

7 December 2017**Agenda Item: 9****REPORT OF THE SERVICE DIRECTOR, PLACE AND COMMUNITIES****TRADING STANDARDS COMMERCIALISATION PROGRAMME****Purpose of the Report**

1. To provide a quarterly update to the Committee on progress to deliver increased income in the Service in 2017/18, and to seek approval to progress a proposal to alter existing income targets in 2018/19 and 2019/20.

Information and Advice

2. **2017/18 Performance** - As part of the work during the Authority's Commercial Development Unit (CDU) Pilot, a business plan was developed to reduce the net budget of the Service by £321k per annum by the end of 2019/20. This was to be achieved by increasing the income generated by the sale of business support services. The additional income target for 2017/18 is £95k.
3. At the Committee meeting of 7 September 2017, it was agreed to provide a quarterly report of key performance indicators, with regards to Marketing, New Sales by Volume, and Cumulative Additional Income. Appendix 1 to this report contains a detailed progress report.
4. At 1 November 2017, the Service has secured £27.7k worth of new contracts. Potential further additional contracts valued at £30.7k are being discussed with businesses. Although not guaranteed, when these contracts come to fruition, the total additional income secured would be £58.4k. The Service is therefore on track to meet its 2017/18 target.
5. **2018/19 & 2019/20** – the business plan developed through the CDU process identified that the additional savings of £321k between 2017/18 and 2019/20 could be generated, by redeploying existing resource from core work into income generating work. The plan was approved by Policy Committee on 16 November 2016.
6. In prior budget setting processes, the Service was committed to reducing the net budget by a total of £175k during 2017/18 and 2018/19. At Policy Committee last October, approval was given to meet these existing targets through raising additional income by implementation of the business plan developed in the CDU process.
7. Given the financial challenges the Authority faces going forward, it is now proposed that the income generation targets for the Service are re-profiled and increased by a total of £145k p.a., from the current figure total figure of £175k, to £320k p.a., by 2019/20.

8. The proposal means reducing this years' savings target for the Service, but increasing the savings targets in the two subsequent years. The table below details sets out the changes to the net cost of Trading Standards of the proposal.

	2017/18	2018/19	2019/20	TOTAL
Reduction in net cost/savings identified in the CDU process	£66k	£122k	£132k	£320k
Previously Agreed Savings:				
Commercialisation of Trading Standards (Full Council Feb 2016)	£50k	£75k		£125k
Business Manager - Community Safety committee Jan 2017 (income to be generated to cover cost of this from 17/18)	£50k			£50k
Total of Previously Agreed Savings:	£100k	£75k	£0k	£175K
Net additional savings	-£34k	+£47k	+£132k	+£145k

9. The net budget in 2017/18 for Trading Standards is £1,143k. £145k represents 12.7% of net budget. Trading Standards currently has a staffing establishment of 37.8FTE.
10. The option to increase income by £145k p.a. requires a further redeployment of 2.5FTE Trading Standards Officers from existing work and into income generating work. The proposal would mean that the Service will still be able to deliver on its priority areas, whilst making a contribution to address the financial challenges of the Authority, through redirecting some of its existing capacity.

Other Options Considered

11. With regards to reducing the budget, the majority of the Trading Standards Service gross expenditure is in staffing costs. Another option to reduce the net budget would be to reduce the staffing levels in the Service.

Reasons for Recommendations

12. Reducing net budget through staffing reductions would adversely impact the resilience of the service to deal with significant events, for example an animal disease outbreak, product safety issue/recall, rogue trader incident or food safety alert. It would also adversely impact the Service's ability to deliver existing income targets.
13. The proposal enables the Service to provide a high quality, tailored business advice and support service, delivered at full cost recovery rates, where the market allows.

Statutory and Policy Implications

14. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

15. The income target for new work in 2017/18 is £94,951. Since April 2017, additional income of £27,665 have either been agreed or already achieved with a potential £30,700 in progress. The Service is therefore on track to meet the additional income target of £94,951.

16. The existing budget reductions previously agreed for Trading Standards total £175,000 p.a. by 2018/19. The option for change offers a further saving of £145,000 p.a. This figure represents the difference between the savings previously agreed, and the additional savings figure identified through the CDU process.

