



Business
Advice & Support
PARTNERSHIP

Business Advice & Support Partnership

A proposal for a collaborative Partnership

Our vision is “to be the leading provider of regulatory advice and support to business”.

Business Advice and Support Partnership Project (BAASP) Proposal

1. Executive Summary

Introduction

East Sussex Trading Standards Service has significant income targets to help resource the service going forward. As a result the service is currently focusing on the commercial potential of what can be offered to meet the challenge of generating sufficient income this year 2017/18 and in the future.

More recently, this has involved the introduction of charges for business advice and training to businesses within East Sussex.¹ However, work has begun with a number of other trading standards services within the South East in order to develop a proposal for working in partnership in order to deliver a stronger framework for business advice which will benefit all authorities and in turn the businesses in these areas.

There are now five trading standards services proposing to collaborate and partner together:

- East Sussex
- Hampshire
- Kent
- West Sussex
- Slough (a unitary authority also including the Environmental Health Service)

The five trading standards services are proposing to work together to provide a joint commercial business support service across the five counties and the wider area.

This does not prohibit East Sussex Trading Standards promoting their own business advice services but gives an additional facility by which to market these and other services under a combined branding. By collaborating on this venture, the five authorities can present the largest geographical coverage from one service and be a sizeable force within the “paid for” consumer protection compliance advice sector. Furthermore, the addition of Slough gives access to other areas such as Environmental Health which could be of use to East Sussex businesses.

It would clearly benefit East Sussex to work alongside other commercially minded authorities who are also selling business advice and providing Primary Authority Partnerships² to a variety of businesses across the south east.

An annual business survey completed on behalf of East Sussex Council demonstrates that local businesses want help and support with regulatory matters, and not having access this advice can be a barrier to growth³. Whilst cost may influence a decision to access this advice, it is also accessibility that can be an issue. The proposed collaboration will have a dedicated website and be able to offer a broader range of services than any single authority,

¹ Council Decision 25th July 2016 on chargeable business advice for trading standards

² Primary Authority is a mechanism for businesses to pay for assured advice from a single local authority

³ Topline East Sussex Business Statistics

(Source: UK Business Activity, Size and Location, via East Sussex in Figures):

which would allow a business to select the type, method and timing of advice to best fit in with their business commitments.

Expected Benefits

1. Potential to increase income through commercial activities. By joining forces with other services, East Sussex will be able to offer business support services to businesses that they couldn't support on their own.
2. Opportunity to fully commercialise and sell the successful in-house training courses across a much wider area. Potential income is £17,500 per annum.
3. A service that can provide a better customer experience delivered via a more agile and flexible service.
4. Economies of scale making it possible to focus dedicated resources on business support.
5. A consistent approach to business support delivered across East and West Sussex, Kent, Slough and Hampshire. This is particularly useful for businesses that span a local government boundary.
6. A more resilient service, with retained expertise and specialisms - shared across the five authorities.
7. A larger service which is better able to meet complex challenges, and needs of larger businesses.
8. Efficiencies in back-office spend e.g. by sharing licences, databases and processes.
9. Capacity to deal with developing regulatory issues for businesses in the future such as the predicted changes and challenges around Brexit.

Recommendation

That the Trading Standards Service can operate as part of the joint Business Advice and Support Partnership (BAASP)

That the hourly rate charged for business advice under this partnership is set at £70+VAT but will be reviewed and adjusted annually, subject to commercial considerations.

2. Linking with County Priorities

The Council remains committed to its priority outcomes of protecting the vulnerable, boosting economic growth, helping people help themselves and making best use of resources available. To address the resourcing challenges in delivering these priorities the Council is seeking to find ways of securing alternative sources of funding or transforming its service delivery models to improve cost effectiveness. In considering and suggesting being involved in the BAASP, East Sussex Trading Standards are showing commitment to this.

The Council has established the Income Generation Programme as the means to focus its resources on maximising the benefits from undertaking a programme of transformation and change initiatives to achieve improved cost effectiveness or increase income. The BAASP proposal seeks to increase income for trading standards in order to continue to provide business advice, and indeed expand its offering through the partnership arrangement.

3. Reasons for Undertaking the Project

In the current climate trading standards services are all exploring ways to reduce costs, maximise income and ensure service resilience while maintaining a good level of service to local consumers and businesses.

East Sussex Trading Standards Service has an annual income target of £120,000 to meet. At least a third of this amount will be gained via income from the ongoing Checktrade partnership and other good trader schemes being vetted and given trading standards

approval; however, the service now has to focus on more commercial activities to meet the continued challenge of the current shortfall in income.

The Local Government Association [Review of Trading Standards](#) summary report was published in January 2016. The review confirmed that trading standards services are best placed to serve their local community by being delivered at a local level within local Government structures. However, the review did recommend that in order to deliver longer term resilience, each service should look at joined up working where there was a case to do so. The report says:

“In particular, this would allow greater capacity for the development of commercial approaches, which we believe have an important role to play in supporting regulatory services in future.”

