



## **Full Business Case**

### **Proposal to create a joint Trading Standards Service between Buckinghamshire County Council (BCC) and Surrey County Council (SCC)**

## **Executive Summary**

This business case summarises the benefits of creating a new Joint Trading Standards Service between Buckinghamshire and Surrey.

This will provide an enhanced service for residents and businesses in both counties, whilst also delivering the savings required in the Medium Term Financial Plans for each local authority. The cashable savings equate to approximately 11% of the joint service costs by year 3. The alternative for each service would be to make service delivery reductions which in turn would reduce protection for residents and support for local businesses.

The new combined service would be overseen by a new Joint Committee and with staff employed by the host authority, Surrey. The new service will be delivered from the existing locations within each county. There are no plans to centralise or re-locate staff. Local presence and local partnerships are vital for the success of the service. The service would continue to be locally accessible and able to identify and address local issues.

The proposal will create a service better able to meet its statutory responsibilities, to achieve more to support corporate priorities in both Councils, and better positioned to deal with the new regulatory and consumer protection landscape. Building on the strengths of the current services, it will provide enhanced resilience and capacity to tackle unforeseen challenges and peaks in demand such as large scale investigations, complex frauds or animal disease outbreaks. It will continue to focus on protecting the most vulnerable and supporting businesses. It will be more influential regionally and nationally and have an enhanced capacity to generate income and future growth through the delivery of services for businesses and for other local authorities.

The new service will, subject to Cabinet approval in both local authorities, be operational in April 2015.

# 1. Background and Reasons

## 1.1. Business Need

Trading Standards is a critical and complex Service, with a legislative duty to enforce some 80 Acts of parliament and hundreds of sets of subordinate Regulations across a wide range of issues from fair trading, fraud and scams, through consumer safety, health and wellbeing, to the health and welfare of animal livestock.

The Trading Standards Service also supports the delivery of a wide range of Council priorities including Public Health, economic growth and the protection of vulnerable residents.

The national landscape for consumer protection is changing rapidly with more focus on cross border issues and new national bodies such as the National Trading Standards Board becoming more significant in national, regional and local delivery.

In the present economic climate there is a need to show increased efficiencies and value for money in both Buckinghamshire County Council (BCC) and Surrey County Council (SCC). Significant efficiency savings have been delivered over several years by the services in both Councils. The options for further efficiency savings without damaging impacts on service delivery have been exhausted. The ongoing need to make savings means that we need to look for new opportunities and to new models of delivery.

## 1.2. The Opportunity

Trading Standards has been identified as a function where there is potential for a joint service delivery model. There are already a small number of existing examples elsewhere that have been shown to work including in Devon & Somerset; West Berkshire & Wokingham and West Yorkshire Joint Services. The new joint service will be at the forefront of the development of shared services for front line regulatory functions. We will learn from others to avoid some of the potential pitfalls.

