

### **Annex 1 – Outline of Potential Early Opportunities for Trading**

Within the CBSS Directorate there are a wide range of services provided, which to varying degrees have the potential for trading with other organisations.

The public sector spending reductions are forcing all public bodies to review how services are provided and to seek more efficient solutions. It is believed that many organisations will for different reasons be in the “market” for the provision of support services in coming years. Some organisations struggle to recruit/retain the necessary skills mix in their support teams, or are not of sufficient size to be able to employ such skills. In addition, the changing face of public sector services is likely to present opportunities, and see new organisations established who may be in market for support services.

Many of the services provided by CBSS are recognised as being of the highest level, and we believe we are well positioned to provide a highly skilled workforce who could provide services to other organisations. This is already done for schools, and some other public organisations in a small way, but it is felt that a more proactive stance to trading, with the vehicle of a company, will enable significant growth in trading of such services.

It is proposed that the general objective of the Company will be to **“provide a wide range of business support/customer services”**.

The broad extent of potential activities will include all services in CBSS, plus potentially some services in other Directorates. Further work will be done in all areas to develop a prioritised list of activities to pursue, but early priorities are likely to include:

- Learning and Development
- Recruitment Pool
- Supply agency to schools
- Schools HR/Payroll SLA
- Payroll
- Health and safety
- Customer services
- Further details of these and additional opportunities (as an initial scope for consideration) are given below.

#### **Learning & Development**

There is a corporate review looking at learning and development across the Council. There exists potential for this to be developed into a trading activity for other organisations – especially in the public sector, but potentially expanding to the private sector in terms of delivering certified courses in recognised subjects or methodologies.

One of the key elements for public sector organisation in sourcing training and development is finding courses and opportunities that are affordable and specifically geared towards public sector examples and environments. This is

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a significant untapped market and casual/soft touch market research has suggested that there would be a high demand for such courses and resources. The development of full programmes leading to recognised qualifications would then be a natural progression.

### **Recruitment Pool**

The pool provides interim staff for different parts of the Council, and there is significant scope to build on this and develop it further as a supply function to other organisations. The Pool is currently taking on work that was previously managed by an external firm, and this provides an opportunity to further develop the recruitment pool and develop a commercial approach.

The development of an in-house agency based on the current Recruitment Pool, will deliver significant savings to the Council (through greater control of agency spend/reduced oncosts), but will also put the Council in a strong position to offer a marketable model for promotion to other organisations.

### **Supply agency to schools**

The Human Resources service provides a supply agency of Teaching, Teaching Assistant and School Admin staff to CYC schools only. The agency was originally set up for the benefit of schools ensuring that there was a pool of appropriately qualified staff who had appropriate pre-employment clearances in place. The agency does not make a profit and the charges that are made to schools for the service (in addition to salary cost) cover running costs and the salary of the agency staff. The Agency could operate on a commercial basis either to CYC schools, wider, or both. The demand has shown that this could be a viable business and could also potentially benefit from the economies of scale to be gained from collaboration with the Recruitment Pool model highlighted above.

### **Schools HR/Payroll SLA**

The HR service will have to make changes to the HR / Payroll SLA with effect from April 2011 so that it can continue to offer a service to schools who may become academy schools.

There are 2 schools in York who have said they will become academy schools and are going through the transfer process. Academy status will mean they these schools cut all ties with CYC although both schools have stated that they would still consider buying traded services from CYC. If this trend continues (as can be expected) then the trading opportunities will only increase in the future and it may be timely to establish the service in the market at this early stage.

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### **Payroll**

When Delphi was purchased in 2000, Members agreed that if we were approached by non-profit making organisations, CYC would act as a payroll bureau. This was at the time when schools could opt out of specific service areas within the Authority, payroll being one of them. Also, the Museums Trust was formed and the council continued to run their payroll service.

The Council is currently running the payroll for 9 organisations, (1 district council - Ryedale , 2 schools - Scalby School/Norton College, the Museums Trust and 5 non profit making organisations - RB Kids Club/Unison/Selby AVS/Community Leisure).

A Service Level Agreement is issued to all the payroll contracts, this document included input from Audit and in the case of Ryedale District Council their solicitor. The agreement lists the work undertaken which is currently payroll only. To run and calculate the payroll, it is necessary to capture all the employees' personnel details including details of any employee's absences, in order to calculate sick pay etc.

Currently the cost of the payroll service to each of the contracts is based on the number of employees within the organisation and the number of payslips issued in the financial year.

The total charge for the current year is in the region of £38k. It is envisaged that "i-Trent" will bring efficiencies to the contract payrolls as well as reducing the cost of producing payslips and postage, etc., for the Council.

The ability to introduce e-payslips to contract payrolls will have to be investigated further with ITT and Audit before this service can be offered. Consideration of the costs of e-payslips or paper payslips will be factored into any decision.

### **Health & Safety**

At present apart from schools Health and Safety do not provide any external services. A review is underway to look at consolidation of health and safety across the Council, and this offers an opportunity to build a service that is marketable to other organisations.

The service has been approached by an external organisation to act as their source of competent advice giving them access to CYC H&S policies, training courses (this could be factored into the learning and development opportunity identified above), helpline and an inspection program.

The service have also started looking at running IOSH managing safety courses with the intention of using the monies raised from selling external courses to support training CYC managers. A draft paper has been developed on this for info.

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### **Customer Services**

There will be potential to take on new services in the YCC after all internal services have migrated into YCC. There have been ideas in the past around providing first point of contact telephony services for some other organisations, in particular as part of the requirements being developed for the move to the new building.

Other services, such as finance, legal, ICT and Procurement (which is within the OCE) will be developed further in coming months.