BAASP satisfies this recommendation.

4. Proposal

The five trading standards services are proposing to work together to provide a joint commercial business support service across the five authorities and the wider area. By collaborating on this venture, they can present the largest geographical coverage from one service, and be a sizeable force within the “paid for” consumer protection compliance advice sector.

Each authority shares a common aim to ensure economic growth is supported by ensuring a fair, responsible and competitive trading environment. The adoption and promotion of BAASP provides a valuable service which will promote strong, compliant and confident businesses which in turn will help secure greater economic growth.

The vision, mission statement, values and principles for the project as agreed between all project participants are as follows:

Vision

To be the leading provider of regulatory advice and support to business.

Mission Statement

Working with businesses to help them flourish through providing high quality products and services affordable and accessible to all from start-ups to global brands.

Principles

- *The Customer is at the heart of what we do*
- *Affordable support from day one*
- *Consistency of advice-jargon free*
- *Innovative and flexible approach*
- *Sustainable business model*
- *Be the best at we do*

Values

- *Each local authority is an equal partner*
- *Excellent customer service*
- *Our staff are our key asset*
- *Bringing commercial acumen to public service*
- *Support a fair and competitive trading environment*
- *Be quick to identify and respond to opportunities*

East Sussex Trading Standards has an opportunity to maximise income potential by working with like-minded neighbours on this commercial venture. There is a lot to gain by working as

a group, sharing the costs and risks, while pooling resources and current client lists. East Sussex has a successful training programme for businesses, which can be commercialised, and utilised by all five partners. It would also benefit East Sussex to work alongside other authorities who are already selling business advice and providing Primary Authority Partnerships to a variety of businesses across the south east.

5. Expected Benefits

There is an opportunity to achieve economies of scale, value for money, reduce costs, maximise income opportunities and create longer term resilience as well maintain specialised trading standards expertise for the benefit for all five services.

As one of the smaller services within the project, there are benefits of working with larger trading standards services with more developed business advice services with an established client base and dedicated business serving officers. The joint venture offers an opportunity to share costs, and benefit from the best practice from other services. The income potential from businesses throughout East Sussex is mainly untapped, as internal capacity to set up and maintain a business support function has been limited.

BAASP could deliver service outcomes through:

- Providing advice and assistance to local businesses on compliance and quality (including through Primary Authority Partnership Scheme)
- Developing and promoting our approved trader schemes – Checkatrade, TrustMark and Buy with Confidence.
- Focusing on the specific needs of SME businesses and new business start-ups
- Sharing databases, support systems and intelligence

There is a potential further opportunity through the joint business support venture to discuss further partnering with other fire services and environmental health services across the five authorities, and explore the possibility of developing a true 'One Stop Shop' joined up approach to business compliance support which would make it more attractive and accessible for businesses.

In summary the benefits can be seen as:-

1. Potential to increase income through commercial activities. By joining forces with other services, East Sussex will be able to offer business support services to businesses that they couldn't support on their own.
2. Opportunity to fully commercialise and sell the successful in-house training courses across a much wider area. Potential income is £17,500 per annum.
3. A service that can provide a better customer experience delivered via a more agile and flexible service.
4. Economies of scale making it possible to focus dedicated resources on business support.
5. A consistent approach to business support delivered across East and West Sussex, Kent, Slough and Hampshire. This is particularly useful for businesses that span a local government boundary.
6. A more resilient service, with retained expertise and specialisms - shared across the five authorities.
7. A larger service which is better able to meet complex challenges, and needs of larger businesses.
8. Efficiencies in back-office spend e.g. by sharing licences, databases and processes.
9. Capacity to deal with developing regulatory issues for businesses in the future such as the predicted changes and challenges around Brexit.

6. Comparison with Neighbouring Services

The introduction of the Regulatory Enforcement and Sanctions Act 2008 (RES Act) provided a statutory basis for trading standards and other enforcement bodies (such as environmental health and fire services) to enter into a legally recognised partnership with one local authority to get assured advice about how they can comply most efficiently with regulation, known as a Primary Authority Partnership (PAP). This also allowed business to shop around and choose which trading standards service they wished to deal with rather than having to work with their local service.

Changes to the PAP scheme in October 2017 will allow for any business to get assured advice no matter what their size of area of trade. This will open up the potential for primary authority to be promoted widely within the business sector and BAASP would be an ideal method to market the changes, in addition to the promotion being planned by the Department for Business, Environment and Industrial Strategy (BEIS).

The RES Act allows a local authority to charge the business for this work on a cost recovery basis in relation to the functions of the PAP. Trading Standards are now charging in accordance with this cost recovery principle. East Sussex charge £72+ VAT per hour. A comparison with partnering authorities revealed minor differences in rates varying from £61.20 - £72. It is therefore recommended that as part of the BAASP our charge should be reduced slightly to £70+ VAT as part of an alignment exercise between authorities. This will not have significant impact but will allow BAASP to promote a single rate across all authorities.

