

10 January 2017**Agenda Item: 9****REPORT OF THE SERVICE DIRECTOR FOR SOUTH NOTTINGHAMSHIRE
AND PUBLIC PROTECTION****UPDATE ON PROGRESS OF THE TRADING STANDARDS COMMERCIAL
DEVELOPMENT PROGRAM****Purpose of the Report**

1. To update the Committee on the progress made by Trading Standards following the outcome of the Service's involvement in the Councils Commercial Development Program.

Information and Advice**Commercial Development Unit (CDU) Pilot Outcome**

2. As Members will recall, a team from the Service was 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 increase income by £320k per annum by the end of 2019/20, to contribute to the total running costs of the service.
4. This income could offer the opportunity to reduce the net cost of Trading Standards service from £1,143k to £823k over a three year period, if the commercial plan was followed. The approach involves shifting staff resource away from core enforcement work, and into discretionary income generating activity.
5. The report also set out that services that had gone through the pilot process needed to be supported and monitored as commercial plans were implemented. It continued *"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."*

Commercialisation Key Action Plan

6. 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. The detailed action plan including responsible officers and timescales has been developed and a summary is listed below:
- Restructure to create a Commercial Services Team
 - Finalise a marketing and promotional plan to develop new, high quality marketing and promotional material for business
 - Redesign and roll out an improved, business focussed web content
 - Develop a training/development plan for key staff, and deliver their immediate needs
 - Design a new pricing model and methodologies for services in line with market models and with finance partners' advice
 - Develop a prioritised list of initial target businesses to approach
 - Develop an account management programme to promote services
 - Consider appropriate branding for the future
 - Review the balance between income generation work internally and externally and recognise the opportunity cost of work undertaken for internal partners
 - Identify partners for broader 'one-stop' offer for regulatory services
 - Review the arrangements for incoming enquiries to the new team
 - Reduce any conflict of interest by changing all necessary documentation and agreements for approval by Nottinghamshire County Council Legal Services
 - Review the delivery model and consider how to maximise the report to Nottinghamshire County Council
7. A number of key performance indicators that 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.
8. The initial key indicators are:

1.	Website analytics	For example, new website traffic and page openings
2.	Marketing performance	For example, newsletter and targeted campaign performance
3.	Number of new contacts	By hourly rate and value
4.	New sales by category:- i. New annual contracts ii. Projects iii. Individual product sales	For example Primary Authority Partnerships For example animal health visits for Nottingham City For example labelling checks
5.	Cumulative additional income	

9. 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 has already been created to resolve this issue, and is working to transfer commercial work from the current service wide staffing arrangements to those officers in the new team. New control and monitoring systems are also being introduced to improve management information, service to customers, and to manage potential conflict of interests in the team.
10. 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. As such, a further report on prices is being presented to this Committee meeting.
11. Apart from the progress above, 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, and new materials for staff are in development. In addition, existing webpages and content needs to be 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.
12. Once new marketing and website material is available, a monthly 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 on currently offer, and be used to launch new services we have in development.
13. A number of commercial market sectors have been identified as areas to make initial approaches to businesses and these include:
 - Motorhome retailers
 - Food manufacturers
 - Outdoor equipment and clothing
 - Cheese manufacturers
 - Non-food multi-site retailers
 - Protected Food Names
 - For nutritional labelling checking – wholesale bakers

Other Options Considered

14. All options for increasing the level of income to the Service were considered as part of the CDU process.

Reason for Recommendation

15. The implementation of the business case and the level of activity and income generation needs to be monitored by this Committee and therefore Committee members need to be aware of what the implementation program is and the measures put in place to assess whether the Service is delivering the required level of income.

Statutory and Policy Implications

16. This report has been compiled after consideration of implications in respect of crime and disorder, 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, sustainability and the environment and ways of working 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

17. The additional income generated will assist the Service in contributing to its running costs.

RECOMMENDATION

That the Committee:

- a) notes the content of the Key Action Plan show in Paragraph 6
- b) approves the Key Performance Indicators given in Paragraph 8
- c) notes the targeted sectors listed in Paragraph 13

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Constitutional Comments (SLB 23/12/2016)

18. Community Safety Committee is the appropriate body to consider the content of this report.

Financial Comments (CT 22.12.2016)

19. The financial implications are referenced in paragraph 17 of this 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