

**BUCKINGHAMSHIRE COUNTY COUNCIL AND SURREY COUNTY COUNCIL**

**TRADING STANDARDS JOINT COMMITTEE**

**DATE: 28 SEPTEMBER 2017**

**LEAD OFFICER: MICHELE MANSON  
TRADING STANDARDS MANAGER**

**SUBJECT: SERVICES TO BUSINESS**

**1.0 SUMMARY OF ISSUE:**

1.1 The purpose of this document is to inform and update the Buckinghamshire County Council and Surrey County Council Trading Standards Service Joint Committee in relation to the current services offered to businesses.

1.2 The information provided shows:

1.2.1 The range of services provided to businesses by Buckinghamshire and Surrey Trading Standards and how they combine to form the overall service provision

1.2.2 The Primary Authority service is performing well, working in partnership with other local regulators and delivering services to local and national businesses thus generating income on a cost recovery basis.

1.2.3 The National Primary Authority regime is subject to significant change for the 1<sup>st</sup> October 2017 and this will be reflected locally in a need for significant transitional activity.

1.2.4 The services available to business include a wide variety of options enabling businesses to select services which suit their needs. Changes to those options include the addition of Easy123 a Primary Authority option for small businesses and the recommendation to cease Home Authority in order to simplify the choices.

**2.1 RECOMMENDATIONS:**

2.1 The joint committee agrees to cease offering the Home Authority service to new customers.

2.2 The Joint Committee endorses the range of business services currently offered by the Service.



### **3.0 REASON FOR RECOMMENDATIONS:**

- 3.1 The Joint Committee is required by the Inter Authority Agreement which underpins the service to:
- a) Ensure effective performance of the Service. This includes formally reviewing performance annually.
  - b) Maintain financial oversight of the Service and ensure sound financial management.
  - c) Provide strategic and policy steer thereby inputting into and approving significant changes to the operation and policies of the joint service.

### **4.0 PERFORMANCE DETAILS:**

- 4.1 One of the key priorities for the service is to help businesses to thrive. All of the services we offer to businesses are implemented with this target in mind. A fuller explanation of the range of services offered is contained in the Annex 1 - A Refreshing Approach to Business Advice
- 4.2 A review of current performance and challenges can be found in Annex 2 - Business services update. Key points included are:
- Information includes the range of self-service options now including e-learning for 2017-18
  - The business advice service and plans to simplify and streamline access for customers.
  - Primary Authority performance data, new partnerships, new Easy 123 option and other future developments
  - The requirement to transition Primary Authority partnerships by 1<sup>st</sup> October as a result of legislative changes.
- 4.2 The number of and individual scope of our Primary Authority Partnerships continues to grow. The focus this year is on developing our existing relationships to increase the impact of each partnership and on managing transitions to the new framework. The development of existing partnerships is evidenced by a 36% increase in the average income per partnership during the period 2015 – 2017.
- 4.3 Annex 2 – Business service update provided to increase the awareness of new members of the board in relation to services offered to businesses and to highlight the continuous development of these services.

### **5.0 BUDGET 16/17:**

- 5.1 The Primary Authority growth in both numbers of partnerships and income are illustrated in the graphs contained in Annex 2- Business services update. Income generation is a significant contributor to achieving the planned and in-year budget savings required of the joint service. The current levels of performance provide a positive indication of the services continued ability to achieve the planned income levels contained in the joint service business case.

## **6.0 CONSULTATION:**

- 6.1 No external consultation has occurred.
- 6.2 The Surrey County Council finance team annually review the calculations and agree the cost recovery rate utilised by the service.
- 6.3 Surrey County Council legal team have been consulted on the contents of this report.
- 6.4 Surrey County Council finance team have been consulted on the contents of this report.

## **7.0 RISK MANAGEMENT AND IMPLICATIONS:**

### **7.1 General risk management**

All significant risks affecting the service (which include items beyond budget and performance) are considered by the management team each quarter. The most frequently highlighted risk is reputational from partners' actions, the nature of their business or the service providing incorrect advice.

Reputational risks have the potential to affect our existing relationships and our success rates in recruiting new partners. Such risks are identified and managed through staff training, a control procedure for issuing "Assured Advice" and individual control measures which may be implemented for specific partnerships. For example limiting the scope, completing activities prior to forming the partnership, or refusing a request for partnership.

- 7.2 The changing political and legal environment present real challenges to the operation of the trading standards service. There are significant risks to income generation which are being monitored and we are actively inputting into all consultations; however, at this time the following uncertainties and challenges should be noted:

#### **7.21 Changes to Primary Authority**

Changes to the national framework and legislation for Primary Authority require all existing Primary Authority Partnerships to be transitioned to new agreements during August and September. It is likely that during this process we will lose a number who do not complete the transition or elect to cancel. At the time of writing three have already made this decision, one closed his business, the second concluded their internal structure does not enable them to benefit from the scheme, the third has been taken over by another business. Further detail about these changes is in Annex 4.