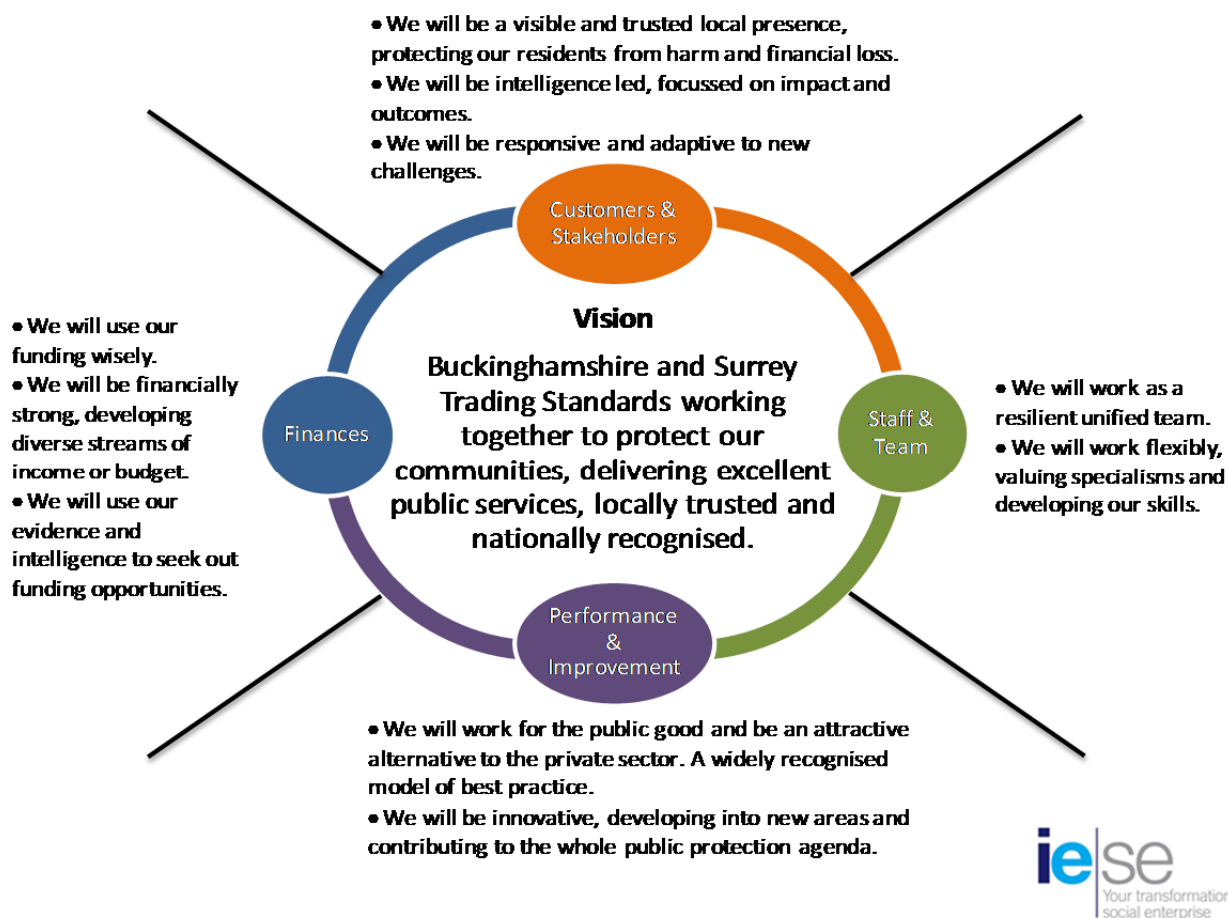
BCC and SCC have similar political, strategic and operational ethos so they are ideal candidates for a Trading Standards joint service. Both local authorities have been keen to work together at officer and member level to develop this opportunity. The new joint service would continue to provide a locally responsive and visible service for our residents and businesses with additional benefits outlined in section 3.

## 1.3. Development Work to Date

A joint Project Board has been established involving the Cabinet Member for Community Engagement for BCC, Cabinet Member for Customer and Communities SCC, and senior officers from both authorities. The Board has monitored the project performance and provided strategic guidance and direction.

The Board has decided that the key design principle of the new joint service is continued support of delivery of both Councils' priorities. Draft service priorities have been developed and support the current corporate and strategic priorities for example public health, economic growth and protecting the most vulnerable residents. (See **Appendix A**). As each local authority develops its priorities the new joint service will respond, ensuring local characteristics are preserved.

Critical to the success and sustainability of the new joint service will be the vision and values that have been developed in consultation with the Board. The vision and values are illustrated below:



## 2. Business Options

### 2.1. Delivery Model

The Project Board has considered a range of different options for the potential delivery of a joint service including:

- Joint Service overseen via Joint Committee
- Joint service – delivered by one lead authority with a joint service review panel.
- Charitable Status
- Private Sector Outsourcing
- Retain Current Model

Several of the alternatives are yet untried and unproven as delivery models for regulatory and enforcement services. In order to ensure that we can deliver something successful, within a reasonable timescale the Project Board has focused on the first two alternatives in more detail. Further information is provided in **Appendix B**.

In order to ensure a true partnership approach, rather than a contractual relationship, the Project Board recommends the Joint Committee model for oversight of the new service.

This will require the creation of a new Joint Committee comprising 4 elected members i.e. the Cabinet Member and one other Member from each Local Authority. The Joint Committee will be responsible for overseeing the service delivered to residents in both counties. This will be delivered by a single, joint service hosted by one authority, but not co-located in that authority.

