Appendix 1.

4. Out of Hours Services

- 4.1 Cambridge City Council manages an Out of Hours service for housing and emergency planning. This service handles an average of 1500 calls per month (relating mainly to emergency housing repairs) and provision will need to be made in the new structure to continue this service unless a more cost effective alternative is available.
- 4.2 HDC initially manage the out of hours calls for emergency planning until the duty emergency planning officer is able to do so, but this is a small volume of calls in comparison with Cambridge.
- 4.3 It is proposed that a new shared service would continue to manage Out of Hours calls for both councils, and would be in a stronger position as a more resilient shared service, having the capacity to extend the business and generate additional income from external customers.

5. Governance

- 5.1 A joint service that already exists between both councils is the Home Improvement Agency (HIA) and it is considered that the governance arrangements for that service would be a broadly suitable model on which to base future joint CCTV services.
- 5.2 In respect of the HIA there are three councils governed by a Management Board consisting of a senior officer from all the partners. This Board considers a number of key areas as follows:-
- Approval of an annual business plan

- An operations protocol
- Strategic matters relating to the ongoing and longer term development of the Agency

The officer management board report back to the respective decision-making processes at each of the three councils. In the case of CCC this means that decisions are made by the Executive Councillor following committee scrutiny.

6. The Choice between Huntingdon and Cambridge

- 6.1 It is clear that a shared service will deliver savings for both authorities and to do this it is necessary to locate the control room in one location. There is a small marginal saving of about 10 to 15K per annum, initially, if the chosen location is Huntingdon. There are, however, four other reasons to choose Huntingdon related to resilience, working conditions, senior management capacity and potential for letting current office space.
- 6.2 On the matter of resilience there is a risk in relation to the siting of the control room in the basement of the Guildhall. In August 2012 serious flash floods occurred in Cambridge city centre and this resulted in the flooding of the basement with the service being temporarily inoperative. Measures have been taken to minimise this risk but the location of the Huntingdon control room is not subject to the same risks.
- 6.3 Whilst the control room at the Guildhall meets all relevant workplace requirements it is nevertheless a basement environment. The control room at Huntingdon is a modern purpose built facility that provides a better working environment, including better disabled access.
- 6.4 Officers have reviewed the management capacity needed to support a shared CCTV service at HDC and concluded that there is sufficient scope to do this. It is therefore proposed to transfer the day to day operational arrangements to HDC and this will reduce the amount of senior manager time required within Cambridge City Council which in turn will provide other opportunities for the authority.
- 6.5 A further consideration is the potential for letting part of the Cambridge CCTV office space to generate an income. The facility is close to other lettings and has a separate entrance. A review of office accommodation is currently underway and further work can be done to investigate this opportunity. Letting part of the basement would be complementary to letting other parts of the ground floor of the Guildhall.
- 6.6 It is therefore proposed that the service is transferred to HDC.

7. Key Principles

- 7.1 All staff will transfer to the host authority under TUPE on their existing terms and conditions, after which a consultation and restructure exercise will be carried out to staff and organise the new shared service.

- 7.2 The staffing structure will be consistent with delivering an effective service that is resilient to the demands of a wider and more complex network than each authority currently provides on its own.
- 7.3 A shared service will observe a high ethical standard and will safeguard and maintain each authority's commitment to its statutory responsibilities with regards to data security, data protection and the Regulation of Investigatory Powers Act.
- 7.4 Core equipment and infrastructure (e.g. the control room and its equipment) will be funded and replaced by the shared service.
- 7.5 HDC will provide support services to the shared service at a fair price.
- 7.6 That subject to final negotiation and the need for an annual adjustment to take account of residual recharges, the basis for apportioning the reduced costs of operating a shared service will be 50:50.
- 7.7 Set-up costs and future external income generated by the shared service will be shared equally between CCC and HDC.
- 7.8 CCC and HDC will retain ownership and responsibility for the assets and equipment deployed in their own districts (i.e. not control room equipment), and will need to retain an annual Repairs and Renewals budget sufficient to replace their own equipment and infrastructure.
- 7.9 Governance arrangements will be implemented that make senior officers accountable for managing the shared service.
- 7.10 Subject to the considerations set out in this report the shared service will commence operation on 1 April 2014.

