

Proposed Extension of Shared Services Arrangement for Trading Standards

Report of the Head of Economy, Enterprise and Skills

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.

Recommendations:

- (a) that approval be given to the proposed extension of the current shared service arrangement with Somerset County Council (approved pursuant to Minute 200 of the County Council 24 April 2013) for delivery of the Trading Standards Service to also include Torbay Council;**
- (b) that accordingly the Council approve the discharge of Torbay Council's Trading Standards functions in accordance with s101 of the Local Government Act 1972, such functions to be discharged in line with the arrangements approved by the Cabinet on 8 March 2017, recognising and accepting also (i) responsibility for the specific delegations made to Devon County Council to support the transfer of the Relevant Functions, and (ii) the need to extend the membership of the Trading Standards Joint Service Review Panel to include representatives of Torbay Council.**

1 Summary

This report summarises a proposal for an extension of the joint Devon County Council and Somerset County Council Shared Trading Standards Service to include Torbay Council. The Full Business Case can be made available on request.

2. Background

On 1 May 2013, Devon County Council formally entered into a shared service agreement with Somerset County Council for the provision of a joint Trading Standards Service. Devon County Council agreed to host the Joint Service and the ex-Somerset staff transferred across under TUPE arrangements.

The Joint Service has widely been held to be a success with regular reports to the Joint Service Review Panel (created as a cross-council governance group) and attendance at a number of Scrutiny Committees for both Councils.

The three authorities involved in the proposals presented in this report, like many others nationally, face similar challenges in ensuring that their regulatory services continue to meet customer needs at a time of significant financial pressure, regulatory change and increasing demand and expectations. One of the objectives of the Joint Service was to develop the capability to respond to possible changes in role, scope or budget by expanding the scope of the service either geographically and/or by broadening the range of functions within its remit.

Since November 2016, discussions have taken place between the Devon, Somerset and Torbay councils and an initial report was submitted to relevant Members of each Authority. In Devon, an Outline Business Case in the form of a Project Initiation Document and a Head

of Terms was presented to Councillor Roger Croad, Cabinet Member for Community and Environmental Services. It was agreed that the project should proceed to the completion of a Full Business Case in respect of the proposal and project governance has been through the Joint Service Review Panel.

3. The Current Arrangements

A comparison of the type of activities covered by Devon and Somerset Trading Standards Service and the Torbay Trading Standards Team has shown that, with two exceptions, there is a significant alignment between the priorities of the two services. The first exception is Animal Health and Agriculture work which is a key activity for Devon and Somerset but understandably requires far less resource in Torbay; this is a key factor in the alignment of budgets and staffing discussed below. The second exception is Business Support work which is again a much greater priority for the current joint service than for Torbay. However, this is offset by the fact that Devon and Somerset use this activity to generate a significant amount of income to support its base budget; the intention is to extend this principle across the Torbay geographical area.

After making an adjustment for Animal Health and Agriculture work then the budgets and staffing levels are broadly in line with the customer (population and business) base of the two services.

In respect of ICT, both services currently use the same main operational database and reporting system. Consequently the merging of data and standardisation of system usage will be easier in the future.

In reviewing the proposed shared service, a prime consideration has been the Government's promotion of collaborative approaches. As funding streams to local authorities reduce, it is essential to identify more efficient and cost-effective ways of providing services.

Delivery of certain trading standards functions has always benefited from working on a larger scale; providing the resource base and the flexibility to deal with complex investigations or emergency situations, allowing for the range of specialist expertise needed to cover the broad range of functions within its remit and having the necessary "clout" to tackle major organisations.

4. The Proposed Arrangements

It is proposed that the joint Trading Standards Service covering both Devon and Somerset be extended to include Torbay. As Devon County Council is the current employing organisation, it is proposed that Torbay staff, 4.4 FTEs (5 individuals) TUPE transfer to Devon County Council, at a date to be agreed through consultation with Unions and staff representing each Authority. The initial contract would be for a term of approximately 6 years to bring it into alignment with the current Somerset contract at which time any proposal to extend the arrangement could be considered together.

The Joint Service will maintain its current offices in both Devon and Somerset and will also retain a presence in Torbay; in order to be close to its customers, to ensure it can respond quickly to any urgent matter, to minimise travel costs and to minimise disruption to staff. It is not anticipated that any staff will be required to relocate as part of the merger.

The Torbay staff would move into the existing Devon and Somerset management structure: no redundancies are proposed as a direct result of this merger.

Although the extension of the Joint Service is not predicated on a reduction in costs, the local authorities involved all have medium term financial plans (MTFP) in place which

anticipate a level of savings over the next 3 years. It is anticipated that the Joint Service approach can deliver these savings whilst still maintaining the expected level of service. It is extremely unlikely that this level of saving could be achieved by the two services individually, without impacting significantly on front-line service delivery, the ability to continue to meet statutory requirements and customer needs.