The partnership will be underpinned by an Inter-Authority Agreement setting out the legal arrangements for the partnership.

This approach minimises risks, and avoids a range of legal uncertainties which would arise from delivering an enforcement function outside of the local authority structure.

In summary, this approach would ensure that both governance and accountability are clearly retained by the partner local authorities.

The recommended governance model has the potential for future growth. A strategy for future growth is being developed by the Project Board and principles are summarised in **Appendix C**.

## **2.1. Staffing Options Considered**

Consideration has been given to the most appropriate staffing model and in particular whether staff should be transferred to a single employer.

The benefits of having one host employer and hence one set of systems and processes to operate under are:

- The new service will benefit from the support services within one local authority and hence deal with one set of corporate systems and processes
- Being employed by a single local authority will reduce procurement costs for a range of support and technical costs for example IT database, Legal and technical services.
- The efficiencies and time savings that result for managers will enable the joint service to make savings in management costs which would otherwise not be achievable.

The long term nature of this proposal means that secondment of staff into the host authority is not a suitable option. Therefore it is proposed that the 23 (currently) affected Buckinghamshire County Council staff would transfer to the employment of Surrey County Council at the start of the Joint Service under the protection of TUPE<sup>1</sup>.

## **3. Benefits “Better Together”**

### **Benefits for Residents and Businesses:**

The potential benefits have been grouped into three categories

- Service Efficiencies & Enhancements
- Financial Savings;
- Income Generation Opportunities

The key elements that demonstrate the value of a joint service are shown as A to F below. Appendix E provides more detail of how these benefits will be delivered in practice.

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<sup>1</sup> Transfer of Undertakings (Protection of Employment) Regulations 2006

- A. Sharing expertise and best practice and creating greater resilience and robustness to cope with unforeseen challenges, such as animal disease outbreaks, large scale investigations, complex frauds, or illness or loss of key officers and their specialist technical knowledge.
- B. Sharing resources, including IT and databases, intelligence and specialist financial, legal and other roles that can cover the wider service area more economically.
- C. Eliminating duplication by needing to do things once rather than twice in two different places e.g. Enforcement Policies, Enforcement Concordat, RIPA, Funding Bids etc.
- D. Building on the successes and innovation within the current services to maximise the potential benefits e.g. income generation from business services, systems thinking, developing volunteering, maximizing prevention through social media and other means helping to further enhance the local reach and impact of the service.
- E. Reducing costs by operating jointly.
- F. Creating a significantly larger profile collectively for BCC and SCC TS on the regional and national scene, having greater influence on professional direction and policy making processes, improving opportunities to benefit from funding and developmental initiatives and increasing the potential opportunities for income generation, particularly through extending Primary Authority prospects.

### **Examples of Trading Standards work that will benefit from Service Efficiencies & Enhancements**

Both authorities prioritise support and protection activities to vulnerable people and this will remain a primary focus for the joint service. There is well established evidence<sup>2</sup> that enhanced support to vulnerable people helps improve their quality of life and reduces the likelihood of their becoming more dependent upon secondary and tertiary support services (which can be at a significant cost to the local Council). A key element in this is the sense of security delivered by improved community safety, of which Trading Standards activity contributes. The sharing of expertise and improved service availability and effectiveness will enhance the impact in both authorities.

Both authorities ensure that the goods, services and food bought by residents is safe, meets minimum legal standards and descriptions and claims made are not deceptive or misleading. In doing this, Trading Standards protects everyone, makes communities safer, improves health and supports the local economy by protecting legitimate businesses and local residents from unfair trading practices. In carrying out its role, and planning activities Trading Standards is intelligence-led, relying on robust information to target activity where it will achieve the greatest results. By combining our specialist skills and knowledge the impact will be greater.

**Appendix D** contains case studies which also help illustrate the breadth, depth and impact of Trading Standards work, demonstrating how it:

- protects vulnerable consumers from scams
- supports local businesses and the local economy
- protects children from death or serious injury
- tackles food fraud

In these areas, and in others, the resources of a joint service can enhance the overall impact.

