



## LEAD MEMBER FOR COMMUNITY SERVICES

**DECISIONS** to be made by the Lead Member for Community Services,  
Councillor Chris Dowling

**MONDAY, 25 JULY 2016 AT 10.00 AM**

**COMMITTEE ROOM, COUNTY HALL, LEWES**

### **AGENDA**

- 1 Decisions made by the Lead Cabinet Member on 25 May 2016 (*Pages 3 - 4*)
- 2 Disclosure of Interests  
Disclosure by all Members present of personal interests in matters on the agenda, the nature of any interest and whether the Members regard the interest as prejudicial under the terms of the Code of Conduct.
- 3 Urgent items  
Notification of any items which the Lead Member considers urgent and proposes to take at the appropriate part of the agenda.
- 4 Trading Standards Service's proposals for chargeable business advice (*Pages 5 - 16*)  
Report by the Director of Communities, Economy and Transport
- 5 Any urgent items previously notified under agenda item 3

PHILIP BAKER  
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15 July 2016

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## LEAD MEMBER FOR COMMUNITY SERVICES

DECISIONS made by the Lead Member for Community Services, Councillor Chris Dowling, on 25 May 2016 at County Hall, Lewes

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Councillor Keeley spoke on items 4 and 5 (see minute 3 and 4)

### 1 DECISIONS MADE BY THE LEAD CABINET MEMBER ON 27 APRIL 2016

1.1 Councillor Dowling RESOLVED to approve as a correct record the minutes of the meeting held on 27 April 2016.

### 2 REPORTS

2.1 Reports referred to in the minutes below are contained in the minute book.

### 3 EAST SUSSEX RECORD OFFICE COLLECTIONS POLICIES

3.1 The Lead Member considered a report by the Director of Communities, Economy and Transport.

#### DECISION

3.2 RESOLVED to (1) approve the East Sussex Record Office Collections Development Policy as set out in Appendix 1;

(2) approve the East Sussex Record Office Selection, Appraisal and Disposal Policy as set out in Appendix 2; and

(3) approve the East Sussex Record Office Collections Information Statement and Policy as set out in Appendix 3.

#### Reason

3.3 The Policies are required in order for the East Sussex Record Office to achieve Accreditation. The policies formalise existing principles and good practice and are based on documents that have been produced by archive services that have already achieved Accreditation.

### 4 REDUNDANT ASSETS OF THE SCHOOLS LIBRARY AND MUSEUM SERVICE

4.1 The Lead Member considered a report by the Director of Communities, Economy and Transport.

#### DECISION

4.2 RESOLVED to approve the disposal of identified redundant or damaged museum stock from the Schools Library and Museum Service collection, pursuing income generation opportunities where applicable.

#### Reasons

4.3 A rationalisation of the museum stock has been undertaken by the Schools Library and Museum Service (SLAMs) librarians and approximately 300 items have been identified as no longer suitable. These items are damaged, obsolete or no longer suitable to support SLAMs offering or the national curriculum. A comprehensive offering will be maintained.

### 5 UPDATE ON FEES CHARGED BY TRADING STANDARDS FOR STATUTORY AND NON-STATUTORY FUNCTIONS

5.1 The Lead Member considered a report by the Director of Communities, Economy and Transport.

#### DECISION

5.2 RESOLVED to (1) note the statutory fees payable for the issuing of explosives licences as set out in Appendix 1 for the 2016/2017 financial year;

(2) approve the fee payable for the issuing of a copy of a performing animals licence as set out in Appendix 1 for the 2016/2017 financial year;

(3) approve the hourly rate for conducting metrology related work as set out in Appendix 1 for the 2016/2017 financial year;

(4) approve the hourly rate of the Accredited Financial Investigator when conducting financial enquiries and investigations as set out in Appendix 1 for the 2016/2017 financial year; and

(5) note the percentage of confiscation obtainable by the Accredited Financial Investigator for successful Proceeds of Crime Act 2002 proceedings as set out in Appendix 1 for the 2016/2017 financial year.

