

# REPORT FOR: **CABINET**

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<b>Date of Meeting:</b>	15 January 2014
<b>Subject:</b>	Brent and Harrow- Joint Trading Standards Service
<b>Key Decision:</b>	Yes
<b>Responsible Officer:</b>	Caroline Bruce, Corporate Director of Environment and Enterprise
<b>Portfolio Holder:</b>	Councillor Susan Hall, Leader of the Council and Portfolio Holder for Community Safety and Environment
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Enclosures:</b>	None

## Section 1 – Summary and Recommendations

The purpose of this report is to request that members consider its contents and note the continuation of the current partnership arrangement between the London Boroughs of Brent and Harrow and agree delegations to enable the finalisation of the Service Level Agreement.

### **Recommendations:**

Cabinet is requested to:

1. Note and agree the continued joint arrangements for the Trading Standards service with Brent Council and agree delegations for additional aspects of the service namely the Illegal Money Lending project and the charging for the Primary Authority Partnership;

2. Delegate authority to the Corporate Director Environment and Enterprise in conjunction with Brent Council's Strategic Director of Environment and Neighbourhood Services and in consultation with the Portfolio Holder for Community Safety and Environment to conclude the year on year changes to the SLA to reflect the operational needs of the Council and to execute such documents as necessary to give effect to recommendation 1 above.

**Reason (for recommendation):** To ensure delegation of an executive function.

## **Section 2 – Report**

This report requests Cabinet to note and agree the continued joint arrangements between Brent and Harrow and to consider some initiatives that are being developed as part of the SLA discussions. This is required to maintain the status quo of continuing to combine Brent and Harrow Trading Standards service. This partnership has resulted in a larger single trading standards service of significant size to be “fit for purpose” and meet the needs of both boroughs.

### **Background**

Trading Standards as a local authority service has a long history of partnership working. Brent has provided the service for Harrow on a consortium basis since the 1970s. Originally the service encompassed the Boroughs of Harrow, Brent and Ealing until Ealing left the consortium in the early 1990s. In 1996 a formal consortium agreement was drawn up between Brent and Harrow based upon the prior agreement between the three parties.

In accordance with the administrative arrangements which came into force under the Local Government Act 2000, the parties are required to review the arrangements contained within the 1996 agreement and seek regular Executive approval. A report to Cabinet on 3 July 2001 sought clarity from Members as to how to deal with the three joint committees that existed at the time. This resulted in the creation of the Joint Advisory Panel to oversee the service and a Service Level Agreement (SLA) setting out the costs and commercial arrangements.

The SLA is now being finalised and some new delegations are required to facilitate the inclusion of new initiatives into the agreement.

## Options considered

There are no other options being considered at this stage as the SLA needs to be finalised by February 2014 to be effective for 1<sup>st</sup> April 2014. A future review will look at options for service delivery and this will be reported to Cabinet in due course.

## Current situation

The joint service has been delivered successfully by the Brent –Harrow consortium with demonstrable benefits arising from the economies of the scale of the operation. Since 2008/2009 there has been a £300k reduction in the cost of the service. In 2013/14 additional income and further efficiencies have resulted in a further reduction to Harrow residents of £190k without diminution in the service.

The SLA for the 2014/15 financial year is currently being reviewed and there are two proposals already agreed by Brent's Cabinet that now require consideration by Harrow before they can be incorporated into the SLA. These are:

### 1. Illegal Money Lending Investigation

An Illegal Money Lending Team ("IMLT") was established within Birmingham Trading Standards as a pilot project in England, one of only two in Great Britain; the other pilot area being Glasgow – covering Scotland. The remit of the team is to investigate illegal money lending activity, establish if a problem exists and, if so, bring to justice those persons carrying on this activity. The team is made up of highly experienced investigators with a broad range of backgrounds and investigative skills.