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<sup>2</sup> “Support. Stay. Save.” Alzheimer’s Society 2011

## Summary of Anticipated Financial and Income Benefits

	<b>Year 1 (2015/16)</b>	<b>Year 2 (2016/17)</b>	<b>Year 3 (2017/18)</b>	<b>Cumulative total over 3 years</b>
<b>Financial Savings</b>	£84,000	£176,000	£201,000	£461,000
<b>Income Generation</b>	£35,000	£85,000	£140,000	£260,000
<b>Total:</b>	<b>£119,000</b>	<b>£261,000</b>	<b>£341,000</b>	<b>£721,000</b>

It should be noted that these are the combined benefits of the Joint Service (i.e. they are not amounts to be saved just by one of the partner Authorities).

### Additional Potential Benefit

Creating the joint service model could be used to deliver services for other local authorities, or one in with which other services may seek to join. There would then be further opportunities for benefits to residents and businesses (under the three categories above).

## 4. Costs

### 4.1. Joint Service Delivery Investment Requirements (i.e. one off costs)

In the development and implementation phase (occurring during the 2014/15 financial year) the main costs are for: External Project Management resource (through IESE); Legal advice and development of the legal agreements to underpin the Joint Service; TUPE agreement; preparation of personnel files prior to TUPE transfer and officer time. These costs are being shared by both Local Authorities from within existing Service budgets.

It is anticipated that 'one off' set up costs will not exceed £50k.

### 4.2 Budget Contributions (approximate)<sup>3</sup>

	<b>Bucks</b>	<b>Surrey</b>	<b>Joint total</b>
<b>Budget contribution anticipated into Joint Service in 2015/16</b>	£ 1,043,000	£ 2,056,000	£ 3,099,000
	34%	66%	
<b>Budget contribution anticipated into Joint Service in 2016/17</b>	£ 1,014,000	£ 1,897,000	£ 2,911,000
	35%	65%	
<b>Budget contribution anticipated into Joint Service in 2017/18</b>	£ 1,014,000	£ 1,937,000	£ 2,951,000
	34%	66%	

<sup>3</sup> This table is subject to change, as discussions with the relevant finance teams are ongoing.

### 4.3 Income and Costs Sharing Principles

The Joint Project Board proposes that if the joint service proceeds any future income (and any costs yet to be identified) would be divided in the proportions agreed in the underpinning Inter-Authority Agreement. Particularly in regard to income from business services provided, this will help to drive the joint service approach to working and generating income to the benefit of the new service regardless of where a business might be based (either within BCC, SCC or any other authority area).

## 5. Timescale

- |  |                 |
|--|-----------------|
| 1. BCC and SCC Cabinet approval        | October 2014    |
| 2. Consultation with BCC staff re TUPE | January – March |
| 3. Legal agreements in place           | February 2015   |
| 4. Joint service fully in operation    | April 2015      |

## 6. Dependencies

There are no critical dependencies between this work and other projects. However several other streams of work will need to be taken into account. For example the Medium Term Financial Planning processes, the developing BCC's Future Shape Programme and SCC's "Innovation into Action - Fit for the Future" Programme.

## 7. Investment Appraisal

If options arise where investment could lead to a longer term saving, in excess of the investment, these will be considered and responded to as circumstances allow.

## 8. Known Risks

As part of the project management approach analysis has been undertaken to identify and assess risks. A robust Risk Management framework (see the Risk Register contained in **Appendix F**) has been put in place to create risk responses and action plans and to ensure that any risks identified are actively monitored and responded to.

The most significant risks that have been identified and escalated to the Project Board include:

- One of the Partners withdraws from the Project, resulting in the Joint Service not being implemented and existing TS ties (e.g. the management teams) being severed
- A failure to effectively engage with TS staff, results in resistance to change and potential Trade Union intervention
- Incompatibilities of IT systems (or other technical aspects of the two services) results in project slippage, inefficient work-arounds or additional systems (or technical support) investment being required

## 9. Supporting Documents

This Business Case is supported by a number of documents listed below.

- APPENDIX A: Draft Service Priorities Page 9
- APPENDIX B: Comparison of possible Governance Models Page 11
- APPENDIX C: Options for Future Growth Page 13
- APPENDIX D: Case Studies Page 15
- APPENDIX E: Anticipated Benefits Analysis Page 19
- APPENDIX F: Risk Register Page 25

### **Additional Supporting Documents:**

- Equalities Impact Assessment