Non-financial benefits from a shared service will include:

- greater resilience in the combined service in respect of service delivery, knowledge and response abilities
- “greater clout” in tackling major investigations
- improved intelligence sharing
- economies of scale from shared expertise and the opportunity for greater specialism to more effectively service the communities of Devon, Somerset and Torbay whilst still maintaining local responsiveness, choice and identity
- maintaining achievement of outcomes with reduced budget over the next three years
- maintaining the ability of all three councils to fulfil statutory obligations
- a consistent approach for those businesses that cover Devon, Somerset and Torbay
- greater efficiency in training and maintenance of staff competencies.

The extended Service would cover the majority of the Heart of the South West Local Enterprise area and although at an early stage, informal discussions are already underway with Plymouth City Council Trading Standards Service exploring the possibility of some form of joint working. It is also envisaged that this might be the starting point for further opportunities to provide managed services or commissioned activities for other authorities in the south west region.

The Joint Service Review Panel, in its advisory capacity to both Devon and Somerset County Councils, has considered the Full Business Case and recommended that approval be given to the proposed extension of the current shared service arrangement for Trading Standards.

As in 2013 the approval of the Council will be required formally to the transfer of these functions.

5. Consultations/Representations

Staff members have been kept informed throughout. Formal consultation with Unions and relevant staff members of each Authority has been undertaken.

Key external stakeholders have also been consulted.

6. Financial Considerations

In addition to the anticipated financial savings required by the Medium Term Financial Plans of each authority, there is the potential to deliver further savings over the remainder of the contract.

The terms of savings and extraordinary cost sharing is set in the contract and on an agreed % basis similar to the current Devon and Somerset arrangement.

No VAT risks have been identified.

The staff will continue to participate in the Devon LGPS scheme albeit as employees of DCC rather than Torbay. There will be no impact on the pension funding arrangements for either authority.

No assets will transfer.

7. Environmental Impact Considerations

No significant impact identified.

8. Equality Considerations

In progressing this particular proposal an Impact Assessment has been undertaken as part of the full business case, as was the case with the Devon and Somerset joint service arrangements. This has been circulated separately to Cabinet Members and also is available on the Council's website at: <https://new.devon.gov.uk/impact/tradingstandards-sharedservices-extension/>, which Members will need to consider for the purposes of this item.

No significant equality impact has been identified.

9. Legal Considerations

The lawful implications of the proposed course of action have been considered and taken into account in the preparation of this report. Section 101 of the Local Government Act 1972 provides that two or more local authorities may discharge any of their functions jointly, where arrangements are in force for them to do so.

10. Risk Management Considerations

A risk assessment of the proposal has been undertaken and is set out in Section 6 of the Full Business Case. All necessary actions have been taken to safeguard the Council's position. Such actions will minimise the potential adverse impact in these areas and the overall risk is not felt to be significant.

11. Public Health Impact

Due to a greater resource base and opportunities to specialise and develop expertise, a Joint Service will be more readily able to contribute to the Public Health Agenda.

12. Options/Alternatives

There are specific legal and logistical difficulties in the outsourcing of local authority regulatory services to the private sector. These along with the option to continue with separate services were considered at the Outline Business Case stage. In the case of the latter option, this was rejected on the basis that the net benefits of a Joint Service significantly outweighed those of separate services. The Full Business Case confirms this.

13. Reason for Recommendation/Conclusion

This report recommends extending the full shared service arrangement with Somerset County Council to include Torbay Council. Once the immediate period of forming the new Service is bridged, it is anticipated that there will be significant benefits, both financial and non-financial, to both local authorities and to officers, other direct stakeholders, and the wider community.

In addition, the proposed approach is wholly consistent with Government thinking. It places the Joint Service in a strong strategic position within the South West region as a centre of excellence, with the potential to realise further savings and generate greater income, and represents a pragmatic approach to cost efficiencies and maximising scarce staff resources.

Keri Denton
Head of Economy, Enterprise and Skills

Electoral Divisions: All

Cabinet Member for Community and Environmental Services: Councillor Roger Croad

Chief Officer for Communities, Public Health, Environment and Prosperity: Dr Virginia Pearson

Local Government Act 1972: List of Background Papers

Contact for enquiries: Paul Thomas

Room No. L20, County Hall, Exeter. EX2 4QD

Tel No: (01392) 383000

Background Paper	Date	File Reference
1. Trading Standards Joint Service Full Business Case	February 2017	PT
2. Equality Impact Assessment	February 2017	https://new.devon.gov.uk/impact/tradingstandards-sharedservices-extension/

pt140217cab Proposed Extension of Shared Services Arrangements for Trading Standards
hk 10 230217