8. Risks

- 8.1 Key risks for both Councils from establishing a Shared CCTV Service are:
- 8.2 Political reluctance by either authority to relocate its service to the other's base. This risk can be mitigated and managed by establishing robust governance arrangements and by establishing clear operating protocols for staff that address service priorities and standards of practice.
- 8.3 Staff unwillingness to be relocated resulting in loss of experienced operators and local knowledge from the joint service. Comprehensive consultation, communication, training and induction processes can reduce these risks.
- 8.4 The technical infrastructure cannot be maintained effectively and with resilience. Proper consideration of contingency arrangements and back-up systems will need to be integral to the set-up arrangements and costings.

- 8.5 For the authority that transfers its CCTV services, support service and other overhead costs will have to be absorbed by other Council services, to the extent that they cannot be reduced in the short term, once CCTV has transferred. These costs, including the provision of a Repairs and Renewals budget, will need to be properly quantified and built in to future budget plans
- 8.6 Currently funding is received from the town councils in the Huntingdonshire district and there is a risk that at the end of the 3 year agreement the Town Councils could cease funding. It will part of the role of the new service to consolidate the partnership with the Town Councils and reviews of the contributions will be made in line with any increased budget opportunities.

9. Next Steps

- 9.1 The next step will be to conclude negotiations on the cost sharing between the two authorities, especially in relation to residual recharges so that a full business case can be presented formally to both councils. This will then allow the proposal to be progressed through the normal decision making process at both councils.
- 9.2 Staff and union representatives will be informed of the proposed merger of the services and TUPE transfer and provided with a timetable for the work.
- 9.3 There will be full consultation arrangements with staff, Employment Council, Trade Unions, Social Well Being Overview and Scrutiny Committee and other key stakeholders.

10. Implications

Financial Implications

- 10.1 Implementing the recommendations in this report will deliver sustainable reductions in the cost of providing CCTV services in the two councils of approximately £200k. Agreement will be required on the particular arrangements for dealing with support service and other on-costs once CCTV has transferred, as these costs will either have to be absorbed by other Council services, shared between each authority, or reduced. There are additional revenue implications for both authorities of transmitting CCTV data and images through the Cambridgeshire Public Service Network (CPSN). Capital costs will be incurred in new shared services and the necessary funding sources will need to be identified and factored into the Business Case dependent on the asset to be replaced. A financial summary is set out in Appendix A with a summary of the costs in Appendix 2.

Staffing Implications

- 10.2 The recommendations set out in this report have implications for staffing structures that will be subject to detailed consultation with the

Unions and the staff affected. While every effort will be made to minimise the need for redundancies, there may be a need in both authorities as a result of establishing a shared service.

Equal Opportunities Implications

- 10.3 An Equality Impact Assessment has been part completed on this strategy but cannot be completed until the final staffing structure is known.

Environmental Implications

- 10.4 In terms of the climate change impact of these proposals, there may be some limited reductions in electricity consumption from operating from a single shared location. There may conversely be environmental implications from additional fuel costs by staff travelling to their new base.

Consultation

- 10.5 There will need to be consultation with a range of key stakeholders, including the Executive member, Opposition Spokespersons, Chief Officers Management Team, service representatives in relation to Community Safety and existing CCTV services. Officers responsible for CCTV within Cambridgeshire Police will also be consulted. Views will need to be sought from commercial and retail interests in Cambridge, Huntingdon and Cambridgeshire, including those interests specifically concerned with anti-crime initiatives.

Community Safety

- 10.6 This proposal is intended to have a positive impact on Community Safety as it will increase service resilience.