#### Reasons

5.3 Trading Standards are responsible for enforcing a range of legislation. Some of this legislation places a statutory obligation on the County Council as the relevant local authority to undertake certain activities. Other legislation provides the County Council with the power and authority to enforce it where offences or breaches may have been committed.

**Report to:** Lead Member for Community Services

**Date of meeting:** 25 July 2016

**By:** Director of Communities, Economy and Transport

**Title:** Trading Standards Service's proposals for chargeable business advice

**Purpose:** To endorse the development and implementation of chargeable business advice by the Trading Standards Service

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**RECOMMENDATIONS:** The Lead Member is recommended to:

- (1) Approve the implementation of the East Sussex Trading Standards Virtual College at a cost of £15 - £30 per online course**
  - (2) Approve the implementation and delivery of chargeable business workshops at a cost of £30 per delegate**
  - (3) Approve the implementation of bespoke chargeable business advice at £72 per hour plus VAT**
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## **1 Background Information**

1.1 With the budget reductions that have taken place over recent years it is important for the Trading Standards Service (TS) to explore ways in which it can recover costs and where there is capacity, generate income. TS is a regulator whose job it is to ensure that businesses operate fairly and legally. In this respect, its primary role is one of community protection for both legitimate business and consumers. The service does this by carrying out mandatory functions including the inspection of High Risk food and feed businesses, food and feed sampling, animal health visits to farms and markets, inspection of animals at Newhaven port, the sampling of unsafe goods, the sale of age restricted products and the investigation and prosecution of fraudulent businesses.

1.2 TS recognises that the majority of traders operating in East Sussex wish to comply with legislation but sometimes find it difficult to fully understand their legal obligations given the wide variety and complexity of the current legislative framework and its continued renewal. TS has traditionally provided free advice and guidance to all local businesses who have asked for it. The nature of the advice can often be very specific to the business concerned, time consuming and complex. However, TS no longer has capacity to sustain this level of individually tailored support. Moreover, the Government's Better Regulation and Delivery Office (BRDO) recommends that those businesses seeking assured advice on regulatory compliance, which is of sole benefit to their business, should be prepared to pay for it as they would any other service that is to their advantage, such as an accountant or solicitor.

1.3 After careful consideration, several proposals have been identified to provide businesses with easily accessible information that ensures costs are recovered and, where appropriate, income is also generated. Further information on the proposals can be found at Appendix 1. While considering the proposals it should be noted that all East Sussex businesses have 24/7 access to free and detailed TS advice and guidance through the Business Companion website. This is detailed at paragraph 4.6 of Appendix 1.

## **2 Supporting Information**

2.1 A brief outline of each proposal is given below;

### **Proposal 1 – East Sussex Virtual College (Paragraph 4.7 Appendix 1)**

2.2 If implemented, the Virtual College is an online facility, available to local businesses 24/7. It would provide online training on current TS legislation, such as age restricted products. This training

would be backed with certification. It is maintained by the Chartered Trading Standards Institute in partnership with the Virtual College. Courses range from £15-£30 per participant for which East Sussex TS would receive a commission of 20%.

2.3 At present it takes an administrative staff member 3 hours to set up and send a mail-merged marketing email to approximately 1,000 East Sussex traders, selected by type. The courses would also be marketed via partner websites such as the growth hubs and local enterprise centres. The Virtual College online courses require no input from TS above initial marketing.

### **Proposal 2 - Chargeable Business Workshops** (Paragraph 4.4 Appendix 1)

2.4 During the financial year 2015/16, the TS Service ran 35 business workshops which were attended by 488 business delegates. The workshops were free and well received. It is proposed that further workshops are developed, delivered, and marketed in 2016/17 at a cost of £30 per delegate, plus an apportionment of any costs associated with hiring an appropriate venue. These workshops would complement the Virtual College and Business Companion website. The workshops would also allow traders face to face contact with a TS professional and the opportunity to network with other businesses. The courses can be developed to tie in with:

- national events e.g. National Allergens Awareness Week
- local issues of concern e.g. the storage of explosives
- changes to legislation e.g. nutritional labelling

The courses also have the advantage of being VAT exempt and repeatedly deliverable to a number of businesses at any one time. The fee set enables Trading Standards Officer time to be recovered and puts the course cost on parity with the Virtual College.