Potential impact: Financial

#### **7.22 Changes to Data Protection legislation**

Changes to data protection legislation scheduled for implementation in March 2018 may significantly curtail the services ability to provide intelligence checking services to trader approval schemes.

Potential impact: Financial

#### **7.23 Regulating Our Future review**

An ongoing review of food enforcement by the Food Standards Agency has proposed a model for enforcement which has the potential for food standards and food hygiene to be merged and provided by Environmental Health Services. This presents a risk to Primary Authority, chargeable advice and the Eat Our Eat Well Scheme which is outlined in Annex 3 – Business services update.

Potential impact: Financial

#### 7.24 **Case law**

New case law established in 2017 focussed on local authority jurisdiction for investigations where offences are committed out of county. This case law is being explored to understand whether it affects the implementation and operation of proposed chargeable brand protection services. It may require the service to engage with other local authorities to complete enforcement activities instead of completing those activities ourselves, thereby incurring 3<sup>rd</sup> party costs.

Potential impact: Financial

#### 7.3 **Types of Primary Authority partnerships**

The portfolio of Primary Authority Partnerships is currently operated as a “balanced portfolio of risk”, meaning that no single partner is large enough in income to present an overall risk to the service should it cease. Growing individual partnerships to maximise the benefits may, in the future, affect this balance whereby a whole fte may be funded by a single partner presenting different risks. Consideration will be given to any risks presented during business planning and when the proposals become more fully developed.

#### 7.4 **Operational capacity**

The business development team has been operating with two vacancies and one member of staff on maternity leave for the year to date. Attempts to recruit to the vacancies have been unsuccessful to date. Capacity is fully employed and our success means partnerships continue to grow in both size and number. There is therefore a risk of the service not achieving partners’ expectations and potentially of losing partners in the future. Employee recruitment attempts continue and growth and workloads are kept under constant review.

#### 7.5 **Brexit**

Uncertainties around BREXIT can have both a positive and negative effect on services designed to support businesses. We have already seen one Primary Authority relocate to their alternate base within Europe and businesses asking for proactive updates on legislative changes. We are managing this risk by explaining to our partner businesses what we can do and what we know; and by adapting the current TS Alert newsletter to include a business information page where we will include legislative updates.

### **8.0 FINANCIAL & VALUE FOR MONEY IMPLICATIONS**

- 8.1 All services to business are fully costed and charged on a cost recovery basis except where new contacts based within the counties are offered a free half hour of advice as a tool for building relationships with business.
- 8.2. The cost recovery figure used includes all overheads and charges associated with the provision of that service. Third party services are recharged at cost. On advice from HMRC, all services are subject to the addition of VAT.
- 8.3. As outlined above Primary Authority, training and business consultancy are competitive markets which have been seen to be price sensitive, information is included above in relation to the competitiveness of the services.
- 8.2 With the assistance of legal counsel, the potential of forming a trading entity and the opportunities it would offer for increasing income have been explored during this year and found to provide insufficient additional financial benefit and present a risk of confusion to customers at this time.

## **9.0 LEGAL IMPLICATIONS**

- 9.1 The Regulatory Enforcement Sanctions Act 2008 (as amended by the Enterprise Act 2016 with effect from 1 October 2017) provides the legal framework for Primary Authority arrangements.
- 9.2 Cost recovery and charging activities must comply with the provisions of section 93 of the Local Government Act 2003, section 3 of the Localism Act 2011 and any HM Treasury or other statutory guidance on cost recovery. The Service, aided by finance and legal services as necessary, will keep this under review.
- 9.3 All other legal implications are as set out in the body of this report.

## **10.0 EQUALITIES & DIVERSITY**

- 10.1 The activities being reported will not impact on residents or staff with different protected characteristics, as such an Equality Impact Assessment has not been included.

## **11.0 WHAT HAPPENS NEXT:**

- 11.1 Performance continues to be reviewed by the Service Management team and by the Joint Service Board.

## **REPORT DETAILS**

### **Contact Officer(s):**

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Mr Steve Ruddy, Head of Trading Standards 01372 371730

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### **Consulted:**

- Surrey County Council Legal team
  - Surrey County Council Finance Team
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### **Annexes:**

Annex 1 refreshing approach to business advice brochure  
Annex 2 Services to Business update  
Annex 3 Home Authority  
Annex 4 Primary Authority Changes 2017 - Unlocking the Potential

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### **Sources/background papers:**

**ENDS**

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