RECOMMENDATIONS

- 1) That Members approve increasing the income target for the Service by a further £145,000 p.a. by 2019/20.
- 2) That Members approve the proposal to achieve this by redeploying resource from existing work and into income generating work.
- 3) That Members consider whether there are any other actions they require in relation to the issues contained within the report.

Derek Higton
Service Director, Place & Communities

For any enquiries about this report please contact: Mark Walker, Group Manager, Trading Standards and Community Safety, (0115) 977 2173

Constitutional Comments (SLB 03/11/2017)

17. Communities and Place Committee is the appropriate body to consider the content of this report.

Financial Comments (SES 10/11/2017)

18. The financial implications are set out in the report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- 'None'

Electoral Division(s) and Member(s) Affected

- 'All'

APPENDIX 1

REPORT ON COMMERCIAL PERFORMANCE OF THE TRADING STANDARDS AND COMMUNITY SAFETY SERVICE

Purpose of the Report

1. To provide a quarterly update on the progress made by Trading Standards following the Service's involvement in the Authority's commercial development programme.

Information and Advice

Marketing

2. Since the launch of the Trading Standards Commercial Services web pages on 24th July, there have been moves to try and improve the benefits to the businesses that visit the website by linking to other agencies that may be able to provide financial support to help a business start-up or achieve their growth potential.
3. Discussions are ongoing with Nottingham Business Venture, D2N2 Growth Hub, and the Food & Drink Forum. By building these links, it is hoped that it will improve the journey for businesses looking for support. There will also hopefully be a benefit to the Service in that the reciprocal arrangements of the bodies mentioned will mean that links on their websites should increase the traffic to the Commercial Services website.
4. One agreed performance indicator/measure is how many times the website has been accessed. Since the last update report, shortly after the launch of the website, there have been the following level of views of the main Commercial Services Landing page:

• August	72
• September	56
• October	61
5. A further analysis of what people were looking at on the website and how they had reached the website has produced some interesting results. With regard to how people had accessed the pages, the main access was through them directly entering the "tscommercial" short website address. This address would only have been obtained through some form of direct marketing or contact with the individuals. The remainder of the top 5 were as would be expected from searching through one of the main search engines such as Google.
6. An analysis of the pages that people are visiting whilst in the website indicates that currently the two main areas of interest were how to contact the service, and training. We are currently discussing with the Communications Team as to what further options we have to better analyse how people are using the website, where they are coming from and what areas they are visiting.
7. Five broad market segments were identified during the Commercial Development Unit work, and two further sectors have emerged from broader sales engagement. The table below indicates the engagements and sales progress to date:

CDU Target Segment & Size	CDU market size	Contacts made	Revised opportunity size	Sales proposals made	Sales Achieved	Increase in Sales Since Last Update
Outdoor Equipment and Clothing	21	16	27	4	0	0
Non-Food retailers	19	15	17	4	4	2
Food Manufacturers	95	66	71	11	7	1
Leisure Vehicle Dealerships	36	34	23	4	1	0
Non-specific (Unclassified) segment companies	60	0	60	0	0	0
Baby Care dealers and manufacturers	n/a	3	12	2	2	0
Bicycle dealers and manufacturers	n/a	5	15	3	1	0

8. The above table illustrates what the Service is doing with regard to direct marketing. However, the contracts that have either been agreed or proposals made, also comes from a number of other sources such as interest from a business following an inspection, direct contact from a business themselves, or a referral from another regulatory body.

Cumulative Additional Income

9. Since the last update, there has been £2500 in additional income from our established Primary Authority companies, due to one company requesting additional work over their agreed annual contract.
10. The income deriving from new commercial activity is summarised below:

Contract Type	Number of Sales	Total Amount (£)
New Annual Contracts	10	21,670
Individual Product Sales	4	3,845
Projects	1	2,500
CUMULATIVE TOTAL		27,655

11. A further potential income of **£30,700** worth of work is being discussed with businesses. This income cannot be guaranteed until the proposals have been accepted. If these contracts come

to fruition, the total additional income to date would be **£58,355**. This means that the Service is currently on track to meet its additional income target of **£94,951**

Business Support Examples

12. Two recent examples of services delivered include:

- a. Advice on product safety to a start-up business that will be producing bespoke designer lamps. Advice was provided regard technical documentation and also the due diligence systems.
- b. Bespoke training sessions have also been delivered to one of the companies that have recently agreed to an annual contract. The training was delivered on site at their customer service centre and covered all the appropriate civil legislation relating to consumer rights.