2.5 Last year 228 delegates attended eight TS workshops on the impact of the Consumer Rights Act 2015 on letting agents and landlords. Had they been charged at £30 per delegate this would have derived an income of £6,840. In this instance the incentive to attend is the £5,000 penalty for failing to comply with the legislation. However it is difficult to estimate what the take up would have been if there had been a fee to attend these workshops.

### **Proposal 3 – Chargeable Business Advice** (Paragraph 4.5 Appendix 1)

2.6 There will be occasions when businesses will be prepared to pay for detailed advice. Bespoke business advice can be both time consuming and complex, and also removes officers from day-to-day mandatory operational duties. The TS Service needs flexibility to decide when it has both the necessary expertise and capacity to provide such advice. It also needs to charge in line with its competitors, such as other Local Authorities, private training companies and solicitors' firms. For this reason a fee of £72 per hour plus VAT is suggested. The fee set enables Trading Standards Officer time to be recovered and puts the course cost on parity with other Local Authorities.

2.7 It is very difficult to predict the level of take up of chargeable business advice. Many large companies and members of trade associations are provided with assured advice under Primary Authority Partnerships; it is mainly Small and Medium Enterprises (SMEs) that approach their local TS for advice. In the last financial year 183 SMEs approached East Sussex TS for advice and guidance, ranging from the straightforward to the very complex. If the average time to advise was an hour per business, and all the businesses were prepared to pay the £72 per hour charge, the revenue generated would be £13,104 per year. However many SMEs may shy away from asking for advice if there is a charge.

### **Financial Appraisal**

2.8 If implemented these services will be new to East Sussex, and it is therefore difficult to estimate the level of income that will be raised. In the early stages TS only intends to market their services via emails to businesses. The service does not have the financial or staff resource available to carry out extensive marketing at this time. It is therefore suggested that a baseline is established in the first financial year and an achievable target set the year after.

### **3 Conclusion and Reasons for Recommendations**

3.1 The Trading Standards Service needs to seek ways of recovering costs where and when it can and what is being proposed is not new. Businesses have traditionally paid stamping fees for the verification of their weights and measures equipment and licence fees for premises that require particular inspection regimes e.g. explosives. The proposals above merely extend the current charging regime to advice that TS is no longer able to deliver for free.

3.2 In order to help East Sussex businesses with this transition TS is proposing to pilot and review charging for business advice in the first year. Businesses will also be signposted to Business Companion, the Virtual College and the business workshops in the first instance.

3.3 The Lead Member is therefore recommended to approve the three proposals:

Proposal 1: The implementation of the East Sussex Trading Standards Virtual College at a cost of £15 - £30 per online course;

Proposal 2: The implementation and delivery of chargeable business workshops at a cost of £30 per delegate plus an apportionment of any costs associated with hiring an appropriate venue; and

Proposal 3: The implementation of bespoke chargeable business advice at £72 per hour plus VAT.

RUPERT CLUBB

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#### LOCAL MEMBERS

All

#### BACKGROUND DOCUMENTS

None

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## 1.0 Introduction

This document sets out the considerations for chargeable business advice in Trading Standards (TS).

Currently TS signposts business to free business advice, provides free business workshops and provides free bespoke advice to East Sussex businesses. It does this in order to drive up economic growth and make the best use of resources. A compliant business will find it easier to grow or supply their product to larger companies. It is also better use of officer time to provide business advice to a number of business delegates in a workshop than it is to advise them individually.