Research funded by the Department of Business Innovation and Skills (BIS) and using information gathered by the Birmingham pilot project has been published which identifies the extent of this type of activity as well as the reasons that people use illegal money lenders. Funding for the project is provided from the Financial Inclusion Fund administered by the Treasury and managed by BIS. The Treasury and BIS announced that due to the success of the Birmingham pilot, funding will be continued and can be used to roll out to other Authorities.

On 29<sup>th</sup> December 2010, Business Minister, Edward Davey announced that £5.2 million in funds was to be made available to continue the national illegal money lending project for 2012/13 through the trading standards service.

In addition, the Minister also announced that BIS intended to restructure the project by moving it to a three national team model. The Minister indicated that BIS were looking to maintain front line services whilst providing a value for money project. The England team is now hosted by Birmingham City Council and will continue to provide resources to investigate and prosecute illegal money lending across England.

Brent is currently in discussion with Birmingham to finalise the Illegal Money Lending Protocol. To take part in this scheme requires a delegation to Brent so that Harrow can be included in the protocol. There are no other viable alternative to this option as Birmingham City Council provides this service across England and as the scheme is funded by BIS there are no costs to Councils taking part in the scheme.

## 2. Introduction of a Charge base Regulatory Advice service for businesses.

Local Authority regulators, such as Trading Standards, Food Safety and Health & Safety, have been advising businesses of all sizes for many years in a number of ways. Regulators have justified this on the basis that this is a part of their statutory duties and that helping businesses comply with the law was a more effective way of ensuring compliance than by just inspection and enforcement action (including prosecution). This approach also satisfied the requirements of the Enforcement Concordat and the Regulators' Compliance Code. The key compliance tool used was the Home Authority (HA) principle whereby a Local Authority acts as the single point of contact for businesses that are based in their area but operate across the country. Local Authority regulatory services have been supporting HA relationships with larger companies for many years.

The Regulatory Enforcement and Sanctions Act 2008 (RESA) introduced the concept of Primary Authority Partnerships (PAPs) which are seen as the logical development of the HA schemes. PAPs are legally recognised schemes, unlike the voluntary HA schemes they are intended to replace. PAPs are open to any business, charity or other organisation that is regulated by two or more local authorities in respect of a relevant function. PAPs are offered across a range of regulatory functions.

The June 2013 report to the Brent Executive sought approval for the introduction of a PAP scheme in Brent and for the introduction of a charging system to increase the availability of advice and support to businesses, especially to Small and Medium sized Enterprises (SMEs), with the provision of up to seven hours free advice and guidance on regulatory matters.

The Brent proposals aim to reduce and simplify the regulatory burden on businesses entering into PAPs by ensuring that they can have confidence in applying nationwide the advice they have been given. This is because admission to a PAP scheme symbolises consistency of approach between different local enforcement agencies. For businesses requiring more advice than it would presently be possible to give from existing resources, these proposals extend the availability of advice, with up to seven hours advice and support provided free and the option to access more advice if required at an extremely economic rate.

In finalising the SLA Harrow will have the flexibility to not only determine the number of hours free service to be provided to Harrow businesses but to also determine the charges that would apply thereafter.

As this is an additional aspect to the service there need to be a delegation to Brent by Harrow Cabinet before it can be incorporated into the SLA.

## **Implications of the Recommendation**

### **Resources, costs**

The financial implications are outlined below. There are no additional resource implications for the delegation re Illegal Money Lending. There are also no additional resource implications for the charging for regulatory advice. The SLA will include the commercial arrangements for the allocation of income gained from this initiative.

### **Staffing/workforce**

None

### **Equalities impact**

None

### **Community safety**

The proposed revisions to the SLA for 2014/15 would introduce further improvements to the service in respect of illegal money lending and the businesses regulatory advice service and contribute to improving community safety.