11. CONCLUSIONS

- 11.1 It is clear that there is a business case for the joining up of the two services which will deliver in excess of £200k of savings once the set up costs have been met. Also the business case for basing the joint service at Huntingdon provides the highest saving dependant on which authorities staff are successful in the application process following restructuring.

12.0 RECOMMENDATIONS

- 12.1 To seek in-principle agreement for establishing a joint CCTV service with Cambridge City Council, and to delegate authority to the Head of Operations, in consultation with the Executive member for Healthy and Active Communities to establish a shared service, based in Huntingdon, on the basis of a detailed business case.

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APPENDIX 1**Summary of Shared Service Costs - Cambridge City Council and Huntingdonshire District Council**

Notes	Current (Existing) Costs				Shared Service Based at:	
	Cambridge £	Huntingdon £	Total £		Cambridge £	Huntingdon £
				Expenditure		
1	263,000	181,000	444,000	Total Employee Costs	344,000	344,000
2	10,000	3,500	13,500	Total Premises Costs	9,500	9,500
	800	0	800	Total Transport Costs	500	500
3	100,000	66,000	166,000	Total Supplies & Services Costs (excluding R & R)	165,000	162,000
4	92,000	120,000	212,000	Total Recharges	212,000	212,000
	58,500	0	58,500	R&R Contributions		
	0	77,000	77,000	Total Financing Costs (Depreciation)		
5				Shared Service Capital Financing	36,000	36,000
	524,300	447,500	971,800	Total Expenditure	767,000	764,000
				Income		
	(24,000)	(78,000)	(102,000)	Total External Income	(102,000)	(102,000)
	(32,000)	0	(32,000)	Recharge to HRA	(32,000)	(32,000)
	(56,000)	(78,000)	(134,000)	Total Income	(134,000)	(134,000)
	468,300	369,500	837,800	Net cost of service	633,000	630,000
				Combined saving before Set Up costs	(204,800)	(207,800)
				Share of saving to each authority before set up costs (50:50 split)	(102,400)	(103,900)
6				Total set up costs	204,000	191,000
7				Net cost of service increase/(saving) in Year 1	(800)	(16,800)

APPENDIX 2 CCTV Cost Summary - Notes

1 Employee Costs

The employee costs represent a median position and is the average of the highest and lowest cost of the staff currently employed by the CCTV services. It is assumed that the shared service will contain a mix of staff currently employed by both authorities.

2 Premises Costs

Premises costs includes Buildings Maintenance/Electricity/Cleaning Materials & Equipment.

3 Supplies & Services

Transmission costs (new cost) - included in Supplies & Services est £16,850 per annum

Included in Supplies & Services: Purchase of Tools/Equipment; Communications; Printing/Stationery/Office Supplies/Postage/Delivery charges; Subscriptions; Telephone Costs; Training; IT Supplies & Services; Provisions/Refreshments/Subsistence; Other Supplies & Services.

4 Recharges

The total for recharges is the current cost of both Cambridge & Huntingdon and assumes that 100% of the current cost would be retained.

An exercise needs to be carried out to determine the overhead costs directly attributable to the CCTV service in order to confirm the true service cost , and to identify the residual costs that will need to be absorbed by each authority)

In the long term, it may be possible to reduce the overhead costs if the current control room space(s) can be let for external rental income.

5 Capital, Assets & R & R Funds

Each authority will retain ownership and responsibility for their own assets (excluding control room equipment) and retain a repairs & renewals budget sufficient to replace these assets. Procurement will be a shared service responsibility.

The shared service capital financing represents the shared cost of the two control rooms only.

6 Set up costs

Some of the set up costs have now been ascertained and are shown on the summary. Costs still to be identified for:

1. Bollard Control - via CPSN
2. Help point/voice control camera - via CPSN
3. Medium router
4. Retail radio link - via CPSN

7 Net cost of service increase(saving) - assumes pay back of all set up costs in year one.