However it is clear that Government now wish local authorities to provide assured advice and inspection plans to qualifying companies for a cost recovery fee. With the number of East Sussex Trading Standards officers having been reduced by nearly 44% in the last three years and forecast savings of £120K up until March 2019<sup>1</sup>, all methods of delivering a service that both drives economic growth, makes the best use of resources, and recovers costs must be considered. This paper will look at the options available.

## 2.0 The current Trading Standards regime

At present businesses seeking advice call the main Trading Standards switchboard number<sup>2</sup>. If they choose the right option they are put through to Trading Standards where the Support Service Assistant enters their request onto the database<sup>3</sup> as a referral, for allocation to a suitable officer. However, this is not the whole picture. If a consumer has a complaint about a business which has failed to comply with Trading Standards legislation, and therefore requires advice, they ring the main Trading Standards switchboard number and are directed to the Consumer Advice Service (CACS)<sup>4</sup>. CACS advises the consumer as to their rights and refers the complaint to TS. Depending on the circumstances, TS may then advise or further investigate the trader. There is also a second category of referral, namely, notifications. CACS notifies TS of the civil advice they have given to consumers in relation to specific businesses. If the number of notifications is high against a particular trader there may be an opportunity to offer advice to the trader on consumer law.

## 3.0 The current levels of Requests for Business Advice

In Q1 and Q2 2015, 135 referrals were received by TS from CACS. There were approximately 10 complaints which highlighted the need for business advice to be given e.g. sheep on the loose without ear tags and 125 service requests from businesses specifically requesting business advice e.g. food businesses asking for their food labels to be verified prior to printing. The requests covered a wide range of TS legislation and they are detailed below as a percentage of the overall requests received. At present there are eight full-time employed TS Officers with the team about to advertise four new positions following a series of resignations. There are approximately 21,000 VAT and PAYE registered businesses in

<sup>1</sup> RPPR Appendix 6 - <https://democracy.eastsussex.gov.uk/ieListDocuments.aspx?CId=133&MId=2271&Ver=4>

<sup>2</sup> 0345 60 80 197

<sup>3</sup> FLARE

<sup>4</sup> See <https://www.citizensadvice.org.uk/consumer/get-more-help/if-you-need-more-help-about-a-consumer-issue/>

East Sussex (which excludes the self-employed businessman and micro businesses), the majority of which will have a TS inspectable risk<sup>5</sup>. An inspectable risk is when a business produces, manufacturers, imports, supplies, or sells a product that requires inspection/ testing/ sampling to a nationally recognised risk based inspection regime.

### **3.1 Food and Standards (36%)**

Common requests were for food labelling, for both indirect and direct sale (e.g. labelling of sausages, jams, beers etc.), food allergens, and compositional requirements. These requests tend to be the most time consuming as the legislative requirements for food are rapidly changing. There will also be a number of regulations applying to one product. The advice given is specific and can take a significant time to research. It would not be unreasonable to expect an officer to spend a minimum of half a day researching and advising on a food request. At present TS has three qualified food officers.

### **3.2 Fair Trading (20%)**

Fair Trading covers a wide variety of trading legislation: The Consumer Rights Act 2015, Trade Marks Act 1994, and more recently the Fraud Act 2006. Because of its generic application, most Fair Trading legislation applies to all businesses. Business workshops are an effective way of delivering training as one workshop allows one officer contact with a number of businesses at one time. Fair Trading requests are a mix of businesses asking for advice, and consumers complaining that a business is breaching the law e.g. stating they are a member of an association of which they are not a member.

### **3.3 Animal Health and Welfare (16%)**

Common requests are from new small holders or farmers needing advice on legal requirements such as ear tagging and animal movements.

### **3.4 Product Safety (13%)**

Product safety covers a wide range of products from toys to cosmetics. Not dissimilar to food, it is very product specific. Officers can again spend considerable time researching the legislation covering a specific product.

### **3.5 Feed Standards (4%)**

Typically feed requests consist of local businesses asking for composition labelling advice on pet food.