## **Legal Implications**

The purpose of the service level agreement is to allow Harrow Council to continue with the administrative arrangements in providing a joint trading standard service with Brent Council. This is covered by the general power of competence under the Localism Act 2011. The power to delegate a function to another local authority is contained in s101 Local Government Act 1972 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012.

## **Financial Implications**

The current cost of the service is £625k. The MTFs reductions mean that the net budget available is £485k in 2013/14. The 2014/15 available budget and service level is to be discussed as part of the SLA.

## **Performance Issues**

The Trading Standards service contributes to the Council priorities of making Harrow a Safer and Fairer Borough through its work in regulating business activity and monitoring product and business safety. The service contributes actively to the Safer Harrow Partnership through input to the joint tasking process and contributions to partnership activities such as weeks of action and joint enforcement projects. Its priorities and performance standards are set annually by a service plan which is scrutinised by a member level Advisory Board. In relation to the two proposals in this report, the IMLT deals with protecting vulnerable people who may be the victims of extortionate credit as well as harassment and intimidation from loan sharks, while the chargeable business advice ensures that we maintain a level of assistance for all of our businesses.

The table below shows the current performance metrics for the service:

<b>Performance Metric (Descriptor)</b>	<b>Specific Activity undertaken</b>	<b>Planned</b>	<b>Actual</b>
Number of consumer protection enquiries dealt with from members of the public	Requests for action completed (criminal)	850	1057
High risk premises due for inspection	Announced Primary High Risk Insp.	70	50
Targeting businesses which sell age restricted goods	Under Age Test Purchase Visits	150	150
Referrals from other Local Authorities regarding businesses where we provide advice and assistance on a national level	Home Authority Referrals	145	67
Number of reports/investigations submitted by the team	Criminal Reports of Infringement	50	46
Number referrals the Trading Standards Financial Investigations team.	Financial Investigations under POCA	6	7
The number of defendants prosecuted	Prosecutions completed (Magistrates)	11	20
The number of formal cautions issued	Simple Cautions	12	9
The number of letters of warning issued	Letters of Warning	20	20
Audits completed of members of the approved trader scheme	Approved Trader Scheme audits	30	114
The number of Doorstep crime operations	Doorstep Crime Multi-Agency	6	1
Number of emergency callouts attended by staff in relation to rogue trader activity	Doorstep Crime Rapid response actions	6	3

## **Environmental Impact**

There is no environmental impact associated with this report.

## **Risk Management Implications**

Risk included on Directorate risk register? Yes

Separate risk register in place? No

## **Equalities implications**

Was an Equality Impact Assessment carried out? No.

## **Priorities**

The report contributes to the fairer aspect of the current corporate priorities as it ensures the regulation of trading standards.

### **Section 3 - Statutory Officer Clearance**

Name: Jessie Man

on behalf of the  
Chief Financial Officer

Date: 3 December 2013

Name: Linda Cohen

on behalf of the  
Monitoring Officer

Date: 10 December 2013

### **Section 4 – Performance Officer Clearance**

Name: Martin Randall

on behalf of the  
Divisional Director  
Strategic Commissioning

Date: 2 January 2014

### **Section 5 – Environmental Impact Officer Clearance**

Name: Andrew Baker

on behalf of the  
Corporate Director  
(Environment &  
Enterprise)

Date: 12 December 2013

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### **Section 6 - Contact Details and Background Papers**

**Contact:** Venetia Reid-Baptiste, Divisional Director- Commissioning Services  
Environment & Enterprise  
Tel: 020 8424 1492

**Background Papers:** Minutes – Cabinet, 3 July 2001 –  
Recommendation III - Local Government Act 2000 - Joint  
Arrangements

<http://www.harrow.gov.uk/www2/CeListDocuments.aspx?Committeed=249&MeetingId=1049&DF=17%2f07%2f2001&Ver=2>

**Call-In Waived by the  
Chairman of Overview  
and Scrutiny Committee**

**NOT APPLICABLE**

*[Call-in applies]*