

22 June 2017

Agenda Item: 15

## **REPORT OF THE SERVICE DIRECTOR FOR SOUTH NOTTINGHAMSHIRE AND PUBLIC PROTECTION**

### **UPDATE ON PROGRESS OF THE TRADING STANDARDS COMMERCIAL DEVELOPMENT PROGRAMME**

#### **Purpose of the Report**

1. To provide an overview and update to the Committee on the progress made by Trading Standards following the outcome of the Service's involvement in the Authority's Commercial Development Programme.

#### **Information and Advice**

##### **Commercial Development Unit (CDU) Pilot Outcome**

2. The Trading Service was one of three services involved in the pilot of the Authority's Commercial Development Unit process. The commercial proposal and commercialisation plan developed passed the scrutiny test by the Chief Executive panel, and was then subsequently considered and approved by Policy Committee on 16th November 2016 for implementation.
3. The Policy Committee report outlined how the proposal offered the potential opportunity to reduce the net budget of the Service by £320k per annum by the end of 2019/20. This would be achieved by following the commercial plan to generate additional income. The approach in the plan involves redeploying staff resource away from core enforcement work, and into discretionary income generating activity.
4. The report also set out that the services that had gone through the pilot process needed to be supported and monitored as the commercial plans that had been developed were implemented. It concluded that *"This will remain in place for at least the first 12 months, with regular reports taken to the appropriate service committee. Services that fail to hit predicted income targets will be helped by the commercial team to address any issues. Service Committees will be recommended to stop early any commercial activity that is failing with no viable intervention plan."*

## **Trading Standards Implementation Plan**

5. In order to capture all the necessary actions to implement the new approach, the Trading Standards Commercialisation Key Action Plan was developed as part of the process. An outline of this plan was included in the report to the Community Safety Committee on the 10 January 2017. This plan is being amended and revised on an ongoing basis.
6. A number of key performance indicators have been devised by officers and it is believed that these measures will enable the Committee members to adequately monitor progress of the work being carried out by the Service against the targets set to increase its income. These will be subject to ongoing development and will reflect activity within the 'sales funnel' and assists with remedial actions should financial results fall short of projected performance. These key performance indicators were approved by the Community Safety Committee on 10 January 2017.
7. One key issue identified as part of the pilot process was a potential conflict of interest situation between the Service's role as regulator, and as an advisor. To address this, a new team to deliver all commercial work was created to resolve this issue, and all commercial work is being carried out by this team. New control and monitoring systems were introduced to improve management information, service to customers, and to manage potential conflict of interests in the team.
8. Apart from increasing the volume of sales, the increase in income in the proposal is partly derived from increasing the rates charged for services, up to the full cost recovery rate, where the market allows. A report outlining the proposed pricing structure was approved by the Community Safety Committee on the 10 January 2017.
9. A new marketing and communications plan has also been created and will be reviewed as necessary. Work has started to create new marketing support material in order to reposition the service offer. In addition, existing webpages and content are being refreshed and enhanced to create separate content for the new commercial services pages, distinct from the free business advice material the authority needs to provide as part of its statutory services.
10. Once new marketing and website material is available, a monthly electronic newsletter, focused on compliance and business advice will be launched to provide an active way to communicate with current clients and to attract potential customers. The newsletter will be a key cost effective tool in increasing market awareness of the commercial services currently on offer, and be used to launch new services we have in development.
11. A number of market sectors have been identified as areas to initially approach businesses in order to develop new contracts.

## **Progress to Date**

12. Whilst the website development and the production of some of the marketing material is still ongoing, the Commercial Services Team officially started to offer its commercial service packages to businesses at the beginning of April.

13. One of the packages that businesses can elect to have is to set up a Primary Authority Partnership (PAP). The benefit of a PAP is that it enables the Service to provide advice that is legally binding on other local authority enforcers. This means that once the advice has been issued, as long as the business follows that advice, it will offer them protection from prosecution or other sanctions. This is particularly beneficial in areas of complex legislation such as product safety or food safety. It gives the businesses certainty and the confidence to invest and grow. At the start of this financial year the Service had 27 PAPs and has since engaged a further four companies with a number of potential agreements in the pipeline. The PAP companies range from SMEs through to large multinationals.
14. The PAP arrangement has given many of our companies the confidence to expand. An example of this is a SME that specialised in outdoor clothing and equipment. The business was mainly trading on line but had a small retail outlet in the county. They have recently expanded their online sales and now have two further retail outlets, one in Derbyshire and the other in the Lake District.
15. The Service also offers businesses, who perhaps don't feel the need yet to set up a PAP, one off bespoke packages to assist with looking at the requirements of a single product or product range. We recently assisted a SME who was producing unique and specialist food spreads that contained alcohol. We were able to advise them on the correct labelling and presentation of the product.
16. Many of our smaller manufacturers/ importers, are looking to get their products onto the shelves of large supermarkets. We have been able to again assist them with this by examining not only their products but also their processes. We have then been able to advise them on what actions they needed to take to not only ensure compliance with legislative requirements and standards but to also ensure that their processes were robust enough to ensure that they had full traceability of the product and its component parts.
17. An example of this was a local cider producer who had previously only supplied from their own premises. They saw the possibility of supplying their product to one of the large retail chain stores but in order to satisfy this retailers requirements they needed advice on how they could comply with their requirements. Officers worked with the business to ensure that they made the necessary alterations to both their systems and their product labels and they were successful in winning the contract. They have since come back to us for further assistance as they are now looking to expand and are trying to win contracts with other large retailers.
18. At the time of writing, the Service has generated £5.9k in new work since the 1 April, with a further potential £14k worth of business being discussed with businesses. Whilst it should be noted that this potential income is not guaranteed, and that further discussions are required, the Service is still on course to meet the additional income target of £95k for 2017/18.

### **Other Options Considered**

19. None

## **Reason/s for Recommendation/s**

20. This is an information report.

## **Statutory and Policy Implications**

This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service 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**

This report contains no additional financial implications, with activity reported or that proposed being contained within existing service budget.

## **RECOMMENDATION/S**

That the committee notes the content of this report.

**PAUL MCKAY**

**Service Director, South Nottinghamshire and Public Protection**

## **For any enquiries about this report please contact:**

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## **Constitutional Comments ()**

21. As this report is for noting only, constitutional comments are not required

## **Financial Comments ()**

22. As this report is for noting only, financial comments are not required

## **Background Papers and Published Documents**

- 'None'

**Electoral Division(s) and Member(s) Affected**

- 'All'