### **3.6 Age Restricted Products (4%)**

The majority of service requests received are complaints about local businesses selling age restricted products to children.

### **3.7 Explosive Licensing (4%)**

This is an area of specific concern to East Sussex TS due to the number of explosives stores in the county connected to Bonfire celebrations. It is likely that the number of service requests will increase in Q3 as the firework season arrives.

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<sup>5</sup> Focus on East Sussex 2012: East Sussex in Figure; East Sussex County Council

#### **4.0 Proposals to move the Trading Standards Service to a four tiered approach to business advice.**

It is suggested that moving forward the Service offers a four tiered approach to business advice.

1. Signposting to free advice on the Business Companion Website

Source of quality advice for the trader: all duty officers can signpost regardless of qualification: Helping people help themselves

2. The Virtual College

High quality affordable interactive online training available 24/7.

3. Business Training

Business training should be offered at a cost recovery price. The business would effectively pay for the benefit of being talked through a particular piece of legislation and having the opportunity to ask questions. Service requests would suggest that the most popular areas for talks would be food standards, fair trading and animal health. At present we have sufficient officers to deliver all three areas. It would be easy to measure an outcome as the talks are set up to show where the gaps in knowledge are, and it is easy to demonstrate an increase of knowledge by the end of a workshop through testing.