Several trading standards services in the South East choose not to offer a comprehensive business advice service due to a lack of resources or because of a lack of expertise. There are businesses willing to pay for that advice from another trading standards service, so there are opportunities to market the “paid for” business advice services to a wider audience and increase income from the provision of these services. The five authorities are based in a good location to be attractive to businesses across London and the South East.

Surrey and Buckinghamshire Trading Standards Service and Oxfordshire Trading Standards are the most advanced in the commercialisation of their business support services. They have both attracted large multinational companies from outside their area to enter into Primary Authority Partnerships (PAPs), such as Coca Cola and Toyota.

Based on the number of businesses in each local authority area, a combined business support service through BAASP would give access to almost double the businesses than in Surrey and Buckinghamshire, and nearly six times more businesses than Oxfordshire. National businesses tend to seek out the business support services of a larger more business focused trading standards service, which can provide the level of service they require. A joint working arrangement could deliver this.

7. Potential for Income Generation

Topline East Sussex Business Statistics⁴

- Number of business enterprises in East Sussex 2014 - 20,315
- Total turnover of East Sussex business enterprises in 2009 - £10,487,916,000
- Total employment in East Sussex business enterprises in 2009 – 149,855
- 88% of businesses are micro businesses
- 10% are small businesses
- 2% are medium and large businesses
- Up to 62% of businesses in the County had been trading for less than 5 years.

⁴ (Source: UK Business Activity, Size and Location, via East Sussex in Figures):

Results from the East Sussex Business Survey 2014 show:

- Business regulation was the main or biggest obstacle to growth for 16% of businesses.
- Advice on business planning and growth was the most important area for 27% of businesses.
- Access to relevant business support networks was most important for 29% of businesses.
- Local 'one stop shop' business advice centre was most important for 21% of businesses.

Bespoke advice

In Q1 and 2 2016/17 the Trading Standards Service Provided 131 pieces of bespoke advice. (262 pieces of bespoke advice a year). If each business paid for one hours advice @ £70 then this could generate £18,340.

Business Talks

In Quarter 1 and Quarter 2 2016/17 the Trading Standards Service delivered 25 business workshops to 443 delegates. If the Service charged £35 per person per workshop, based on 20 people attending, then this could generate an income of £17,500 per year.

Arguably the above could be achieved without participating in BAASP. However, the potential of gaining greater marketing and sector impact as a result of the partnership gives greater confidence about achieving and even exceeding these income predictions.

10. Timescale

The project is underway and a trial joint business support service will be expected to be launched in mid-October 2017. It is hoped that East Sussex can be part of this.

It is anticipated that it will take 12-18 months for the new service to be fully operational and established in the marketplace.

11. Costs

The project can be delivered using in-house resources, plus an external project manager employed by Trading Standards South East Ltd. There are some additional start-up costs relating to IT, website development, etc. but these should be kept to a minimum by utilising existing resources available to the five authorities as much as possible. Further expenses would need to be considered as the project becomes established.

12. Risks

1. One or more local authority withdraws from the project once started jeopardising the project.

Action: reduce risk. All project participants have agreed commitment in principle and will sign a Memorandum of Understanding (MOU) in support of their commitment. There are now five local authorities involved in the project. If one local authority leaves the project, it is unlikely to affect the overall project viability.

2. One local authority 'owns' the project and dictates direction and policy on the other three.

Action: Reduce risk. Strategic objectives and an outline business plan will be produced before starting the project. There are clear governance arrangements set out in the MOU, with each local authority having equal representation.

3. The joint venture does not generate additional income and fails.

Action: reduce risk. *The participants to the project already have an established customer base and considerable untapped potential. If the venture is not successful, there will not be any direct financial implications for East Sussex other than increased pressure to gain income from use of solely internal resource. The business support service can continue to be delivered in-house but will not have the benefit of a shared marketing resource and capacity of other authorities.*

13. Business Options

1. Continue to offer business advice and support independently of other authorities

By providing our own business support service, there is a risk businesses may decide they are better served by another larger service, or one that is part of BAASP. This could leave revenue and potential revenue lost for East Sussex. Without the support of other authorities all the administrative and marketing burdens of providing business advice would fall to East Sussex resulting in less capacity to provide support for businesses.

2. Work with neighbouring trading standards services to provide a joint business support service, and maximise income potential.

By working in partnership, the five services could provide a joint dedicated service that can be accommodate peaks and troughs of demand, and provide more comprehensive advice services required by businesses. Run as a commercial team, there are opportunities to increase income via paid for business advice, and create a regional business support centre of excellence, attracting businesses from across the south east looking for a high level of service and expertise. Furthermore, there is great potential of providing a value for money one stop shop service for SME's and business start-ups, to help support the growth of the local economy.

Recommended Option:

Option 2: Proceed with a joint business support service delivered between East and West Sussex, Kent, Slough and Hampshire Trading Standards Services.