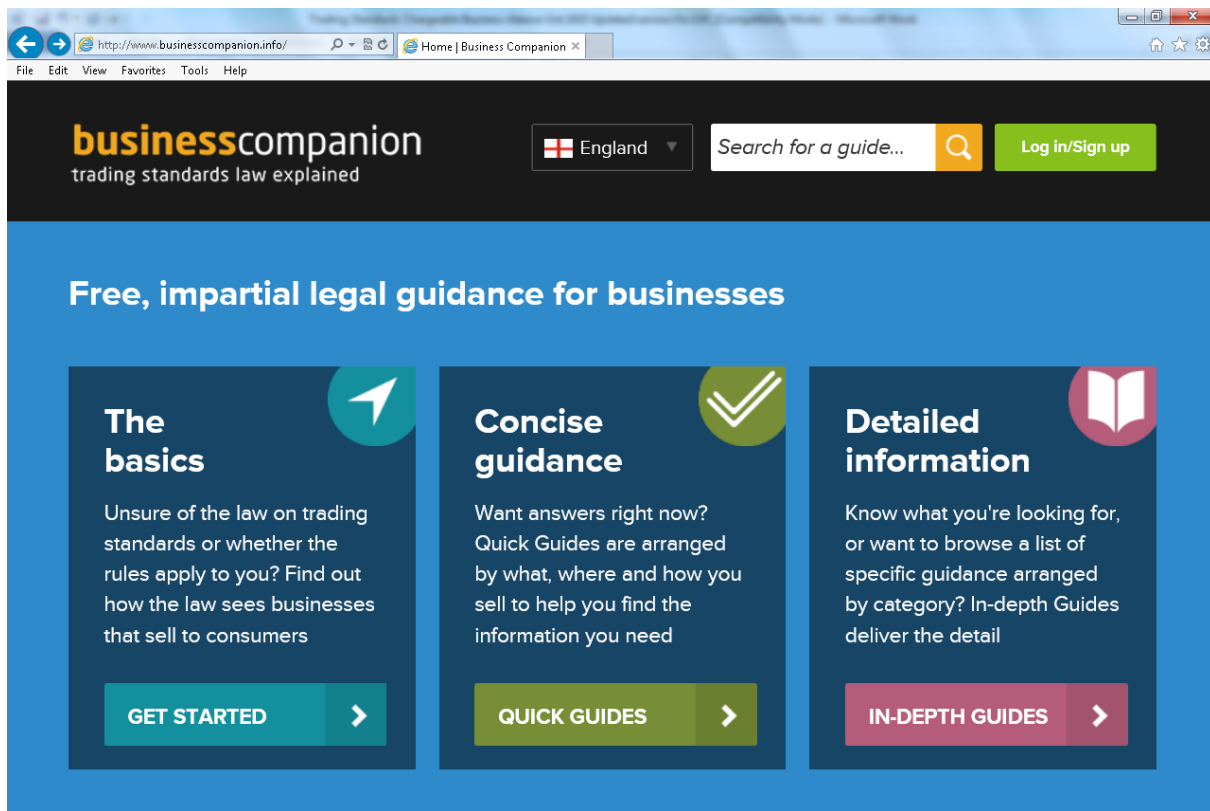
4. Chargeable business advice

If businesses do not want to do their own labels, technical file etc., then they have the option to pay TS to do it. This is a commercial choice. For example, a restaurant can choose to clean their own windows or pay a window cleaner to do it for them. This approach also allows TS to decide if they have the resource to provide the advice, without being tied in to a contract.

Further information on each of these four proposals is outlined below.

#### **4.1 Proposals for free business advice in East Sussex - Signposting to Business Companion**

Business Companion is the first stop shop for all Trading Standards Guidance. It is regularly updated by the Chartered Trading Standards Institute and provides three levels of guidance: the basics; concise and detailed



## My site



### *Advantages*

- Costs nothing
- Updated regularly
- Businesses can be signposted to advice quickly
- Helping businesses help themselves and saves them money
- Good link on website
- Good primer for Business Bite workshops
- Good aide-memoire for those attending business workshops

### *Disadvantages*

- Business cannot check their understanding of the legislation
- Minimal interaction

## 4.2 The implementation of the East Sussex Trading Standards Virtual College at a cost of £15 - £30 per on-line course

This is a product that is offered via the Chartered Trading Standards Institute. The trading standards online training courses are offered at a cost of £15-£30 with Continuous Professional Development (CPD) certificates. CTSI maintain and update the training modules and the site is hosted and maintained by the Virtual College requiring no input from our own ICT services other than making a link to the TS website. The site has been trialled successfully by Kent Trading Standards and can be viewed at <http://kent-elearning.tradingstandards.uk/>

### Online Business Training



A screenshot of the CTSI online training website. At the top is a red navigation bar with links for 'Courses', 'Log into Training', 'TradeSimple', and a shopping basket icon labeled 'Basket - 0 Items'. Below this is a search bar with a 'Search' button. The main content area shows a breadcrumb trail 'Categories &gt; Consumer Law' and a course listing for 'Consumer Contracts - Distance Sales' priced at '£30.00 + VAT'. The course description states: 'This module looks at how consumer contracts can affect your business and what you need to do to comply with the rules.' There is a 'More..' link below the description. A 'CPD CERTIFIED' logo is visible in the bottom left of the course card. The Windows taskbar is visible at the bottom of the screenshot.

#### The advantages

- The courses are provided and maintained by TSI
- The site is maintained by the Virtual College
- The yearly costs are low: £500 plus VAT
- It complements Business Companion
- It is easily marketable by TS admin using their database of businesses, FLARE
- It can be linked to the website
- It has been trialled by Kent TS
- It provides businesses with low cost, high quality training for their staff that can be taken at a time to suit
- It is accessible 24/7, 365 days per year.

### *The disadvantages*

- We need a sign up of 166 £15 courses or 88 £30 courses to break even each year

### **4.3 The implementation and delivery of chargeable business workshops at a cost of £30 per delegate**

During the last financial year in Q1 154 people attended 11 Business Workshops and in Q2 289 people attended 14 Business Workshops. In Q3 two workshops ran with 18 attendees and in Q4 two workshops ran with 16 attendees. This is a potential revenue stream as it bridges the gap between bespoke advice charged by the hour, and sign-posting. A lot of businesses attending the workshops are micro businesses with fewer than 10 employees, or they are sole traders. Workshops provide a source of Continuous Professional Development (CPD) and provide an opportunity to ask questions. They also are aimed at showing delegates how to understand legislation so as to avoid having to pay for more detailed bespoke advice. In other words, helping businesses help themselves. They are relatively cheap to produce and easy to deliver.

### *Advantages*

- Certainly an appetite for business talks. For example, Q1 and Q2 of 2015/16 have seen a big take up of courses; approximately 400 businesses have attended 30 courses in the first six months.
- Cheap to deliver – all venues have been provided at no charge
- Good source of continuing professional development
- Supports Council Priority – Helping People Help Themselves – driving economic growth
- Courses can be developed quickly to take into account changes in legislation or market demands
- The workshops can be linked to Business Companion and Legislation.gov. Business Companion<sup>6</sup> is the Trading Standards portal that provides detailed guidance on all manner of Trading Standards legislation and legislation.gov<sup>7</sup> is the portal that provides free access to the regulations and Acts of Parliament upon which the guidance is based.
- The workshops give businesses the opportunity to network
- The workshops give business the opportunity to ask questions
- The workshops have been delivered in the evenings to allow businesses to attend
- Once a workshop has been developed they can be delivered by most suitably qualified officers
- Good press release opportunities: “back to school”; “Freshers’ week”

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<sup>6</sup> <http://www.businesscompanion.info/>

<sup>7</sup> <http://www.legislation.gov.uk/>

### *Disadvantages*

- Not all officers are confident in delivering to a group
- The setting up of the talks will require good marketing and an update of the website
- The setting up of appropriate locations, booking of rooms, and taking of fees will need administering

#### **4.4 The implementation of bespoke chargeable business advice at £72 per hour plus VAT**

At present East Sussex inspects High Risk food and feed businesses yearly as part of mandatory requirements. Over the years officers have formed a good working relationship with such businesses and have in essence formed a Home Authority relationship. It is not uncommon for such businesses to ask their regular officer for additional advice such as the approval of food labels prior to printing. Such labelling advice requires detailed research of current legislation and can take a significant amount of time, but is provided at no cost. Traditionally, businesses are happy to pay for some services on a pay as you go basis without the burden of being tied into a yearly contract. In fact some local independent petrol retailers cannot afford yearly maintenance contracts with the major pump manufacturers and rely solely on independent fitters and Trading Standards officers to stamp equipment after repair. Pay as you go gives our smaller businesses more flexibility. As Small Medium Enterprises (SMEs) make up the majority of business in East Sussex this could be a popular offer to business.

### *Advantages*

- Puts the authority in charge of the advice it gives. If it has insufficient resources it can choose not to give the advice
- Central Government, through the Better Delivery Regulation Office, expect local authorities to charge businesses for advice
- Gives smaller businesses the chance to pay just for the advice they need
- More flexibility for the authority

### *Disadvantages*

- It may deter broadly compliant businesses to avoid seeking the advice they need

#### **Financial Appraisal of what other Local Authorities Charge**

The table below shows that East Sussex TS is proposing a charging level consistent with neighbouring authorities.

<b>Local Authority</b>	<b>Number of Businesses (Office of Statistics)</b>	<b>Hourly Rate excl VAT</b>	<b>Home Authority</b>	<b>Deliver Talks</b>	<b>Signposting to Advice</b>
East Sussex	22,055	Free with a proposal to charge £72.00	Free with a proposal to charge £72.00	Free with a proposal to charge £30.00	Yes - Free
Hants	58,160	£67	£400 a visit for 2 hours	No	Yes

			advice		
West Sussex	35,080	£72.00	Case by case	No	Yes
Brighton & Hove	13,435	Free	Free	Tried, but minimal take-up on under age sales	Yes
Kent	58,265	£72.00	£72.00	No	Yes
Surrey & Bucks	64,425 29,715	£77.00	£70.00	£260 half day £500 full day	Yes
Isle of Wight	4,605	Free	Free	Free	Yes
Oxfordshire	30,130	£40.00	£40.00	Free	Yes